



**Powers &  
Sullivan, LLC**  
CPAs AND ADVISORS

***TOWN OF HARWICH, MASSACHUSETTS***

***MANAGEMENT LETTER***

***JUNE 30, 2022***

To the Honorable Board of Selectmen  
Town of Harwich, Massachusetts

In planning and performing our audit of the financial statements of the Town of Harwich, Massachusetts, as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Harwich, Massachusetts' 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 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.

The Town's written responses to the comments identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Harwich, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

*Powers & Sullivan LLC*

February 28, 2023

TOWN OF HARWICH, MASSACHUSETTS

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***Current Year Comment and  
Recommendation***

## **Internal Control over the Tax Recapitulation Process**

### Comment

There were two articles totaling \$1,786,673 approved at the May 2021 Annual Town Meeting to be funded with long-term bonds. This amount was not recorded correctly on the tax recapitulation sheet, and, as a result, the amount raised in taxes was overstated by \$1,786,673 as these articles were incorrectly included in the amount to be raised as well as in the amounts to come from the bond authorization. The Town has issued bonds for these projects in fiscal year 2022, so the capital projects have been funded. The excess amount raised was recorded in the general fund.

### Recommendation

We recommend the Town implement a tighter control process over the preparation and review of the tax recap to ensure that similar errors do not occur in the future.

### Management's Response

Upon review of the May 2021 Annual Town Meeting Certificate of Appropriation and the Fiscal Year 2022 Tax Rate Recapitulation, it appears that this is a onetime error that lends to an explanation as to the Town's increase in Fiscal Year 2022 Free Cash Certification over the prior year.

To implement the recommendation for tighter control, the Annual Town Meeting Certificate of Appropriation for 2023 has been used to proof to the tax recapitulation sheet columns to page 4 Appropriations in Gateway.