

July 11, 2019

Board of Commissioners  
Capital District Regional Planning Commission

Dear Commissioners:

In planning and performing our audit of the financial statements of Capital District Regional Planning Commission (the Commission) for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our audit 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did, however, note certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated July 11, 2019 on the financial statements. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

1. Check Numbers

Finding

We noted 3 instances out of 25 tested where check numbers of the actual checks being cut and cashed did not agree to the check numbers in QuickBooks.

Recommendation

We recommend the check number in QuickBooks agree to the actual check numbers used.

2. Approval of Claim Vouchers

Finding

We noted 3 instances out of 25 tested where expense claim vouchers had not been signed by the Executive Director as required by policy. We did however, note the Executive Director did sign the checks for these 3 payments.

Recommendation

We recommend the Executive Director ensure all claim vouchers indicate his review and approval.

3. General Ledger Entries and Reconciliation Process

Finding

During our test work, we proposed two journal entries which management subsequently corrected. The entries overall impact was to increase accounts receivable and revenue amounts that had not been booked. We also noted the bank reconciliations within QuickBooks did not agree to the ending general ledger balance for all accounts. Management subsequently provided additional support for a reconciliation that did agree to the general ledger balance.

Recommendation

We recommend implementing a year-end review procedure to verify accrual entries and all reconciliations are properly recorded at year-end. Ideally this review should be done by someone not involved in the preparation of the accruals or reconciliations.

4. Information Technology

Information security continues to be a challenging and higher risk area for many organizations. The items identified below are based on current best practices. The Commission should consider the cost/benefit of implementing these best practices in the future.

- There is no formally documented information security policies and procedures.
- There is no computer incident/data breach policy in place.
- There has been no vulnerability testing performed on the network by an outside entity.

We would like to thank the management and employees of the Commission for their cooperation during the course of the audit. There are many favorable areas within the Commission which we have not made comment.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Commission, and it not intended to, and should not be used by anyone other than these specified parties.

Very truly yours,

*Marvin and Company, P.C.*