

May 29, 2018

Board of Selectmen
Town of Temple
P.O. Box 191
Temple, New Hampshire 03084

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Dear Board of Selectmen:

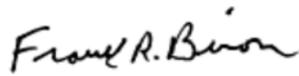
During the course of our 2017 audit we identified certain areas where improvements and/or efficiencies could be made that were not included in a formal management letter. The following summarizes these issues very briefly:

- Disbursement testing results showed 6 out of 25 selected invoices not having signed documentation of approval. We recommend all invoices be signed by a knowledgeable individual.
- The recreation special revenue fund bank account reconciliation retained no formal list of outstanding checks. We recommend that a list of issued, cleared, and outstanding checks be maintained for the recreation checking account.
- People's United bank accounts did not cut off at December 31. We recommend that all bank accounts run through the end of the month to create a smoother reconciliation process at year-end.
- The cash collateralization agreement with Citizens Bank was addressed to the former Treasurer. We recommend that this be updated to the current Treasurer.
- Payroll manifests were not signed for approval by the Board of Selectmen. We recommend that all manifests be signed documenting approval to pay.
- Payroll testing results showed 2 out of 25 employees not having approved rate agreements for the pay periods selected. We recommend that an approved rate agreement be retained in each employee's personnel file.
- Journal entry support was not retained for all journal entries. We recommend that the journal entries be printed and retained in a bound book and contain dual signatures.
- Final adjusted budget was not updated in the general ledger system. We recommend that the final budget be updated in the system to allow for budget versus actual reports to be generated.

- Formal policies and procedures have not been adopted for procurement. We recommend that a Town-wide policy be implemented to provide guidance over procurement.
- Job descriptions and duties were unclear to new staff. We recommend that the Board, along with employees, document job descriptions and expectations for better clarification and understanding by all.

We encourage the Town implement these recommendations in order to improve controls and efficiencies. I will be available to discuss these with you in more detail at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Frank R. Biron".

Frank R. Biron, CPA
President