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June 20, 2023

Central West Specialized Developmental Services
53 Bond Street
Oakville, Ontario
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Dear Ms. Kocken, VP Finance and Administrative Services

During the course of our audit of the financial statements of Central West Specialized Developmental Services for the year ended March 31, 2023, we identified matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The responsibility for producing financial statements and ensuring adequate internal controls and sound business practices is the responsibility of the Board of Directors through management and is a part of management's overall responsibility for the ongoing activities of the organization. Policies and procedures developed by the organization to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guidelines provided. Where we determined, from our testing, that there exists a need for improvement in existing systems of internal control or if we detected that the organization's staff are not complying with the critical accounting policies and procedures provided by management, we increased our year-end testing of account balances to ensure that audit risk was kept to an appropriately low level.

The comments and concerns expressed herein did not have a material effect on the organization's financial statements and, as such, our opinion thereon was without reservation. However, in order for the organization to ensure the safeguarding of its assets and the accuracy of its records, we believe our comments and concerns should be taken into consideration by management. Our comments are not intended to reflect upon the honesty or competence of the organization's employees.

The matters we have identified are discussed in Appendix 1.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the cooperation and assistance which we received during the course of our audit from Kelly Kocken and Hewaida Michael.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours truly,

Jean M. Prichard, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

/TB

Appendix 1

Control Weaknesses

Title	Weakness	Effect	Recommendation
Administrative Users	BDO noted that individual(s) in the financial reporting function maintain privileged access to SSC and ADP.	Lack of segregation of duties could result in staff posting unauthorized transactions, creating false employee profiles, or committing errors undetected due to the incompatibility of these functions.	BDO recommends that privileged access be limited to individuals outside of financial reporting functions.
Password Settings	BDO noted that sufficient user authentication controls are not enforced for Sage 300, allowing users to generate and utilize weak passwords.	Weak password controls increase the risk of unauthorized access to the application. This access can then be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.	BDO recommends the implementation of length settings in addition to the added complexity settings.
User Revocation	Controls around user revocation are insufficient in SSC. 1. Documentation and data are not available regarding disable dates of users. 2. User lists are not periodically reviewed. 3. BDO noted a terminated employee did not have their access revoked upon termination.	There is an increased risk that unauthorized users maintain access to the relevant applications. This access can be utilized to submit and process unauthorized transactions or make direct inappropriate changes to data.	BDO recommends implementing a process that involves ensuring employee access is revoked in a timely manner and it is logged. The process should include a requesting party that submits the request to a separate user administrator as soon as possible. The administrator should then return a confirmation once the removal has been approved and performed.

User Provisioning - Documentation	BDO noted that granting new user accesses for SSC is sometimes an informal process with no documentation.	Without formal user access provisioning processes, unauthorized and/or inappropriate access can be granted. Consequently, this access can then be utilized to submit and process unauthorized transactions, and/or make direct inappropriate changes to data.	BDO noted one provision with a documented request. BDO recommends ensuring this is followed for all provisions.
External Access	BDO noted that the external team for changes to SSC retains perpetual access to your systems.	Perpetual access can lead to inappropriate changes being developed and released, which can be harmful to financial information.	The current process for Sage changes and related BAASS access is sufficient. BDO recommends implementing configurations similar to this for SSC.
Logical Access - Banking	BDO noted users with the ability to manage users without system-enforced dual-authorization in the banking system.	This increases the risk of misstatement because users can be added/managed to circumvent the dual approval over transactions, allowing for fraudulent or erroneous transactions.	BDO recommends implementing dual-authorization for user provisions.