

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: 2021
 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 3382 E-Mail: Selectmen@GROTONNH.ORG
 Contact: SARA Smith Phone #: 603 744 9190 E-Mail: see above

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.

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

- Part 1. Financial Records
- Part 2. Treasurer
- Part 3. Tax Collector
- Part 4. Trustees
- Part 5. Town Clerk
- Part 6. Library

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: 6/13/22
[Signature]

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, treasurer
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)

Name
Pam Hamel

Title
treasurer

Name
Debra Lindsey

Title
deputy treasurer

Name

Title

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4 Do debits equal credits in the general ledger trial balance?	<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"/>
6 Are the following activities maintained as separate funds in the general ledger (if applicable)?			
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"/>

Yes No N/A

7 Does the cash balance in the general ledger match the Treasurer's reconciled bank balances?

✓

How often are they reconciled?

✓ Monthly
 Quarterly
 Annually

8 Is a copy of the Treasurer's monthly bank reconciliation reports provided to the bookkeeper?

✓

9 Does the person who maintains the general ledger also:

Sign (authorize) checks?

✓

Control unused check stock?

 ✓

Prepare bank reconciliations?

✓

Handle incoming receipts?

 ✓

10 Does the general ledger track receivable balances for:

Property taxes?

✓

Unredeemed taxes?

 ✓

Water?

 ✓

Sewer?

 ✓

Other (identify): _____

 ✓

11 Does the general ledger track accounts payable?

✓

12 Are general ledger receivable balances reconciled to the Tax Collector's detail receivable lists (if applicable)?

✓

How often?

 Monthly
 Quarterly
 Annually

13 Does the general ledger system provide budget versus actual expenditure reports?

✓

If yes, to whom are the budget versus actual reports distributed?

Select BOARD

How often? EVERY 1ST + 3RD Tuesday of the month

Yes No N/A

14 Are general ledger adjusting journal entries made? ✓

If yes, are they approved by anyone other than the preparer? ✓

Name and title of person who approves: BOARD of Selectmen

15 Are computer back-ups of the general ledger performed? ✓

How often?

- ✓ Daily
- Weekly
- Monthly

16 Are computer back-ups stored off site? ✓

If yes, where? Online Cloud- CARBONITE

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	✓	_____	_____
General fund expenditures	✓	_____	_____
General fund balance sheet	✓	_____	_____
Other funds revenues	✓	_____	_____
Other funds expenditures	✓	_____	_____
Other funds balance sheet	✓	_____	_____

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?

✓	_____	_____
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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	✓	_____	_____
Unredeemed taxes	_____	_____	_____
Water	_____	_____	✓
Sewer	_____	_____	✓
Other (describe: _____)	_____	_____	_____

If no, explain problems/discrepancies encountered:

General ledger is cash accounting method

MS-61 uses accrual method

*error
44 amt*

Comments on procedures or areas of weakness:

Recommendations:

General ledger section completed by:

Ann Joyce

Date: 6/13/22

Part 2. Treasurer/Cash

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 Does the Treasurer maintain a cash book to track all receipt and disbursement activity for all cash accounts? If no, explain: _____ _____ _____	✓ _____	_____	_____
2 Does the Treasurer's cash book document the remittances from departments and deposits to the bank? If no, explain: _____ _____ _____	✓ _____	_____	_____
3 Does the Treasurer's cash book document vendor/payroll disbursement manifests (check run) numbers and amounts? If no, explain: _____ _____ _____	✓ _____	_____	_____
4 Do month-end cash book balances match actual bank reconciliation balances? If no, explain: _____ _____ _____	✓ _____	_____	_____
5 Are monthly bank statements as of the last day of the month?	✓ _____	_____	_____
6 Are bank reconciliations prepared each month, within a month of the statement date, for each cash account? If no, explain: _____ _____ _____	✓ _____	_____	_____
7 Who prepares bank reconciliations? <u>Pam Hamel</u> <u>treasurer</u> Name Title			
8 Are monthly bank reconciliations documented, signed, and retained?	✓ _____	_____	_____

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 Lacroix trustee of the trust fund
Name Title
Gina Rescigno trustee of the trust fund
Name Title
Debra Lindsey deputy treasurer

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

Pam Hamel treasurer
Name Title
~~Board of Selectmen: John Rescigno, Tony Albert + Ron Madan~~
Name Title
Debra Lindsey deputy treasurer
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
Debra Lindsey deputy treasurer

	<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 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 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 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 checked="" type="checkbox"/>	<input 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.)			

<u>Account Name</u>	<u>Who authorizes payments?</u>	<u>Reported in general fund?</u>
<u>Groton Conservation fund</u>	<u>treasurer - deputy treasurer</u>	<u>_____</u>
<u>PARK + Recreation Revolving Fund</u>	<u>treasurer - deputy treasurer</u>	<u>_____</u>
<u>Old Home DAY Fund</u>	<u>treasurer - deputy treasurer</u>	<u>_____</u>
<u>Police Dept. Revolving Fund</u>	<u>treasurer + deputy treasurer</u>	<u>_____</u>
<u>Groton Yield Tax Account</u>	<u>treasurer + deputy treasurer</u>	<u>_____</u>

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? ✓

If no, explain: _____

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? ✓

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)?
Vendor	6/15/21 Central NH Aggregates	24738	\$ 224.55	✓
Vendor	12/14/21 Morton Salt Inc.	25415	\$ 2504.25	✓
Payroll	10/14/21 Joanne Peal	25408	\$ 168.56	✓
Payroll	6/15/21 Fred Brooks	24728	\$ 436.96	✓

- 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?
8/27/21	\$ 31,145.17	✓
8/17/21	\$ 3,033.48	✓
7/26/21	\$ 17,175.70	✓

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
✓		

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

Date	Check Number	Vendor	Amount
✓ 7/13/21	24835	Salmon Press Inc	120.00
✓ 8/17/21	24939	NH Local Welfare	30.00
✓ 9/21/21	25047	Gordon Coursey + Sons	4795.00
✓ 10/12/21	25114	Grafton County Registry	25.58
✓ 11/6/21	25212	Casella Waste Management	375.00

Observations - Part 2. Treasurer

Comments on procedures or areas of weakness:

Recommendations:

Treasurer section completed by: Ann Joyce Date: 6/13/22
