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*Auditing for a Better Oregon*

January 10, 2006

Lane Shetterly, Director  
Department of Land Conservation and Development  
635 Capitol St. NE, Suite 150  
Salem, Oregon 97301-2540

Dear Mr. Shetterly:

We have completed a change of director review of the Department of Land Conservation and Development's former interim director, Nan Evans. The review was conducted in compliance with Oregon Revised Statute 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.

Our objective was to ensure that appropriate actions were taken to protect state assets when the former director resigned from her position. We reviewed representations from management and examined supporting documentation and determined that the department took appropriate action to protect state assets upon the former director's separation from the Commission. Specifically:

- Assets assigned to the former interim director were returned and her access to state and automated systems was terminated in a timely manner.
- Travel and other reimbursement claims submitted by the former interim director during her last three months of employment complied with applicable laws and regulations.
- The former interim director's recent payroll disbursements and leave accruals were appropriate and accurate.
- Contracts signed by the former interim director during her last couple months as director appeared to be in compliance with selected laws and regulations.

Should you have any questions concerning these issues, please contact me at (503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

Kelly L. Olson, CPA  
Audit Manager

cc: Teddy Leland, Operations Services Division Manager  
Lindsay Ball, Director, Department of Administrative Services  
Dallas Weyand, Budget Analyst, Legislative Fiscal Office

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