

# Secretary of State **AUDIT REPORT**

Report No. 2002-17 • April 23, 2002

## Oregon Health Division: Change of Administrator Review



Bill Bradbury, Secretary of State  
Cathy Pollino, Director, Audits Division

### Summary

#### PURPOSE

The Audits Division regularly performs an audit or review when the executive head of a state agency leaves that position for any reason. Our review covered four previous administrators of the Oregon Health Division within the Department of Human Services (department) who served in that position from November 1, 1999 through August 1, 2001. Two of the former administrators—Jono Hildner and Martin Wasserman— have since left the department. As of

early March 2002, the other two—Michael Skeels and Grant Higginson—were still employed by the department.

#### RESULTS IN BRIEF

We found some problems relating to internal controls and compliance with certain state rules that were of lesser significance and did not warrant reporting in an audit report. We reported these issues to the department in Management Letter No. 333-2002-04-01, dated April 23, 2002.

#### Background

The Department of Human Services (department) has recently reorganized. The new Health Services group includes elements of the former Health Division. Health Services is responsible for assuring the availability and the quality of public health services in all parts of Oregon.

#### Audit Results

We found that the department took appropriate actions upon the former director's separation from the department. We found no significant instances of noncompliance with laws, rules or regulations. Additional information regarding issues that we felt warranted the attention of the department, but did not rise to the level of reporting in an audit report, were conveyed to the department in Management Letter No. 333-2002-04-01, dated April 23, 2002.

#### Objective, Scope and Methodology

Our main audit objective was to assure that the department took appropriate actions to protect state assets when two former administrators separated from the department. Specifically, we:

- Determined whether state assets assigned to the two former administrators who left the department were returned to the department upon their departure.
- Determined whether department and any state computer system access granted to the two former administrators who left the department was terminated.

- Reviewed the former administrators' travel claims to determine whether they complied with state travel rules and whether they were authorized, proper, adequately supported, and reasonable.
- Reviewed payroll disbursements to the former administrators and their leave accrual records to determine whether they received any inappropriate payments or leave accrual rate changes and whether they were removed from the department payroll in a timely manner.

We conducted this audit according to generally accepted government auditing standards. We limited our review to the areas specified above.

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

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