

**Office of the Secretary of State**

Bill Bradbury  
Secretary of State

Jean Straight  
Deputy Secretary of State



**Audits Division**

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March 3, 2008

Camille Preus, Commissioner  
Department of Community Colleges and Workforce Development  
255 Capitol St. NE, Third Floor  
Salem, Oregon 97310

Dear Ms. Preus:

We have completed the statewide single audit that included selected federal programs at Department of Community Colleges and Workforce (department) for the year ended June 30, 2007.

This audit work is not a comprehensive audit of your federal programs. Instead, the audit work performed allowed us, in part, to achieve the following objectives: (1) determine whether the state has complied with laws, regulations, contracts or grants that could have a direct and material effect on each major federal program and (2) determine whether the state has effective internal controls over compliance with the laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered the department's internal control over compliance with requirements that could have a direct and material effect on the federal program in order to determine our auditing procedures for the purpose of expressing our opinion on the department's compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the department's internal control over compliance.

We audited the following federal program at the department to determine whether the department substantially complied with the federal requirements relevant to the federal program. Our audit does not provide a legal determination of the department's compliance with those requirements.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
17.258, 17.259, 17.260	Workforce Investment Act (WIA) Cluster	\$56,982,555

For fiscal year 2006, we reported a significant deficiency to the department in a letter dated February 5, 2007 that related to the department's subrecipient cash management review procedures. This finding was included in the Statewide Single Audit Report for the fiscal year

ended June 30, 2006; see audit report number 2007-06, finding number 06-21. During fiscal year 2007, the department has made progress in addressing this finding. This finding will be reported in the Statewide Single Audit Report for the fiscal year ended June 30, 2007, with a status of partial corrective action taken.

This communication is intended solely for the information and use of management and others within the organization, and is not intended to be and should not be used by anyone other than the specified parties.

Should you have any questions, please contact Margaret Wert or me at (503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

Julianne Kennedy, CPA  
Audit Manager

JK:brk

cc: Pam Teschner, Director of Operations  
Debra Welter, Fiscal Manager  
Mark Neeley, Internal Auditor  
Kris Kautz, Acting Director, Department of Administrative Services