

November 19, 2018

To the Management of the Town of Brunswick,
Maine and Brunswick School Department:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Brunswick, Maine as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Brunswick, Maine's 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 of Brunswick, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Brunswick, Maine's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town'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 first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of certain other matters that are an opportunities for strengthening internal controls and operating efficiency. The attached schedule summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated November 19, 2018 on the financial statements of the Town of Brunswick, Maine.

The Town of Brunswick, Maine's responses to the comments in the attached schedule have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Management of the Town of Brunswick,
Maine and Brunswick School Department
November 19, 2018

We wish to express our appreciation for the cooperation and assistance we received from the officials and employees of the Town of Brunswick, Maine during the course of our audit. We will review the status of these comments during our next audit engagement. We have already discussed them with various Town and School 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 recommendations.

This communication is intended solely for the information and use of management, the Finance Committee, Town Council, School Board, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, reading "Raymond Kurten Ouellette". The signature is written in a cursive style with a large initial 'R'.

TOWN OF BRUNSWICK, MAINE
Schedule of Comments and Responses
June 30, 2018

School Activity Fund Receipts and Disbursements

During our testing of the receipts process at the Brunswick Junior High School, we found fifteen items out of forty tested which were not deposited within one week of collection. While the School has no formal policy regarding the timeliness of deposits, we recommend that all funds received be deposited within one week of collection to prevent misuse, theft, or errors.

In our selected sample of forty cash disbursements from the Brunswick High School, we found six instances where there was no documented approval. Additionally, two of the forty disbursements tested had no supporting documentation (i.e., invoice or receipt). We recommend that each transaction be supported by proper documentation and that all disbursements be reviewed and approved prior to payment.

Also, during our testing over the school activity funds, we found that the Brunswick High School had sixty-seven outstanding checks totaling \$8,765.98 which were over a year old. These checks should be researched, voided, and reissued to the appropriate vendor. If the reissued checks are not claimed within six months the School Department should follow applicable laws and regulations to submit unclaimed property to the State of Maine.

Management Response/corrective action plan:

The Business Office will revise the student activity procedures to include the recommendations made by the audit team. We will then meet with the responsible parties at BHS and BJHS to go over revised procedures and will begin random on-site reviews for compliance. The Bookkeeper will work directly with BHS to assist with the clean-up of the outstanding checks. Student activity fund outstanding checks will be included as part of the annual outstanding check review process conducted by the Business Office for the general funds.

Contact person responsible for corrective action:

Kelly Wentworth, Business Manager, (207) 319-1900

Recreation Wage Rates

In our test of controls related to the payroll process, we found that several recreation employee wage rates were not formally approved by the Department Head. It is the Town's procedure to use standardized forms to document any changes to an employee's wages, which must be approved by the appropriate Department Head. Due to the seasonal nature and changing roles within the Recreation Department, formal approval was never obtained for the changes to employee wages. We suggest that the Recreation Department utilize the same standardized forms as the other Town departments to help facilitate a clear record of wage rate approval.

Management Response/corrective action plan:

The Recreation Department has adjusted its procedures to utilize the Town's standardized Personnel Transaction Form for wage changes of seasonal buildings and grounds employees, and for when part-time employees work outside their standard contracts. For summer recreation program employees, the department will file copies of the employment contracts signed by the department head.

Contact person responsible for corrective action:

Julia Henze, Finance Director, (207) 725-6652

TOWN OF BRUNSWICK, MAINE
Schedule of Comments and Responses
June 30, 2018

School Lunch Claim Forms

During our review of the school lunch claim forms filed with the State of Maine, we noted variances between the meal counts reported on the claim forms and the underlying documentation. The variances found were immaterial to the school lunch program. To avoid these types of errors in the future, we recommend implementing a review procedure to the claim form preparation process. This review will ensure any errors, insignificant or otherwise will likely be discovered before the claim forms are submitted to the State of Maine.

Management Response/corrective action plan:

This had already been addressed when the FY18 audit began. The meals in question were being tracked manually which resulted in the errors described. The Brunswick Nutrition program purchased an electronic point of sale system for that site over the summer and the meals are now recorded electronically along with all of the other sites. Monthly counts now come directly from the reports generated by the tracking software.

Contact person responsible for corrective action:

Kelly Wentworth, Business Manager, (207) 319-1900