

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: 2022
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@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.

<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

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: 10-16-2023 Ann Joyce

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)

PAM Hamel
Name
Debra Lindsey
Name
Name

treasurer
Title
deputy treasurer
Title
Title

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

Yes No N/A
[checkmarks]

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

[checkmarks]

6 Are the following activities maintained as separate funds in the general ledger (if applicable)?

Table with 3 columns: Activity, Yes, No, N/A. Rows include General Fund, Water activity, Sewer activity, Library activity, Trustees of trust funds, School grants, School lunch, Revolving Funds (Public Deposit Investment Pool), Other (Groton Conservation Fund), Other (Parks + Recreation Revolving Fund), Other (Police Department Revolving Fund), Other (Groton Yield TAX Account), and Old Home Day Fund.

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? FIRST & Third Tuesday of the month

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
14 Are general ledger adjusting journal entries made?	<u>✓</u>	<u> </u>	<u> </u>
If yes, are they approved by anyone other than the preparer?	<u>✓</u>	<u> </u>	<u> </u>
Name and title of person who approves:	<u> BOARD of Selectmen </u>		
15 Are computer back-ups of the general ledger performed?	<u>✓</u>	<u> </u>	<u> </u>
How often?			
<u>✓</u> Daily			
<u> </u> Weekly			
<u> </u> Monthly			
16 Are computer back-ups stored off site?	<u>✓</u>	<u> </u>	<u> </u>
If yes, where?	<u> online cloud - 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	<u>✓</u>	<u> </u>	<u> </u>
General fund expenditures	<u>✓</u>	<u> </u>	<u> </u>
General fund balance sheet	<u>✓</u>	<u> </u>	<u> </u>
Other funds revenues	<u>✓</u>	<u> </u>	<u> </u>
Other funds expenditures	<u>✓</u>	<u> </u>	<u> </u>
Other funds balance sheet	<u>✓</u>	<u> </u>	<u> </u>

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?

<u>✓</u>	<u> </u>	<u> </u>
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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	<u>✓</u>	<u> </u>	<u> </u>
Unredeemed taxes	<u> </u>	<u>✓</u>	<u> </u>
Water	<u> </u>	<u> </u>	<u>✓</u>
Sewer	<u> </u>	<u> </u>	<u>✓</u>
Other (describe: _____)	<u> </u>	<u> </u>	<u> </u>

If no, explain problems/discrepancies encountered:

General ledger is CASH accounting method
MS-61 uses accrual method

Comments on procedures or areas of weakness:

Recommendations:

General ledger section completed by:

Ann Joyce

Date: 10-16-2023

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 No N/A

If no, explain:

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

Yes No N/A

If no, explain:

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

Yes No N/A

If no, explain:

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

Yes No N/A

If no, explain:

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

Yes No N/A

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

Yes No N/A

If no, explain:

7 Who prepares bank reconciliations?

Name Pam Hamel Title treasurer

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

Yes 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

JOHN Rescigno
RON MADAN
TONY ALBERT

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

Name

treasurer

Title

Debra Lindsey

Name

deputy treasurer

Title

Michele LACROIX

Name

trustee of the trust fund

Title

Gina Rescigno

Name

trustee of the trust fund

Title

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

PAM Hamel

Name

treasurer

Title

Board of Selectmen

Name

John Rescigno, Tony Albert, Ron Madan

Title

Debra Lindsey

Name

deputy treasurer

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

Name

treasurer

Title

Debra Lindsey

Name

deputy treasurer

Title

Ruth Millett

Name

TAX collector / town clerk

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

Account Name	Who authorizes payments?	Reported in general fund?
<u>Groton Conservation Fund</u>	<u>treasurer - deputy treasurer</u>	<input type="checkbox"/>
<u>PARKS & Recreation Revolving Fund</u>	<u>treasurer, deputy treasurer, selectboard</u>	<input type="checkbox"/>
<u>Old Home DAY Fund</u>	<u>treasurer - deputy treasurer</u>	<input type="checkbox"/>
<u>Police Dept. Revolving Fund</u>	<u>treasurer - deputy treasurer</u>	<input type="checkbox"/>
<u>Groton Yield TAX Account</u>	<u>treasurer - deputy 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? ✓

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	<i>check</i> Order Number	Amount	Traced to Approved Order (Manifest)?
Vendor	<u>6-14-22</u>	<u>#25963</u>	\$ <u>520.00</u>	✓
Vendor	<u>12-13-22</u>	<u># 26504</u>	\$ <u>45.00</u>	✓
Payroll	<u>7-14-22</u>	<u>check 25958</u>	\$ <u>617.21</u>	✓
Payroll	<u>12-13-22</u>	<u>check 26495</u>	\$ <u>586.36</u>	✓

- 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?
8/5/22	\$ 5248.60	✓
8/31/22	\$ 5365.14	✓
1/21/22	\$ 2981.85	✓

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
7/12/22	26057	Casella	1680.15
8/16/22	26162	Dead River	704.27
9/13/22	26252	O'Reilly Automotive	141.83
10/18/22	26346	AT&T Mobility	100.08
11/15/22	26429	AVITAR	1016.00

Observations - Part 2. Treasurer

Comments on procedures or areas of weakness:

Recommendations:

Treasurer section completed by:

Date:

10-16-2023

Chris Joyce
