

Office of the Secretary of State

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Audits Division

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February 27, 2020

Colette Peters, Director
Oregon Department of Corrections
2575 Center St NE
Salem, OR 97301

Dear Ms. Peters:

We have completed a review of the Department of Corrections (DOC) use of the State P-Card of Oregon Transaction System (SPOTS). Our review was part of a periodic review of SPOTS card transactions at state agencies. The purpose of the review was to verify the department had established and implemented internal controls for SPOTS cards in accordance with the Oregon Accounting Manual (OAM) and that SPOTS card purchases complied with OAM requirements.

Procedures

Prior to reviewing transactions, we gained an understanding of SPOTS and the applicable sections of the OAM. SPOTS cards are state-sponsored credit cards that agencies may use to procure and pay for goods and services. The program saves the state time and money because it reduces the need for agencies to issue purchase orders as banks and merchants process most of the paperwork. Agencies that use a SPOTS card to pay for goods and services must follow the Public Contracting Code. In addition, an agency must not use a SPOTS card to avoid the requirement to use a state price agreement.

We obtained a download of all SPOTS transactions for DOC for the period May 7, 2018 to May 3, 2019. We selected 30 monthly statements from DOC issued SPOTS cards that indicated a higher risk for misuse or inappropriate purchases. We verified each transaction on each statement agreed to supporting documentation, was in accordance with OAM and department policies, and was an appropriate use of state resources. These 30 statements comprised 661 separate transactions totaling approximately \$1.6 million in expenditures. When necessary, we requested additional information and asked follow up questions of DOC staff.

Results

We found that DOC had established controls as required by the OAM, purchases were appropriately documented, and expenditures were an appropriate use of state resources.

The purpose of this letter is solely to describe the scope of our review and the results of the procedures performed. Because this was a limited review, we were not required to and did not follow generally accepted government auditing standards.

We appreciate your staff's assistance and cooperation during this review. Should you have any questions, please contact Kelly Olson, Audit Manager, or Geoff Hill, Principal Auditor, at (503) 986-2255.

Sincerely,

Office of the Secretary of State, Audits Division

cc: Steve Robbins, DOC Chief Financial Officer
Adrienne O'Connor, DOC Financial Operations Administrator
Eli Ritchie, DOC Chief Audit Executive