



**GROVE, MUELLER & SWANK, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

October 8, 2003

Board of Directors  
State Board of Geologists Examiners  
1193 Royvonne Avenue SE, #24  
Salem, Oregon 97302

During the course of our audit field work for the three years ended June 30, 2003, certain opportunities for improving internal controls and record keeping were noted. This letter contains recommendations for strengthening those areas. They are not necessarily as complete or comprehensive as that which might result from a special systems and procedure review.

"Internal accounting control" refers to accounting and related procedures designed to assist officials to better control and safeguard the assets that have been entrusted to them and to provide the greatest practical assurance that accounting records are properly and accurately maintained. Also, internal accounting controls are important to auditors in that poor or weak controls require added procedures and extension in the scope of the audit work done.

Review for areas of possible improvement is a normal part of the audit and we wish to emphasize that the recommendations contained herein are presented solely to assist the Board officials in achieving more sound internal controls and record keeping. The following recommendations are in no way intended to be a reflection on the capability or integrity of any official or employee.

We also wish to express our appreciation for the cooperation and courtesy extended to us by the Board during our audit.

This report is intended for the information of the Board of Directors and management of State Board of Geologists Examiners, and the State of Oregon Division of Audits and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Grove Mueller & Swank, P.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter 923-2003-10-01

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**1. UNCOLLATERALIZED BANK DEPOSITS**

*Situation:*

The Board's deposits were in excess of the federal depository insurance, which generally limits insurance to \$100,000, at times during the three years ending June 30, 2003.

*Recommendation:*

Management has since secured a certification of participation from the State of Oregon in order to comply with the required Oregon Revised Statutes.