



Plodzik & Sanderson, P.A.

Certified Public Accountants

Understanding the Purpose of an Annual Independent Audit

1. Financial Accuracy and Transparency

- **Objective:** Ensure that the financial statements accurately reflect the Town's financial position and operations.
- **Benefit:** Maintains transparency and accountability to taxpayers, parents, and other stakeholders (state/federal government, financial institutions, and other stakeholders).

2. Compliance

- **Objective:** Verify compliance with federal, state, and local laws and regulations, including the proper use of federal funds. Additionally, compliance with adopted policies and procedures of the Town.
- **Benefit:** Ensures that the Town adheres to all legal requirements and guidelines.

3. Internal Controls

- **Objective:** Evaluate the effectiveness of the Town's internal controls over financial reporting and operations. The risk assessment process utilizes the results of the review of internal controls to determine the audit plan's direction.
- **Benefit:** Identifies weaknesses or areas for improvement, helping to safeguard assets and enhance operational efficiency. Audit recommendations are based on the engagement team's skill, knowledge, and experience in auditing more than 220 local governmental entities in the State of New Hampshire. Providing knowledgeable recommendations based on years of experience.

4. Budgeting and Planning

- **Objective:** Provide insights that can assist with future budgeting and financial planning. While not a specific function of the audit, as a byproduct, the audit process and results can aid management and governance in looking at the budgeting process full circle with the final product as a starting point for subsequent periods.

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- **Benefit:** Helps the Town's management and governance make informed financial decisions, plan for the future, and respond to unexpected results. As well as identifying future trends and plan accordingly.

5. Trust and Credibility

- **Objective:** Enhance the Town's credibility with the community.
- **Benefit:** Builds trust in the Town's fiscal management and operations.

The role as a Board member is crucial in overseeing these processes and ensuring that the Town remains accountable and transparent.

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