

TOWN OF LEE, MASSACHUSETTS

MANAGEMENT LETTER

June 30, 2021

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Adelson & Company PC

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Selectmen of
TOWN OF LEE, MASSACHUSETTS

Dear Members of the Board of Selectmen:

In connection with our audit of the financial statements of the Town of Lee, Massachusetts as of June 30, 2021, we have made a review of the Town's accounting procedures and internal control. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for the Town's consideration, suggestions for changes in procedures, which in our opinion, would strengthen internal control or contribute to the improvement of operating efficiency.

The comments and recommendations in this letter are based upon observations made in the course of such review. The review was not designed for the purposes of expressing an opinion on internal accounting control, and it would not necessarily disclose all weaknesses in the system.

Please indicate in the "Action Taken" space of the letter, what corrective measures the Town intends to implement with regard to each recommendation, which will be part of the final letter. After you have had an opportunity to consider our comments and recommendations, we shall be pleased to discuss them further with you.

We would like to express our thanks and appreciation to the Town and its personnel for the cooperation given us during the course of our audit.

Sincerely yours,

ADELSON & COMPANY PC

March 2, 2022

Comments and Recommendations

1. Additional time was spent auditing the School Department grants and the End of Year Report (EOYR). The School Department had difficulty locating certain grant documents requested during the audit. The crosswalk document used by the School in the preparation of the EOYR was inadvertently deleted from the School's computer network and could not be recovered. In recent years, the Superintendent has taken on the added responsibility of maintaining grant documentation as well as preparation of the EOYR, functions which were previously performed by a Business Manager.

Recommendation:

- a. The School Department should retain grant documents sorted by fiscal year. Each grant file should include a copy of the contract (including scope of services), DESE fund code, contract number, total award amount and budget, and federal assistance listing number, if applicable.

The information noted above should also be summarized in a spreadsheet to facilitate year-end reporting.

- b. To ensure proper segregation of duties, the EOYR should be prepared by the School's Accounting staff, and reviewed and approved by the Superintendent prior to submission to DESE. All supporting documentation used in the preparation of the report should be retained in a separate file to facilitate year-end auditing of the EOYR.
- c. The School Department should review the backup and recovery system of its computer network, and ensure that adequate procedures are in place to mitigate the risk of loss of data.

Action Taken:

The School Department agrees with the auditors' recommendations, and plans to make adjustments to the procedures noted above and implement the changes by the end of the current fiscal year.

Status of Prior Year Recommendation

1. As recommended, during fiscal year 2021, the Town reviewed its bank accounts and determined where accounts can be closed or consolidated.