

TOWN OF WINCHESTER, MASSACHUSETTS
MANAGEMENT LETTER
JUNE 30, 2022



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Management
Town of Winchester, Massachusetts

In planning and performing our audit of the financial statements of the Town of Winchester, Massachusetts (Town) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 a deficiency in internal control (other than significant deficiencies and material weaknesses) that is an opportunity to strengthen your internal control and improve the efficiency of your operations. The memorandum that accompanies this letter summarizes our comment and recommendation regarding this matter. This letter does not affect our report dated December 16, 2022.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Town personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

The Town's written response to the matter identified in our audit has not been subjected to the audit 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, the audit advisory committee, the select board and others within the Town, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
December 16, 2022

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Comments and Recommendations

Master Financial Policies and Procedures

Comment

Several years ago, the Town developed and implemented formal, written financial policies and procedures. With some exceptions, the policies and procedures have not been formally reevaluated and updated since the initial implementation.

Financial policies and procedures should be periodically evaluated and modified to:

- Verify they accurately reflect current practice
- Determine they are complete and address all aspects of the Town's financial transactions
- Reflect changes in laws, regulations, technology, operations, etc.

In addition, while the Town has done significant work with risk assessment and monitoring, continued measures must be taken to fully establish a written comprehensive risk assessment and monitoring program.

Recommendation

We recommend the Town update/establish a "Master" formal financial policies and procedures document that encompasses all financial operations of the Town, including but not limited to risk assessment and monitoring and federal grants requirements.

We recommend the Town utilize third-party(ies) as needed to assist with this endeavor. Also, since this is a long-term project, the Town should prioritize which areas of the document to address first.

Management's Response

Town Management agrees with this recommendation and will make this a priority.