

MEMORANDUM

TO:	The Administrative Commission, Synod of the Covenant
FROM:	Jen Malohn, Partner, DeMarco & Associates LLC, CPA's
DATE:	5/7/2021
SUBJECT:	Changes to Proposed Services – 2020

Original proposed services for 2020:

1. After client entered transactions are completed, the outside bookkeeper would take the information and perform the necessary reconciliations to clean up the accounts so that a Financial Statement Review engagement could be performed by DeMarco & Associates. This Review report would only include 2020 as a single year presentation. We would estimate fees to be similar to the prior year's fees for the Review (the last three year's fees average was approximately \$7,900). If additional time is required outside the normal review engagement, we will communicate directly to management.

2. As an additional agreed upon procedure, DeMarco & Associates would perform an analysis of the internal controls in place by interviewing relevant staff and examining certain processes and procedures. We would include a written letter of control recommendations that we feel should be implemented, to enable the Organization's records to be auditable for 2021. The estimated fees for this service would not exceed \$3,000.

Revised proposed services for 2020:

1. After a preliminary review of financial information submitted for Review procedures, it was determined that the 2020 financial information was not ready for our Review procedures. The outside bookkeeper who had historically helped to get the books and records ready for the Review engagement was not able to help the way we had planned. DeMarco & Associates advised the client to seek other Quickbooks support to help get the information ready for the Review. The intention is to work through the summer to get the support that is needed and for DeMarco & Associates to perform the Review Engagement later than originally planned, but, to be able to present the report and financial statements at the Administrative Commission meeting scheduled for August 27th. Other details associated with the Financial Statement Review would be unchanged.

2. After consideration of the best way to approach an internal controls engagement, DeMarco & Associates believes that providing information and holding a training session over internal controls, for key individuals, tailored for the size of the Organization would be the best approach. This would be a Consulting engagement, rather than an Agreed Upon Procedures engagement. We will plan to invite the Interim Executive, Charles, the Office Manager, Heather Deeb and the Stated Clerk, Sharon Moore. We also would like to extend the invitation to any member of the Administrative Commission, who would be interested in attending. We will plan to hold this session in August 2021, and hopefully, be able to include the results of this on the August 27th Administrative Commission meeting agenda. We will issue a memo of the items covered in the session, as well as pertinent details of the discussion to memorialize the engagement. After such session, we believe that management and those charged with governance will be able to set the foundation for their new control environment, with policies and procedures to ensure proper controls are in place and operating. We believe the cost of such services would still not exceed \$3,000.