



Board of Directors and Management
Northwest Colorado Council of Governments
Silverthorne, Colorado

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Northwest Colorado Council of Governments as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our communication dated August 4, 2020.

Preparation of Financial Statements

Northwest Colorado Council of Governments engages CLA to assist in preparing its financial statements, accompanying disclosures, related components of fund balance and the schedule of expenditures of federal awards. In addition, this includes posting adjusting journal entries in order to present the general fund on the modified accrual basis of accounting. However, as independent auditors, CLA cannot be considered part of the Northwest Colorado Council of Governments' internal control system. We recommend Northwest Colorado Council of Governments review and enhance its year-end closing procedures to ensure the general ledger and trial balances include all adjustments necessary to prepare its financial statements in accordance with generally accepted accounting principles.

Information Technology System and Segregation of Duties

Northwest Colorado Council of Governments has an inherent problem it shares with other entities of its size in that it has limited number of personnel performing accounting and administrative functions; therefore, complete segregation of duties and responsibilities is not practical. This includes the journal entry review process; user access within the information technology systems and monthly reconciliations surrounding accounts receivables. This situation emphasizes the need for on-going Board review of the Northwest Colorado Council of Governments' operations as a compensating control for user access within Quickbooks, employee issued credit cards and the journal entry review process.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
August 4, 2020.