



Kip Memmott
Division Director

December 2, 2024

Erin McMahon, Director
Oregon Department of Emergency Management
3930 Fairview Industrial Drive SE
Salem, Oregon 97302

Dear Erin McMahon:

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.

255 Capitol St NE, Ste 180
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Prior Year Findings

In the prior fiscal year, we reported a material weakness related to the department's controls over federal requests for reimbursement in a letter dated March 8, 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 2022-010. During fiscal year 2024, the department partially corrected the finding by hiring and training additional staff and developing policies and procedures to more formally spell out the steps and documents required for payment and documentation of requests for reimbursement. 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 significant deficiency related to the department's controls over its year-end accrual processes in a letter dated January 30, 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 2023-007. During fiscal year 2024, the department implemented tracking sheets to document when requests for reimbursements are received, the dates the review process is completed, and the reimbursement is sent for payment processing. The department is also developing policies and procedures. 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 or alan.j.bell@sos.oregon.gov.

Sincerely,

Office of the Secretary of State, Audits Division

cc: Patence Winningham, Deputy Director
Amy Mettler, Chief Financial Officer
Kezia Wanner, Business Services Director & Compliance Division Manager
Lorlei Broughton, Chief Audit Executive
Berri Leslie, Director, Department of Administrative Services