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*Auditing for a Better Oregon*

March 24, 2004

Dr. Vicki McConnell, State Geologist  
Department of Geology and Mineral Industries  
800 NE Oregon Street, Suite 965  
Portland, Oregon 97232

Dear Dr. McConnell:

We have completed a change of director review of the Department of Geology and Mineral Industries' former director, John Beaulieu, who resigned effective May 30, 2003. The review was conducted in compliance with Oregon Revised Statute 297.210, which requires the Audits Division to perform an audit or review when the executive head of a state agency leaves that position for any reason.

Our objective was to ensure that appropriate actions were taken to protect state assets when the former director resigned from his position. We reviewed representations from management and determined that assets assigned to the former director were returned and that his access to state and automated systems was terminated. In addition, we reviewed travel and other reimbursements submitted by him during his last six months of employment and determined that these claims complied with applicable laws and regulations.

Finally, we also examined the former director's recent payroll disbursements and leave accruals, which appear to be appropriate and accurate. We were, however, unable to verify that the former director's timesheets were subject to supervisory review. According to department staff, the informal department policy is not to review timesheets for employees assigned FSLA exempt status. The Oregon Accounting Manual states, "The supervisor is responsible for the review and approval of all employee time records (45.07.00.PO.106)." We recommend that all employee timesheets, including the director's timesheet, be reviewed for accuracy on a timely basis.

Based on our limited review, except for the issue noted above, we found that the department took appropriate action to protect state assets upon the former director's separation from the agency.

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

Sincerely,  
OREGON AUDITS DIVISION

Jason M. Stanley, CPA  
Audit Administrator

JMS:brk

cc: Charles Kirby, Business Manager  
Theresa McHugh, Acting Director, Department of Administrative Services