

**MINUTEMAN-NASHOBA HEALTH GROUP**  
**MANAGEMENT LETTER**  
**MAY 31, 2010**



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To the Board of Representatives of  
Minuteman-Nashoba Health Group

In connection with our audit of the financial statements of Minuteman-Nashoba Health Group (the Group) for the year ended May 31, 2010, we are presenting for your consideration, our comments and recommendations regarding internal control and other matters.

In planning and performing our audit in accordance with auditing standards generally accepted in the United States of America, we considered the Group's internal control over financial reporting 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 Group's internal control. Accordingly, we do not express an opinion on the effectiveness of the Group's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged in governance. A material weakness is a significant deficiency, or combination of significant deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Group'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 preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified one condition in internal control that we consider to be a significant as defined above.

We are also submitting for your consideration comments and recommendations which are not considered to be significant deficiencies but are intended to improve operations and internal control.

The comments and recommendations presented herein are intended to improve the system of internal control or result in other operating efficiencies. The factual accuracy of our comments has been discussed with management to obtain their concurrence before the development of our recommendations for improvement. Matters commented on represent conditions found during the audit and have not been reviewed subsequent to the date of this report.

A management letter is critical by nature because its purpose is to identify areas where improvements can be made. Accordingly, we have not commented on positive attributes of the Group's financial management systems. It is also important to understand that it is generally not practical to achieve ideal internal control in the complex governmental accounting environment and we recognize that practical considerations are an important factor in changing administrative practices and internal controls. The Group should weigh the advantages and disadvantages of the suggested changes over the present practice and procedure.

This letter is intended solely for the information and use of management, the Board of Representatives, others within the Group, and is not intended to be and should not be used by anyone other than these specified parties.

*Malloy, Lynch, Bienvenue, LLP*

December 13, 2010

**STATUS OF PRIOR YEAR COMMENTS**

In connection with our audit of the Group's financial statements for the year ended May 31, 2010, and prior years, we have commented on several issues. The Group has acted on or considered these comments and made changes as considered necessary and cost effective for the Group. The status of prior year comments is noted below.

**1. Segregation of duties – a significant deficiency in internal control**

Last year, and in prior years, we have commented that the lack of segregation of duties over the processing, recording, reconciling and financial reporting of financial transactions represents a significant deficiency in internal control.

We understand the Group has considered this condition, as well as additional compensating controls that help to mitigate the Group's overall risk however current auditing standards require us to continue to communicate this condition to you.

We recommend the Board of Representatives continue to monitor its financial activities on an ongoing basis and implement changes where and when practical and cost effective for the Group.

Management's Response: The Board intends to take under advisement and to continue to monitor and evaluate financial reporting and internal controls on an ongoing basis.

**2. Financial policies and procedures**

In prior years, we recommended the Group consider documenting and formalizing some of its informal and traditional policies and procedures which have been in place and relied upon over the years. These include documenting an investment policy; a risk assessment policy; as well as documenting detailed financial reporting policies and procedures.

To the extent financial policies and procedures are not documented, current auditing standards require us to continue to communicate this to the Group.

We recommend the Group consider documenting its financial reporting process, including identifying "key" internal controls and the mechanisms in place to ensuring these controls are in place and operating as intended. As part of this documentation, we recommend the Group provide for documenting its risk assessment practices with regard to financial reporting.

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