



Auditing for a Better Oregon

July 13, 2001

Bruce Warner, Director
Oregon Department of Transportation
355 Capitol Street NE
Salem, Oregon 97301-3871

Dear Mr. Warner:

During our change of director review at your department, we noted conditions regarding time sheets, expense reimbursement requests and use of personal vehicles. We felt that these issues were not at a level requiring reporting in an audit report. These conditions and our recommended actions are described below:

Review of Director's Monthly Time and Expense Reports

Issue

The Director's monthly time and expense reimbursement reports were approved by subordinates.

Good business practice suggests that agency heads' timesheets and expense per diem statements to receive a higher level critical review or a clear delegation of this responsibility from the higher level authority should be in place and in writing.

We were advised by the agency that the former director verbally delegated this authority to the Manager of the Communications Division Business Management Section and the Executive Deputy Director of Central Services.

The Department of Administrative Services has recently issued a draft policy that will establish procedures for the review and approval of agency head timesheets and travel reimbursement claims. The draft policy recommends that "agency heads appointed by the Governor shall delegate in writing, review and approval authority for certain agency head financial transactions to the person who holds the position of second-in-command to the agency head."

Management Letter No. 730-2001-07-01

Recommendation

We recommend that the agency work with the Department of Administrative to implement the pending draft policy.

Authorization to Drive Personal Car

Issue

ODOT's executive staff is not utilizing transportation resources in the most cost-effective manner. We noted instances in which ODOT employees were reimbursed for personal vehicle miles driven when a state vehicle would have cost less. Furthermore, the use of the personal vehicle was not supported by a written justification or the ODOT required Request for Authorization to Drive Personal Car for State Business form on file.

OAM 06 01 00.PO .112 General Business Expense Rules for Executive Management and Non-Represented Employees states, "The method of transportation must be authorized either verbally or in writing in advance by the agency director or designate. When vehicle travel is justified, a state owned vehicle will be used unless travel in a private vehicle is more practical because of cost, efficiency of work requirements." The ODOT Travel Handbook contains a similar statement as well as going on to say, "use of a private vehicle requires specific, prior authorization in all instances and managers shall ensure that employees using a privately owned vehicle have completed a Request for Authorization to Drive Personal Car for State Business form."

Recommendation

We recommend that the agency follow state and ODOT travel policy to use the mode of transportation that is economical as well as practical, and document approval of personal car use.

Sincerely,
OREGON AUDITS DIVISION

Charles A. Hibner
Audit Administrator

CAH:bk

c: Mike Greenfield, Director, Department of Administrative Services