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*Auditing for a Better Oregon*

April 18, 2002

Paul Curcio, Director  
Department of Land Conservation and Development  
635 Capitol St. NE, Suite 150  
Salem, OR 97301-2540

Dear Mr. Curcio:

Enclosed for your review and comment are three copies of our draft audit report on Department of Land Conservation and Development Change of Director. We ask that you respond in writing to the findings and recommendations in the audit report by May 8, 2002. Please address your response to the Secretary of State Audits Division. Please include in your response the actions that your agency has taken or plans to take in response to the audit report and an estimated time frame for their implementation. Your response will be included in our final report.

In addition to the findings included in our report, we noted issues that we felt warranted your attention, but were not significant enough to be included in our audit report. We have summarized those issues below:

- During our review, department staff could not locate or account for two parking meter keys. Because the department's records were incomplete, we could not determine who was responsible for the keys or the amount of loss to the state. Such keys commonly had a value of more than \$100 per key.
- The department paid you eight hours holiday pay during January 2002, when you were a part-time employee. State policy requires that part-time employees receive holiday pay on a pro-rata basis. As a result of the error, you were overpaid by approximately \$270.

To resolve the above issues, we recommend that the department establish a more effective means of accounting for and controlling parking meter keys. In addition, the department should ensure correction and recovery of the payroll overpayment.

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I will contact your office to set up an exit conference to discuss the report draft. In the meantime, since this draft is subject to further review and revision, it is not to be considered final. Please safeguard it against unauthorized use. If you or your staff have concerns or questions regarding the draft report, please call me at 986-2272.

We appreciated the courtesies and cooperation extended by department staff during our review.

Sincerely,  
OREGON AUDITS DIVISION

Neal Weatherspoon, CPA, CISA  
Audit Administrator

NW:brk