

## Report of Independent Accountants

Oregon State Board of Examiners for Engineering & Land Surveying  
Oregon Secretary of State Audits Division

We have performed the procedures enumerated below, on the accounting records noted below for the Biennium ended June 30, 2023. The Oregon State Board of Examiners for Engineering & Land Surveying (the Board) is responsible for the accounting records noted below.

The Oregon Board of Examiners for Engineering & Land Surveying has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the Oregon Board of Examiners for Engineering & Land Surveying in complying with Oregon Revised Statute (ORS) 182.464. Additionally, the Oregon Secretary of State Audit Division has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed and our findings are as follows:

### ***Receiving, Recording and Reporting Transactions***

1. We obtained the following list of internal controls for receiving, recording and reporting transactions. We agreed the list of internal controls to the Board's policies and procedures without exception.

<b>Internal Control</b>	
a	The Support Manager enters revenue items in Quickbooks.
b	Revenue received via Electronic Funds Transfers are automatically deposited into the Board's checking account. Revenue received via a Check follows check procedures. Monthly reconciliations are reviewed and approved.
c	The Deputy Administrator reviews the journal entry in Quickbooks and approves it with the monthly reconciliations. Invoices received:
d	The Receptionist stamps the invoice with the date-received stamp with the current date displayed.
e	The Support Manager attaches the invoice with any supporting documentation.
f	The Receptionist will stamp and code the invoice to approve for payment and route to the Support Manager for processing.
g	After all bills are entered for payment, the Support Manager then prints checks through Quickbooks. The Deputy Administrator then reviews the checks and related bill/invoice. After review, the Deputy Administrator signs the check for payment and initials the invoice and check stub.
h	Management reviews the request for refund materials and determines whether the refund is compliant with the OARs for refunds. If approved, management signs and dates the form.
i	The accounts specialist files completed refund requests in the Registrant's file.

2. We obtained a schedule from management of all accounting transactions from Quickbooks that occurred during the Biennium ended June 30, 2023 and haphazardly selected 10 transactions. We performed procedures over the items selected to obtain evidence that the control took place. The results of our procedures are included in the table below:

Transactions Selected	Control A	Control B	Control C	Control D	Control E	Control F	Control G	Control H	Control I
1	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
2	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
3	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
4	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
5	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
6	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A
7	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A
8	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A
9	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A
10	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A
✓	= Procedure performed without exception								
N/A	= Control not applicable for this selection								
<b>Control Type</b>		<b>Control</b>							
<b>Revenues</b>	<b>A</b>	We noted the non-licensure revenue item was entered into Quickbooks by the Support Manager.							
	<b>B</b>	We noted the revenue item was included in the bank statement and the bank reconciliation was signed by the Board Administrator as evidence of review.							
	<b>C</b>	We noted the journal entry was approved by the Deputy Administrator							
<b>Expenses and Payroll</b>	<b>D</b>	We noted the invoice was date stamped.							
	<b>E</b>	We noted supporting documentation for each invoice.							
	<b>F</b>	We noted the Support Manager's review.							
	<b>G</b>	We noted the Deputy Administrator's approval of the check issuance.							

### Cash Handling

3. We obtained the following list of internal controls for cash handling transactions. We agreed the list of internal controls to the Board's policies and procedures without exception.

<b>Internal Control</b>	
a	When cash is received, the front desk emails the Accounts Department (cc: Support Manager) with following information: who from, how much, what for, and a note that the Font Desk will lock the cash away in the accounts locker for later processing.
b	Attach the bank receipt to the Deposit Batch Summary and Deposit Batch Detail and give to the Support Manager.

4. We obtained a schedule from management of all cash transactions that occurred during the Biennium ended June 30, 2023. Only one cash transaction occurred during the biennium. We performed procedures over the one item selected to obtain evidence that the controls took place. The results of our procedures are included in the table below:

Transaction Selected	Control A	Control B
1	✓	✓
✓	= Procedure performed without exception	
N/A	= Control not applicable for this selection	
Control A: We noted email support from front desk to accounts department with cash receipt information.		
Control B: Inspected bank receipt deposit batch summary and detail and agreed to cash receipt information from email support.		

**Licensing Individuals**

5. We obtained the following list of internal controls for licensing individuals. We agreed the list of internal controls to the Board’s policies and procedure without exception.

<b>Internal Control</b>	
	Individual applications that are received by US Mail are date stamped when received.
a	Applications that are submitted electronically will have a date completed within the record history.
b	Individual applications are reviewed for completeness and approved by the Registration Specialist. If requirements are met, the application is sent to the Board for approval, via the Registration Approval list.
c	Approved individual applications are sent an approval email generated by the database system.
d	Applications denied or withdrawn provide support for why application was denied or withdrawn. Withdrawn applications are noted in the system by the Registration Specialist. Application denials must be decided by the Board and will be recorded as such in the record. Withdrawn applications do not go in front of the Board.

6. We obtained a schedule from management of all licenses issued, denied, or withdrawn during the Biennium ended June 30, 2023 and haphazardly selected 8 licenses issued. Per inquiry of management and the schedule provided by management, there were no licenses denied or withdrawn during the biennium. We performed procedures over the items selected to obtain evidence that the control took place. The results of our procedures are included in the table below:

Licensees Selected	Control A	Control B	Control C	Control D
1	✓	✓	✓	N/A
2	✓	✓	✓	N/A
3	✓	✓	✓	N/A
4	✓	✓	✓	N/A
5	✓	✓	✓	N/A
6	✓	N/A	N/A	N/A
7	✓	N/A	N/A	N/A
8	✓	✓	✓	N/A
✓	= Procedure performed without exception			
N/A	= Control not applicable for this selection			
Control A: We noted a date stamp on all applications and registrations, and renewals.				
Control B: We noted the Registration Specialist's approval of the license in the Activity Log of the license management system (n/a for renewals.)				
Control C: We noted the license management system generated an Approval Letter with a sending timestamp (n/a for renewals.)				

### **Bank Reconciliations**

7. We confirmed bank balances with financial institutions that the Board uses as of June 30, 2023. We agreed the confirmations to the June 30, 2023 bank reconciliations without exception.
8. We obtained the following list of internal controls over bank reconciliations. We agreed the list of internal controls to the Board's policies and procedures without exception.

<b>Internal Control</b>	
a	No later than the 15th of each month, the Support Manager reconciles the Operating Funds account and the Public Funds account and prints the QuickBooks audit report. The reconciliation packet is given to the Deputy Administrator.
b	No later than the 20th of each month, the Deputy Administrator reviews and initials the reconciliation documents. Once approved, the Deputy Administrator gives the packet to the Administrator.
c	No later than the 25th of each month, the Administrator reviews and initials the reconciliation documents and the checks written that month. The Administrator will also review and initial the QuickBooks audit report.
d	Before the end of the month, the Administrator will communicate with the Board President the monthly financial documents are available for review. At a minimum, when present at the Board office, the Board President will review and sign off on the review sheet that the monthly financial information has been reviewed and confirmed.

9. We obtained a list from management of all bank reconciliations for the Biennium ended June 30, 2023 and haphazardly selected 3 reconciliations. We performed procedures over the items selected to obtain evidence that the control took place. The results of our procedures are included in the table below:

Reconciliations Selected	Control A	Control B	Control C	Control D
1	✓	✓	✓	✓
2	✓	✓	✓	✓
3	✓	✓	✓	✓
✓	= Procedure performed without exception			
N/A	= Control not applicable for this selection			
Control A: We noted the reconciliation was prepared by the Manager				
Control B: We noted the bank reconciliation was approved by the Deputy Administrator				
Control C: We noted the bank reconciliation was approved by the Administrator				
Control D: We noted the bank reconciliation was approved by the Board President				

10. We haphazardly selected 3 reconciling items from two of the bank reconciliations selected in Procedure 7 and agreed those reconciling items to supporting documentation without exception. One of the bank reconciliations selected in Procedure 7 contained no reconciling items to test.

***Revenues other than Licensing***

11. We obtained the following list of internal controls over revenues other than licensing (see items 3 & 4 above for internal controls over licensing). We agreed the list of internal controls to the Board's policies and procedures without exception.

<b>Internal Control</b>	
<b>a</b>	The Support Manager enters revenue items in Quickbooks.
<b>b</b>	Revenue received via Electronic Funds Transfers are automatically deposited into the Board's checking account. Revenue received via a Check follows check procedures. Monthly reconciliations are reviewed and approved.
<b>c</b>	The Deputy Administrator reviews the journal entry in Quickbooks and approves it during the monthly review of reconciliations.

12. We obtained a schedule from management of non-licensure revenues during the Biennium ended June 30, 2023 and haphazardly selected 10 non-licensure revenue items. We performed procedures over the items selected to obtain evidence that the control took place. The results of our procedures are included in the table below:

Revenues Selected	Control A	Control B	Control C
1	✓	✓	✓
2	✓	✓	✓
3	✓	✓	✓
4	✓	✓	✓
5	✓	✓	✓
6	✓	✓	✓
7	✓	✓	✓
8	✓	✓	✓
9	✓	✓	✓
10	✓	✓	✓
✓	= Procedure performed without exception		
N/A	= Control not applicable for this selection		
Control A: We noted the non-licensure revenue item was entered into Quickbooks.			
Control B: We noted the revenue item was included in the bank statement and the bank reconciliation was signed by the Board Administrator as evidence of review.			
Control C: We noted the journal entry was approved by the Deputy Administrator			

**Expenses**

13. We obtained the following list of internal controls over expenses. We agree the list of internal controls to the Board’s policies and procedures without exception.

Internal Control	
<b>a</b>	The Receptionist stamps the invoice with the date-received stamp with the current date displayed.
<b>b</b>	The Support Manager attaches the invoice with any supporting documentation.
<b>c</b>	The Receptionist provides the invoice to the Support Manager for approval for payment and route to the Deputy Administrator.
<b>d</b>	After all bills are entered for payment, the Support Manager then prints checks through Quickbooks and attaches each one to the appropriate bill/invoice. Those are all given to the Deputy Administrator for review and signature.

14. We obtained a schedule from management of expenses during the Biennium ended June 30, 2023 and haphazardly selected 10 expense items. We performed procedures over the items selected to determine if the internal controls identified above were followed. The results of our procedures are included in the table below:

Expenses Selected	Control A	Control B	Control C	Control D
1	✓	✓	✓	✓
2	N/A	✓	✓	✓
3	✓	✓	✓	✓
4	✓	✓	✓	✓
5	✓	✓	✓	✓
6	✓	✓	✓	✓
7	✓	✓	✓	✓
8	✓	✓	✓	✓
9	N/A	✓	✓	✓
10	N/A	✓	✓	✓
✓	= Procedure performed without exception			
N/A	= Control not applicable for this selection			
Control A: We noted that invoices received by mail were date stamped.				
Control B: We noted supporting documentation was retained for each invoice paid.				
Control C: We noted the invoice was coded and initialed by the Support Manager for approval.				
Control D: We noted the Deputy Administrator’s approval of the check issuance.				

**Budget and Board Financial Reporting**

15. We reviewed the final budget to actual report for the Biennium ended June 30, 2023 and noted that actual revenue for the biennium exceeded budgeted revenue by \$61,791. Actual expenditures for the Biennium did not exceed budgeted expenditures.

16. We reviewed the budget to actual report for the Biennium ended June 30, 2023 and identified the following budget line items that exceeded 10% of total revenues or expenses and had a variance exceeding 10% of budget. We obtained documented support for the variances and report on our findings as follows:
- a. PE Exam/Application Fees Revenue; actual was 18% greater than budget (\$149,080) which was driven by the Board receiving more applications for Professional Engineer licensure than anticipated.
  - b. Employer Paid Medical Expense; actual was 11% under budget (\$71,232) which was driven by vacant positions at the Board which in turn lowered expenses for Employer Paid Medical.

We identified the following budget line items that exceeded 10% of total revenues or expenses but did not have a variance exceeding 10% of total revenue or expenses for the Biennium, so did not perform any additional procedures. As follows:

- c. Renewals – Active Revenue; actual was 6% less than budget
- d. Class/Unclass Salaries; actual was 7% less than budget
- e. Total Personnel Services (which includes Class/Unclass Salaries, Employer Paid Medical Expense, and other personnel-related line items); actual was 7% less than budget

17. We obtained the following list of internal controls over Budgetary and Board Financial Reporting. We agreed the list of internal controls to the Board’s policies and procedures without exception.

<b>Internal Control</b>	
a	Every other month the Board Administrator will prepare a Finance Committee packet that contains a budget to actual report, a credit card use report (not required after Board Resolution dated July 12, 2022), as well as an Administrator’s report.

Board Reports Bi-Monthly	Jul- 21	Sep- 21	Nov- 21	Jan- 22	Mar- 22	May- 22	Jul- 22	Sep- 22	Nov- 22	Jan- 23	Mar- 23	May- 23
Control A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	= Procedure performed without exception											
Control A: We noted the Board packet contained a budget to actual report, a credit card use report (not required after Board Resolution dated July 12, 2022), as well as an Administrator's report												

**Financial Statements**

18. We obtained the internal financial statements prepared by management for the Biennium ending June 30, 2023 and compared the financial statements to the general ledger. The initial internal financial statements prepared by management on October 4, 2023 did not agree to the general ledger. Management provided updated financial statements prepared on December 21, 2023 which agreed to the general ledger.
19. We compared the schedules obtained for Procedures 2, 12, and 14 to the internal financial statements and/or the underlying general ledger accounts used by management to prepare the internal financial statements. We did not identify any differences between the schedules provided and the financial statements or general ledger.



We were engaged by the Oregon Board of Examiners for Engineering & Land Surveying to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on accounting records of the Oregon Board of Examiners for Engineering & Land Surveying for the Biennium ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Oregon Board of Examiners for Engineering & Land Surveying and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon  
January 16, 2024