

***TOWN OF BRAINTREE, MASSACHUSETTS***

***MANAGEMENT LETTER***

***JUNE 30, 2021***

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, 2021, 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.



March 29, 2022

**TOWN OF BRAINTREE, MASSACHUSETTS**

**MANAGEMENT LETTER**

**JUNE 30, 2021**

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## ***Current Year Comments***

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## STATUS OF THE MUNIS SOFTWARE CONVERSION

Munis Software, from Tyler Technologies. The following is a quote from one of Tyler's marketing brochures:

*"Munis, a powerful enterprise resource planning (ERP) solution, integrates your finances, payroll, human resources, purchasing, capital assets, revenue streams and more. It breaks down departmental data silos, streamlines processes and eliminates duplicate data entry. With role-based dashboards, automated workflows, wizards and integration with Microsoft productivity tools, Munis helps you work more efficiently. You will have the tools and business intelligence you need to be more responsive to your constituency".*

### Comment

Management of the Town of Braintree provided the following summary of the status of the Munis software conversion:

The Town of Braintree began a Town-wide Munis software conversion from the former SoftRight software of the following major areas: General Ledger, Excise Taxes, Payroll, Property Taxes, Utility Billing and Tax Title. This process began in January of 2020, with planned in-person training and go-live support from Munis staff on all applications beginning with the General ledger component. As a result of the COVID pandemic, Munis stopped the in-person training and the go-live services across the country in March 2020. The transition to remote training and services, contributed to the conversion being significantly delayed. Additionally, the Town was negatively impacted by Munis staff turnover in both the Munis trainers and project managers on several applications. Also, the turnover of Town staff, including the project manager, certain school department personnel and the water and sewer department personnel, resulted in additional unanticipated delays.

The general ledger system conversion, originally scheduled for April 1, 2020, was implemented on July 1, 2020. The Town-wide payroll system go-live date was delayed several times and finally went live on January 1, 2022; motor vehicle excise taxes was implemented on August 6, 2021; and real estate and personal property taxes were implemented January 25, 2022. The Munis budget system is being fully implemented for FY 2023 with the payroll system being implemented on January 1, 2022 for Calendar Year reporting 2022. The utility billing system is scheduled for June 1, 2022 and, finally, the tax title on June 30, 2022.

Software conversions are very time-consuming and are never an easy process, especially for a complete ERP solution that the Town has undertaken. The conversion affects virtually all employees in the Town. Those with responsibilities over accounting and financial reporting have felt the greatest impacts of this. Many have had to work with both software systems while the conversion progressed and routine functions like reconciliations and reporting have been delayed somewhat. This affected the timing and completion of the annual independent audit. A significant portion of our audit was completed during the normal timeframe of September and October, but final reconciliations of cash and accounts receivable did not become available until the end of February 2022. This caused the overall audit completion to be delayed by about 3 months for the current year.

### Recommendation

There is no formal recommendation related to this update other than to encourage everyone to keep the progress moving towards completing the remaining tasks in accordance with the implementation schedule. We'd also like to complement Management on the progress made to date in light of the Pandemic and all of the unexpected challenges that came about because of it.

## ***Prior Year Comments***

## **MUNIS STUDENT ACTIVITY MODULE**

### Previous 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.

### Previous 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

Management has obtained information on the Student Activity Module but has not given it a high priority at this time due to the other areas of Munis that need attention.

## **INFORMATION TECHNOLOGY AUDIT**

### Previous 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.

### Previous 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

Management, including the Town and School IT Departments and the BELD, are working with their internal auditors and outside consultants to document and implement the recommendations made in the IT audit.

## ***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

Management is aware of the new reporting requirements and is prepared to implement these changes as required in FY2022.