



TOWN OF WARNER

PO Box 265
Warner, New Hampshire 03278-0265
Telephone: (603) 456-2298 Fax: (603) 456-2297
Warnernh.gov

Select Board:
Harry Seidel, Chair
Michael Smith
Alfred Hanson
selectboard@warnernh.gov
Kathy Frenette, Town Administrator
administrator@warnernh.gov

Auditor Search Committee (ASC) Meeting Minutes

July 22, 2025, Tuesday at 6:00 PM
Warner Town Hall - 5 E Main St, Lower Meeting Room
No Recording available for this meeting.

Members' Present: Robert Blake, James Sherman, James Gaffney, Elizabeth Labbe (late)

Public Present: Martha Mical, Ginger Marsh, Janice Cutting, Natalie Wells, John Levitt, Rebecca Courser, Michael Smith, Pier D'Aprile, other resident X3 – **Via Zoom:** Zoom not available.

Call to Order: 6 PM

Quick recap:

Mr. Blake connected gathered historical data and information about Warner's past audits according to Diane R (former TA) and Faith Minton (former SB member)

It needs to be made clear that CPAs are mandatory reporters when it comes to fraud.

It seems reconciliations are a problem area for Warner. Discussion about financial files, access to them, and a liaison between the new firm and the Town.

Four items to be sent to SB

1. Recommendation that personnel issues that led to past audit finding and recent audit company termination with Warner be addressed if the town expects to find a replacement company and to have a successful audit of 2024 records
2. Recommendation to SB that James Sherman be authorized and town employees be instructed to cooperate with him to assess the current state of books/records
3. Recommendation based on item 2 that the town contracts short term contracts with an outside company to get records into a state that can be audited successfully.
4. Suggestion that the town officially/unofficially pursue an extension with DRA so that the tax rate may be set using MS535 without completion of audit before rate is set.

Language for the above to be reviewed and approved at the July 24 meeting.

Additional points that were discussed/asked

Why have Warner audits been late in recent years?



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The town will not be able to secure 3 bids for items 4 above

Name of firms below were raised as candidates for moving forward

Nathan Welsher

CBiz

Adams Brown

Ciuni Panichi

Cohos Advisors

Our next meeting is July 24, 2025, at 8am.

Adjourn: 7:14 PM



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Auditor Search Committee (ASC) **Recommendation 1 to Select Board**

July 22, 2025, Tuesday at 6:00 PM
Warner Town Hall - 5 E Main St, Lower Meeting Room
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Members' Present: Robert Blake, James Sherman, James Gaffney, Elizabeth Labbe (late)

Recommendation 1:

Audit company Plodzil and Sanderson terminated the engagement/audit with Warner for cause.

Reasons listed in their letter to the town:

- 1. concerns about reliability and completeness of financial records**
- 2. working atmosphere in town offices**
- 3. potential limitations on access to critical information.**

Several years in a row Vachon and Clukay listed findings consistent with the personnel issues above and to date the Warner Select Board has taken no actions to correct the documented issues.

Communications with potential replacement firms have universally shown that Warner being terminated for cause is a serious red flag.

It is the opinion of the Audit Committee that the Select Board must act to correct the issues above without delay if they hope to secure a replacement Audit company and deliver a successful audit of the 2024 finances of the town.

Approved 4-0 by the committee as amended



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Auditor Search Committee (ASC) **Recommendations 2-4 to Select Board**

July 24, 2025, Tuesday at 6:00 PM
Warner Town Hall - 5 E Main St, Lower Meeting Room
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Members' Present: TBD: Robert Blake, James Sherman, James Gaffney, Elizabeth Labbe

Recommendations 2:

The Select Bard should approve James Sherman to be allowed full access to 2024 and any other financial records/data. All town employees that have a role in the above records/data and execution of an audit shall be instructed to fully cooperate with Mr. Sherman in order for him to assess the town's current state of readiness for an audit and report back to ASC to make further recommendations.

Recommendations 3:

The Select Bard should plan to engage on a contract basis with a private firm/CPA to assist in correcting findings that will arise as a result of Recommendation 2 in order for the town to be prepared for a successful audit when an audit firm is secured.

Recommendations 4:

The Select Bard should attempt to secure an official/unofficial extension with DRA not to exceed June 2026 so that the town may set its tax rate with an MS535. The reasoning behind this extension request is due to the low probability that the town will secure an audit firm and complete an audit before the normal deadline. This approach minimizes the likelihood of fines and ensures continuity of function for the town of Warner.

Approved TBD