



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

April 21, 2021

North Carolina State Board of Environmental Health Specialist Examiners  
Efland, North Carolina

In planning and performing our audit of the financial statements of the North Carolina State Board of Environmental Health Specialist Examiners (the "Board") as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

#### **Segregation of Duties**

Segregation of duties provides checks and balances to reduce the possibility of misstatements resulting from errors in judgment, dishonesty, personal carelessness, distraction or fatigue. Due to a limited number of personnel, there is a lack of segregation of duties in the Board's accounting and recordkeeping functions which could result in transactions being mishandled. To compensate for the lack of segregation of duties, during 2020 the Board reviewed various accounting and cash disbursement records on a regular basis. Also, the Board performed random testing of cash receipts during the year. These procedures included selecting a sample of licensees and tracing their annual renewal fee to the actual deposit in the bank. We recommend that the Board continue to perform these cash receipt and disbursement procedures to help compensate for the lack of segregation duties.

This communication is intended solely for the information and use of management, the Board, others within the North Carolina State Board of Environmental Health Specialist Examiners, the NC Office of the State Auditor and NC Office of the State Controller, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Anderson Smith & Wike PLLC*

Anderson Smith & Wike PLLC  
Rockingham, North Carolina