



Board of Commissioners
Gates County, North Carolina

In planning and performing our audit of the financial statements of Gates County, North Carolina as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of the County as of and for the year ended June 30, 2018. A separate report dated June 25, 2019, contains our report on material weaknesses in the County's internal control. This letter does not affect our report dated June 25, 2019, on the financial statements of the County.

The following items are offered as constructive suggestions to be considered as part of the ongoing process of modifying and improving the County's practices and procedures:

Cybersecurity

The Information Technology environment is characterized by rapid change. Thus, any risk assessment and control activities, as they relate to IT, need to be monitored and reviewed on a regular basis. During our review we noted that Gates County is utilizing an IT framework in evaluating its cybersecurity risk management. However, we recommend that the framework currently being used by management add a monitoring component as new IT risks can emerge, controls and other mitigations can lose effectiveness, and new procedures can be deployed to address changing risk. A regular review or monitoring component to an IT framework is a key part of an effective internal control framework and risk management process. We recommend the County implement a monitoring component to address new and unique risks of a cybersecurity attack against the County.

Closing Thoughts

We have already discussed many of these comments and suggestions with various County 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, the Board of Commissioners, and others within the County, and is not intended to be, and should not be, used by anyone other than those specified parties.

We appreciate serving Gates County, North Carolina and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 25, 2019