

SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2019

To the Township Board
Charter Township of Oshtemo, Michigan

In planning and performing our audit of the financial statements of the Charter Township of Oshtemo (the Township), as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal 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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

Receipts - Receipts received in the mail are opened and logged into Township's receipt receiving software under single control. Therefore, there is no assurance that all receipts are recorded to the Township's general ledger software. Internal controls should be in place to ensure that undeposited receipts are safeguarded and that the receipts received by the Township have made it to the bank. Subsequent to the audit fieldwork, when this risk was identified, the Township has since taken steps to mitigate this weakness by adopting and implementing a policy to have all mail receipts opened and logged under dual control or the watch of a security camera. As the Township moves forward with implementing this procedure, we encourage the Township to stress the importance of consistent and proper execution of this procedure to all staff.

To the Township Board
Charter Township of Oshtemo
June 23, 2017

This communication is intended solely for the information and use of management of the Township and others within the Charter Township of Oshtemo, and is not intended to be, and should not be used by anyone other than these specified parties.

Sincerely,

Seber Tans, PLC

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