



AUDIT COMMITTEE of the OREGON PUBLIC DEFENSE COMMISSION

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John Hutzler

External Members

Deanna Horne

Reid Kajikawa

David Terry

Jaclynn Moore

OPDC Commission

Robert Harris

OPDC Agency

Ralph Amador

Kimberley Freeman

Scott Martin (non-voting)

Quarterly Public Meeting

Monday, December 8, 2025 1:00-3:00pm via [Zoom only](#).

Public Zoom link: <https://zoom.us/j/92378491198>

Agenda

Approximate Duration(s)	Discussion Item	Presenter
1:00-1:05 (< 5 min)	General greeting, announcements.	John H.
1:05-1:15	AC Chair Nominations.	John H.
1:15-1:25 (10 min)	Management Update on Budget, Finance and Operations. The focus is on sharing management priorities, emerging trends and/or operational areas of concern.	Ralph A. & Kim F. (Inform)
1:25-2:10 (45 min)	Review, Discuss and Approve OPDC's updated Three-year Audit Plan consistent with the risks identified in the 2025 Risk Assessment.	Scott M. / John H. (Approve)
2:10-2:30 (20 min)	AC Charter Discussion. The AC needs to decide if it supports public or private AC meetings and how best to structure the AC for that forum within the AC Charter doc.	Scott M. / John H. (Approve)
2:30-2:35 (< 5 min)	Status of the Preauthorized Expense (PAE) / Accounts Payable (AP) audit report.	Scott M. (Inform)
2:35-2:40 (< 5 min)	Review the status of Prior Audit recommendations.	Scott M. (Inform)

2:40-2:45 (< 5 min)	Vote on a new AC Chair.	John H. (Approve)
2:45-3:00 (15 Mins)	Round Table: (Open Forum)	Open
3:00	Adjourn: (Next meeting: Monday March 9, 2026, from 1 to 3pm)	John H.

OPDC 2025 RISK ASSESSMENT SURVEY

OPDC Goals (Note: See link to this information in the cell note)
Goal 1 (Staffing): Attract, recruit, and retain highly qualified diverse,
Goal 2 (OJD to DAS Mitgration): Successfully transfer operations and
Goal 3 (Provider Relationships): Strengthen our relationships with
Goal 4 (Operations): Streamline our processes, improve efficiency,

GOVERNANCE (This includes agency leadership, strategic planning, communications, policy management, public records requests...etc.)

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
4	No definition of the CAP team	7	Evaluate the structure, roles and responsibilities of CAP.	
6	Volatile, reactionary strategic directives	10	Strategic Planning Process (Assumptions, Resources, Goals, Direction, Implementation and outcome evaluation)	(CAE Recommended) The need for more strategic planning was the most cited risk concern (see the far left tab) and is currently being addressed by the Director. Consider auditing in late 2026 or early 2027? Note: See also Rows 28 and 40
6	Closed-mindedness on shifting operational needs	8.5		
7	No clear/dedicated owner for strategic plan implementation could result in not meeting goals.	8.5	Strategic Planning Process (Assumptions, Resources, Goals, Direction, Implementation and outcome evaluation)	
9	Low Agency Maturity	8	Process Development Generally (need identification, planning SME inputs, goal definition, process implementation, and on-going outcome evaluation).	Too soon?
12	Governor/LFO/CFO/DAS/Legislature prevent OPDC ED from making necessary policy decisions in a client-centered manner.	8	The decision making process for policy decisions.	
14	Lack of data classification and lifecycle policies, processes, and tools	8	The current data classification status and related processes.	Consider in a year after Data Classification policy is completed.
14	No formal data management program	8.5	<i>Note: Management needs to address this as a stand alone issue.</i>	
14	Policies are still being adopted (lack of guardrails)	8.5	Current policy adoption status and policy development/implementation processes	Too soon?
21	Strategic	7	Strategic Planning Process (Assumptions, Resources, Goals, Direction, Implementation and outcome evaluation)	
21	Reputation	8.5	Internal and external assement of reputation and root causes.	
21	Operations	8.5	Task and role definition, existing work processes <i>implementation</i> , feedback channels and the agency's ability to implement changes when appropriate.	(CAE Recommended) (Early to Mid 2026) Consider a Brief Consulting Engagement to identify ways staff suggest for improving management communications. Else a formal audit will take longer and is also an option.
21	Staffing	8		
23	lack of leadership in implementation of the Strategic Plan	9	Strategic Plan Implementation (Management Direction, Implementation planning and on-going outcome evaluation).	
24	Volatility in agency leadership	7	Evaluate alignment and communication of objectives between the agency, commission and Governor.	
24	Not achieving Strategic Plan	8.5	Strategic Plan Implementation (Management Direction, Implementation planning and on-going outcome evaluation).	

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#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
30	Chaotic: 5 EDs in 5 years?	10	Analyze the Strategic Planning Process for alignment with budgetted resources and defined goals and objectives.	(CAE Recommended) The need for more strategic planning was the most cited risk concern (see the far left tab) and is currently being addressed by the Director. Consider auditing in late 2026 or early 2027? Note: See also Rows 13, 14 and 40
32	OPDC does not implement strategic plan in timely manner	7	Strategic Plan Implementation (Management Direction, Implementation planning and on-going outcome evaluation).	

GOVERNMENT RELATIONS AND COMMUNICATIONS (This includes agency interaction and reporting to the Legislature, Commission, Providers and Staff)

#	Risk / Description	Score (Output)	Potential Audit Scope	
2	financial	9	Note: No comments received - not sure what to focus on here.	
2	reputation	10	Note: No comments received - not sure what to focus on here.	
2	strategic	9.5	Note: No comments received - not sure what to focus on here.	
			Evaluation of case data collection.	
6	Poor strategic communication to external stakeholders	8.5	Evaluation of external stakeholder communication.	
			Evaluation of case options for resolution given resource constraints.	
6	Failure to collect and use narrative-changing data	8	Evaluation of data collected and its use in identifying trends, supporting or refuting assumptions and shaping narratives of public defense. Note: See also "Data Governance" on row 224 for broader foundational audit.	Consider auditing this risk a year or more after implementing improved data collection (like that recommended within the FCMS system in the PAE AP Audit....).
7	Poor relationships with partner agencies (e.g., DAS, Legislature) may result in operational barriers or policy resistance.	8	Analysis of communication with partner agencies and external stakeholders. Focus would center around closing gaps and increasing communication and collaboration to gain support.	
9	Low Agency Maturity	8	Evaluate the agency's process development, implementation, use and improvement history as well as actions taken to identify and address any and all impacts related to the executive branch transition. Focus would center around the culture of process development and improvement as well as methods used to identify and correct risks to agency operations however sourced.	
21	Strategic	9	Strategic Planning Process (assumptions, resources, goals, direction and communication, implementation and outcome evaluation).	(CAE Recommended) The need for more strategic planning was the most cited risk concern (see the far left tab) and is currently being addressed by the Director. Consider auditing in late 2026 or early 2027? Note: See also Rows 13, 14 and 28
21	Reputation	8.5	Internal and external assement of reputation and root causes.	
21	Operations	9	Task and role definition, existing work processes, feedback channels and the agency's ability to implement changes when appropriate.	Audit after CAP Reorganization and Resource Counsel PD refinement in 2027? Note: See also Row 93
24	Legislative relations do not improve	7	Evaluate alignment and communication of objectives between the agency, commission and governor.	
25	Need for FCMS to enable more complex data analysis asked for by the Legislature such as cost per case	7.5	Note: This should be a business requirement for the FCMS system.	
28	Lack of understanding and internal outreach about how contracts are funded that may lead to underfunding in certain areas.	8	Note: This is a management issue to optimize contract funding options.	

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
30	Lack of transparency to the legislature	10	1. Evaluate objective alignment and communication between the agency, providers, the commission and governor. Focus would center on ensuring stakeholder representation and communication of varied perspectives to the legislature for full issue transparency and consideration. 2. Conduct a consulting engagement (not an audit) with the defense provider community to gain their insights on how to improve relations with the provider community and potentially attract new providers.	Scope needs to be better defined before considering what and when to audit.

ADMINISTRATIVE SERVICES (This includes internal support staff)

#	Risk / Description	Score (Output)	Potential Audit Scope	
2	operations	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
2	financial	9	<i>Note: No comments received - not sure what to focus on here.</i>	
4	Siloed departments	8.5	Roles and responsibility of ASD and the processes used to gather and support decision making and policy development.	(CAE Recommended) 2026 or 2027 Audit? (likely short in duration) Note 1: Consider including with row 53 Note 2: Shares some aspects w/row 23.
21	Operations	7	Roles and responsibilities across the agency and the means by which a given task is triaged and assigned.	
24	Not enough staff to implement SP, policies, oversight	7	Root cause analysis to investigate staff shortages as current market availability, budget limitations, reputation...etc.	

HUMAN RESOURCES (This includes staffing, roles and responsibilities, professional development and related policy guidance)

#	Risk / Description	Score (Output)	Potential Audit Scope	
2	operations	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
2	reputation	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
4	Inconsistent/inequitable application of position qualifications	7.5	Evaluate position qualification criteria and past hires for uniform application. Focus on position qualification criteria for given agency roles and ensuring equity in the hiring decision processes. <i>However, I think this is an issue best addressed by management and not IA.</i>	
7	Lack of comprehensive review of the class/comp system may result in a non-competitive compensation structure, difficulty recruiting, and inequities within the workforce.	7	Evaluate agency classification and compensation criteria for appropriateness.	
18	Strategic: Recruitment	7	<i>Note: No comments received - not sure what to focus on here.</i>	
18	Financial: Recruitment Outreach & Advertising	7	<i>Note: No comments received - not sure what to focus on here.</i>	
18	Operations: Recruitment/Time to Fill	7	<i>Note: No comments received - not sure what to focus on here.</i>	
23	Class and comp study	10	Evaluate agency classification and compensation criteria for appropriateness.	This was done by an HR contractor in 2025.

INFORMATION TECHNOLOGY (This includes system infrastructure, technical service delivery and development of the Financial Case Management System (FCMS))

#	Risk / Description	Score (Output)	Potential Audit Scope
2	compliance	7	<i>Note: No comments received - not sure what to focus on here.</i>

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
4	FCMS - Lacks leadership/direction	10	Evaluate the project management, vendor selection, requirements development, pending implementation and technical support agreement of the FCMS project.	2027 or 2028?
12	Inability to create timekeeping that captures and preserves AD culture of oversight and collaboration (i.e., multiple attorneys working on a single client's case).	7.5	<i>Note: This appears to be a stand alone timekeeping issue for management resolution.</i>	Consider auditing this risk a year or more after implementing improved data quality standards (like that recommended within the FCMS system in the PAE AP Audit....).
14	Formal ITSM processes are still being adopted and implemented	7	Evaluate the implementation status of formal ITSM (Information Technology Service Management) processes. Recommendations would focus on identifying and removing barriers to implementation (as appropriate).	
14	Lack of formal definition of data quality standards and enforcement	7	Evaluate data quality standards and enforcement within the agency for appropriateness.	
14	Identity and Access Management Program is needed	8.5	<i>Note: This is an operational decision for management.</i>	
16	Resource constraints - Project does not have adequate resources to perform the needed project work causing over allocation of resources and impacting other agency projects.	7.5	Evaluate the impact of over allocated staff on project quality and delivery.	
21	Reputation	9	<i>Note: This is a statement and not an auditable function.</i>	
21	Strategic	9	<i>Note: This is a statement and not an auditable function.</i>	
21	Operations	9	<i>Note: This is a statement and not an auditable function.</i>	
24	FCMS not funded	7.5	<i>Note: The FCMS project is funded.</i>	
25	Need for FCMS to enable more complex data analysis such as cost per case	7.5	<i>Note: This should be a business requirement for the FCMS system.</i>	
26	Cyber Security (attack, data breach)	7	Assess the need for security improvements to OPDC's IT environment. <i>Note: See also Data Governance on row 224 for a more foundational audit recommendation.</i>	2027?
26	Limited Agility (due to restrictions on IT systems)	9	Assess the efficiency and need for enhancements to OPDC's IT systems. <i>Note: See also Data Governance on row 224 for a more foundational audit recommendation.</i>	2027?
30	FCMS Delay	9	Evaluate the business requirements of the FCMS project to ensure inclusion of data elements that enable full accountability of costs to include decision criteria, time stamped processes, provider status, provider credentials, provider compensation criteria, client offenses, service type(s) and other data deemed necessary by involved staff and end users.	

CAP ADMINISTRATION (This includes rules and records coordination, data and research functions as well as policy development and "external audits")

#	Risk / Description	Score (Output)	Potential Audit Scope	
2	Operations	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
2	Strategic	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
2	Reputation	7.5	<i>Note: No comments received - not sure what to focus on here.</i>	
4	Inadequate staffing - data and research	7	Evaluate the agency needs from the data team. Focus would center on staffing related capacity specific to: quality control (of provider data), roles and responsibility, triaging of priorities, and on-going data analysis efforts to better inform decision making. Note: See also "Data Governance" on row 224.	Potential 2026 Consulting Engagement to quickly explore condition, work processes and offer insights.
4	Data team not part of forecast	9	Evaluate agency forecasting methodologies in the absence of data team input. Recommendations would focus on potential benefit of data team inclusion, applicable roles and responsibility, triaging of priorities, capacity and long-term forecasting data support.	
7	Limited data analysis on CAP program effectiveness might impair improvement efforts or legislative reporting.	7	Evaluate the data analysis of CAP program effectiveness in structuring and prioritizing its work to ensure appropriate functional oversight.	Too soon. Work is still needed to define the role and structure of CAP

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
21	Compliance	7	Evaluate the structure and program administration of CAP to fulfill its role and responsibilities.	(Same As Above) Too soon. Work is still needed to define the role and structure of CAP Note: See also Row 42
24	No external audits developed	7	<i>Note: This is a management / commission decision based on available funds and internal audit plan priorities. External refers to contracting with a private Internal audit provider which will require contract and access oversight as well as work product evaluation by existing Internal Audit and management staff. Very doable if funds permit.</i>	
25	Need for increased data team staff as number and complexity of requests increase	7	<i>Note: Staffing is a management decision and does not require IA input.</i>	
25	Policy's developed before ensuring implementation is possible.	8	Evaluate (briefly) the agency's policy development process for consideration of needed implementation resources. Focus would center on developing criteria to evaluate resource availability for planned policy implementation.	(CAE Recommended) This could be a Consulting Engagement or formal audit.
30	No Site Reviews that build ongoing relationships with local partners	7	Investigate the intent of CAP to perform oversight (via external audits) of providers to include "site reviews". Recommendations would center on defining roles and responsibilities of CAP and TSD specific to this type of oversight and any needed next steps once better understood.	Too soon...

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TRIAL SUPPORT DIVISION (This includes the timely assignment and support of Public Defenders)				
#	Risk / Description	Score (Output)	Potential Audit Scope	
2	operations	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	reputation	9.5	<i>Note: No comments received - not sure what to focus on here.</i>	
4	No General Counsel role to answer legal questions	9.5	<i>Note: This is a staffing issue that has (in part) been resolved by DOJ representation. Executive management will need to decide how any remaining day to day GC duties will be addressed, but I'm not seeing an auditable condition at this time - just the need for management attention.</i>	
4	Insufficient staffing	8	<i>Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).</i>	
6	Frustrated contractors on the verge of terminating	10	Evaluate the applicability and broader impact of the MAC number in obtaining OPDC desired casework and case outcomes.	Public Defense contracts with OPDC are in flux after a preliminary injunction was issued on Nov. 14th specific to the PDMC lawsuit. Next steps TBD.
7	Failure to properly define the role, function, and structure of this organization may result in an inability to address the unrepresented crisis	8.5	Evaluate the operational structure, function, roles and responsibilities of the Trial Support Division. Focus would center on resolving gaps within the TSD function specific to roles, responsibilities and resources.	Too Soon to Audit. I believe CAP and TSD are being reorganized. See R42
21	Operations	7.5	(Duplicate) Evaluate the operational structure, function, roles and responsibilities of the	
21	Reputation	7.5	Trial Support Division. Recommendations would center on resolving gaps in the within the	
21	Strategic	7.5	TSD function specific to roles, responsibilities and resources.	
25	Lack of data on hourly cases	7	Evaluate the operational impact of not having hourly case data. Recommendations would focus on the costs and benefits of gaining this data.	Brief Consulting Engagement to identify constraints, assess impact(s) and make recommendations? Else, consider for 2027?
25	Need to change contract models, but unclear path for this	8	Evaluate the efficacy of the current contract models.	The agency is reviewing contract content after receiving a preliminary injunction on Nov. 14, 2025. Next steps TBD.
28	Budgetary constraints that result in Trial Support Division not being able to adjust contract FTE or add attorneys in needed jurisdictions.	8.5	<i>Note: Any needed reallocation of budgetted resources (staff) is a management decision.</i>	
28	Poor review of contractor reported data to ensure accuracy which may be resulting in inaccurate caseload numbers	8.5	<i>Note: I believe quality assessments of reported provider data to be a CAP function.</i>	

TRIAL DIVISION

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
#	Risk / Description	Score	Potential Audit Scope	
2	operations	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	reputation	9.5	<i>Note: No comments received - not sure what to focus on here.</i>	
6	Failure to attract talented attorneys	8	Evaluate OPDC recruitments efforts and practitioner perception of OPDC generally and in targetted demographics.	2027?
6	Training deficiencies	7.5	Evaluate OPDC New Public Defender Training programs (if existant) and/or resources for applicable scope and efficacy.	
6	Siting and facilities neglect	7.5		
6	Lack of articulated mission in system context	7		
9	Low Agency Maturity	7.5	<i>Note: I'm not sure what is to be auditted for this risk type and functional area.</i>	
21	Operations	8.5	Evaluate the post-implementation status of State Trial offices to include: location criteria, IT system support, operational costs, case types and capacity (planned and actual), administrative separation of duties specific to client information and the recruiting of staff and lessons learned (as appropriate).	(CAE Recommended) This could start soon or in 2026. Value comes from assessing effectiveness of location criteria, cost and benefits (case types planned and actual), adminstrative compliance with confidentiality standards, and evaluating the agency's recruiting approach.
21	Financial	8.5		
21	Reputation	8.5		
28	Filling vacant positions from local public defender offices	7.5	(Duplicate) Evaluate the defense provider recruitment process and criteria.	
28	Filling attorney workloads with low level cases or cases that are part of a resolution docket. This does not foster good will with system partners or do much to help with the unrepresented crisis.	7	Evaluate the triaging and assignment of public defense casework.	(Brief - < 2 week) Consulting Engagement to investigate the assertion?
30	Impact on Provider Community	8	Evaluate case selection and load criteria among contracted public defenders and the state's trial division.	

APPELLATE DIVISION

#	Risk / Description	Score	Potential Audit Scope
12	Failure to fund necessary support staff.	7	<i>Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).</i>
12	Disclosure of current, former, or prospective client information when that disclosure is not impliedly authorized to carry out the representation in violation of ORPC 1.6(a)	7.5	<i>Note: This is a compliance issue that needs prompt management attention.</i>
12	Allowing nonlawyer to acquire information relating to representation of appellate clients while at the same time allowing nonlawyer to acquire information relating to representation of trial level clients when each trial office is its own law firm, appellate division is separate law firm, and each firm's respective clients' interests are in conflict with one another. See ORPC 1.6, 1.7,1.8,1.9,1.10,	7.5	<i>Note: This is a compliance issue that needs prompt management attention.</i>

JUVENILE APPELLATE DIVISION

#	Risk / Description	Score	Potential Audit Scope
12	Disclosure of current, former, or prospective client information when that disclosure is not impliedly authorized to carry out the representation in violation of Oregon RPC 1.6(a).	7.5	<i>Note: This is a compliance issue that needs prompt management attention.</i>
12	Allowing nonlawyer to acquire information relating to representation of appellate clients while at the same time allowing nonlawyer to acquire information relating to representation of trial level clients when each trial office is its own law firm, appellate division is separate law firm, and each firm's respective clients' interests are in conflict with one another. See ORPC 1.6,1.7,1.8,1.9,1.10.	7.5	<i>Note: This is a compliance issue that needs prompt management attention.</i>

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
	ACCOUNTS PAYABLE	0		
#	Risk / Description	Score	Potential Audit Scope	
2	reputation	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
2	operations	8.5	<i>Note: No comments received - not sure what to focus on here.</i>	
4	Paying attorneys without a court finding of indigency (court will appoint OPDC/pub defender but also find person does not qualify for court appointed counsel)	7.5	<i>Note: This appears to be an issue for CAP to investigate and resolve within its functional scope. However, if it does not have the means then IA can perform this simple audit and offer recommendations.</i>	
4	No oversight of services provided.	7	Evaluate the controls used to ensure service provider quality to public defenders.	<div>(CAE Recommended)</div> <div>Late 2026 or early 2027?</div> <div>Note: See Rows 155 and 187</div>
9	Low Agency Maturity	7.5	<i>Note: I'm not sure what is to be audited for this risk type and functional area.</i>	
18	Duplicate or Inaccurate Payment	8	<i>Note: The PAE / AP Audit recommendations completed in 2025 offer recommendations to correct this issue.</i>	
18	Fraudulent Billing Practices	8	Evaluate OPDC billing practices from service providers to ensure compliance with Oregon law and agency policies. <i>Note: This is very similar in content to the PAE / AP audit and related recommendations, so I don't recommend this audit at this time.</i>	
18	Staff Burnout due to Unattainable Expectations for Timely Payments	8.5	Evaluate invoice volume, payment processes and system tool capabilities to assess staff work loads and estimate sustainable capacity.	This condition is addressed (in part) within the PAE and AP Audit Report.
21	Strategic	7.5	<i>Note: No comments received - not sure what to focus on here.</i>	
21	Operations	7.5	<i>Note: No comments received - not sure what to focus on here.</i>	
22	Pressure to issue payment in a timely manner creates an environment where compliance may become overlooked in order to issue payment.	8.5	<i>Note: The PAE / AP Audit recommendations completed in 2025 offer recommendations to potentially correct this issue.</i>	
22	No way to confirm that actual work billed along with a PAE is what was requested or what was actually completed. Attorneys do not see the invoice to "approve" before it is paid. Once the authorization is given to them to do the work, they can bill what is approved along with an invoice, presenting a risk for potential fraudulent billing.	7.5	Evaluate the control environment for Service provider billing and quality.	<div>(CAE Recommended)</div> <div>Late 2026 or Early 2027.</div> <div>To focus on prior contract management to identify potential areas for improvement with new contract management.</div> <div>Note: See also Row 147 and 187</div>
29	There is not enough permanent staff to do the work with the antiquated systems and the volume of work that is being directed due to changing policies. Unit is still very susceptible to slowing down because of employee leave time.	7	<i>Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).</i>	
29	Unit has insufficient tools to properly run the shop, they are better but they are subject in to uncontrolled by 3rd parties which in times of instability can shut down the entire system.	8.5	Evaluate the utility of current tools and stability of third-party systems to process invoices and complete payments.	
29	The unit is instructed by the commission to pay bill in an expeditious fashion limiting review of invoices to a very cursory level. There is also no official of submitted invoices in reference to the approval of work.	10	Evaluate the effectiveness of limited (cursory) reviews of invoices to meet payment timeliness compliance. <i>Note: This evaluation was done as part of the PAE / AP audit.</i>	
30	Time to Payment and forecasting	8	Evaluate the effectiveness of limited (cursory) reviews of invoices to meet payment timeliness compliance (same as above) and collaboration between AP, PAE and Finance (if any) specific to budget forecasts and CY actuals. <i>Note: This concern was partially addressed in the recommendations from the PAE / AP Audit report.</i>	
	BUDGET AND FINANCE			
#	Risk / Description	Score	Potential Audit Scope	

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
2	operations	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	financial	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	strategic	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	reputation	10	<i>Note: No comments received - not sure what to focus on here.</i>	
4	Does not provide program with actual budget numbers	8	Evaluate budget and finance's ability via available systems and operations to provide OPDC programs and functions with real-time budget information.	(Brief - <1 Month) Consulting Engagement?
6	Overbudget hourly program draining other programs	7.5	<i>Note: Scope would be similar to above but specific to forecasting hourly program costs and the criteria used to apportion remaining funds, or newly requested funds, for other programs and needed costs.</i>	Late 2026 or early 2027?
7	Inaccurate forecasting models could lead to funding shortfalls	7	Evaluate budget and finance forecast process to include variables, assumptions, inputs, limitations and	
21	<i>Reputation, Strategic, Operations and Financial</i>	Not Scored	(Duplicate - See rows 167, 172, 173 and 175) Evaluate budget and finance's ability via available systems and operations to provide OPDC programs and functions with real-time budget information.	(Brief - <1 Month) Consulting Engagement?
24	Reputation not improved with Legislature	7.5	<i>Note: No comments received - not sure what to focus on here.</i>	
28	Poor projections of hourly and contract expenses resulting in the agency not being able to add attorneys where needed or rebalance FTE between criminal and juvenile contracts	7.5	(Duplicate - See rows 167, 170, 173 and 175) Evaluate budget and finance's ability via available systems and operations to provide OPDC programs and functions with real-time budget information.	(Brief - <1 Month) Consulting Engagement?
28	Inability to communicate budget clearly to other divisions or externally	7	(Duplicate - See rows 167, 170, 172 and 175) Evaluate budget and finance's ability via available systems and operations to provide OPDC programs and functions with real-time budget information.	(Brief - <1 Month) Consulting Engagement?
29	Need a permanent dedicated analyst that focuses on forecast, workloads and dashboards so that information is timely and accurate.	8	<i>Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).</i>	
29	Need the ability to see what expenses are coming at the agency before they hit.	10	(Duplicate - See rows 167, 170, 172, and 173) Evaluate budget and finance's ability via available systems and operations to provide OPDC programs and functions with real-time budget information.	(Brief - <1 Month) Consulting Engagement?
29	Need time for policy changes and fiscal changes to matriculate and mature so that the true effect can be realized before changing strategy of course.	8.5	<i>Note: Not sure how an audit would be scoped to address this risk, but its inclusion in this assessment may help management's awareness of this issue.</i>	
30	Forecasting	8.5	Analyze case data for opportunities to improve forecasting.	

PREAUTHORIZED EXPENSES (This primarily concerns the review, approval or denial of service requests)

#	Risk / Description	Score	Potential Audit Scope	
2	operations	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	strategic	10	<i>Note: No comments received - not sure what to focus on here.</i>	
3	The "reasonable and necessary" threshold is subjective. Needs to be more clearly defined.	9	Criteria for "reasonable and necessary" and its consistency of application.	
3	Policy/Process of how to address providers that have been disciplined or who we believe are not performing the services they say they are performing	8.5	The CAE believes this to be within the functional scope of CAP to address. Once a policy is drafted and implemented IA can evaluate its effectiveness 6 mos or more afterwards.	2027 or 2028?
3	Staffing levels are insufficient. One person being out effects the whole unit and processing times.	7	<i>Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).</i>	
4	Opaque approval/denial process.	7.5	Transparency of service request approvals and denials.	(CAE Recommended) Short Audit or Potential Consulting Engagement in 2026 or early 2027. See also rows 190 and 196.

7

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes	
7	Insufficient fraud controls for expense reimbursements or service provider invoices.	7	Examine the oversight of service providers within formal agreements and the control environment for billed expenses.	(CAE Recommended) Late 2026 or early 2027? Note: See Rows 147 and 155	6
21	Reputation	7	Note: No comments received - not sure what to focus on here.		
21	Operations	7	Note: No comments received - not sure what to focus on here.		
22	The term reasonable and necessary is completely open to interpretation.	9.5	Transparency of service request approvals and denials for "reasonable and necessary".	(CAE Recommended) Short Audit or Potential Consulting Engagement in 2026 or early 2027. See also rows 186 and 196.	7
22	Staffing and ability to cover things if someone is out. If someone is out for a week it can impact the entire state's PAE/expense approvals for cases, directly impacting clients in their individual cases - and it adds up quickly, taking time to get caught back up.	7.5	Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).		
22	Lack of providers in-state to provide all the services needed for the defense of our clients, leading to either services not provided or counsel going out of state to obtain higher cost providers.	10	Note: This is a well known issue that is actively being addressed by the Interim Director and Executive Team to meet Governor mandates. With this issue, the CAE beleive IA is best positioned to evaluate the effectiveness of a given action post implementation.		
22	IT systems that often have issues and are difficult to maintain.	7	Note: The need for improved IT systems and related tools was identified in the PAE / AP audit.		
29	Need the ability to see what expenses are coming at the agency before they hit.	10	Forecasting inputs and methods.		
29	There is not enough permanent staff to do the work with the antiquated systems and the volume of work that is being directed due to changing policies. Unit is still very susceptible to slowing down because of employee leave time.	7	Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).		
29	There is a need to better define "reasonable and necessary" so that the agency can better forecast for expenditures.	8	The need for added transparency of service request approvals / denials for "reasonable and necessary" services.	(CAE Recommended) Short Audit or Potential Consulting Engagement in 2026 or early 2027. See also rows 186 and 190.	7

PROCUREMENT (This includes the timely and efficient procurement of goods and services via the SPOTS Card program or other payment arrangements)

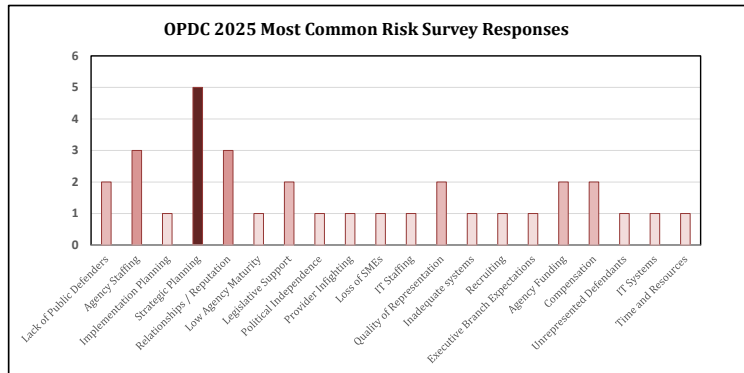
#	Risk / Description	Score	Potential Audit Scope		
2	operations	10	Note: No comments received - not sure what to focus on here.		
2	financial	10	Note: No comments received - not sure what to focus on here.		
4	Inadquate staffing	9.5	Note: Staffing is a management / commission decision based largely on available funds (not agency need alone). An internal audit of the agency's staffing condition could be performed, but without a pledge of additional funds if supported, would not provide significant value for the time invested (in my opinion).		
4	External Provider Contracting	10	External (Non-OPDC) Defense and Service Provider Contract Management. This audit would focus on contract development, revisoning, negotiations and performance. The audit is specific to contract management and not the content of contracts. Note 1: See also rows 105, 111 and 155.	(CAE Recommended) *** Similar to row 155*** (Consider for Q2 2026 to allow contract staff involved in current contract issues to complete their work prior to being auditted on contract management.) To focus on prior contract management to identify potential areas for improvement with new contract management.	8
21	Operations	10	Note: This issue (specific to provider contracting) is currently being adressed by the Interim Director, ET and CPO. An audit could be planned to evaluate the contract/agreement condition in six months if selected for an audit.	Public Defense contracts with OPDC are in flux after a preliminary injunction was issued on Nov. 14th specific to the PDMC lawsuit. Next steps TBD.	
21	strategic	10	Note: This issue (specific to provider contracting) is currently being adressed by the Interim Director, ET and CPO. An audit could be planned to evaluate the contract/agreement condition in six months if selected for an audit.		

#	Risk / Description	Final Score (Output)	Potential Audit Scope (CAE Suggested - Subject to reinterpretation or modification)	CAE Notes
FACILITIES (This includes the functioning and safety of building work spaces and resources)				
#	Risk / Description	Score	Potential Audit Scope	
2	operations	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	financial	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	compliance	10	<i>Note: No comments received - not sure what to focus on here.</i>	
2	strategic	10	<i>Note: No comments received - not sure what to focus on here.</i>	
6	Cost-averse underinvestment	7.5	Evaluate OPDC facility investment and use planning criteria for productive, safe and enjoyable work spaces.	
9	Low Agency Maturity	8	Evaluate the strategy, criteria and planning for remote office selection, staffing, support and funding.	
OTHER (This includes any practice or behavior not easily linked to a specific functional area that could pose a risk to the agency)				
#	Risk / Description	Score	Potential Audit Scope	
3	(No Financial Liability Indicators) We don't have any way to see what's coming. CME is only able to respond to the bills when they come in. The financial case management system should help with this.	10		
4	Lack of leadership/direction when staff leave	8	Evaluate OPDC chain of command and succession planning to include interim solutions and required communication and/or staff direction.	Late 2026 or 2027
12	Nonlawyer decision-makers may inadvertently create policies, practices, circumstances, that violate clients' confidentiality, the lawyers' duty of loyalty, privileges, etc. To safeguard against these likely outcomes and the concomitant detriment to our clients, reputations, and licensure to provide direct representation, the agency should have a committee of seasoned practicing attorneys to vet all such matters through a professional responsibility lens.	9	Evaluate the process by which current policies and procedures were created to understand the criteria used for inclusion or exclusion in the process.	Consulting Engagement?
22	Automatic payment of anything that is "routine" - Example, there is no way to cap attorney fees on an hourly case without limiting the effectiveness of the defense, attorneys can bill whatever time they list on their invoice as long as it lines up with the case information itself and services are listed.	10	<i>Focus to be on existing controls for billed expenses.</i>	
22	The court may order services that the agency would not typically fund per policy, due to misrepresentation of the service by the attorney, and/or lack of understanding by the court.	9.5	<i>Focus to be on existing controls for billed expenses.</i>	
29	Need the ability to see what expenses are coming at the agency before they hit.	10	<i>Focus on need for improved budget forecasting.</i>	
31	Data Policies	10	Evaluate data handling (a.k.a. data governance) practices and policies to include data definitions, processes, roles, standards, and related metrics used to enable an organization to achieve its goals. <i>Note 1: Data Governance can be defined as a collection of processes, roles, standards, and metrics that ensure the effective and efficient use of information in enabling an organization to achieve its goals.</i>	(CAE Recommended) An audit of "Data Governance" offers value in both operational decision making and IT risk mitigation and could start in Q2 of 2026. There are best practices to follow published by the "Data Administration Management Association" (DAMA) in their "DMBOK 2" manual. DCBS just completed an internal audit of this type which could be leveraged for OPDC use.

9

AGENCY-WIDE IMPACT on the VISION, MISSION, VALUES, GOALS and OBJECTIVES of OPDC (As reported on 4-7-25).				
#	Highest Risk	Risk Category (Colored by Frequency)	Freq.	IED Intervention Number (if App.)
1	<i>Not provided by respondent</i>			
2	Operational.	Lack of Public Defenders	2	1, 3, 4, 5 (long term) and 7.
3	Staffing	Agency Staffing	3	Not Addressed
4	No implementation planning - how are we going to accomplish requirements of 337? No general counsel	Implementation Planning	1	1,2,3,6
5	Strategic planning	Strategic Planning	5	1,2,3,4,5,6,7
6	Vision-strategy misalignment	Strategic Planning	5	1,2,3,4,5,6,7
7	Poor Relationship	Relationships / Reputation	3	1,2,3,4,5,6,7
8	<i>Not provided by respondent</i>			
9	Agency Maturity	Low Agency Maturity	1	2
10	<i>Not provided by respondent</i>			
11	We are not adequately staffed for the sheer amount of work in key areas, having to leverage LD workers.	Agency Staffing	3	Not Addressed
12	(a) Legislative funding and support	Legislative Support	2	1,2,3,4,5,6,7
	(b) political independence	Political Independence	1	Not Addressed
	(c) provider infighting	Provider Infighting	1	Not Addressed
	(d) inconsistent messaging to LFO/CF0	Strategic Planning	5	1,2,3,4,5,6,7
	(e) departing subject-matter experts	Loss of SMEs	1	Not Addressed
13	<i>Not provided by respondent</i>			
14	Governance and Policies	Strategic Planning	5	1,2,3,4,5,6,7
15	<i>Not provided by respondent</i>			
16	Under Resourced	IT Staffing	1	Not Addressed
17	Operations	Quality of Representation	2	2,4,5
18	Lack of Resources/Funding	Inadequate systems	1	Not Addressed
19	No Budget for Recruitment (Outreach/Advertising)	Recruiting	1	4,5
20	Understanding the requirements of an agency that is now in the Executive Branch	Executive Branch Expectations	1	Not Addressed
21	Strategic; Reputation	Relationships / Reputation	3	1,2,3,4,5,6,7
22	(1) Funding	Agency Funding	2	1,2,3,6and7
22	(2) staffing	Agency Staffing	3	Not Addressed
23	Classification and compensation	Compensation	2	1,2,3
24	operations, financial, strategic, reputation	Unrepresented Defendants	1	1, 3, 4, 5 (long term) and 7.
25	Strategic and reputation.	Relationships / Reputation	3	1,2,3,4,5,6,7
26	Lack of IT Modernization	IT Systems	1	2
27	*** Shared Response w/ respondent 12 ***			
28	Lack of oversight and lack of clear guiding principals.	Quality of Representation	2	2,4,5
29	Time and Scope	Time and Resources	1	Not Addressed
30	Distrust: with providers and legislature	Strategic Planning	5	1,2,3,4,5,6,7
31	<i>Not provided by respondent</i>			
32	1.) Not enough public defenders	Lack of Public Defenders	2	1, 3, 4, 5 (long term) & 7.
32	2.) Non-competitive compensation for attorneys	Compensation	2	1,2,3
32	3.) Uncertain statewide revenue and economic outlook	Agency Funding	2	1,2,3 & 7?
32	4.) An insufficient LAB	Insufficient LAB	1	Not Addressed
32	5.) Potential change in OPDC leadership	OPDC Leadership	1	Not Addressed
32	6.) FCMS is unsuccessful	FCMS	1	1,2,3,6 & 7?
32	7.) Legislation that doesn't advance our mission	Legislative Support	2	1,2,3,4,5,6,7

Top 8 (Shared Staff Concerns)
1. Strategic Planning (5x)
2. Agency Staffing (3x)
3. Relationships / Reputation (3x)
4. Lack of Public Defenders (2x)
Note: (3x) if "Unrep. Def." in row 24 is included...
5. Legislative Support (2x)
6. Quality of Representation (2x)
7. Agency Funding (2x)
8. Compensation (2x)



Int. #	Interim Executive Director's Intervention Descriptions
1	Address Bureaucratic Rules and Barriers to Exceeding Maximum Attorney Caseload Caps.
2	Expand the collection and analysis of data regarding representation being provided to clients consistent with ABA Public Defense Principle Four: Data Collection and Transparency.
3	Implement contract and policy adjustments approved by the OPDC Commission in April 2025.
4	Adjust non-profit provider contracts to allow public defender offices to hire cohorts of new attorneys.
5	Continue to develop and support Public Defense Law Clinics at Oregon's three law schools.
6	Collaborate with system partners to expand the use of Special Resolution Dockets.
7	Continue utilizing the flexibility of the OPDC Trial Division to help mitigate the crisis in counties with high numbers of unrepresented individuals. Advocate for the continued, thoughtful expansion of the OPRC Trial Division.

Functional Area	Date Sent	Date Resp.	Respondent #
<u>Executive Team:</u>			
Former Director	3/24/2025	Not Received	
ET Member	3/24/2025	3/24/2025	11
ET Member	3/24/2025	4/14/2025	12
ET Member	3/24/2025	4/10/2025	29
ET Member	3/24/2025	4/22/2025	24
<u>Functional Areas:</u>			
IT	3/24/2025	3/28/2025	9
IT	3/24/2025	4/2/2025	14
Trial Div.	3/24/2025	Not Received	1
CAP	3/24/2025	4/14/2025	20
HR	3/24/2025	4/11/2025	23
CME / AP	3/24/2025	4/24/2025	18
Accounting	3/24/2025	4/7/2025	17
Facilities	3/24/2025	3/31/2025	5
PAE	3/24/2025	4/10/2025	3
Appellate	3/24/2025	4/14/2025	27
Public Defense	3/24/2025	4/14/2025	2
Public Defense	2/24/2025	4/6/2025	6
Appellate	3/24/2025	4/14/2025	Completed w/ 27
<u>SMEs:</u>			
CAP	3/24/2025	4/8/2024	31
TSD	3/24/2025	4/8/2025	21
IT	3/24/2025	3/27/2025	26
IT	3/24/2025	4/18/2025	16
Purchasing	3/24/2025	Not Received	15
Trial Div.	3/24/2025	Not Received	8
Communications	3/24/2025	4/11/2025	32
TSD	3/24/2025	4/14/2025	4
CAP	3/24/2025	4/8/2025	28
PAE	4/3/2025	4/15/2025	22
Budget and Finance	3/24/2025	Not Received	13
HR	3/24/2025	4/16/2025	19
HR	3/24/2025	4/4/2025	7
Data Team	3/24/2025	4/3/2025	25
<u>AC Members:</u>			
External Pub. Def.	3/24/2025	Not Received	10
External Pub. Def.	3/24/2025	4/22/2025	30

OPDC 2025 RISK ASSESSMENT SURVEY

Instructions:

1. Review OPDC's Vision, Mission, Values and Goals (Provided below for reference).
2. Review the list of five common organizational risks (shaded in red). Note: This is not a comprehensive list but a high-level categorization of common risk areas.
3. Respond to questions 1 and 2 as appropriate for the agency broadly. If more space is needed please feel free to expand the text box or create a separate Word (.docx) file.
4. Review the Risk Scoring Variables (shaded in unique colors). Note: each variable assesses the impact or probability of a given risk.
5. For each of the agency's functional areas (15), such as "Governance" (shaded in dark blue), provide a brief description (in Col. C) of any known or potential risk(s) and link each (if possible) to one of OPDC's four goals (in Col. D). Using the Key Risk Scoring Variable descriptions as a reference, provide a qualitative value between 1 and 5, with 1 representing a low risk and 5 representing a high risk, as appropriate (in Columns E, F, H and I). If you're unfamiliar with a given functional area or its related risks please skip it and move on to the next one. Also, if more rows are needed for a given functional area please insert them or contact the Internal Auditor for assistance. (Note: See link to this information in the cell note).
6. As Applicable, provide a comment or expound on any given risk in the "comments" field for each functional area. If more space is needed please feel free to expand the text box or create a separate Word (.docx) file.

If you have a question or encounter any difficulties at all please contact the Internal Auditor via e-mail or phone as soon as possible.

OPDC Vision, Mission and Values (Note: See link to this information in the cell note)

Vision: OPDC is a guardian of the legal rights and interests of public defense clients and a champion for effective public defense services.

Mission: Our mission is to continually enhance the statewide public defense system to deliver highly skilled, independent, timely, and client-focused representation to eligible persons.

Values: Our values are the guiding principles that shape the behavior and actions of the Agency, defining our culture and character. These values promote consistency and integrity in how we treat one another, and the communities we serve.

OPDC Goals (Note: See link to this information in the cell note)

Goal 1 (Staffing): Attract, recruit, and retain highly qualified diverse, and dedicated public defenders and non-attorney case support personnel to ensure that every client receives effective and compassionate legal representation— ending the unrepresented crisis.

Goal 2 (OJD to DAS Mitgration): Successfully transfer operations and adapt to the Executive Branch while maintaining our commitment to excellence and client-centered service.

Goal 3 (Provider Relationships): Strengthen our relationships with our providers by fostering a collaborative environment that promotes open communication, mutual respect, and shared objectives.

Goal 4 (Operations): Streamline our processes, improve efficiency, and foster a culture of continuous improvement by leveraging technology, investing in staff development, and implementing robust performance metrics.

Common Organizational Risks (for reference only)

Operations - Impaired ability to provide an adequate (timely and effective) defense for accused or conduct related business processes.

Financial - Loss or limitation of needed funding resources and/or inadequate safeguarding of assets.

Compliance - Failure to comply with applicable laws and regulations.

Strategic - Inability to set and implement long-term planning to improve operational performance, recognise opportunities and mitigate emerging risks (e.g., change, regulatory, reputational, political, economic...etc.)

Reputation - Negative attention at a national, state or local level impairing credibility.

AGENCY-WIDE IMPACT on the VISION, MISSION, VALUES, GOALS and OBJECTIVES of OPDC.
Question 1: Please provide a one or two word description (at a high-level) of a risk, or risks, that threaten the agency's ability to accomplish its Vision, Mission, Values, Goals and Objectives currently or in the next few years.
Answer:
Question 2: Please describe the risk(s) identified in question 1 and the recommended scope of a related internal audit. (Note: If more space is needed to respond please expand the text box or provide a separate Word (.docx) file.
Comments:

FUNCTIONAL AREA IMPACT on OPDC Goals and Objectives								
Key Risk Scoring Variables (Impact and Likelihood) for prioritizing internal audit work								
Financial - Consider the impact a given risk has or could have on the agency's finances. 1 = Low Impact and 5 = high Impact								
Goals and Objectives - Consider the impact a given risk (e.g., reputation), has on the agency's ability to meet its strategic goals and objectives. 1 = Low Impact and 5 = high Impact								
Complexity - Consider the likelihood a given risk will occur due its associated complexity or related difficulty, such as compliance with new or existing legal requirements. Generally, with increased complexity, the likelihood for errors, complications or delays increases. 1 = Low Likelihood and 5 = high Likelihood								
Internal Controls - Consider the likelihood a given risk will occur due to a lack of sufficient controls or ownership. Controls typically include: defined accountability, segregation of duties (fraud reduction), compensating (secondary) controls, operationalized and effective policies and procedures...etc. 1 = Low Likelihood and 5 = high Likelihood								
1 GOVERNANCE (This includes agency leadership, strategic planning, communications, policy management, public records requests...etc.)								
Risk	Goal Impacted (Area)	(Impact on) Financial Materiality (1-5)	(Impact on) Goals & Objs. (1-5)	Impact (output)	(Likelihood due to) Complexity or Difficulty (1-5)	(Likelihood due to) Insufficient controls or Ownership (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
2 GOVERNMENT RELATIONS AND COMMUNICATIONS (This includes agency interaction and reporting to the Legislature, Commission, Providers and Staff)								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
3 ADMINISTRATIVE SERVICES (This includes internal support staff)								

Risk	Goal Impacted (Area)	(Impact on) Financial Materiality (1-5)	(Impact on) Goals & Objs. (1-5)	Impact (output)	(Likelihood due to) Complexity or Difficulty (1-5)	(Likelihood due to) Insufficient controls or Ownership (1-5)	Likelihood (output)	Risk Rating
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
4 HUMAN RESOURCES (This includes staffing, roles and responsibilities, professional development and related policy guidance)								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
5 INFORMATION TECHNOLOGY (This includes system infrastructure, technical service delivery and development of the Financial Case Management System (FCMS))								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
6 CAP ADMINISTRATION (This includes rules and records coordination, data and research functions as well as policy development and "external audits")								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
7 TRIAL SUPPORT DIVISION (This includes the timely assignment and support of Public Defenders)								

Risk	Goal Impacted (Area)	(Impact on) Financial Materiality (1-5)	(Impact on) Goals & Objs. (1-5)	Impact (output)	(Likelihood due to) Complexity or Difficulty (1-5)	(Likelihood due to) Insufficient controls or Ownership (1-5)	Likelihood (output)	Risk Rating
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
8 TRIAL DIVISION								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
9 APPELLATE DIVISION								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
10 JUVENILE APPELLATE DIVISION								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
11 ACCOUNTS PAYABLE (This primarily concerns payment and oversight of approved expenses)								

Risk	Goal Impacted (Area)	(Impact on) Financial Materiality (1-5)	(Impact on) Goals & Objs. (1-5)	Impact (output)	(Likelihood due to) Complexity or Difficulty (1-5)	(Likelihood due to) Insufficient controls or Ownership (1-5)	Likelihood (output)	Risk Rating
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
12 BUDGET AND FINANCE (This includes fiscal management of agency expenses and projects as well as applicable planning and status reporting)								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
13 PREAUTHORIZED EXPENSES (This primarily concerns the review, approval or denial of service requests)								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
14 PROCUREMENT (This includes the timely and efficient procurement of goods and services via the SPOTS Card program or other payment arrangements)								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
15 FACILITIES (This includes the functioning and safety of building work spaces and resources)								

Risk	Goal Impacted (Area)	(Impact on) Financial Materiality (1-5)	(Impact on) Goals & Objs. (1-5)	Impact (output)	(Likelihood due to) Complexity or Difficulty (1-5)	(Likelihood due to) Insufficient controls or Ownership (1-5)	Likelihood (output)	Risk Rating
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								
OTHER (This includes any practice or behavior not easily linked to a specific functional area that could pose a risk to the agency)								
Risk	Goal Impacted	Financial Materiality (1-5)	Goals & Objs. (1-5)	Impact (output)	Complexity (1-5)	Internal Control(s) & foresight (1-5)	Likelihood (output)	Risk Rating
				0			0	L
				0			0	L
				0			0	L
				0			0	L
Comments:								

Date: 12-8-25

To: OPDC Audit Committee

From: S.D. Martin (CAE)

Subj: AC Member preference in holding public or private AC meetings

From its inception in 2022, the OPDC Audit Committee (AC) was structured to privately advise the Chief Audit Executive (CAE) in the performance of their duties and to ensure the CAE's objectivity and independence, per OAR 125-700-0150(1)¹, in conducting their work.

Most state agencies conducted private AC meetings to advise their respective CAEs exclusively. However, in June of this year the OPDC AC Chair learned from the Oregon Government Ethics Commission (OGEc), who gained authority over the Oregon Public Meeting Law² (OPML) in 2023, that OPDC AC is a "Governing body" per ORS 192.610(5)³ because it has "...two or more members with the authority to make decisions for or recommendations to a public body on policy or administration." That understanding prompted OPDC to immediately begin holding public AC meetings, per ORS 192.630(1).

OGEc further asserted, per OAR 199-050-0010(1)(b)⁴, that the OPDC AC is a type of governing body known as an "Advisory Body" because it "...is a body with authority to make recommendations to a public body on policy or administration." Two examples cited by OGEc are sections (C)(3)(m) and (C)(4)(c) within the last draft of the proposed AC Charter update. For reference, I've provided both sections below.

AC Charter Draft (dated May 5, 2025) **Section (C)(3)(m)**: "Monitor the quality of the internal audit function and report to the Commission and Executive Director, at least annually, any improvement actions recommended by the Audit Committee to the Chief Audit Executive."

AC Charter Draft (dated May 5, 2025) **Section (C)(4)(c)**: "Report to the Commission on Committee activities".

¹ <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=277>

² <https://www.oregon.gov/ogec/public-meetings-law/pages/default.aspx>

³ https://www.oregonlegislature.gov/bills_laws/ors/ors192.html

⁴ <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=8585>

The CAE understands both of these sections from the current AC Charter draft have been interpreted by OGEC to mean the AC is “advising” the full 13 member oversight Commission⁵ on OPDC policy or administration matters when it in fact does not provide that advice.

The CAE also understands the original AC Charter had the AC report to the Commission to allow it, a “Special Committee” of the Commission, to have direct access to the commission if ever the independence or objectivity of the Internal Audit function was compromised.

While the AC has been the “board” for the CAE, specific to its dual reporting requirement under OAR 125-700-0150(1)⁶, the CAE understands they can also contact the Commission directly (after conferring with the AC Chair) per principle 7 of the Institute of Internal Auditor (Red book)⁷. Principle 7 states, “The internal audit function is only able to fulfill the Purpose of Internal Auditing when the chief audit executive reports directly to the board, is qualified, and is positioned at a level within the organization that enables the internal audit function to discharge its services and responsibilities without interference.”

If the CAE reports to the Commission directly, the AC would no longer have a role in “advising” the Commission, and AC meetings could return to being held privately per OAR 199-050-0010(2)(b)⁸.

This could be accomplished in at least two of the following way (there may be more):

- 1) The AC is removed from being a subcommittee of the commission and is instead appointed by the Executive Director to advise both the Executive Director and CAE. The AC Charter would still have a provision allowing the CAE direct access to the Commission Chair if needed.
- 2) The AC is removed from being subcommittee of the commission and is instead appointed by the Chief Audit Executive to advise the CAE alone, who alone advises the Executive Director and Commission. The AC Charter would still have a provision allowing the CAE direct access to the Commission Chair if needed.

⁵ <https://www.oregon.gov/opdc/commission/Pages/default.aspx>

⁶ <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=277>

⁷ https://www.theiia.org/globalassets/site/standards/editable-versions/globalinternalauditstandards_2024january9_editable.pdf

⁸ <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=8585>

Making these changes would remove the administrative burden of AC oversight by the Commission and allow greater candor and ease of discussion on sensitive matters (e.g. risk assessment) during AC Meetings in support of the independence and objectivity of the internal audit function.

This document was drafted to prepare the reader for a discussion during the December 8th AC meeting wherein the CAE is seeking to affirm the AC's preference in the forum used for AC meetings going forward.