

Office of the Secretary of State

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April 24, 2013

Dacia Johnson, Administrator
Oregon Commission for the Blind
535 SE 12th Avenue
Portland, Oregon 97214

Dear Ms. Johnson:

We have completed a change of director review of the Oregon Commission for the Blind (commission) former administrator, Linda Mock, who retired effective January 31, 2013. The review was conducted in compliance with Oregon Revised Statute 297.210, which allows the Audits Division to perform an audit or review when the executive head of a state agency retires from that position.

Our objective was to ensure appropriate actions were taken to protect state assets when the former administrator retired. We reviewed representations from management and determined that assets assigned to the former administrator were returned and that her access to state and automated systems was terminated. In addition, we reviewed travel and other reimbursements submitted by the former administrator during her last three months of employment and determined that these claims complied with applicable laws and regulations. We also examined the former administrator's most recent payroll disbursements and leave accruals, which appear to be appropriate and accurate. Finally, we intended to review personal service contracts signed by the former administrator during her last three months of employment, but determined that she did not sign any contracts during that time. Based on our review, we concluded the commission generally took appropriate actions to protect state assets when the former administrator retired. We also identified some opportunities for the commission to improve controls and processes. Specifically, we found:

- Assets assigned to the former administrator were returned in a timely manner. However, commission management could improve its employee separation process if, as recommended by state policy, it maintained an inventory of assigned assets and used the inventory documentation to verify the assigned assets were returned. **We recommend** commission management follow state policy and maintain an inventory of all property assigned to employees and confirm the return of those assets upon termination of employment.¹

¹ *Oregon Accounting Manual Policy 10.55.00.PO.105*

- Access to state automated systems was terminated in a timely manner. However, the commission's requests to terminate access to two federal grant systems were issued approximately 11 days after the former administrator's separation date. According to commission management, actual access to the systems was disabled when the administrator's state email access was terminated on the separation date. We also noted the termination process suggested that it was not clear to which federal systems the former administrator had access. For example, the response to the termination request for one system indicated the former administrator did not have access to that system. **We recommend** commission management implement internal controls to document each employee's systems access to help ensure all access is known and can be terminated in a timely manner during the separation process.
- The one travel claim submitted by the former administrator during her last three months of employment complied with applicable laws and regulations and was signed by the commission board chair. However, delegation of authority for agency head financial transactions was not documented in accordance with state policy. **We recommend** commission management follow state policy and document the delegation of authority for reviewing and approving the administrator's financial transactions.²
- The former administrator's last three months of payroll disbursements and leave accruals were appropriate and accurate, although we noted that two of her last three timesheets did not accurately record her holiday and vacation hours. **We recommend** commission management ensure all administrator timesheets record accurate vacation and holiday hours to comply with state policy.³

We appreciate your staff's assistance and cooperation during this review. Should you have any questions, please contact me at (503) 986-2351.

Sincerely,
OREGON AUDITS DIVISION

V. Dale Bond, CPA, CISA, CFE
Audit Manager

VDB:nmj

cc: Leslie Jones, Director of Administrative Services
Jodi C. Roth, Chair, Oregon Commission for the Blind
Michael Jordan, Director, Department of Administrative Services

² *Oregon Accounting Manual Policy 10.90.00.PO.102*

³ *Oregon Accounting Manual Policy 10.15.00.PO.104*