



*Auditing for a Better
Oregon*

March 22, 2002

Bob Mink, Director
Department of Human Services
500 Summer Street NE, E15
Salem, OR 97301-1097

Dear Mr. Mink:

As a result of our review of the Department of Administrative Services Information Resources Management Division (Report No. 2001-33), the Secretary of State started a review of statewide system development. Your agency was one of six selected for follow-up work relating to System Development Life Cycle (SDLC) methodologies. We will be issuing a formal report to the Department of Administrative Services outlining the results of this review.

During the audit we interviewed agency staff and reviewed applicable policies, procedures, and guidelines. We limited our review to evaluating agencies' formal policies and procedures governing system development and maintenance.

As a result of our work, we concluded that Department of Human Services' policies and procedures governing system development and maintenance were not sufficient or adequate. Management has not implemented formal policies or procedures governing those activities, although it currently has plans to do so. Furthermore, we noted that the department's CSTAT project has not complied with Department of Administrative Services policies regarding oversight and reporting procedures for information system projects.

Many potential risks arise when adequate SDLC methodologies are not used when developing or maintaining computer-based systems. The first and most devastating risk is that the completed or modified system may not meet the users' business needs, requirements, and expectations. In addition, systems designed using poor SDLC methodologies often will exceed the limits of the financial resources set aside for the project and may be completed late, if ever.

Management Letter No. 107-2001-10-02

We recommend that the division improve its control over system development and maintenance by:

- Implementing formal and comprehensive policies and procedures for system development and maintenance activities at the agency.
- Comply with Department of Administrative Services Information Resources Management Division Statewide IT Policy 1.7 – Quality Assurance Reviews for the CSTAT project.

We appreciate the courtesies and cooperation extended by the officials and employees of the Department of Human Services during the course of our review. Should you have any questions, please contact me at (503) 986-2272.

Sincerely,
OREGON AUDITS DIVISION

Neal E. Weatherspoon, CPA, CISA
Audit Administrator

Fieldwork Completion Date:
September 28, 2001

NEW:bk

cc: Donnie Griffin, Acting Director
Cindy Becker, Chief Administrative Officer
Julie Jackson, Chief Audit Officer
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Mike Greenfield, Director, Department of Administrative Services