



Auditing for a Better Oregon

May 8, 2006

Laurie Warner, Director
Employment Department
875 Union St. NE
Salem, OR 97311

Dear Ms. Warner:

We have completed a change of director review of the Employment Department's former director, Debbie Lincoln, who resigned effective December 31, 2005. 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 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.
- 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 a valid business purpose.
- Travel and other reimbursement claims submitted by the former director during her last three months of employment generally complied with applicable laws and regulations. However, in two instances the former director was reimbursed using an incorrect mileage or per diem rate resulting in an overpayment of \$27. The department has collected this overpayment from the former director. We also noted that the former director was reimbursed multiple times for use of her personal vehicle instead of using a state owned vehicle when it would have been more cost effective.

We recommend department management ensure compliance with state policy and require department staff to use a state-owned vehicle unless travel in a private vehicle is more practical because of cost, efficiency or work requirements.

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

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

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cc: Curtis Amo, Assistant Director, Administrative Services Division
Lindsay Ball, Director, Department of Administrative Services