

***TOWN OF OAK BLUFFS, MASSACHUSETTS***

***MANAGEMENT LETTER***

***YEAR ENDED JUNE 30, 2021***

To the Honorable Select Board  
Town of Oak Bluffs, Massachusetts:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oak Bluffs, Massachusetts (the Town) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we became aware of matters that are opportunities for strengthening internal controls and enhancing operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters.

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



July 22, 2022

**TOWN OF OAK BLUFFS, MASSACHUSETTS**

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## **CURRENT YEAR COMMENT**

## **DEPARTMENTAL RECEIVABLES**

### Comment

In addition to tax and user fee receivables that are committed by way of the Assessing and Wastewater departments the Town's financial statements also reflect other receivables, such as amounts owed to the Town relative to the ambulance service, police detail, and various grant programs. These receivables are typically referred to as a "departmental receivable" and should be monitored on a regular basis. Current practice suggests that this process is occurring only at or near the end of the fiscal year.

### Recommendation

We recommend that the Town review current policies and procedures to develop a more coordinated effort to review departmental receivables at interim dates other than the end of the fiscal year.