

March 3, 2020

To: SEPO Board and Internal Audit Committee

Re: Internal Audit Committee Chair Report

As the Treasurer of the SEPO Board I will be responding to the findings of the Report submitted by the Chair of the Internal Audit Committee. While I don't agree with all the findings, there are many that should be implemented.

- A) This item refers to the Bylaws and the Board selecting a CPA or accountant to prepare financials. Unless I have read this wrong it does not require this to be an outside professional. All years but 2018 were done by a treasurer that was either a CPA or an accountant. The Financials are also reviewed by our Tax accountant in order to file the tax return. As occurred in 2019 adjustments are made per his recommendations in order to comply with tax requirements. The Board needs to decide if this is adequate or if an outside professional is required.
- B) The website postings of Financials for 2018. This item has already been corrected. Accurate financials for both 2018 and 2019 have been posted to the website. The reports are ones created straight from QuickBooks.
- C) Other expenses from 2019 Financials. This finding has already been corrected. When the Tax Accountant was working on the filings, he found the error. He gave us an entry to correct the error and those entries were given to Board at this meeting.
- D) QuickBooks as the only Official Financial System. This statement is correct and should be verified periodically. QuickBooks has no means of locking a year or a month. There are reports that can be run to check for any changes to prior years. There has also been a discussion with Valerie about not posting back in time.
- E) Changes in accounting policies and procedures. I agree that any changes should be brought to the attention of the Board. There are several changes I would like to make and will bring to the Boards attention. I have also discussed these items with the tax accountant, and he agreed with me. I have no problem with seeking outside opinions.
- F) No responses on the Chair report. This letter that I am writing shows clearly that I will be answering the reports while I am Treasurer. This information will be passed on to future Treasurers.

Hopefully I have covered adequately the concerns the report brought up and will be happy to meet with anyone who has concerns.

Thank you,  
Mecca Henry  
Treasurer, SEPO