



Auditing for a Better Oregon

June 20, 2002

Julia Cooley, Administrator
Oregon Board of Licensed Counselors and Therapists
3218 Pringle Road SE, Suite 160
Salem, OR 97302-6312

Dear Ms. Cooley:

During our change of administrator audit at the Oregon Board of Licensed Counselors and Therapists, we noted certain issues that we believe deserve your attention. These issues are of lesser significance and did not warrant inclusion in our change of administrator report (No. 2002-26). The issues are summarized below, along with our recommended actions.

Payroll and Leave Records

Our review of payroll and leave records identified no instances in which the former administrator received any inappropriate payments. We noted a mathematical error, however, on one of the former administrator's timesheets that caused the vacation leave accrual balance to be overstated by three hours. Due to the former administrator's forfeiting over 86 hours based on the maximum hours of vacation leave cash compensation allowed, we do not recommend recouping the three overstated hours.

On July 16, 2001, a State Controller's Division policy went into effect requiring procedures to be developed for the review and approval of agency head transactions, including reviewing time reporting for completeness and accuracy, and to ensure that all time taken has been reported.¹

Recommendation

The board should ensure that it has formal, written policies and procedures that require supervisory review and approval of agency head transactions, including completeness and accuracy of time reporting.

¹ *Oregon Accounting Manual*, policy number 10.90.00.PO

Controls Over Assets

We determined that the former administrator physically returned the state assets assigned to her and found no instances where state assets were used inappropriately. However, we noted the following while reviewing asset inventory records:

- The Small Purchases Order Transaction System (SPOTS) card account for the former administrator was not terminated upon the return of the card.
- The asset inventory listing for the board did not appear to include all state purchased items. There were items purchased by and reimbursed to the former administrator via a travel expense detail sheet that were not recorded on the board's inventory list.

State policy states that agency management is responsible to ensure that internal controls are sufficient to provide reasonable assurance that state assets are not misused, lost or stolen.²

Recommendations

We recommend that the board:

- Immediately cancel the prior administrator's SPOTS card account.
- Establish policy and procedures to ensure that all assets the state owns are properly recorded in the inventory records consistent with Department of Administrative Services guidelines.

Should you have any questions concerning these issues, feel free to contact Karen Leppin or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Charles A. Hibner, CPA
Deputy Director

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² *Oregon Accounting Manual*, policy number 15.55.00.PO