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*Auditing for a Better Oregon*

August 29, 2006

Louise Solliday, Director  
Oregon Department of State Lands  
775 Summer Street NE, Suite 100  
Salem, Oregon 97301-1279

Dear Ms. Solliday:

We have completed a change of director review of the Department of State Lands' former director, Ann Hanus, who resigned effective May 14, 2006. 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 the department took appropriate action to protect state assets upon the former director's separation from the department. 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.
- The former director's recent payroll disbursements and leave accruals were appropriate and accurate.
- Contracts signed by the former director during her last three months of employment appeared to be for valid business purposes.

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Should you have any questions concerning this review, please contact me at  
(503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

Ryan K. Dempster, CPA, CFE  
Audit Manager

RKD:brk

cc: Jeannette Holman, Assistant Director  
Lindsay Ball, Director, Department of Administrative Services