

**PIERCE COUNTY
OFFICE OF THE COUNTY COUNCIL
COUNTYWIDE RISK ASSESSMENT**

JUNE 21, 2021

**Prepared by:
Sjoberg
Evashenk
Consulting**



Pierce County



TABLE OF CONTENTS

Introduction & Background	3
Program Risk Profiles	6
Countywide Risk Ratings	39
Additional Audit Topic Observations	41
Proposed Audit Plan	45

INTRODUCTION & BACKGROUND

Objectives,
Scope, &
Methodology

PROJECT SCOPE & OBJECTIVES

- The objective of the Countywide Risk Assessment was to:
 - Determine audit areas in the form of agencies, divisions, programs, or other appropriate units.
 - Identify and rank potential adverse consequences associated with county expenditures, productivity, output, effectiveness, and outcome effectiveness.
 - Identify realized adverse consequences in the above areas due to the coronavirus pandemic.
 - Develop a ranking matrix that identifies potential risks.
- The scope of the of the risk assessment included, all County offices, departments, courts—including the programs, services, and activities of each—in place at the time the risk assessment was conducted.

RISK ASSESSMENT METHODOLOGY

To complete the risk assessment, Sjoberg Evashenk Consulting performed the following procedures:

- Obtained and evaluated current and historical background information for each office, department, and court (collectively referred to as “departments”), including information available through the County’s website and intranet site, program descriptions, budget documentation, Open Pierce County, strategic plans and annual reports, and other relevant documentation, etc.
- Identified the audit universe and auditable units, including County departments and the defined programs, services, and functions carried out by County departments.
- Interviewed department heads and coordinated with departments to gather information about County operations, programs, and functions; to identify potential and inherent risks to the achievement of the missions, objectives, and goals of each; and to discuss current initiatives and activities of the departments.
- Based on information provided and auditor judgement, prepared “risk profiles” for each department; evaluated potential risks associated with each auditable unit (department or program); assigned risk ratings for each based on inherent and control risks, vulnerability and auditability, and the potential likelihood and impact the risks pose to the County; and identified potential audit topics to address key risks.
- Based on the risk profiles and risk ratings, as well as additional information obtained through this risk assessment, identified the potential audit topics believed to present the greatest value to the County in its upcoming audit plan.

PROGRAM RISK PROFILES

Departments,
Offices, &
Courts

Mission: Fairly and efficiently value property and collect revenue to fund public services throughout Pierce County.

2020-2021 Budget: \$24.2 million **FTE:** 76.20

Core Functions: Discover and value real and personal property, determine eligibility for property tax exemptions and other taxpayer programs, provide current assessment information, maintain updated mapping of real property parcels, complete the levy process, and ensure the accurate billing of real and personal property taxes used to fund essential government services.

Factors Contributing to Risk Assessment: Office has a moderate level of funding / FTEs when compared to other departments / offices, and relatively low level of cash or other high-risk assets; mission critical to ensuring taxpayers are assessed fair and equitable property taxes; divisions each perform specialized tasks, subject to statutory deadlines, designed to ensure property records remain up-to-date and assessments accurate, suggesting increased complexity; Office recently experienced significant budget fluctuations, with 20-35% increases for appraisal appeals, general administration, and residential appraisals, as well as a 25% decrease in budget for information management; no past or planned audits; tracks performance metrics internally and is subject to Department of Revenue reporting; Assessment Roll Certification generally filed timely, and Assessment Ratios consistently above State average; relatively high turnover in recent years resulting from retirement, associated loss of institutional knowledge; high public visibility and scrutiny.

Assessor - Treasurer

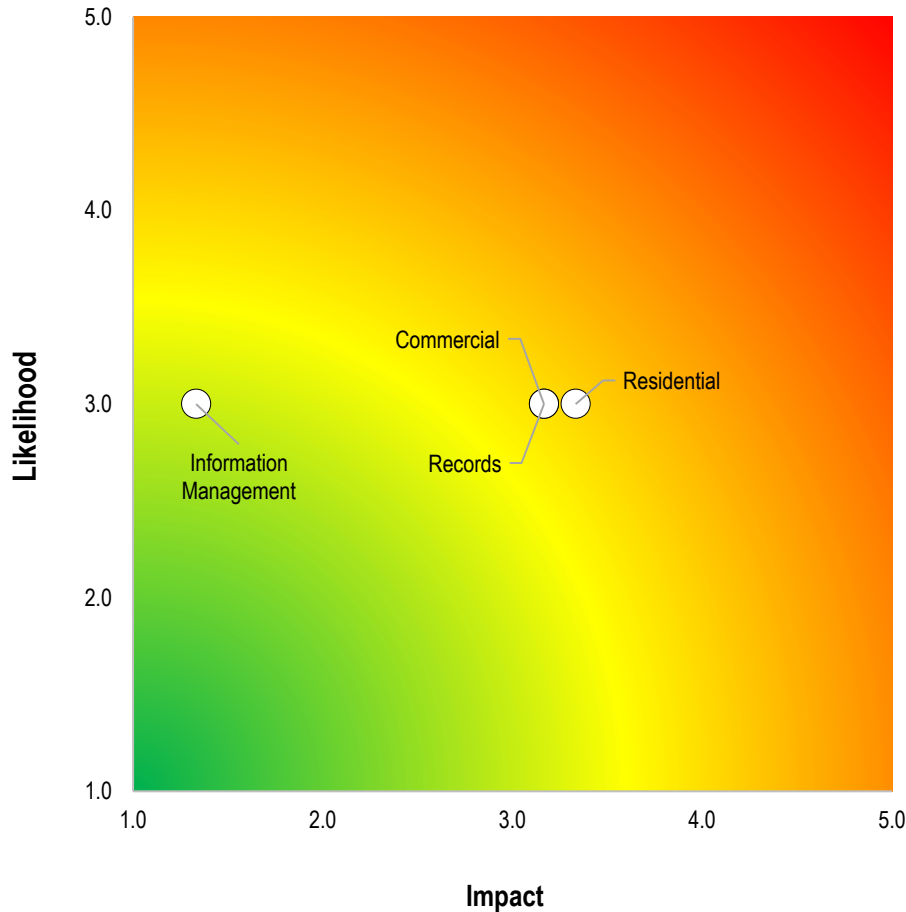
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Commercial Property Appraisal	Value all commercial property for tax purposes, including specific appraisals of each property at least once every six years, and identifying all new construction. Conduct statistical appraisals. Ensure valuations are reliable.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Potential for inaccurate appraisals, intentionally or a result of methods; non-compliance with DOR requirements. Other: DOR annual reports show Office is performing in line with peers; require conflict of interest attestations in appraisal activity.
Residential Property Appraisal	Value all residential property for tax purposes, including specific appraisals of each property at least once every six years, and identifying all new construction. Conduct statistical appraisals. Ensure valuations are reliable.	Budget: \$4-10 million FTE: 21-50 Inherent Risks: Potential for inaccurate appraisals, intentionally or a result of methods; non-compliance with DOR requirements. Other: DOR annual reports show Office is performing in line with peers; require conflict of interest attestations in appraisal activity.
Information Management	Provides in-house support for the Department's information systems used to maintain property records, assess property values, and levy property taxes—including RealWare and Ascend.	Budget: \$0-3 million FTE: 0-10 Inherent Risks: Accuracy of data in information system, efficiency of system to minimize manual efforts, effectiveness of information security protocols. Other: Functionality of system long-term, potential need for system replacement.
Records	The Records Officer manages several units responsible for ensuring property records remain up-to-date for assessment purposes, and maintaining current digital data sets of all map-related data necessary to support property valuation. This includes general customer service, open space and exemptions processing, mobile home and personal property assessment support, cartography, land maintenance and GIS management, foreclosure avoidance, and document management.	Budget: \$11-20 million FTE: 21-50 Inherent Risks: Potential for backlogs to build, resulting in untimely maintenance of property records, impacting assessed values; reliance on manual efforts. Other: Staff cross-trained to address seasonal fluctuations in workload; generally able to handle existing workloads to maintain property records in a timely manner (no significant backlogs); experiencing loss of institutional knowledge with increased turnover and staff retirements; policies and procedures not fully up-to-date, a work in progress.

Primary Program Areas:

- Residential Property Appraisal
- Commercial Property Appraisal
- Information Management
- Records

Assessor - Treasurer

Risk Rating Heat Map



Potential Audit Topic(s)

While the Office of the Assessor-Treasurer is organized into four program units, representing discrete auditable unit, each contributes to a unified purpose and outcome. Therefore, we find that greater value can be achieved through an Office-wide performance audit rather than smaller audits of any component unit. The proposed audit objective is:

- (1) Evaluation of business processes and information systems to identify potential:
 - (a) Inefficiencies, duplication of efforts, backlogs.
 - (b) Opportunities to improve tax discovery efforts.
 - (c) Barriers to meeting DOR mandates.
 - (d) Approaches to enhancing knowledge transfer.

Mission: Provide and administer a public defense delivery system that assures eligible people receive professional and effective representation while efficiently utilizing public resources.

2020-21 Budget: \$43.1 million

FTE: 100.90

Core Functions: Delivery of mandated legal services to indigent persons accused of crimes, provide constitutionally mandated legal services to indigent parents involved in Juvenile Court dependency, and provide representation to clients detained pursuant to RCW 71.09, and a limited number of felony and misdemeanor appeals.

Factors Contributing to Risk Assessment: Office has moderate- to high-level of funding / FTEs, relatively low level of cash or other high-risk assets, and is responsible to ensure all qualified persons receive adequate counsel; performance dashboard exists, but does not include some key performance metrics, such as those related to caseload management; meeting all Indigent Defense Standards, which include appointment of qualified counsel (e.g., assigned and individual appointments based upon case complexity and attorney qualifications); Information Technology tools are generally effective, but enhancements are needed to allow for increased automation, electronic record-keeping, and improved indigent notification systems to increase appearance rates for indigent clients; Office has little control over workload fluctuations and must manage caseloads in conformance with state standards, presenting potential budgetary challenges; experienced reduction in reliable experienced external professional service providers (e.g., psychologists, conflict panel attorneys) to take on challenging complex cases, presenting a potentially significant challenge in the future.

Assigned Counsel

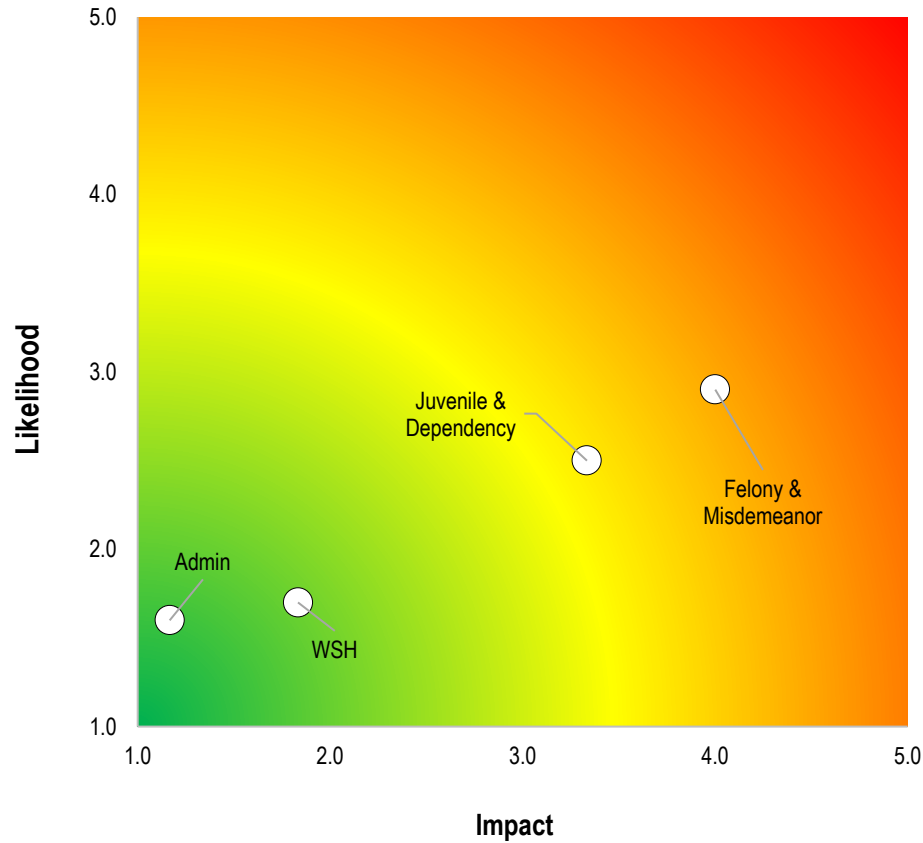
UNITS	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Felony & Misdemeanor	The Department of Assigned Counsel (DAC) is responsible for the delivery of mandated legal services to indigent persons charged in adult felonies and misdemeanors cases.	<p>Budget: \$21-50 million FTE: 51-100</p> <p>Inherent Risks: Primary risk relates to the ability of Office to manage caseloads in a manner consistent with State standards; failure to do so could lead to determinations that defendants' rights to an attorney were withheld. Efficient and effective management of contract attorneys / conflict panel.</p> <p>Other: Rigorous case monitoring to ensure compliance with state mandates; high public visibility; historically experienced adequate funding levels but increased caseloads may be imminent.</p>
Juvenile & Dependency	The Department provides constitutionally mandated legal services to indigent parents involved in Juvenile Court dependency and termination proceedings.	<p>Budget: \$4-10 million FTE: 11-20</p> <p>Inherent Risks: Primary risk relates to the ability of Office to manage caseloads in a manner consistent with State standards; failure to do so could lead to determinations that defendants' rights to an attorney were withheld. Efficient and effective management of contract attorneys / conflict panel.</p> <p>Other: Rigorous case monitoring to ensure compliance with state mandates; historically experienced adequate funding levels but increased caseloads may be imminent.</p>
Western State Hospital Division	The Department provides legal assistance representing persons detained for involuntary civil commitment proceedings at Western State Hospital and other evaluation and treatment facilities.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Effective and efficient case management.</p> <p>Other: Rigorous case monitoring to ensure compliance with state mandates.</p>
Program Administration	Providing public defense services includes various administrative responsibilities, assignment of qualified counsel, monitoring caseloads and ensuring in-house counsel maintain workloads in conformance with state standards, maintaining a "conflict panel" or pool of contracted counsel to accommodate caseload demands. The Department also provides legal services to local municipalities.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Effective monitoring of caseloads, conformance with state caseload requirements, and efficient use and monitoring of conflict panel and outsourced attorneys.</p> <p>Other: Effective information technology tools (LINX) and resources allow for efficient and effective case management and caseload monitoring; adopted case weighting model to closely monitor caseloads; perception of significant time waste in manual record-keeping and storage.</p>

Primary Program Areas:

- Program Administration
- Juvenile & Dependency
- Felony & Misdemeanor
- Western State Hospital (WSH)

Assigned Counsel

Risk Rating Heat Map



Potential Audit Topic(s)

Successfully achieving the mission of the Office of Assigned Counsel requires the Office to maintain caseloads that comply with State mandates. The Office has little control over workload fluctuations and must manage caseloads in conformance with state standards, presenting potential budgetary challenges. A performance audit of the Office of Assigned Counsel should focus on this primary concern.

- (1) Evaluation of caseload management in the Office of Assigned Counsel business processes and information systems to identify potential:
 - (a) Determining whether the Office consistently adheres to State mandated caseload requirements.
 - (b) Assess the methods employed by the Office to measure assigned caseloads, evaluate resource allocation, and identify opportunities for improvement.

Mission: Conduct honest and accurate elections; maintain the integrity and accessibility of the public record; and provide efficient licensing services.

2020-21 Budget: \$20.8 million

FTE: 52.05

Core Functions: Maintain voter registration database, conduct elections, maintain public records, renew and issue licenses and permits for vehicles, vessels, issue marriage, business, pet licenses, and passports.

Factors Contributing to Risk Assessment: Office has a moderate level of funding / FTEs when compared to other departments / offices, and relatively low level of cash or other high-risk assets; there have been no prior County performance audits of the Auditor's Office, though most functions of the Office are subject to State laws, regulations, and oversight (e.g., Secretary of State, State Auditor's Office); licensing and record-keeping make up a substantial portion of the Office's routine workload, requiring significant efforts to retain and manage official records and respond to public records requests; and, as the office responsible for managing elections county-wide, it receives significant public attention.

Auditor

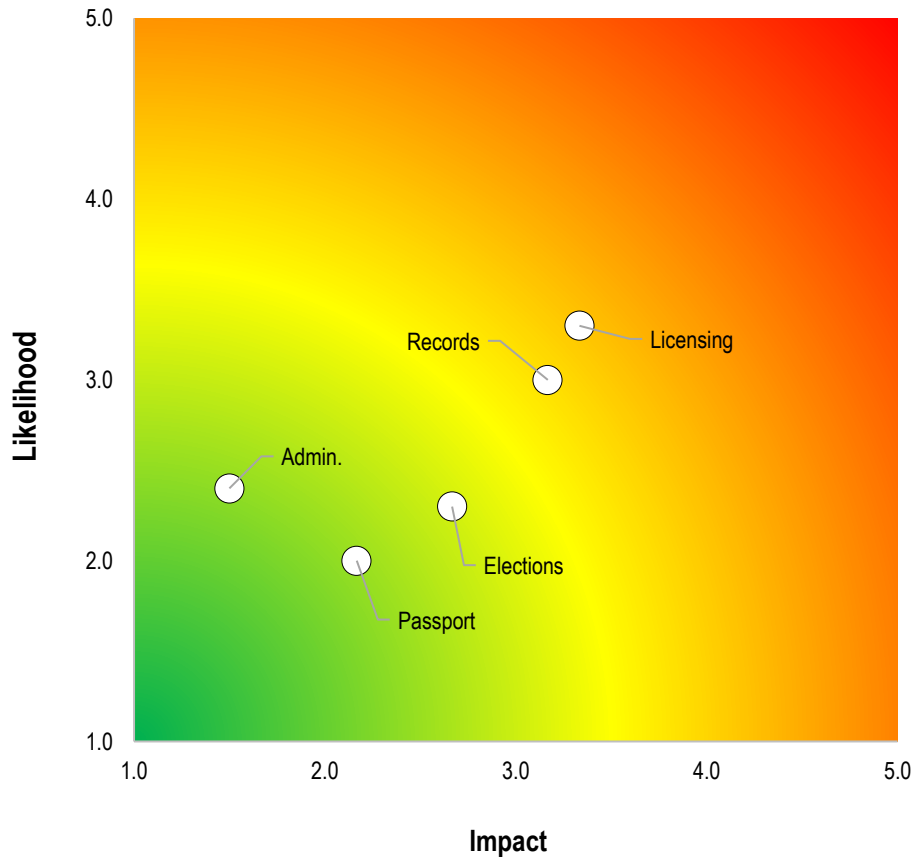
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Elections	Register and maintain voter rolls; maintain precinct and district boundaries; conduct all aspects of federal, state, and local elections; and check signatures on local petitions.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: The perception that actions of the Auditor's Office could unduly impact the outcome of a fair election, whether intentional or unintentional. Other: Regulated by the Secretary of State and subject to state audits, Elections presents a very high profile function of County government in an era in which election officials are subject to intense scrutiny.
Recording	Receive documents and public records submitted by public agencies, private companies, and individuals, and retain for permanent preservation and availability. Collect or exempt taxes due on sale/transfer of properties and mobile homes.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Inefficiencies that could impact the receipt and recording of publicly recorded documents, as well as the availability of records, in a manner that is easy, prompt, and low-cost; potential theft or loss of monies through cashing operations. Other: Has begun and made progress on digitizing records and making them available online; however, treating all requests for public records as an official public records request subject to PRA—even when records are already public (marriage licensing) is becoming increasingly costly.
Licensing	Responsible for processing business licenses, marriage licenses, pet licenses, and automobile and vessel licenses; register process servers; select, contract, supervise, train, provide inventory to, maintain banking relationship with, and audit 10 community-based licensing subagencies.	Budget: \$4-10 million FTE: 21-50 Inherent Risks: Potential theft or loss of monies through cashing operations (in-house and subagents); ensuring full compliance with licensing requirements (e.g., business licenses). Other: Lack of uniformity and consistency among departments with respect to language and translation services may contribute to duplication of effort and inefficiencies.
Passports	Assists US citizens with their passport application needs, receiving and processing applications on behalf of the US Department of State.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Potential theft or loss of monies through cashing operations. Other: Office has experienced a drop in revenue resulting from the closure of the passport office (pandemic).
Administration / Fiscal Services	Provides administrative support to the Office, including information technology support of multiple election and business systems, along with human resources, fiscal, procurement, and contracting support.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Potentially inefficient or insufficient support of the Office's core operations. Other: The office maintains a rigorous schedule for updating policies and procedures annually, but Fiscal Services believed to be understaffed, with static FTEs and mounting workload (e.g., increased methods of payment, oversight of subagents, and accounting for every line of service).

Primary Program Areas:

- Elections
- Recording
- Licensing
- Passports
- Administration

Auditor

Risk Rating Heat Map



Potential Audit Topic(s)

The operations of the Auditor's Office generally represents low to moderate risk. Based on this risk assessment, performance audits of the Office could include the following five (5) potential audit topics:

- 1) Internal controls over payment processing and oversight of subagents.
- 2) Operational efficiencies and performance designed to ensure the easy and prompt recording of publicly recorded documents.
- 3) Report on the Auditor's Office performance during past and/or upcoming elections.
- 4) Potential efficiencies and enhanced quality control to be gained by consolidating or coordinating countywide language and translation services.
- 5) Sufficiency of resources to support the Office's administrative functions.

Mission: Protect the integrity and accuracy of the Superior Court case records, to provide these records with excellent customer service in a fair, thorough, accurate, and respectful matter, and to understand the needs of the customer, assist when necessary and appropriate, and provide direction as needed.

2020-21 Budget: \$14.9 million

FTE: 52.00

Core Functions: Maintain records of all cases filed in the Superior Court dating back to the 1890s, perform quasi-judicial duties including issuance of writs, orders, subpoenas, and warrants, serve as administrator of the Superior Court's Mandatory Arbitration Program.

Factors Contributing to Department Risk Level: Department has a low level of funding / FTEs when compared to other departments / offices, but controls a moderate level of cash or other high-risk assets; no past or planned audits of the Clerk; relatively few or outdated policies and procedures; information technology resources are perceived to be adequate and effective; much of the functions of the Clerk are subject to the Revised Code of Washington (RCW) as well as state and local rules of court; and the function does not represent a strategic or legislative priority of the County Council.

Clerk of the Superior Court

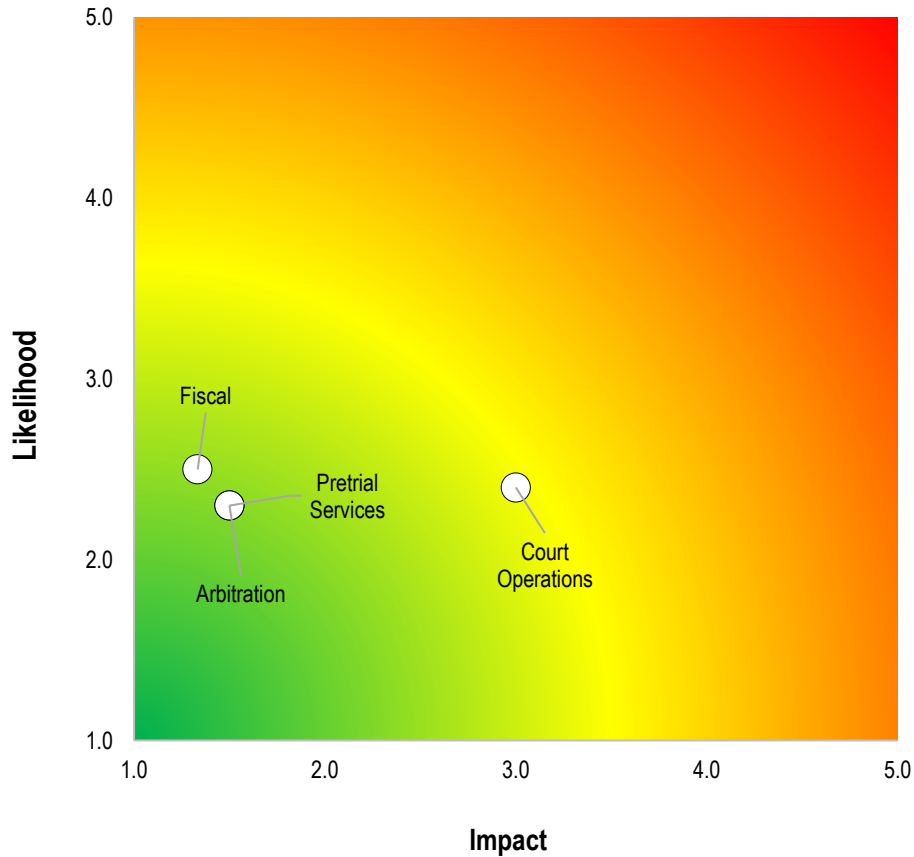
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Court Operations / Clerical	Serves as record keeper of Superior Court. Provides administrative support for court operations, including administering the court's case management system; managing and securing the exhibit room; maintaining and providing access to all records of the court; managing the public counter; docketing; process, maintain, and provide access to court records; notifying licensing and law enforcement agencies of convictions, restrictions, loss of firearms, restraining orders, etc.; and issuing writs, orders, subpoenas, and warrants. Provides assistance and information to victims of domestic violence, harassment, and sexual assault; and assists self-represented litigants with family law processes, such as guardianship, dissolutions, custody, etc.	<p>Budget: \$11-20 million FTE: 21-50</p> <p>Inherent Risks: Potential theft or loss of monies through cashiering operations, charges associated with access to the Court's case management system, or other high-risk items placed in the Court's custody and stored in the evidence room; comingled cashiering operations; efficient records management.</p> <p>Other: Department does not maintain comprehensive up-to-date policies and procedures, but relies primarily on local and state rules of court; potential to increase revenue by modifying charges for access to the case management system.</p>
Pretrial Services	Provides pretrial services on behalf of the Superior Court, including conducting indigent screening and providing the court with information pertaining to the setting of bail and release of offenders pending trial.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Primary risk relates to indigent screening itself, ensuring every qualified individual benefits from the program and no unqualified individual.</p> <p>Other: Relatively small operation with relatively low risk; during the pandemic, reported an increase in pretrial expenses related to screenings.</p>
Arbitration	Manages the County's Mandatory Arbitration System (MAR), which provides an alternative to a court hearing for cases with a total value of less than \$100,000.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Optimizing participation in the program in order to reduce court costs, improve scheduling, and resolve disputes timely.</p> <p>Other: Relatively small operation with relatively low risk.</p>
Fiscal Division	Serves as Fiscal Officer of Superior Court. Oversees and maintains accounting functions for Superior Court cases. Process court fees, collect/account for restitution, filing fees, court fines and assessments, trust funds, child support funds, cash bail, etc. Enters judgments into the LINX court case management system and keep public records of court decisions.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Ensuring accuracy of court records and funds held in trust; accurately recording fee and fine collections to ensure appropriate distribution between the County and State.</p> <p>Other: Department experienced reduction in revenue resulting from a reduction in unlawful retainers/evictions.</p>

Primary Program Areas:

- Court Operations
- Pretrial Services
- Arbitration
- Fiscal Division

Clerk of the Superior Court

Risk Rating Heat Map



Potential Audit Topic(s)

The operations of the Clerk of the Superior Court generally represent low- to moderate-risk. Based on this risk assessment, a performance audit of the Clerk of the Superior Court could include the following two objectives:

- (1) Determine whether the Clerk has established sound internal controls over cash collections, taking custody of exhibits and securing the exhibit room, and tracking and escheating funds held in trust.
- (2) Evaluate whether the processes employed by the Clerk to record judicial decisions and fee/fine collections ensures accuracy and correct distribution of fee and fine revenue to the County.

Mission: As an independent and impartial branch of government, promote respect for law, society and individual rights; provide open, accessible and effective forums for dispute resolution; resolve legal matters in a just, efficient and timely manner and assure the dignified and fair treatment of all parties.

2020-21 Budget: \$32 million **FTE:** 103.00

Core Functions: Serve as a court of limited jurisdiction over traffic infractions, criminal and traffic misdemeanors, gross misdemeanors, civil matters for damages or injury to individuals or personal property, penalties and contract disputes no greater than \$100,000, small claims, name changes, and anti-harassment and stalking protection orders.

Factors Contributing to Department Risk Level: Court has a moderate level of funding / FTEs when compared to other departments / offices, and moderate cash or other high-risk assets; no past or planned audits; no performance measure dashboard; and the function does not represent a strategic or legislative priority of the County Council.

District Court

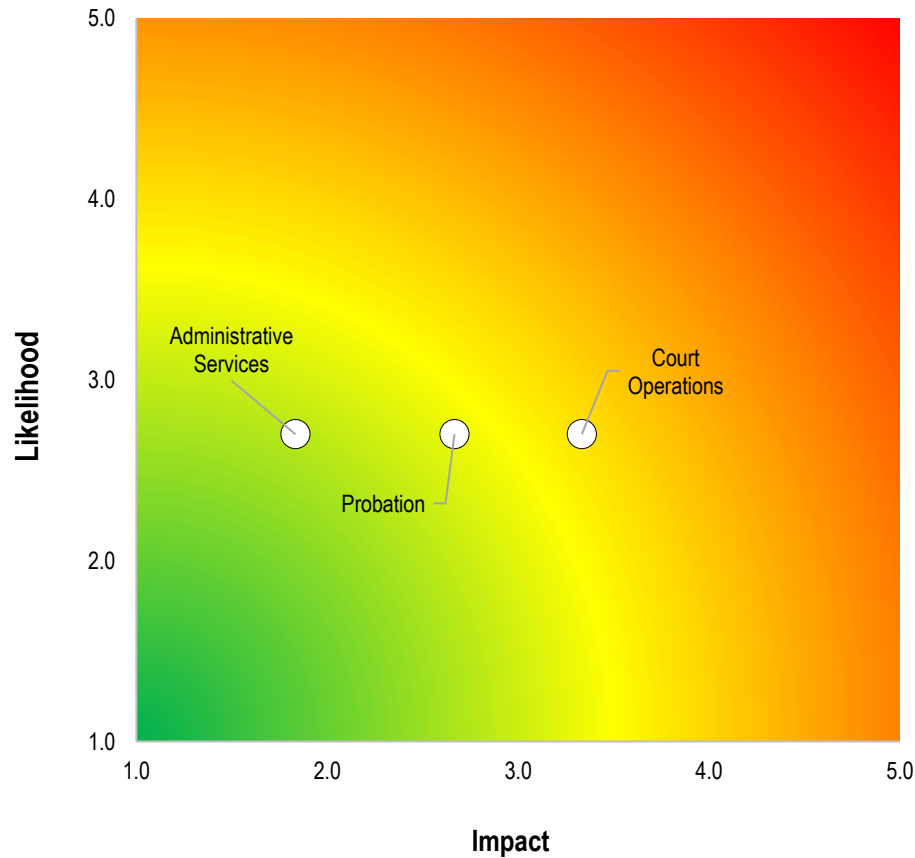
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Administrative Services & Court Solutions	Provides administrative support to judicial officers, staff public counters, process filing fees, collect court fines and assessments, and information technology support.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Potential theft or loss of monies through cashiering operations; efficient records management; ensuring accuracy of court records; accurately recording fee and fine collections to ensure appropriate revenue distribution.</p> <p>Other: None.</p>
Court Operations	Responsible for case management and processing for a variety of case types, including protection orders, civil case filings, criminal and traffic misdemeanors, infractions, name changes, and related matters. Manages the administration of the court and juvenile court programs and services. Also responsible for processing court filings and judicial orders, and the administration of the Court's therapeutic programs, which provide intervention aimed to offer supervision, accountability and treatment in lieu of incarceration.	<p>Budget: \$21-50 million FTE: 51-100</p> <p>Inherent Risks: Ensuring accuracy of court records and funds held in trust; accurately recording fee and fine collections to ensure appropriate distribution between the County and State; ensuring efficiency in court operations, case management, scheduling, and administration of therapeutic courts.</p> <p>Other: None.</p>
Probation Services	Provides probation and pre-trial supervision, including providing District Court judges with information regarding individuals' behavior in accordance with court ordered conditions, offering viable cost-effective sentencing options, and providing supervision for alternative (day reporting and work crew programs) and diversion therapeutic program participants.	<p>Budget: \$4-10 million FTE: 21-50</p> <p>Inherent Risks: Ensuring efficiency in case management.</p> <p>Other: None.</p>

Primary Program Areas:

- Administrative Services & Court Solutions
- Court Operations
- Probation Services

District Court

Risk Rating Heat Map



Potential Audit Topic(s)

The operations of the District Court generally represents moderate risk. Based on this risk assessment, a performance audit of the District Court could include the following three objectives:

- (1) Determine whether the Court has established sound internal controls over cash collections.
- (2) Evaluate whether the processes employed by the Court to record judicial decisions and fee/fine collections ensures accuracy and correct distribution of fee and fine revenue to the County.
- (3) Assess overall efficiency of court operations, case management, scheduling, and administration of therapeutic courts.

Emergency Management

Mission: Create resilient communities and enhance public safety by empowering the whole community in Pierce County to prevent, mitigate, prepare for, respond to, and recover from all types of hazards, emergencies, and disasters.

2020-21 Budget: \$8.7 million

FTE: 30.00

Core Functions: Prepare and protect people by providing a duty officer program that monitors and maintains situational awareness 24 hours a day, operate the Emergency Operations Center (EOC) during emergencies, operate alert and warning systems, provide contract services for emergency management activities, provide emergency preparedness training, conduct regional test exercises, maintain an Urban Search and Rescue warehouse, and conduct inspections.

Factors Contributing to Department Risk Level: Department has a low level of funding / FTEs when compared to other departments / offices, but a high level of cash or other high-risk assets (search and rescue warehouse, communications equipment); information technology resources generally meet Department needs; Dependent on grant revenues, with sustainability dependent on a sometimes uncertain federal and state grant landscape; Department experienced a 9.3 percent budget reduction from 2018-19 funding levels, reflecting a reorganization of the department to streamline service delivery; no past or planned performance audits, though subject to routine FEMA and State Auditor audits.

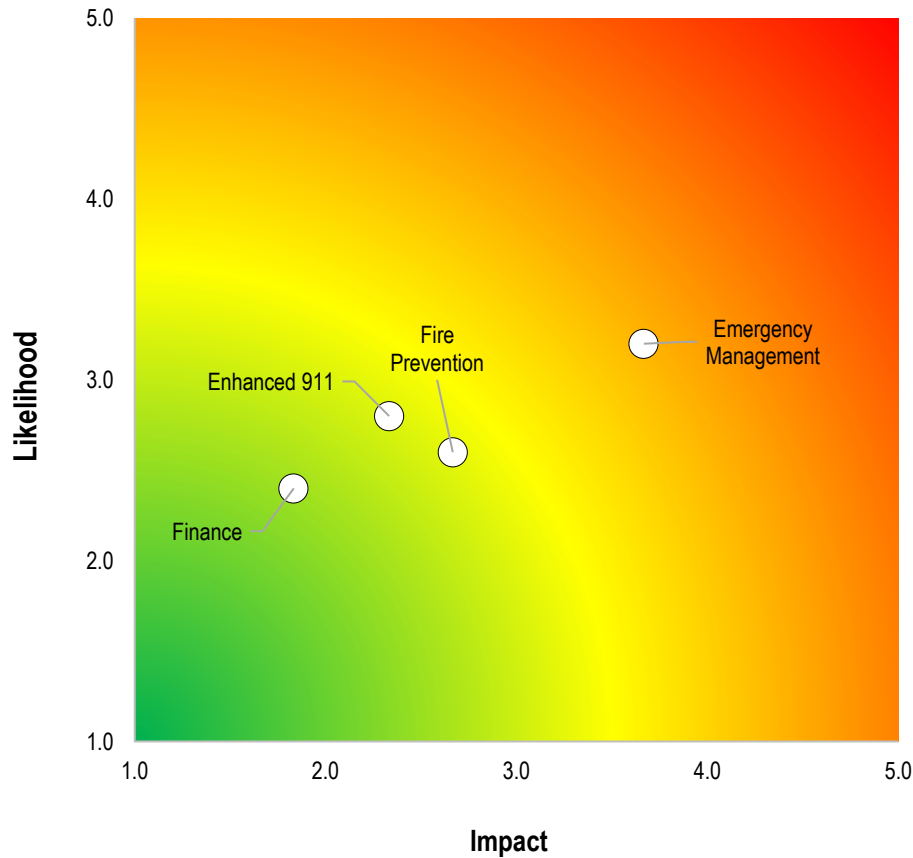
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Enhanced 911 / Radio Communications	Maintain GIS and MSAG for call routing, work with carriers to resolve all ALI issues, receive and distribute revenue from county 911 tax, and provide public education and outreach to reduce incorrect calls to 911.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Any potential failure of emergency communications equipment. Other Notes: None.
Emergency Management	Equip and operate an emergency coordination center (ECC); practice emergency planning, preparedness, and mitigation; community and regional outreach and stakeholder participation; maintain alert and warning system for emergencies and disasters; compile and develop response plans; manage search and rescue warehouse; develop and implement a training and exercise program; promote emergency management accreditation; administer homeland security (UASI and FEMA) grants; and manage 24 hour duty officer program.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: In the event of an emergency, plans do not adequately address mitigation steps or they neglect / exclude the specific type of event; despite sound planning, being unprepared when an event occurs; the effect of both is delays in response that can be devastating. Other Notes: Seeking accreditation through the Emergency Management Accreditation Program.
Fire Prevention Bureau	Fire Marshal conducts fire code building inspections; investigates the origin and cause of all fires in the unincorporated county and contract cities.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Failure to inspect buildings in a timely manner or to identify fire hazards during inspection. Other Notes: None.
Finance	Fiscal management, accounting services, and general administrative support, budget preparation, grant management, financial reporting/monitoring, accounts payable & receivable, purchasing, payroll.	Budget: \$0-3 million FTE: 11-20 Inherent Risks: Failure to appropriately record, track, and monitor grant funds, resulting in the loss of potential revenues. Other Notes: Subject to routine FEMA and State Auditor audits.

Primary Program Areas:

- Enhanced 911 / Communications
- Emergency Management
- Fire Prevention
- Finance

Emergency Management

Risk Rating Heat Map



Potential Audit Topic(s)

Each of the Department's key functions—Enhanced 911, Emergency Management, Fire Prevention, and Finance—are clustered as moderate-risk. While they have a lower level of funding / FTEs when compared to other departments / offices, the nature of their work warrants at moderate risk rating and, given the work performed by the Department during the pandemic, possibly a high-risk rating. Potential audit objectives include:

- (1) Evaluating the Department's Disaster Preparedness Plans and conducting a response assessment in the aftermath of the pandemic to assess lessons learned.
- (2) Determining whether the Fire Prevention unit meets plan review and inspection timeliness standards (e.g., inspection cycles, review turnaround times, etc.).
- (3) Evaluating the Finance unit's processes for recording, tracking, and monitoring grant funds and reporting to ensure full compliance and recovery.

Mission: Provide quality spaces that are safe and ready to support Pierce County business each day—taken from budget. On their website they have a diff super long mission.

2020-21 Budget: \$101.7 million **FTE:** 70.54

Core Functions: Provide services to County departments for the purchase, sale, and lease of real estate, manage new construction and remodel projects, provide oversight, maintenance, and management of County-owned facilities, and develop and monitor security systems, processes, and solutions.

Factors Contributing to Department Risk Level: Department has a moderate- to high-level of funding / FTEs when compared to other departments / offices, and relatively high level of other high-risk assets; no past or planned audits specifically related to the Department or divisions; construction and maintenance operations presents inherent workplace safety risks.

Facilities Management

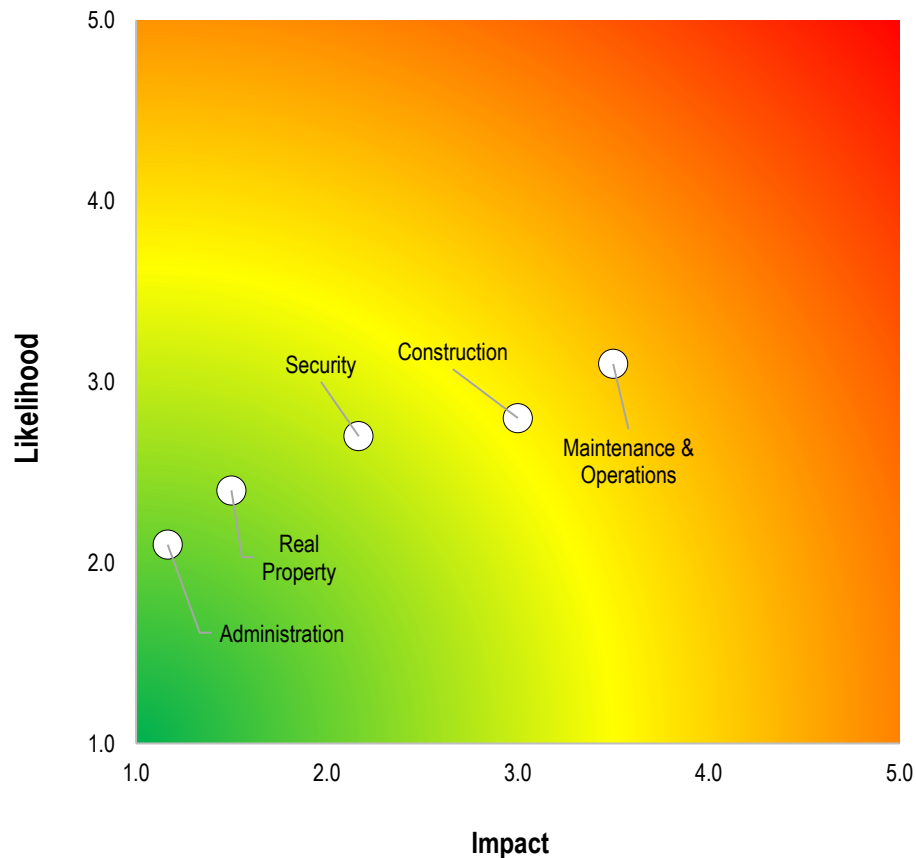
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Construction	Manages the building of new county facilities as well as upgrades to existing facilities, from initial needs assessments through project management and warranty issue resolution.	<p>Budget: \$51+ million FTE: 1-10</p> <p>Inherent Risks: Controlling capital construction costs to ensure allowability and avoid cost over-runs; workforce safety; project management to ensure project is completed on time and on schedule; and managing contractors and controlling project costs.</p> <p>Other Notes:</p>
Maintenance & Operations	Provides clean, attractive, well cared for places to conduct County business; maintain County buildings, grounds, and equipment; prepare preventive maintenance schedules and ticketing system for repairs; meet required compliance codes for building systems such as elevators, fire, electrical, and water; ensure efficient operation of energy consuming equipment.	<p>Budget: \$21-50 million FTE: 21-50</p> <p>Inherent Risks: Maintaining facilities in a cost-effective manner; controlling high-risk assets (tools, equipment, etc.); workforce safety; and avoidable cost increases stemming from emergency repairs.</p> <p>Other Notes: Full asset inventory, but condition assessment not yet complete; high reliance on contract maintenance; utilizes effective work order management system, implemented relatively recently; perceived strong inventory management system for tools & equipment; COVID resulted in increased workload, primarily preparing and cleaning facilities.</p>
Real Property	Acquire, maintain, manage, and dispose of real property owned, leased or otherwise held by the County; record property in the County's asset inventory, and assess asset condition; manage all operational functions of County offices, facilities, parking, and other assets; oversee surplus property sales, tax title property sales, lease management and forestry management.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: For assets that are in use, maintaining the assets in a cost effective manner; for assets that are not in use by the County, risks associated with unauthorized used of County-owned property; optimizing the value of surplus property to the County, and determining future operating needs of the County in terms of the potential for continued remote work and the impact this could have on the County's office space footprint.</p> <p>Other Notes: Full asset inventory, but condition assessment not yet complete;</p>
Security	Enhances the delivery of County services by providing physical security programs, including security guards; systems designed to reduce vulnerabilities and mitigate security risks; and employee and contractor background checks.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Ensuring the safety and security of the County's workforce and member of the public visiting County properties.</p> <p>Other Notes: High reliance on contract security;</p>
Administration	Oversees strategic planning, and performance management, departmental fiscal and human resource support, and resource conservation, including reducing energy and water consumption within County government and identifying opportunities for daily conservation.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Inefficient or ineffective support of Department functions.</p> <p>Other Notes: Department experienced reduction in parking revenues during pandemic.</p>

Facilities Management

Primary Program Areas:

Construction
Maintenance & Operations
Real Property
Security
Administration

Risk Rating Heat Map



Potential Audit Topic(s)

Each of the program areas within Facilities Management are clustered in the moderate-risk area, with the exception of Administration. Given the size of the department and the inter-related program activities, a performance audit of Facilities Management could take a department-wide perspective rather than focusing on individual, smaller programs. Such an audit could include the following objectives:

- (1) Assess the Department's overall approach to project management for construction projects, including its project delivery manual and guidelines, and determine the extent to which it is consistent with best practices.
- (2) Evaluate the Department's ongoing control, monitoring, assessment, and maintenance of County facilities and properties to identify opportunities to enhance efficiencies and protect County assets.

Mission: To enable effective management of resources throughout Pierce County government.

2020-21 Budget: \$181.6 million **FTE:** 203.31

Core Functions: Responsible for financial planning, management of revenues and expenditures, preparation of financial reports, and other fiscal operations. Serve as treasurer to numerous outside taxing districts.

Factors Contributing to Department Risk Level: High budget, high FTE. No past or planned audits specifically related to department or divisions, but multidepartment evaluation that included Finance: 2015 Centralization and Shared Services Evaluation. Department performance dashboard exists, but needs improvement.

Finance

DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Finance & Performance Management	Responsible for financial planning, management of revenues and expenditures, preparation of financial reports and other related fiscal operations; develops and maintains fiscal management policies, tax reporting and disbursements, budget and grant management, banking services, payroll, process accounts payable and receivable; manages internal audit function.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Integrity and effectiveness of internal controls related to the County's fiscal transactions of all types. Other Notes: Subject to annual financial audit; progress on performance measurement.
Budget and Grants	Develop and maintain the county budget, CIP, multi-year financial models, annexation, and financial system tools which provide accurate and timely information to county government and the public.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Reliability of financial models and forecasts; compliance with grants and increasing grant footprint.
Information Technology	Supports a wide range of technology services for Pierce County employees, departments and Pierce County citizens; develop, procure, and administer application software; maintain databases and GIS data; maintain application security, cybersecurity, networks, data centers, and Open Pierce County; administer workstations for County employees, address daily requests/tickets for assistance, deliver technology for data and voice communications.	Budget: \$51+ million FTE: 101+ Inherent Risks: Ensuring systems are effective and meet end user needs; network hygiene and cybersecurity. Other Notes: Moving hardware from data centers throughout county to the State's data center, working on the conversion now.
Procurement and Contract Services	Responsible for procurement of material, equipment, supplies, construction and services required by Pierce County; assures that purchases are acquired legally from responsible providers at the lowest possible costs; manages requests for proposals, notices of intent and bid opportunities; procurement of goods and services; and contract monitoring and compliance..	Budget: \$0-3 million FTE: 11-20 Inherent Risks: Ensuring most competitive price for high-quality goods or services; avoiding potential conflicts of interest and other forms of fraud, waste, or abuse.
Risk Management	Procures and works with the County's broker of record; conducts risk retention analyses; administers self-insurance program; procures insurance products; reviews all contracts for appropriate insurance criteria; administers Worker's Compensation and workplace safety programs.	Budget: \$51+ million FTE: 1-10 Inherent Risks: Minimizing cost by striking the best balance between risk retention and risk transfer; establishing adequate reserves; routinely evaluating insurance markets to ensure cost-effective risk transfer; and ensuring effective risk mitigation efforts.
Investments	Tax administration, revenue collection, cash management, investments, debt management, and accounting/reporting functions.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Ensuring investment policies are fiscally sound and in line with best practices; ensuring compliance with investment policies and asset allocation; engaging in effective cash management practices.
Records Management	Provide records management, including storage and destruction of records, scanning and printing services, daily mail distribution, assist in public records requests.	Budget: \$4-10 million FTE: 1-10 Inherent Risks: Maintain a cost-effective records retention program; minimize risk by consistently adhering to retention and destruction schedules.
Fleet Management	Procures, maintains, and manages a fleet of passenger vehicles for use by County departments and personnel.	Budget: \$11-20 million FTE: 1-10 Inherent Risks: Maintaining adequate internal controls over vehicle and maintenance assets; ensuring competitive procurement for all assets; and ensuring an effective preventive maintenance program.
Benefits Administration	Manages all group benefit plans (health, dental, life, disability, etc., insurance plans), administer self- and fully-insured plans.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Ensuring competitive benefits, compliance with both fully insured and self insured plans; actuarial analysis to evaluate utilization; ensuring claims properly handled.

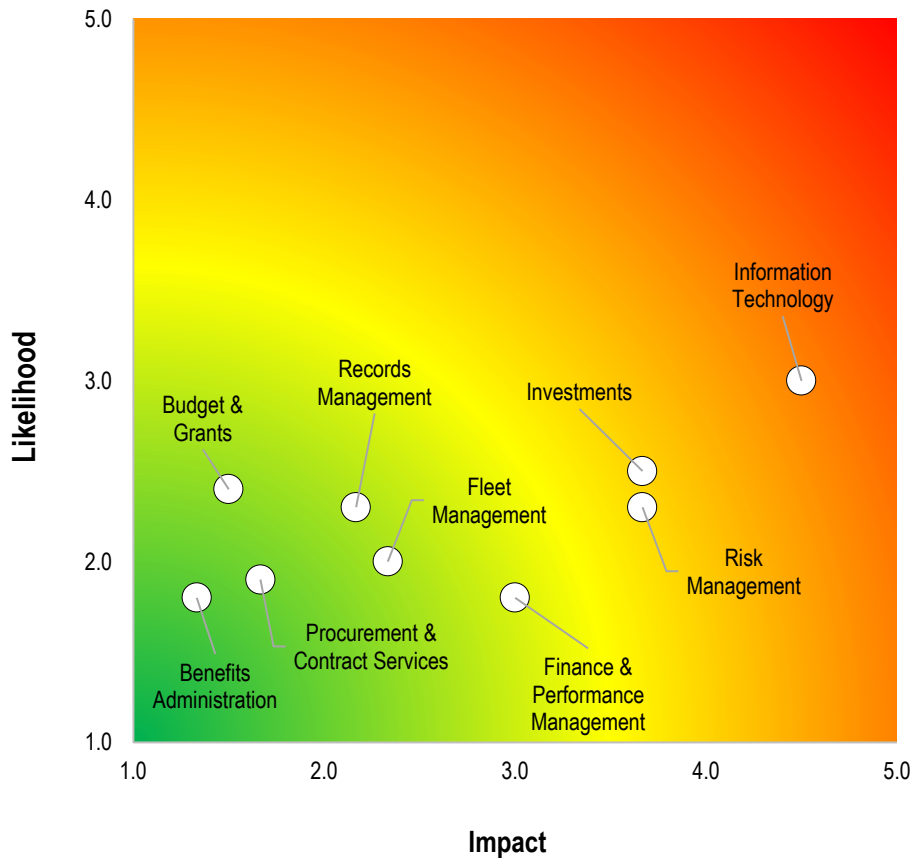
Finance

Primary Program Areas:

Finance & Performance Management
 Budget & Grants
 Information Technology
 Procurement & Contract Services
 Benefits Administration

Risk Management
 Investments
 Records Management
 Fleet Management

Risk Rating Heat Map



Potential Audit Topic(s)

Most of the divisions of the Finance Department perform functions that are common subjects of internal and external audit activities: procurement, grant management, fleet management, benefits administration, etc. Generally, each employs systems of internal controls to ensure compliance, fiscal integrity, and the prevention of fraud, waste, and abuse. Through Finance's Internal Auditor and annual external audit functions, these internal controls should be routinely tested and evaluated. There are for audit topics, however, that ranked the highest during this risk assessment:

- (1) Performance Audit of Finance's Performance Measurement System, the purpose of which would be to identify ways to build upon an already strong performance measurement system.
- (2) Performance Audit of Risk Management, including evaluating key business processes associated with risk transfer and retention decisions, gauging the insurance market, risk mitigation techniques, and claims administration.
- (3) Performance Audit of Information Technology practices and protocols.
- (4) Performance Audit of Investment Practices, including ensuring investment policies are in line with best practices, investments are compliant with investment policies, and cash management practices optimize investment objectives.

Human Resources

Mission: Provide our customers with human resource services to attract, hire, develop, and retain an effective, talented, and diverse workforce for Pierce County.

2020-21 Budget: \$10.6 million **FTE:** 29.80

Core Functions: Provide wide range of human resource management services such as recruitment and compensation, civil service, employment support services, employee relations, and training. Provide leadership on innovative workforce management strategies.

Factors Contributing to Department Risk Level: Department has a low-level of funding / FTEs when compared to other departments / offices, and relatively low level of cash or other high-risk assets; budget increase of 16.4 percent from last biennium; several prior audits of human resources management activities, including those conducted in 2011, 2013, 2014, 2017, and 2019. No planned audits.

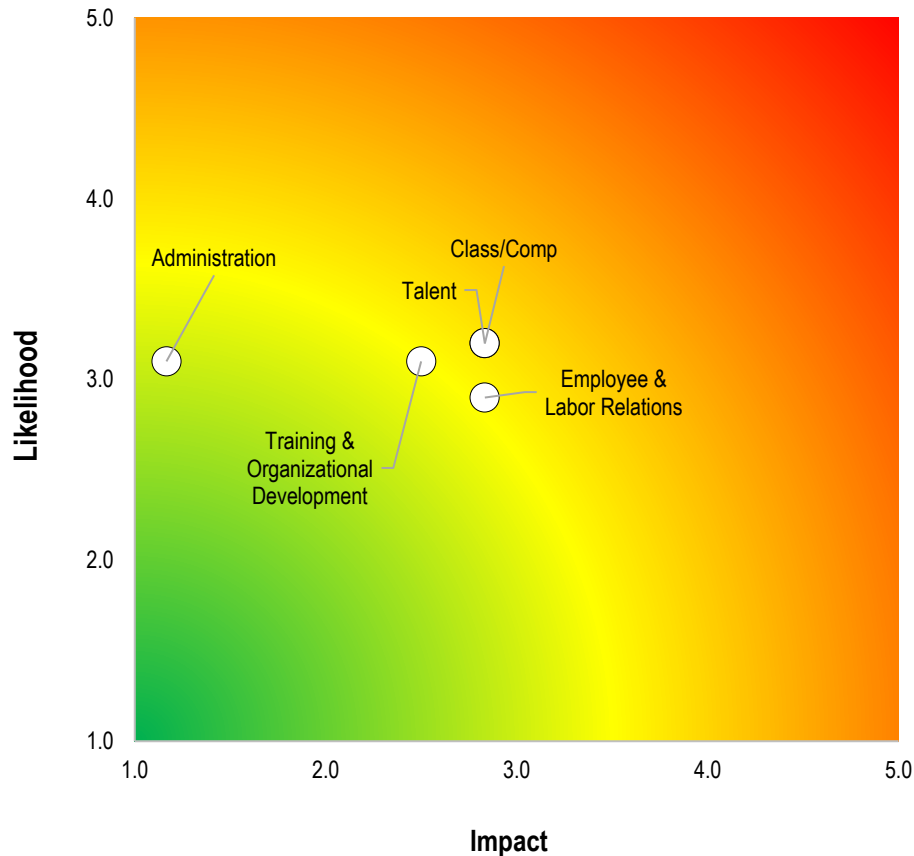
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Talent Management	Recruit qualified candidates, implement selection processes (application review, interviews, examinations); onboard newly hired employees; and manage the County's performance management system.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Unsuccessful talent management resulting in a County workforce that does not meet the needs of the County or it's residents and business community; unfair hiring practices or favoritism. Other Notes: Utilizes LinkedIn Recruiting; proactive recruiting strategies.
Classification & Compensation	Develop and maintain the County's classification system to ensure the efficient and effective treatment of employees in a wide variety of positions, and the County's compensation system that promotes fair and competitive compensation sufficient to attract, retain, and motivate employees.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Compensation levels that are insufficient to attract, retain, and motivate a talented and qualified workforce; a classification system that is both inefficient to administer and results in inconsistent treatment of similarly situated employees. Other Notes: Recently completed a comprehensive classification and compensation study to revamp a decades-old system; developed systematic approach to maintain the systems to avoid future obsolescence.
Training & Organizational Development	Provide multi-faceted employee training program, including developing and conducting County-wide training courses, providing subscription-based content for training and employee development, identifying unique training needs (such as diversity, equity, and inclusion training), and implementing a leadership development program.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Unsuccessful workforce development resulting in a County workforce that does not meet the needs of the County or it's residents and business community. Other Notes: Offers training and organizational resources, including Department-administered training and subscription-based training (LinkedIn), peer instructor/facilitator training, DEI programming, and related programs.
Employee & Labor Relations	Administer labor relations and negotiations, EEO and affirmative action programs, matters of employee discipline, and related functions.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Increased employment costs, including prolonged employee-employer disputes, labor costs, undue limitations to management's ability to manage an agile workforce, potential discrimination, and related matters. Other Notes:
Administration	Maintain HR policies and procedures; provide support for County-wide use of WorkDay, the County's human resources information system; process personnel action changes in WorkDay; maintain all personnel records to ensure compliance with federal and state law;	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Inefficient or ineffective support of critical HR functions. Other Notes:

Primary Program Areas:

- Talent Management
- Classification & Compensation
- Training & Organizational Development
- Employee & Labor Relations
- Administration

Human Resources

Risk Rating Heat Map



Potential Audit Topic(s)

Each of the Department's key functions, with the exception of Administration, are clustered as moderate-risk. Each function is generally designed to achieve a singular goal: to attract, retain, and motivate a highly talented, qualified, and effective workforce. Therefore, we recommend that a performance audit of human resources management within the County to address the following objective:

- (1) Determine whether the County's human resources management activities are consistent with industry standards; sufficient to ensure compliance with federal, state, and local laws and regulations; and effective in attracting, retaining, and motivating a highly talented, qualified, and effective workforce.

Mission: Ensure all of Pierce County has equitable access to community-based services that respect each person's unique experience.

2020-21 Budget: \$185.9 million **FTE:** 230.50

Core Functions: Provide assistance to vulnerable populations. Provide programs for housing assistance, veterans, home repair, home weatherization, early childhood, energy assistance, developmental disabilities, crisis recovery and community development.

Inherent Risks: While each of the programs administered by the Department are distinct, focus on different populations and different needs, utilize different community based organizations (CBO) and service providers, and rely on different funding streams, the inherent risks faced by each are generally consistent. Inherent risks include grant-dependency, with sustainability dependent on a sometimes uncertain federal and state grant landscape; potential non-compliance of service providers, including performance and use of funds; less visibility into CBOs with increased remote work; achieving goals to optimize outcomes rather than outputs; and financial integrity, including optimizing use of limited resources and expanding grant footprint.

Other Factors Contributing to Department Risk Level: Department has a high-level of funding / FTEs when compared to other departments / offices, and relatively low level of cash or other high-risk assets; maintains significant reliance on contracts (community based organizations); utilizes a substantial number of information systems and databases, many of which are administered at the state or federal level; and is subject to a few ongoing performance audits many of the Departments programs represent a strategic or legislative priority of the County Council.

Human Services

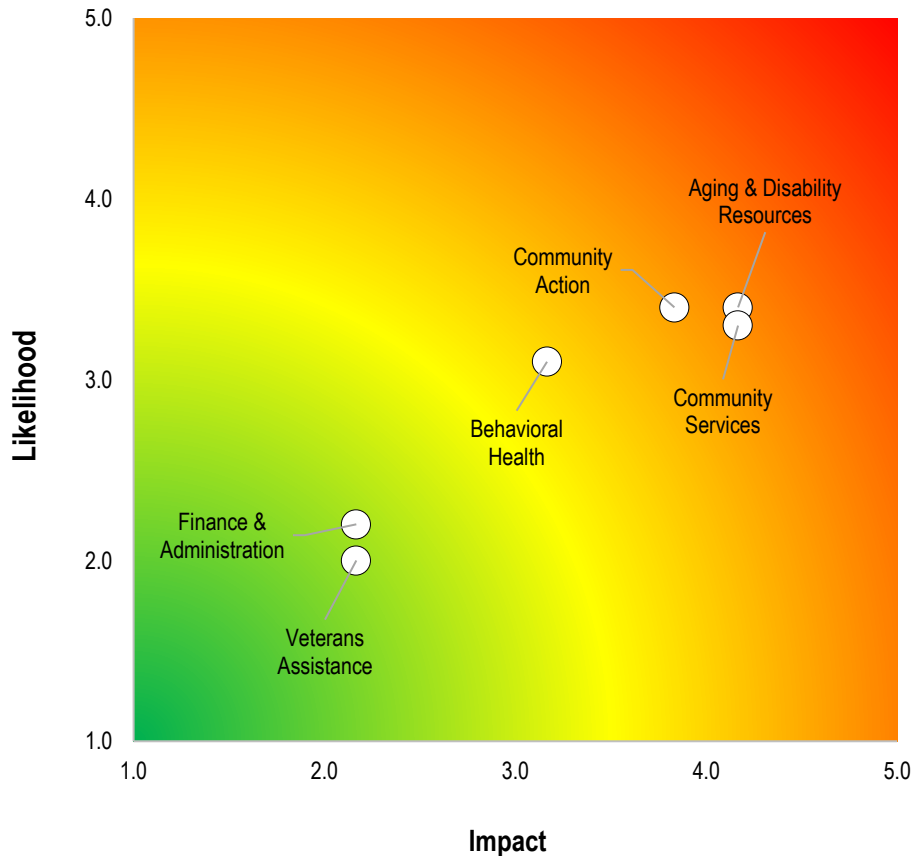
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Aging and Disability Resources	Responsible for local planning, coordination, and administration of Federal and State funds targeted to provide a comprehensive system of long term services and supports (LTSS) designed to address the needs and support community living for frail older adults, adults with disabilities, and their caregivers; authorize Medicaid and coordinate care services and support for elderly and disabled; administer developmental disabilities program services, which oversees early intervention, school-to-work, and adult employment; manage care services contracts; oversee family care programs; provide financial, legal, housing, nutrition / food, transportation, and other resources.	Budget: \$51+ million FTE: 101+ Other: Mission-critical program; high-level of complexity; and has not been subject to a recent performance audit and no audits are planned.
Behavioral Health	Enhance the resources and care that low income residents with behavioral or mental health disorders, through direct service, oversight of administrative programs, and the Pierce County Crisis Line.	Budget: \$11-20 million FTE: 1-10 Other: Mission-critical program; high-level of complexity; recent behavioral health tax, which is subject to a program evaluation in the Council's 2021 Audit Workplan.
Community Action	Empower low-income individuals and families to achieve self-sufficiency by helping residents with early childhood education, energy assistance, rental assistance, home repairs, home weatherization and more; partner with WSU extension.	Budget: \$21-50 million FTE: 51+ Other: Mission-critical program; high-level of complexity; and has not been subject to a recent performance audit and no audits are planned.
Community Services	Provide public benefits to low income households, engage in planning and grants management to support economic development, affordable housing, homelessness, community revitalization, health care, violence prevention, and other CDBG-funded programs.	Budget: \$51+ million FTE: 11-20 Other: Mission-critical program; high-level of complexity; subject to 2019 Affordable Housing audit and 2021 Audit Workplan includes Homeless Services and Food Bank Needs Assessment.
Finance and Administration	Provide administrative support for other division within the department, including clerical, fiscal, research and evaluation, contract processing, and technology support.	Budget: \$4-10 million FTE: 11-20 Other: Limited financial resources to support growing administrative support needs.
Veterans Assistance	Provides emergency assistance to qualified indigent veterans and family members, including support for burial, food, medical, rent, and utilities related costs; host Veterans Resource Center.	Budget: \$0-3 million FTE: 1-10 Other: Funded through dedicated funding at state level; relief funds for veterans.

Primary Program Areas:

- Aging and Disability Resources
- Behavioral Health
- Community Action
- Community Services
- Veterans Assistance
- Finance and Administration

Human Services

Risk Rating Heat Map



Potential Audit Topic(s)

Performance audits of human services agencies often focus on:

- (1) Subrecipient Compliance and the agency's methods and procedures for monitoring subrecipients.
- (2) Outreach efforts designed to ensure those that are in need are in fact aware of available services.
- (3) Efforts to expand the agency's grant footprint to render the agency less susceptible to fluctuations in grand funding streams.
- (4) Performance measurement that goes beyond federal or state mandates and which focus on outcomes, targeting resources to the greatest needs, and incentivizing excellent performance.
- (5) Evaluating the use of various funding sources, including less restrictive sources (e.g., general fund) and more restrictive sources, to optimize program funding *and* the funding of essential administrative functions.

These audit topics, and others, are worthy of consideration given the scope, magnitude, and importance of the departments operations. However, underlying each of these audit objectives is another audit topic that is often overlooked—data analytics. The Department utilizes perhaps dozens of information systems and databases to support various programs. This data reveals eligibility and participation, outputs and outcomes, client interactions with various CBOs operating different programs—much of which has historically been understood and evaluated in silos. Data analytics, used to compare information in different data sets, can also be used to assess potential fraud, including fraudulent eligibility information submitted by clients or fraudulent enrollment information from service providers. A great deal more can be done with the data available to the Department, which could better enable the Department to tie program resources to data and outcomes; determining the ultimate potential benefit this could provide requires independent analysis.

Medical Examiner

Mission: To serve the living by death investigations and forensic postmortem examinations. The overarching purpose of the medial examiner system is to answer questions about deaths that impacts the living.

2020-21 Budget: \$8.8 million **FTE:** 24.00

Core Functions: Provide professional forensic death investigations and postmortem examinations of those who die under circumstances that are sudden, unexpected, unattended, unnatural, violent, or suspicious. The office is an independent entity that operates under the authority of the laws of the State of Washington and investigates deaths 24/7/365. It is a separate department within Pierce County and not under the supervision or direction of law enforcement or prosecutorial influences.

Factors Contributing to Department Risk Level: Department has a low-level of funding / FTEs when compared to other departments / offices, and moderate level of cash or other high-risk assets (decendent property, medical equipment); 2020-21 biennial budget is 21 percent higher than 2018-19 levels, resulting in additional staff to support office; no past or planned department or division specific audits.

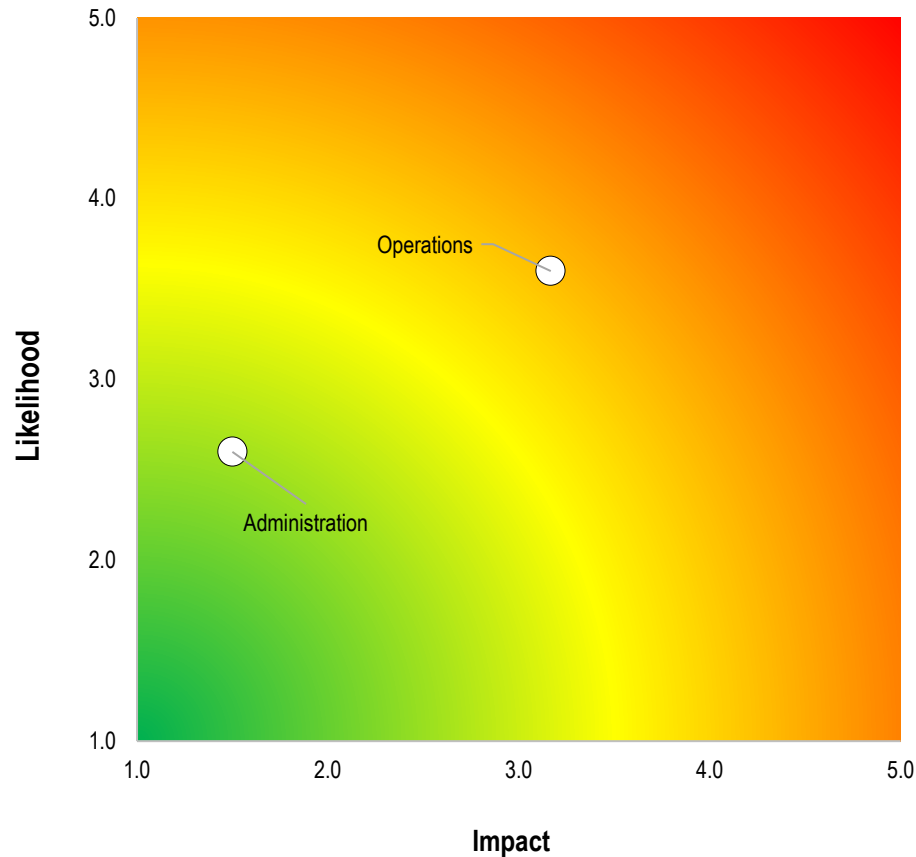
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Operations	Forensic pathologists diagnose a wide variety of natural disease and injuries through examination of tissue and biological fluids, generate written reports of their findings, certify death certificates, and provide expert testimony in criminal and civil proceedings. Forensic death investigations are focused on determining the cause and manner of deaths that fall under medical examiner jurisdiction. Investigations range in complexity up to and including death scene investigations. Postmortem examination may, but not always, include an autopsy, imaging, and other laboratory testing to determine the cause and manner of death and document injuries. Ensures reliable and/or scientific identification of decedents. Provides disposition for decedents unclaimed by family or friends. Responsible for recognition, collection, and maintaining the integrity of biological and physical evidence collected from the body.	<p>Budget: \$4-10 million FTE: 11-20</p> <p>Inherent Risks: Potential for compromised investigations or less-than-respectful handling of decedent due to resource limitations, unprofessional conduct, or other factors.</p> <p>Other Notes: Accredited by the National Association of Medical Examiners; Office may not have sufficient equipment to operate efficiently (laboratory space, equipment such as body lifts and CT scanners, basic supplies); COVID-19 and recent trends have stressed existing capacity to its limit.</p>
Administration	Direct and oversee the development, implementation, and maintenance of all policies, procedures, and practices to meet or exceed professional accreditation standards of the National Association of Medical Examiner's (NAME). Manage the implementation and enhancements of new case management system. Direct and manage mass fatality incident planning so operations can accommodate surge capacity alongside daily operations. Direct and oversee the responsible stewardship of facility, equipment, staffing, and administrative services necessary to provide the public with timely, accurate, and thorough services, compassionately delivered.	<p>Budget: \$0-3 million FTE: 1-10</p> <p>Inherent Risks: Ineffective or inefficient to support Operations.</p> <p>Other Notes: Implemented new case management system in 2021, but system is still in progress and is mission-critical; inadequate space and capacity creates risks; room for improvement in policies and procedures.</p>

Primary Program Areas:

- Operations
- Administration

Medical Examiner

Risk Rating Heat Map



Potential Audit Topic(s)

As an accredited body, the professional conduct of the Office of the Medical Examiner are verified periodically. The most significant risk identified during this Risk Assessment relates to the ongoing modernization of the Office, including the implementation of the Office's new case management system and it's assessment of it's existing capacity infrastructure. This transition presents an opportune time to conduct an independent assessment of the development and implementation of the new case management system and the physical office, laboratory, and cooler space needs reasonably anticipated for the future.

Mission: Provide opportunities for people to connect with nature, live healthy lifestyles, enjoy vibrant community spaces, and learn about sustainable practices.

2020-21 Budget: \$114.9 million **FTE:** 82.00

Core Functions: Provide leisure and facility services, maintain parks, community centers, boat launch sites, and trails. Provide programs such as athletics, tournaments, youth camps, special events, and more.

Factors Contributing to Department Risk Level: Department has a moderate- to high-level of funding / FTEs when compared to other departments / offices, and a high level of cash or other high-risk assets and equipment; experienced a decline in earned revenue during the pandemic.

Parks and Recreation

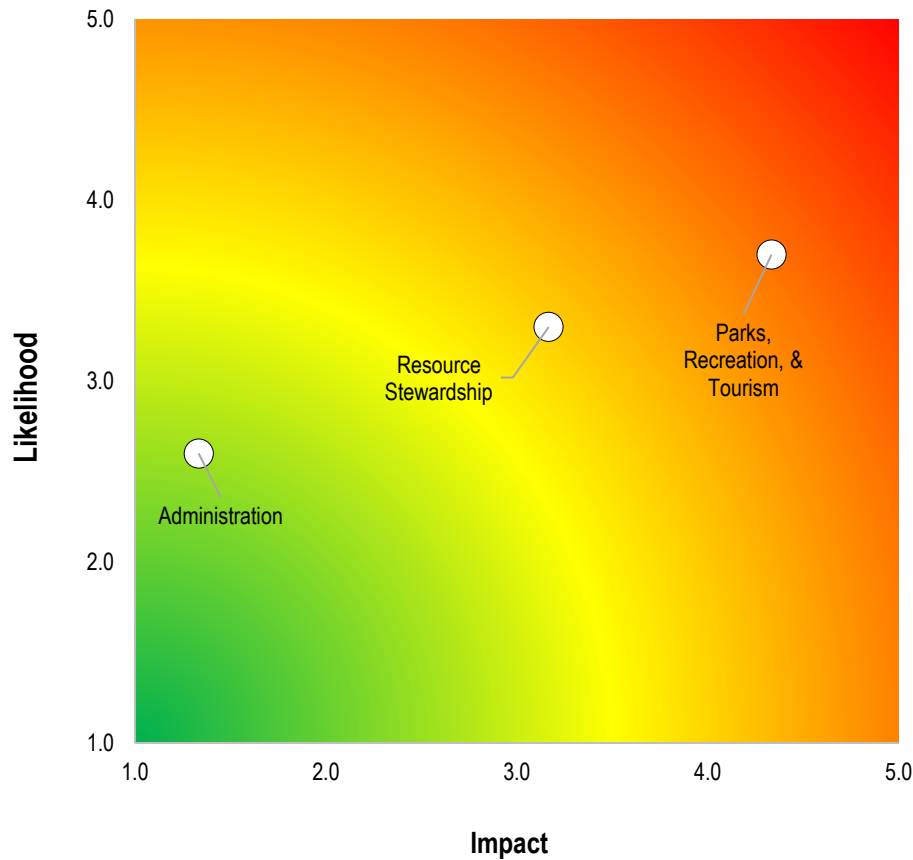
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Administration	Provides administrative support to the department, including business services, accounts payable and receivable, procurement and contracting, records retention and management, information technology, and human resources.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Efficiency of professional services provided by all Programs Other: Department in the process of revising and updating policies and procedures.
Parks, Recreation, and Tourism	Administer and manage recreational assets (land, building, and equipment), recreational programs, and maintenance operations through four regional divisions; maintain 5,216 acres of parks and trails, operate park facilities, community centers, golf courses, quarter midget race track, sports complexes, waterfronts, hiking trails, etc.	Budget: \$21-50 million FTE: 51-100 Inherent Risks: Health and safety for visitors and staff; cash handling and payment processing at park locations; ensuring accessibility and being responsive to recreational needs; maintaining reliable revenue streams. Other: Earned revenue declined significantly in 2020-21; performance measurement is a work in progress, as existing measures do not fully illustrate park or program utilization or opportunities for improvement.
Resource Stewardship	Plans and oversees facility planning and capital improvement projects related to recreational assets, including ballfields, natural land and trails, landscaping, wetlands, and wildlife habitat; responsible for strategic planning.	Budget: \$21-50 million FTE: 1-10 Inherent Risks: Sustainability, particularly as it relates to future funding required to maintain additional assets designed and constructed through the Resource Stewardship program; maintaining the system in a cost-effective manner; maintaining adequate funding; and managing contractors and controlling project costs. Other: As the system grows, so to do future operating costs; building asset inventory and condition assessments in place, but life-cycle modeling for replacement projects not yet established.

Primary Program Areas:

- Administration
- Parks, Recreation, Tourism
- Resource Stewardship

Parks and Recreation

Risk Rating Heat Map



Potential Audit Topic(s)

This risk assessment revealed three potential audit topics worth considering:

- (1) Evaluate the Department's strategic planning, particularly as it relates to:
 - (a) Capital asset planning and the impacts on future operating costs.
 - (b) Recreational programming, utilization, and responsiveness to community needs.
 - (c) Maintenance programming and the approaches taken by the Department to assess and maintain its asset infrastructure.
- (2) Evaluate the Department's performance measurement system and its effectiveness in capturing relevant metrics regarding the utilization of park assets and recreational programming.

Mission: To deliver customer-focused services and maintain vital infrastructure to enhance livability in Pierce County.

2020-21 Budget: \$782.6 million **FTE:** 780.00

Core Functions: Provide variety of public services including road design, maintenance, construction, planning and development services, code enforcement, sewer collection and treatment, airport and ferry services, sustainable resources administration, and surface water management.

Planning and Public Works

Factors Contributing to Department Risk Level: Department has a high-level of funding / FTEs when compared to other departments / offices, and a high level of high-risk assets; subject to several audits in the past; utilizes a large number of contractors; reliant on a significant special revenue funds; public infrastructure remain highly visible to the public and a legislative priority.

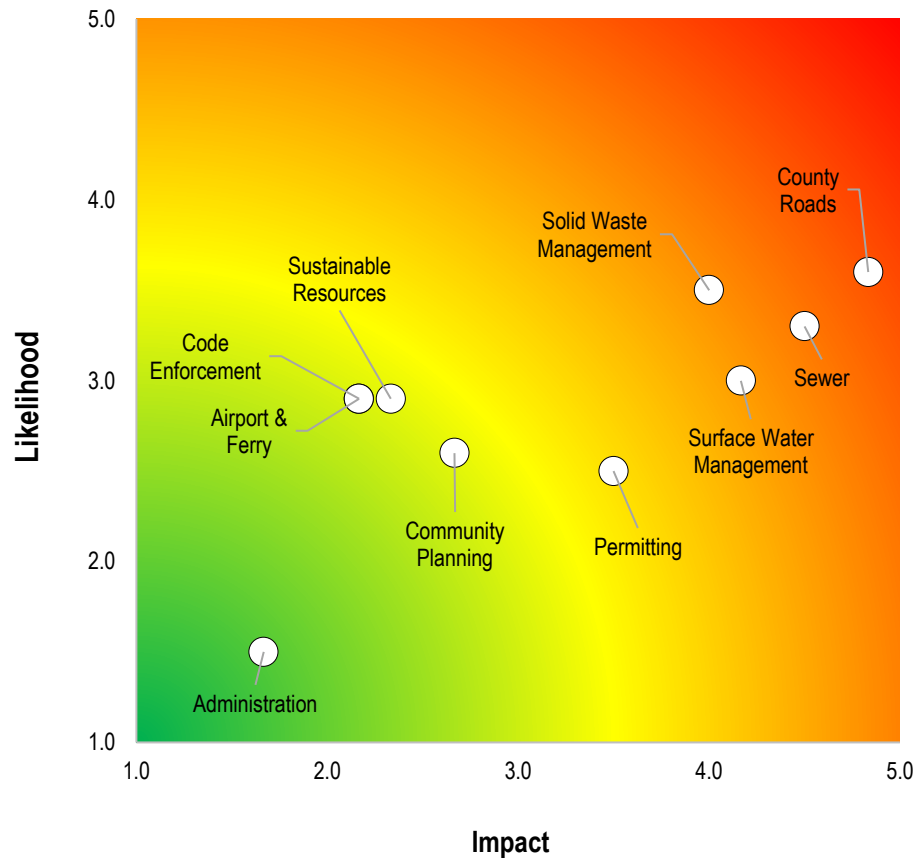
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Sewers	Construct, operate, and maintain the County's regional sewer system; develop utility fees designed to cover the cost to maintain the integrity of the system long term.	Budget: \$51+ million FTE: 101+ Inherent Risks: Maintaining the system in a cost-effective manner; maintaining adequate funding; and managing contractors and controlling project costs.
Surface Water Management	Provide a variety of programs focusing on clean water in rivers, streams and lakes; habitat for fish and aquatic wildlife; river flooding and erosion; and storm water drainage systems.	Budget: \$21-50 million FTE: 51-100 Inherent Risks: Maintaining the system in a cost-effective manner; maintaining adequate funding (rate evaluation in 2015); and managing contractors and controlling project costs.
Sustainable Resources (Solid Waste)	Manage solid waste program, including contracting for waste disposal, the operation of three transfer stations, and a composting center.	Budget: \$11-20 million FTE: 1-10 Inherent Risks: Ensuring quality service and establishing rates sufficient to sustain quality service. Other: Revenue sustainability concerns and the use of Solid Waste fees to support Code Enforcement.
Airport and Ferry	Manage and operate two general aviation airports (Tacoma Narrows Airport and Thun Field), and manages and operates the Steilacoom, Ketron & Anderson Island Ferry.	Budget: \$4-10 million FTE: 1-10 Inherent Risks: Operator compliance; revenue reporting; ensuring capacity to meet demand. Other: Perceived missed opportunities and unrealized FAA/DOT revenues at the Airports; restricted capacity at the Ferry with high demand; both Ferry and Airport lack a strategic vision; asset inventory and condition assessment incomplete but in progress.
Sustainability	Develop ten-year sustainability plan to reduce greenhouse gas emissions across County operations and the larger community, coordinate with department stakeholders to reduce GHG emissions.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Continued long term trajectory toward climate change.
County Roads	Provide expertise in right-of-way, survey, design, geotechnical services, easement, and construction administration; plan and prioritize external grant funding for County road activities and projects, perform environmental reviews of projects, traffic engineering, and traffic signal maintenance and operations; and maintain all roads and bridges in the County.	Budget: \$51+ million FTE: 101+ Inherent Risks: Maintaining the system in a cost-effective manner; maintaining adequate funding; ensuring Road Funds are used for intended purpose; managing contractors and controlling project costs. Other: Significant revenue sustainability concerns; maintains a robust asset inventory and condition assessment methodology.
Community Planning	Prepare and administer the Comprehensive Plan, engage in long range planning regarding population and employment growth, transportation and capacity planning, zoning, historic preservation, capital facilities, and other elements.	Budget: \$11-20 million FTE: 21-50 Inherent Risks: Building broad engagement, particularly among underrepresented groups, and consensus in community planning.
Permitting	Review land use and development permit applications for compliance with the community plan and federal regulations; process building permit applications, perform building inspections, and issue certificates of occupancy.	Budget: \$21-50 million FTE: 51-100 Inherent Risks: Reviewing plans and issuing permits in a time, quality, and responsive manner; ensuring compliance with Community Plan.
Code Enforcement	Provides code enforcement in unincorporated areas of the County.	Budget: \$4-10 million FTE: 11-20 Inherent Risks: Sustainability concerns; funded through solid waste management fees.
Administration	Budget development and monitoring, financial modeling and forecasting, financial operations, grant management, records management, public disclosure requests, technology, contract management, payroll, and human resources.	Budget: \$4-10 million FTE: 21-50 Inherent Risks: Efficiency of professional services provided by all Programs.

Planning and Public Works

Primary Program Areas:

Sewer	Airport and Ferry
Surface Water Management	Sustainable Resources
Solid Waste Management	Community Planning
County Roads	Permitting
Administration	Code Enforcement

Risk Rating Heat Map



Potential Audit Topic(s)

Nearly every program in Planning and Public Works can be considered moderate- to high-risk, primarily because of the amount of public resources allocated to the development and preservation of public infrastructure and natural resources. With the exception of the Department's Administration Division, the importance of and the resources managed by each division would warrant a performance audit at some point. However, for this purpose of this Risk Assessment, three performance audits rank as the most important:

- (1) County Roads, particularly because there may be significant sustainability concerns and, while funding options may be considered, so should operational efficiencies, project management protocols, and other potential cost savings.
- (2) Solid Waste Management, particularly because there may be significant sustainability concerns; these concerns, however, stem in part from the reliance of Code Enforcement on Solid Waste Management revenues, which has the potential to create a strain on the financial resources of both important functions.
- (3) Airport & Ferry: while rated as one of the lower-risk functions of the Department (primarily because of the relatively small fiscal and staffing resources dedicated to the programs), the lack of a strategic direction for airport and ferry operations suggest the potential for missed opportunities. Given the Council's legislative priorities related to economic development and tourism, this low- to moderate-risk program could benefit from an independent performance audit.

Mission: Pursuing Justice. Representing the People. Serving Our Community.

2020-21 Budget: \$72 million

FTE: 218.00

Core Functions: Prosecutes homicide cases, felonies, misdemeanors, and processes appeals. Provides legal services for civil cases.

Factors Contributing to Department Risk Level: Office has a moderate- to high-level of funding / FTEs when compared to other departments / offices, and relatively low level of cash or other high-risk assets; no past or planned audits; general satisfaction with information technology resources, but significant concerns regarding the cost-effectiveness of existing record management practices; no performance measure dashboard; and the function does not represent a strategic or legislative priority of the County Council.

Prosecuting Attorney

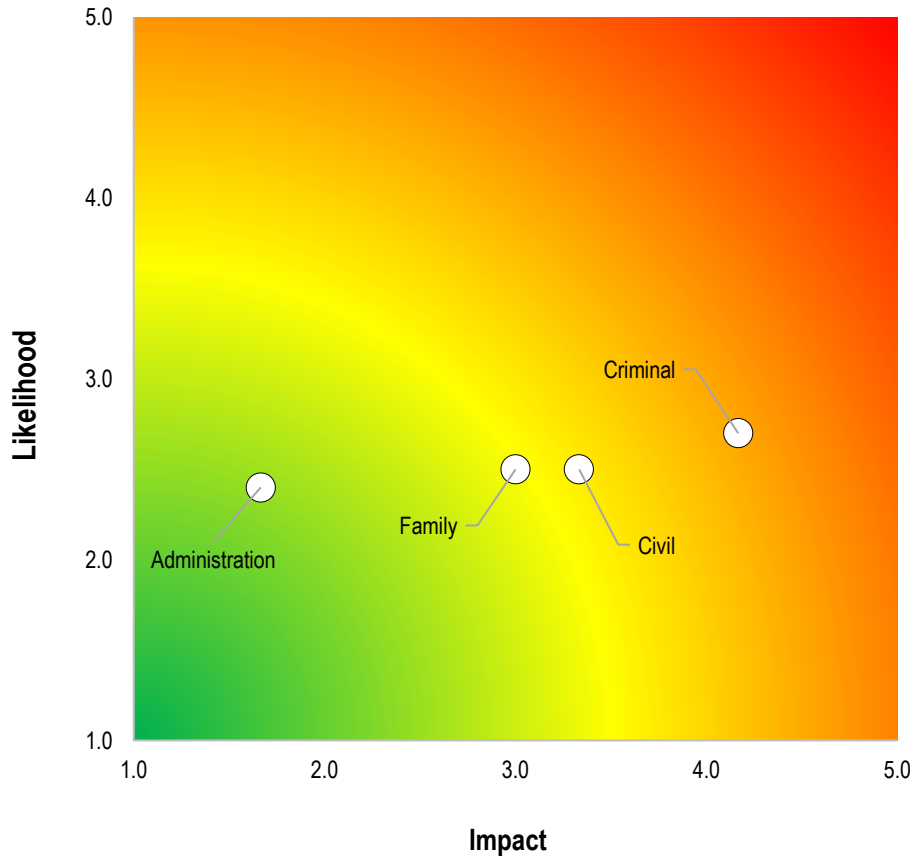
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Administration	Provide professional administrative work and guidance concerning human resources, budgeting, technology, facilities, and management.	Budget: \$0-3 million FTE: 1-10 Inherent Risks: Efficiency of professional services provided by Office. Other: None.
Civil	Provides accurate and timely legal advice to county officials and represents the county's interests in court. Deputy prosecutors in the Civil Division have extensive experience concerning the many constitutional, statutory and administrative provisions and court decisions which apply to governmental activities.	Budget: \$11-20 million FTE: 21-50 Inherent Risks: Efficiency of professional services provided by Office; use of resources. Other: Records management perceived to be a significant source of inefficiency, both with respect to ongoing records retention and in responding to public records requests.
Criminal	Represents the State and the County in criminal matters in the Pierce County District and Superior Courts, the state and federal courts of appeal, and the Washington and U.S. Supreme Courts. Subdivisions include Felony, Juvenile, Appeals, Misdemeanor, and Victim Witness Assistance Services.	Budget: \$21-50 million FTE: 101+ Inherent Risks: Efficiency of professional services provided by Office; use of resources. Other: Records management perceived to be a significant source of inefficiency.
Family	Represents the Division of Child Support, a DSHS agency. The division works with child support agencies throughout Washington State, the U.S. and abroad to establish and enforce child support and to protect the best interests of children in accordance with the laws of Washington State.	Budget: \$4-10 million FTE: 21-50 Inherent Risks: Efficiency of professional services provided by Office; use of resources. Other: Records management perceived to be a significant source of inefficiency.

Primary Program Areas:

- Administration
- Civil
- Criminal
- Family

Prosecuting Attorney

Risk Rating Heat Map



Potential Audit Topic(s)

Overall, the Prosecuting Attorney's Office rates at low- to moderate-risk, with the Criminal and, potentially, Civil Divisions approaching higher risk primarily based on budget / FTE factors. Ultimately, audit topics relate primarily to the efficiency with which the Office manages resources and the County's approach to records management, retention, and public records requests. Based on this, and on the results of our assessment of other departments, we propose the following potential audit objectives:

- Evaluate the County's Record Retention Policy and its application countywide, and determine the extent to which the Record Retention Policy is cost-effective and consistent with the County's Risk Management guidelines.
- Evaluate the County's Public Records Request policies and protocols, and determine the extent to which practices comply with state law, are consistent with the County's Risk Management guidelines, and are cost-effective both with respect to the cost of implementing existing practices and the cost of resulting claims.

Mission: Protect life and property, uphold rights, and work in partnership to build strong, safe communities.

2020-21 Budget: \$304.2 million

FTE: 752

Core Functions: Provide police services such as traffic law enforcement, accident investigation, responses to calls for assistance, crime prevention, manage the county jail, secure county courts, and deploy special units.

Factors Contributing to Department Risk Level: Law enforcement agencies are inherently high-risk—large budgets, significant public profile and scrutiny, large number of at-risk assets (equipment, weapons, cash, evidence, and other assets), overtime usage, and routinely understaffed; the Sheriff's Office is currently in the process of accreditation, but not yet accredited; there is no Office performance dashboard.

Sheriff

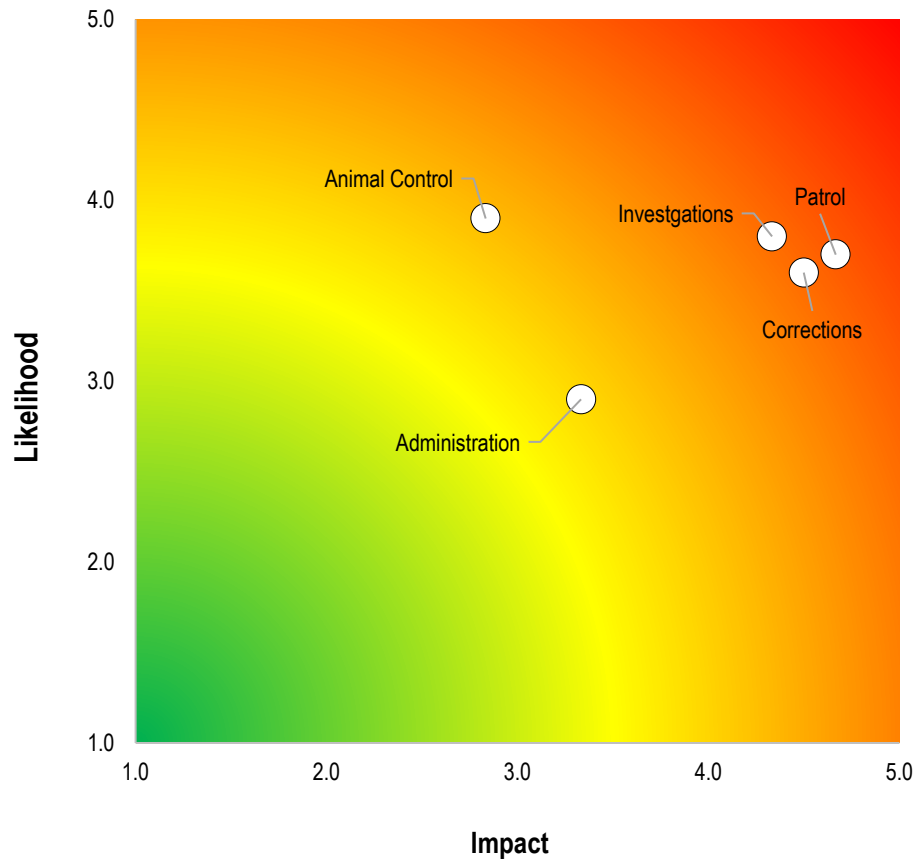
DIVISION / PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Patrol Bureau	Uniformed law enforcement response to public safety emergencies in unincorporated areas of the County and within jurisdictions under contract with the County Sheriff, traffic accidents and enforcement, response to 911 calls for service, crime prevention, affect arrests, and problem solving social issues within the community; administer school resources officer program.	<p>Budget: \$51+ million FTE: 101+</p> <p>Inherent Risks: Public relations, potential for abuse, response times, unnecessary overtime costs, and ability to effectively patrol, prevent crime, and affect arrests.</p> <p>Other: Vacancies increasing and ability to fill positions challenged; unfunded training and legislative mandates; current audit workplan includes a 911 Response Time audit.</p>
Investigations Bureau	Investigate reported crime through specialized units, including major crimes, property crimes, forensic, narcotic/vice, gangs, and juvenile units; manage specialized teams to address acute risks, including search & rescue, hazardous device (bomb), dive, marine, and SWAT; service of warrants; and manage the Department's property room, including seized property and evidence.	<p>Budget: \$21-50 million FTE: 51-100</p> <p>Inherent Risks: Public relations, potential for abuse, unnecessary overtime costs, inventory control—both assets and evidence—and ability to effectively prevent crime, and affect arrests.</p> <p>Other: Conduct self-assessments of property room; property room may not be sufficient to address growing needs.</p>
Corrections Bureau	Operates two correctional facilities to house pre- and post-conviction persons, providing a safe and secure environment, mental and medical health services, and other provisions required by law.	<p>Budget: \$51+ million FTE: 101+</p> <p>Inherent Risks: Public relations, potential for abuse, unnecessary overtime costs, inventory control, and ability to ensure appropriate staffing levels, including sworn, medical, and other support functions.</p> <p>Other: COVID-19 has resulted in restrictions on bookings and a significant loss of revenue as well as a reduction in low-cost in-custody labor, presenting a significant budgetary challenge; Bureau experiencing a large number of vacancies, and has undergone several audits over the past decade, including audits of Corrections Staffing, Detentions Operations, and Corrections Misdemeanor Jail.</p>
Administrative Services	Provides agency support services, including hiring and background, training, civil, court security, information technology, crime analysis, professional standards, public disclosure, and Internal Affairs; provides fiscal support services, including budget, fiscal management, trust accounts, grant management and reporting, purchasing and contracts, communications, and other program support.	<p>Budget: \$21-50 million FTE: 51-100</p> <p>Inherent Risks: Public relations, allocation of staffing (civilian v. sworn), and ability to effectively prevent crime, and affect arrests.</p> <p>Other: Provides support services to each of the other bureaus; an audit of other bureaus may encompass aspects of Administrative Services; facilities in County/City buildings are not adequate or secure.</p>
Animal Control Services	Contracts with the Humane Society to operate a regional animal shelter; responds to dangerous animal, animal noise, and animal-related code violations.	<p>Budget: \$0-3 million FTE: 0-10</p> <p>Inherent Risks: Public relations,</p> <p>Other: A function that is ancillary to core law enforcement functions, though a portion related to public safety (public health); increased animal cruelty costs—holding animals for a longer period of time, increased costs, as a result of COVID.</p>

Primary Program Areas:

- Operations: Patrol
- Operations: Investigations
- Corrections
- Administrative Services, Fiscal, Other
- Animal Control



Risk Rating Heat Map



Potential Audit Topic(s)

Because law enforcement agencies are inherently high-risk, there is no shortage of potential audit topics. Of those that have not been evaluated recently (or planned, such as response times), we believe that consideration of the following topics are warranted:

- (1) Sworn overtime usage;
- (2) Inventory management, including equipment, cash, weapons, evidence, and other sensitive assets; and
- (3) Staffing Study, including shift scheduling, civilian v. sworn staffing, and recruitment strategies.
- (4) The Office's progress toward achieving accreditation; the steps required to achieve full accreditation; and the role accreditation will fulfill in providing external reviews of the Office.

Of these, we believe the latter topic is of greatest benefit to the County and the Sheriff's Office. Combined, this has the potential to provide the Office support for accreditation and independent, ongoing audit support of the many high- to moderate-risk areas faced by the agency.

Mission: Actively manage the business of the court so as to provide for fair, prompt and efficient resolution of disputes. Maintain independence and parity as an equal branch of government. Provide due process and individual justice in each case.

2020-21 Budget: \$40.8 million **FTE:** 105.00

Core Functions: Serve as the highest judicial branch in the County. Follow mandated responsibilities such as handle felony criminal proceedings.

Factors Contributing to Department Risk Level: Court has a moderate level of funding / FTEs when compared to other departments / offices, and relatively low level of cash or other high-risk assets; experienced budget reductions related to family court and family drug program; no past or planned audits; no performance measure dashboard; and the function does not represent a strategic or legislative priority of the County Council.

Superior Court

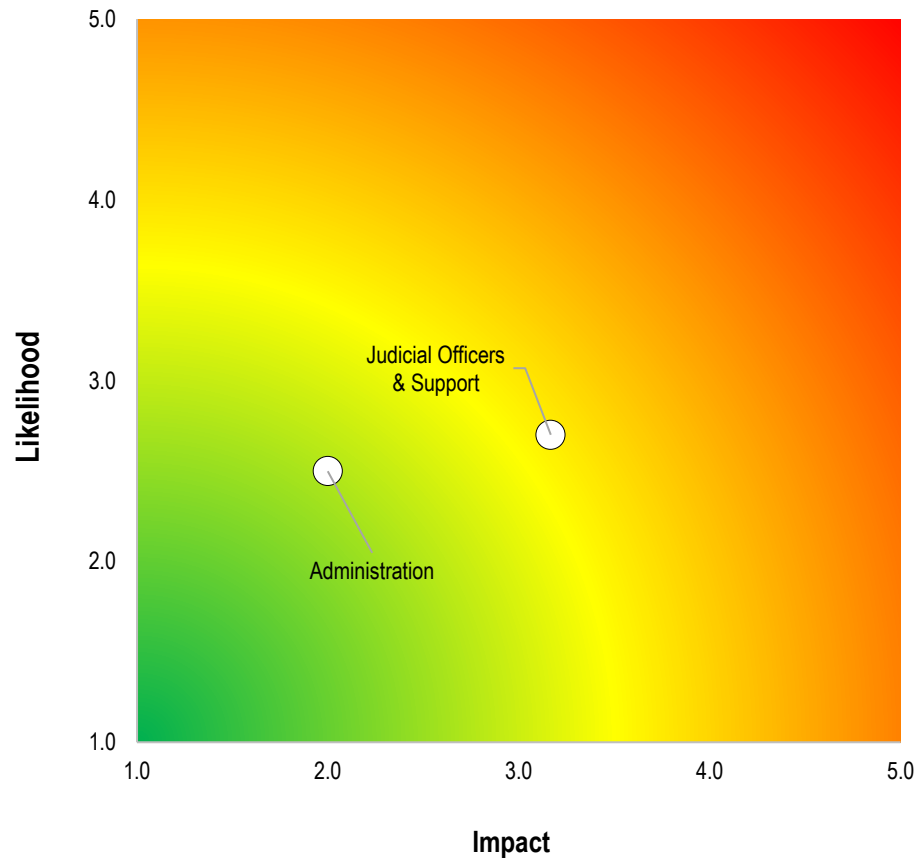
DIVISION/PROGRAM	RESPONSIBILITIES	FACTORS CONTRIBUTING TO RISK SCORE
Judicial Officers & Support	Provides 22 Superior Court Judges and 9 Court Commissioners to hear assigned cases, as well as judicial assistants and court reporters assigned to each Superior Court Judge.	Budget: \$11-20 million FTE: 51-100 Inherent Risks: Ensuring efficiency in court operations, case management, and scheduling. Other: None.
Court Administration	Provide administrative support to courtrooms and court proceedings, including legal assistant staffing, selecting potential jurors, court interpreters, program coordinators (such as for family law cases, marriage ceremonies, settlement conferences, alternative dispute resolution, and therapeutic court programs).	Budget: \$21-50 million FTE: 11-20 Inherent Risks: Ensuring efficiency in court operations and administration of programs such as family law, marriage ceremonies, settlement conferences, alternative dispute resolution and therapeutic court programs. Other: None.

Primary Program Areas:

Judicial Officers & Support
Court Administration

Superior Court

Risk Rating Heat Map



Potential Audit Topic(s)

The operations of the Superior Court generally represents low- to moderate-risk. Based on this risk assessment, a performance audit of the Superior Court could include the following objective:

- (1) Assess overall efficiency of court operations, case management, scheduling, and administration of key programs, including family law cases, marriage ceremonies, settlement conferences, alternative dispute resolution, and therapeutic court programs.

COUNTYWIDE RISK RATINGS

Overview of
Departmental
Audit Risk
Universe

ADDITIONAL AUDIT TOPIC OBSERVATIONS

Countywide
Observations

ADDITIONAL AUDIT TOPICS

- In addition to the department-specific audit topics identified in the preceding risk profiles, this risk assessment identified four additional audit topics that are not specific to any single department or program, but often involve multiple departments. Specifically:
 - **Records Management.** While Finance manages the Records Management Division, records management activities (including record management solutions, retention and destruction practices, and responding to public records requests) are carried out by every county department and represent a countywide concern affecting the efficiency of county operations. A performance audit of countywide records management activities could include the following objectives:
 - Evaluate the County's Record Retention Policy and its application countywide, and determine the extent to which the record retention policy is cost-effective from a risk management perspective.
 - Evaluate public records request policies and protocols and determine the extent to which practices comply with state law, are cost-effective from a risk management perspective.
 - **Franchise Agreements.** The County administers different types of franchise agreements (cable, telecommunications, waste haulers, utilities, etc.). While each presents differing benefits to the County and its residents and businesses, the County has not conducted a performance audit of its overall approach to franchise agreements. A performance audit of the County's franchise agreements could include the following two objectives:
 - Determine Franchisees' compliance with franchise agreements.
 - Determine the extent to which the County is optimizing the benefit of such agreements, and the extent to which the agreements are consistent with best and leading practices.

ADDITIONAL AUDIT TOPICS (CONT'D)

- **The County's Court System.** The County's court system is made up of the Superior Court, Court Clerk, and the District Court. While neither department received a risk rating high enough to warrant placement on the proposed audit plan, when viewed collectively, the system is significant in size (e.g., budget and FTE) and complexity, and the efficiency of its operations affect other County offices, such as the Prosecuting Attorney, Assigned Counsel, and Sheriff. A performance audit of the system could include the following objectives:
 - Determine whether the Courts have established sound internal controls over cash collections, evidence storage, and other assets.
 - Evaluate whether the processes employed by the Courts to record judicial decisions and fee/fine collections ensures accuracy and correct distribution of fee and fine revenue.
 - Assess overall efficiency of court operations, case management, scheduling, and administration of key court programs.
- **Interlocal Agreements.** Interlocal Agreements are used by various county departments for a variety of purposes. While contractual relationships between the County and other governmental agencies exist, such arrangements can take on a life of their own without clear roles, responsibilities, or governance structures—all of which may create confusion and inefficiencies in the County's approach to facilitating the agreements. A performance audit of the County's overall approach to such agreements could focus on departmental efforts to manage ILAs, consistency in contract language, and adherence to sound governance principles in establishing the agreements.

ADDITIONAL AUDIT TOPICS (CONT'D)

- **COVID Response.** There are four primary performance audit topics to consider as it relates to the County's response to the pandemic:
 - An evaluation of the County's use of COVID relief funds, both with respect to compliance and how well the County put the funds to best use;
 - An evaluation of ongoing reimbursement claim processes with the purpose of ensuring that all allowable expenditures are identified; and
 - An evaluation of lessons learned as the County responded to the pandemic and implemented changes that impacted its operations, workforce, and practices.

PROPOSED AUDIT PLAN

**11 Proposed
Audit Topics**

POTENTIAL AUDIT TOPICS

Based on this risk assessment, we propose the following **11** audit engagements for the upcoming Performance Audit Plan:

- 1.** Countywide information technology practices.
- 2.** Countywide records management policies and practices.
- 3.** Medical Examiner's Office.
- 4.** Risk Management, particularly risk transfer and retention practices, insurance programs, and claims administration processes of the Risk Management Division.
- 5.** County performance measurement practices (Finance & countywide).
- 6.** Investment and cash management practices of Finance's Investments Division.
- 7.** Human Services' use of information system resources and analytics to enhance service delivery.
- 8.** The Office of the Sheriff's progress in achieving accreditation.
- 9.** Franchise agreements administered countywide.
- 10.** Interlocal Agreements administered countywide.
- 11.** Evaluation of sustainability concerns related to two Planning & Public Works programs (County Roads and Solid Waste).

**George Skiles, Partner
Sjoberg Evashenk Consulting**

**455 Capitol Mall, Suite 700
Sacramento, CA 95814
(916) 443-1300**

george@secteam.com