



Auditing for a Better Oregon

June 26, 2001

Bob Mink, Director
Department of Human Services
500 Summer Street NE, Dept. 15
Salem, Oregon 97301-1097

Dear Mr. Mink:

During our Change of Director review at the Department of Human Services, we noted conditions regarding travel reimbursement claims and payroll that we felt warranted the attention of your department. We felt that these issues did not rise to a level where reporting in our Change of Director audit report (No. 2001-35) was required. These conditions and our recommended actions are described below.

Employee Travel Reimbursement Claims

Claim Miscalculation

Issue

An employee submitted a travel reimbursement claim and did not receive the full reimbursement that he was entitled. The claim, related to VP057243, was reviewed and the reimbursement miscalculated by Financial Services. It appeared that the employee was underpaid a total of \$15.02.

Recommendations

- The department should review the travel reimbursement claim and ensure that the employee is properly compensated for the travel expenses claimed.

Improper Reimbursement

Issue

It was noted that two department employees did not use the state contractor for obtaining airfare for an out-of-state business trip. It appears that the employees wanted to book their flights in order for their spouses to be on the same itinerary. In this instance, one of the necessary contract releases was completed and approved after returning from travel destination (VP055340). The stated reasoning for the release was that the employee was unaware of the contract and purchased the ticket at a reduced rate. The employee, however,

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received airfare reimbursement higher than the airfare that the state contractor would have been able to obtain.

Per the service contract summary between Away Travel and the State of Oregon, Away Travel is to provide Travel Management Services for State of Oregon agencies.

Recommendations

- The department should review the claim (VP055340) for the employee who completed the release form after travel and, if necessary, recoup for travel expenses paid in excess of state contractor price.
- The department should review travel reimbursement policies with department personnel to ensure that policies are clearly understood.

Out-of-State Authorization Forms

Issue

Out of 44 out-of-state authorization forms reviewed, three were not completed prior to travel. For each of the three trips, the employees completed the out-of-state prior authorization form and received authorization after they returned from their travel. The related voucher payables are VP055340, VP054815, and VP053557.

Per Department of Human Services Administrative Policy, Financial Services, Accounting Services FS 01 – Travel (effective 11/1/99), "*Out-of-State Travel*: Agencies must be in compliance with ORS 292.230 regarding out-of-state travel. 'Out-of-State travel means all travel from a point of origin in Oregon to a point of destination in another state and return therefrom.' If your destination is outside of Oregon, you must obtain prior approval." In addition, a memo on the updated out-of-state travel request policy states that an employee shall "submit out-of-state travel requests at least 15 working days prior to departure to allow adequate time for review and approval."

Recommendations

- The department should review out-of-state travel policies with department personnel to ensure that policies are clearly understood.

Payroll

Inaccurate OSPS Leave Accruals

Issues

Leave accrual usage recorded on employee OSPS (Oregon State Payroll System) timesheets were not always accurately reflected on the OSPS leave accrual balance registers. It was noted that the leave accrual registers were not accurate for three employees, those employees and their related information are as follows:

- A division administrator's timesheet dated August 2000 included three hours of sick leave that was not deducted from his leave accrual.

- A division administrator's timesheet dated December 2000 included eight hours of vacation time that was not deducted from his leave accrual.
- A division administrator's timesheet dated August 2000 included vacation time of 76.5 hours and his leave accrual had 89.5 hours recorded.

These caused the leave accrual balances for the three employees, per OSPS, to be incorrectly stated (overstated for two employees and understated for the other).

Recommendations

- The department should review the OSPS timesheets and leave accrual registers for the employees mentioned and make the appropriate corrections.
- The department should take measures to ensure that employees receive the appropriate leave accruals and adjust the accrual balances for the employees noted.

Timesheet Authorization

Issue

Two timesheets did not have authorizing signatures to denote they were reviewed and approved by the former director or a delegated authority. Because the department was unable to locate two other timesheets from our sample, we were unable to verify proper supervisory authorization for those timesheets.

Recommendations

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

Sincerely,
OREGON AUDITS DIVISION

Charles A. Hibner
Audit Administrator

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