

AUDITOR'S COMMENTS TO MANAGEMENT

Board of Atchison County Commissioners
Atchison, Kansas

In planning and performing our audit of the financial statements of the County for the year ended December 31, 2021, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report, dated May 26, 2022, on the financial statements of the County.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and 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. Our comments are as follows:

1. During the audit, we tested 25 credit card transactions for compliance with the County's credit card usage policies. We noted four instances in which sales tax was paid and four instances where no receipt or supporting documentation was available to support the transaction. We recommend the County follow its policies for proper credit card usage.
2. During the audit, we noted bank reconciliations were not completed timely throughout the year. We also noted that bank reconciliations are not reviewed and approved by a qualified person independent of the reconciliation process. We recommend that all bank reconciliations be completed within 30 days of the end of the month being reconciled and be reviewed and approved by a qualified person independent of the reconciliation process.
3. During the audit, we noted that County's cash accounts were not properly tracked throughout the year within the County's accounting information system (AIS). This led to an approximately \$70,000 variance between actual balances and those reported by the AIS. We recommend that the County's cash accounts be properly tracked and reconciled within its AIS.
4. During the audit, we noted an entity that is separate from the County is using the County's Taxpayer Identification Number on a Certificate of Deposit. We recommend that the County review, with each of its official depositories, which organizations are allowed to use the County's Taxpayer Identification Number.
5. During the audit, we noted two bank accounts with the names of former employees listed as authorized signers. We also noted that there was not an authorized signer on three bank accounts who was still affiliated with the County as of December 31, 2021. We recommend a new signature card be prepared for these accounts.
6. During the audit, we noted the County has outstanding checks that were issued between 2014 and 2019. Per K.S.A. 58-3934 and K.S.A. 10-816, outstanding payroll checks that are one year or older should be remitted to the Kansas State Treasurer Office's Unclaimed Property Division. Outstanding accounts payable checks two years or older should be canceled and restored to the fund originally charged. We recommend the County follow these statutes regarding outstanding checks.

7. During the audit, we noted the County Treasurer's Office did not transfer the 5% fee assessed on Neighborhood Revitalization Rebate applications from the Neighborhood Revitalization agency fund into the General fund. We recommend that the revenue produced from this fee be transferred at the time Neighborhood Revitalization Rebates are paid.

This report is intended for the use of the Board of County Commissioners and other members of management of Atchison County, Kansas and should not be used by anyone other than these specified parties.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 26, 2022