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*Auditing for a Better Oregon*

October 3, 2005

Paul Donheffner, Director  
Oregon State Marine Board  
435 Commercial Street NE, No. 400  
Salem, OR 97309

Dear Mr. Donheffner:

We recently completed a review of calendar year 2004 SPOTS card purchases at the Oregon State Marine Board. During our review, we noted that the board provided food and drinks at an employee service awards event. Total charges for the food and drinks were \$364.93, including \$166.25 for pizza. Oregon Accounting Manual (OAM) policy 10.40.10.PO addresses non-travel meals and refreshments. While section 113 of the policy allows for the use of state funds to pay for refreshments at an agency-sponsored employee recognition event, it makes no provision for purchasing lunch for such an event.

**We recommend** that the board discontinue providing lunch for agency sponsored employee recognition events.

Should you have any questions concerning this issue, feel free to contact Judy Harvey or me at (503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

William K. Garber, CGFM, MPA  
Audit Manager

WKG:bk  
cc: Laurie Warner, Acting Director, Department of Administrative Services

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Management Letter No. 250-2005-10-01