

TOWN OF TEWKSBURY, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020

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To the Honorable Board of Selectmen
Town of Tewksbury, Massachusetts

In planning and performing our audit of the financial statements of the Town of Tewksbury, Massachusetts as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Tewksbury, Massachusetts' 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.

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

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel, and 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.

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

A handwritten signature in black ink that reads "Powers & Sullivan, LLC". The signature is written in a cursive, flowing style.

October 28, 2020

TOWN OF TEWKSBURY, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020

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Current Comment

Trust Funds Reconciliation

Comment

The Town maintains their investments for their Other Postemployment Benefit (OPEB) trust fund with the Health Care Security Board of Trustees (HCSBT) whom they named as Trustee of the OPEB Fund and as such has authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs the HCSBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT) Fund. At the Town's 2019 Annual Town Meeting, it was voted that \$858,932 be used to fund the OPEB trust. In August 2019, the Treasurer's Office transferred the funds to the PRIT account. In September 2019, the Treasurer's Office transferred the funds into the PRIT account a second time. Due to the nature of the account, the funds could not be withdrawn to adjust for this error.

The Town does have proper reconciliation procedures in place. The funds transfer request originates in the Finance Office when they make the transfer in the general ledger. The Treasurer's Office inadvertently used the same funds transfer request in September that they had received in August. The error was recognized when they performed the September reconciliation.

Recommendation

We recommend the Treasurer's Office implement a system that verifies transfers made to trust fund accounts be verified within QuickBooks and with the bank account activity prior to the funds being transferred.

Prior Comment

Develop Written Disaster Recovery Policies

Prior Comment

Over the past few years, Town and School management have begun the process of creating a written disaster recovery plan. We encourage this process to continue. The time to make contingency plans is before disaster strikes, so that all personnel will be aware of their responsibilities in the event of an emergency situation that precludes the use of the existing facilities.

A disaster recovery plan should include, but not be limited to, the following matters:

1. Location of, and access to, off-site storage.
2. A listing of all data files that would have to be obtained from the off-site storage location.
3. Identification of a backup location (name and telephone number) with similar or compatible equipment for emergency processing. (Management should make arrangements for such backup with another organization, a computer vendor, or a service center. The agreement should be in writing.)
4. Responsibilities of various personnel in an emergency.
5. Priority of critical applications and reporting requirements during the emergency period.

We noted that management has upgraded the MUNIS, Student Data Management, and general data applications, including the associated hardware and that backup procedures are being redesigned to assure offsite backup of data.

In addition to the improvements noted above, we continue to recommend that all Town disaster recovery procedures be documented. We also recommend that Items 3, 4 and 5 be addressed in the document.

Status – Partially Resolved. The Town has begun to develop a written Disaster Recovery Plan.