

# Secretary of State **AUDIT REPORT**

Report No. 2003-29 • August 5, 2003

## Department of Administrative Services Surplus Property: Financial Controls Audit



Bill Bradbury, Secretary of State  
Cathy Pollino, Director, Audits Division

### Summary

#### PURPOSE

The purpose of this audit was to determine whether the Department of Administrative Services, Surplus Property's controls over cash handling, disbursements, and inventory were sufficient to safeguard state assets to prevent loss or abuse of state funds.

#### RESULTS IN BRIEF

We concluded that Surplus Property's controls over cash handling, disbursements, and inventory appear to be sufficient to safeguard state assets in preventing loss or abuse of state funds. We noted other issues related to financial controls that were of lesser significance and did not warrant reporting in an audit report. We reported these issues to the department in Management Letter No. 107-2003-07-01.

### Background

The Oregon Department of Administrative Services (department) operates as the central administrative agency for Oregon state government. The department's mission is to provide leadership and accountability in the sound delivery of State government services to Oregonians.

Surplus Property (division) is included within the department's Procurement, Fleet, and Surplus Services Division.

The division is designated to collect, dispose of, and disperse state and other public agency surplus personal property. The division employs a variety of marketing methods that include selling to the public on Ebay, fixed price sales and sealed-bid sales.

### Audit Results

We concluded that the division's controls over cash handling, disbursements, and inventory appear to be sufficient to safeguard state assets in preventing loss or abuse of state funds. We did note some issues relating to financial controls that are of lesser significance and did not

warrant reporting in an audit report. Accordingly, we conveyed them to the department in Management Letter No. 107-2003-07-01.

### Objectives, Scope and Methodology

Our audit objective was to determine whether Surplus Property's controls over cash handling, disbursements, and inventory were sufficient to safeguard state assets to prevent loss or abuse of state funds.

Specifically, our audit included a review of the following areas:

- Segregation of duties,
- Data information system,
- Cash handling procedures,
- Agency reimbursements,
- E-bay sales, and
- Inventory.

Our audit work included inquiries of division personnel and examination of various policies and documents relating to our audit objective. We also performed tests of controls to gain some assurance that controls were functioning properly.

The audit was conducted in accordance with generally accepted government auditing standards.

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AUDIT ADMINISTRATOR: *Kelly L. Olson, CPA* • AUDIT STAFF: *Diane Farris, CPA* • *Margaret Wert, CPA* • *Alan Bell*

DEPUTY DIRECTOR: *Mary Wenger, CPA*

*The courtesies and cooperation extended by the officials and staff of the Department of Administrative Services, Surplus Property was commendable and much appreciated.*

***Auditing to Protect the Public Interest and Improve Oregon Government***

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