

Office of the Secretary of State

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Audits Division

Gary Blackmer
Director

255 Capitol St. NE, Suite 500
Salem, OR 97310

(503) 986-2255

August 17, 2015

Katy Coba, Director
Oregon Department of Agriculture
635 Capitol Street NE
Salem, Oregon 97301-2532

Dear Ms. Coba:

We have completed our review of controls over travel reimbursements at the Oregon Department of Agriculture (department). The purpose of the review was to determine whether controls over travel reimbursements have been established and are working properly. In performing the review, we reviewed policies and procedures, and examined supporting documentation.

The department has established sufficient controls to minimize the risk of inappropriately reimbursing travel costs, with the following exception:

We noted 13 instances where it appears employees received travel awards while on department business. The department had no travel award tracking forms on file for the identified employees. If employees are receiving travel awards while on department business, those awards are property of the department and should be tracked for future use by the department. We recommend department management review and update policies and procedures to ensure compliance with applicable Oregon Accounting Manual requirements.

The purpose of this letter is solely to describe the scope of our review and the results of the procedures performed, and not to provide an opinion on the effectiveness of the department's internal controls.

We appreciate your staff's assistance and cooperation during this review. Should you have any questions, please contact Shelly Cardenas or Julianne Kennedy at (503) 986-2255.

Sincerely,

OREGON AUDITS DIVISION

Office of the Secretary of State, Audits Division

State of Oregon

cc: Andrea Boyer, Financial Services Manager

Management Letter No. 603-2015-07-01



Oregon

Kate Brown, Governor

Department of Agriculture

635 Capitol St NE
Salem, OR 97301-2532



August 14, 2015

Julianne Kennedy, CPA
Audit Manager
Oregon Secretary of State, Audits Division
255 Capitol St NE, Suite 500
Salem, OR 97310

RE: Travel Expenditures Review 2015, Management Letter No. 603-2015-07-01

Dear Ms. Kennedy,

Thank you for the opportunity to respond to the Oregon Department of Agriculture Travel Expenditures Review 2015. We appreciated the time and effort your staff put into reviewing our travel documentation and thank you for taking the time to meet with us to discuss the findings of your review. The Oregon Department of Agriculture (ODA) agrees with the recommendation made in your management letter as discussed below.

Finding and recommendation:

We noted 13 instances where it appears employees received travel awards while on department business. The department had no travel award tracking forms on file for the identified employees. If employees are receiving travel awards while on department business, those awards are property of the department and should be tracked for future use by the department. We recommend department management review and update policies and procedures to ensure compliance with applicable Oregon Accounting Manual requirements.

Agency response:

The Oregon Department of Agriculture agrees with the recommendation. We have contacted the employees involved in the instances noted above and questioned whether or not they accepted any travel awards related to the identified trips. In the majority of instances, the employees were unaware that they were signed up in a rewards program. It appears that many lodging establishments attach a rewards program with the person acquiring lodging, which tracks demographic information and is separate from payment information. We will review internal policies and procedures to ensure compliance with requirements for travel awards, and will communicate with staff on expectations going forward to ensure compliance.

Should there be any follow-up questions or concerns regarding our response, please do not hesitate to contact me.

Sincerely,

Lauren Henderson,
Assistant Director

