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*Auditing for a Better Oregon*

February 6, 2003

Vickie Chamberlain, Director  
Oregon Teacher Standards and Practices Commission  
465 Commercial St. NE  
Salem, Oregon 97301

Dear Ms. Chamberlain:

We have completed a change of director review of the Oregon Teacher Standards and Practices Commission's (commission) former director, David Myton, who resigned from the director position effective June 30, 2002. The review was conducted in compliance with Oregon Revised Statute 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.

Our objective was to ensure that appropriate actions were taken to protect state assets when the former director separated from the board. We determined whether assets assigned to him were returned; his access to state and automated systems was terminated; travel and other reimbursements submitted or approved by him during his last six months of employment were appropriate and in compliance with applicable laws and regulations; his recent payroll disbursements and leave accruals were appropriate and accurate; and recent personal service contracts signed by him were in compliance with applicable laws and regulations.

During our review, we noted certain issues that we believe deserve your attention. The issues are summarized below along with our recommended actions.

### **Personal Service Contracts**

All contracts during the period of review did not use the standard personal service contract template required by state rule (Oregon Administrative Rule 125-020-0210). In addition, none of the contracts entered into during the period of review were properly reported to the Department of Administrative Services Purchasing Division (Oregon Administrative Rule 125-020-0700). Compliance with these rules is needed to ensure consistent and legally sufficient contract documents.

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Management Letter No. 584-2003-02-01

**We recommend** that:

- Commission staff, responsible for contracting, gain an understanding of and follow state contracting procedures.
- The commission consult with the Department of Administrative Services Purchasing Division to determine if corrective actions are needed for those contracts not in compliance with the standard template and reporting requirements.

**Travel Claims Reimbursement**

During the review of travel claims, we found that employees sometimes used their personal vehicle when it was more cost efficient to use a state motor pool car. State policy requires that a state owned vehicle be used unless a private vehicle is more practical because of cost, efficiency, or work requirements (Oregon Accounting Manual, policy number 40.10.00.PO.112).

In addition, one employee's travel claim for out-of-state travel did not include documentation of the director's preapproval. State policy recommends that agencies consider preapproval of out-of-state travel for employees (Oregon Accounting Manual, policy number 40.10.00.PO.101).

**We recommend** that the commission ensure that employees responsible for reviewing and approving travel reimbursement claims clearly understand and consistently apply state policy.

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

Sincerely,  
OREGON AUDITS DIVISION

James D. Pitts  
Audit Administrator

JDP:brk

cc: Gary Weeks, Director, Department of Administrative Services  
Jean Gabriel, SARS, State Controller's Division, Department of Administrative Services  
John Radford, Administrator, State Controller's Division,  
Department of Administrative Services