

STATE OF ARIZONA
BOARD OF OCCUPATIONAL THERAPY EXAMINERS
Procedural Review Letter
As of March 26, 2001

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**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 22, 2001

Cedes Bruno, Executive Director
State of Arizona
Board of Occupational Therapy Examiners
5060 North 19th Avenue, Suite 209
Phoenix, AZ 85015

Subject: Procedural Review Letter

Dear Ms. Bruno:

We have performed a procedural review of the Board of Occupational Therapy Examiners' internal controls in effect as of March 26, 2001. Our review consisted primarily of inquiries, observations, and selected tests of internal control policies and procedures, accounting records, and related documents. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure that all deficiencies in internal controls are disclosed.

Specifically, we reviewed cash receipts, cash disbursements, transfers, payroll, and purchasing.

As a result of our review, we noted certain deficiencies in internal controls that the Board's management should correct to ensure that it fulfills its responsibility to establish and maintain adequate internal controls. Those deficiencies and our recommendations concerning them are described below.

**The Board did not effectively
control cash receipts**

Because cash receipts are especially susceptible to potential theft or misuse, it is important to account for and safeguard these monies. We noted the following internal control deficiencies:

- The Board did not maintain a log of all monies received by mail.
- The Board did not deposit cash receipts with the servicing bank on a timely basis. For three out of five receipts tested, the Board deposited monies over a month after receipt.
- The Board did not record cash receipts on AFIS on a timely basis. For two of five receipts tested the Board recorded deposited monies over two months after receipt.

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To help ensure that cash receipts are adequately safeguarded and maximize interest earnings, the Board should institute the following procedures (*State of Arizona Accounting Manual*, section II-Q):

- A mail log should be prepared for all receipts received through the mail, at least daily.
- Cash receipts should be deposited intact at least weekly. Significant cash receipts (over \$500), should be deposited daily.
- Cash receipts should be recorded on AFIS in the month deposited.

This letter is intended solely for the information and use of the Board of Occupational Therapy Examiners and is not intended to be and should not be used by anyone other than the specified party. However, this letter is a matter of public record, and its distribution is not limited.

Should you have any questions concerning our procedural review, please let us know.

Sincerely,

Dennis L. Mattheisen, CPA
Financial Audit Director



ARIZONA BOARD OF OCCUPATIONAL THERAPY EXAMINERS

5060 North 19th Avenue, Suite 209

Phoenix, Arizona 85015

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April 23, 2001

Ms. Debbie Davenport
Auditor General
State of Arizona
Office of the Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The following is the Board of Occupational Therapy Examiners' response to the Procedural Review Letter findings as of March 26, 2001.

The Board did not effectively control cash receipts

We concur. We have reviewed our procedures and implemented changes to correct the deficiency. We now record and issue hand written receipts of revenues received. We deposit all revenues weekly and notify GAO immediately after the deposit so that it may be recorded on AFIS.

We appreciated the opportunity to have our procedures reviewed and more efficient procedures pointed out to us. I feel we have made several changes to our procedures in light of the audit to help this agency fulfill its responsibilities in recording and reporting revenues to the General Accounting Office and establishing adequate internal controls.

Should you have any questions or concerns, please feel free to contact me at (602) 589-8353.

Sincerely,

A handwritten signature in cursive script that reads "Cedes Bruno".

Cedes Bruno
Executive Director