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*Auditing for a Better Oregon*

November 15, 2004

Patty Glen, Executive Director  
Oregon Board of Massage Therapists  
748 Hawthorne Avenue NE  
Salem, Oregon 97301

Dear Ms. Glen:

We have completed a change of director review of the Oregon Board of Massage Therapists (board) former director, Beverly Holzman. The review was conducted in compliance with Oregon Revised Statute 297.210, which requires an audit or review when the executive head of a state agency leaves that position for any reason. This review was conducted by Grove, Mueller, and Swank, P.C. under contract with the Audits Division.

The objective was to ensure that appropriate actions were taken to protect state assets when the former director resigned from her position. The auditors reviewed representations from management and determined that assets assigned to the former director were returned and that her access to state and automated systems was terminated. In addition, the auditors reviewed travel and other reimbursements submitted by the former director during her last three months of employment and determined that these claims complied with applicable laws and regulations. The auditors also examined the former director's most recent payroll disbursements and leave accruals, which appear to be appropriate and accurate. Finally, the auditors reviewed personal service contracts signed by the former director in her last six months of employment and determined that these appeared to be in compliance with selected laws and regulations.

Based on the limited review performed, the auditors found that the board took appropriate action to protect state assets upon the former director's separation from the board. However, opportunities for improving controls were noted. The auditors found that the office manager was responsible for opening the mail, preparing the deposit, invoicing the accounts payable, processing and signing checks, and recording financial data in the accounting system. The auditors recommend that the office manager be removed as a check signer in order to improve the segregation of duties and strengthen the internal control.

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

Sincerely,  
OREGON AUDITS DIVISION

Jason M. Stanley, CPA, CFE  
Audit Manager

JMS:brk