

Appendix B

**Oregon Business Development Department
Financial and/or Performance Audit Results
Audits Completed Since 2015 Legislative Session**

Audit	Audit Completion Date	Findings/Recommendations	Agency Response
Special Public Works Fund and Water Fund for the fiscal year ended June 30, 2014	March, 2015	The auditors issued an unqualified opinion on the Funds' financial statements, which means the Funds' financial statements fairly presented financial position, financial operation, and cash flows in conformance with generally accepted accounting principles. The auditors did report a significant deficiency within internal controls related to dual custody of cash receipts and remittances.	An unqualified opinion is the highest level of assurance auditors may issue. The auditors did report a significant deficiency within internal controls related to dual custody of cash receipts and remittances. The department generally agreed with the audit finding and recommendation. Procedures were implemented to ensure dual custody of remittances during high volume time periods as well implemented procedures to ensure that more than one person is charged with the task of sorting, opening and routing incoming mail during high volume times as well.
Special Public Works Fund and Water Fund for the fiscal year ended June 30, 2015	March, 2016	The auditors issued an unqualified opinion on the Funds' financial statements, which means the Funds' financial statements fairly presented financial position, financial operation, and cash flows in conformance with generally accepted accounting principles. The auditors did not report any findings or recommendations.	An unqualified opinion is the highest level of assurance auditors may issue.
Evaluation and Transparency of Economic	December, 2016	The auditors recommendations include: develop additional metrics and targets for incentive and loan performance, using them	The agency generally agrees with the findings and recommendations of the auditors. Within the department's currently

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<p>Development Incentives and Loan Programs</p>		<p>to evaluate the awards and report performance to policy makers and the public; transparency improvements including reporting individual SRF, BEP and Business Finance loans, and working with the Legislature and other state and local government to improve the quality of information reported; and improve selection and modification of the Governor's Strategic Reserve Fund awards to private businesses.</p>	<p>underway strategic planning process and will articulate action plans that include robust program-level targets and goals. The agency concurs that there is room for improvement related to reporting and transparency related to business incentives and loans. The agency is ready and willing to engage in addressing disclosure limitations with other agencies and the Legislature if chosen to be pursued. The agency generally concurs that the selection process for the Strategic Reserve Fund awards could be improved upon and have already made significant progress toward implementing most of the audit report's recommendations related to this. The agency generally agree with the recommendation of better defining contract amendment conditions and terms.</p>
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