

To the Board of Trustees  
Dukes County Pooled OPEB Trust Fund

In planning and performing our audit of the financial statements of the Dukes County Pooled OPEB Trust Fund (Trust) as of June 30, 2014, and for the period from inception (November 1, 2010) through June 30, 2014, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Trust'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 Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

However, during our audit we became aware of a deficiency in internal control (other than significant deficiencies and material weaknesses) that is an opportunity to strengthen your internal control. The following summarizes our comment and recommendation regarding that matter. This letter does not affect our report dated August 4, 2015, on the financial statements of the Trust.

### **Service Organization Controls**

#### Comment

The Trust utilizes a third-party service provider (service organization) for investment management purposes. Service organization controls are an extension of the Trust's internal controls and, as such, the controls employed by the service organization should be monitored to ensure that internal controls over financial reporting are effective and functioning as intended.

The most effective and efficient way for the Trust to accomplish its monitoring efforts is to obtain a Service Organization Control (SOC) report, or SOC 1 report, from its third-party service provider. The SOC 1 report provides an opinion on controls at a service organization that are likely to be relevant to a user entity's internal control over financial reporting

Prior to beginning our audit, the Trust had not requested a SOC 1 report from its investment management company. During our audit, such a request was made and the report was received by the Trust and forwarded to us for audit purposes.

#### Recommendation

We recommend the Trust request (annually) a SOC 1 report from its investment management company.

We recommend management review the SOC 1 report for control deficiencies and discuss such deficiencies with the investment management company to determine that controls have been established to mitigate the finding(s).

We will review the status of this comment during our next audit engagement. We have already discussed the comment and recommendation with Trust personnel, and we 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 recommendation.

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

Boston, Massachusetts  
August 4, 2015

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