



Auditing for a Better Oregon

March 7, 2001

Ann Hanus, Director
Division of State Lands
775 Summer Street NE
Salem, Oregon 97301-1279

Dear Ms. Hanus:

During our change of director review at your division, we noted conditions regarding timesheets, building access security, system information, and system security that we felt warranted the attention of your division. We felt that these issues were not at a level requiring reporting in our change of director audit report (No. 2001-13). These conditions and our recommended actions are described below.

Employee Timesheets

Proper Authorization

Issue

The former director did not review and approve two timesheets, April 2000 and June 2000, for an employee whom he supervised.

Recommendation

The division should develop a process to ensure that supervisors receive all the timesheets that they are to review and approve. Potential controls could include routing employees' timesheets directly to their supervisors, having payroll staff ensure that a supervisor approves a timesheet as part of the payroll control process, or both.

Computing Compensatory Time

Issue

In one instance, the division did not correctly compute the compensatory time earned for a division employee. The employee worked a total of 43 hours in one week during January 2000, giving her 3 hours of compensatory time earned for overtime (CTA), and an additional 0.5 hours of CTA on January 31, 2000. Because January 31, 2000 was a Monday, the employee's February 2000 timesheet was reviewed for the hours worked for the remainder of that week, February 1, 2000 through February 4, 2000. The employee worked her regular schedule for the remaining four days of that week. She therefore should have had a total of

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3.5 CTA hours for the month of January 2000, which would translate into 5.25 hours of compensatory time [3.5 X 1.5 = 5.25]. Upon reviewing her leave accrual register for January 2000, however, she had only a total of 4.5 hours. The employee was not given the compensatory time for the 0.5 hours (.5 hours X 1.5 = .75 hours) that she earned on January 31, 2000.

Recommendation

Attention should be paid to those months in which mid-week payroll cut-off could lead to incorrect comp time accruals. A procedure should be developed to ensure accurate calculation, or estimations prior to the cut-off, review actual accruals post cut-off, or both.

The division should take measures to ensure that employees receive the appropriate compensation accrual for hours worked and adjust the accrual balance for the employee noted.

Building Access Security

Issue

The division does not change security access codes periodically or following significant staff status changes such as firings, retirements, or agency transfers. Current division separation policy does not consider restricting access to interior doors having a keypad code (keypad codes are not changed), or access to the security alarm system (codes are reissued to employees).

Recommendation

Division management should develop a comprehensive security plan. The plan should include a consideration of when specific access points and access codes should be restricted or changed.

Further, the planning should include a determination by division management as to whether the need exists for the security alarm system. If there is a need for a security alarm system, management should review alarm system capabilities and consider access code combinations that avoid the immediate recycling of codes.

The division should develop a separation checklist that includes a step for changing or terminating access codes.

Personnel and Payroll Systems Information

Issue

We noted that the division process used during a recent retirement and rehiring of a management level employee led to an inconsistency between the division's payroll and personnel system information. According to the personnel system information, no separation occurred for the employee on February 29, 2000. The personnel system information also noted the employee's retirement date as being October 9, 2000. According to the payroll information, however, the employee retired on February 29, 2000, received his vacation payout due to the retirement, and was rehired on March 1, 2000 as an hourly employee.

Recommendation

The division should provide a process ensuring that accurate communication between personnel and payroll exists and the information in the personnel system agrees with the information in the payroll system.

Information Systems Passwords in Unsecured Binder

Issue

During our review we noted that the division had two Information System (IS) passwords maintained in unsecured locations. The passwords should be known and used by only the three IS staff members. In response to our finding, the sheets containing the IS passwords were removed from the unsecured binders and added to the binder secured in the computer room.

Recommendation

The division should ensure that IS passwords remain in secured locations.

Sincerely,
OREGON AUDITS DIVISION

Charles A. Hibner
Audit Administrator

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