

The logo consists of three concentric circles. The outermost circle is light blue, the middle one is a slightly darker blue, and the innermost one is dark blue. The text "Oregon Public Defense Commission" is centered within the innermost circle.

# **Oregon Public Defense Commission**

## **OPDC Audit Committee Mtg.**

**October 26, 2026**

**Jaclynn R. Moore CP, CIA**  
**OPDC AC Chair**

**Scott D. Martin IAP, MBA**  
**OPDC Chief Audit Executive**



# Audit Committee Call to Order

**Purpose:** Per OAR 125-700-0135(5), “The primary purpose of the audit committee is to enhance the quality and independence of the internal audit function, thereby helping to ensure the integrity of the internal audit process.”

**Opening Comments by the AC Chair:**

# Audit Committee Meeting Guidelines

- 1) Do not request or openly speculate on the specific legal opinions sought by the commission as that is privileged information best suited for an executive session if/when appropriate.
- 2) Center meeting discussions on providing feedback and guidance to the CAE on completed IA work or planning, such as the implementation of remaining audit recommendations, pending risk assessment...etc.
- 3) Refrain from asking about specific elements of the next AC charter draft as the CAE will share the next draft(s) and order of operation with the AC when completed for feedback prior to applicable next steps. Its too soon to discuss specific charter elements until qualified Oregon-specific legal opinions are received with which to align a new AC charter to IIA standards.
- 4) Be patient with the process. Updating the existing AC charter to meet specific governance and 2024 IIA standards is new to everyone involved and opportunities for timely feedback will be provided before a new AC charter is implemented.

# Governance Sub-Committee Chair Discussion Items

- 1) Commission support for cancelling the June 8<sup>th</sup> AC meeting.

*(Note: See the Director's letter summarizing the Audit Committee (AC) charter's revision history and anticipated adoption prior to the scheduled June 8, 2026 meeting)*

- 2) Status of the AC charter review and updating process.

*(Note: See the DAS CAE letter providing added context)*

- 3) Next steps for approving a new AC Charter.

## AC Chair and CAE discussion of charter reviews and special sessions.

- 1) The current AC charter requires annual reviews of the AC and IA charters. A review of both will occur within 90 days **if the new AC Charter is not finalized**. In the meantime, **the AC will have an active role in updating the new AC Charter**. If the new AC charter is finalized, the AC will review the current IA charter at the next AC meeting (TBD).
- 2) The current AC charter requires AC meetings to be held with and without select members of the AC. These special meetings will resume with the next AC meeting (TBD) and be completed by the AC meeting that follows it.

# Chief Financial Officer Discussion Points

- 1) Preauthorized Expense (PAE) and Court Mandated Expense (CME) spending is projected to exceed budgeted amounts.
- 2) PAE and CME spending amounts are being independently reviewed by a Commission Subcommittee titled the “Extraordinary Expenses Subcommittee”. Finance supports this effort.
- 3) General need to reduce OPDC’s expenditure spending among its operational units through the biennium.
- 4) January 1, 2027, impacts of federal legislation (H.R.1.) could adversely affect Statewide Revenue and the Public Defense Forecasts prepared by the Office of Economic Analysis (OEA).

# Policy Manager Discussion Points

- 1) High Volume of agency Policies to be implemented (both DAS originated and New) as well as related processes.
- 2) Need to develop evaluative criteria for related processes (e.g. complaints...etc.)
- 3) Need to develop a tracking mechanism for complaint referrals and resolutions and other items in need of monitoring.
- 4) Need to develop a file storage schema and related naming convention(s) for quick reference and document retrieval.
- 5) Need to establish a document review schedule to ensure agency policies and procedures stay relevant and accurate.

## CAE Completed Audits, Advisory Engagements and Reviews (Part 1)

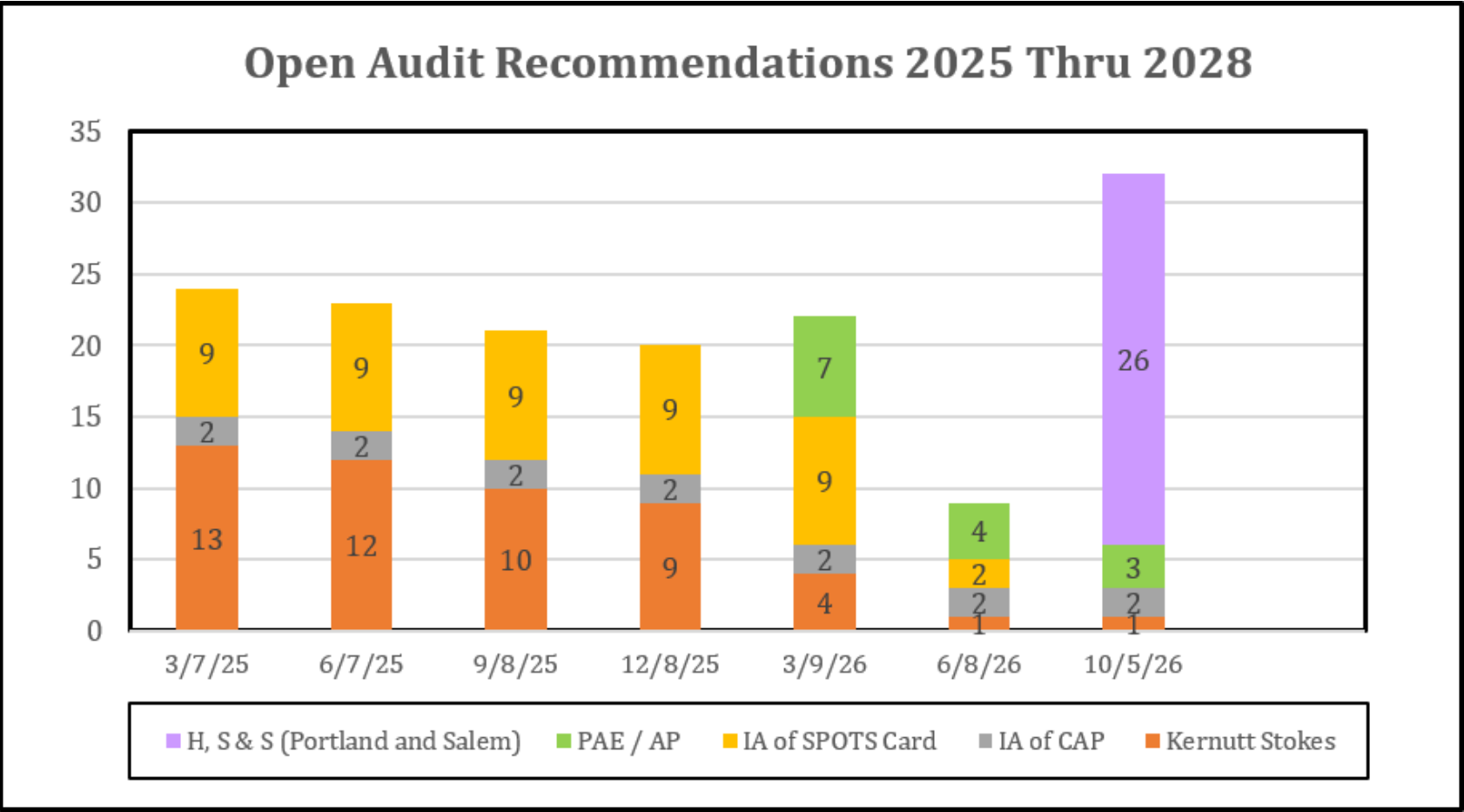
- 1) (Audit) **SPOTS CARD** use and billing. Report submitted on May 17, 2024 and completed on June 28, 2024 (when management's response was received).
  - Findings: **9** Focus: Required training, Card Roles and Shared Spending Limits.
- 2) (Audit) **Preauthorized (PAE)** and **Court Mandated Expenses (CME)**. Report submitted on June 22, 2025, and completed on December 29, 2025.
  - Findings: **3** Focus: Late invoice payments, timeliness of initial reviews and reconsideration panel decisions.
- 3) (Advisory Engagement). **Management Communications**. Report completed on May 19, 2026.
  - Focus: Sharing of strategic goals, roles, responsibilities and points of contact, broader staff inclusion and locating current policies and procedures.

## CAE Completed Audits, Advisory Engagements and Reviews (Part 2)

- 5) (Audit) **Health, Safety and Security of the Portland and Salem Offices.** Report submitted on July 31, 2026, and completed on September 22, 2026.
  - Findings: **17** Focus: Unauthorized use of personal appliances, general security, emergency response planning, building maintenance, and hazard awareness.
- 6) (Advisory Engagement) **Post AP Invoice Payment Compliance Performance.** An initial engagement was completed on August 19, 2026 in response to a PAE and CME audit finding. This engagement will be on-going to objectively assess payment performance until FCMS can provide that data (~ late 2027).
  - Focus: 3 late payments occurred in a sample of 196 paid invoices, but each had unique circumstance not indicative of a trend. On-time payment approximated 98.5%.
- 7) (External Quality Assessment) **Peer Review of a state agency's IA function.** Served as part of a three-member team to complete this peer review to 2024 IIA standards.

# Implementation status of Prior Audits

OPDC has **32** open audit recommendations all of which are being actively worked. The primary cause of delay is the implementation of key features in FCMS.



## Corrective Actions from Advisory Engagements

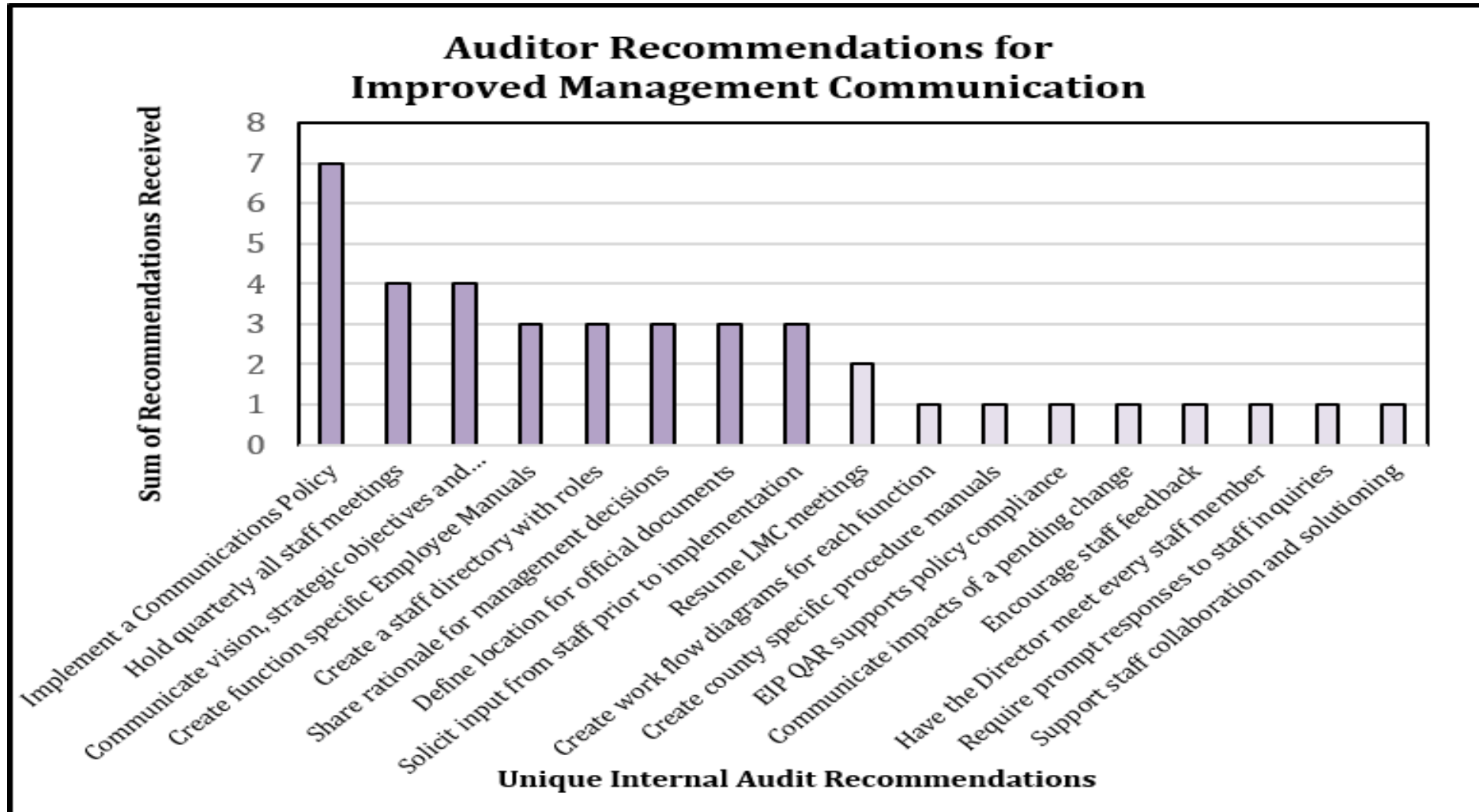
**Management Communications:** On August 25, 2026, the CAE formally shared engagement findings as well as staff and CAE recommendations with Management during the **Manager and Executive Management Team meeting** in Salem.

(See bar graph on next slide)

The engagement methods and recommendations were reviewed, and a variety of potential improvement actions discussed. Following that meeting, the CAE was included in several discussions and meetings to plan next steps.

On October 13, 2026 the CAE attended a quarterly in-person **Management and Executive Team meeting** during which findings from the engagement were cited and used to support proposed improvements and recommendations.

# Management Communication Recommendations



# Corrective Actions from Advisory Engagements

**AP Payment Compliance Performance:** The results of the engagement were **shared externally** in the September 25<sup>th</sup> newsletter providing the public with the auditor's independent and objective assessment (See below). The results will also be included in the October staff newsletter.

## Review of invoice payments

Given concerns regarding payment times, OPDC's chief audit executive performed our first review of payment times and found that the state paid providers of public defense services within the required 45 days in May, with few exceptions.

Reviews of this type are anticipated to occur three more times over the next year to ensure continued compliance with Oregon law and accounting policy.

Our chief audit executive, Scott Martin, randomly selected 196 paid May invoices from that month's sum of 4,500 and found only three took longer than 45 days for our agency to approve and the Department of Administrative Services (DAS) to subsequently pay. All three had unique circumstances that did not indicate a broader trend.

To avoid added account charges, state agencies are to pay invoices within 45 days as defined in [ORS 293.462\(4\)](#) and the Oregon Accounting Manual ([OAM 15.40.00](#)).

On average, it took 39 and a half days from when we received an invoice to when we submitted it to DAS for payment. It took an additional three days for electronic deposits to clear at banks and almost nine days for checks. About 14% of invoices were paid by check.

## Current and Planned Internal Audit work

- 1) (Audit) **Health, Safety and Security (Medford)**: This audit is active and was delayed due to illness. The CAE anticipated completing a draft version of the report, subject to internal review, by the end of the month.
- 2) (Advisory Engagement). **Post AP Invoice Payment Compliance Performance**.  
A subsequent assessment is planned for November or December.
- 3) **Annual Risk Assessment**: This effort is planned for the first week of November and will be guided in part by the COSO framework to identify risks. The CAE will meet with each functional team to survey agency risks for potential inclusion in audit or advisory engagement planning.
- 4) **3-year Audit Planning**: This will follow completion of the risk assessment and involve collaboration with the AC and Executive Director. The goal is to complete this planning by the end of the year if possible.
- 5) **IA Policies**: In 2027, the CAE will be reviewing current IA policies for edits and drafting an OPDC specific IA SOP document to be completed by the EOY.

## Status of SOS Performance and Financial Audits

**Performance Audit:** The SOS audit of OPDC's policies, procedures and oversight methods for all adult criminal public defenders and non-attorney support services is nearly complete. Per the SOS auditor, "the report is written and we are wrapping up our quality control review". In addition, she stated (on October 16, 2026), "We anticipate OPDC management will see the report in the next few weeks."

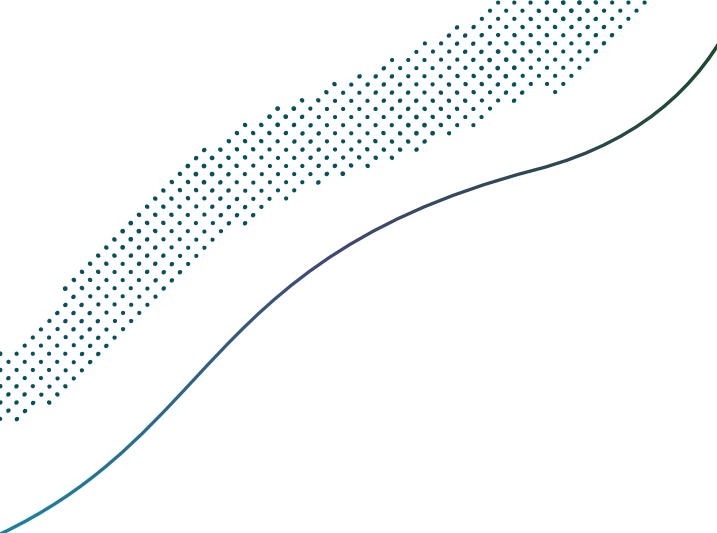
**Financial Audit:** Per the SOS auditor, "The account specific procedures at OPDC are done and no issues were identified". In addition, "all that remains now is waiting for a final date for the state's financial statements as a whole" to *complete their statewide audit.*



## ROUND TABLE Discussion

As the functional reporting entity of the Internal Audit function, each Audit Committee member is encouraged to provide insights and feedback specific to the Internal Audit function that may not have been addressed in the meeting's agenda.

If possible, the AC Chair and/or CAE will seek to address each concern in the moment, but if that is not possible will follow-up with the AC member separately or consider their concern as a future agenda item.



# Meeting Adjourned