



Steve Bergmann  
Division Director

March 10, 2026

Dr. Sejal Hathi, Director  
Oregon Health Authority  
500 Summer Street, NE, E-20  
Salem, OR 97301-1097

Dear Director Hathi:

We have completed audit work of a selected federal program at the Oregon Health Authority (department) for the year ended June 30, 2025.

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
93.268	Immunization Cooperative Agreements	\$87,761,522

For the year ended June 30, 2025, we determined whether the department substantially complied with the compliance requirements listed in Appendix A as relevant to the federal program under audit. Based on the audit procedures performed, we identified a significant deficiency related to Federal Funding Accountability and Transparency Act (FFATA) reporting. The agency should implement controls to submit required and accurate FFATA reports. This finding is reported in management letter #443-2026-03-01. No additional internal control or noncompliance findings were reported for the federal program.

This audit work was not a comprehensive audit of your federal program. We performed this federal compliance audit as part of our annual Statewide Single Audit, a very specific and discrete set of tests to determine compliance with federal funding requirements, and does not conclude on general efficiency, effectiveness, or state-specific compliance. The Office of Management and Budget (OMB) Compliance Supplement identifies internal control and compliance requirements for federal programs. Auditors review and test internal controls over compliance for all federal programs selected for audit and perform specific audit procedures only for those compliance requirements that could have a direct and material effect on the federal program under audit.

We are required to be independent of the department and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. Our audit does not provide a legal determination of the department's compliance with the compliance requirements referred to in Appendix A.

### **Responsibilities of Management for Compliance**

Department management is responsible for compliance with the requirements referred to in Appendix A, and for the design, implementation, and maintenance of effective internal control over compliance with the

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Oregon Secretary of State

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requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the department's federal program referred to above.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to in Appendix A occurred, whether due to fraud or error, and express an opinion on the department's compliance based on our audit work. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirement referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the department's compliance with the federal program.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over

compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this communication is solely for the information and use of management and others within the organization to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication 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 Michelle Rock or Kelly Olson at [Michelle.L.ROCK@sos.oregon.gov](mailto:Michelle.L.ROCK@sos.oregon.gov) and [Kelly.L.OLSON@sos.oregon.gov](mailto:Kelly.L.OLSON@sos.oregon.gov).

Sincerely,

*Office of the Secretary of State, Audits Division*

cc: David Baden, Deputy Director for Policy and Programs  
Rochelle Layton, Chief Financial Officer  
Naomi Adeline-Biggs, Public Health Director  
Samina Panwhar, Public Health Division Center for Public Health Practice Administrator  
Lydia (Mimi) Luther, Section Manager, Immunization  
Nadia Davidson, Public Health Division Director of Finance  
Shawn Jacobsen, Controller  
Sarah Landis, Chief Internal Auditor  
Betsy Imholt, Director, Department of Administrative Services  
Rob Hamilton, State Controller, Department of Administrative Services

**APPENDIX A**

<b>Compliance Requirement</b>	<b>General Summary of Audit Procedures Performed</b>
<b>Activities Allowed or Unallowed</b>	<b>Determined whether federal awards were expended only for allowable activities.</b>
<b>Allowable Costs/Cost Principles</b>	<b>Determined whether charges to federal awards were for allowable costs and that indirect costs were appropriately allocated.</b>
<b>Cash Management</b>	<b>Confirmed program costs were paid for before federal reimbursement was requested, or federal cash drawn in advance was for an immediate need, and applicable interest was reported/remitted.</b>
<b>Period of Performance</b>	<b>Determined whether federal funds were used only for allowable costs incurred during the authorized performance period.</b>
<b>Reporting</b>	<b>Verified the department submitted financial and FFATA reports to the federal government in accordance with the grant agreement and that those financial reports were supported by the accounting records.</b>
<b>Special Tests and Provisions</b>	<b>Determined whether the department complied with the additional federal requirements identified in the OMB Compliance Supplement.</b>