

November 20, 2017

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, 2017, 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 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 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 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 20, 2017 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 20, 2017

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, appearing to read "Pamyan Kursten Quellitter".

TOWN OF BRUNSWICK, MAINE
Schedule of Comments and Responses
June 30, 2017

School Activity Fund Receipts and Disbursements

During our testing of the receipts process at the Brunswick Junior High School, we found four items out of twenty-two 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 Junior High School, we found two instances where gift cards were purchased with School funds. We recommend that the School avoid the purchase of gift cards as it creates a potential risk for misuse of funds. If it is deemed necessary to purchase gift cards, we suggest having the ultimate recipient sign a form acknowledging receipt of the gift cards to ensure the gift cards are being used for their intended purpose.

Also found in our sample selection of cash disbursements from the Brunswick Junior High School were two instances where a blank check was provided to an employee for purchase of supplies. While we found no evidence of wrongdoing or misuse, the practice of providing blank checks creates unnecessary risk. If supplies are needed and the cost is unknown, we suggest the employee purchase the items personally and seek reimbursement by providing a proper receipt or invoice to the activity fund administrator.

Management Response/corrective action plan: *The business office will meet with the responsible parties at BJHS to complete an update of and review of proper procedures and will conduct quarterly reviews for compliance.*

Contact person responsible for corrective action:

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

School Journal Entry Approval

In our tests over controls related to the adjusting journal entry process at the School central office, we found that journal entries were routinely prepared and posted by a single individual. Journal entries inherently pose a risk as it is a way to bypass other established control processes. We recommend that every journal entry should involve two individuals, one person to prepare the entry and another individual to review the entry. This review process will aid in reducing the risk of management override of controls.

Management Response/corrective action plan: *This has already been addressed. A process for review and sign off by the Business Manager (or Superintendent) was implemented immediately after the auditor had this discussion during their October visit.*

Contact person responsible for corrective action:

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