



Auditing for a Better Oregon

June 20, 2002

Kelly Paige, Executive Director
Oregon Board of Investigators
445 State Office Building
800 NE Oregon Street No. 33
Portland, Oregon 97232

Dear Ms. Paige:

During our change of director audit at the Oregon Board of Investigators, we noted certain issues that we believe deserve your attention. These issues are of lesser significance and did not warrant inclusion in our change of director report (2002-27). The issues are summarized below, along with our recommended actions.

Payroll and Leave Records

Our review of payroll and leave records identified no instances in which the former director received any inappropriate payments or inaccurate leave accruals. We noted, however, that five of the six timesheets included in our review lacked higher-level, supervisory approval.

On July 16, 2001, a State Controller's Division policy went into effect that required procedures to be developed for the review and approval of agency head transactions, including reviewing time reporting for completeness and accuracy.¹

Recommendations

The board should ensure that it has written policies and procedures requiring supervisory review and approval of agency head transactions.

Controls Over Assets

We determined that the former director physically returned the state assets assigned to him and found no instances in which state assets were inappropriately used. We noted, however, that state calling card accounts for four former board and staff members, including the former director, had not been cancelled. Also, the board did not maintain a list of assets assigned to employees.

¹ *Oregon Accounting Manual*, policy number 10.90.00.PO

Management Letter No. 113-2002-06-01

State policy states that agency management is responsible to ensure that internal controls are sufficient to provide reasonable assurance that state assets, including but not limited to items such as keys and credit cards, are accounted for and used properly.²

Recommendations

We recommend that the board:

- Immediately terminate the calling card accounts of former board and staff employees.
- Ensure that its procedures for controlling state-owned property are consistent with State Controller's Division policies.²

Travel Claims

The travel claims reviewed appeared to be appropriately authorized and adequately supported, but we found two instances in which the reason for travel noted was either vague or not completed.

State travel policy requires the travel expense detail sheet to contain the specific reason for travel that demonstrates a direct relationship to the agency's business.³

Recommendation

The board should implement a policy requiring employees to complete all the required information on travel expense detail sheets prior to allowing authorization for reimbursement of claims.

Should you have any questions concerning these issues, feel free to contact Karen Leppin or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Charles A. Hibner, CPA
Deputy Director

CAH:brk

² *Oregon Accounting Manual*, policy number 10.50.00.PR and 10.50.00.PO

³ *Oregon Accounting Manual*, policy number 40.10.00.PO