

AUDIT REPORT

Oregon Department of Transportation: Change of Director Audit



Bill Bradbury, Secretary of State

Cathy Pollino, Acting Director, Audits Division

Summary

PURPOSE

This audit was conducted in compliance with *Oregon Revised Statute 297.210*, which requires the Secretary of State to perform an audit or review when the executive head of a state agency leaves that position for any reason. Grace Crunican, who was appointed as director of the Oregon Department of Transportation in May 1996, resigned from that position effective February 28, 2001. Our audit was limited to determining whether appropriate actions to protect state assets were taken upon the former director's separation from the agency.

The department's mission is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians.

RESULTS IN BRIEF

We found that the department took appropriate actions upon the former director's separation from the department. We found no significant instances of noncompliance with laws, rules or regulations. Information regarding issues that we felt warranted the attention of the department, but did not rise to the level of reporting in an audit report, were conveyed to the department in Management Letter No. 730-2001-07-01, dated July 13, 2001.

Background

The Oregon Department of Transportation maintains about 7,500 miles of roads and highways across the state. The department also owns and maintains 2,700 bridges, oversees 2,600 miles of rail, licenses nearly three million drivers, registers more than three million vehicles, and is involved in more than 400 airports across the state.

The department is supported by funds from various sources, including federal funds, the weight mile tax, driver and vehicle licenses, transportation licenses and fees, the general fund, and lottery proceeds.

Audit Results

We found that the department took appropriate actions upon the former director's separation from the department. We found no significant instances of noncompliance with laws, rules or regulations. Additional information regarding issues that we felt warranted the attention of the department, but did

not rise to the level of reporting in an audit report, were conveyed to the department in Management Letter No. 730-2001-07-01, dated July 13, 2001.

Objectives, Scope and Methodology

This audit was conducted in compliance with *Oregon Revised Statute 297.210*, which requires the Audits Division to perform an audit or review when the executive head of a state agency leaves that position for any reason. Our audit objectives were to assure that the department took appropriate actions to protect state assets upon the former director's separation from the department. Specifically, we:

- Determined whether the former director's access to state automated systems was terminated;
- Determined whether state assets in the custody and control of the former director were returned to the department upon her resignation;

- Reviewed reimbursement claims, including travel reimbursement claims, filed by the former director during her final six months of service;
- Determined that the former director was not the subject of any internal or external investigation or disciplinary action pertaining to legal compliance matters during the final year of service;
- Reviewed payroll disbursements to the former director, and those for whom she signed time sheets, during her final six months of service; and
- Reviewed personal service contracts that originated in the former director's office during her final six months of service.

We conducted this audit according to generally accepted government auditing standards. We limited our review to the areas specified above.

This report, which is a public record, is intended to promote the best possible management of public resources. Copies may be obtained by mail at Oregon Audits Division, Public Service Building, Salem, Oregon 97310, by phone at 503-986-2255 and 800-336-8218 (hotline), or internet at Audits.Hotline@state.or.us and <http://www.sos.state.or.us/audits/audithp.htm>.

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ACTING DIRECTOR: *Cathy Pollino, CGFM, MBA*

The courtesies and cooperation extended by the officials and staff of the Oregon Department of Transportation were commendable and much appreciated.

Auditing to Protect the Public Interest and Improve Oregon Government

OFFICE OF THE
SECRETARY OF STATE

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The attached report presents the results of our change of director audit of the Oregon Department of Transportation. We conducted this review in compliance with Oregon Revised Statute 297.210 (2), which requires the Secretary of State to audit or review any state agency when the executive head leaves his or her position. Our objectives were to assure that appropriate actions were taken to cancel the former director's access to state systems and return any state assets in her possession, and to assure that recent transactions authorized by the former director were reasonable and complied with applicable laws and regulations.

During the review, we found that the department took appropriate actions upon the former director's separation from the department. Information regarding issues that we felt warranted the attention of the department, but did not rise to the level of reporting in an audit report, were conveyed to the department in Management Letter No. 730-2001-07-01, dated July 13, 2001.

OREGON AUDITS DIVISION

Cathy Pollino
Acting Director

Fieldwork Completion Date:
June 19, 2001