

To the Board of Selectmen
Town of Wayland, Massachusetts

In planning and performing our audit of the financial statements of the Town of Wayland, Massachusetts as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Wayland'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 deficiencies, significant deficiencies, or material weaknesses. In addition, because of the inherent limitation in internal control, including the possibility of management's override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

After you have had an opportunity to consider our comments and recommendations, we would be pleased to discuss them with you.

December 2, 2017

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PRIOR YEAR RECOMMENDATION:

1. Improve Automation in Tax Collector's Office

Prior Year Issue:

In the prior year, we recommend the Town consider automation improvements in the Treasurer/Collector Office. Specifically, the software should contain some of the following features:

- Integration with the Town Accountant's records.
- Automation of cash register and receipt validator.
- Automation of daily cash-out function.
- Optical scanning of tax bills for posting receipts to customer accounts.

Current Year Status:

The Town hired a new IT Director in fiscal year 2016 and we understand will consider incorporating this project into the fiscal year 2018 budget.

Further Action Needed:

We continue to recommend the Town consider automation improvements in the Treasurer/Collector Office. The above noted features should result in improved efficiency, eliminating the need for many manual and time-consuming procedures as well as provide additional mitigating controls given the limited number of employees in the office.

Town's Response:

CURRENT YEAR RECOMMENDATIONS:

2. Improve Controls Over Payroll

Our inquiry of the Town's payroll cycle disclosed that the Clerk had the ability to adjust pay rates. As a result, a lack of segregation of duties exists whereby one individual can control all elements of a transaction.

We recommend that the Town improve controls over payroll by ensuring all rate adjustments are processed and/or approved by Human Resources.

Town's Response:

3. Adhere to a Formal Water Billing Schedule

Fiscal year 2017 water revenues (prior to any accrual basis adjustments) were approximately \$575,000 (15%) less than budgeted. The shortfall appears to result from the late issuance of the fourth quarter bills. Specifically, bills were issued in late June 2017, whereby similar bills from fiscal year 2016 were issued in late May 2016.

We recommend that the Town create and adhere to a strict billing timetable to avoid future revenue shortfalls.

Town's Response:

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