



Auditing for a Better Oregon

April 1, 2005

Acting Adjutant General Raymond C. Byrne, Jr.
Oregon Military Department
1776 Militia Way SE
Salem, OR 97309-5047

Dear General Byrne:

We have completed a change of director review of the Oregon Military Department's (department) former Adjutant General, Alexander Burgin, who resigned effective November 20, 2003, and continued in a limited capacity until January 15, 2004. 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 Adjutant General resigned from his position. We reviewed representations from management regarding return of state assets and access to state systems, and reviewed documentation related to payroll, travel, and other reimbursements. We determined the department took appropriate action to protect state assets upon the former Adjutant General's separation from the department except as noted. Specifically,

- Travel claims submitted by the former Adjutant General during his last three months of employment in that position were in compliance with laws and regulations.
- The department did not follow procedures in place to ensure the timely return of some state assets assigned to the former Adjutant General. As appropriate, the department did seek and receive reimbursement from the former Adjutant General related to use of state assets.
- The former Adjutant General's recent payroll disbursements and leave accruals were appropriate and accurate. However, the department was not able to provide documentation to support the 40-hour vacation payout the Adjutant General received in October. Finally, the Adjutant General's timesheets did not contain evidence of supervisory approval, and there was no written delegation of review and approval authority for agency head time records, as required by state policy.

Management Letter No. 248-2005-04-01

We recommend department management:

- Follow department policy to ensure the timely collection of state assets from employees who are separating from state service.
- Formally delegate in writing the review and approval for agency head time records as required by state policy.

Should you have any questions, feel free to contact David Moon or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

KLO:bk

cc: Karl Jorgenson, Director of Financial Administration
Laurie Warner, Acting Director, Department of Administrative Services