

Office of the Secretary of State

Kate Brown
Secretary of State



Audits Division

Gary Blackmer
Director

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January 15, 2014

Roy Elicker, Director
Oregon Department of Fish and Wildlife
4034 Fairview Industrial Drive SE
Salem, Oregon 97302

Dear Mr. Elicker:

We have completed audit work of selected financial accounts at your department for the year ended June 30, 2013. This audit work was not a comprehensive financial audit of the department, but was performed as part of our annual audit of the State of Oregon's financial statements. We audited accounts that we determined to be material to the State of Oregon's financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of the State of Oregon as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, we considered the department's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances 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.

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 a combination of deficiencies, in internal control, 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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

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 material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Prior Year Findings

In prior fiscal years, we reported a significant deficiency and a material weakness related to the department's methodology for accruing long-term federal revenue receivables. These findings were communicated in letters dated February 1, 2012, and January 14, 2013. They can also be found in Statewide Single Audit Reports for fiscal years ended June 30, 2011 and June 30, 2012 (Secretary of State Audit report numbers 2012-08, finding number 11-14 and 2013-07, finding number 12-06 respectively). During fiscal year 2013, the department partially updated its methodology for the fiscal year end federal revenue accrual process. The department continues to work on refining the process to produce reasonable estimates. This finding will be reported in the Statewide Single Audit Report for the fiscal year ended June 30, 2013, with a status of partial corrective action taken.

In a prior fiscal year, we reported a significant deficiency related to the department's accrual of services and supplies expenditures in a letter dated January 14, 2013. This finding can also be found in the Statewide Single Audit Report for the fiscal year ended June 30, 2012, (audit report number 2013-07, finding number 12-07). During fiscal year 2013, the department reported partial corrective action was taken by efforts to draft a methodology for estimating and accruing expenditures. This finding will be reported in the Statewide Single Audit Report for the fiscal year ended June 30, 2013, with a status of partial corrective action taken.

The purpose of this letter is solely to describe the scope of our testing of internal control and the result of that testing, and not to provide an opinion on the effectiveness of the department's internal control. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control. Accordingly, this letter is not suitable for any other purpose.

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

Sincerely,
OREGON AUDITS DIVISION

Julianne Kennedy, CPA
Audit Manager

JK:AJB:nmj

cc: Bobby Levy, Chair, Oregon Fish and Wildlife Commission
Debbie Colbert, Deputy Director for Administration
Lori LeVeaux, Administrative Services Division Administrator
Margaret Wert, Senior Accountant, Agency Liaison
Michael J. Jordan, Director, Department of Administrative Services