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May 17, 2024

To the Board of Directors
and Lisa Helms, Executive Director
South Gilliam County Health District

In planning and performing our audit of the financial statements of the governmental activities, business-type activities and each major fund of South Gilliam County Health District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered South Gilliam County Health District'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 South Gilliam County Health District's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Gilliam County Health District'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 significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist and not be identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be material weaknesses.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in South Gilliam County Health District's internal control to be material weaknesses:

LACK OF SEGREGATION OF ACCOUNTING DUTIES

The Executive Director and Ambulance Service's bookkeeper are authorized to sign the Health District's and Ambulance Service's checks respectively. Each maintains the accounting records of their respective division. Internal control is weakened when one individual can execute a transaction and can also record a transaction. As an offsetting control, large Health District checks and all Ambulance Service checks are signed by a second person. We recommend authority to sign checks be separated from those employees who record transactions.

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

Sincerely,

A handwritten signature in blue ink that reads "Dennis L. Barnett". The signature is stylized with a large, looped "D" and a cursive "Barnett".

Dennis L. Barnett