

TOWN OF SCOTLAND, CONNECTICUT

**COMMUNICATION OF CERTAIN
INTERNAL CONTROL RELATED MATTERS**

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022**

To management of the Town of Scotland, Connecticut:

In connection with our audit of the financial statements of the Town of Scotland, Connecticut (the Town), as of June 30, 2022 and for the year then ended, auditing standards generally accepted in the United States of America (US GAAS) and *Government Auditing Standards* (GAS) require that we advise management of certain internal control related matters identified during our audit.

Our responsibilities

Our responsibility, as prescribed by US GAAS and GAS, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes consideration of 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 opinion on the financial statements, but not for the purpose of identifying deficiencies in internal control or expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion on the effectiveness of the Town's internal control.

Deficiencies in internal controls

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 an entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we identified matters that are opportunities to strengthen internal control, improve operating efficiency and/or update policies and procedures to best practices. The auditor comments and recommendations that accompanies this letter summarizes these matters. This letter does not affect our independent auditor's report dated December 19, 2022 on the Town's 2022 financial statements, or our independent auditor's report dated December 19, 2022 on the Town's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

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



Glastonbury, Connecticut
Certified Public Accountants
December 19, 2022

TOWN OF SCOTLAND, CONNECTICUT
AUDITOR COMMENTS AND RECOMMENDATIONS

Recommendation 001: eGrants Management System

The Town's School District is required to report certain grant activity in the State of Connecticut's Department of Education's eGrants Management System. There were a number of differences between the expenditure information reported in the eGrants Management System and the actual expenditures recorded in the School District's accounting system.

Although the eGrants Management System was subsequently revised, we recommend that a detailed reconciliation be performed and maintained in order to ensure the accuracy of the expenditure information reported in the eGrants Management System.

Recommendation 002: Procurement Policy

The Uniform Administrative Requirements require that grantees use its own documented procurement procedures when procuring goods and services paid for by federal awards. The Town currently follows a procurement policy that promotes free and open competition. However, we recommend that management identify key differences between the Town's procurement policy and the Uniform Administrative Requirements to ensure that the Town complies with federal regulations, when applicable.