

Board of Directors and Management of  
North Carolina Social Work Certification  
and Licensure Board  
Asheboro, North Carolina

In planning and performing our audit of the financial statements of the business-type activities of the North Carolina Social Work Certification and Licensure Board as of and for the year ended June 30, 2022 and 2021, in accordance with auditing standards generally accepted in the United States of America, we considered North Carolina Social Work Certification and Licensure Board's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Carolina Social Work and Certification and Licensure Board's internal control. Accordingly, we do not express an opinion on the effectiveness of North Carolina Social Work Certification and Licensure 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Board'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 North Carolina Social Work Certification and Licensure Board's internal control to be significant deficiencies:

1 – Significant deficiency regarding segregation of duties:

A good system of internal control procedures contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Board does not have sufficient personnel to permit an adequate segregation of duties in all respects for an effective system of internal control procedures, it is important that you be aware of this condition and continue to closely monitor the accounting functions. Management and the Board of Directors should continue to closely monitor financial statements for reasonableness and fluctuations from expectations.

2 – Significant deficiency regarding preparing financial statements:

The Board's internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the audited financial statements and is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Board has limited controls over the financial reporting process including preparation of financial statements and footnote disclosures. While we recognize it may not be cost efficient for the Board management to prepare the financial statements and footnote disclosures, it is noted that management has adequate knowledge of and reviews the preparation of the audited financial statements.

3 – Significant deficiency regarding closing entries to the financial statements:

During our audit, we noted that the books were accounted for using the cash basis of accounting. Generally accepted accounting principles require that the Board's financial statements be presented on the accrual basis of accounting. We recommend that the Board convert their books at year-end from the cash basis to the accrual basis before the audit begins.

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

Very truly yours,

*RH CPAs, PLLC*

Lexington, North Carolina  
September 8, 2022