

TOWN OF BRAINTREE, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

To the Honorable Mayor and the Town Council
Town of Braintree, Massachusetts

In planning and performing our audit of the financial statements of the Town of Braintree, Massachusetts as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Braintree, Massachusetts' 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

However, during our audit we became aware of several matters that represent opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel and 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.

The Town's written responses to the comments identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

A handwritten signature in cursive script that reads "Powers & Sullivan, LLC".

December 23, 2020

TOWN OF BRAINTREE, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020

TABLE OF CONTENTS

	PAGE
<i>Current Year Comments</i>	1
MUNIS Student Activity Module	2
Information Technology Audit.....	2
<i>Informational Comment</i>	4
Future Government Accounting Standards Board Statement for Leases.....	5

Current Year Comments

MUNIS STUDENT ACTIVITY MODULE

Comment

The High School, South Middle School, and East Middle School each maintain detailed records relating to their student activities on Excel spreadsheets. The manual process increases the risk that transactions will not be properly reviewed or recorded.

During FY21, the Town converted their general ledger software to a new provider (Munis). The provider offers a module for student activities which would record and monitor the individual student activities through the Town's general ledger providing greater internal control over the process. This provides multiple benefits including reimbursements completed through the warrant process instead of manual checks along with timely cash reconciliations.

Recommendation

We recommend the Town look into and consider implementing the student activity module that is offered through the Munis software suite.

Management's Response

The Town will contact Munis and request information about the student activity module, including cost and a demonstration of the product. If the decision is made to add the module to the existing Munis products, this would serve to enhance the current accounting procedures for the student activity accounts.

INFORMATION TECHNOLOGY AUDIT

Comment

During the fiscal year, the Town engaged outside consultants from the firm that provides internal audit services for the Town to perform a review of its information technology system.

The review mainly focused on:

- Software access and permissions that restrict technology resource access to approved users and maintain proper segregation of duties;
- Verify physical IT assets are adequately monitored; and
- Inspect the new MUNIS implementation.

In addition, the consultants completed external network penetration testing to identify vulnerabilities, if any, that would expose the Town's technology network perimeter to intrusion opportunities.

The report, which focused on Municipal operations and on School operations separately, identified several areas for strengthening the Town's information technology system. These areas included:

- Formalizing IT policies and procedures;
- Revoking access to critical applications for terminated employees; and
- Formalizing a Change in Management policy and procedures.

Recommendation

We concur with the recommendations made in the above mentioned report and recommend that management work with their internal auditors to implement the proposed changes and develop procedures to regularly monitor these systems.

Management's Response

We will continue to work with the Town and School IT departments, including the Braintree Electric Light Department, and our internal auditors, to implement the recommendations of the outside consultants. This will include implementation of a new Multi-Factor Authentication (MFA) solution that adds a second layer of validation for Town IT users.

Informational Comment

FUTURE GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT FOR LEASES

Comment

The Governmental Accounting Standards Board (GASB) has issued a new pronouncement that will significantly affect the accounting and reporting requirements for capital and operating leases. The new standard is required to be implemented in fiscal year 2022 and will impact your financial statements.

For the Town, the most significant impact is for their operating leases. The Town currently reports operating leases for school buses and for golf carts where only footnote disclosure is required. The reporting of these type of leases under the new standard will more closely follow the capital lease requirements currently in place where the related asset and liability amounts will need to be reported on the Statement of Net Position.

Recommendation

We recommend that management begin to evaluate these changes for financial statement reporting and disclosure purposes.

Management's Response

The Town is aware of the new reporting requirement for leases and we will be attending training on implementation of this new GASB Statement in April 2021.