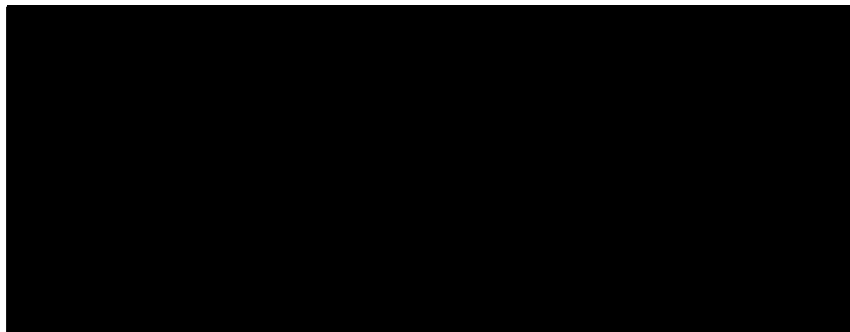
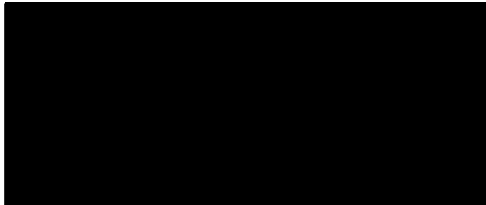





Recommendations To Management  
For The Year Ended June 30, 2018



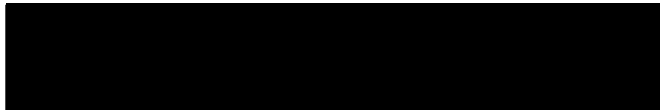


To the Board of Directors of

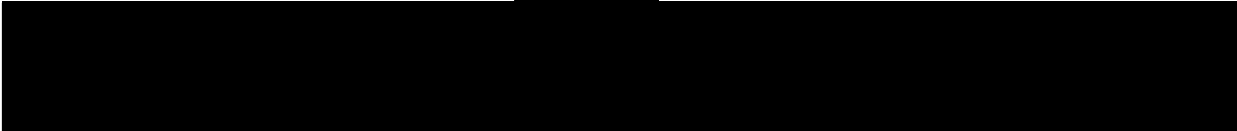

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In planning and performing our audit of the financial statements of the  (the “Organization”) as of June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization’s internal control over financial reporting (the “internal control”) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control. However, we noted certain internal control related matters, as well as opportunities for the Organization to improve or strengthen operational or administrative controls.

We would be pleased to discuss these recommendations and comments further with you. This report is intended solely for the information and use of the Finance Committee, Board of Directors, management and others within the organization and should not be used for any other purpose.



October 17, 2018



## RECOMMENDATIONS TO MANAGEMENT

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1. **Implement procedures to ensure credit card supporting documentation is properly obtained, maintained, and approved.**

- a. It is our understanding it is the supervisors responsibility to verify all receipts have been turned in by the employees. It is also our understanding there is no review or approval of the Executive Director's credit card statement for statements with balances under \$1,000.
- b. During our audit procedures, we reviewed credit card transactions for two employees and for two different months and noted one of the employees was missing receipts (both recurring and non-recurring transactions). This could have resulted in payment of unsubstantiated expenses.

We recommend the Organization implement procedures relative to maintaining an approved list of the monthly recurring charges on the credit cards as well as the expected monthly charge and business purpose. We also recommend the Organization establish a policy and procedure to ensure the Organization has supporting documentation for all non-recurring credit card transactions. The Organization may adopt a policy where receipts under a certain threshold are not required, however receipts above the threshold must be submitted. In the instances where a receipt can not be obtained (over the threshold), we recommend an affidavit be signed between the employer and the supervisor.

Furthermore, we recommend the Organization remove the threshold on when the Executive Director's credit statements require approval, as all credit card transactions should be reviewed and approved by an appropriate individual.

2. **Enhance controls over credit cards.**

During our audit procedures, it was determined that many employees possess and use company credit cards. We also noted some employees that don't have credit cards are sharing with other employees.

We understand credit cards have low credit limits, which is a good control and should be maintained. We do strongly recommend that credit cards be issued to only a few essential employees and that their usage be kept to a minimum in order to strengthen the internal controls over disbursements and help prevent misappropriation of assets. In doing this, the Organization should perform a review of card holders and each card

## **RECOMMENDATIONS TO MANAGEMENT**

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holders job duties and activity to determine which employees need credit cards. Additionally, the Organization should prohibit sharing of credit cards as this may be contributing to receipts not being turned in as well as determining who actually charged transactions.