

New Hampshire Association of Village Districts

HB 1448 Passed - Audits - Department of Revenue Administration Meeting, August 9 at 1 p.m.

Less than 10% of Village Districts have a professional audit. For those Districts that have small budgets that is not surprising since the cost of a professional outside audit can be considerable.

Nevertheless, there are some concerns over the reliability of the financial data from small municipalities coincident with demands for more transparency in government at all levels. In reality, the transparency at the local level seems to be much greater than that at any other but it is also the easiest to get at.

HB 1448 was introduced in the New Hampshire Legislature in January of this year. It establishes procedures for the conduct of municipal financial audits and makes certain technical corrections relative to local

governments. The bill had several sponsors including Representatives Cooney, Hatch, Mulholland and Gould and Senator Devries.

The bill amends RSA 41 by inserting after section 31 several new sections:

The section most relevant to most Village Districts is in bold.

RSA 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.

The bill passed both House and Senate on June 2 and goes into effect 60 days after its passage.

August Meeting

The Association Board of Directors will be holding their monthly meeting at the Department of Revenue Administration on

August 9th

and Barbara Robinson, Director of the Municipal Services Division will be making a presentation on what this all means.

Time: 1 - 3 p.m.

Department of Revenue Administration

109 Pleasant Street, Concord

Check the "Contact Us" section of the DRA website (nh.gov/revenue) for directions

Everybody welcome.

4th Annual Joint Training Symposium

New Hampshire Association of Village Districts and Granite State Rural Water Association

December 6th, 2010

5.5 TCH's available

**Primex
46 Donovan St
Concord, NH**

8:00 - 8:30 Registration

8:30 - 8:45 _Welcome

8:45 - 9:30 Legislative Update - Cordell Johnson - Local Government Center

Legislative update on large scale water withdrawals, the Right to Know Law and related issues.

9:30 - 10:00 NH Public Works Mutual Aide Program Update and Freedom of Information Act - Joanna McKenna - NH Department of Environmental Services

Current Status of the NH Public Works Mutual Aide Program and how it works.

10:00 - 10:15 Break

10:15 - 11:00 Alternative Energy Systems for Waste Water Treatment Plants -

David Bernier - Superintendent, North Conway Water Precinct

How the North Conway Water Precinct developed a "State of the Art?": alternative energy system for its wastewater treatment plant.

11:00 - 12:00 Chemical Waiver Process - Nick Scaggell - NH Department of Environmental Services

Update on the procedures and issues relating to getting Phase II and V waivers.

12:00 - 12:45 Lunch

12:45 - 1:30 Capital Improvement Project Contracts: Guidance and Traps for the Unwary - Dan Crean - Crean Law

Issues to be aware of when negotiating contracts for capital improvement projects.

1:30 - 2:15 Water System Assessments - Interactive walkthrough of a capacity checklist - GSRWA Staff

2:15 - 2:30 Break

2:30 - 3:00 System Sustainability Checklist -

GSRWA Staff

Local Officials and Village District Administrators Workshop

**September 25th, 2010
9:00 - 12:30**

Plymouth Water District Office

9:00 - 9:15 Introduction and review of RSA 52A

9:15 - 10:15 Annual Meeting issues - Budgets, warrant articles, notices, bond hearings, DRA reporting

10:15 - 10:30 Break

10:30 - 11:30 Financial Administration - Internal Controls, end of year accounting, fundbalance, audits, financial strategies.

11:30 - 12:30 - Village District / Town Issues - Communications, Trust Funds, taxes

This workshop will be particularly useful for Village District Commissioners and Administrators. No charge for Association Members

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