

OREGON DEPARTMENT OF FORESTRY QUALITY ASSURANCE PROGRAM

Oregon Department of Forestry -
Quality Assurance Program Annual Report – FY08
July 1, 2007 – June 30, 2008

Quality Assurance Program Attributes

The Quality Assurance Program (QAP) serves as the Internal Audit function for the Oregon Department of Forestry (Department). The QAP is made up of one position that serves as the QAP Director, but depending upon the setting is referred to as the Chief Audit Executive (CAE), and internal auditor for the Department. The current QAP Director has an MA in Public Policy and is a Certified Governmental Auditing Professional (CGAP) and, as directed in Standards and OAR, reports administratively to the State Forester and functionally to the Department Audit Committee (ODFAC). The opinion of the QAP Director is that the Department meets a high level of structural and actual independence for the internal audit function.

During FY08, the QAP Director position was vacant from July to November of 2007. Department management recruited and selected the new QAP Director in August 2007, but scheduling a start date required some delay. No additional staff or interns were assigned to QAP during this reporting period.

FY08 Audit Activities

Internal Audit

The following projects and activities were undertaken from November 2007 through June 2008

- Developed the Quality Assurance Program and ODFAC Charter and obtained informal senior management approval and formal Board of Forestry approval for the charter,
- Developed orientation and educational materials for ODFAC members,
- Established the framework for and conducted management interviews as well as reviews of Department information (including KPMs, Strategic Plan, and FPFO) to perform the Annual Agencywide Risk Assessment,
- Participation on the Department Strategic Planning Process Group
- Participation on Business Continuity Planning Process Group
- Participation in the Agency Leadership Program as a trainee
- Participation on Department groups that respond to Oregon Audits Division (OAD) and Federal Agency audits.
- Participation on the Department Leadership Team efforts

External Audits

The Department of Homeland Security contracted with a provider to conduct an audit of the Fire Protection Division's use of Fire Management Assistance Grant funds on the Bland Mountain #2 fire. The final results have not been received.

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The OAD was active on two audits during this reporting period. The first is a review of Department charges to the Division of State Lands (DSL) for management of DSL lands and the results should be released in FY09. The second audit was the *Statewide Single Audit Including Selected Financial Accounts, FY07*, which issued the following recommendations:

- *The department ensure all expenditures are accurately recorded when goods or services are received in accordance with GAAP.*
- *The department develop and implement a plan to manage risks identified for financial reporting.*
- *The department implement procedures that ensure TRAS and SFMA reconciliations are completed on a regular basis. Reconciliations should be thoroughly documented and independently reviewed.*

The QAP Director will follow up on these recommendations during FY09.

ODF Audit Committee

The ODFAC was formally established in June 2008, when the Board of Forestry approved the QAP and Audit Committee Charter. The first ODFAC meeting was held in August 2008 and meetings will be held at least quarterly starting in January 2009 with ad hoc meetings called as needed.

The ODFAC is made up of three external (not ODF employees) members and two internal (ODF employees) members. In accordance with OAR 125-700-0035, one of the external ODFAC members serves on the Board of Forestry. There is currently one external member vacancy on the ODFAC, but agency management is currently soliciting individuals to fill the vacancy.

Quality Assurance Review of the Internal Audit Function

The Department has had a dedicated position for internal auditing since 2004 and has been scheduled for a QAR in 2009. Due to the recent change in the QAP Director and not having an approved charter until 2008, the Department will most likely wait for the new QAP Director to accumulate enough work before contracting for the QAR.

Training and Continuing Professional Education

The QAP Director received over 100 hours of training during the reporting period. Most of the training was related to Department functions and expectations in the Agency Leadership Program. Additional training courses were attended that were associated with forestry, fire protection, and the local chapter of the IIA.