ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

Date: November 29, 2021

Memorandum To: Northwestern Community Services Board

From: Robinson, Farmer, Cox Associates

Regarding: Audit for Year Ended June 30, 2021

In planning and performing our audit of the financial statements of Northwestern Community Services Board for the year ended June 30, 2021, we considered the internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 29, 2021 on the financial statements of Northwestern Community Services Board. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Accounts Payable Processing

The supporting documentation for two checks written to Winchester Psychiatric Consultants did not tally to the amount submitted for reimbursement. Check number 118865 resulted in an overpayment of $2,000 and check number 119418 resulted in an underpayment of $1,400 for a net overpayment of $600. We recommend that the documentation submitted for reimbursement be recalculated and checked for clerical accuracy during the processing of invoices.

Reserve Accounts

The two Reserve accounts with Wells Fargo Bank are not designated as public funds. In addition, Wells Fargo has threatened to remit the accounts to the State Treasury as Unclaimed Property due to the limited activity in each account. We recommend the Board authorize the CFO to transfer these reserve accounts to another bank. When transferred, the accounts should be designated as public funds by the new financial institution.

Use of Excel Spreadsheets

Excel spreadsheets are used for capital asset depreciation schedules and for accumulating accrued leave balances. The capital asset schedule included a formula error understating depreciation by $3,880 and the accrued leave schedule did not cap one employee's leave hours overstating the balance by $1,577. Spreadsheets are extremely useful for these purposes, but proof totals and other measures should be incorporated to ensure the schedules properly foot, capture all data, and are reliable for use in these circumstances. We recommend that management consider building logical controls into spreadsheets to protect their integrity (e.g., consider input fields in different colored font so data is not entered in the wrong cells, locking cells with formulas, proof totals to assist with balancing, etc.).