To the Board of Finance  
Town of East Haddam, Connecticut

In planning and performing our audit of the financial statements of the Town of East Haddam, Connecticut, 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 East Haddam, Connecticut’s 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 of East Haddam, Connecticut’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of East Haddam, Connecticut’s internal control.

We noted the following matters involving the internal control over financial reporting and its operation that we offer as constructive suggestions for your consideration as part of the ongoing process of modifying and improving accounting controls and administrative practices.

**Bank Reconciliations**

During the fiscal year, the Town of East Haddam added sweep accounts to their portfolio to increase investment income to the Town. As a result, bank reconciliations were more complex and there was a delay in preparing these reconciliations. Performing timely bank reconciliations is a key internal control for an organization in order to isolate errors in financial reporting and accurately report the financial position of the Town on a regular basis. We recommend that procedures be strengthened and adequate staff time assigned for the preparation and approval of all bank reconciliations on a monthly basis.

**Journal Entries**

Year-end closing entries should be subsequently reviewed by someone other than the preparer in order to verify they were posted correctly and appear reasonable. We recommend the Town strengthen its segregation of duties whenever feasible and have all journal entries subsequently reviewed prior to posting to the financial management system.

This letter should be read in conjunction with our report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated November 17, 2017.

This communication is intended solely for the information and use of management, Members of the Board of Finance, Board of Selectmen, others within the organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

West Hartford, Connecticut  
November 17, 2017