
Secretary of State

State of Oregon

**REPORT TO THE
LEGISLATIVE AUDIT COMMITTEE**

November 17, 1999



Audits Division

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Audits Division

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Auditing for a Better Oregon

Senator Duncan and
Representative Lewis, Co-Chairs,
and Members of the Legislative Audit Committee

Dear Committee Members:

The Oregon Audits Division is pleased to present this report on audits we plan to conduct, audits currently in process, and reports we have issued since the December 3, 1998, Legislative Audit Committee meeting. The report consists of three sections. The first section briefly describes some of the audits we have planned and intend to conduct in 2000. Although this is not an all-inclusive list of the programs and activities we intend to audit, the list does cite those audits we consider of higher priority at this time. The second section includes summaries of the audits we are currently conducting. These audits are presented in order of their anticipated release dates. The third section contains brief summaries of the 44 reports and 14 management letters we have issued since the December 3, 1998, meeting of the Legislative Audit Committee. At the back of the report is an index sorted by agency name so that audit activity within an agency can be found.

Our goal is to provide the best possible audit services to the state's taxpayers, the governor, the Legislative Assembly, and state agencies. We welcome the committee's review of this report. My staff and I want to be responsive to your audit needs; we are interested in your suggestions for potential audits in all areas of state government. To this end, we are always available to discuss potential audits as well as the results of those audits we have completed. We look forward to working with the committee.

OREGON AUDITS DIVISION

John N. Lattimer
Director

November 17, 1999

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PLANNED AUDITS

The following are some of the more significant audits we plan to start in 2000.

Department of Education

A series of audits focused on fiscal accountability are planned for the Department of Education and the State School Fund. The single largest general fund expenditure is K-12 education, and those dollars are distributed to nearly 200 unique, independent local school districts. The magnitude and decentralization of these expenditures results in a substantial amount of financial risk for the state. We plan to start the review by looking at the Database Initiative Project and the Uniform Chart of Accounts, and then conducting a detailed risk assessment to identify management risks and to plan future audit work.

Oregon University System

We began this series of audits at Oregon State University during 1999. Based on our results to date in areas such as foundations, credit cards, fixed assets, and auxiliary operations, we plan to conduct similar audit work at the University of Oregon and Portland State University during 2000. In July 1995, the Higher Education Efficiency Act (SB 271) established the higher education system as a state agency independent from certain state administrative regulations. Since the passage of this Act, much of the decision-making has been decentralized and delegated down to the departmental level at each university. Much of our audit work has been focused on identifying ways to reduce the risks that are associated with decentralization.

Oregon State Lottery

The Oregon State Lottery was created through the initiative process in November 1984, when voters amended the Oregon Constitution to require the establishment and operation of a state lottery. The Lottery's duty is to develop, produce, and market its games; to pay its winners and operating expenses; and to turn the remaining profits over to the state. From April 1985 through June 1998, prizes have totaled over \$4 billion and earnings transferred to the Economic Development Fund have exceeded \$1.7 billion. This review, designed to build on our annual audit of the

Lottery's financial report, would begin with an assessment of fiscal and management controls over the Lottery's various functions. This risk assessment would determine the scope of subsequent audit work.

Economic and Community Development Department

The Economic and Community Development Department invests lottery, federal, and other funds to help communities and regions build healthy business climates that stimulate employment, enhance quality of life, and sustain Oregon's long-term prosperity. In response to direction from the 1997 Legislative Assembly, the department reorganized during 1998 to provide more focused regional assistance and increased attention on rural communities. This review, building on information gained during our annual financial audits of the department's bond programs, would begin with an assessment of fiscal and management controls over the department's various functions. This risk assessment would determine the scope of subsequent audit work.

Department of Environmental Quality

The Department of Environmental Quality is responsible for protecting and enhancing Oregon's water and air quality and for managing the proper disposal of solid and hazardous waste. The department consists of 675 scientists, engineers, technicians, administrators, clerks, and environmental specialists. The National State Auditors Association has chosen the water quality program for its 2000 joint audit project. Auditors from several states, including Oregon, will be conducting audit work with similar objectives, with the audit results being compiled into a single report.

AUDITS IN PROCESS

Following are audits we have started but have not yet completed. They are arranged in order of anticipated report release date, with those reports anticipated earliest listed first.

Portland Boundary Commission – Shut Down

Pursuant to statute, the Audits Division coordinated the closeout of this Commission, which ceased operations by an act of the Legislative Assembly at the end of 1998. The Division has coordinated the Commission's disposal of assets, lease agreements, and final billings and receivables. Our work will be completed once a legal issue (pertaining to the commission from 1998) is resolved and all remaining bills are paid. There was no audit conducted, and no report is expected from this closeout service.

Department of Administrative Services - Statewide Financial Management System – Information Technology Audit

The Statewide Financial Management System (SFMS) is the state's centralized accounting and purchasing system. During the fiscal year ended June 30, 1998, state agencies processed \$14 billion in revenues and expenditures through SFMS. The purpose of this review is to determine whether access to SFMS is appropriately restricted and whether the Data Mart accurately and completely reflects the information in SFMS. This report is scheduled for release in November 1999.

Oregon Housing and Community Services Department – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Oregon Housing and Community Services Department's enterprise fund. The audit includes an evaluation of internal controls and tests for compliance with applicable laws and regulations. The audit encompasses the fiscal years ended June 30, 1999 and 1998, and is scheduled for release in November 1999.

Department of Consumer and Business Services – Building Codes Cash Receipting and Permit Issuing Audit

At the request of the Department of Consumer and Business Services, we conducted an audit of the cash receipting and permit issuing processes of the department's Building Codes Division. The purpose of the audit was to determine whether the division had sufficient controls to ensure it was receiving all revenue from its field offices, contract offices, and local government offices. This report is scheduled for release in November 1999.

Oregon Resource and Technology Development Fund – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Oregon Resource and Technology Development Fund. The audit was conducted by the independent accounting firm PricewaterhouseCoopers under contract with the Audits Division. It is also the final audit of the fund which was dissolved by HB 2092. This report is scheduled for release in November 1999.

Y2K 1999 – Information Technology Audit

The purpose of this review is to determine whether Y2K disclosures included in the state's 1999 consolidated annual financial report are reasonable, whether selected agencies appropriately manage their Y2K remediation plans, and whether selected agencies have developed adequate business continuation plans for core business functions. This report is scheduled for release in November 1999.

Department of Corrections – Construction Change Order and Sub-Contractor Bidding Audit

The Audits Division contracted with Dye Management Group, Inc. to audit the Department of Corrections' Prison Construction Program with regard to change orders to construction contracts, and subcontractor bidding issues. The audit work was designed to answer questions including: (1) Do contract provisions comply with regulations and industry practices? (2) How does the department ensure that change order work is needed and that the department is not paying more than necessary for this work? (3) How does the department ensure that subcontractor work is competitively bid? This report is scheduled for release in November 1999.

Public Employees Retirement System – Agreed-Upon Procedures

The Audits Division is performing certain procedures related to the retirement system's record keeping functions, as agreed to between the division, the Public Employees Retirement System, the City of Portland, and Multnomah County. The objective of these procedures is to verify that PERS correctly accounted for selected employer account transactions occurring between July 1, 1993, and June 30, 1998, for the city and county. This report is scheduled for release in November 1999.

State Board of Tax Service Examiners – Change-of-Administrator Audit

The State Board of Tax Service Examiners is responsible for the licensing, examination and conduct of persons who prepare, advise or assist in the preparation of personal income tax returns. The audit is conducted to comply with Oregon Revised Statutes 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. The former administrator resigned

August 31, 1998, and was replaced with an interim administrator until the current administrator was appointed in June 1999. This report is scheduled for release in November 1999.

Oregon Beef Council – Opinion Audit

The Council was established to develop and expand markets for beef products produced, processed, or manufactured in Oregon. The Council conducts advertising campaigns to encourage consumption of beef, promote consumer education regarding the uses of beef, and participates in national beef marketing organizations. The audit is an annual financial statement engagement performed at the request of the Council. It is contracted with the public accounting firm of Grove, Mueller and Swank in Salem. This report is scheduled for release in November 1999.

Department of Agriculture – Change-of-Director Audit

This audit, conducted under the Audits Division's statutory responsibility to audit agencies when the director leaves, will cover compliance issues related to travel and expense reimbursement and personal services contract management and oversight. The audit will make recommendations to the new director, intended to improve the department's management of travel expenses and personal service contracts. This report is scheduled for release in November 1999.

Oregon State University – Operations Audit

Since the passage of SB271 (the Higher Education Efficiency Act), the Oregon University System has allowed decision-making to be decentralized and delegated down to the departmental level at each university. Decentralization has occurred in areas critical to oversight of state assets. Within the OUS, Oregon State University (OSU) is one of the larger and more complex universities. The purpose of this audit is to determine whether OSU has implemented effective controls to safeguard state assets by testing procurement card usage, controls over payroll, management of fixed assets, and employee separations. The report is scheduled for release in December 1999.

Department of Fish and Wildlife – Commercial Fisheries Monitoring Audit

This audit's objective was to assess the Department of Fish and Wildlife's monitoring of commercial fisheries. We learned from a risk assessment we conducted at the department that commercial fishing is largely regulated by "fish tickets," which document the species and weight of fish caught and processed. Many factors, both intentional and unintentional, can affect the accuracy of these fish records. Inaccurate records can result in incorrect fish tax collected, as well as in errors to the department's species monitoring efforts. The report will make recommendations to management to enhance the accuracy and monitoring of this important data source. The audit is scheduled for release in December 1999.

Oregon State University – Foundations Audit

Oregon administrative rules allow state institutions of higher education to receive support from non-profit foundations dedicated to the support of the institutions. The largest of these is the Oregon State University Foundation with reported net assets of \$339 million as of June 30, 1998. Over the last five years the Foundation has provided over \$100 million in support to OSU. The relationship between the two entities is currently in transition with significant changes in their respective roles occurring. This audit examined compliance issues surrounding the relationship between the University and its Foundation. This report is scheduled for release in December 1999.

Oregon State Police – Resource Allocation Audit

This audit reviews resource allocation of State Police troopers (sworn officers) throughout OSP's system, studying two major allocation and staffing models OSP has used. The audit will reach conclusions and recommendations to improve the analysis and use of these models on existing OSP staff as well as the new officers OSP will add over the next two years. This report is scheduled for release in December 1999.

Department of Revenue – Information Technology Audit

In 1986 the Department of Revenue began developing and implementing the Integrated Tax Accounting (ITA) system. Since that time, numerous sub-programs have been added to ITA. The purpose of this review is to evaluate ITA controls governing data input, processing, output and storage. The report is scheduled for release in December 1999.

Vocational Rehabilitation Division – Change-of-Administrator Audit

The Vocational Rehabilitation Division (VRD) is a component of the Department of Human Services (DHS) and provides rehabilitation services to persons with disabilities and makes eligibility decisions for disability benefits. The former Administrator, Joil Southwell, served as Administrator beginning in December 1981 and left on February 28, 1999. The Audits Division is required by statute to audit state agencies when the executive head leaves his or her position. The purpose of this audit is to examine transactions and accounts directly under the former administrator's control for compliance with applicable laws and regulations. In addition, this audit reviewed VRD's procedures for acquiring and monitoring services provided to it by DHS. This report is scheduled for release in December 1999.

Department of Administrative Services – Oregon State Payroll System – Information Technology Audit

OSPS is the state's central payroll system. Each month OSPS processes payroll checks and direct deposit payments for over 34,000 state employees in 120 state agencies. These checks represent annual expenditures of over \$1 billion. The purpose of this review is

to evaluate computer controls governing data input, processing, output and storage. This report is scheduled for release in December 1999.

Department of Forestry – Comprehensive Audit

This audit was a broad-based review of financial, performance, and information technology risks at the Oregon Department of Forestry. The audit studied high-risk areas related to the department's financial management structure (including cash handling and field office activities), its information technology systems, and its efficiency and risks in conducting timber sales. The audit recommends improvements to management in these areas. This report is scheduled for release in December 1999.

Public Employees Retirement System – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Oregon Public Employees Retirement System. This audit includes an evaluation of internal controls and tests for compliance with applicable laws and regulations. The audit encompasses the fiscal year ended June 30, 1999, and is scheduled for release in December 1999.

Oregon State Lottery – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Oregon State Lottery. This audit includes an evaluation of internal controls and tests for compliance with applicable laws and regulations. The audit encompasses the fiscal year ended June 30, 1999, and is scheduled for release in December 1999.

Department of Veterans' Affairs – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Department of Veterans Affairs. This audit includes an evaluation of internal controls and tests for compliance with applicable laws and regulations. The audit encompasses the fiscal year ended June 30, 1999, and is scheduled for release in December 1999.

Oregon University System – Opinion Audit

This is an annual audit of the Oregon University System. The audit is conducted by the accounting firm of Deloitte and Touche L.L.P. under contract with the Audits Division. The auditor's report on the System's financial statements for the fiscal year ending June 30, 1999, and related reports on the System's schedule of expenditures of federal awards, internal controls, and compliance with laws and regulations are scheduled for release in December 1999.

Services to Children and Families – Change-of-Administrator Audit

This is an audit in accordance with Oregon Revised Statute 297.210(2) that requires the Secretary of State to review a state agency when an administrator leaves his or her position. The purpose of this audit is to determine if the transactions entered into by the administrator during the final six months of service are reasonable and ensure the administrator's access to systems were properly terminated. This report is scheduled for release in December 1999.

Oregon University System – Academic and Administrative Indicators Audit

During the 1990s the Oregon University System (OUS) absorbed significant cuts in state appropriations as voter approval of Measures 5 and 47 resulted in state funds being shifted to primary and secondary education. In response, OUS officials initiated a number of changes to reduce administrative costs and increase operating efficiencies. OUS has reported success in cutting costs while preserving educational quality and access to higher education. This audit is intended to provide an independent review of the results of OUS's efforts. The performance of OUS's seven universities will be reviewed using numerical indicators that the higher education community uses in measuring academic and administrative efficiency. The audit is scheduled for release in January 2000.

Oregon State University – Transportation Services Audit

Oregon State University (OSU) maintains an on-campus motor pool that provides vehicles and related services to OSU employees and other authorized users, including governmental entities. This audit will evaluate the motor pool's operating practices, revenues, and expenditures. This audit is intended to assist OSU in achieving cost-effective motor pool services that ensure reliable service. The audit is scheduled for release in January 2000.

Public Employees Retirement System – Information Technology Audit

PERS uses the Retirement Information Management System (RIMS) to administer retirement benefits. The purpose of this review is to evaluate computer controls governing data input, processing, output and storage for RIMS' benefit calculation sub-system. This report is scheduled for release in January 2000.

Office of Energy Small Scale Energy Loan Program – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Office of Energy's Small Scale Energy Loan Program. This audit includes an evaluation of internal controls and tests for compliance with applicable laws and regulations. The audit encompasses the fiscal year ended June 30, 1999, and is scheduled for release in February 2000.

Oregon Student Assistance Commission – Opinion Audit

This is an annual audit conducted for the purpose of reporting on the financial statements of the Oregon Student Assistance Commission's. This audit includes an evaluation of internal control and tests for compliance with applicable laws and regulations. The audit encompasses the fiscal year ended June 30, 1999, and is scheduled for release in February 2000.

1999 Statewide Audit

This is an annual audit of the state of Oregon. It is conducted to comply with the federal Single Audit Act and to provide information needed by the financial community. The audit produces a report on the state's general-purpose financial statements, which is included in the state's *Comprehensive Annual Financial Report*. This report will be issued in December 1999. In addition, the audit produces three related reports required by the Single Audit Act. They include a report on the state's schedule of expenditures of federal awards, a report on the state's internal control, and a report on the state's compliance with laws and regulations. These three reports are scheduled for release in March 2000.

Oregon University System – Off-Campus Real Property Audit

The Oregon University System owns over 24,000 acres of land, with less than 2,000 acres making up the seven university campuses. Almost all of the off-campus land is owned by Oregon State University (OSU), and almost all off-campus buildings are owned by OSU (over 300) and UO (approximately 80). This audit is being conducted by Talbot, Korvola, & Warwick, LLP, under contract with the Audits Division to evaluate the completeness of the Chancellor's central inventory of land parcels and buildings owned by OSU and UO. Also, the audit will report how OSU's and UO's off-campus properties were being used and occupied. In addition, the audit will evaluate the fiscal benefits or liabilities of the off-campus properties. This report is scheduled to be released in March 2000.

Department of Administrative Services – Qualified Rehabilitation Facilities Audit

This audit reviews four selected Qualified Rehabilitation Facilities (QRFs) to determine if the QRFs are meeting the requirement that 75 percent of direct labor hours be performed by disabled individuals (ORS 279.835(4)(c)). This review will also provide additional information to legislators and others concerning the portion of QRF employees who were persons with disabilities, the types of disabilities, the sources of the disability determinations, and the portion of the QRFs' total annual revenue that result of sales to Oregon public agencies. The audit is being conducted by the accounting firm of Merina, McCoy, and Co. under contract with the Audits Division. This report is scheduled for release in March 2000.

University of Oregon – Foundation Audit

This is an audit of the relationship between the University of Oregon and the University of Oregon Foundation. Oregon Administrative Rules Chapter 580, Division 46 governs institution foundations and the institution they support. The University of Oregon Foundation reported \$36,604,847 in program service and fundraising expenditures for fiscal year ending June 30, 1998. This audit includes an evaluation of internal controls and tests for compliance with applicable rules by the University of Oregon. The audit encompasses the fiscal year ended June 30, 1999. This report is scheduled for release in March 2000.

Oil Heat Commission – Shut Down

Pursuant to statute, the Audits Division will coordinate the closeout of this Commission, which ceased operations by an act of the Legislative Assembly as of June 8, 1999. The Division will ensure that the Commission's assets, lease agreements, and final billings and receivables were properly accounted and disposed of. We are not expecting to conduct an audit in connection with this closure, and no report is expected from this closeout service.

REPORTS ISSUED SINCE DECEMBER 3, 1998

Following are brief summaries of the audit reports we have issued since the December 3, 1998, meeting of the Joint Legislative Audit Committee. The summaries are in sequential order by report number.

1998-42 Oregon Department of Transportation Statewide Transportation Improvement Program Project Delivery

This report, the fifth in a series, provides information on the Statewide Transportation Improvement Program (STIP) and summarizes ODOT's success in starting highway projects shown in STIP documents. The report focuses on ODOT's delivery of planned projects included in certain STIP documents. ODOT made a noticeable improvement over its performance in prior years for delivery of planned projects and is generally on par with other states that measure project delivery. Also, ODOT's estimates reliably predict actual total costs.

1998-43 Department of Corrections Prison Construction Program Long-Range Planning and Budgeting

The Department of Corrections (department) is underway on a \$1 billion prison construction program. This audit identified four key areas where the department has an opportunity to conduct additional analysis and re-evaluate its previous decisions. First, the ten-year prison population forecast has consistently declined from a high of 19,592 inmates to 14,158 inmates expected by 2008. The department made some revisions to its prison construction plan to reflect population reductions; however, it could make further revisions to achieve significant cost savings. Compared to current forecasts, the department's construction plan results in a surplus ranging from 426 beds by October 2002 to 1,935 beds by November 2004. Reducing this surplus by 400 beds could save more than \$30 million. Second, because of the significant cost differences between minimum, medium and maximum security beds, the department should strive to more closely match the forecasted security need. Upon completion of the Two Rivers prison, forecasts show the department will have a shortage of 1,060 minimum security beds and an excess of 2,438 medium and maximum beds. The excess of higher security level beds costs \$34 million more than the optimal mix of beds more closely matching the forecasted population. Third, Oregon's average cost per bed was \$78,000 compared to other states' average cost of \$46,000. We found that certain decisions, such as the type of facility constructed and the amount of space per inmate, have a substantial impact on cost. Fourth, the department missed opportunities for its current construction projects to come in under budget. As reported by construction officials, more than \$20 million in potential savings and contingency funds were used for additions that were beyond the planned scope of work. While some of these additions may have merit, they were not part of the work planned under the initial guaranteed maximum price.

1998-44 Department of Administrative Services Printer Contract July 18, 1994 to July 17, 1997

The Department of Administrative Services (department) asked for an audit of Price Agreement 4315, which was established for the purchase of certain computer printers and related accessories. The department received allegations that the vendor, R & D Industries, Inc. (RDI), was not charging prices in accordance with contract terms. RDI proposed and the state accepted a price formula based on "cost plus 1.75 percent." The bid proposal also stated there would be additional discounts to educational institutions for purchases of certain specified items. RDI charged prices for certain items in excess of the rates established in the contract. This occurred throughout the three-year contract period. Total overcharges during this three-year period ranged from \$599,000 to \$635,000, of which \$422,000 to \$454,000 related to purchases made by state agencies. The remaining \$177,000 to \$181,000 was paid by other agencies using the state's price agreement. Because there were gaps in the records provided by RDI, the overcharge was calculated in a range. In addition, RDI did not consistently reduce prices charged to educational institutions for the educational rebates given for specific equipment models at various times. RDI's records show price agreement sales to state and other agencies of \$107,000 for items that were not included in the price agreement.

1998-45 Oregon Resource and Technology Development Fund For the Years Ended June 30, 1998 and 1997

This audit, performed by the accounting firm Coopers & Lybrand L.L.P. under contract with the Audits Division, covers the years ended June 30, 1998, and 1997. This audit concluded that the fund's financial statements were fairly presented. No material weaknesses were noted in the fund's internal controls and tests disclosed no instances of noncompliance with applicable laws and regulations.

1998-46 Oregon Housing and Community Services Department For the Years Ended June 30, 1998 and 1997

This audit covers the fiscal years ending June 30, 1998, and 1997. This audit concluded that the combined financial statements for the Oregon Housing and Community Service Department's enterprise funds were fairly presented. No material weaknesses were noted in the department's internal controls, and tests disclosed no instances of noncompliance with applicable laws and regulations.

1998-47 Oregon State Lottery Commission July 1, 1997 to June 30, 1998

This audit covers the fiscal year ended June 30, 1998. This audit concluded that the Lottery's financial statements were fairly presented. No material weaknesses were noted in the Lottery's internal controls, and tests disclosed no instances of noncompliance with applicable laws and regulations.

1998-48 Comprehensive Annual Financial Report for the Year Ended June 30, 1998

This audit concluded that the financial statements of the state of Oregon, as of and for the year ended June 30, 1998, were presented fairly in all material respects. This report is one of four reports required by the Single Audit Act of 1984. The other three reports required by the act are issued separately and can be found in report number 1999-21.

1998-49 Department of Human Resources Computer Center General Controls Review

The audit evaluated general controls at the Department of Human Resources (DHR) Computing Resource Management (CRM) data center. We reviewed control procedures relating to physical security, access, backup, contingency planning, and other organizational responsibilities. We also reviewed the status of prior audit findings and CRM's efforts to ensure that its data center will be year 2000 compliant. The CRM section operates the data center, which processes transactions for all DHR divisions and provides services to the Employment Department. CRM's mainframe hosts significant DHR payment systems and other software applications supporting critical agency functions. Recommendations included improving emergency response procedures, monitoring emergency alarms and extinguishing systems, improving physical access systems, improving controls over check stock, developing and implementing written procedures to maintain and monitor RACF, developing and maintaining a disaster recover and contingency plan, developing a comprehensive year 2000 remediation plan, and providing internal audit coverage of the data center.

1998-50 Department of Veterans' Affairs July 1, 1997 through June 30, 1998

This audit covers the fiscal year ended June 30, 1998. This audit concluded that the Department of Veterans' Affairs' financial statements were fairly presented. No material weaknesses were noted in the department's internal controls, and tests disclosed no instances of noncompliance with applicable laws and regulations.

1998-51 Parks and Recreation Department Limited Review of Cash Handling, Accounting for Credit Card Sales, and Selected Reservations Northwest Information Systems Controls

This audit evaluated cash handling, recording, and reconciliation procedures used by the Oregon Parks and Recreation Department (department) to control and record cash and credit card receipts collected by the parks and the department's central reservation center, Reservations Northwest. This audit also reviewed controls over access to the reservation system, program change management, disaster recovery planning, and selected application controls over the reservation software. Recommendations included developing guidelines to limit the number of persons with access to park safes, change funds, and controlled items; providing additional training on cash handling and monitoring responsibilities; working with ODOT to resolve several accounting problems related to credit card transactions; developing policies and procedures addressing systems security, problem management, and disaster recovery planning; and testing all system changes prior to moving them into use.

1999-01 Southern Curry Cemetery Maintenance District Special Review

The Southern Curry Cemetery Maintenance District (the district), through its legal counsel, requested that the Audits Division perform an audit of the district's financial records to determine if improprieties involving the district's funds existed. Results of the audit showed that from September 15, 1994 through March 12, 1998, the district's receipts exceeded its deposits by \$1,990; burial and accounts receivable records reflected payments were not shown in the district's receipts or deposits; receipt slips did not always correspond with the details of items actually deposited, or with plot purchase agreements or plot deeds; the district did not deposit receipts promptly and certain receipts were deposited to the district's checking account rather than to the Curry County Treasurer's pool account as required; overdue accounts totaled almost \$15,000; the district continued to pay a maintenance contractor almost \$1,400 per month, although the contract expired in 1993; the district did not maintain fixed assets records; a board member purchased a burial plot at a price lower than the price the general public was required to pay; and the Government Standards and Practices Commission found violations of ethics laws by two former board members.

1999-02 Public Employees Retirement System July 1, 1997 to June 30, 1998

This audit covers the fiscal year ended June 30, 1998. This audit concluded that the PERS' financial statements were fairly presented. No material weaknesses were noted in the department's internal controls, and tests disclosed no instances of noncompliance with applicable laws and regulations.

1999-03 Department of Administrative Services State Controller's Division Special Investigation

The Department of Administrative Services (DAS) notified us of possible purchasing irregularities involving a single employee working for the State Controller's Division (SCD). The purpose of our review was to determine the loss to the state resulting from those transactions and to evaluate internal controls intended to prevent or timely detect such incidents. We found that the employee made unauthorized and inappropriate purchases totaling approximately \$8,798 during the period from March through September 1998. The majority of those purchases were made using a Small Purchase Order Transaction System (SPOTS) credit card. The employee also made invalid payroll claims on her timesheet, costing the state approximately \$283. On October 20, 1998, DAS terminated her employment. In addition, the Oregon State Police conducted a criminal investigation and referred the matter to the Marion County District Attorney for possible prosecution. Our report included recommendations to improve DAS's procedures to ensure credit card purchases are authorized and appropriate. It further recommends that the department pursue recovery of the losses due to the employee's actions. We also referred the matter to the Government Standards and Practices Commission. Subsequently, we performed an audit of state agencies' implementation of the SPOTS program, the results of which are contained in report number 1999-25.

1999-04 Oregon Youth Authority Juvenile Justice System Review

The Oregon Legislative Assembly passed Senate Bill 1 (SB1) in 1995. This bill emphasizes the importance of accountability and community protection in Oregon's juvenile justice system, a decentralized system that includes private providers and 36 counties that operate fairly independently of each other. Data on juveniles on a statewide level is unavailable due to the decentralized nature of the system. In response to the need for a centralized data system OYA, in collaboration with a steering committee comprised mostly of state and county officials, is developing a new statewide information system known as the Juvenile Justice Information System (JJIS) at an estimated cost to the state of Oregon of \$9.6 million. According to county officials, counties are spending additional resources for computer hardware, training and support. Concerns for the project are that not all counties want to get on board, quality and consistency of data, and year 2000 limitations. During our work, we also identified other matters that warrant, including a review of the availability of detention beds, facilities for juvenile females, shelter and residential beds, and openings in residential and non-residential treatment programs.

1999-05 Department of Administrative Services Year 2000 Statewide Project Office Review

This audit reviews the status of Year 2000-related audit recommendations contained in our fiscal year 1997 statewide internal control report. The review was performed during the period of May through October 13, 1998. DAS issued guidance and established a planning timetable in August 1998. As part of its completion assurance process, the Year 2000 Statewide Project Office hired contractors to provide periodic risk analysis on selected agencies. Recommendations are that the Year 2000 Statewide Project Office needs to develop procedures for monitoring and evaluating the progress of the projects for statewide mission-critical systems; increase its reviews of agency documentation, project scope, and progress; and develop procedures for evaluating agency business continuation plans.

1999-06 Board of Architect Examiners for the Year Ended June 30, 1998

This report of the Board of Architect Examiners contains audited financial statements and a report on the board's compliance with laws, regulations, contracts, and grants and on internal control over financial reporting. This audit, for the year ended June 30, 1998, was required by Senate Bill 546 which gave the board semi-independent status in July 1997. Merina, McCoy & Co., CPAs, PC performed the audit for the Audits Division.

1999-07 Board of Examiners for Engineering and Land Surveying for the Year Ended June 30, 1998

This report of the Board of Examiners for Engineering and Land Surveying contains audited financial statements and a report on the board's compliance with laws, regulations, contracts, and grants and on internal control over financial reporting. This audit, for the year ended June 30, 1998, was required by Senate Bill 546 which gave the board semi-independent

status in July 1997. Merina, McCoy & Co., CPAs, PC performed the audit for the Audits Division.

1999-08 Board of Geologist Examiners for the Year Ended June 30, 1998

This report of the Board of Geologist Examiners contains audited financial statements and a report on the board's compliance with laws, regulations, contracts, and grants and on internal control over financial reporting. This audit, for the year ended June 30, 1998, was required by Senate Bill 546 which gave the board semi-independent status in July 1997. Merina, McCoy & Co., CPAs, PC performed the audit for the Audits Division.

1999-09 Landscape Architect Board for the Year Ended June 30, 1998

This report of the Landscape Architect Board contains audited financial statements and a report on the board's compliance with laws, regulations, contracts, and grants and on internal control over financial reporting. This audit, for the year ended June 30, 1998, was required by Senate Bill 546 which gave the board semi-independent status in July 1997. Merina, McCoy & Co., CPAs, PC performed the audit for the Audits Division.

1999-10 Oregon Board of Optometry for the Year Ended June 30, 1998

This report of the Oregon Board of Optometry contains audited financial statements and a report on the board's compliance with laws, regulations, contracts, and grants and on internal control over financial reporting. This audit, for the year ended June 30, 1998 was required by Senate Bill 546 which gave the board semi-independent status in July 1997. Merina, McCoy & Co., CPAs, PC performed the audit for the Audits Division.

1999-11 Department of Corrections Prison Construction Oversight

The Department of Corrections (department) is in the midst of a \$1 billion prison construction program. The \$179 million expansion of the Snake River Correctional Institution, the largest single state-financed construction project in Oregon history. The report recommends that the department improve its oversight of contractor payments and monitoring of contract requirements, and strengthen its contract terms. The report also recommends the department seek recovery of \$465,000 of inappropriate payments and review an additional \$3.7 million in other payments possible for collection.

1999-12 Children's Trust Fund of Oregon July 1, 1997 to June 30, 1998

The audit was conducted for the purpose of reporting on the financial statements of the Children's Trust Fund of Oregon (CTFO) for the year ended June 30, 1998, and on compliance and internal control over financial reporting. Our audit concluded that the CTFO's financial statements for the year ended June 30, 1998 are fairly presented. No

material weaknesses were noted in internal controls, and tests disclosed no instances of noncompliance with applicable laws and regulations.

1999-13 Oregon University System Year Ended June 30, 1998

The audit, performed by Deloitte and Touche L.L.P. for the Oregon Audits Division, encompasses the year ended June 30, 1998. This report contains the Oregon University System's audited financial statements, reports on its internal controls, legal compliance, and federal financial assistance, and OUS's response to the schedule of findings and questioned costs.

1999-14 Columbia River Gorge Commission July 1, 1997, to June 30, 1998

This audit is performed jointly with the Washington Office of State Auditor pursuant to the Interstate Cooperative Agreement for the Columbia River Gorge Commission Audit. The Washington State Auditor's office served as the principal auditor. We audited the commission's Oregon expenditures for appropriateness and for compliance with laws and regulations of the state of Oregon. The Washington State Auditor's office completed the audit and prepared the Independent Auditor's Reports on the financial statements and on internal control and compliance with laws and regulations. The Oregon Audits Division issues this report as a matter of public information for the taxpayers of Oregon. Likewise, the Washington State Auditor's office issued its reports for public use in the state of Washington.

1999-15 Department of Human Resources Mental Health and Developmental Disability Services Division Overtime Investigation at the Fairview Training Center

At the request of the Fairview Training Center (Fairview), we reviewed the records related to a loss of public funds caused by a former employee's overtime claims. The purpose of our review was to verify the extent of the loss and examine Fairview's timekeeping procedures related to overtime. Fairview lost \$2,453 due to unsupported overtime paid to one of its employees. The details of the loss, which occurred between November 1997 and August 1998, have been given to the Oregon State Police for possible criminal prosecution. When Fairview became aware of the possible loss, it took immediate action to notify the Department of Justice, Oregon State Police, and the Audits Division. Fairview also subsequently made certain changes to improve its timekeeping function. This report provided recommendations to assist Fairview in further improving its controls to reduce the risk of future losses. We subsequently referred the matter to the Government Standards and Practices Commission.

1999-16 Oregon Board of Accountancy Review of Cash Handling Procedures

The Board of Accountancy's Administrator requested a review of revised staff duties to ensure the board was providing adequate internal control over cash. Our audit was limited to reviewing staff duties, interviewing staff, examining documents and reports, and evaluating the effectiveness of control procedures. Recommendations included reconciling the number of exams given and licenses issued to fees recorded, increasing security over the terminal used to record credit card transactions, establishing control over cash receipts received in the office and sent to the lockbox for deposit, and verifying that receipts sent to the Department of Administrative Services are accurately recorded.

1999-17 Professional Liability Fund For the Years Ended December 31, 1998, and 1997

The audit covers the Professional Liability Fund (PLF) for the years ended December 31, 1998, and 1997. The audit concluded that the financial statements are presented fairly. No material weaknesses were noted in the internal controls, and tests disclosed no instances of noncompliance with applicable laws and corporation bylaws.

1999-18 Informational Report on the Secretary of State's Government Waste Hotline

This report summarizes activity through the Secretary of State's Government Waste Hotline since its inception in 1995. Sections 177.170 and 177.180 of the Oregon Revised Statutes established this toll-free hotline for reporting waste, inefficiency or abuse by state agencies, state employees or persons under contract with state agencies. The hotline law also provides confidentiality for the identity of the callers, with the reported information remaining confidential unless it is confirmed. As required, this report describes the number, nature and resolution of reports made. Questioned costs of almost \$1.5 million are described in the report. These dollars represent monies spent that were not spent in accordance with applicable laws, or potential savings that could result from improved efficiencies or the elimination of waste or abuse.

1999-19 Office of Energy Small Scale Energy Loan Program For the Years Ended June 30, 1998, and 1997

This report presents the results of our annual audit on the Office of Energy, Small Scale Energy Loan Program (SELP) for the years ended June 30, 1998, and 1997. We concluded that the financial statements are fairly presented, and no material weaknesses in internal controls or instances of noncompliance were noted.

1999-20 Oregon State Scholarship Commission: Change of Administrator

This audit was conducted to comply with Oregon Revised Statutes 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. Douglas L. Collins, who was appointed as the director of the Oregon State Scholarship Commission in 1993, retired from that position effective February 28, 1998. Our audit was limited to determining that appropriate separation actions were taken upon the director's leaving. We found that, with one minor exception, all appropriate actions had been taken to properly terminate the director's employment.

1999-21 Federal Compliance Report and Internal Control Report For the Year Ending June 30, 1998

This statewide audit was conducted in accordance with the Single Audit Act of 1984, *Government Auditing Standards*, and Office of Management and Budget Circular A-128. The statewide audit has four main components: an audit of the general-purpose financial statements, an audit to determine compliance with laws and regulations, a review of the internal controls used in administering state and federal funds, and a Schedule of Federal Financial Assistance. This report contains three of the four components, with the fourth component (the report on the state's financial statements) being separately issued in report number 98-48. The first component included in this report is an opinion on the Schedule of Federal Financial Assistance. The schedule, which also is included in the report, summarizes federal expenditures made by the state of Oregon for the year ended June 30, 1998. The second component is a report on the state of Oregon's compliance with laws and regulations, including those related to administering federal programs. A schedule describing identified instances of noncompliance and questioned costs accompanies this report. The third included component is a report on internal controls established and maintained by the state of Oregon. A schedule describing conditions affecting internal control accompanies this report.

1999-22 Department of Transportation Oregon Transportation Infrastructure Fund July 1, 1997 to June 30, 1998

This report presents the results of our audit of the Oregon Transportation Infrastructure Fund for the year ended June 30, 1998. We concluded that the financial statements are fairly presented, and no material weaknesses in internal controls or instances of noncompliance were noted.

1999-23 Oregon Economic Development Department Special Public Works Fund July 1, 1997 to June 30, 1998

This report presents the results of our audit of the Oregon Economic Development Department's Special Public Works Fund for the year ended June 30, 1998. We concluded that the financial statements are fairly presented, and no material weaknesses in internal controls or instances of noncompliance were noted.

1999-24 Oregon Economic Development Department Water Fund July 1, 1997 to June 30, 1998

This report presents the results of our annual audit of the Oregon Economic Development Department's Water Fund for the year ended June 30, 1998. We concluded that the financial statements are fairly presented, and no material weaknesses or instances of noncompliance in internal controls were noted.

1999-25 Department of Administrative Services Small Purchase Order Transaction System Special Review

This report includes the results of our evaluation of controls governing the Department of Administrative Services (DAS) Small Purchase Order Transaction System (SPOTS). The audit resulted from conditions identified in a loss at the Department of Administrative Services, described in report number 1999-03. The SPOTS program provides state credit cards to individual employees for making small purchases for authorized purposes. We found that SPOTS cardholders did not fully comply with program requirements and restrictions intended to safeguard purchasing. For example, they did not provide receipts for purchases, permitted other employees to use their cards, made unauthorized purchases or exceeded their credit limits. The recommendations include monitoring agencies to ensure they fully comply with SPOTS program policies and procedures, and developing policies outlining specific consequences for agencies not providing sufficient safeguards. Management letters were issued to certain agencies included in this audit, as listed separately in the Management Letters section listed in the Table of Contents.

1999-26 Oregon State Scholarship Commission July 1, 1997 to June 30, 1998

This audit covers the general-purpose financial statements of the Oregon State Scholarship Commission (OSSC) as of and for the year ended June 30, 1998. We concluded that the OSSC's financial statements are fairly presented. We also reviewed the OSSC's internal control and compliance with laws and regulations material to the financial statements. Our report on the results of those reviews is presented in the report.

1999-27 Parks and Recreation Department Review of the Department's Relationship with the Oregon State Parks Trust

This report contains the results of our audit of the Oregon Parks and Recreation Department's relationship to the Oregon State Parks Trust (trust), a non-profit corporation. We concluded that the department and the trust were not properly operating as independent entities, and the department did not always comply with state requirements in its dealings with the trust. In one instance, the department paid the trust \$12,200 for lobbying work performed by a contractor and did not disclose this payment as required by state law. In other instances, the department entered into agreements with the trust that were fiscally disadvantageous to the state, were not competitively awarded as the state requires, and did not adequately protect state funds from improper use. The report provides specific recommendations to guide the

department in maintaining independence from the trust, exercising appropriate control over state funds, and maintaining acceptable ethical and business standards.

1999-28 Parks and Recreation Department Management of State Park Resources

This report contains the results of our audit of the Oregon Parks and Recreation Department's management of state park resources. Our review identified opportunities for the agency to improve management of fee programs and improve cost controls. In general, we found that the department could provide more uniformity and fairness to its fee programs, as well as provide additional revenue for park operations, rehabilitation or expansion if it improved its efforts to collect fees from visitors in those parks where fees are required and established criteria for when to charge fees and applied it consistently to all parks that meet the criteria. We also provide additional policy information for consideration by the department, commission, legislative assembly and other interested policy makers. Further, we report on issues we observed regarding park safety and general park conditions.

1999-29 Department of Human Resources Office of Medical Assistance Programs Hospital Billings

This audit reviewed the Department of Human Resources Office of Medical Assistance Programs' (OMAP) payment of billings from hospitals. The hospitals bill OMAP directly for services provided to Oregon Health Plan recipients who are not enrolled in managed care plans. We found that hospitals are generally billing OMAP in a proper manner. Incorrect billings were noted, incorrect inpatient and outpatient status, and other miscellaneous issues, including a significant backlog of unprocessed annual hospital settlements. The report includes recommendations to improve OMAP's prevention, detection, and correction of payment errors, including increased OMAP involvement in the contracted billing review process, improved communication with hospitals regarding billing issues, clarification and revision of certain rules, and a modification to the automated payment system. The report also recommends that OMAP provide sufficient staff to eliminate the backlog of unprocessed hospital cost settlements.

1999-30 Commission on Children and Families: Change of Director and Risk Assessment

This report presents the results of our review of the Oregon Commission for Children and Families. We conducted this review in compliance with Oregon Revised Statute 297.210, which requires the Secretary of State to audit or review any state agency when the executive head leaves his or her position. We found that the transition from the previous director to the current director was generally efficient; however, we identified some internal control weaknesses, as described in this report. We also found that the state commission can improve the usefulness of the information it collects and can improve its oversight and monitoring of local commissions.

1999-31 Department of Administrative Services: Year 2000 Statewide Project Office

This report summarizes our evaluation of the state's centralized monitoring and external reporting on the Year 2000 issue, and provides recommendations to improve those activities. Oregon's efforts to resolve the Year 2000 (Y2K) problem are decentralized. The Year 2000 Statewide Project Office was created in 1996 to coordinate these efforts. Because documentation to evaluate the reliability of the Y2K Project Office's reporting on individual agency Y2K projects was insufficient, the accuracy of the Y2K Project Office's external reporting cannot be determined. Planning for statewide interface testing was still in development. Recommendations are that the Year 2000 Statewide Project Office and its contractors should ensure that information sources used to reach conclusions are properly documented, risk assessment instruments are properly completed, supporting documentation is available for public assertions, business continuation plan reviews are consistent, and interface testing plans are communicated to agencies.

1999-32 Oregon Short-Term Fund For the Years Ended June 30, 1999, and 1998

This audit covers the Oregon Short-Term Fund's (OSTF) financial statements for the year ended June 30, 1999, and 1998. We concluded that the financial statements are fairly presented, and no material weaknesses in internal control or noncompliance with laws and regulations were noted.

1999-33 Oregon Department of Transportation General Computer Controls

This report includes our evaluation of the general computer controls in place at the Oregon Department of Transportation (ODOT) data center. During this audit, we reviewed procedures relating to physical security, logical access control, backup and recovery, contingency planning, and other organizational responsibilities. We also reviewed the status of related recommendations contained in our previous audit of the data center's general controls. This report includes recommendations intended to improve data center operations. During the audit, on February 26, 1999, the governor signed Executive Order Number EO 99-05, which directed the operational alignment of the Department of Administrative Services and the ODOT data centers. Therefore, the recommendations contained in this report should be considered and implemented during this transition process.

1999-34 SAIF Corporation, Salem, Oregon, For the Years Ended December 31, 1998 and 1997

This audit, performed by KPMG LLP for the Audits Division, covers the years ended December 31, 1998 and 1997. The audit concludes that the financial statements are fairly presented, and no material weaknesses in internal control or noncompliance with laws and regulations were noted.

MANAGEMENT LETTERS ISSUED SINCE DECEMBER 3, 1998

Following are brief summaries of the management letters we have issued since the December 3, 1998, meeting of the Joint Legislative Audit Committee. The management letters are arranged in sequential order by letter number.

107-1999-04-01 Department of Administrative Services' (DAS) Qualified Rehabilitation Facilities (QRFs)

This letter summarizes the results of our limited scope review of the Department of Administrative Services' (DAS) implementation of key statutes and administrative rules pertaining to qualified rehabilitation facilities (QRFs). This review was performed at the agency's request. Our review showed that DAS has complied with some of the key statutes and rules. In particular, it has complied with ORS 279.845 (2) which requires DAS to publish a directory of QRFs. It has not fully complied with ORS 279.845 (1), which assigns to DAS the work of determining fair market prices for all goods and services that QRFs offer for sale to Oregon public agencies. Our review showed a need for an independent verification of labor hour data reported by QRFs. We propose onsite audit work at a sample of Oregon's largest QRFs to determine their compliance with ORS 279.835 (4)(c).

137-1999-04-01 Small Purchase Order Transaction System (SPOTS) Department of Justice (DOJ)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Department of Justice (DOJ).

177-1999-04-01 Small Purchase Order Transaction System (SPOTS) Oregon State Lottery (Lottery)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Oregon State Lottery.

198-1999-04-01 Small Purchase Order Transaction System (SPOTS) Oregon Judicial Department (OJD)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Oregon Judicial Department (OJD).

257-1999-04-01 Small Purchase Order Transaction System (SPOTS) Department of Oregon State Police

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Oregon State Police.

259-1999-06-01 Department of Public Safety Standards and Training Change-of-Director

We conducted a limited review of the Department of Public Safety Standards and Training (department). We examined certain transactions and accounts to evaluate the effectiveness of internal controls and compliance with applicable laws and regulations. During our review, we discovered (1) minor amounts of travel costs which were not in accordance with DAS policy, (2) a timesheet could not be located for the interim director's April 1997 pay and (3) inadequate records and procedures for state equipment and other assets assigned to employees, such as the former director and interim director. Follow up on prior audit findings discovered that the department had addressed those issues, but a complete resolution had not necessarily been reached.

410-1999-04-01 Small Purchase Order Transaction System (SPOTS) Department of Human Resources (DHR)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Department of Human Resources (DHR).

415-1999-04-01 Small Purchase Order Transaction System (SPOTS) Oregon Youth Authority (OYA)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Oregon Youth Authority (OYA).

424-1999-05-01 Children's Trust Fund of Oregon (CTFO)

During our audit of the Children's Trust Fund of Oregon (CTFO), we noted that travel expenses and claims for reimbursement were not always processed in accordance with the guidelines set forth in the Oregon Accounting Manual (OAM), and monitoring of the Diner's Club credit card could be improved. During the course of our audit, we also noted that controls over the financial accounting and reporting process performed by the Internal Services Division of the Department of Administrative Services for the CTFO can be improved.

440-1999-04-01 Small Purchase Order Transaction System (SPOTS) Department of Consumer and Business Services (DCBS)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Department of Consumer and Business Services (DCBS).

575-1999-07-01 Oregon State Scholarship Commission (OSSC)

We issued our report on the Oregon State Scholarship Commission's financial statements for the year ended June 30, 1998. We also issued a report on compliance and on internal control over financial reporting based on our audit of those financial statements. In planning and performing our audit of the financial statements, we identified minor internal control weaknesses which were conveyed by this management letter. We recommended (1) increased review by division managers of SFMS financial reports, (2) implementation of a working trial balance to facilitate financial statement preparation, (3) a formula correction to avoid a minor rounding error occurring in grant repayment calculations, and (4) various suggestions for the Office of Degree Authorization (ODA).

629-1999-04-01 Small Purchase Order Transaction System (SPOTS) State Forestry Department

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the state Forestry Department.

635-1999-07-01 Oregon Department of Fish and Wildlife

During a risk assessment of the Oregon Department of Fish and Wildlife (department), we identified two issues we plan to audit in the near future: (1) commercial fin fish and shellfish tax collection and species harvest information, and (2) electronic data accumulation tools and the cost effectiveness of their use. We also identified issues that pose potential risk to the department, which we do not plan to review further at this time. These included the department's cooperation with scientific groups providing relevant information regarding hatchery issues, the department's need to review its contract management, and the department's need to reassess past decisions on staff and resource allocations.

734-1999-04-01 Small Purchase Order Transaction System (SPOTS) Oregon Parks and Recreation Department (OPRD)

During October 1998, we began a statewide review of purchases made through the Small Purchase Order Transaction System (SPOTS). This letter summarized the test results and related recommendations for the Oregon Parks and Recreation Department (OPRD).

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