

Department of Human Services: Interpretive Services Audit



Charles A. Hibner, Director, Audits Division

Bill Bradbury, Secretary of State

Secretary of State Audit Report

Summary

PURPOSE

The objective of our audit was to determine if payments the Department of Human Services (department) made to interpretive and translation vendors were reasonable, were backed by support showing the services paid for were actually provided, and complied with contract terms.

BACKGROUND

To ensure people can effectively participate in or benefit from the programs it administers, the department provides interpretive and translation services. In fiscal year 2006, the department paid approximately \$928,000 to vendors for these services.

RESULTS IN BRIEF

The department made some vendor payments we considered unreasonable. Specifically, we found the department made \$12,800 in duplicate payments to one interpretive vendor and paid a department employee as a vendor for services she performed while on paid sick leave. We also found that, for payments totaling approximately \$129,600, the department could not provide adequate supporting documentation to show that all services it paid for were actually provided. Further, one telephone-based interpretive vendor's invoices lacked the required connection time information needed to assess the appropriateness of charges. Lastly, department payments generally complied with contract terms relating to rates and required services.

RECOMMENDATIONS

We recommend department management develop and implement policies and procedures to ensure that invoices and supporting documentation are adequately reviewed prior to payment approval or within a reasonable period of time if prior approval is not feasible.

We further recommend department management:

- research all identified payments with inadequate support and initiate measures to collect or withhold from future vendor payments any inappropriate charges; and
- work with the vendor that omitted connection times to determine any discounts owed the department.

OTHER MATTERS

Department staff coded some payments either incorrectly or into a category that did not adequately describe the service. Additionally, a branch office paid a vendor approximately \$15,200 without having a contract in place, which is contrary to state law. Finally, three department employees who were also vendors did not comply with the department's conflict of interest policy.

RECOMMENDATIONS

We recommend department management:

- initiate procedures to ensure staff responsible for coding payment transactions do so accurately and use codes that best describe the services provided;
- review and clarify contracting requirements with staff, and monitor compliance with those requirements;
- review all payments made to the identified employees who were paid as vendors, and collect any inappropriate payments; and
- develop and implement procedures to identify employees who are also paid as vendors, and review those arrangements and associated payments for appropriateness.

AGENCY'S RESPONSE

The Department of Human Services generally agrees with the recommendations.

Background

To ensure people can effectively participate in or benefit from federal and state assistance programs, the department provides interpretive and translation services.

Department programs pay interpretive and translation vendors directly or indirectly in instances such as prepaid health plans that include the provision of interpretive services.

Interpretive and translation services include sign language, oral interpretation for limited English-speakers, and translation of documents into other languages, Braille, and alternate formats.

The department's payments to interpretive and translation vendors increased at least 50 percent every fiscal year from 2003 to 2006, from approximately \$213,700 to \$928,000.

Audit Results

Our audit work showed the department made some vendor payments we considered unreasonable. Specifically, we found the department made duplicate payments to one vendor and paid a department employee as a vendor while she was on paid sick leave. We also identified payments for which the department lacked the supporting documentation necessary to ensure that all services it paid for were actually provided and charges were appropriate. These issues generally occurred because department staff did not always review invoices adequately prior to approving them for payment. Lastly, the department's payments generally complied with contract terms relating to rates and required services.

Some Payments Appeared Unreasonable

Department management is responsible for implementing policies and procedures to ensure the payments the department makes are reasonable. This includes obtaining and reviewing adequate support to show services were actually provided and paid for only once. Management is also responsible for implementing procedures to identify and review the appropriateness of employee-vendor payments.

Although the invoices we reviewed contained accurate calculations and rates charged for specific service dates and times were generally appropriate, we found that some payments were not reasonable and others lacked the documentation necessary to ensure all services were received.

Inappropriate Payments

The department overpaid one vendor approximately \$12,800 for the same services billed and paid under multiple invoices. When we brought this to the department's attention, the department contacted the vendor and initiated procedures to recover the overpayments.

In addition, one department employee performed interpretive services as a vendor for a different department program. In one instance, the department paid the employee-vendor approximately \$110 for providing interpretive services on the same day she was out on paid sick leave from the department.

Lack of Needed Documentation

For 34 of the 98 payments we tested, totaling approximately \$129,600, the department could not provide adequate supporting documentation to show that all

services it paid for were actually provided.¹

Fourteen of the 34 payments (41 percent) totaling approximately \$102,400 (79 percent) were payments made to one interpretive services vendor. This vendor was paid to convert department-generated documents into alternative communication formats, including Braille, audiotapes, large print and computer disks. The vendor then sent the converted documents directly to the department's clients. Although department staff located at field offices around the state generate these requests, the vendor's invoices are approved for payment centrally at the department's headquarters.

While this type of process makes it difficult for department staff to confirm materials were sent prior to approving payment, there are steps the department could take. For example, all requests are entered into an information system that can produce reports. Department staff explained it takes approximately 45 days to obtain the reports. However, these reports could be compared to paid invoices to ensure that the services it paid for were indeed requested. The department could then adjust future payments for any identified overcharges. The department could also request that the vendor, for a sample of invoiced charges, provide the department with copies of the materials sent. Finally, the department could contact field office staff for evidence that requested documents were produced. In fact, the department was able to provide us with such documentation in some instances.

The remaining 20 payments (59 percent) totaling approximately \$27,200 (21 percent) were for sign

¹ In cases when the department was unable to provide documentation to show the majority of the services we reviewed for a payment were provided, we included the entire payment amount in the \$129,600 figure.

language interpretation, printed materials, and telephone interpretation. We identified various issues with these payments. Most often, we noted that the department did not have the necessary supporting documentation to demonstrate that the services being billed were actually provided. For example, the department paid a sign language interpreter \$660 for providing services to a client at the client's new employment location. While the client's case file contained documentation indicating the services were authorized, no documentation existed to support the services were actually provided. Further, the invoice the department approved for payment did not itemize the actual days and times services were provided, but instead only cited a date range of approximately 2 weeks. In another example, the department paid a sign language interpreter approximately \$3,400 for services performed at a treatment facility. Since the department lacked documentation showing staff verified services were provided, we compared service dates on the interpreter's invoice to a separate record the department generated that listed dates of services for which the facility billed the department. While we expected the dates to match some did and others did not.

We also identified a vendor whose invoices excluded the contract required information staff needed to verify charges were appropriate. Specifically, the department contracted for "instant access" telephone-based interpretation, which was to be provided within certain connection times that varied depending on the language needed. If connection times were not met, the contract specified recourse the department could take, including a 20 percent discount on the related calls. However, the department approved payments totaling approximately \$28,300 even though the vendor

did not include the contract required connection times on invoices. After we brought this to the department's attention, the department worked with the vendor to obtain connection time information and initiated procedures to ensure appropriate discounts are applied before paying future invoices.

Recommendations

We recommend department management develop and implement policies and procedures to ensure that invoices and supporting documentation are adequately reviewed prior to payment approval or within a reasonable period of time if prior approval is not feasible.

We further recommend department management:

- research all identified payments with inadequate support and initiate measures to collect or withhold from future vendor payments any inappropriate charges; and
- work with the vendor that omitted connection times to determine any discounts owed the department.

Agency's Response:

The department partially agrees with these recommendations. Its response is attached to this report, beginning on page 6.

Other Matters

We found instances in which department staff coded payments either incorrectly or inadequately. Also, a branch office paid a vendor over \$15,200 for services without a contract, which is required by state law, and three department employees who were also vendors did not comply with the department's conflict of interest policy.

Coding Issues

Coding payments inaccurately or in categories that do not adequately describe the service could adversely affect the department's ability to monitor and manage interpretive and translation costs.

Over half of the 98 payments we sampled were classified either with an incorrect accounting code or into a category that did not adequately describe the service. Specifically, 12 payments were coded incorrectly. Nine of these, coded as interpretive services, were actually for such things as clothing, water filtration, and job search assistance. Another 33 payments coded to staff-related interpretive services were mostly for client interpretive services. Lastly, nine interpretive services payments were classified under a general code used for various other types of services including architect and engineering services.

Moreover, one of the miscoded vendor payments was to a former employee for assisting with branch office responsibilities. An additional concern was that the department paid the former employee at a rate that was three times what she earned when she performed similar work for the department. The difference in the rates was approximately \$1,300 for the week worked.

Lack of Contract

State law requires a contract, solicited in a manner to obtain optimal value for the state agency, be used for services valued over \$5,000. Further, contracting best practices recommend that personal services contracts contain clear service and payment provisions.

One branch office paid a vendor approximately \$15,200 for an ongoing client workshop without having a contract in place. In addition to the workshop time, the department paid the vendor and her assistant for class preparation and set up time. According to branch

office staff, there were no set limits for those additional hours.

Potential Conflicts of Interest

Consistent with state law, the department has a policy requiring all staff members to notify and receive appropriate approval before providing services that could create a conflict of interest concerning their employment with the department. The policy includes working with DHS clients and patients with whom the employee has a personal or family relationship.

During calendar year 2006, the department paid approximately \$14,400 to three interpretive vendors who worked as department employees sometime during the year. The three employees did not disclose the potential conflict of interest and receive approval, which is required by policy, nor did the department have a process in place to detect employee-vendor arrangements that may not have been disclosed. Additionally, one of the employee-vendors provided services to her roommate. This employee often accompanied her roommate to medical appointments, provided interpretation services and then billed the department. We were told this contradicts the program practice of having the medical provider coordinate interpretive services when needed.

We recommend department management:

- initiate procedures to ensure staff responsible for coding payment transactions do so accurately and use codes that best describe the services provided;
- review and clarify contracting requirements with staff, and monitor compliance with those requirements;
- review all payments made to the identified employees who were paid as vendors, and collect any inappropriate payments; and

- develop and implement procedures to identify employees who are also paid as vendors, and review those arrangements and associated payments for appropriateness.

Agency's Response:

The department agrees with these recommendations. Its response is attached to this report, beginning on page 6.

Objectives, Scope and Methodology

The objective of our audit was to determine if payments the Department of Human Services (department) made to interpretive and translation vendors were reasonable, were backed by support showing the services paid for were actually provided, and complied with contract terms.

To gain an understanding of the department's controls, we:

- reviewed department policies and procedures related to vendor selection, payment review, conflict of interest and designation of authority;
- interviewed agency management and staff;
- reviewed all program payments to one interpretive services vendor made during calendar year 2006; and
- reviewed the department's transaction coding structure and definitions.

For our review of the department's interpretive and translation service transactions, we used calendar year 2006 Statewide Financial Management Application (SFMA) data extracted from the state's DataMart. The data included transactions coded as interpretive services, and other transactions with known interpretive and translation services vendors that were not coded as such. We also obtained Small Purchase Order Transaction System (SPOTS) data for interpretive and translation

services payments made during calendar year 2006.² Using the SFMA and SPOTS data, we selected a judgmental sample of 98 transactions totaling \$182,200. We selected approximately half of the transactions based on risk (e.g., questionable vendor name, high transaction total, employee-vendors, and frequency of payments to a vendor) and selected the other half randomly based on stratified individual transaction amounts. The sample included payments to six employees who were paid as vendors either while they were employed at the department or after. After reviewing those employee-vendor payments, we extended our testing and selected 22 additional payments for further review.

The Statewide Financial Management Application (SFMA) is utilized by state agencies for internal and external reporting. Once transactions are processed in SFMA, the processed transactions are downloaded into the state's DataMart. The SFMA data used in our testing was extracted from the state's DataMart. We determined the data extracted was sufficiently reliable for our audit purposes based upon prior application control reviews our office performed, comparisons of DataMart expenditure data to a sample of reports generated directly from SFMA, and selected transactions we reviewed for this audit. We also assessed the reliability of the SPOTS card purchase data and determined it was sufficiently reliable for our audit purposes.

To test the reasonableness of vendor rates, we obtained and reviewed an additional sample of 58 transactions. We also recalculated vendor invoices for mathematical accuracy, reviewed service dates and times for appropriateness, and reviewed the

² The SPOTS program provides state credit cards to individual employees for making small purchases for authorized purposes.

approval authority for those authorizing payments.

For the employee-vendors whose payments we reviewed, we obtained information about their employment and compared their employee timesheets to the service dates and times on their vendor invoices.

In order to determine whether the department had support showing the services it paid for were actually provided, we obtained copies of the invoices we sampled. If there was insufficient support included with an invoice, we either met with the department staff that approved the payment to request supporting documentation or reviewed client file documentation.

We obtained contract information for the 98 sample transactions to ensure rates and services charged were in accordance with contract terms or, if a contract did not exist, whether there should have been one in place.

We also reviewed payment best practices, Oregon Accounting Manual policies and procedures, and state contracting requirements.

We conducted our audit in accordance with generally accepted government auditing standards.



Oregon

Theodore R. Kulongoski, Governor

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July 14, 2008

Charles A. Hibner, Director
Audits Division
Office of the Secretary of State
255 Capitol St., NE #500
Salem, OR 97301



Re: Response to Draft Interpretive Services Audit

Dear Mr. Hibner:

This letter is the Department of Human Services' (DHS) response to the Secretary of State Audit of DHS Interpretive Services. The department appreciates the opportunity to respond to this Draft Interpretive Services Audit. The responses provided in this letter will be in the order that the recommendations were presented in the audit report.

Summary Recommendations:

- Develop and implement policies and procedures to ensure that invoices and supporting documentation are adequately reviewed prior to payment approval or within a reasonable period of time if prior approval is not feasible.
- Research all identified payments with inadequate support and initiate measures to collect or withhold from future vendor payments any inappropriate charges.
- Work with the vendor that omitted connection times to determine any discounts owed the department.
- Initiate procedures to ensure staff responsible for coding payment transactions do so accurately and use codes that best describe the services provided.
- Review and clarify contracting requirements with staff, and monitor compliance with those requirements.
- Review all payments made to the identified employees who were paid as vendors, and collect any inappropriate payments.
- Develop and implement procedures to identify employees who are paid as vendors, and review those arrangements and associated payments for appropriateness.

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Summary Agency Response:

The Department of Human Services generally agrees with the above recommendations. Specific responses relevant to each recommendation listed in the above summary will be addressed in detail under the recommendations presented on the following pages.

Recommendation:

Recommend the department management develop and implement policies and procedures to ensure that invoices and supporting documentation are adequately reviewed prior to payment approval or within a reasonable period of time if prior approval is not feasible.

Agency Response:

The department agrees with this recommendation. This finding has a number of specific elements, which are addressed as follows:

As stated in the report, the department initiated procedures to collect the duplicate vendor payment. Children, Adults and Families (CAF) has instituted a new process which compares the vendor's invoice numbers to previously assigned vouchers to help assure they have not been submitted for payment on another payment voucher. This will be completed using an Excel spreadsheet process maintained in CAF Field Services. The spreadsheet will help identify if a voucher number is entered a second or subsequent time.

In turn, Seniors and People with Disabilities (SPD) has meetings scheduled with the Operations Committee on July 10, 2008, and the SPD Managers on August 13, 2008. These sessions intend to develop a communication and training plan to outline procedural expectations for quality control and consistency in documenting the need for and providing appropriate interpretive services.

Within the Alternate Formats program, controls have been in place for the past six years to verify that documents produced in an alternate format for clients and employees were actually requested. The controls practiced for Braille Plus invoices are:

- Random verification that client names listed on an invoice are identified in the client data systems as having requested an alternate format.
- Random examination of invoice items listed as being converted into an alternate format and checking if the item(s) accurately match the client formats entered in the DHS Notice Retrieval System or coded in each division's individual client file data systems.

At this time, emphasis is being placed on substantiating random spot check activities by means of written notation on the invoice of items selected for review and verification.

Additionally, a random sampling of clients will be selected each month to contact and verify that; 1) they requested that correspondence be provided to them in an alternate format and 2) they received their correspondence in the format they requested. Contacts will be made on the premise of evaluating customer service and making certain that client communication needs are being met. Documentation of client responses will be written directly on the invoice with steps taken on noted follow up items.

The Americans with Disability Act (ADA) requires government entities to provide equally effective communications to individuals with disabilities and has no requirement for individuals to substantiate that they have a disability when requesting an alternate format. Further, ADA law states that the governmental entity has an obligation to provide that alternate format, unless they can show that the request would result in a fundamental alternation of the service, program or activity, or create undue administrative or financial burdens.

For most of the department's eligibility programs, the client is responsible to notify the office administering their benefits of any changes that might affect their eligibility within ten business days. DHS benefit programs require a redetermination of client eligibility every six months or annually. The eligibility review process stipulates having direct client contact to verify and update personal information, including whether the client still wants an alternate format communication.

Language or alternate interpretive services must be provided during program intake processes, whether or not the individual meets program eligibility. Equally, during significant client service planning and family decision meetings, interpreters may be needed for relevant support persons who are not DHS clients.

The bulk of the department's client correspondence and notices mailed are date sensitive and marked "Do Not Forward". Undeliverable mail is returned to the local office, which signals the need to initiate client contact. This practice prevents clients from receiving continued benefits if they have relocated without providing notice of an updated address. Other notifications are in place if a client is institutionalized or dies. In these cases, the

department is usually alerted within a reasonable time, from the date of institutionalization or death to one or possibly, two months following.

The Division of Medical Assistance Programs (DMAP) has recently developed a form that interpreters must bring to client appointments for signature by the provider to confirm that these services were rendered. The interpreter service form includes the client name, medical I.D., provider name and provider number, date of service, time and location. This form, effective since June 16, 2008, must be submitted with the interpreter invoice in order to receive payment. Since March 2008, each invoice received by the DMAP provider unit has a manager review it to verify client eligibility for the service prior to payment.

Although the Office of Vocational Rehabilitation Services (OVRs) has current policies in place that require supportive documentation prior to payment of invoices, in response to noted payment errors, OVRs is communicating procedural expectations to all field staff. The presence of an interpreter at a client meeting must be noted in meeting documentation to certify that interpretive services were provided. This is being presented in a recent training rollout of the upgraded OVRs client information system, which began in June and continues through September 2008.

The Office of Human Resources (OHR) is currently reviewing the DHS "Employees As Contractors" policy, DHS-060-003, and expects this to be completed by September 1, 2008. OHR will continue to provide communication and training around the DHS Conflict of Interest policy, DHS-060-002.

Anticipated Completion Dates:

Various completion dates as explained above.

Contact Persons:

- Leona Gildersleeve, Children, Adults and Families
- Lisa Welch, Seniors and People with Disabilities
- Lori Nelson, Governors Advocacy Office
- Tressa Perlichek, Division of Medical Assistance Programs
- David Ritacco, Office of Vocational Rehabilitation Services
- Louise Melton-Breen, Office of Human Resources

Recommendation:

Department management should research all identified payments with inadequate support and initiate measures to collect or withhold from future vendor payments any inappropriate charges.

Agency Response:

The department partially agrees with this recommendation. This finding has a couple of specific elements, which will be addressed as follows:

The department believes the costs of staff time required to determine and collect the estimated connect time discount prior to December 2007, as referenced in the audit report, would exceed the limited amount of anticipated discount that might be available. However, the department will complete a cost benefit analysis to determine if seeking the prior discounts makes good business sense. Changes have been implemented to monitor all invoices for services after December 31, 2007, for accuracy and connect time credit from the vendor as per the contract agreement.

The audit report referenced an individual being paid for services provided while on paid sick leave. At that time, the department did not have specific knowledge that the employee was also a vendor as the individual did not complete the required notification information for approval. OHR is currently involved in an ongoing investigation with this employee. Once that investigation is concluded, OHR will take appropriate action.

For the previously mentioned situation and other instances identified in the audit, OHR has researched all questioned charges and is initiating measures to collect recoverable payments.

Anticipated Completion Dates:

As mentioned above, the department began calculating the discounts for services after December 2007, and the internal investigation is ongoing.

Contact Persons:

Stella Transue, Office of Contracts and Procurement
Louise Melton-Breen, Office of Human Resources

Recommendation:

Department management should work with the vendor that omitted connection times to determine any discounts owed the department.

Agency Response:

The department partially agrees with this recommendation.

Beginning with the December 2007 invoice, the vendor (Optimal) has included the connect time for every call as required in the contract. DHS reviews the connect time log with the monthly invoice to determine which calls exceed the provisional connect time and reduces the invoice accordingly.

Since December 2007, the monthly average of the total invoice for connect time reduction has been about 3.3 percent. Based on the \$28,300 amount referenced in the audit, this estimates a potential reduction of \$933. For the 20 percent reduction, the contract administrator must determine which calls meet connect time limits based on language type, the accountant then calculates the invoice reduction. As mentioned previously, due to staff time required, the department questions the business sense of applying this process retroactively to the previous monthly billings, as the efforts may expend resources more costly than the potential connect time discounts. However, as noted in the preceding recommendation, the department will complete a cost benefit analysis on prior billings and changes have been implemented to monitor all interpreter service invoices after December 31, 2007, for connect time credit.

Anticipated Completion Date:

January 1, 2008.

Contact Person:

Stella Transue, Office of Contracts and Procurement

Recommendation:

Department management should initiate procedures to ensure staff responsible for coding payment transactions do so accurately and use codes that best describe the services provided.

Agency Response:

The department agrees with this recommendation. This finding has a number of specific elements, which will be addressed as follows:

DMAP implemented a coding matrix in March 2008 for use to ensure accurate and consistent accounting codes are used. This form will be maintained by the DMAP business manager. OVRs is working to create a list of codes for staff use. This will remove codes that are not appropriate for use by OVRs staff use and provide a description of common codes used at the branch level. This list will be provided to all OVRs staff who are responsible

for coding. CAF also requested new agency object codes to better track and report these expenditures.

Financial Services will convene a meeting with department financial and program staff to make certain that the needs of both are met. Coding structures will be aligned with the needs as determined in this meeting. Financial Services will also set up any additional codes that are required. Training will follow with the correct coding distributed to those responsible for coding invoices for interpreter services, and to Financial Services staff. The new coding should be in place and in use by December 1, 2008.

In response to the vendor payment to an employee that was almost three times what the individual earned while performing similar work as a DHS employee, OHR agrees the person should not have been used as a vendor. However, the work performed by the employee as a vendor was not provided concurrently with work performed as an employee. Because the services were provided by the individual, this payment is not recoverable. The manager in this instance was counseled and now understands the importance of working with OHR for direction prior to making any hiring requests in the future. Since then, the manager has attended the DHS Conflict of Interest training and was provided with the new policy.

Anticipated Completion Dates:

As indicated in the above response, the department is actively working on a number of improvements related to this recommendation. The new coding should be in place and in use by December 1, 2008.

Contact Persons:

Tom McClanahan, Financial Services
Louise Melton-Breen, Office of Human Resources

Recommendation:

Department management should review and clarify contracting requirements with staff, and monitor compliance with those requirements.

Agency Response:

The department agrees with this recommendation.

The Office of Contracts and Procurement (OCP) offers training to DHS program staff that have contract responsibilities. Since July 2005 hundreds of department staff have been trained in one or more the following contract related modules; Contract Administration, Contract Overview, Statement of

Work, RFP/Solicitation, and the Contract Super Module (all of the above components).

The contract specialist assigned to OVRs (area responsible for issue cited in the audit) has presented twice at OVRs management meetings on contract practices and requirements including appropriate source selection requirements. In addition, OVRs has recently requested Contract Administration training for all managers. This training is tentatively scheduled for October 2008.

OCP will continue to scrutinize all contract request forms for compliance with contract rules and statutes.

Anticipated Completion Date:

October 2008.

Contact Persons:

Stella Transue, Office of Contracting and Procurement

David Ritacco, Office of Vocational Rehabilitation Services

Recommendation:

Department management should review all payments made to identified employees who were paid as vendors, and collect any inappropriate payments.

Agency Response:

The department agrees with this recommendation.

With regard to the specific instance of vendor services provided to a program other than the employee's, as well as the individual being paid for services provided while on paid sick leave, the department did not have specific knowledge that the employee was also a vendor. The individual did not complete the required notification information for approval. OHR is currently involved in an ongoing investigation with this employee. Once that investigation is concluded, OHR will take appropriate action.

Anticipated Completion Date:

Pending internal investigation.

Contact Person:

Louise Melton-Breen, Office of Human Resources

Recommendation:

Department management should develop and implement procedures to identify employees who are also paid as vendors, and review those arrangements and associated payments for appropriateness.

Agency Response:

The department agrees with this recommendation.

OHR is reviewing the DHS “Employees As Contractors” policy, DHS-060-003. This review will be completed by September 1, 2008. OHR will also continue to provide training around the department’s Conflict of Interest policy, DHS-060-002.

In 2007, OHR began working with the DHS Training and Development unit to create “train the trainer” Conflict of Interest training. Human Resource Analysts now provide this training to their area managers. In addition, DHS Training and Development has created an online Core Values training, available to all department employees, that presents specific conflict of interest scenarios for added learning emphasis. This online training was activated in May 2008.

The department is researching our ability to conduct a cross reference check between the payroll system and the vendor accounts payable systems for name and address matches, to help ensure all payments are appropriate. The department will have a check in place by September 1, 2008.

Anticipated Completion Date:

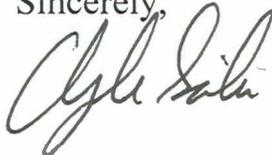
The department will have the policy review completed and a cross reference check in place by September 1, 2008. The online training was activated May 2008.

Contact Person:

Louise Melton-Breen, Office of Human Resources

In closing, thank you for the opportunity to respond to the draft audit. If you have any questions regarding our response, please contact Dave Lyda, Interim DHS Chief Audit Officer at (503) 945-6700.

Sincerely,



Clyde Saiki, Deputy Director
Department of Human Services

Cc: Dr. Bruce Goldberg, Director
Jim Scherzinger, Deputy Director
Sue Nelson, Administrative Services
Jim Neely, Children, Adults and Families
Cathy Cooper, Seniors and People with Disabilities
Terri Serice, Division of Medical Assistance Programs
Louise Melton-Breen, Office of Human Resources
Stella Transue, Office of Contracts and Procurement
Stephaine Taylor, Office of Vocational Rehabilitation Services
Naomi Steenson, Governors Advocacy Office
Tom McClanahan, Financial Services
Dave Lyda, Interim Chief Audit Officer



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

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