

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: _____ Audit Fiscal Year: _____

Type of Municipality (Town, School or Village District): _____

Mailing Address: _____

Phone #: _____ Fax #: _____ E-Mail: _____

Contact: _____ Phone #: _____ 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.

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: _____

FOR DRA USE ONLY

INSTRUCTIONS FOR FORM MS-60
Report of Locally Elected Auditor(s)
RSA 41:31-a to 41:31-d

This report is to be completed annually by a locally elected auditor(s) of all municipalities that have not hired an auditor under RSA 21-J:19 or conducted an audit required by another law, regulation, or contract.

Cover

At the top of the page: Enter town, school or village district name, type of municipality, address, phone and fax number, and email address. Indicate the fiscal year period for which this audit is being completed. Indicate in the boxes the date the sections of the form were completed. The locally elected auditor(s) date and sign in ink where indicated.

Parts 1 through 6

There are six parts to this report. Each of the six parts consists of three sections: general questions; testing; and summary and recommendations. Upon completion of the first two sections of each applicable part, the summary and recommendation section must be dated and signed.

Part 1. General Ledger - The locally elected auditor(s), even in those municipalities granted a waiver on form MS-60W shall complete all sections of this part.

Part 2. Treasurer - The locally elected auditor(s), even in those municipalities granted a waiver on form MS-60W shall complete all sections of this part.

Part 3. Tax Collector - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a tax collector.

Part 4. Trustees - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a trustee or board of trustees of trust funds.

Part 5. Town Clerk - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a town or city clerk.

Part 6. Library - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a library.

Filing the Report

Upon completion of the applicable sections, submit the report to the governing body. The governing body has 10 days to accept the report and any applicable adjustments before they submit it to the Department. If they have not accepted the report within that time frame, they must also submit a letter to the Commissioner explaining why they did not accept the report; or, they may request an extension of time for filing the report with the Department.

The report shall also be made available to the public and the cover page and summary and recommendations sections for each applicable part must be published in the next annual report following the fiscal year in which the audit was completed.

Please refer to our "Handbook for Locally Elected Auditors" for further guidance and information. The handbook is available by calling the Department at (603) 230-5090 and is also available on our web site.

INSTRUCTIONS FOR FORM MS-60 (continued)
Report of Locally Elected Auditor(s)
RSA 41:31-a- 41:31-d

GLOSSARY OF TERMS

Please refer to the Definitions in the Appendix A of "Handbook for Locally Elected Auditors".

APPLICABLE FORMS REFERENCED (filed with Department of Revenue Administration)

MS-5, MS-25, MS-35 Financial Reports for town, school, village district, respectively - Due April 1 for calendar year, or September 1 for optional fiscal year.

MS-9 and MS-10 Trustee of Trust Fund Reports - Filed by the Trustee(s) of Trust Funds. Due March 1 for calendar year, or September 1 for optional fiscal year.

MS-60A Auditor Option and Schedule - Filed by governing body to indicate which type of audit will be conducted. Due 10 days after close of the fiscal year.

MS-60W Audit Waiver Request - Filed by governing body of municipality with a population under 750 to request a waiver of the annual audit requirement and propose alternative procedures. At a minimum, Parts 1 and 2 of the MS-60 will be completed. The form is due 45 days prior to the close of the fiscal year in which the request for the waiver is made.

MS-61 Tax Collector's Report - Filed by Tax Collector(s). Due March 1 for calendar year, or September 1 for optional fiscal year.

Refer to the Definitions in the Appendix A of "Handbook for Locally Elected Auditors" for more information.

APPLICABLE RSAs (in part)

RSA 21-J:19 II (in part) A written or printed report of every completed audit shall be made to the proper local officials including a summary of the findings and recommendations of the auditors and a copy of such summary shall be published in the next annual report following the fiscal year in which the audit was completed.

RSA 31:25 (in part) The trustees shall formally adopt an investment policy for all investments made by them or by their agents for any trust funds in their custody in conformance with the provisions of applicable statutes. Such investment policy shall be reviewed and confirmed at least annually. A copy of the investment policy shall be filed with the attorney general.

RSA 41:25 II. Town clerks shall deposit all fees received with the town treasurer or in a municipal account controlled by the town treasurer at least monthly, or as directed by the selectmen, for the use of the town. In the event that any portion of the town clerk's compensation consists of statutory fees, the clerk shall submit an invoice for the amount of those fees to the treasurer, who shall pay out that amount to the clerk, notwithstanding RSA 32.

RSA 41:9, VII. The selectmen shall annually review and adopt an investment policy for the investment of public funds in conformance with applicable statutes and shall advise the treasurer of such policies.

RSA 41:29, IV. Whenever the town treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the town treasurer shall invest the same in accordance with the investment policy adopted by the selectmen under RSA 41:9, VII.....

RSA 41:29, VI. The treasurer may delegate deposit, investment, recordkeeping, or reconciliation functions to other town officials or employees provided such delegation is in writing and includes written procedures acceptable to the selectmen, or in the case of a town operating under RSA 37, to the town manager, and is agreeable to all parties involved. However any such delegation shall only be made to a town official or employee bonded in accordance with RSA 41:6 and rules adopted by the commissioner of revenue administration under RSA 541-A. Such delegation shall not eliminate the responsibility of the treasurer to comply with all statutory duties required by law.

41:31-a Purpose. Financial audits play a fundamentally vital role in helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in their elected leaders. Properly performed audits provide independent assurance that financial information presented is reliable.

41:31-b Choice; Election. Any municipality that has not hired an auditor under RSA 21-J:19 shall, at the annual meeting, under an article in the warrant, choose one or more auditors. The terms of office shall be staggered so that after the year of adoption one auditor shall be chosen for a term of office for the same number of years as there are auditors on the board, provided however that in the year of adoption the members of the board shall be chosen for varying terms so that the term of one member shall expire in the next succeeding year, the term of the second member, the next year, and so on for the number of years as there are members of the board. The auditor or board of auditors shall perform the duties under RSA 41:31-c and RSA 41:31-d. If a municipality has adopted an official ballot for the election of its officers, the election of an auditor or board of auditors shall not take place until the annual meeting following the meeting at which the provisions of this section are adopted.

41:31-c Duties 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 in rules adopted by the commissioner pursuant to RSA 541-A.

II. Any municipality, or any political subdivision exclusively within a municipality, with a population of fewer than 750 as of the most recent federal census, provided a financial statement audit is not required by another law, regulation, or contract, may, not less than 45 days before the end of the fiscal year, petition the commissioner to waive the annual audit requirement for that fiscal year and provide an alternative plan for reviewing the municipality's financial accounts. If the commissioner approves the scope of services as proposed by the municipality, such services shall be completed by either the locally elected auditor or a CPA. If the commissioner does not approve or no alternative procedures or scope of services is provided by the municipality, then the commissioner shall determine the appropriate scope of services.

41:31-d Reports I. A complete report of any audit or procedure conducted under RSA 41:31-c shall, upon completion, be made available to the public in accordance with RSA 21-J:19.

II. Unless otherwise required by law, within 10 days of the acceptance by the governing body of any completed audit, a complete copy of the audit and any accompanying management letter shall be submitted to the commissioner by the governing body. If the governing body has not accepted the audit and any applicable adjustments within 45 days of its receipt, the audit as received or adjusted and any accompanying management letter shall be submitted to the commissioner by the governing body with an explanation for non-acceptance. The governing body may, for good cause, petition the commissioner for an extension of time for submittal.

RSA 80:76, II-a. In addition to the circumstances described in paragraph II, the governing body of the municipality may refuse to accept a tax deed on behalf of the municipality, and may so notify the collector, whenever in its judgment acceptance and ownership of the real estate would subject the municipality to undesirable obligations or liability risks, including obligations under real estate covenants or obligations to tenants, or for any other reason would be contrary to the public interest. Such a decision shall not be made solely for the private benefit of a taxpayer.

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

Questions

1 Who maintains the (general ledger) financial records?

Name/position

2 What software system is used for the general ledger?

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

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

Name

Title

Name

Title

Name

Title

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

<u>Yes</u>	<u>No</u>	<u>N/A</u>
_____	_____	_____

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

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

General Fund	_____	_____	_____
Water activity	_____	_____	_____
Sewer activity	_____	_____	_____
Library activity	_____	_____	_____
Trustees of trust funds	_____	_____	_____
School grants	_____	_____	_____
School lunch	_____	_____	_____
Revolving Funds (identify:_____)	_____	_____	_____
Other (identify:_____)	_____	_____	_____
Other (identify:_____)	_____	_____	_____
Other (identify:_____)	_____	_____	_____
Other (identify:_____)	_____	_____	_____

	<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?	_____	_____	_____
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?	_____		

How often?	_____		

		<u>Yes</u>	<u>No</u>	<u>N/A</u>
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: _____			
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? _____			

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

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
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MS-5, MS-25, or MS-35 Financial Report

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:

Comments on procedures or areas of weakness:

Recommendations:

General ledger section completed by:

Date: _____

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?

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?

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?

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?

Name

Title

Name

Title

Name

Title

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

Name

Title

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)?

Name

Title

Name

Title

Name

Title

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 17 Are undeposited receipts held in a secure location? | _____ | _____ | _____ |
| 18 Does the Treasurer reconcile total annual Tax Collector receipt remittances (turnovers) to the Tax Collector's records?
(if applicable)
Is that documented? | _____ | _____ | _____ |
| 19 Does the Treasurer reconcile total annual Town Clerk receipt remittances (turnovers) to the Town Clerk's records?
(towns only)
Is that documented? | _____ | _____ | _____ |
| 20 Does the Treasurer reconcile total annual governing body receipt remittances (turnovers) to their records?

Is that documented? | _____ | _____ | _____ |
| 21 Has the municipality adopted (and annually updated) an investment policy in accordance with RSA 41:9, VII? | _____ | _____ | _____ |
| 22 Document other non-general fund cash accounts maintained by the Treasurer (e.g., conservation commission, police revolving, celebration accounts, etc.) | _____ | _____ | _____ |

Account Name	Who authorizes payments?	Reported in general fund?
_____	_____	_____
_____	_____	_____
_____	_____	_____

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	_____	_____	\$ _____	_____
Vendor	_____	_____	\$ _____	_____
Payroll	_____	_____	\$ _____	_____
Payroll	_____	_____	\$ _____	_____

- 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?
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

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?

<u>Yes</u>	<u>No</u>	<u>N/A</u>
_____	_____	_____

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

<u>Date</u>	<u>Check Number</u>	<u>Vendor</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Observations - Part 2. Treasurer

Comments on procedures or areas of weakness:

Recommendations:

Treasurer section completed by: Date: _____

Part 3. Tax Collector (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 What software system is used to track receivables? (ex. Quickbooks; Excel; Peachtree; BMSI, etc.) _____			
2 Were reports from the receivable software system used to prepare the Tax Collector's MS-61 Report? If yes, were these reports retained?	___	___	___
3 Document frequency of cash outs (close out, receipt proof) and deposits: <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other (describe) _____			
4 Are cash out proofs documented on a form and signed by the preparer? If no, explain: _____ _____	___	___	___
5 Is the cash out form reviewed/approved by anyone else? If yes, who? _____	___	___	___
6 Are receipts remitted to the Town Treasurer at least weekly? If no, explain: _____ _____	___	___	___
7 Are computer backups of the tax receivable system performed? If yes, how often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly Are the backups stored off site?	___	___	___
8 Is there a deputy? Name of Deputy? _____			

9 How often is the Tax Collector's MS-61 Report prepared?

- Monthly
- Quarterly
- Annually

10 Who has posting capability to the Tax Collector's receivable system?

Name

Title

Name

Title

Name

Title

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 11 Does the Tax Collector maintain any bank accounts? | ___ | ___ | ___ |
| 12 Does the Tax Collector have a "signed deed waiver" for properties that have not been statutorily deeded to the municipality in a timely manner? | ___ | ___ | ___ |

Part 3. Tax Collector Testing (if applicable)

Tax Collector's Report (MS-61)

Yes No N/A

1 Were the following items that were reported on the Tax Collector's MS-61 Report tested?:

A Beginning uncollected receivable balances proven to the prior year MS-61 report ending receivable balances?

___ ___ ___

B Tax commitments proven to actual warrants approved by the governing board (e.g., Board of Selectmen) for each type of tax on the MS-61 report (e.g., property taxes, yield taxes, water/sewer)?

___ ___ ___

C Abatements proven to list of actual abatements issued?

___ ___ ___

D Remittances (collections) proven to general ledger receipt records?

___ ___ ___

E Conversion to lien amounts proven to list of actual liens taken?

___ ___ ___

F Does the "liens executed during fiscal year" amount reported on page 3 of the MS-61 agree with the "conversion to lien" and interest and cost amount reported on page 2 of the MS-61.

___ ___ ___

G Ending uncollected receivable balances proven to actual list of receivable accounts?

___ ___ ___

H Have all prior year uncollected property taxes receivable been lienied?

___ ___ ___

If no, why? _____

I Do total debits on page 1 of the MS-61 agree with total credits on page 2 of the MS-61?

___ ___ ___

Cash Out Records

2 Select a sample day to test the Tax Collector's cash out/deposit records:

_____ Date Selected

_____ Deposit Amount

A Does the above selected remittance form document include the following?:

Date?

___ ___ ___

Breakdown of receipts by type and levy year?

___ ___ ___

Breakdown of currency and checks?

___ ___ ___

A total of the receipts?

___ ___ ___

Signature of preparer?

___ ___ ___

Signature of reviewer?

___ ___ ___

Yes No N/A

B For the day selected, is there a batch of duplicate tax stubs or cash register tape to prove the:

Breakdown of receipts by type and levy year?

Breakdown of currency and checks?

Total receipts?

___ ___ ___
___ ___ ___
___ ___ ___

C For the day selected, is the total receipt amount/deposit in agreement with an actual deposit reported on a bank statement?

___ ___ ___

D For the day selected, is the total receipt amount/deposit in agreement with a "day sheet" (list of receipts by customer) to prove customer accounts were posted/credited properly?

___ ___ ___

Abatements

3 From the list of actual abatements issued, select three abatements for testing:

Date Taxpayer Amount

Date Taxpayer Amount

Date Taxpayer Amount

Is there an actual abatement form signed by a majority of the Board of Selectmen or assessors for each abatement?

___ ___ ___

Were any abatements on the list issued to known related parties (e.g., members of the Board of Selectmen, town employees, relatives)?

___ ___ ___

If yes, _____

Tax Collector Cash Account

4 If the Tax Collector maintains a checking account, obtain bank statements for three random months:

Months selected: _____

Were all disbursements made during these three months payable to the Town?

___ ___ ___

Were remittances to the Town made timely?

___ ___ ___

Were bank statements reconciled to cashbook balances?

___ ___ ___

Observations - Part 3. Tax Collector

Comments on procedures or areas of weakness:

Recommendations:

Tax collector section completed by: Date: _____

Part 4. Trustees of Trust Funds (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 Do the Trustees maintain individual historical records for each trust fund?	_____	_____	_____
2 Have the Trustees reviewed and adopted an investment policy? (RSA 31:25)	_____	_____	_____
3 Document how year-end trust funds are invested:			
# of Actual Bank Accounts			
• Checking account			
• Passbook accounts			
• Certificates of deposits			
• Other (describe _____)			
• Other (describe _____)			
• Other (describe _____)			
4 Do Trustees maintain journal accounting records to track all receipt and disbursement activity?	_____	_____	_____
5 Were disbursements based only on approved vouchers?	_____	_____	_____
6 Were disbursements made to individuals or organizations other than the municipality?	_____	_____	_____
If yes, explain: _____			

7 Document who prepares the MS-9 and MS-10 forms:			

Name	_____		
Title			
8 Have Trustees of trust funds reviewed and approved the MS-9 and MS-10 forms?	_____	_____	_____

Part 4. Trustees of Trust Funds Testing

MS-9 Report

Yes No N/A

1 Do beginning balances reported match the prior year MS-9 end of year balances?

___ ___ ___

If no, explain problems/discrepancies encountered:

2 Do "new funds created" for established trust funds (e.g., capital reserve, expendable trust funds) match expenditures/ transfers reported in the current year general fund general ledger?

___ ___ ___

If no, explain:

3 Do "withdrawals" from established trust funds (e.g., capital reserve, expendable trust funds) match revenues/transfers reported in the current year general fund general ledger?

___ ___ ___

If no, explain:

4 Do interest/investment income amounts appear reasonable?

___ ___ ___

If no, explain:

MS-10 Report

Yes No N/A

5 Do the "Grand Total of Principal and Income at End of Year" balances on the MS-10 match the "end of year balances" on the MS-9?

If no, explain:

6 Were "end of year fair value" balances of the MS-10 proven to bank statements and/or investment portfolio reports?

If no, explain:

Observations - Part 4. Trustees

Comments on procedures or areas of weakness:

Recommendations:

Trustees section completed by: Date: _____

Part 5. Town Clerk (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 Does the Town Clerk maintain a cashbook to record receipts?	___	___	___
2 Does the cashbook include the following information:			
• Date of receipt	___	___	___
• Type of receipt	___	___	___
• Customer name	___	___	___
• Permit number	___	___	___
• Amount received	___	___	___
• Breakdown of currency or check	___	___	___
• Subtotals whenever deposits are made	___	___	___
3 Are paid motor vehicle permits filed alphabetically by name?	___	___	___
4 Does the Town Clerk maintain a checking account?	___	___	___
– If yes, are bank statements as of the last day of the month?	___	___	___
– If yes, is the checking account reconciled to the cashbook monthly?	___	___	___
5 Are receipts remitted to the Treasurer at least weekly?	___	___	___
6 Are invoices presented to the Treasurer for reimbursement of allowable clerk fees? (RSA 41:25)	___	___	___

Part 5. Town Clerk Testing (if applicable)

- 1 Compare total annual receipts per the Town Clerk's cashbook with the Town's general fund general ledger revenue records for the following:

	<u>Per Clerk Cashbook</u>	<u>Per Town General Ledger</u>	<u>Variance</u>
Motor Vehicle Permits	_____	_____	_____
Boat registrations	_____	_____	_____
Dog licenses	_____	_____	_____
Marriage licenses	_____	_____	_____
Other (describe) _____	_____	_____	_____
Other (describe) _____	_____	_____	_____
Other (describe) _____	_____	_____	_____

If variances exist, explain cause:

- 2 Select a deposit reported in the Town Clerk's cash book:

	<u>Date Selected</u>	<u>Amount</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
A Does the date and amount match an actual bank statement deposit?	_____	_____	___	___	___
B Does the breakdown of cash and checks as reported in the cashbook match the actual bank deposit ticket?			___	___	___
C Do the entries in the cashbook for the date selected actually total (foot) the amount of the above deposit?			___	___	___
D Select five entries in the cashbook for the above deposit and trace to the actual file of paid permits. Does all the information in the cashbook agree with the actual paid permits?			___	___	___

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3 Randomly select five paid permits from the file of paid permits and trace to corresponding entries in the cash book. Does all the information in the cashbook agree with the actual paid permits?	___	___	___
4 Obtain bank statements (if applicable) for three random months: Months selected: _____			
Were all disbursements made during these three months payable to the Town or the State?	___	___	___
Were remittances to the Town/State made timely?	___	___	___
Were bank statements reconciled to cashbook balances?	___	___	___

Observations - Part 5. Town Clerk

Comments on procedures or areas of weakness:

Recommendations:

Town Clerk section completed by: Date: _____

Part 6. Library (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 Summarize all bank accounts controlled by the Library:			
<u>Name of Bank</u>	<u>Type of Account</u> (checking, savings, etc.)	<u>Year-End</u> <u>Reconciled</u> <u>Balance</u>	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
2 Do monthly bank statements end the last day of each month?			
	_____	_____	_____
If yes, are bank statements reconciled to the library's general ledger records monthly?			
	_____	_____	_____
3 Is a general ledger other than the bookkeeping records maintained to track all receipt and disbursement activity for all library bank accounts?			
	_____	_____	_____
If yes, who maintains the general ledger?			

	Name/position		
4 Who reconciles the bank accounts?			

	Name/position		
5 Who is authorized to sign checks?			

	Name/position		
6 Who approves invoices for disbursement (Name/position)?			

7 Document sources of library revenues/receipts (ex. fines, copier revenue):			

8 Document how year-end trust funds are invested:			
	<u>Number of actual</u> <u>bank accounts</u>		
Checking account	_____		
Passbook accounts	_____		
Certification of deposit	_____		
Other (describe: _____)	_____		
Other (describe: _____)	_____		

Part 6. Library Testing (if applicable)

		<u>Yes</u>	<u>No</u>	<u>N/A</u>
1	Do the amounts reported as expended/transferred by the Town to the Library match the Library's receipt/revenue records?	___	___	___

Per Town General Ledger Expenditure or <u>Transfer</u>	Per Library General Ledger Receipt or <u>Revenue</u>	<u>Variance</u>
_____	_____	_____

If variances exist, explain reason:

2	Do all year end Library general ledger cash balances match corresponding bank reconciliations?	___	___	___
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3 Select a random sample of five disbursements from the Library general ledger and trace to supporting vendor invoices.

<u>Date</u>	<u>Check Number</u>	<u>Vendor</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Were all of the above traceable and in agreement with the actual vendor invoices?

___ ___ ___

If no, explain:

4	Do other disbursements reported in the library general ledger appear to be for library purposes?	___	___	___
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Observations - Part 6. Library

Comments on procedures or areas of weakness:

Recommendations:

Library section completed by: Date: _____
