



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

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

October 22, 2004

Board of Directors  
Appraiser Certification and Licensure Board  
1860 Hawthorne Avenue NE, Ste 200  
Salem, Oregon 97303

During the course of our audit field work for the period August 21, 2001 through 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 the Appraiser Certification and Licensure Board, 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.

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

Management Letter No. 161-2004-10-01

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### ***SEGREGATION OF DUTIES***

*Situation / Recommendation:*

The Organization lacks proper segregation of duties for the handling and recording of transactions over cash receipts and disbursements. We recommend management review the segregation of duties to ensure involvement of more than one individual in each transaction type.

### ***CASH DISBURSEMENT ACCOUNT CODING***

*Situation / Recommendation:*

Account coding is not written or noted on the cancelled invoices. When management reviews the invoices for payment the account coding should also be reviewed. We recommend management review the invoice payment procedures to ensure the account coding is easily determinable by management during the review process.

### ***FUNDS IN THE BANK EXCEED THE FDIC INSURANCE***

*Situation / Recommendation:*

The cash in bank was significantly above the FDIC limit of \$100,000. Those funds above this amount are not insured against the loss of funds. Management has secured adequate collateral to secure these funds as of the last date of fieldwork.