

Office of the Secretary of State

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July 15, 2008

Holly Mercer, JD, RN, Director
Oregon State Board of Nursing
17938 SW Upper Boones Ferry Rd.
Portland, Oregon 97224-7012

Dear Ms. Mercer:

We have completed the change of director review for the Oregon State Board of Nursing's (board) former director, Joan Bouchard, who resigned effective August 29, 2007. The review was conducted in accordance 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 leaves that position.

Our objective was to ensure that appropriate actions were taken to protect state assets when the former director resigned from her position. To meet this objective, we reviewed representations from management and determined that assets assigned to the former director were returned and her access to state automated systems was terminated in a timely manner. In addition, we reviewed documentation related to payroll; leave accruals and vacation payouts; and travel and other reimbursement claims submitted by the former director during her last three months as director. Except as noted below, we found the board took appropriate actions to protect state assets following the resignation of the former director:

- We noted two travel claim reimbursements where the former director was reimbursed for private vehicle mileage beyond the reimbursable route. The mileage for one reimbursement included mileage that would be considered part of a regular commute. The claim documentation did not support why the additional miles were reimbursed. On a second claim, the former director was reimbursed for travel from place of residence to a meeting location when the distance from her official workstation to the meeting location was less mileage. According to the *Oregon Accounting Manual*, the total allowable reimbursement of private vehicle mileage shall be paid from official workstation, residence or other location and return, whichever is less.¹

We recommend board management ensure compliance with state travel policy relating to mileage reimbursements.

- We noted a travel claim where the former director had an opportunity to use a state motor pool vehicle instead of her private vehicle, providing a cost savings of approximately \$51. In addition,

¹ OAM 40.10.00.PO

the board did not have a written request on file authorizing the former director to use her personal vehicle on state business, as required by the *Oregon Accounting Manual*.

We recommend board management document decisions for personal vehicle use and ensure personal vehicle authorization requests are completed in compliance with state travel policy.

- We noted two travel claim reimbursements where the former director accepted travel awards while on state business and did not redeem them prior to resignation. The board does not have a travel award tracking method in place to ensure that accumulated award balances are appropriately redeemed when they reach a certain level, as required by the *Oregon Accounting Manual*.²

We recommend board management implement a tracking method to ensure awards are redeemed when appropriate. In addition, we recommend the board determine if seeking recovery for unredeemed travel awards would be cost-effective.

Should you have any questions concerning these issues, please contact me at (503) 986-2184.

Sincerely,
OREGON AUDITS DIVISION

Julianne Kennedy, CPA
Audit Manager

JK:brk

cc: James McDonald, RN, FNP, Board President
Scott Harra, Director, Department of Administrative Services

² OAM 40.10.00.PO