

**ARIZONA STATE BOARD FOR
PRIVATE POSTSECONDARY EDUCATION
Procedural Review Letter
As of April 4, 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

Teri R. Candelaria, Executive Director
Arizona State Board for Private Postsecondary Education
1400 West Washington Street, Room 260
Phoenix, AZ 85007

Subject: Procedural Review Letter

Dear Mrs. Candelaria:

We have performed a procedural review of the Arizona State Board for Private Postsecondary Education's internal controls in effect as of April 4, 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 and journal entries, payroll, purchasing, equipment, and the Student Tuition Recovery Fund's cash receipts and disbursements.

As a result of our review, we noted a deficiency in internal controls that the Board's management should correct to ensure that it fulfills its responsibility to establish and maintain adequate internal controls. That deficiency and our recommendation concerning it is described below.

Cash receipts were not promptly deposited or reconciled

Because cash receipts are susceptible to potential loss or theft, the Board should establish effective controls to properly safeguard these monies. The Board's weekly deposits averaged \$7,388 over the past six months. However, cash receipts were only deposited and reconciled weekly or biweekly.

Significant cash receipts (i.e., over \$500), should be deposited intact daily and reconciled to both the deposit and accounting records at the end of each day. In addition, promptly depositing receipts would result in increased interest earnings for the State. (*State of Arizona Accounting Manual*, section II-Q, pages 2 and 4)

Teri R. Candelaria, Executive Director
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This letter is intended solely for the information and use of the Arizona State Board for Private Postsecondary Education, 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 State Board for Private Postsecondary Education

June 14, 2001

Dennis L. Mattheisen, CPA
Financial Audit Director
Office of the Auditor General
29 10 North 44th Street, Suite 410
Phoenix, AZ 85018

RE: April 2001 Procedural Audit

Dear Mr. Mattheisen:

The Office of the Auditor General conducted a Procedural Accounting Audit of the Arizona State Board for Private Postsecondary Education.

The Audit noted one deficiency: cash receipts were not promptly deposited or reconciled. In response, the Office of the Arizona State Board for Private Postsecondary Education acknowledges the deficiency and the Office has taken immediate steps to ensure that cash receipts, totaling over \$500, will be immediately deposited and reconciled to both the deposit and accounting records.

The cooperation of your office was appreciated. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Teri Candelaria".

Teri Candelaria
Executive Director

CC: Members of the Board

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