



Auditing for a Better Oregon

May 9, 2006

Dr. Bruce Goldberg, Director
Department of Human Services
500 Summer St. NE, E15
Salem, OR 97301-1097

Dear Dr. Goldberg:

We have completed a change of director review of the Department of Human Services for former director Gary Weeks and interim director Bryan Johnston, who resigned effective May 18, 2005, and October 31, 2005, respectively. The review was conducted in compliance with Oregon Revised Statute 297.210, which requires the Audits Division to perform a 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 and interim directors resigned from their positions. We reviewed representations from management and examined supporting documentation and determined that the department took appropriate action to protect state assets upon the former and interim directors separation from the department. Specifically:

- Assets assigned to the former and interim directors were returned and their access to state automated systems was terminated.
- Recent payroll disbursements and leave accruals for the former and interim directors were appropriate and accurate.
- An interagency contract signed by the former director during his last three months of employment appeared to be for a valid business purpose. There were no contracts signed by the interim director during the last three months of his employment.
- Travel and other reimbursement claims submitted by the former and interim directors during their last three months of employment complied with applicable laws and regulations. However, the former director indicated on a travel expense claim form that he had or would receive travel awards associated with a state business trip, but the department was not able to supply the required report. In accordance with state policy, employees who have indicated the receipt of travel awards must include a report

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disclosing all related travel award activity when submitting the expense reimbursement request.

We recommend department management ensure the required report is attached to travel reimbursement requests if an employee indicates he will receive travel awards.

Should you have any questions concerning these issues, please contact me at (503) 986-2349.

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

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cc: Robert Cameron, Chief Financial Officer
Cynthia Scheick, Chief Internal Auditor
Lindsay Ball, Director, Department of Administrative Services