



**Kip Memmott**  
Division Director

December 9, 2024

The Honorable Ellen F. Rosenblum, Attorney General  
Oregon Department of Justice  
1162 Court Street NE  
Salem, Oregon 97301

Dear Attorney General Ellen Rosenblum:

We have completed audit work of selected financial accounts at your department for the year ended June 30, 2024. This audit work was not a comprehensive financial audit of the department, but was performed as part of our annual audit of the State of Oregon's financial statements. We audited accounts that we determined to be material to the State of Oregon's financial statements.

## Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of the State of Oregon as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, we considered the department's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements of the State of Oregon, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Salem, Oregon 97310

**LaVonne Griffin-Valade**  
Oregon Secretary of State

**Cheryl Myers**  
Deputy Secretary & Tribal Liaison

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## Prior Year Findings

In the prior fiscal year, we reported a significant deficiency related to the department's implementation of Government Accounting Standards Board Statement No. 87 related to accounting and reporting of leases in a letter dated March 7, 2023. This finding can also be found in the Statewide Single Audit Report for the fiscal year ended June 30, 2022, see Secretary of State audit report number 2023-21, finding number 2022-006. During fiscal year 2024, the department reviewed monthly payments made during the year and reclassified the non-principal/interest expense portion. Review and reclassification of non-principal/interest expense payments made in fiscal years 2022 and 2023 will be performed by January 2025. This finding will be reported in the Statewide Single Audit Report for the fiscal year ended June 30, 2024, with a status of partial corrective action taken.

In the prior fiscal year, we also reported a material weakness related to the department's reporting of settlement proceeds belonging to the State in a letter dated February 9, 2024. This finding can also be found in the Statewide Single Audit Report for the fiscal year ended June 30, 2023, see Secretary of State audit report number 2024-14, finding number 2023-005. During fiscal year 2024, the department established a "Government-Directed Proceeds" fund within the client trust account and reviewed and realigned all funds held in trust as necessary. Due to timing differences of some corrective actions, prior year adjustments are required and will be completed by January 2025. This finding will be reported in the Statewide Single Audit Report for the fiscal year ended June 30, 2024, with a status of partial corrective action taken.

The purpose of this letter is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the department's internal control. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control. Accordingly, this letter is not suitable for any other purpose.

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Kelly Olson, Audit Manager or Alan Bell, Principal Auditor at [kelly.l.olson@sos.oregon.gov](mailto:kelly.l.olson@sos.oregon.gov) or [alan.j.bell@sos.oregon.gov](mailto:alan.j.bell@sos.oregon.gov).

Sincerely,

*Office of the Secretary of State, Audits Division*

cc: Lisa Udland, Deputy Attorney General  
Sarah Roth, Administrative Services Division Director  
Dania Opheim, Accounting & Budget Manager  
Claire Anderson, Internal Auditor  
Berri Leslie, Director, Department of Administrative Services