

**TOWN OF
WEST BOYLSTON, MASSACHUSETTS**

Management Letter

For the Year Ended June 30, 2015

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Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

To the Board of Selectmen
Town of West Boylston, Massachusetts

In planning and performing our audit of the financial statements of the Town of West Boylston, Massachusetts as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal accounting 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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

Melanson Heath

January 19, 2016

FOLLOW-UP ON PRIOR YEAR RECOMMENDATIONS:

1. Follow Through on Student Activity Fund Audit Recommendations

Prior Year Issue:

In the prior year, we recommended that the Town implement recommendations outlined in the June 30, 2010 student activity fund audit report.

Current Year Status:

During the current year, the School Department performed an audit of the student activity funds as of June 30, 2014. The report included several findings related to strengthening student activity fund policy and procedures.

Further Action Needed:

We continue to recommend the Town implement the recommendations outlined in the student activity fund audit reports. We also recommend that the School Department review and implement new guidelines and audit procedures over the student activity funds as required by the Massachusetts Department of Elementary and Secondary Education.

Town's Response:

The School Department has completed implementation of the corrective actions recommended in the FY2014 Student Activities Audit. An audit of FY2015 is also planned.

2. Improve Controls over Departmental Receipts

Prior Year Issue:

In the prior year, we recommended the Town work towards strengthening current policies and procedures over departmental receipts by addressing the following areas:

- Ensuring receipts are issued for customers paying in cash.
- Ensuring checks are stamped "for deposit only" by the departments at time of collection.
- Ensuring departmental records are reconciled to general ledger revenues.
- Ensuring cash receipts are held in secure locations during the day and overnight.
- Ensuring proper segregation of duties over collection receipts, preparing and making turnovers, and maintaining departmental records.

Current Year Status:

During our annual departmental receipt testing, we noted the following areas where controls could be strengthened within the Fire Department:

- The Department was unaware that a formal Town receipt policy exists.
- Checks were not being stamped “for deposit only” by the department at time of collection.
- Segregation of duties was lacking – the same individuals collecting receipts also prepare and make turnovers and keep departmental records with limited or no documented oversight.
- Receipt logs were formally approved when turnovers were created, however, the log was not subtotaled to ensure that it agrees to the turnovers.

Further Action Needed:

We continue to recommend the Town work towards strengthening current policies and procedures over departmental receipts by addressing the areas noted above.

Town's Response:

All Departments were emailed the Amended Cash Policy in April 2015 and reminded of its provisions as they specifically applied to Prior Year Findings. All Departments have been advised to issue receipts for Cash collected at all times, not just when requested.

The Fire Chief has additionally been provided with a hard copy of the Cash Policy and it was discussed with him. Clarification was provided on turnover procedures which will be instituted immediately, including the necessity to subtotal the receipt log to reconcile with turnover sheets. The segregation of duties is a difficult circumstance to remedy given the staffing of the Department. The firefighters along with the Chief are collecting the receipts. The proceeds are secured in a locked box with a mail slot opening, thus not allowing for removal by anyone other than the Chief when he is preparing to turn over the funds to the Treasurer. All receipts are reconciled to the permit logs and are then stamped for deposit. The deposit stamp is also kept in a secure place with the Chief having sole access to it. A prenumbered permit/log process is being instituted to further strengthen the internal controls in the department.