



Runyon Kersteen Ouellette

Certified Public Accountants and Business Consultants

January 15, 2025

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, 2024, 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 matters that are opportunities for strengthening internal control and operating efficiency. The attached schedule summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated January 15, 2025 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
January 15, 2025

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 "Runyan Kristen Ouellette".

TOWN OF BRUNSWICK, MAINE
Schedule of Comments and Responses
June 30, 2024

School Subsidiary Ledger Reconciliations

During our year end audit procedures over the School's accounts receivables, we noted that the accounts receivable subsidiary ledger was not reconciled to the general ledger. General ledger journal entries were made directly to the receivable account instead of individual customer accounts within the subsidiary ledger. These journal entries don't update the subsidiary ledger, causing the detailed list of receivables in the subsidiary ledger to no longer match the trial balance. As a result, the system is not adequately tracking receivables from grants and other customers. We recommend accounting staff reconcile the accounts receivable subsidiary ledger to the general ledger as part of the monthly closing process. Journal entries should not be made directly to the accounts receivable account and instead, should be addressed within the invoicing function of the accounting software.

Management's Response: The Finance Director will work closely with the Accounts Coordinator to reconcile accounts receivable to the general ledger regularly as part of the reconciliation process. The business office has had three out of four new employees over the 2023-2024 school year and they worked diligently to learn the financial software and accounting expectations when working between two fiscal years. Through the audit process, there is now a better understanding of how the accounts receivable module works and how it connects to the ledger. It is clear to the finance department that changes to invoices and accounts receivable should be done through the AR module invoicing process.

Junior High Cash Receipts

As part of our audit procedures, we tested a sample of forty cash receipts from the Brunswick Junior High School student activity account. Our testing revealed that three of the forty receipts tested were not deposited in a timely manner (within 1 week of collection). Any time cash or checks are collected and held on-site, there is an increased risk of loss as these funds are more susceptible to fraud or error. We recommend that funds raised and collected be deposited in a timely manner to properly safeguard the funds from fraud or misuse. Additionally, we suggest implementing proper segregation of duties, when possible, to ensure all transactions are reviewed and approved to minimize unnecessary risk.

Management's Response: The comment regarding the timeliness of deposits has been reviewed with the responsible parties at BJHS. Moving forward, every effort will be made to deposit cash and checks received within the recommended one week timeframe. The BJHS School Principal reviews each deposit and the Business Office will monitor this monthly and will provide assistance if needed.

School Journal Entry Review Process

As part of our audit procedures, we tested a sample of the School's journal entries for proper support and approval. We noted there is currently no review and approval process for general journal entries. Lack of review and approval can lead to unintentional errors, management override of controls, and potentially fraud. We suggest utilizing forms (similar to the Town) or creating an approval workflow within the Infinite Visions software so that entries cannot be posted unless approved.

Management's Response: The Finance Director and Financial Accounts Coordinator are the only two employees who complete manual journal entries. Each Journal Entry will be reviewed by both employees and initialed once reviewed and approved. Back up for each journal entry will be included as appropriate.

TOWN OF BRUNSWICK, MAINE
Schedule of Comments and Responses, Continued
June 30, 2024

Written IT Policies

During our review of the Town's general IT controls, we noted that although some IT policies have been written or are in progress, there were no written policies over (1) physical security and access to programs and data that prevent unauthorized use, disclosure, modification, damage or loss of data; or (2) formalized change management policies and procedures including policies and procedures related to emergency changes. We suggest these IT control policies and procedures be developed to ensure the Town's IT policies and procedures are fully documented.

Management's Response: Management acknowledges observation regarding the absence of written policies for physical security, access controls, and change management procedures. We recognize the importance of comprehensive IT policies and are committed to further developing and formalizing these areas to enhance the Town's IT governance framework.