



Internal Controls

Joint Committee On Ways and Means Subcommittee
On General Government

May 8, 2025

Agenda

- 01** Introduction
- 02** Our People
- 03** Internal Controls
- 04** Internal Controls in Action
- 05** Reporting Fraud



\$45

BILLION
DOLLARS

5.1

MILLION
BANK ACCOUNTS

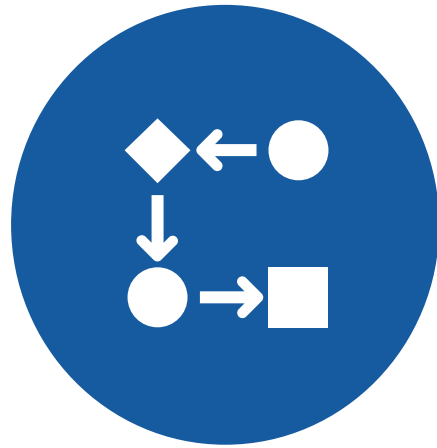
5.6

MILLION
PEOPLE

What are internal controls?



Policies



Procedures



Training



Monitoring

Frameworks we follow

DAS DEPARTMENT OF ADMINISTRATIVE SERVICES Statewide Policy

OREGON ACCOUNTING MANUAL

Subject: Accounting and Financial Reporting	Number: 01.05.00
Division: Chief Financial Office	Effective date: January 22, 2018
Chapter: Introduction	
Part: Scope and Applicability	
Section:	
Approved: George Naughton, Chief Financial Officer	Signature on file

PURPOSE: This policy provides the scope and applicability of the Oregon Accounting Manual.

AUTHORITY: ORS 291.015
ORS 291.040
ORS 293.590
ORS 293.600

APPLICABILITY: This policy applies to all state agencies included in the State's annual financial statements, except for those agencies specifically exempted by as noted in the paragraphs below.

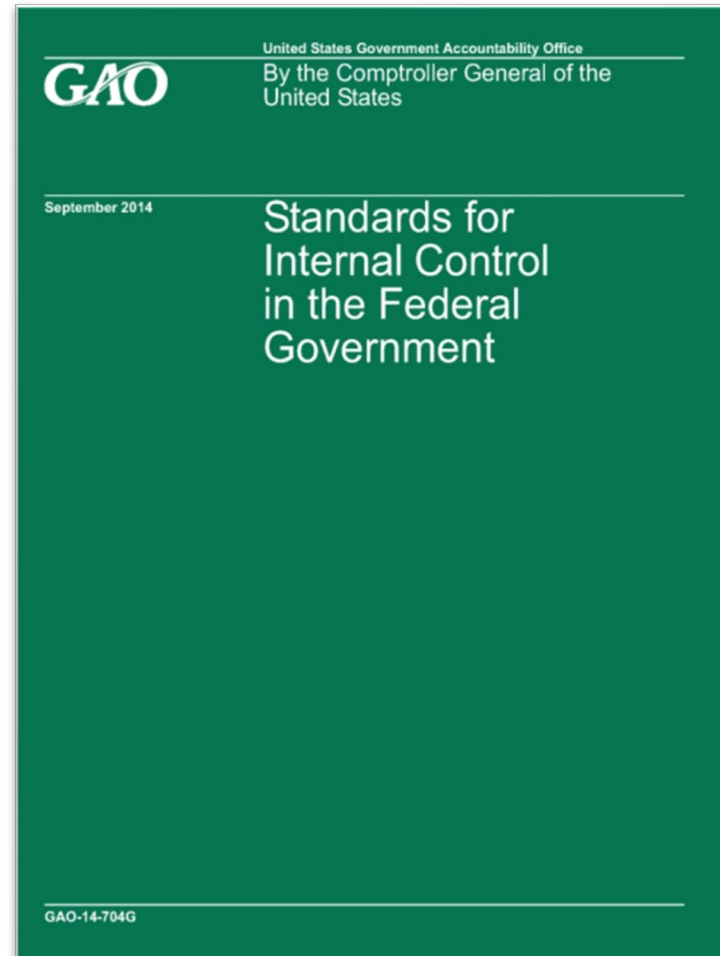
POLICY:

Purpose and Scope of the Oregon Accounting Manual

.101 In Chapter 291 and 293 of the Oregon Revised Statutes (ORS), the Department of Administrative Services (DAS) is charged with directing and controlling the accounting of state government fiscal operations. DAS is responsible for establishing and maintaining systems of accounting for state government and for prescribing the principles, standards, and requirements of those systems to be used by state agencies. Many controls are directly built in to the Statewide Financial Management Application (SFMA) and Oregon Statewide Payroll Application (OSPA) operated by the DAS Enterprise Goods and Services (EGS) Division. The Oregon Accounting Manual (OAM) provides a comprehensive set of policies and procedures to assist state fiscal managers with analyzing, processing, and reporting financial transactions in accordance with generally accepted accounting principles (GAAP), federal regulations, and Internal Revenue Service (IRS) requirements. The Office of the Chief Financial Officer (CFO) at DAS establishes statewide policies in the OAM primarily to:

- Ensure consistency in the application of generally accepted accounting principles;
- Provide guidance for agencies to establish and monitor sound internal controls to protect the state's assets;
- Support the coordination of accurate financial reporting and adequate financial disclosure;

OAM 01.05.00 Page 1 of 3



Our internal control environments



Physical

Offices, mail, and money (cash, checks, and money orders)



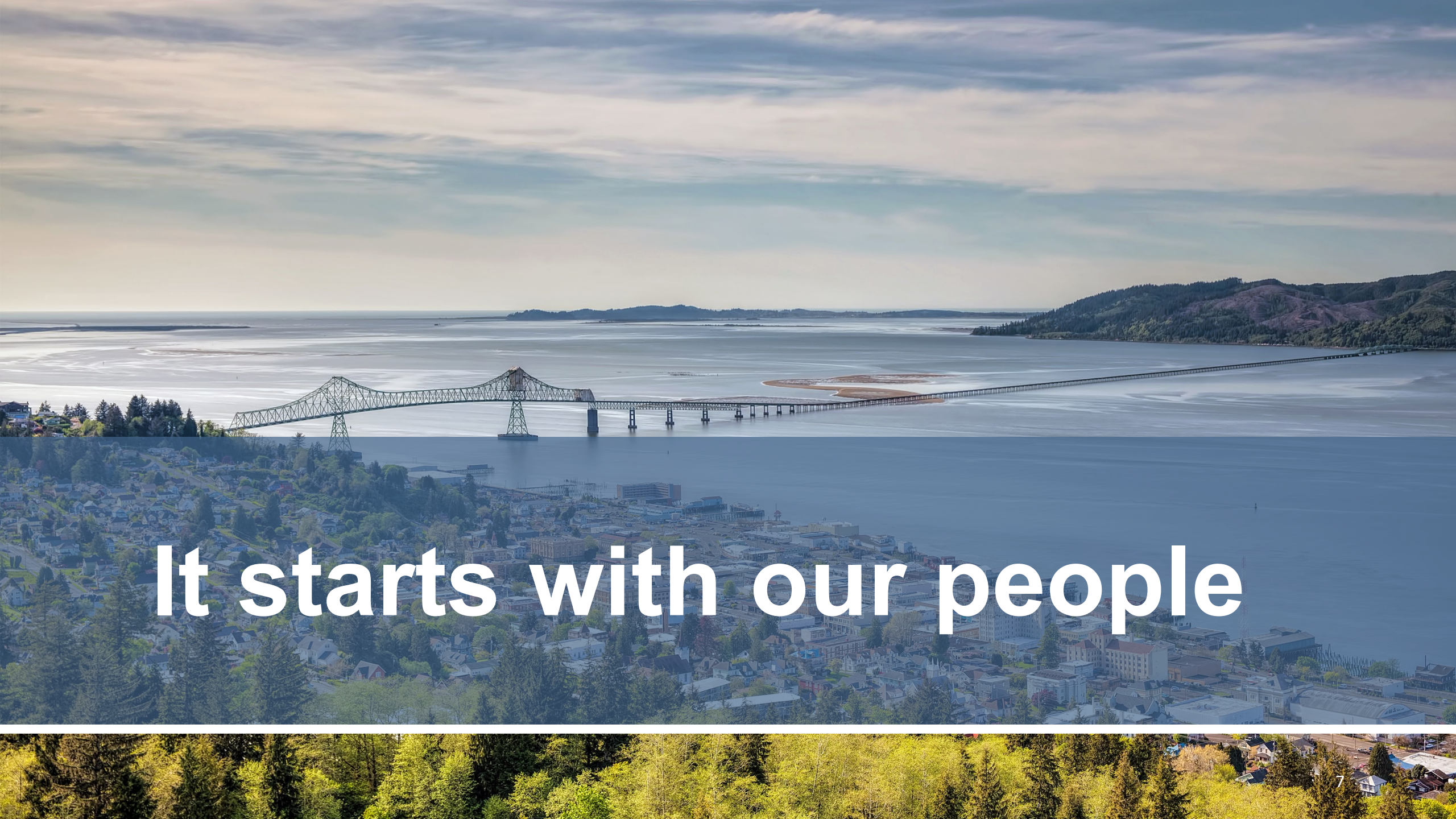
Digital

Information technology systems, data, and online services



Financial

Revenue transfers, payments, expenditures, and refunds



It starts with our people

Security mindset, compliance culture

- Tax compliance checks
- Federal background checks
- Reoccurring checks
- Reporting convictions



Continuous training



Disciplinary actions

We follow all state personnel rules and collective bargaining agreements



Investigation

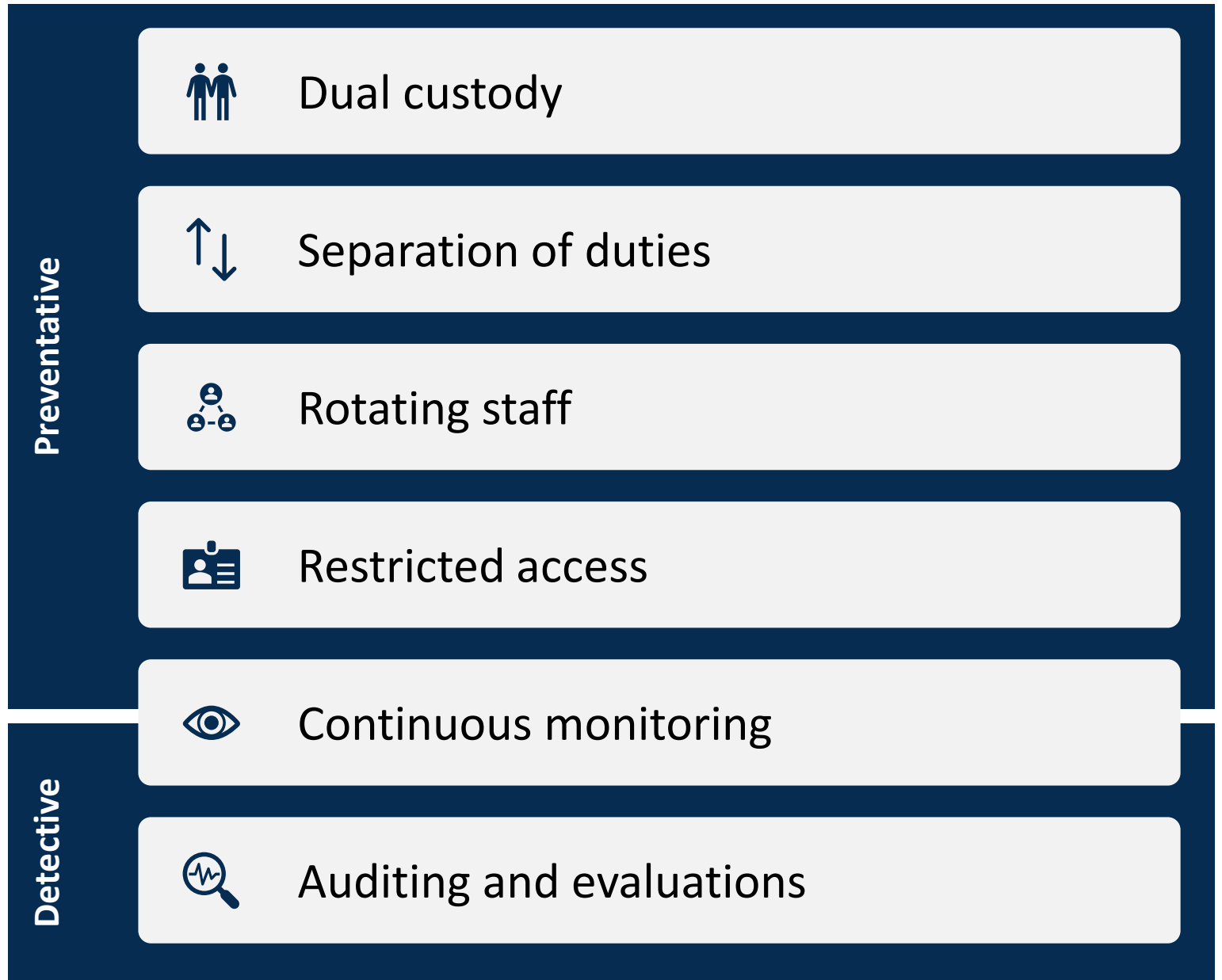


Progressive discipline



Termination

Key internal controls



Continuous monitoring



**Regular
access
reviews**



**Data loss
prevention
tools**



**Daily
access
reports**



**Annual
risk
survey**

Auditing and evaluations



Secretary of State – Annual Comprehensive Financial Report (ACFR), performance, and IT audits



Oregon Department of Administrative Services (DAS), Enterprise Information Services (EIS), Cyber Security Services (CSS) – Center for Internet Security (CIS) Controls Assessment

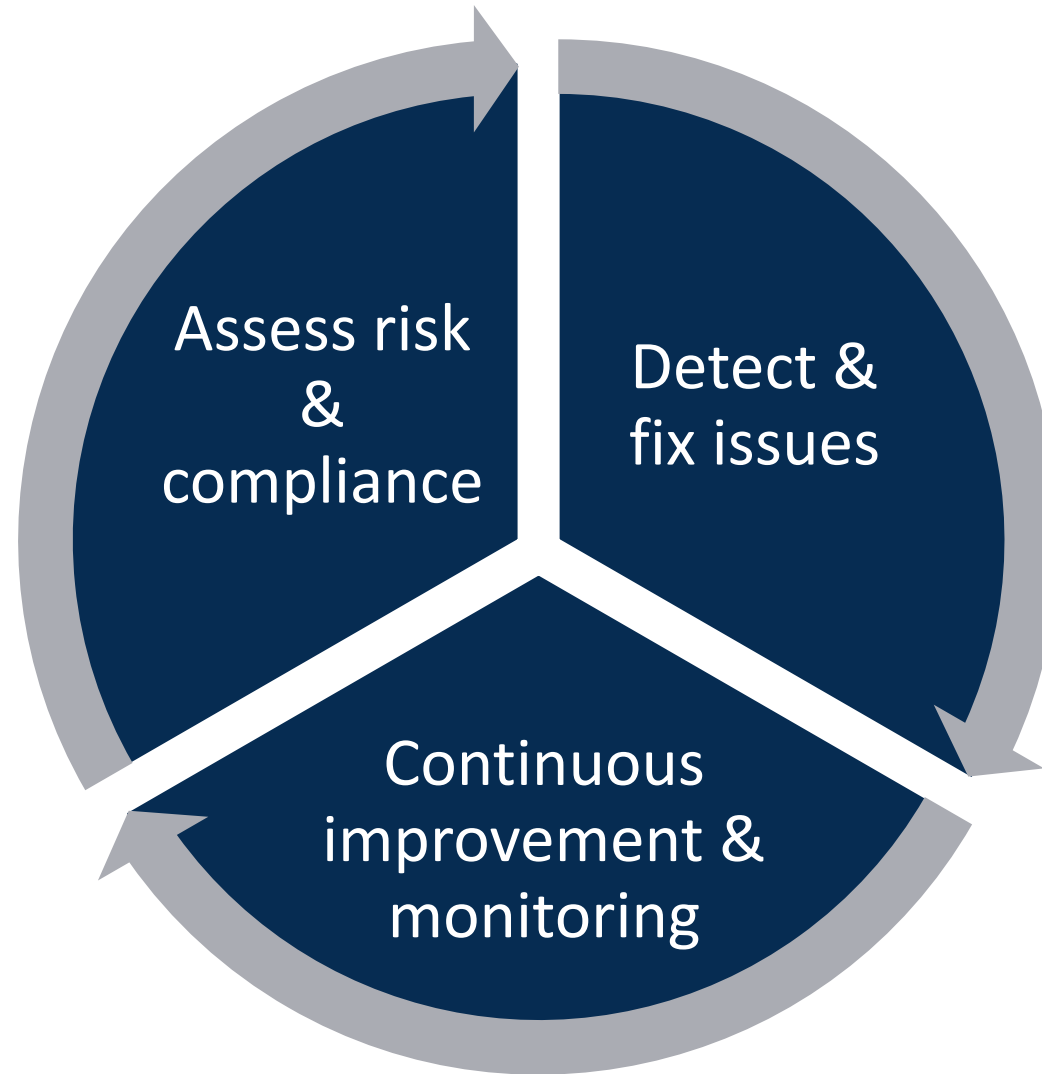


Internal Revenue Service (IRS) – Safeguard Review and Annual Safeguard Security Report



Internal audits and internal evaluations

Compliance improvement cycle





Internal controls in action

Financial reconciliation



GenTax



**OREGON
STATE
TREASURY**

**Bank
Statements**



**Relational Standard
Accounting & Reporting
System (R*STARS)**

Revenue transfer



Two staff review all transfers



Rotating staff



Manager approval required



Regular auditing



Monthly reporting



Oregon Counts on Us

Your Company Name

Company Address

City, State & Zip

Phone Number

Email and/or website

INVOICE

Invoice No.

Date:

BILL TO:

Company Name

Address

Address

City, State, Zip Code

SHIP TO:

Company Name

Address

Address

City, State, Zip Code

QTY	DESCRIPTION	UNIT COST	TOTAL

Thank you

SUB TOTAL

DISCOUNT

TAX

TOTAL

It has been a pleasure doing business with you.

Expenditure payments

- Documented delegation of authority
- Vendors in OregonBuys
- Document and approve all payments
- At least three staff review each payment
- An employee cannot approve their own requests

Access controls for GenTax

Request for computer access (RCA) with manager approval



Role-based access

Strong passwords



Multi-factor authentication (MFA)

Quarterly security reviews



Automatic revocation of access

Reporting fraud



Oregon Department of Revenue culture



Oregon Department of Revenue policies and procedures



Oregon Department of Administrative Services (DAS) statewide policies and procedures



Oregon Secretary of State (SOS) State Government Accountability Hotline



Oregon Government Ethics Commission complaints



Questions?

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