



*Proven Expertise & Integrity*

December 4, 2024

Selectboard  
Town of Harrison  
20 Front Street  
Harrison, Maine 04040

### **MANAGEMENT LETTER**

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Harrison as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Town of Harrison's internal control over financial reporting or compliance.

During our audit we became aware of several matters referred to as "management letter comments" that offer opportunities for strengthening internal control and improving operating efficiencies of the Town of Harrison. The following pages summarize our comments and suggestions on those matters.

This report is intended solely for the information and use of the Selectboard, management and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2022, where we expressed an unmodified opinion on our independent auditor's report dated December 4, 2024.

**Cash Disbursements:**

While performing the audit for the above-mentioned fiscal year, we noted that the Town could not provide documentation to substantiate all disbursements made from its financial institution. We recommend that management review and revise its procedures to require that documentation be on file to substantiate all disbursements made from its financial institution in compliance with generally accepted accounting principles (GAAP), to help ensure that all transactions are properly recorded, to help reduce the risk of loss and to help avoid material misstatements in the financial statements.

While performing the audit for the above-mentioned fiscal year, we noted that not all disbursements were being approved for payment prior to warrants being approved and signed by the Selectboard. We recommended that management review and revise its procedures to ensure that all disbursements have been properly authorized by applicable personnel before being presented to the Selectboard for approval, to help ensure that all transactions are properly recorded, to help reduce the risk of loss and fraud and to help avoid material misstatements in the financial statements.

While performing the audit for the above-mentioned fiscal year, we noted that some disbursement documentation included details that indicated tax was charged to the Town by the vendor. We recommend that management review and revise its procedures to ensure that all purchases are properly processed by vendors under the Town's tax exempt ID, as issued by the State, to help reduce the risk of fraud and to help ensure that cash disbursements are not issued by the Town which include tax.

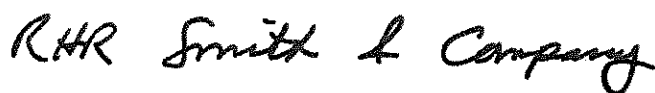
**Bank Reconciliations:**

While performing the audit for the above-mentioned fiscal year, we noted that the Town has outstanding checks remaining on bank reconciliations that were older than 6 months from the date of issuance. We recommend that management establish procedures that address all outstanding checks that are older than 6 months from the date of issuance to help ensure accuracy and completeness of transactions in the correct reporting period and to help avoid material misstatements in the financial statements. (Some examples of ways to address these checks are: voiding and reissuing a new check to the payee, contacting the payee directly, submitting the payment information through the State's Unclaimed Property Program for payees who cannot be contacted or who do not respond.)

We would like to thank Maureen, Cass and all of the staff at the Town of Harrison for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,



RHR Smith & Company, CPAs