

Berg
Lehmann

April 24, 2017

The Corporation of the City of Rossland
1899 Columbia Ave.
Rossland, BC V0G 1Y0

Attention: Elma Hamming, CFO

Dear Ms. Hamming:

We have completed our audit for the year ended December 31, 2016 during which we obtained an understanding of your organization's system of internal controls. The purpose was to provide a basis for determining the nature, extent, and timing of other auditing procedures necessary for expressing an opinion on your organization's financial statements. Accordingly, our review of any given control was limited, depending on its materiality, its relevance to financial reporting and the degree of our anticipated reliance on it, if any, in forming our opinion on the statements. Such a review would not necessarily disclose all weaknesses in the system or all matters which an in-depth study might raise.

However, our review did reveal an instance where we believe improvements could be made in your organization's controls, and accounting procedures. While we are satisfied that our audit procedures are sufficient to enable us to report on the financial statements, the suggestions to follow would, in our opinion, strengthen the protection of your organization's assets as well as achieve other operating improvements. The comments to follow concern systems only, and are not intended to reflect on the competence of your personnel.

A lack of segregation of duties was noted in the purchasing and payments cycle.

A key internal control in the purchasing and payment cycle of segregating the posting, payments and bank reconciliations was not in place during the year. We understand that due to staffing changes, the CFO is currently tasked with reconciling the bank accounts while also solely able to process cheques and electronic payments and posting to the g/l. While we did not identify any resulting instances of fraud or error, we recommend that segregation in these duties be made as soon as possible. It also protects the CFO from any misperception.

This suggestion is not intended to include every matter but is provided as part of a continuing dialogue between the City and us.

We also would like to express our gratitude for the courtesy and assistance shown to us by you and your staff throughout the audit.

Should you have any questions regarding the audit, please contact our office.

Yours truly,

BERG LEHMANN



Andrea Kramar, CPA, CA

Chartered
Professional Accountants
& Business Advisors

513 Victoria Street
Nelson BC
V1L 4K7

phone 250.352.3165
fax 250.352.7166
advice@BergLehmann.ca
www.BergLehmann.ca