



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

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AUDITOR GENERAL

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July 17, 2001

Ann Marie Berger, Executive Director  
Arizona Board of Osteopathic Examiners in Medicine and Surgery  
9535 East Doubletree Ranch Road  
Scottsdale, AZ 85258

**Subject: Procedural Review Letter**

Dear Ms. Berger:

We have performed a procedural review of the Arizona Board of Osteopathic Examiners in Medicine and Surgery's internal controls in effect as of March 30, 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 two 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.

**Cash receipts were not promptly deposited**

Because cash receipts are susceptible to potential loss or theft, the Board should establish effective controls to properly safeguard these monies. We noted that the Board did not establish the necessary procedures to ensure that cash receipts were deposited in a timely manner. Specifically, we noted that three of five cash receipts over \$1,000 tested were not deposited in a timely manner. In addition, promptly depositing receipts would result in increased interest earnings for the State.

To properly account for and safeguard cash, the Board should establish procedures to deposit daily significant cash receipts (i.e., over \$500). (*State of Arizona Accounting Manual* (SAAM), section II-Q, page 2)

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**Unissued license and cash receipt forms  
were not adequately safeguarded**

Unissued license and cash receipt forms should be maintained in a secure location. However, the Board stored unissued license and cash receipt forms in a unlocked desk. As a result, these forms are subjected to increased risk of misuse or theft.

To help prevent inappropriate use of licenses and theft of state monies, the Board should designate an employee to maintain custody of unissued license and cash receipt forms in a secured location. (SAAM, section II-Q, page 3)

This letter is intended solely for the information and use of the Arizona Board of Osteopathic Examiners in Medicine and Surgery, 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