



Auditing for a Better Oregon

January 31, 2006

Tim Wood, Director
Oregon Parks and Recreation Department
725 Summer St. NE, Suite C
Salem, OR 97301-1271

Dear Mr. Wood:

We have completed a change of director review of the Oregon State Fair and Exposition Center, which is now part of the Oregon Parks and Recreation Department. The State Fair's former director, Katie Cannon, resigned from her position effective September 23, 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 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, except as discussed below.
- 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 in compliance with selected laws and regulations.

During our review, we also identified the following condition that we wanted to communicate to agency management.

Management Letter No. 634-2006-02-01

Personal Cell Phone Charges

According to the State Fair, the former director did not have a business cell phone. Instead, the State Fair reimbursed her for any overages on her personal cell phone plan. The State Fair reimbursed the former director a total of \$100 for overages on her personal cell phone bill for two of the months reviewed. However, because there was no indication of which calls for either month were business-related, we could not determine if the reimbursements were reasonable.

We recommend department management:

- Ensure reimbursement of personal cell phone charges can be shown to be business-related, and
- If a decision is made to continue reimbursing the cost of personal cell phones for business use, the department should consider the cost-benefit of purchasing a cell phone plan for business use.

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

KLO:bk

cc: Kyleen Stone, Manager, Financial Services Division
Polly Parker, Internal Auditor
Lindsay Ball, Director, Department of Administrative Services