



Auditing for a Better Oregon

April 7, 2005

Mickey Lansing, Executive Director
Oregon Commission on Children and Families
530 Center Street NE, Suite 405
Salem, OR 97301

Dear Ms. Lansing:

We have completed a change of director review of the Oregon Commission on Children and Families' (Commission) former director, Donna Middleton, who resigned effective May 12, 2004. 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 resigned from her position. We reviewed representations from management and examined supporting documentation and determined that the Commission took appropriate action to protect state assets upon the former director's separation from the Commission. Specifically,

- Assets assigned to the former director were returned and her access to state and automated systems was terminated in a timely manner.
- Travel and other reimbursement claims submitted by the former director during her last three months of employment complied with applicable laws and regulations. Although an appropriate person reviewed the claims, however, the Commission did not delegate this authority in writing as required by the *Oregon Accounting Manual* (OAM). We also noted that out-of-state travel was not approved as required by the OAM.
- The former director's recent payroll disbursements and leave accruals were appropriate and accurate. However, we found that three of the final four timesheets submitted by the former director were not reviewed and approved.
- Contracts signed by the former director during her last three months of employment appeared to be in compliance with selected laws and regulations.

Management Letter No. 423-2005-04-01

Mickey Lansing, Director
Oregon Commission on Children and Families
Page 2

As part of our review, we inspected an interagency agreement between the Commission and the Department of Human Services (DHS) concerning the former director's new position at DHS, effective May 13, 2004. The Commission agreed to pay DHS \$1,044 per month, for three months; however, the contract failed to stipulate any services or benefits that were to be received by the Commission. As a result, we question these costs totaling \$3,132.

We recommend Commission management:

- Formally delegate, in writing, the authority to review and approve agency head financial transactions and ensure that all agency head transactions contain proper approval, including out-of-state travel.
- Consult legal counsel regarding the \$3,132 the Commission paid to DHS after the former director left employment with Oregon Commission on Children and Families.

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

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson
Audit Manager

KO:brk

cc: Samuel D. Henry, Commission Chairman
Laurie Warner, Acting Director, Department of Administrative Services