



# **Annual Report on Statewide Internal Audit Activities**

## **Covering Fiscal Year 2009**

December 31, 2009

Compiled by the Department of Administrative Services Internal Audit Section  
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<http://oregon.gov/DAS/IA/>



# Oregon

Theodore R. Kulongoski, Governor

## Department of Administrative Services

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December 31, 2009

Senator Peter Courtney, Senate President  
Representative Dave Hunt, Speaker of the House  
900 Court St. NE  
Salem, Oregon 97301

Re: Annual Report on Statewide Internal Audit Activities for the fiscal year ended June 30, 2009

Senator Courtney and Representative Hunt:

It is an honor to present to you the Department of Administrative Services' (DAS) fifth annual report on statewide internal auditing activities as required by Oregon Revised Statute (ORS) 184.360 (4).

This report contains information on the entities governing internal auditing in the state including the Statewide Audit Advisory Committee (SAAC) and agency internal audit committees. It also includes summaries of statewide internal audit activities occurring between July 1, 2008 and June 30, 2009 and administrative information such as vacancies, recruiting efforts, and professional certifications of audit staff. Tables included delineate specific activities by agency including audit reports issued, consulting engagements and other "value-added" work performed by the Internal Audit functions.

SAAC members were provided an advance copy of this report for review. If you have questions, or would like to obtain additional information, please contact me or Pamela Stroebel Valencia at (503) 378-4037.

Sincerely,

Scott L. Harra, Director

Cc: Statewide Audit Advisory Committee Members  
Directors and Chief Audit Executives of Agencies with an Internal Audit Function

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# STATEWIDE INTERNAL AUDIT GOVERNANCE ATTRIBUTES

OAR 125-700-0025, 0035

The Institute of Internal Auditors (IIA), a globally recognized organization, defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.<sup>1</sup>

Oregon Revised Statute 184.360 dictates internal audit activities within state government be coordinated to promote effectiveness. The Department of Administrative Services (DAS) was directed to adopt rules setting standards and policies for internal audit functions within state government, which were established as Oregon Administrative Rule (OAR) 125-700 Internal Auditing. Additionally, DAS is to annually submit a report to the Joint Committee on Ways and Means or the Emergency Board describing internal audit activities that have occurred in state government during the year; this report serves to meet that requirement by providing information on how agency internal audit functions are meeting the components of the law and the administrative rule.

During the Seventy-Fifth Oregon Legislative Assembly this law was revised to add requirements for Executive department agencies required to have an internal audit function to:

- Produce risk assessments of their agencies in accordance with nationally recognized audit standards;
- Use its risk assessment as the basis for the selection and performance of at least one internal audit per calendar year;
- Audit a component of its governance and risk management processes at least once every five years and file a report with DAS; and
- File completed risk assessments and internal audit reports with the Division of Audits of the Office of the Secretary of State.<sup>2</sup>

The purpose of this law and the revisions which become effective January 1, 2010 is to increase and enhance the independence and professionalism of the internal audit function within state government.

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<sup>1</sup> International Professional Practices Framework issued January 2009

<sup>2</sup> House Bill 3139

## **STATEWIDE AUDIT ADVISORY COMMITTEE**

OAR 125-700-0012

The Statewide Audit Advisory Committee (SAAC) was created to promote excellence and professional, standards-based internal auditing services in state government. SAAC serves in an advisory capacity to the Director of DAS. It is comprised of members from state government and the private sector and meets quarterly to discuss statewide audit matters and issues of interest. In Fiscal Year (FY) 2009 the following members served on SAAC:

Scott L. Harra, Chair and DAS Director  
Charles Hibner, Director, Oregon Audits Division (through February 2009, filled interim with Will Garber and Drummond Kahn, through appointment of new Director)  
Gary Blackmer, Director, Oregon Audits Division (since June 1, 2009)  
Carol Welch, Vice President – Global Corporate Audit, Nike Inc.  
Debbie Ferguson, Chief Audit Executive (CAE), Standard Insurance  
Craig Stroud, Budget and Finance Manager, Oregon Zoo  
Kingsley Click, Director, Judicial Department, (delegated to David Moon, CAE beginning September 2008)  
Clark Seely, Associate State Forester, Oregon Department of Forestry  
John Radford, State Controller, DAS  
Ken Rocco, Director, Legislative Fiscal Office (delegated to Dallas Weyand then Laurie Byerly, Principal Legislative Analyst since January 2008)  
Marlene Hartinger, CAE, Oregon Department of Transportation  
Pamela J. Stroebel Valencia, CAE, DAS

SAAC performed a survey of the state's internal audit community and affected agency management in 2006 and developed categories of issues to address to meet its charter objectives: Outreach, SAAC-CAE Connection, Training, Coverage and Reporting. SAAC meets annually with the internal audit community to update its Action Plan. Below is a summary of work performed on the Action Plan during FY 2009:

### **Outreach**

Internal audit representatives continue to represent state government at various college and university career events. Four agencies (Departments of Justice, Revenue, Veterans Affairs and the Oregon Liquor Control Commission) sponsored internships in their internal audit functions during FY 2009. DAS worked jointly with the Salem Chapter of the IIA to participate in the first career fair sponsored by the state of Oregon and held a follow-up informational forum for potential internal audit candidates.

DAS revised SAAC's website to encompass statewide internal audit topics more broadly. The new website (located at: <http://oregon.gov/DAS/IA/>) can be used to share templates and examples of best practices between agencies to potentially improve efficiencies in auditing across state government.

Three Committee members participated on a panel at a Salem Chapter IIA lunch event in March 2009. The event allowed SAAC members to discuss their role on SAAC and share their views on internal auditing in state government, as well as provided an opportunity for questions and answers from interested participants.

### **SAAC-CAE Connection**

The DAS CAE held quarterly meetings in conjunction with the state CAE's to provide updates on SAAC initiatives and receive input from the state's internal audit community to bring back to SAAC.

In FY 2008, SAAC formed a workgroup of internal auditors, performance measure coordinators, and Legislative Fiscal Office staff. This workgroup developed an audit program template for reviewing data

integrity of performance measures, to provide a standardized way to meet the intent of the internal audit administrative rule requirement in 125-700-0050 (5). The workgroup developed the template and 16 agency internal auditors volunteered to review 10 – 15 percent of their agency’s Key Performance Measures. The work determined improvements could be made around documentation, controls, validation of third party data, and use of data elements and assumptions in calculations for key performance measures in nine agencies. The full statewide compilation report on this project was issued to the members of the Seventy-Fifth Oregon Legislative Assembly on February 16, 2009 and can be found at: [http://www.leg.state.or.us/comm/lfo/2009\\_session/KPM\\_report.pdf](http://www.leg.state.or.us/comm/lfo/2009_session/KPM_report.pdf). Eight agency internal audit functions plan to perform follow-up work on findings and recommendations during FY 2010.

### **Reporting**

A subcommittee was formed to begin drafting language to revise the OAR on internal auditing found in section 125-700. One large change will be around allowing agencies within the state to perform External Peer or Quality Assurance reviews of each other. This is a commonly accepted industry practice and would allow agencies to meet professional auditing standards more cost effectively. By participating in these reviews, internal audit staff will potentially recognize best practices for implementing professionally recognized internal auditing standards within their own functions.

The subcommittee which included the LFO representative from SAAC as well as auditors from the Departments of Transportation, Human Services and Administrative Services, also drafted a template to create consistency in the annual internal audit reports submitted to DAS from agencies to comply with the OAR.

### **Moving Forward**

For FY 2010 SAAC’s action plan includes these areas of focus:

- Revise the Internal Audit OAR to provide additional guidance and to simplify reporting for agencies;
- Implement a self-assessment process;
- Review and discuss potential training options for agency internal audit committee members;
- Re-open Request for Proposal to update list of contractors qualified to provide internal audit services to state agencies;
- Compile best practices and potential statewide issues from FY 2009 annual internal audit activity reporting for continuing discussions with the internal audit community; and
- Realize opportunities for partnering with other advisory committees with common themes and purposes to increase awareness of risk management activities in state government; such as the recently re-organized Risk Management Advisory Council and the Committee on Performance Excellence created through Senate Bill 1099 (2008).

## **AGENCY AUDIT COMMITTEES**

OAR 125-700-0035

Each agency required to have an internal audit function is also required to create and maintain an audit committee to provide oversight of auditing and internal control for the agency and to help ensure the independence of the internal audit function. Agencies are encouraged to include qualified members of governing boards, commissions, individuals from outside their agency, or senior management officials not directly responsible for the internal audit function to enhance public accountability and transparency.

Of the 27 agencies with an established internal audit function, 23 (85 percent) have audit committees with an approved charter that meet on a regular basis. Nineteen of these agency committees have at least one member external to the organization, seven are chaired by an external member, and three have audit committees whose membership is fully comprised of external representatives. Audit Committee sizes range from three to thirteen members and meeting frequency is generally quarterly (only two reported meeting less frequently), with some meeting nearly monthly.

## **INTERNAL AUDIT REPORTING STRUCTURE WITHIN THE AGENCY**

OAR 125-700-0045

In order for the CAE to maximize objectivity, the position should report administratively to the agency head or designee and functionally to the audit committee. All but three agencies with an established internal audit function stated the CAE (or equivalent position) reported to the Director or Deputy Director level position within the Agency, and had full access to the audit committee. These three did not specify the reporting relationship in their report.

## **AUDITING STANDARDS**

OAR 125-700-0025

Of the 27 established internal audit functions in state government, 20 follow *International Standards for the Professional Practice of Internal Auditing* issued by the IIA. Three follow *Generally Accepted Government Auditing Standards* promulgated by the United States Government Accountability Office. Two agencies reported following both sets of standards and two did not specify. Agencies who satisfy the requirement for an internal audit function with a contractor should specify professionally recognized standards to be followed in the contract. Internal auditors who perform audits of specific topics, such as information technology, may follow a specialized set of standards to conduct such work. Those standards should be specified in the audit report.

## **SUMMARY OF INTERNAL AUDIT ACTIVITIES FOR FY 2009**

OAR 125-700-0020, 0050, 0055

The following 31 agencies currently meet the criteria in OAR 125-700-0020 requiring an internal audit function (biennial expenditures exceed \$100,000,000; number of Full Time Equivalent (FTE) employees exceeds 400; or dollar value of cash items processed annually exceeds \$10,000,000) or have created an internal audit function without qualifying under the criteria. Of the 31 agencies required to have an internal audit function, 27 have an established internal audit function with internal audit duties at least minimally assigned to staff and 1 is solely using contracted resources to meet the requirement. The Departments of Fish and Wildlife and Business Oregon will be contracting for internal audit services in FY 2010; the Department of Agriculture has no assigned staff or contract in place.

Information contained in the table is as of June 30, 2009. DAS received annual activity reports from all of the agencies required to report.

Agency	Number of FTE	Number of Vacancies	Annual Risk Assessment	External Quality Assessment <sup>3</sup> Year Completed/Due
Administrative Services	2 <sup>4</sup>	0	Yes	2006/2011
Agriculture	0	0	Last conducted in 2004	N/A
Community Colleges & Workforce Development	.5	0	No	N/A
Consumer & Business Services	1 <sup>4</sup>	0	Yes	2004/2009
Corrections	4	0	Yes	2005/2010
Business Oregon	0	N/A	No	N/A
Education	1	0	Yes	N/A/2009
Employment	1	0	Yes	2005/2010
Energy	1	1	No	N/A
Environmental Quality	.5 <sup>5</sup>	Contract	Yes	N/A
Fish & Wildlife	0	N/A	No	N/A
Forestry	1	0	Yes	N/A/2009
Housing & Community Services	1	0	Yes	N/A/2013
Human Services	10	2	Yes	2006/2011
Judicial Department	3 <sup>4</sup>	1	Yes	No
Justice, Department of	1 <sup>4</sup>	0	Yes	N/A/2012
Liquor Control Commission	.15 <sup>4,5</sup>	Contract <sup>6</sup>	Yes	N/A/2013
Lottery	4	0	Yes	2005/2010
Military	4	1	Yes	2008/2011
Parks & Recreation	1	0	Yes	N/A/2014
Public Employees Retirement System	3	0	Yes	2005/2010
Public Utility Commission	.15	.05	Yes	N/A
Revenue	2 <sup>4</sup>	0	Yes	N/A/2010
State Lands	1	0	Yes	N/A/2012
State Police	1	0	Yes	N/A/2013
Student Assistance Commission	0	Contract	Yes	N/A
Transportation	6	1	Yes	2008/2011
Treasury	2	0	Yes	2007/2012
Oregon University System	11	0	Yes	2006/2011
Oregon Youth Authority	1	1	No	N/A/2011
Veterans Affairs	1 <sup>4</sup>	1	Yes	N/A/2010
<b>TOTAL</b>	<b>64.3</b>	<b>8.05</b>		

<sup>3</sup> Required every 3 or 5 years (standard dependent)

<sup>4</sup> In addition to regular FTE, had a developmental or intern position for at least part of the fiscal year

<sup>5</sup> Not formal internal audit staff

<sup>6</sup> Also has some IA related consulting work performed from another position

## STAFFING

### Turnover and Recruiting

Seven of the agencies with established internal audit functions (26 percent) had open internal audit positions at the end of FY 2009 (total FTE is down .95 from the end of FY 2008); an additional four agencies had at least one internal audit vacancy at some point during the year.

Department of Energy established an internal audit function in FY 2008 with a part-time internal auditor and received an approved Policy Option Package in the 2009-2011 budget for a permanent internal audit position. The Department will recruit to fill the position in FY 2010. The Oregon Parks and Recreation Department re-established its internal audit function in FY 2009 after a failed recruitment in the previous year. The Oregon Youth Authority's internal audit position was vacant for the full fiscal year, but an Internal Auditor was hired early in FY 2010. The Department of Environmental Quality hired a temporary Internal Auditor to complete a specific risk assessment in FY 2010; an internal audit position has been approved but the agency lacks the funding to hire a full-time position.

The Department of Community Colleges and Workforce Development (CCWD) had a part-time internal audit function during FY 2008 and made a request to fill a full-time position in its 2009-2011 budget, which was not approved. CCWD plans to make a similar request for the 2011-2013 biennium. Both the Department of Fish and Wildlife and the Oregon Liquor Control Commission requested full-time positions in their 2009-2011 budget requests, but both requests were denied by the Budget and Management Division of DAS. The Department of Agriculture and Oregon Liquor Control Commission have also been unable to secure budget resources for an internal audit position. The Department of Justice brought forth a Policy Option Package for an additional internal audit position which was also not included in the Governor's Recommended Budget for the 2009-2011 biennium.

Some agencies lost positions due to budget reductions which will reduce internal audit work performed in those agencies (total internal audit positions reported are down 2.55 from FY 2008; some of these reductions do not become effective until FY 2010):

- DAS lost its Senior Internal Auditor position, one of three internal audit positions, effective April 1, 2009.
- The Department of Education lost its only internal audit position effective July 25, 2009. Education will contract out audit work to meet the OAR requirement.
- The Judicial Department lost two of its three internal audit positions as well as its developmental position early in FY 2010.
- Oregon University System lost two of five audit supervisor positions.

### Professional Certifications and Advanced Degrees

Of the 27 agencies who reported having staff assigned to internal audit positions during FY 2009, 21 (78 percent) reported having at least 1 staff member who held a professional designation or advanced degree (some staff members hold more than 1). The following percentages of employees hold these designated professional certifications (some percentages are down from what was reported for FY 2008 due to the decrease in internal audit staff across state government):

	<u>FY 2009</u>	<u>FY 2008</u>
Certified Public Accountant (CPA)	34 percent	38 percent
Certified Internal Auditor (CIA)	20 percent	26 percent
Certified Information Systems Auditor (CISA)	19 percent	14 percent
Certified Government Audit Professional (CGAP)	12 percent	9 percent
Certified Fraud Examiners (CFE)	11 percent	8 percent
Certificate in Public Management (CPM)	3 percent	2 percent

Three additional staff members have passed the CPA exam and are awaiting certification. Additional certifications held by at least one internal audit member in state government include: Certified Investment Derivative Auditor (CIDA), and Certificate in Control Self-Assessment (CCSA).

Also within the audit community, the following percentages of employees hold these advanced degrees:

	FY 2009	FY 2008
Masters in Business Administration (MBA)	17 percent	5 percent
Masters in Public Administration (MPA)	6 percent	2 percent

Additional Masters Degrees held by internal audit staff in FY 2009 include: Public Policy, Management, Educational Leadership, Economics and Accounting. One internal auditor also holds a law degree, Juris Doctor. Two agencies each reported having one staff member currently working on an MBA.

Of the internal auditors in state government, 67 percent (up from 60 percent reported for FY 2008) hold at least one professional designation or advanced degree.

### Professional Organizations

Approximately sixty (93 percent) of reported internal auditor staff in Oregon state government are members of the IIA. Auditors from the Departments of Corrections, Administrative Services, Judicial, Justice, and Oregon University System served on the Salem Chapter Board of the IIA during FY 2009. The Internal Auditor at State Police performed the Annual Review of the Chapter's Revenue and Expenses for the chapter year which ended in May 2008.

Other memberships in professional organizations held by at least one internal auditor in Oregon state government include (most associated with professional certifications held or related to a specific agency's mission): Oregon and American Societies of Certified Public Accountants, Oregon Public Performance Management Association, Association of Certified Fraud Examiners, Government Finance Officers Association, Information Systems Audit and Control Association, Association of Public Pension Fund Auditors, Project Management Institute, and Association of College and University Auditors.

In addition to holding memberships in professional organizations, several agencies have auditors who participate on national committees and provide training to other groups:

- **DAS:** The CAE is a volunteer instructor for the IIA and provided training at three public sector seminars during FY 2009 at various locations nationwide. She also provided training to the Salem Chapter of the IIA on audit report writing in plain language and updates to the IIA's standards. Additionally, she presented on performance auditing at the Oregon Public Performance Management Association's 4<sup>th</sup> Annual Performance Measurement Conference in July 2008.
- **Department of Corrections:** The CAE provides training to state auditors on the electronic audit work-papers software package utilized by many internal audit functions in the state.
- **Lottery:** Internal Audit is a member of the North American State and Provincial Lottery Association (NASPL) Audit Sub-committee. The Chief Internal Auditor provided a presentation on the Oregon Lottery's Quality Assurance and Improvement Program at the annual NASPL Audit Sub-committee meeting. The purpose of the presentation was to educate the audience on IIA standards and to encourage participation in the NASPL Audit Subcommittee External Quality Assessment program; and she participates in activities of the Sub-committee to improve internal auditing in state and provincial lotteries.
- **Oregon University System:** A representative serves on the Association of College and University Auditors Nominating committee.
- **Department of Transportation:** A representatives serves on the Association of State Highway and Transportation Officials Administrative Sub-committee on Internal and External Auditor's Peer Review Committee.

## QUALITY ASSURANCE OR PEER REVIEWS

125-700-0055

State internal audit functions should have an external peer review in accordance with the professional standards they follow. The IIA's *International Professional Practices Framework* requires an external quality assurance review every five years and the requirement under the United States Government Accountability Office's *Generally Accepted Government Auditing Standards* is for an external review to be performed every three years.

The Oregon Department of Transportation's external peer review was completed in March 2009 and resulted in a rating of 'complies' with the Peer Review Bylaws and other guidelines of the American Association of State Highway and Transportation Official Standing Committee on Administration, Administration Subcommittee on Internal and External Audit as well as *Generally Accepted Government Auditing Standards*. The review covered the period June 1, 2006 through June 30, 2008 and the fieldwork was conducted in August 2008. One minor observation was noted and the response included plans to monitor for future compliance. The next external review will be due in 2011.

The following agencies are out of compliance with the external review requirement:

- Department of Education – Because the internal audit function was eliminated as part of the budget reduction process, the agency's Audit Committee determined there would be little value derived from obtaining an external quality assurance review of the function.
- Oregon Judicial Department – The external review was due in June 2006 but due to 100 percent turnover in internal audit staff, including the CAE the review was postponed so sufficient work from the current team would be available for the review. The agency entered into contract negotiations during the beginning of 2009 to have a review performed. However, the current budget crises prevented them from completing that process. Now they are working on an agreement to have the review performed by internal auditors from other state agencies and expect this will be complete during FY 2010.

The IIA's *International Professional Practices Framework* requires the CAE to develop and maintain a quality assurance and improvement program which must also include internal assessments of all aspects of the internal audit activity. Two agencies completed internal reviews during FY 2009:

- Lottery performed self-assessments, both in 2007 and 2009 which resulted in a conclusion of generally complies. All but one of the recommendations for improvements in efficiency and effectiveness has been implemented and the final recommendation is underway.
- The Military Department completed a Quality Assurance Internal Review in May 2009.

## SUMMARY OF WORK PERFORMED IN FY 2009

125-700-0040

### Audit Reports Issued

Agency	Name of Audit <sup>7</sup>	Date Issued
<b>Administrative Services</b>	➤ Performance Measures – Data Integrity Audit	➤ September 31, 2008
	➤ Follow-up of Prior Audit Recommendations	➤ March 23, 2009
	➤ Small Purchase Order Transaction System Program Audit	➤ March 23, 2009
	➤ Department-Wide Cash Handling Audit: Controls Over Cash Appear to be Adequate	➤ June 30, 2009
<b>Consumer &amp; Business Services</b>	➤ Internal Control over Disbursements	➤ July 9, 2008
	➤ Key Performance Measures 2, 10 and 11	➤ October 9, 2008
	➤ Receivership Assets	➤ March 16, 2009
	➤ Purchasing Review	➤ May 23, 2009
<b>Corrections</b>	➤ Criminogenic Risk Factor Assessment Audit	➤ August 12, 2008
	➤ SPOTS Audit	➤ October 24, 2008
	➤ Extortion Audit	➤ January 27, 2009
	➤ KPM Audit	➤ September 22, 2008
	➤ Canteen Purchasing Audit	➤ February 5, 2009
	➤ Suicide Prevention Follow-up Audit	➤ May 19, 2009
<b>Education</b>	➤ Audit Follow-up Report	➤ February 9, 2009
	➤ Small Purchase Order Transaction System Compliance	➤ April 1, 2009
<b>Employment</b>	➤ SPOTS	➤ December 15, 2008
	➤ Key Performance Measures	➤ October 13, 2008
	➤ Portable/Removable Storage Devices	➤ May 2008
	➤ Sub-Recipient Monitoring	➤ June 2009
<b>Environmental Quality</b>	➤ Vehicle Inspection Program Oregon Identity Theft Protection Compliance	➤ June 2009 (reported September 2009)
<b>Fish &amp; Wildlife</b>	➤ Sub-Recipient Monitoring Review	➤ July 22, 2008
<b>Forestry</b>	➤ Audit of Data Integrity for Selected Key Performance Measures	➤ October 2008
<b>Housing &amp; Community Services</b>	➤ Rental Security Deposit Interest Earned Review	➤ July 11, 2008
	➤ Internal Audit Assessment of Oregon Housing and Community Services performance Measurement System	➤ August 27, 2008
	➤ Debt Management Section Process Efficiency and Effectiveness Review	➤ September 30, 2008
	➤ Small Purchase Order Transactions System Follow-up Review	➤ October 24, 2008
	➤ Review of Financial Controls for Housing Division	➤ February 9, 2009

<sup>7</sup> Titles and descriptions of Audit Reports, Consulting Engagements and Other Value-Added Activities included in this report are copies directly from agency reports to DAS on annual internal audit activities.

Agency	Name of Audit <sup>7</sup>	Date Issued
	<ul style="list-style-type: none"> <li>➤ Data Integrity and Accuracy (Reports are Accurate and Consistent)</li> </ul>	<ul style="list-style-type: none"> <li>➤ June 8, 2009</li> </ul>
<b>Human Services</b>	<ul style="list-style-type: none"> <li>➤ Employment Related Day Care</li> <li>➤ MD Critical Incident Response Re: Urinalysis</li> <li>➤ Critical Incident Response Safety Plan</li> <li>➤ Key Performance Measures</li> <li>➤ Contract Delegation</li> <li>➤ Critical Incident Response Follow-up</li> <li>➤ Information Technology Project Cost Benefit Analysis Methodology</li> </ul>	<ul style="list-style-type: none"> <li>➤ September 23, 2008</li> <li>➤ December 23, 2008</li> <li>➤ July 31, 2008</li> <li>➤ July 18, 2008 and June 29, 2009</li> <li>➤ September 23, 2008 and June 24, 2009</li> <li>➤ February 24, 2009</li> <li>➤ June 29, 2009</li> </ul>
<b>Judicial Department</b>	<ul style="list-style-type: none"> <li>➤ Washington County Circuit Court – Data Security Audit</li> <li>➤ Supreme Court Law Library – Financial Controls Review</li> <li>➤ Lane County Circuit Court – Data Security Audit</li> <li>➤ Seventh Judicial District – Data Security Audit</li> <li>➤ Law Enforcement Data System – Internal Controls Review</li> <li>➤ Business and Fiscal Services Division – Oregon Judicial Information Network (Online) – Internal Controls and Revenues Review</li> <li>➤ Business and Fiscal Services Division – Cell Phone Usage Review</li> </ul>	<ul style="list-style-type: none"> <li>➤ September 17, 2008</li> <li>➤ September 24, 2008</li> <li>➤ September 17, 2008</li> <li>➤ September 17, 2008</li> <li>➤ November 10, 2008</li> <li>➤ April 27, 2009</li> <li>➤ June 24, 2009</li> </ul>
<b>Justice, Department of</b>	<ul style="list-style-type: none"> <li>➤ Small Purchase Order Transaction System (SPOTS) Audit</li> <li>➤ Audit of Safeguards for Handling Cash/Checks (Salem Office)</li> </ul>	<ul style="list-style-type: none"> <li>➤ December 2008</li> <li>➤ February 2009</li> </ul>
<b>Liquor Control Commission</b>	<ul style="list-style-type: none"> <li>➤ Follow-up Review on prior audit recommendations: Information Security Risk Assessment</li> <li>➤ Small Purchase Order Transaction System (SPOTS) Audit</li> <li>➤ Oregon Liquor Control Commission’s Licensing Function Lacks Accountability and Effective Oversight</li> </ul>	<ul style="list-style-type: none"> <li>➤ Issued: June 27, 2008; Follow-up: July 2, 2008 – October 1, 2009</li> <li>➤ December 8, 2008</li> <li>➤ June 25, 2009</li> </ul>
<b>Lottery</b>	<ul style="list-style-type: none"> <li>➤ Contract Administration Audit</li> <li>➤ Employee Recognition and Incentives Audit</li> <li>➤ Audit Follow-up</li> <li>➤ Laptop Computer Security Audit</li> <li>➤ Powerball Lockdown Procedures Audit</li> <li>➤ Continuous Monitoring of the Retailer Management System</li> <li>➤ Continuous Monitoring of the Epicor System</li> </ul>	<ul style="list-style-type: none"> <li>➤ July 17, 2008</li> <li>➤ September 12, 2008</li> <li>➤ December 11, 2008</li> <li>➤ February 11, 2009</li> <li>➤ May 20, 2009</li> <li>➤ August and December 2008</li> <li>➤ August and December 2008;</li> </ul>

Agency	Name of Audit <sup>7</sup>	Date Issued
		March and June 2009
<b>Military</b>	<ul style="list-style-type: none"> <li>➤ Personal Clothing Accountability</li> <li>➤ Report of Survey Process – Supply Operations Retail</li> <li>➤ Ammunition Accountability Follow-up</li> </ul>	<ul style="list-style-type: none"> <li>➤ December 4, 2008</li> <li>➤ May 4, 2009</li> <li>➤ March 31, 2009</li> </ul>
<b>Parks &amp; Recreation</b>	<ul style="list-style-type: none"> <li>➤ Travel Compliance Review</li> <li>➤ Purchasing Card Compliance Audit</li> </ul>	<ul style="list-style-type: none"> <li>➤ June 5, 2009</li> <li>➤ May 29, 2009</li> </ul>
<b>Public Employees Retirement System</b>	<ul style="list-style-type: none"> <li>➤ Benefit Calculation Audit</li> <li>➤ PERS Health Insurance Program Risk Assessment</li> <li>➤ Performance Measures Data Integrity</li> <li>➤ Small Purchase Order Transaction System (SPOTS) Card</li> <li>➤ Access to Sponsor Connect</li> <li>➤ Annual Earnings Crediting Process</li> <li>➤ Small Purchase Order Transaction System (SPOTS) Card</li> <li>➤ Electronic Funds Transfer</li> <li>➤ Member Purchases at Retirement</li> </ul>	<ul style="list-style-type: none"> <li>➤ August 15, 2008</li> <li>➤ August 8, 2008</li> <li>➤ September 15, 2008</li> <li>➤ September 8, 2008</li> <li>➤ November 10, 2008</li> <li>➤ November 14, 2008</li> <li>➤ April 23, 2009</li> <li>➤ April 28, 2009</li> <li>➤ May 15, 2009</li> </ul>
<b>Public Utility Commission</b>	<ul style="list-style-type: none"> <li>➤ Periodic review of DAS SPOTS cards</li> <li>➤ Performance review of Oregon Universal Service Fund 3<sup>rd</sup> Part Administrator</li> </ul>	<ul style="list-style-type: none"> <li>➤ March 5, 2009</li> <li>➤ April 23, 2009</li> </ul>
<b>Revenue</b>	<ul style="list-style-type: none"> <li>➤ KPM Review Audit</li> <li>➤ Other Agency Accounts Internal Control Audit</li> <li>➤ SPOTS</li> <li>➤ Pipeline (Processing Center) Memo</li> <li>➤ PIT Refund Approval and Auto Approval Audit</li> </ul>	<ul style="list-style-type: none"> <li>➤ August 2008</li> <li>➤ October 2008</li> <li>➤ December 2008</li> <li>➤ January 2009</li> <li>➤ April 2009</li> </ul>
<b>State Lands</b>	<ul style="list-style-type: none"> <li>➤ Review of Open Accounts used by South Slough National Estuarine Research Reserve and Bend offices at the Department of State Lands</li> </ul>	<ul style="list-style-type: none"> <li>➤ May 4, 2009</li> </ul>
<b>State Police</b>	<ul style="list-style-type: none"> <li>➤ KPM – Data Integrity Review</li> <li>➤ Follow-up Review of SOS Findings</li> <li>➤ Ammunition Review</li> <li>➤ SPOTS Review</li> </ul>	<ul style="list-style-type: none"> <li>➤ September 30, 2008</li> <li>➤ February 2, 2009</li> <li>➤ March 13, 2009</li> <li>➤ May 6, 2009</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>➤ Additional Controls and Documentation Would Reinforce ODOT’s Performance Measurement System</li> <li>➤ ODOT’s IT Procurement Structure Lacks Effective Oversight</li> <li>➤ Competitive Practices and Oversight for IT Procurements Could Be Improved</li> <li>➤ ODOT’s Treatment of Independent Contractors Is Not In Compliance with State Rule and ODOT Policy</li> <li>➤ SPOTS Card Annual Compliance Review: Overall Usage Appropriate, but Additional Analysis and Documentation of Credit Limits Needed</li> </ul>	<ul style="list-style-type: none"> <li>➤ October 15, 2008</li> <li>➤ November 4, 2008</li> <li>➤ November 4, 2008</li> <li>➤ November 4, 2008</li> <li>➤ November 11, 2008</li> </ul>

Agency	Name of Audit <sup>7</sup>	Date Issued
	<ul style="list-style-type: none"> <li>➤ Maintenance District 1 Allegations – Most Anonymous Claims Lacked Evidence, but Management Weaknesses Exist</li> </ul>	<ul style="list-style-type: none"> <li>➤ April 13, 2009</li> </ul>
<b>Treasury</b>	<ul style="list-style-type: none"> <li>➤ Operational Review of the Oregon Public Employees' Retirement Fund</li> <li>➤ Investment Valuation and Financial Reporting Audit</li> <li>➤ Preparation for the New Treasurer &amp; Administration Audit</li> <li>➤ Internal Controls Audit of Investment Portfolios</li> <li>➤ Public Equity Internal Controls Audit</li> </ul>	<ul style="list-style-type: none"> <li>➤ December 2008</li> <li>➤ December 8, 2008</li> <li>➤ December 16, 2008</li> <li>➤ March 31, 2009</li> <li>➤ March 31, 2009</li> </ul>
<b>Oregon University System</b>	<ul style="list-style-type: none"> <li>➤ Engineer Equipment</li> <li>➤ Athletic Department Financial Reports</li> <li>➤ Campus Building Security</li>   <li>➤ Performance Evaluations</li> <li>➤ Performance Measures</li> <li>➤ Perkins Loan Programs</li>   <li>➤ Outside Employment Policy</li> <li>➤ Banner Forms Security</li>   <li>➤ Football Attendance Certifications</li> <li>➤ USAID Grant</li> <li>➤ GEAR UP Grant</li> <li>➤ Student Payroll</li> <li>➤ International Students</li> <li>➤ Faculty Outside Employment</li> <li>➤ Pharmacy Inventory</li> <li>➤ Facilities Purchasing</li> </ul>	<ul style="list-style-type: none"> <li>➤ July 21, 2008</li> <li>➤ August 4, 2008</li> <li>➤ August 6 and October 24, 2008</li> <li>➤ August 15, 2008</li> <li>➤ August 22, 2008</li> <li>➤ October 15, 24 and December 8, 2008</li> <li>➤ November 4, 2008</li> <li>➤ October 28 and December 22, 2008</li> <li>➤ February 11, 2009</li> <li>➤ February 19, 2009</li> <li>➤ March 27, 2009</li> <li>➤ April 14, 2009</li> <li>➤ April 14, 2009</li> <li>➤ May 27, 2009</li> <li>➤ May 27, 2009</li> <li>➤ June 16, 2009</li> </ul>
<b>Veterans Affairs</b>	<ul style="list-style-type: none"> <li>➤ Klamath County Veterans' Service Office Follow-up Audit</li> <li>➤ Oregon Veterans' Home Contractor Expenses Audit</li> <li>➤ Department Battle Book</li> <li>➤ Performance Measures Audit</li> <li>➤ Lake County Veterans' Service Office Audit</li> <li>➤ Department Credit Card Audit</li> <li>➤ Performance Appraisals Audits</li> </ul>	<ul style="list-style-type: none"> <li>➤ July 1, 2008</li> <li>➤ September 22, 2008</li> <li>➤ October 7, 2008</li> <li>➤ October 21, 2008</li> <li>➤ October 31, 2008</li> <li>➤ January 14, 2009</li> <li>➤ April 3, 2009</li> </ul>

### Consulting Activities

Consulting services are advisory and related client service activities, the nature and scope of which are agreed upon with the client and which are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

Agency	Name of Consulting Activity
<b>Administrative Services</b>	<ul style="list-style-type: none"> <li>➤ Chief Audit Executive provides Ethical-Decision Making training to DAS New Employee Orientation and Human Resource Services Division's New to State Management course</li> <li>➤ Senior Internal Auditor held informational meetings with Agency Division leadership to learn about DAS business functions and discuss opportunities for providing audit services in the future</li> <li>➤ Chief Audit Executive participates on various DAS and statewide committees including: DAS Information Technology Governance Council, Risk Management Advisory Council, Executive Steering Team and a sub-committee for the State Procurement Office's Strategic Improvement Project and State Data Center Chief Information Office Advisory Board</li> </ul>
<b>Community Colleges &amp; Workforce Development</b>	<ul style="list-style-type: none"> <li>➤ Sub-recipient monitoring for WIA federal grant awards passed through to local areas, such as community colleges and non-profit organizations; involves reviewing the Single-Audit reports to identify instances of questioned costs. Assist program staff in conducting annual program and fiscal monitoring of the Department's seven Local Workforce Investment Area offices and certain lower level sub-recipients as required by Title 1B of the WIA of 1998.</li> <li>➤ Assist and train the CCWD fiscal staff in the timely completion of fiscal year end financial and federal grant reporting to DAS State Controller's Division.</li> <li>➤ Review contracts between the community colleges and Joint Apprenticeship Training Committees to determine compliance with contract terms and OARs; determine accuracy of enrollment and course completion by student apprentices' reported to the college.</li> <li>➤ Perform audit of Commissioner's travel expense claims and time reporting/payroll expenditures as required by Oregon Accounting Manual policy 10.90.00.</li> </ul>
<b>Consumer &amp; Business Services</b>	<ul style="list-style-type: none"> <li>➤ Site specific cash handling counsel</li> <li>➤ Contract review and advice</li> <li>➤ Governance counsel</li> <li>➤ Policy process and review</li> <li>➤ Audit process and planning consultation</li> <li>➤ Purchasing review</li> <li>➤ Facilitation to promote resolution of confidential information on specific reports</li> <li>➤ Financial data change process resulting in policy changes to strengthen internal controls</li> <li>➤ Fund use consult</li> </ul>
<b>Corrections</b>	<ul style="list-style-type: none"> <li>➤ POV Mileage Reimbursement – approximately every six months Internal Audit reviews personal mileage reimbursements.</li> <li>➤ Conducted three fraud investigations</li> </ul>

Agency	Name of Consulting Activity
	<ul style="list-style-type: none"> <li>➤ Researched and responded to SOS Fraud Waste and Abuse calls.</li> <li>➤ Sat in an independent advisory capacity on various committees (i.e. IT Committee)</li> <li>➤ Provided guidance on application of the Oregon Ethics Law on a number of occasions</li> <li>➤ Provided data and analysis used for determining inmates' ability to pay for cost of care</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>➤ Periodic follow-up reports with advice on open audit findings</li> <li>➤ Quarterly reports on status of State School Fund audit Corrective Action Plan</li> </ul>
<b>Employment</b>	<ul style="list-style-type: none"> <li>➤ Address Cross-Match – periodic review of Employee/UI Benefit Recipient Address Match Report</li> <li>➤ Fraud Review – Assist with investigation of misuse of confidential information by staff</li> <li>➤ Trade Act Fraud Review – Assisted with Trade Act Fund Abuse Review and Follow-up</li> <li>➤ Fragmented Purchase Review - Investigated fragmented purchases</li> <li>➤ Use of Time Code Review – Investigated misuse of time codes</li> <li>➤ Loss of Funds Review – Investigated possible loss of funds</li> <li>➤ Use of Fake Agency Letterhead – Reviewed and counseled on course of action to be taken</li> </ul>
<b>Fish and Wildlife</b>	<ul style="list-style-type: none"> <li>➤ Financial Close Process Risk Assessment</li> <li>➤ Payment Card Industry Standard Risk Assessment</li> <li>➤ Automated Clearing House Risk Assessment</li> </ul>
<b>Forestry</b>	<ul style="list-style-type: none"> <li>➤ Department Strategic Planning and Management Model</li> <li>➤ Department Business Continuity Planning</li> <li>➤ Fire Payroll Error Elimination and Control Improvement</li> </ul>
<b>Housing &amp; Community Services</b>	<ul style="list-style-type: none"> <li>➤ Cash Processing</li> <li>➤ Mail Receipts processing</li> <li>➤ HOME Investment Partnerships program regulations</li> <li>➤ Oregon Affordable Housing Tax Credit financial reconciliation process</li> <li>➤ Implementation of Davis-Bacon Requirements</li> <li>➤ Enterprise Risk Management Implementation</li> <li>➤ Legal Document processing</li> <li>➤ Implementing controls related to American Reinvestment and Recovery Act requirements</li> <li>➤ Travel policy requirements</li> <li>➤ Introduction to Auditing/Risk Management processes</li> </ul>
<b>Human Services</b>	<ul style="list-style-type: none"> <li>➤ Behavioral Rehabilitative Services</li> <li>➤ Electronic Imaging of Accounting Documents</li> <li>➤ Blue Mountain recovery Center Medicaid Cost Report FY 2008 Financial Review</li> <li>➤ Eastern Oregon Training Center Medicaid Cost Report FY 2008 Financial Review</li> <li>➤ Sunset Empire Transportation District</li> </ul>
<b>Judicial Department</b>	<ul style="list-style-type: none"> <li>➤ Appellate Court Services Division, Law Library – Cost/benefit analysis of record storage</li> <li>➤ Office of the State Court Administrator – Review of security proposal regarding key-card duties</li> <li>➤ Umatilla County Circuit Court – Check stock ordering and storage</li> </ul>

Agency	Name of Consulting Activity
	<ul style="list-style-type: none"> <li>consult</li> <li>➤ Appellate Court Services Division, Publications – Develop revenue and expenditure targets</li> </ul>
<b>Justice, Department of</b>	<ul style="list-style-type: none"> <li>➤ ACH Risk Self-Assessment Facilitation</li> <li>➤ “Best Practices for Internal Controls: Effective Management/Supervisory Review” Reference Sheet for Risk Management and Cost Savings</li> <li>➤ Policy Review/Comment: SB583 Compliance, PCI Compliance, IT Security, Loss Reporting, Security Incident Response, Cash Handling</li> <li>➤ Internal and External Audit Follow-up</li> <li>➤ Fraud Prevention Program</li> <li>➤ Risk Self-Assessment Training (Fiscal Services)</li> <li>➤ Options and Techniques for Annual SPOTS Compliance Review</li> </ul>
<b>Liquor Control Commission</b>	<ul style="list-style-type: none"> <li>➤ An Assessment of the Key Performance Measures of the Oregon Liquor Control Commission – August 2, 2008</li> <li>➤ Public Safety and Agency Performance – August 22, 2008</li> <li>➤ New Public Safety Key Performance Measure and LFO Requirements – February 4, 2009</li> <li>➤ 10-Year Strategic Planning Schema – August 28, 2008</li> <li>➤ Business Continuity Planning: Project Management – FY 2009</li> <li>➤ Business Metrics for Policy Option Packages – Agency Request Budget for 2009-11</li> <li>➤ Fiscal Impact Statements – 2009 Legislative Session</li> <li>➤ NW Retail Liquor Price Comparisons – March 2009</li> <li>➤ Liquor Agency Compensation Studies – January-May 2009</li> </ul>
<b>Lottery</b>	<ul style="list-style-type: none"> <li>➤ April 2009 Internal Audit Overview presentation to Lottery Retail Operations employees. Two IA staff members provided a total of five training sessions designed to help employees understand the role of Internal Audit at the Oregon Lottery</li> <li>➤ May 2009 Internal Controls in Balance presentation to Lottery managers. The Chief Internal Auditor made this presentation to inform management of the COSO internal control framework; define risk and control and teach the importance of balancing the two; and teach about the different types of control activities</li> <li>➤ Project Teams. Served on various project teams including the following: Prize Integrity, Consumer Identify Protection, Scratch It for Schools, Raffle, Silent Whistle Hotline, and Consumer Promotions. This work resulted in improvements to Oregon Lottery processes and improved the internal auditor’s understanding of ongoing operations</li> <li>➤ Policy review. Reviewed various Lottery-wide and departmental policies and procedures under development</li> <li>➤ ERP system. Participated in the review of three different ERP systems and provided input during the procurement process as to which system appeared to provide for enhanced controls and auditability. Participated in needs analysis to define the requirements for new ERP system</li> <li>➤ Instant Ticket Contracts. Reviewed and suggested revisions to instant ticket vendor contract language related to auditing</li> </ul>
<b>Military</b>	<ul style="list-style-type: none"> <li>➤ Cooperative Agreement Management Control Checklist</li> </ul>

Agency	Name of Consulting Activity
<b>Public Employees Retirement System</b>	<ul style="list-style-type: none"> <li>➤ Quality Assurance</li> <li>➤ Information Security</li> <li>➤ Other various consulting requests throughout the year</li> </ul>
<b>Revenue</b>	<ul style="list-style-type: none"> <li>➤ ACH audit questionnaire for Treasury</li> <li>➤ Access Management Project</li> <li>➤ Agency Security Plan</li> <li>➤ Hardware and Software Inventory process review</li> <li>➤ IRS safeguard review</li> <li>➤ ISBRA</li> <li>➤ IT systems – retention of prior versions</li> <li>➤ Payroll controls – timesheet submissions</li> <li>➤ Program Evaluation – CAFFA</li> <li>➤ Proper use of the Internet</li> <li>➤ Video Conferencing vs. Webinar, Controls and Security</li> </ul>
<b>State Lands</b>	<ul style="list-style-type: none"> <li>➤ Review of internal controls and consulting on multiple activities including, but not limited to: Accounting for the purchase and sale of automobiles, Use of “reduction of expense” transactions; Travel reimbursement; Payroll distribution; Revenue subsidiary ledger reconciliation</li> <li>➤ Review of land purchase transactions</li> <li>➤ Review and consulting on DSL Business Continuity Plan</li> </ul>
<b>State Police</b>	<ul style="list-style-type: none"> <li>➤ Motor Carrier Safety Assurance Program Interagency Agreement</li> </ul>
<b>Student Assistance Commission</b>	<ul style="list-style-type: none"> <li>➤ Moss Adams assisted OSAC Management with the development of a Disaster Recovery and Business Continuity Plan</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>➤ Provided consulting services to several ODOT departments on a wide variety of issues, ranging from Public Transit issues, to reviewing contract language for the Office of Innovative partnerships, assisting Region 5 regarding simulation techniques and providing the Local Agency Section with information about A-87 indirect cost allocation plans. Assisted other state agencies by performing internal audit functions at OLCC and assisting the Secretary of State Audits Division. Assisted local governments by consulting about billing rates</li> </ul>
<b>Oregon University System</b>	<ul style="list-style-type: none"> <li>➤ Consulted and followed up on campus data security beaches</li> <li>➤ Training efforts included: Presented internal control sessions including financial Stewardship Institute held for campus business officers and presented compliance risks for ARRA to executive councils and the Board</li> </ul>

### Other Value-Added Activities

Internal Audit functions have added value and assisted management in making improvements to the operations and performance of the agency's programs. In addition to the types of consulting and other activities described previously, a few specific examples of activities performed in FY 2009 are as follows:

Agency	Description of Value-Added Activity
<b>Administrative Services</b>	<ul style="list-style-type: none"> <li>➤ CAE coordinates the Statewide Audit Advisory Committee and holds quarterly meetings of the state's Chief Audit Executives in conjunction with the Salem Chapter IIA's CAE Coordinator</li> <li>➤ Performed a review for the Oregon Parks and Recreation Department and issued a management letter with recommendations for improvement to controls over payroll processes in January 2009</li> <li>➤ Performed limited work with the Oregon State Payroll System on handling small terminated employee payroll balances and issued a letter on December 10, 2008</li> <li>➤ Provides consulting and support services to agency management receiving external audits</li> <li>➤ CAE worked with originators of HB 3139 and agency internal auditors to revise original bill language and provide testimony to Senate and House Committees on the bill and internal auditing in state government</li> </ul>
<b>Agriculture</b>	<p>Although no formal internal audit position exists, the agency has implemented the following continuous improvement processes:</p> <ul style="list-style-type: none"> <li>➤ SPOTS – Developed training materials for agency staff on the proper procedures for purchasing and reporting SPOTS card transactions; made training available both online and in house</li> <li>➤ Travel Committee – Established to review ways to improve travel reporting procedures as well as expense sheet processing times</li> <li>➤ Administrative Retreat – Annual review of agencies performance to determine if the agency is meeting internal and external goals and objectives</li> <li>➤ Fleet Rate Review – External review performed by Mercury and Associates to review replacement cost recovery procedures for the agencies fleet</li> </ul>
<b>Community Colleges &amp; Workforce Development</b>	<ul style="list-style-type: none"> <li>➤ Assist program staff, LWIA personnel, and the Attorney General's Office in performing audit resolution on questioned costs reported as the result of three incident reports filed with the Department by former employees of a Workforce Oregon One Stop Career Center</li> <li>➤ Establish procedures for review of federal funds received and expended under the American Recovery and Reimbursement Act which included visiting a subrecipient in order to determine proper expenditures of funds</li> <li>➤ Assist in the establishment of funds and accounting structure, and review of legal documents and act as liaison for the Department with officials of the local community colleges, DAS, State Treasurer's Office and the Department's Project Manager to implement legislation for the sale of general obligation and lottery bonds to finance, in part, community college capital construction projects, including "Go Oregon" projects</li> <li>➤ Act as liaison with Audits Division and their contractors and federal agency auditors on current audit engagements</li> <li>➤ Reviewed proposed legislation for the 2009-11 biennium to determine potential financial, legal, and internal control implications and the need for policies and procedures</li> </ul>

Agency	Description of Value-Added Activity
<b>Consumer &amp; Business Services</b>	<ul style="list-style-type: none"> <li>➤ The Internal Auditor serves on various internal committees to provide pro-active consulting services and keep up-to-date on current issues facing the Department, such as: Information Resource Steering Committee; Information Security Subcommittee; and Data Steward Subcommittee</li> <li>➤ Provided mentoring services regarding audit processes to a division planning to begin jurisdictional reviews</li> <li>➤ Provided coordination and mentorship to managers performing interagency required audits</li> <li>➤ Provided formal and informal information to managers regarding internal controls and governance</li> <li>➤ Identified potential economy for management consideration and provided updates noting success</li> <li>➤ External Audit Coordination for the Statewide Audit of Selected Financial Accounts</li> </ul>
<b>Corrections</b>	<ul style="list-style-type: none"> <li>➤ Act as liaison with external auditors</li> <li>➤ Provided assistance to the Idaho Department of Corrections as they determined how to design an Internal Audit unit with the agency</li> <li>➤ Issued agency-wide messages discussing such topics as proper authorizations, signature authority, supervisory review, etc</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>➤ Assisted management in closing audit findings</li> </ul>
<b>Forestry</b>	<ul style="list-style-type: none"> <li>➤ Department Training on Oregon Ethics Law</li> <li>➤ Leadership Team Planning Group</li> </ul>
<b>Housing &amp; Community Services</b>	<ul style="list-style-type: none"> <li>➤ Review of service diversity in Housing programs</li> <li>➤ Follow-up on corrective action taken to findings</li> <li>➤ Personnel investigation review</li> </ul>
<b>Human Services</b>	<ul style="list-style-type: none"> <li>➤ Coordinated 11 separate Secretary of State, Audits Division external audits</li> <li>➤ Participated in 15 federal reviews</li> <li>➤ Coordinated follow-up efforts on prior audit and review findings</li> <li>➤ Provided support to OR-Kids Child Welfare automated system design</li> <li>➤ Provided review for provider settlements/issues</li> <li>➤ Presented as part of department management training efforts</li> <li>➤ Consulted Business Integrity Experts</li> <li>➤ Participated in Administrative Services Division Information Systems Committee</li> </ul>
<b>Judicial Department</b>	<ul style="list-style-type: none"> <li>➤ Review various division specific and Department-wide policies under development</li> <li>➤ Participate in various committees to provide Internal Audit controls perspective, including: e-Court committees, Policy and Law committees, and physical and information security committees</li> <li>➤ The CAE has been delegated the responsibility to attend the Statewide Audit Advisory Committee (SAAC) to promote excellence and professional standards in internal auditing for state government</li> </ul>
<b>Justice, Department of</b>	<ul style="list-style-type: none"> <li>➤ Promoted fraud awareness and prevention</li> <li>➤ Developed a Department intranet page about the internal auditing function. Developed a Department intranet page about internal auditing. Described the nature and benefits of internal auditing and the Audit Committee, and promoted risk management tools</li> <li>➤ Developed Internal Audit Operating Manual</li> <li>➤ Provided input for employee security awareness</li> </ul>

Agency	Description of Value-Added Activity
	<ul style="list-style-type: none"> <li>➤ Coordinated Audit Committee meetings and provided information as requested. Presented updates on internal and external audit activities</li> <li>➤ Evaluated computer-assisted auditing tools</li> <li>➤ Completed fiscal impact analysis for proposed IA legislation</li> </ul>
<b>Liquor Control Commission</b>	<ul style="list-style-type: none"> <li>➤ Strategic Planning Facilitation</li> </ul>
<b>Lottery</b>	<ul style="list-style-type: none"> <li>➤ The Lottery is a member of the Multi-State Lottery Association (MUSL). The Chief Internal Auditor participated in an audit of MUSL to provide member lotteries' management with reasonable assurance that the process of establishing jackpot amounts and related liabilities, and the funds provided by each lottery as a result thereof, were adequately controlled and accurately calculated. Issued September 2008</li> <li>➤ Developed and administered a contract for a SAS 70 Audit of a major service provider. The SAS 70 audit results provided assurance to the Lottery and the Secretary of State's Audits Division that the service provider's internal controls were suitably designed, in place and operating effectively</li> <li>➤ Developed and administered contracts for Security Reviews of three ticket vendors. The reviews provided the Lottery with assurance that the ticket manufacturing security at all three vendors is excellent</li> <li>➤ Chief Internal Auditor is an external member of the Oregon Department of Education's Audit Committee</li> </ul>
<b>Public Employees Retirement System</b>	<ul style="list-style-type: none"> <li>➤ Introduced management to the beginning stages of an Enterprise Risk Management methodology</li> <li>➤ CAE serves as Information Security Officer and chairs Information Security Board Meetings</li> </ul>
<b>Revenue</b>	<ul style="list-style-type: none"> <li>➤ Non voting member of ITSP committee</li> <li>➤ Non voting member of Management Issues Committee</li> <li>➤ Liaison for Secretary of State Audits</li> </ul>
<b>State Lands</b>	<ul style="list-style-type: none"> <li>➤ Risk management incident tracking and claim reporting</li> <li>➤ Work with the Risk Management Advisory Council to reach out to all Oregon State agencies, and to provide a forum for stakeholders to exchange information, generate ideas, and make recommendations to DAS Risk Management in accordance with the Advisory Council Operation Guidelines</li> </ul>
<b>State Police</b>	<ul style="list-style-type: none"> <li>➤ KPM Committee Duties</li> <li>➤ OSP Legislative Bill Review Team</li> </ul>
<b>Oregon University System</b>	<ul style="list-style-type: none"> <li>➤ External audit liaison with federal and state agencies to provide synergy of services</li> <li>➤ Administered Financial Concerns Hotline and reporting</li> </ul>
<b>Veterans Affairs</b>	<ul style="list-style-type: none"> <li>➤ Analyzed financial information from 34 counties to determine if state pass-through dollars were being spent appropriately</li> <li>➤ Investigated a loss of funds incident</li> <li>➤ Assisted in development of legislation for criminal background checks for Department employees</li> <li>➤ Participated in a committee to develop policies and procedures for a new state veterans' program – Small Business Repair Loan Program</li> <li>➤ Participated in a committee to complete the PCI and ACH risk assessments required by the Oregon State Treasury</li> <li>➤ Worked as audit liaison between the Department, Secretary of State Audits Division and the contracted financial statement audit team</li> </ul>