

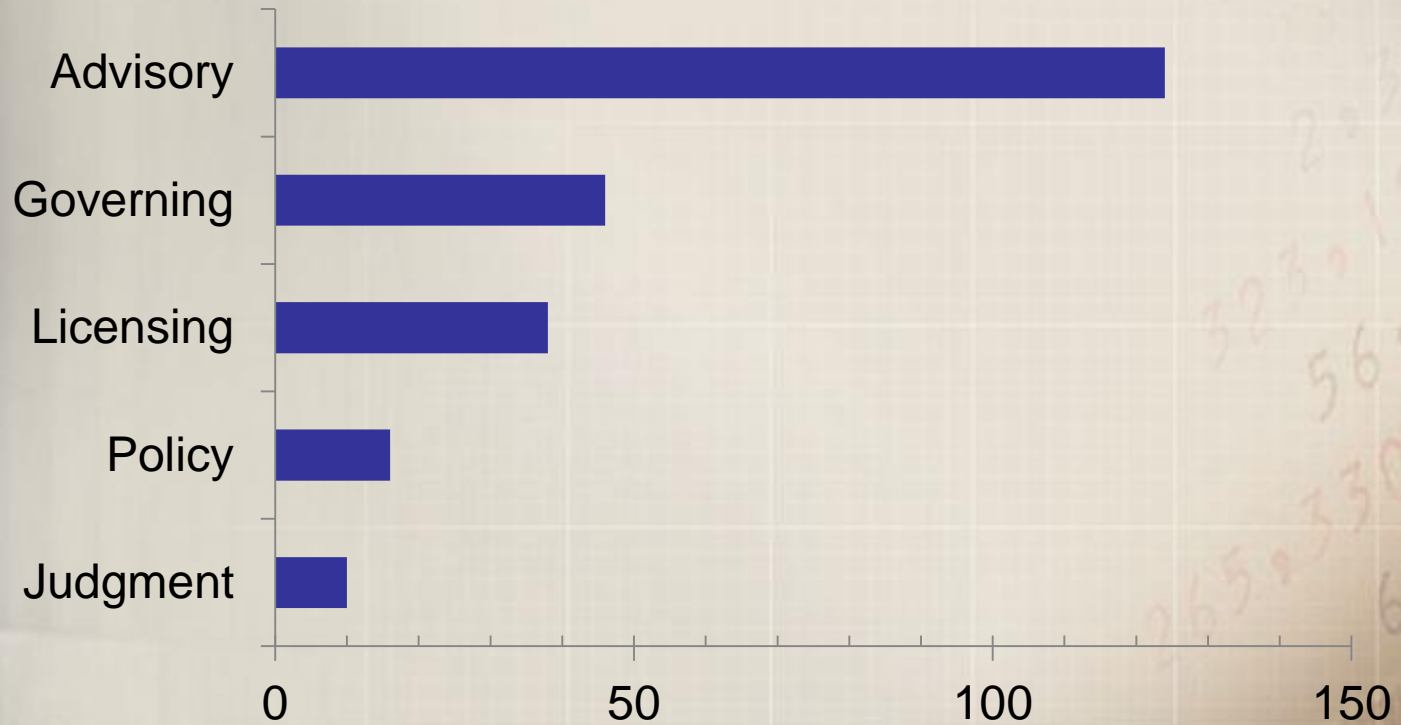


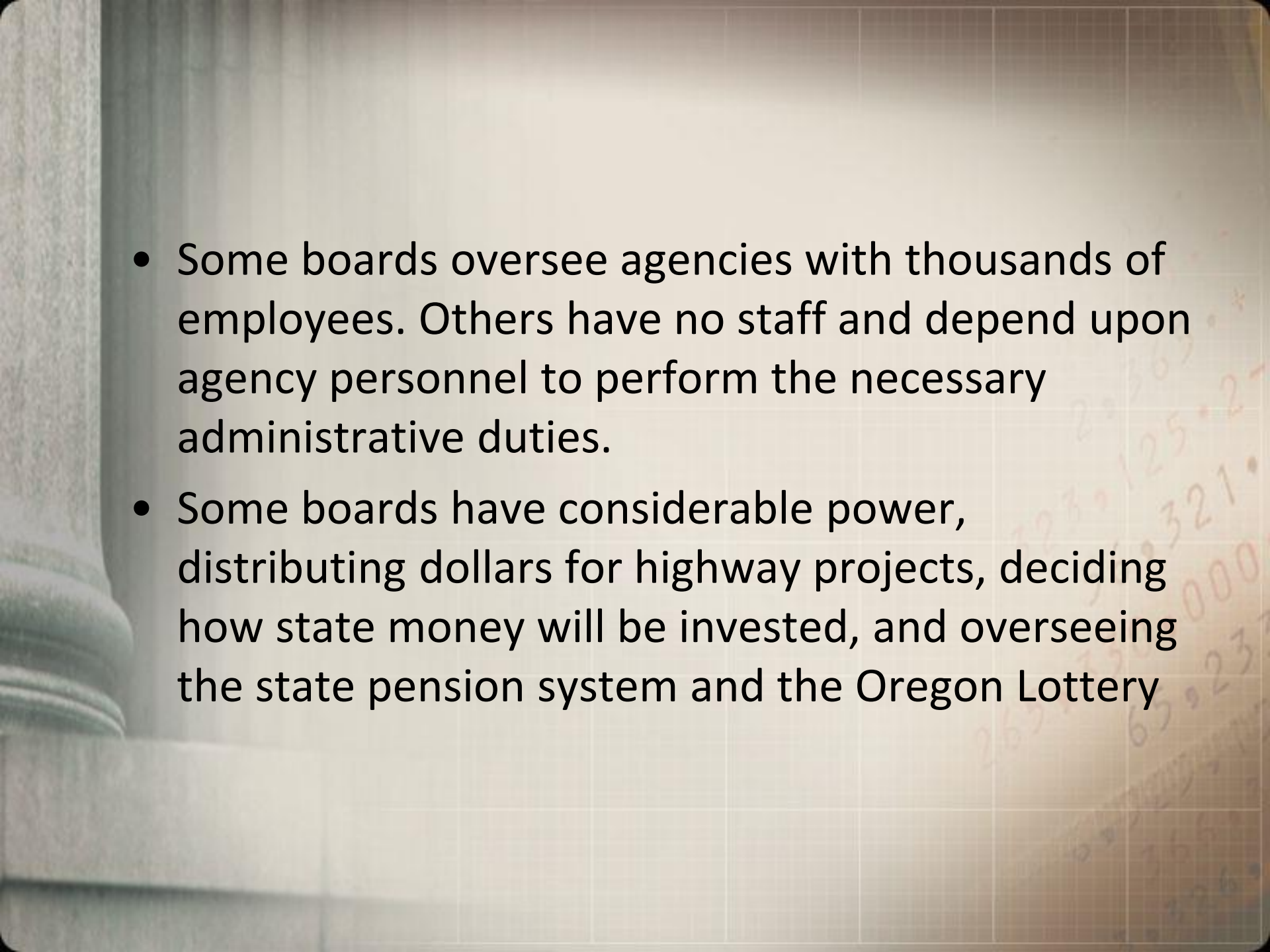
**Oregon Secretary of State
Audits Division
Gary Blackmer, Director**

**Boards and Commissions:
Common Risks, Needed Oversight,
and Steps to Manage Them**

Boards serve a variety of needs

Number of Each Board Type



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- Some boards oversee agencies with thousands of employees. Others have no staff and depend upon agency personnel to perform the necessary administrative duties.
 - Some boards have considerable power, distributing dollars for highway projects, deciding how state money will be invested, and overseeing the state pension system and the Oregon Lottery

- Past governors and legislatures have made efforts to reduce the number of boards

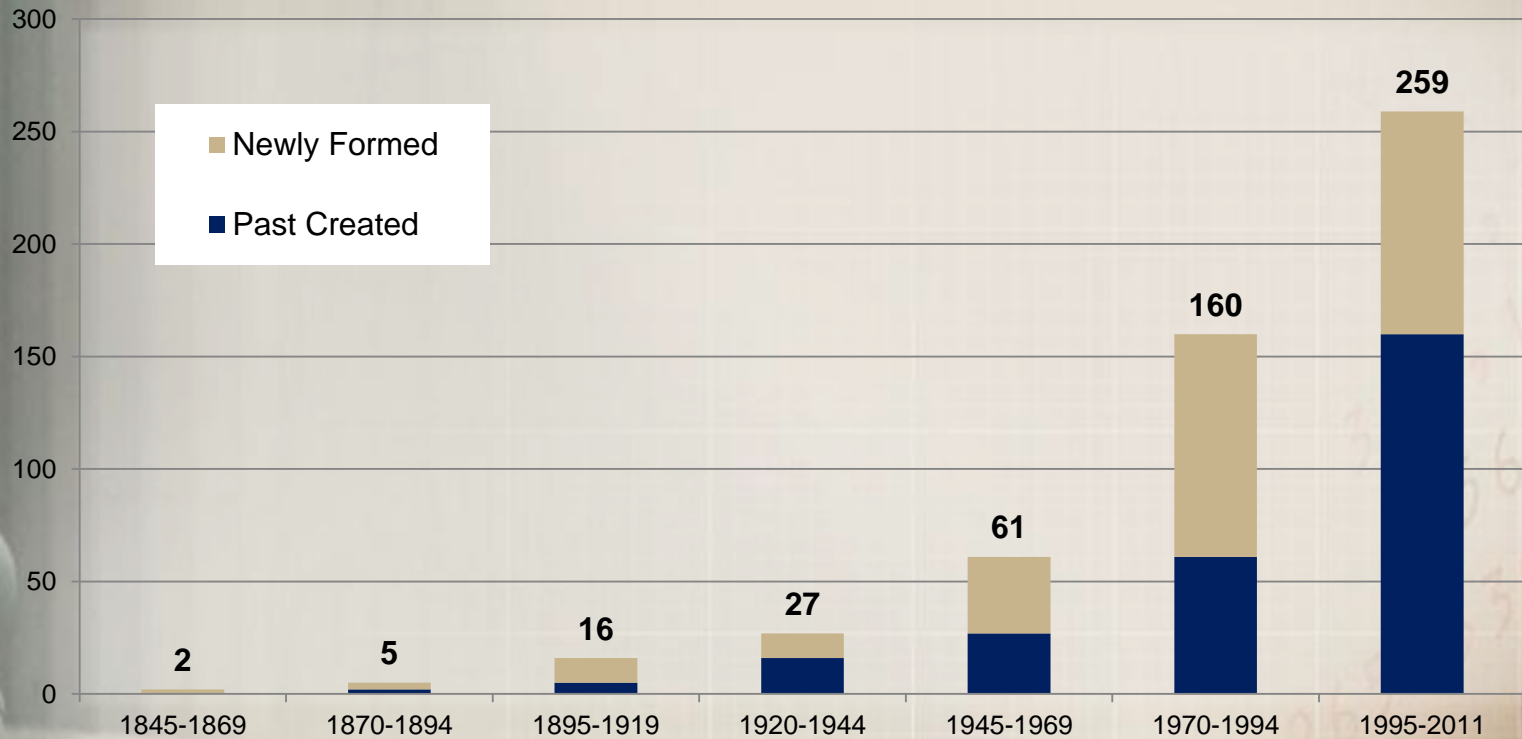
A board is a mischievous administrative instrumentality, because its effect is to divide responsibility, destroy the symmetry of our governmental system, trench on the prerogatives of the executive, and injuriously affect the management of the institutions.

To avoid further enumeration in detail, I earnestly recommend that you abolish all boards, commissions, and offices that do not serve a useful public purpose, and thus cut off the unnecessary expense of their longer continuance.

Oregon Governor William Lord, 1897

Without much success...

Oregon Boards and Commissions 1845-2011



Administrative burdens and risks

- Agency cost to staff boards
- Financial, legal, and operational risks of the governing and licensing

Boards are susceptible to certain problems

- Small staff numbers make it difficult to safeguard financial tasks, and they may lack needed administrative and technical skills. As a consequence, errors, fraud, waste or violations of statute may occur.
- Board members may not be aware of their role in establishing expectations and ensuring staff compliance with rules, procedures, and practices.
- Board members may not adequately oversee the Director or the general effectiveness of the organization.

Compliance risks

Past compliance audits of Oregon boards prompted general concerns about risk

- Commission for the Blind
- State Marine Board
- Landscape Architecture Board
- Tourism Commission
- Conducting a performance audit of higher risk health licensing boards

Key recommendations:

The Governor, Legislature, and Department of Administrative Services work together to:

- Ensure clear authority and expectations of each board
- Ensure all board members receive adequate training on administrative, legal, and operational requirements.
- Require periodic reports about each board's mission, objectives, resources, activities and results.
- Implement a clearly defined publicly-available process for complaint handling about boards
- Periodically review boards that could be eliminated or consolidated.

More details in the audit

- Our audit includes example strategies used by other states for managing boards
- We also include about 60 pages of tables describing the 250+ boards – mission, type, members, appointing authority, year created, enabling statute, and website
- www.sos.state.or.us/audits