

# Secretary of State AUDIT REPORT

Report No. 2001-07 • February 19, 2001

## Oregon Student Assistance Commission: Change of Director Review



Bill Bradbury, Secretary of State  
John Lattimer, Director, Audits Division

### Summary

#### PURPOSE

This review 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.

Patricia Aldworth, who was appointed as the director of the Oregon Student Assistance Commission in 1999, resigned from that position effective June 30, 2000.

The Oregon Student Assistance Commission provides a variety of financial aid programs designed to assist students in obtaining post-secondary education in Oregon.

#### RESULTS IN BRIEF

Our audit was limited to determining that appropriate separation actions were taken upon the director's leaving. We found that all appropriate actions had been taken to properly terminate the director's employment. Our audit was conducted in accordance with generally accepted government auditing standards.

### BACKGROUND

The Oregon Student Assistance Commission (OSAC) was created as a state agency by the 1959 legislature, and operates under the provisions of *Oregon Revised Statutes* (ORS) 348.505 to 348.695. OSAC staff administers a variety of student financial aid programs under the oversight of a seven-member Commission.

OSAC administers financial aid programs designed to assist students in obtaining post-secondary education in Oregon. Those include the Federal Family Education Loan Program, state grant programs, and approximately 150 private award programs.

OSAC guarantees student financial aid loans, buys defaulted loans from lenders, collects on defaulted loans, and provides a variety of counseling and monitoring services as part of the Federal Family Education Loan Program.

Patricia Aldworth was appointed as the director of the Oregon Student Assistance Commission on

August 1, 1999, and resigned from that position effective June 30, 2000.

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

In that regard, we:

- Reviewed relevant statutes and laws;
- Tested travel and payroll transactions that were payable to or authorized by the director during her last six months in office;

- Determined that no contracts were entered into or authorized by the director after her leaving office;
- Determined that fixed assets assigned to the former director had been returned to the agency, and her access to state computer systems was canceled;
- Were alert for signs of potential fraud, abuse, and illegal acts for the areas related to review objectives; and
- Determined that recent transactions authorized by the director were reasonable and complied with appropriate laws and regulations.

### REVIEW RESULTS

All appropriate actions have been taken to cancel the previous director's access to state systems and return any state assets in her possession. All recent transactions authorized by the director were reasonable and complied with appropriate laws and regulations.

*This report, which is a public record, 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](mailto:Audits.Hotline@state.or.us) and <http://www.sos.state.or.us/audits/audithp.htm>.*

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*This review was performed by Merina, McCoy & Co., CPAs, P.C. for the Oregon Audits Division*  
AUDIT ADMINISTRATOR: *Craig M. Stroud, CPA* • DEPUTY DIRECTOR: *Sharron E. Walker, CPA, CFE*

*The courtesies and cooperation extended by the officials and staff of the Oregon Student Assistance Commission were commendable and much appreciated.*

***Auditing to Protect the Public Interest and Improve Oregon Government***