

OFFICE OF THE
SECRETARY OF STATE
Bill Bradbury
Secretary of State



AUDITS DIVISION
Cathy Pollino
Director

(503) 986-2255
FAX (503) 378-6767

Auditing for a Better Oregon

May 14, 2003

Dan Gardner, State Labor Commissioner
Bureau of Labor and Industries
800 NE Oregon Street No. 32, Suite 1070
Portland, Oregon 97232

Dear Mr. Gardner:

We have completed a change of director review of the Bureau of Labor and Industries (agency) former commissioner, Jack Roberts, whose term ended on January 5, 2003. 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 commissioner's term ended. We reviewed representations from management and determined that assets assigned to the former commissioner were returned and that his access to state and automated systems was terminated. We did note, however, that the former commissioner's key card was not cancelled in a timely manner and, as of April 23, 2003, his agency office key had not been returned. Further investigation by the agency revealed that the former commissioner might not have been assigned an agency door key, but there are no records available to verify this information. We recommend that the agency keep detailed records of the items assigned to each employee to help keep track of the agency's assets. In addition, we also recommend that the agency implement policies and procedures to ensure that termination procedures are performed in a timely manner when any employee leaves his or her position with the agency.

We also examined the former commissioner's recent payroll disbursements, which appear to be accurate. Finally, we reviewed recent contracts signed by the former commissioner and determined that they appear to be for valid business purposes.

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

Sincerely,
OREGON AUDITS DIVISION

Jason M. Stanley, CPA
Audit Administrator

JMS:brk

Management Letter No. 839-2003-05-01

c: Gary Weeks, Director, Department of Administrative Services