

February 28, 2022

To the Town Council  
Town of Hooksett, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hooksett, New Hampshire for the year ended June 30, 2021, we considered the Town's internal control structure in order 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 a matter that represents an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendation regarding this matter. A separate report dated February 28, 2022 contains our report on internal controls. This report does not affect our report dated February 28, 2022 on the financial statements of the Town of Hooksett, New Hampshire for the year ended June 30, 2021.

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 matter, 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*

## **WASTEWATER PAY RATES**

### ***Observation***

During our walkthrough over the payroll transaction cycle at the wastewater department, we noted an instance where a formally documented rate of pay for work performed outside of the individual's day to day operations was not on file for the individual.

### ***Implication***

Without formally documented approved rates of pay, there is an increased risk that an employee will be paid the incorrect amount or at an incorrect rate. Additionally, the Town could become susceptible to future compensation claims by employees. Lastly, the Town is not in compliance with State Law (RSA 275:49) as dictated by Department of Labor Lab 803.03 (c) and 803.03 (f) (6), which requires the employer to inform employees in writing of any changes to rates of pay and maintain on file a signed copy of the written notification signed by the employee.

### ***Recommendation***

We recommend whenever an individual will be compensated for work performed outside of their normal day to day operations, a formally documented rate of pay for the additional duties be provided to the employee, signed, and maintained on file in the employee personnel folder.