

Town of Newry Selectmen Meeting Minutes
October 29, 2019 5pm Newry Town Office

Selectmen Present: Gary Wight, James Largess, Virgil Conkright,

Others present: Amy Bernard (town administrator), Dave Bonney (CEO), Barb Rajaniemi (Deputy Clerk), Amy Henley, Brooks Morton, Ron Smith (RHR Smith)

Signing of Warrants: All signed

Approval of meeting minutes:

Selectman Wight made a motion to accept the Town of Newry Selectmen Meeting minutes for September 22, 2019, Selectmen Conkright 2nd the motion, all approved.

Selectman Wight made a motion to accept the Town of Newry Public Hearing Meeting minutes, for September 22, 2019, Selectmen Conkright 2nd the motion, all approved.

Selectman Wight made a motion to accept the Town of Newry Selectmen Meeting minutes for September 23, 2019, Selectmen Conkright 2nd the motion, all approved.

Adjustments to Agenda: None

Announcements: None

Public Comment: None

New Business:

~Discuss and Consider report of additional audit services from RHR Smith Town's auditor~:

See attached report from RHR Smith & Company's letter.

Prelude by Ron Smith: June 2019 Amy Bernard reached out to Ron of RHR Smith, with some concerns about some best practices and some struggles with some of the Bank reconciliations and in particular some Journal Entries and some activities that got recorded. Amy asked that RHR come up and take a look and take a deeper look based on her concerns and what RHR had found.

What was found was basically some misapplication of payments for property taxes that were applied to a tax payer's account of which that tax payer was an employee of the Town as a Deputy Clerk.

Also the Bank Reconciliation that that particular employee did as well was not up to date. The last reconciliation was January 2019.

Now RHR wants to work to get the current staff up to speed and get everyone cross trained. RHR would like to help the town office achieve the best practices.

Based upon what was found RHR, they do not feel that we need to dig any deeper looking for anything. They feel that they can bring the current staff up to speed on reconciliation and help to set the best practices in place. RHR staff is coming to the Town office on November 18th and 19th to do just that.

RHR will also be back in December to report the Annual Audit.

RHR is always available to help.

Amy Henley wanted to voice her concern as a taxpayer and asked what it is going to cost her as a taxpayer for this. She also asked if the said employee could be made responsible to pay for the costs due to her actions. She thought the employee should be held accountable.

RHR stated that they (RHR) have a statutory obligation to report this incident to the state auditors department.

~Discuss and Consider opening the Town Office at 9am the day after the election November 6, 2019~:

Selectman Conkright made a motion to open the Town office at 9am on November 6, 2019
Selectmen Wight 2nd the motion, all approved.

The office will be open until 8pm on November 5, 2019.

Next Meeting: November 12, 2019 @ 5:00 pm Select Board Meeting
November 19, 2019 @ 5:00 pm Select Board Meeting

Selectman Wight made a motion to adjourn the Select board Meeting. Selectman Conkright 2nd
and all approved. Meeting adjourn at 5:40pm

Adjourn: 5:40 pm

Minutes Approve By:



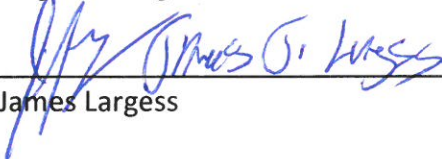
Gary Wight

Date: 11-12-19



Virgil Conkright

Date: 11/12/19



James Largess

Date: 11/12/19



Proven Expertise and Integrity

October 4, 2019

Board of Selectmen
Town of Newry
422 Bear River Rd
Newry, Maine 04261

In planning and performing our upcoming audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Newry, Maine, as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control. We did so to determine our auditing procedures for expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Town, internal control over financial reporting or compliance.

During our preliminary audit, we became aware of several matters referred to as "management letter comments" that offer opportunities for strengthening internal control and improving operating efficiencies of the Town and the following pages summarize our comments and suggestions on those matters.

This report is intended solely for the information and use of the Selectmen, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bank Reconciliations:

In performing our test work for the above mentioned year end, we noticed that the Town's general checking was only reconciled up to January. It should also be noted that "Andro Pay" was never reconciled. After vouching the reconciliation general ledger balance at month end, it was found that there were variances between the Trio balance's and the reconciliation. These unknown variances were held out of the monthly reconciliations. It was also noticed that many of the reconciliations that were prepared, were not done so in a timely manner.

We recommend that the Town perform all cash reconciliations on its financial software within 21 days of month end. We understand the Town has hired new personnel which it believes will be adequately suited to perform not only these reconciliations but other crucial fiscal responsibilities within the Town. The Town has also utilized our services to assist with reconciliation guidance and TRIO reconciliation training.

Cash Receipting Postings:

In performing our test work for the above mentioned year end, we were made aware and noticed that various payments to the Town for various state reimbursements were not applied correctly. These amounts were actually applied as tax payments to a taxpayers account. As you are aware, this taxpayer was also an employee of the Town. Based on our further testing, it appears that this was an isolated instance of payments being misapplied. We recommend management review this area in further detail to make sure internal controls are strong and the Town is adhering to best practice. We are currently reviewing this area with management.

This letter is intended solely for the information and use of the Board of Selectmen, those charged with governance and others within the Town and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank Amy and all the staff at the Town for their cooperation throughout this process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

RHR Smith & Company

RHR Smith and Company, CPAs