

NH Department of Revenue Administration
Municipal & Property Division
P.O. Box 487, Concord, NH 03302-0487
(603) 230-5090

REPORT OF LOCALLY ELECTED AUDITOR(S)

RSA 41:31-d

Municipality: GROTON Audit Fiscal Year: 2019
 Type of Municipality (Town, School or Village District): TOWN
 Mailing Address: 754 N. GROTON Rd
GROTON NH 03241
 Phone #: 603 744 9190 Fax #: 603 744 3388 E-Mail: selectmen@GROTON NH.ORG
 Contact: SARA Smith Phone #: 603 744 9190 E-Mail: _____

Under RSA 41:31-c I, all municipalities shall annually, or more often as necessary, conduct an audit of the accounts of any officer or agent handling funds of the municipality. Elected auditors conducting such audits shall follow audit procedures outlined in NH Code of Administrative Rules, REV 1904 and REV 1907.

This form shall be used by the locally elected auditor to conduct and report the audit required under RSA 41:31-c and 41:31-d.

- | | |
|-------------------------------------|---------------------------|
| <input checked="" type="checkbox"/> | Part 1. Financial Records |
| <input checked="" type="checkbox"/> | Part 2. Treasurer |
| <input type="checkbox"/> | Part 3. Tax Collector |
| <input type="checkbox"/> | Part 4. Trustees |
| <input type="checkbox"/> | Part 5. Town Clerk |
| <input type="checkbox"/> | Part 6. Library |

In the boxes, indicate date the sections of the form were completed.

Locally Elected Auditor or Board of Locally Elected Auditors - Please Sign in Ink.

Under penalties of perjury, I declare that I have completed this form and to the best of my belief the information is true, correct and complete.

Date: 3/25/20
Sara M. Gipe

FOR DRA USE ONLY

Part 1. General Ledger/Financial Records/ MS-5, MS-25, MS-35

Questions

1 Who maintains the (general ledger) financial records?

Pam Hamel
Name/position

2 What software system is used for the general ledger?

(ex. Quickbooks; Excel; Peachtree; BMSI, etc.)

EXCEL

3 Who has access (posting capability) to either the general ledger or the general ledger software? (attach list if necessary)

Pam Hamel
Name

treasurer
Title

Name

Title

Name

Title

4 Do debits equal credits in the general ledger trial balance?

Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5 Are balances from the general ledger used to prepare the MS-5, MS-25, or MS-35 report?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6 Are the following activities maintained as separate funds in the general ledger (if applicable)?

	Yes	No	N/A
General Fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water activity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sewer activity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Library activity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Trustees of trust funds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
School grants	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School lunch	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Revolving Funds (identify: <u>PARKS + Recreation Revolving Fund</u>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Public Deposit Investment Pool</u>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Groton Conservation Fund</u>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Police Department Revolving Fund</u>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Groton Yield Tax Account</u>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Old Home DAY FUND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
7 Does the cash balance in the general ledger match the Treasurer's reconciled bank balances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How often are they reconciled?			
<input checked="" type="checkbox"/> Monthly			
<input type="checkbox"/> Quarterly			
<input type="checkbox"/> Annually			
8 Is a copy of the Treasurer's monthly bank reconciliation reports provided to the bookkeeper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Does the person who maintains the general ledger also:			
Sign (authorize) checks?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Control unused check stock?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prepare bank reconciliations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Handle incoming receipts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10 Does the general ledger track receivable balances for:			
Property taxes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unredeemed taxes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sewer?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other (identify): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 Does the general ledger track accounts payable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Are general ledger receivable balances reconciled to the Tax Collector's detail receivable lists (if applicable)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How often?			
<input checked="" type="checkbox"/> Monthly			
<input type="checkbox"/> Quarterly			
<input type="checkbox"/> Annually			
13 Does the general ledger system provide budget versus actual expenditure reports?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, to whom are the budget versus actual reports distributed?			

How often? _____			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
14 Are general ledger adjusting journal entries made?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, are they approved by anyone other than the preparer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name and title of person who approves:	<u>BOARD of Selectmen</u>		
15 Are computer back-ups of the general ledger performed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How often?			
<input checked="" type="checkbox"/> Daily			
<input type="checkbox"/> Weekly			
<input type="checkbox"/> Monthly			
16 Are computer back-ups stored off site?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, where?	<u>Cloud online CARbonite</u>		

Part 1. General Ledger/ MS-5, MS-25, MS-35 Testing

MS-5, MS-25, or MS-35 Financial Report

Yes No N/A

1 Do the following balances on the year end MS-5, MS-25, or MS-35 report match the general ledger?

General fund revenues	<input checked="" type="checkbox"/>	_____	_____
General fund expenditures	<input checked="" type="checkbox"/>	_____	_____
General fund balance sheet	<input checked="" type="checkbox"/>	_____	_____
Other funds revenues	<input checked="" type="checkbox"/>	_____	_____
Other funds expenditures	<input checked="" type="checkbox"/>	_____	_____
Other funds balance sheet	<input checked="" type="checkbox"/>	_____	_____

If no, explain problems/discrepancies encountered:

General Ledger (and Subsidiary Ledgers)

2 Do the year end general ledger cash and investment balances match the Treasurer's bank reconciliations?

<input checked="" type="checkbox"/>	_____	_____
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If no, explain problems/discrepancies encountered:

3 Do the following year end general ledger receivable balances match the Tax Collector's year end annual MS-61 report (towns only)?

Property taxes	_____	<input checked="" type="checkbox"/>	_____
Unredeemed taxes	_____	_____	_____
Water	_____	_____	_____
Sewer	_____	_____	_____
Other (describe: _____)	_____	_____	_____

If no, explain problems/discrepancies encountered:

general ledger is CASH accounting method
MS-61 USES ACCURAL Method.

Comments on procedures or areas of weakness:

Recommendations:

General ledger section completed by:

Ann McGehee

Date: 3/25/20

Part 2. Treasurer/Cash

Questions

Yes No N/A

1 Does the Treasurer maintain a cash book to track all receipt and disbursement activity for all cash accounts?

Yes [checked] No ___ N/A ___

If no, explain: _____

2 Does the Treasurer's cash book document the remittances from departments and deposits to the bank?

Yes [checked] No ___ N/A ___

If no, explain: _____

3 Does the Treasurer's cash book document vendor/payroll disbursement manifests (check run) numbers and amounts?

Yes [checked] No ___ N/A ___

If no, explain: _____

4 Do month-end cash book balances match actual bank reconciliation balances?

Yes [checked] No ___ N/A ___

If no, explain: _____

5 Are monthly bank statements as of the last day of the month?

Yes [checked] No ___ N/A ___

6 Are bank reconciliations prepared each month, within a month of the statement date, for each cash account?

Yes [checked] No ___ N/A ___

If no, explain: _____

7 Who prepares bank reconciliations?

Pam Homel Name treasurer Title

8 Are monthly bank reconciliations documented, signed, and retained?

Yes [checked] No ___ N/A ___

Yes **No** **N/A**

9 Are monthly bank reconciliations reviewed and signed off by anyone in addition to the preparer?

If yes, by whom?

BOARD of Selectmen
Name Title

10 Is a copy of the monthly bank reconciliation report provided to the bookkeeper?

11 Who is authorized to transfer money between or out of the municipality's bank accounts?

Pam Hamel treasurer
Name Title
Michelle Macroix trustee of the fund
Name Title
Gina Rescigno trustee of the fund
Name Title

12 Who has the authority to sign (authorize) checks?

Pam Hamel treasurer
Name Title
BOARD of Selectmen
Name Title

Name Title

13 Do any signature stamps exist?

____ ____

If yes, are they stored in a secure location?

____ ____

Are there procedures in place for its use?

____ ____

14 Is a check signing machine used?

____ ____

If yes, is it locked and the key stored in a secure location?

____ ____

Who has access to the signature stamp or machine? _____

15 Is a log maintained to track the chronological sequence of all check numbers issued and voided?

16 Who is responsible for making bank deposits? Is there a delegation of authority for each (RSA 41:29, VI)?

Pam Hamel treasurer
Name Title
Ruth Millett TAX collector / town clerk
Name Title
Joanna Peel deputy TAX collector / deputy town clerk
Name Title

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
17 Are undeposited receipts held in a secure location?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Does the Treasurer reconcile total annual Tax Collector receipt remittances (turnovers) to the Tax Collector's records? (if applicable) Is that documented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Does the Treasurer reconcile total annual Town Clerk receipt remittances (turnovers) to the Town Clerk's records? (towns only) Is that documented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20 Does the Treasurer reconcile total annual governing body receipt remittances (turnovers) to their records? Is that documented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Has the municipality adopted (and annually updated) an investment policy in accordance with RSA 41:9, VII?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22 Document other non-general fund cash accounts maintained by the Treasurer (e.g., conservation commission, police revolving, celebration accounts, etc.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Account Name	Who authorizes payments?	Reported in general fund?
<u>GROTON Conservation Fund</u>	<u>treasurer</u>	<input type="checkbox"/>
<u>PARK & Recreation Revolving Fund</u>	<u>treasurer Selectboard</u>	<input type="checkbox"/>
<u>Police Department Revolving Fund</u>	<u>treasurer</u>	<input type="checkbox"/>
<u>old Home Day Fund</u>	<u>treasurer</u>	<input type="checkbox"/>
<u>GROTON yield TAX account</u>	<u>treasurer</u>	<input type="checkbox"/>

Part 2. Treasurer/Cash Testing

Yes No N/A

Year End Bank Reconciliations

Obtain year-end documented bank reconciliations and test the following:

- 1 Do "balances per bank" match actual bank statement balances? ✓

- 2 Do "deposits in transit" appear on the following month's bank statement? ____ ✓

- 3 Were "deposits in transit" posted as receipts in the year-end general ledger cash accounts? ____ ✓

- 4 Do "outstanding checks" match a detail list of actual outstanding checks? ✓

- 5 Is the last outstanding check posted as a disbursement in the year-end general ledger cash account? ✓

- 6 Are other reconciling items appropriately documented? ✓

If no, explain: _____

Explain other reconciling items: _____

Cash Book

- 7 Do year-end balances in the cash book match the actual bank statement reconciliations? ✓

- 8 Trace two vendor and two payroll disbursement entries in cash book to actual "orders" (manifests) signed by the majority of the governing body (e.g., Board of Selectmen, Village Commissioners, School Board)

	Date of Order	Order Number	Amount	Traced to Approved Order (Manifest)?
Hylon Hill Trout Farm Vendor	6/11/19	22391	\$ 448.00	✓
Spectrum Vendor	12/3/19	22968	\$ 79.99	✓
Ruth Millet Payroll	6/11/19	22382	\$ 501.71	✓
Fred Brooks Payroll	12/3/19	22953	\$ 169.61	✓

- 9 Trace three deposit entries in cash book to actual bank statement deposits and to corresponding departmental remittances.

Date of Deposit	Amount	Traced to Actual Bank Statement deposit?
10/2/2019 T/c	\$ 3425.45	<input checked="" type="checkbox"/>
10/2/2019 TAX	\$ 1884.77	<input checked="" type="checkbox"/>
10/29/2019 Treasurer	\$ 8185.02	<input checked="" type="checkbox"/>
	\$	

Other Bank Accounts

- 10 For "other non-general fund" cash accounts (see question 22 on page 3), select three months of bank statements.

Do all year end general ledger cash balances match corresponding bank reconciliations?

Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Select a random sample of five disbursements from the general ledger and trace to supporting vendor invoices.

Date	Check Number	Vendor	Amount
7/9/19	22488	New England State Police	100.00
8/13/19	22597	K & R Portable Toilet	155.00
9/24/19	22734	M.E. LATUippe	5,000.00
10/22/19	22827	CENTRAL NH Aggregates	72.00
11/5/19	22873	Salmon Press Inc.	101.00

Observations - Part 2. Treasurer

Comments on procedures or areas of weakness:

Recommendations:

Treasurer section completed by:

Ann M. Gipe

Date:

3/25/20