



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

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

October 20, 2004

Board of Directors  
State Landscape Contractors Board  
235 Union Street NE  
Salem, Oregon 97301

During the course of our audit field work for the year 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 Landscape Contractors 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. However, this report is a matter of public record and its distribution is not limited.

  
CERTIFIED PUBLIC ACCOUNTANTS

---

Management Letter No. 808-2004-10-01

[www.gmscpa.com](http://www.gmscpa.com)

Mailing Address • P.O. Box 2122 • Salem, Oregon 97308-2122

Salem • 475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814 • (503) 581-7788 • FAX (503) 581-0152  
Albany • P.O. Box 663 • 519 S. Lyon Street • Albany, Oregon 97321-0570 • (541) 967-2315 • FAX (541) 926-5926

MEMBERS OF THE MCGLADREY NETWORK • WORLDWIDE SERVICES THROUGH RSM INTERNATIONAL

## ***RECONILLATION OF BILLING SOFTWARE TO THE ACCOUNTING SOFTWARE***

### *Situation.*

The GL Suite software is a separate online database program which tracks licensing, invoicing, and payments. The GL Suite database payments keyed are not reconciled with the deposit entered into the accounting software. Any information incorrectly entered may not be corrected by management in a timely manner.

### *Recommendation:*

We recommend management reconcile the GL Suite payments entered monthly with the deposits entered into the accounting software.

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

### *Situation:*

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.

### *Recommendation:*

We recommend management review the invoice payment procedures so they may be able to determine what account(s) are charged.

## ***PAYROLL PAYMENTS***

### *Situation:*

The Board estimates payroll for the last five days of the payroll period so that payroll may be paid through the last day of the month. The estimation of payroll requires management to reconcile the estimate with actual for those five days and adjust the next payroll for any changes.

### *Recommendation:*

We recommend management consider changing the payroll pay date to a date where sufficient time is available for payroll to be accurately processed. For example, payroll calculated through the last day of the month may be paid on the eighth of the following month.