

MUNICIPALITY OF BRENTFORD

INTERNAL CONTROL REVIEW

May 14, 2025

MUNICIPALITY OF BRENTFORD
MUNICIPAL OFFICE
May 14, 2025

Governing Board:
Ryan Remily, Board President
Bryce Ruesink
Michael Smith

Finance Officer:
Jessica Smith

Clerk:
Alene Duff

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427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE, SD 57501-5070
(605) 773-3595

RUSSELL A. OLSON
AUDITOR GENERAL

REPORT ON THE LIMITED STUDY OF INTERNAL CONTROL
PERFORMED IN ACCORDANCE WITH SOUTH DAKOTA CODIFIED LAW 4-11-4.1

Governing Board
Municipality of Brentford
Brentford, South Dakota

We have made a study of selected elements of internal control of the Municipality of Brentford (Municipality) in effect on May 14, 2025. Our study was performed pursuant to South Dakota Codified Law (SDCL) 4-11-4.1 and was limited to selected accounting controls contained in the codified laws and other selected controls we felt were significant to the Municipality. Our study was not conducted in accordance with the standards established by the American Institute of Certified Public Accountants for the purpose of giving an opinion on internal control in effect at the Municipality.

The management of the Municipality is responsible for establishing and maintaining internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objective of internal controls is to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in internal controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the internal controls to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operations of policies and procedures may deteriorate.

Our study was more limited than would be necessary to express an opinion on internal control of the Municipality. Also, our study would not necessarily disclose all significant weaknesses in internal controls of the Municipality. Accordingly, we do not express an opinion on internal control of the Municipality in effect on May 14, 2025.

However, our study did disclose weaknesses in internal controls of the Municipality in effect on May 14, 2025, as discussed below:

- a. The governing board did not publish a complete list of employees' salaries with the proceedings of the first meeting of the year for 2024 or 2025 as required by SDCL 6-1-

10. We recommend the governing board publish a complete list of employees' salaries with the proceedings of the first meeting of the year as required by SDCL 1-25-2 and 6-1-10.

b. Determined the Municipality did not prepare an agenda for board meetings as required by SDCL 1-25-1.1. We recommend the finance officer prepare and post an agenda in accordance with SDCL 1-25-1.1.

c. The Municipality did not properly maintain the following necessary records:

1. General Ledger of Cash by Fund
2. Water, Sewer and Garbage Accounts Receivable General Ledger Control
3. Revenue Budget Record
4. Expenditure Budget Record

We recommend the Municipality properly establish and maintain the necessary accounting records.

d. The Municipality did not prepare vouchers to support the payment of claims. SDCL 9-23-1 requires that before any claim against any municipality is allowed that an itemized invoice must be accompanied by a voucher. The use of a voucher facilitates the approval, coding and verification of the claims against the Municipality. We recommend the Municipality properly prepare vouchers to support all claims against the Municipality as required by SDCL 9-23-1.

e. Invoices were paid prior to being approved by the governing board contrary to SDCL 9-23-1.

The statute does allow the governing body of the municipality to authorize the prepayment of claims provided the municipality has adopted an ordinance in advance that specifies the maximum amount allowable for any such prepayment and if a service contract exists.

We recommend that expenditures, voucher and invoice support, be approved by the governing board prior to payment, except if the governing board allows prepayment for specific purchases through an ordinance as required by SDCL 9-23-1.

This report is intended solely for the use of management and the governing board and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Russell A. Olson
Auditor General

May 14, 2025