

Secretary of State
AUDIT REPORT

Department of Consumer and Business Services
Change of Administration Audit

Phil Keisling, Secretary of State
John Lattimer, Director, Audits Division

Summary

This audit was conducted to comply with Oregon Revised Statutes 297.210, which requires the Audits Division to perform an audit or review when the executive head of a state agency leaves that position for any reason.

Kerry Barnett, who was appointed as the director of the Department of Consumer and Business Services in 1993, resigned that position effective February 6, 1998. The Department of Consumer and Business Services (DCBS)

provides a variety of services to Oregon consumers and workers.

Our audit was limited to determining whether appropriate separation actions were taken upon the director's leaving. We found that all appropriate actions had been taken, and identified no instances of noncompliance with laws, rules or regulations. Our audit was conducted in accordance with generally accepted government auditing standards.

BACKGROUND

The Department of Consumer and Business Services (DCBS) is an umbrella-type agency which provides a variety of services related to business and finance. The department's mission is "to protect and serve Oregon's consumers and workers while promoting a positive business climate in the state." DCBS employs approximately 1230 people and is supported by various taxes and fees.

The department has seven operating divisions, described below.

- The Building Codes Division develops, interprets and administers building codes and provides inspection, plan, review, training, licensing, certification and permit services to the construction industry and the general public.
- The Office of Energy provides assistance in energy conservation projects, monitors nuclear safety and cleanup, and develops plans

for meeting future energy demands.

- The Division of Finance and Corporate Securities regulates banking and finance organizations in the state.
- The Insurance Division monitors insurance companies for financial soundness and provides consumer protection.
- The Oregon OSHA Division provides services aimed at reducing and preventing occupational injuries, illnesses and fatalities.
- The Workers' Compensation Board serves as an appellate body, reviewing workers' compensation decisions and conducting hearings and reviews.
- The Workers' Compensation Division administers, supervises and enforces Oregon's workers' compensation laws.

The remaining three divisions, known collectively as Central Support Services, provide administrative, fiscal and data

processing support to the operating divisions. Central Support Services also encompasses the Appraiser Certification and Licensure Board; the Office of Minority, Women and Emerging Small Business; the Oregon Medical Insurance Pool; the Small Business Ombudsman; and the Workers' Compensation Ombudsman.

Kerry Barnett was appointed director of DCBS in 1993. He resigned that position effective February 6, 1998. A new director has yet to be appointed. Effective March 1, 1998, Debbie Lincoln was appointed as acting director.

SCOPE AND METHODOLOGY

This audit was conducted in order to comply with ORS 297.210, which requires the Audits Division to perform an audit or review when the executive head of an agency leaves for any reason. The audit was conducted in accordance with generally accepted government auditing standards. Our audit objectives were to assure appropriate actions were taken to cancel the

previous director's access to state systems and return any state assets in his possession, and to assure recent transactions authorized by the director were reasonable and complied with appropriate laws and regulations.

In that regard, we:

- Tested travel expense and payroll transactions that were payable to or directly authorized by the

director during his last six months in office,

- Reviewed correspondence and personal service contracts originating in the director's office,
- Determined that fixed assets assigned to the former director had been returned to the department, and

- Determined that the director's access to state computer systems was canceled.

AUDIT RESULTS

We determined that all appropriate actions had been taken to cancel the previous director's access to state systems, and all state assets had been returned. We did not identify any instances of noncompliance with laws and regulations.

This report is a public record and is intended for the information of the management of the Department of Consumer and Business Services, the governor of the state of Oregon, the Oregon Legislative Assembly, and all other interested parties. This report is intended to promote the best possible management of public resources. Copies may be obtained by mail at Oregon Audits Division, Public Service Building, Salem, Oregon 97310, by phone at 503-986-2255 and 800-336-8218 (hotline), or internet at Audits.Hotline@state.or.us and <http://www.sos.state.or.us/audits/audithp.htm>.

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DEPUTY DIRECTOR: *Sharron Walker, CPA, CFE*

The courtesies and cooperation extended by the officials and staff of the Department of Consumer and Business Services were commendable and much appreciated.

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