

McGladrey & Pullen

Certified Public Accountants

To the Audit Committee
Town of New Fairfield
New Fairfield, Connecticut

In connection with our audit of the basic financial statements of the Town of New Fairfield, Connecticut, as of and for the year ended June 30, 2008, we identified deficiencies in internal control over financial reporting (control deficiencies).

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect financial statement misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affect the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

CONTROL DEFICIENCIES IN INTERNAL CONTROL

CDIC-1. Observation:

Through our sample of 15 items, 4 pension files could not be located. The four individuals retired prior to 1992.

Recommendation:

We recommend that the proper supporting documentation for retiree benefits be properly maintained by the Town.

CDIC-2. Observation:

Through our sample of 9 items, 3 Community Development Loan files could not be located. The three loans were originated, prior to 1998.

Recommendation:

We recommend that proper documentation to support loans given be properly maintained by the Town.

CDIC-3. Observation:

It was noted that there are check signers listed at the bank that no longer have the authority to sign Town checks.

Recommendation:

We recommend that only current check signers are on file at the bank. The Town has already begun to update the check signers with the respective banks.

We would be pleased to discuss these or any other matters at your convenience, and to assist you with the implementation of any of these recommendations.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 4, 2008



TOWN OF NEW FAIRFIELD

Municipal and School Financial Services

3 Brush Hill Road
New Fairfield, CT 06812-2665
(203) 312-5657 FAX (203) 312-5658

CORRECTIVE ACTION PLAN RE: AUDITORS' RECOMMENDATIONS TO MANAGEMENT FOR THE YEAR ENDED 6/30/08

BOE Pension Files

We first contacted the School Business Manager who was here from 1991 through 1997. She had no memory of where the pension documents were filed. We then contacted Principal Financial Group who administers our pension plan. They advised us that they could research the archives and retrieve the files for us. The cost to provide this service would be at the rate of \$225 per hour. The auditors instructed us it was not necessary or cost effective to move forward at this time.

Community Development Loan Files


The original paperwork for these files (which were prior to 1998) could not be located. All of these types of loans are attached with a lien which is recorded in the Town Clerk's office.

Check Signers

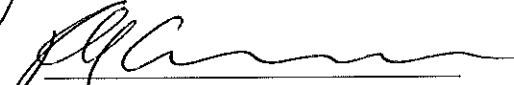
As stated in the management letter, we had already begun to update the signature cards. All signature cards were updated within one week of the deficiency being mentioned.

Update:

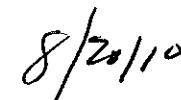
All above issues have been resolved.



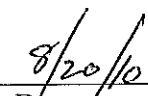
Jay P. Waterman
Director of Finance



Philip A. Cammarano
Treasurer



Date



Date