

August 3, 2023

To the Board of Selectmen  
Town of Littleton, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Littleton, New Hampshire for the year ended December 31, 2022, we considered the Town's internal control structure to determine audit procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that represent opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. We previously reported on the Town's internal control structure in our report dated August 3, 2023. This letter does not affect that report or our report on the basic financial statements dated August 3, 2023.

We have already discussed these comments and suggestions with various Town personnel, and we will be pleased to discuss them in further detail at your convenience, perform an additional study of the matters, or to assist you in implementing the recommendations.

The purpose of this letter is to provide constructive and meaningful recommendations to you.

Sincerely,



Vachon Clukay & Company PC

## **WELFARE AID DOCUMENTATION**

### **Observation**

During our audit, we noted the Town utilizes preprinted authorization forms for documenting welfare support payments. These forms contain fields to document the signatures of the Welfare Director, vendor receiving payment, and individual receiving aid. During our testing of these transactions, we noted several instances that lacked vendor and aid recipient signatures or supporting documentation from the vendor, such as a vendor invoice.

### **Implication**

Failure to document acknowledgement of the vendor and aid recipient, and support for amounts to be paid, for welfare aid transactions increases the risk that the payments may be made for incorrect amounts, for inappropriate purposes or that are fraudulent in nature.

### **Recommendation**

We recommend that the Town evaluate its policies and procedures over welfare aid transactions, including the proper use of existing forms in obtaining proper documentation and acknowledgement from vendors and aid recipients for all welfare aid transactions.

### **Management Response**

The Welfare Department currently provides a copy of an invoice or other documentation with the vouchers submitted to the Finance Department to support the expenditures for all categories' excluding rent. In response to the Formal Auditor's letter, rental payments will have a copy of the Landlord Verification Form or a statement from the landlord to prevent payment errors and or inappropriate transactions. Invoices and statements for all other expenditures are and have been attached to all vouchers. The Welfare Department transitioned over to the NHGAPv2 Welfare Program in 2022 from the NHMAPS program which was the program being utilized since 2007.