

Sullivan County NH

Type of meeting: FY 05 Auditor's Exit Interview – Special Meeting

Date / time: Tuesday - Oct 11, 2005; 12:30 p.m.

Place: Newport - 14 Main Street, Commissioners Conference Room,
1st Floor

Meeting audio taped.

ATTENDEES: Commissioners Donald S. Clarke - *Chair*, Ben Nelson – *Vice Chair* (arrived later in meeting) and Ethel Jarvis - *Clerk*; Ed Gil de Rubio - *County Manager*; Frank Biron - Melanson & Heath; Jeff Graham - *Independent CPA*; Marc Hathaway - *County Attorney*; Michael Prozzo – *High County Sheriff*; Mark Pitkin – *County Treasurer*; Sharron King – *Registrar of Deeds*; Courtney Marshall – *Nursing Home Administrator*; Julie Woodman – *Nursing Home Business Office Manager*; *State-County Executive Finance Committee Members* Brenda Ferland – *Chair*, Charlotte Houde-Quimby, Larry Converse, Joe Osgood (arrived later in meeting); Dodi Violette – *Clerk I/Accounts Payable*; and Sharon Johnson-Callum (minute taker).

OTHER ATTENDEES: James Lowe – *Argus Champion staff reporter*, State-County Delegates Beverly Rodeschin and Peter Franklin (arrived later in meeting).

12:30 Board of Commissioner Chair, Don Clarke, brought the meeting to order. All recited the Pledge of Allegiance.

Introductions were made to Frank Biron, of Melanson & Heath, the County FY 05 auditors.

SULLIVAN COUNTY NEW HAMPSHIRE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Mr. Biron reviewed the *Sullivan County New Hampshire Annual Financial Statements For the Year Ended June 30, 2005* highlighting on certain columns and explaining what certain pages in the report represented. (A copy of the FY 05 audit is on file at the Commissioners Office).

12:50 Commissioner Nelson arrived.

SULLIVAN COUNTY, NEW HAMPSHIRE MANAGEMENT LETTER FOR THE YEAR ENDED JUNE 30, 2005

Mr. Biron reviewed the *Sullivan County, New Hampshire Management Letter For The Year Ended June 30, 2005* and as he began explained that they repeated the prior year comments in order to provide for a comparison to this year. He explained “reportable condition” denotes a serious condition, where they could see that error(s), irregularities and/or illegal acts could be done but not detected by a supervisor. He discussed the following in the report (Copy of audit report on file at Commissioners’ Office).

1. *Improve Oversight Over Nursing Home Receivables (Reportable condition).* Mr. Biron indicated reconciliation was not being done between the Nursing Home Business Office and Commissioners Office Business Office and the Nursing Home was not ready for the

audit. He noted they had a hard time getting the reports. Certain receipts collected not accounted for on time. Write offs on one side were noted, but not on other. He indicated the net numbers are conservative in the audit report. He noted a formal policy should be created with Commissioners and management, instead of one person doing everything. It was noted the County Manager has since talked with Courtney Marshall and Julie Woodman and cross training has begun with Sandy Dansereau. With cross training, Ms. Woodman will be able to send out bills in a timelier manner, also.

2. *Improve Year-End Processing Procedures.* Mr. Biron noted encumbrances were treated as accounts payable and recorded as expenses in June, creating a headache for auditors. Recommendation is to review year-end processing to follow GAAP.
3. *Improve Controls Over Various Cash Accounts (Reportable Condition).* There are still accounts that the auditors would like to see included in general ledger and under control of County Treasurer. Controls should include copies of bank statements to business office with copies of canceled checks.
4. *Revise Various Accounting Procedures. A. Record Budgeted Transfers:* There recommendation is to record budgeted surplus/deficits for the Registry and Nursing Home as actual transfers between funds.

At this point in the meeting Registrar of Deeds and the Sheriff asked questions on handling of accounts and received answers from Mr. Biron. Mr. Biron then continued with the following.

- 4.B. *Avoid Posting Directly To Fund Balance Accounts.* Mr. Biron noted this issue was resolved during 2005 and was no longer an issue.
- 4.C. *Reconcile General Ledger to Appropriation Report.* Mr. Biron noted this issue was resolved in 2005 and was no longer an issue.
- 4.D. *Revise Method of Recording Budget Transfers.* Mr. Biron noted this was no longer a 2005 issue as it was corrected.
- 4.E. *Segregate Year-End Disbursements By Year.* During month of July, while bills are being processed for last fiscal year and upcoming fiscal year, keep bills separated in their respective check runs. Do not combine fiscal years.
- 4.F. *Close Year-End Surplus/Deficit In Registry Fund.* This is in the process of being corrected.
- 4.G. *Reconcile Miscellaneous Ledger Balances.* Mr. Biron noted the Nursing Home audit was complicated because of this. Their recommendation is to review and reconcile to support on a quarterly basis, at least.
5. *Voided Printer Alignment Checks –* Mr. Biron noted no action was required as this was automatically taken care of through the new accounting system.
6. *Maintain Log of Checks Used –* Mr. Biron noted this was no longer an issue as it was

taken care of in 2005.

7. *Improve Year-End Reporting At The Nursing Home* – Mr. Biron recommended someone prove balances out. Some accounts should have monthly reconciliation.
8. *Improve Segregation Of Duties Over Inmate Account* – Mr. Biron noted this was no longer an issue as it was resolved since secretary is no longer a check signer.

The Commissioner Chair asked for those in attendance if they had any questions.

Rep. Franklin asked where the entry of the capital reserve cash account was on the financial statement. County Manager noted it was cashed in July 6, 2005 by County Treasurer and went into temporary investment cash, into a new cash account. Mr. Biron indicated if it was in there it would be a “Do To” and “Do From”; but he will research and get back to Mr. Franklin on the exact status. Rep. Franklin noted it was not voted on to use and is to be restricted.

Rep. Franklin asked Mr. Biron to explain ProShare funds to him and asked Mr. Biron about MQIP/Bed Tax money. Mr. Biron was unsure on both and noted he would get back to Mr. Franklin.

Rep. Franklin noted he felt it was good sense to put all the accounts under the control of the County Treasurer. Mr. Biron noted to Mr. Franklin, as long as accounts were shown to the Commissioners Office staff, that procedure would be sufficient for their audit.

Mr. Biron noted that “overall the county books were in good shape.” The County Manager reminded everyone that the new accounting system was installed last year and commended the accounting clerks for their work with the new software.

Rep. Ferland thanked everyone for the timely report, noting the importance since an untimely report would cause a negative on the County’s bond rating.

There were no formal decisions made during this special meeting.

1:45 Chair recessed the special meeting, noting the regular business meeting would begin in five minutes.

Respectfully submitted,



*Ethel Jarvis, Clerk
Board of Commissioners*

EJ/s.j-c.