

Office of the Secretary of State

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September 2, 2009

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

Dear Dr. Goldberg:

We recently completed audit work focusing on cell phone use in the State of Oregon. (See report No. 2009-18, entitled *State Cell Phone Plans: Closer Attention to Usage Could Create Savings*.) The purpose of our audit was to determine if state agencies' use of cell phones was cost effective and consistent with business needs. In cases when we found it was not, our purpose was also to determine the reasons why and identify potential cost savings. The Department of Human Services (department) was one of three agencies where we reviewed cell phone management.

During our review, we found evidence that the department did not adequately review vendor invoices prior to payment. We reviewed 12 invoice payments and found that none had an approval signature. Further, while we noted some evidence of review at a central level, according to staff we interviewed, invoices are paid without first obtaining confirmation from unit personnel that charges are appropriate.

The department is in the process of redesigning its wireless communication device processes. However, the department's current practice is not consistent with the Oregon Accounting Manual, which requires that invoice review and approval be timely and documented by signature.

We recommend the department ensure that cell phone invoices are reviewed and approved with a signature prior to payment.

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

Sincerely,
OREGON AUDITS DIVISION

Sandra K. Hilton, CPA
Audit Manager

SKH:brk

cc: Dave Lyda, Chief Audit Officer
Scott Harra, Director, Department of Administrative Services