



Honorable Mayor and Members of City Council
Management
City of Littleton
Littleton, Colorado

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Littleton the as of and for the year ended December 31, 2020, 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 other deficiencies in internal control 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 report on the financial statements dated July 27, 2021.

General Disbursements – W-9 Review

During our audit, we noted that City of Littleton does not have a consistent process in place to review and obtain updated W-9's from vendors. In reviewing the general disbursements samples, we noted that 4 of the 22 vendors did not have W-9's. As a result, payments could be made to a fictitious vendor. Best practice is to obtain an updated W-9 for each vendor annually.

Recommendation

Management should establish a periodic review process to ensure that updated W-9's are obtained for vendors to help prevent fraudulent transactions from occurring.

Management's response

The finance department understands the importance and has discussed this with staff. We will be establishing an annual process to obtain updated W-9's from vendors.

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.

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This communication is intended solely for the information and use of management, Honorable Mayor and Members of City Council, 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

Broomfield, Colorado
July 27, 2021