

Office of the Secretary of State

Kate Brown
Secretary of State



Audits Division

Gary Blackmer
Director

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December 16, 2013

Michael J. Jordan, Director
Department of Administrative Services
155 Cottage Street NE
Salem, Oregon 97301-3966

Dear Mr. Jordan,

We have completed audit work at the Department of Administrative Services (department) for the most recent Central Services Statewide Cost Allocation Plan.

We performed this audit work as part of our annual statewide single audit. The audit work performed allowed us to achieve the following objectives: (1) determine whether the department's statewide cost allocation plan complied with the provisions of the Office of Management and Budget Circular A-87 and (2) determine whether the department has effective internal controls over compliance requirements for central services costs.

In planning and performing our audit, we considered the department's internal control over compliance with requirements for central services cost allocation plans to determine the auditing procedures to be performed for determining the department's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the paragraph above and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Michelle Rock or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

A handwritten signature in blue ink that reads "Kelly L. Olson". The signature is written in a cursive style.

Kelly L. Olson, CPA
Audit Manager

KLO:MLR:nmj

cc: Bret West, Enterprise Goods and Services Administrator
Sarah Jo Chaplen, DAS Deputy Director
Renee A. Klein, Interim Chief Audit Executive