

Office of the Secretary of State

Kate Brown  
Secretary of State

Barry Pack  
Deputy Secretary of State



Audits Division

Gary Blackmer  
Director

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December 13, 2011

Chris Brown, Superintendent  
Oregon State Police  
255 Capitol St. NE, 4<sup>th</sup> Floor  
Salem, OR 97310

Dear Mr. Brown:

We have completed audit work of selected financial accounts at the Oregon State Police (department) for the year ended June 30, 2011.

This audit work was not a comprehensive audit of the department. We performed this audit work as part of our annual statewide financial audit. The objective of the statewide audit was to express an opinion on whether the financial statements contained in the State of Oregon's Comprehensive Annual Financial Report were fairly presented, in all material respects, in conformity with generally accepted accounting principles.

In planning and performing our audit of the selected financial accounts at the department as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the department's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements of the State of Oregon, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

We audited the following accounts at the department and determined their fair presentation in accordance with generally accepted accounting principles in relation to the statewide financial statements.

<u>SFMA Account</u>	<u>Description</u>	<u>Audit Amount</u>
<u>GAAP Fund 0001 - General Fund</u>		
3111	Regular Employees	\$ 47,633,238
3210	Public Employees Retirement Contribution	6,937,694
3212	Pension Bond Assessment	3,152,606
3221	Social Security Taxes	4,050,203
3263	Medical, Dental, Life Insurance	12,828,657

GAAP Fund 0054 – GASB 54 General Fund

3111	Regular Employees	\$ 6,852,612
3210	Public Employees Retirement Contribution	1,476,237
3212	Pension Bond Assessment	531,625
3221	Social Security Taxes	724,327
3263	Medical, Dental, Life Insurance	1,613,115

GAAP Fund 1103 – Community Protection Fund

3111	Regular Employees	\$ 11,968,696
3210	Public Employees Retirement Contribution	1,620,985
3212	Pension Bond Assessment	760,540
3221	Social Security Taxes	1,021,341
3263	Medical, Dental, Life Insurance	3,482,652

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than the specified parties.

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Jean Hodges or me at (503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

Kelly L. Olson, CPA  
Audit Manager

KLO:JMH;jas

cc: Robert Miller, Internal Auditor  
Rick Willis, Administrative Services Division Director  
Stacey Chase, Accounting Manager  
Michael J. Jordan, Director, Department of Administrative Services