



Oregon Secretary of State

Audit Plan for Performance Audits

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Agency-Wide Goals

1

Integrity

Nonpartisan operations, prioritizing Oregonians' needs

2

Accountability

Honesty, identifying and fixing shortfalls

3

Competence

Improving implementation, attention to detail

ORS 297.076(1)

The Secretary of State shall, on a fiscal year basis, prepare an **annual audit plan** for **performance audits**, as defined in ORS 297.070, of state departments, boards, commissions, institutions and state-aided institutions and agencies.

The audit plan must be based on a **risk assessment methodology**.

The Secretary of State shall seek, in the audit plan, to **prioritize** audits recommended by the **Joint Legislative Audit Committee**

Risk Assessment Methodology

- New risk assessment methodology developed in 2025.
- Requirements: **risk based, data-driven, removing bias, transparent.**
- Consulted:
 - Legislators
 - Legislative Staff
 - Agency Leadership
 - Chief Audit Executive Council and Statewide Internal Audit Community
 - SOS Audits Division
 - Leading Practices, including guidance from COSO

Risk Assessment Methodology

PHASE 1: **Who** will be audited (11 risk indicators, applied to all agencies). *Indicators included a change in agency budget risk indicator, custodial risk indicator, director experience risk indicator, and policy governance risk indicator.*

PHASE 2: **What** will be audited using a risk register analysis. *Risk sources included internal audit risk registers, LFO budgetary analysis, feedback from state leadership and auditees, observations from other audit work, and input from JLAC members.*

FY27 Audit Plan for Performance Audits

	Auditee	Focus area(s) <i>Areas may be broadened or narrowed as determined by the auditor based on engagement risk assessment results</i>
1	Oregon Department of Education	High School Graduation and College and Career Readiness Fund, per ORS 327.895
2	Oregon Department of Transportation	State Highway Fund and capital projects, per House Bill 3991 from the 2025 1 st Special Session
3	Oregon Liquor and Cannabis Commission	Distilled Spirit Program Administration – liquor sales and distribution
4	Oregon Youth Authority	Community Programs – parole and probation services
5	Oregon Department of Corrections	Threat detection and mitigation – mail processing
6	Oregon Department of State Police	Criminal Justice Information Services – sex offender registration section review
7	Oregon Health Authority	Oversight of pass-through funding; grant and contract administration
8	Legislative Administration	Review of the Capitol Accessibility, Maintenance and Safety Project
9	Oregon Department of Education	School district funding allocation
10	Oregon Department of Human Services	Intellectual and Developmental Disabilities Program Area review

FY26 Audit Plan for Perf. Audits Update

#	Auditee	Focus Area	Status
1	Department of Human Services	Adult Protective Services	Planning phase
2	Department of Administrative Services	Fleet and Parking Services	Discontinued after preliminary scoping and risk assessments; limited return on audit investment
3	Multi-Agency	Key Performance Measures	Planning phase
4	Oregon Health Authority	Medicaid Program Data Analytics	Planning phase
5	Public Defense Services Commission	Office of Public Defense Services	Planning phase
6	Parks and Recreation	Governance	Reporting phase; 2026 release planned
7	Multi-Agency	State Program and Service Language Accessibility	Fieldwork phase; 2026 release planned
8	Oregon Youth Authority	Young Adults in Custody Safety and Wellness	OYA audit postponed due to ongoing legal proceedings

Questions?

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