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*Auditing for a Better Oregon*

October 23, 2001

Pamela S. Erickson, Director  
Oregon Liquor Control Commission  
9079 SE McLoughlin Boulevard  
Portland, Oregon 97222-7355

Dear Ms Erickson:

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 the Oregon Liquor Control Commission's (OLCC) policies and procedures governing system development and maintenance were generally adequate for the systems that would be expected to be developed, acquired, implemented and maintained. To further improve your system development processes, we recommend that you formalize the following tasks:

- Preparation and analysis of alternative courses of action.
- Ensuring that user references, manuals, and training materials are developed and updated as part of the project, and ensuring that staff are trained in the use and operation of the system.
- Post-implementation reviews to ensure that all business objectives were met during development and the system is operating as intended.
- Ensuring that standard test procedures and plans are prepared and carried out.

In addition, we noted that OLCC was not tracking costs related to in-house developed information technology projects. Thus, we recommend that you implement procedures for tracking those costs to ensure accurate and appropriate reporting.

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We appreciate the courtesies and cooperation extended by the officials and employees of the Oregon Liquor Control Commission 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:  
August 15, 2001

NEW:brk

c: Joan Terry, OLCC Administrative Services Director  
Mike Greenfield, Director, Department of Administrative Services