

The Town of North River

"Incorporated since 1964"

P.O. Box 104

North River, NL A0A 3C0

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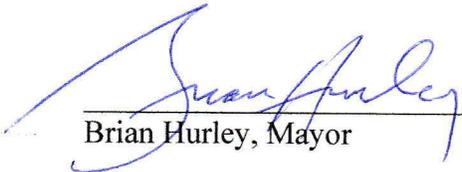
Dear Residents of North River

The following statement had been previously delivered to the residents of the Town. "The Town of North River has been made aware of an issue regarding a financial irregularity. Council immediately sought the advice of their legal counsel and Municipal Affairs. Based on this advice Council has requested their Auditors complete a review of the town's financial records. When this review is complete Council will issue a further statement. "

The financial irregularity referred to was an unsuccessful attempt on one occasion by the Town Clerk to improperly divert Town funds (\$24,265) for personal use. We were alerted to the attempt by the bank and immediate steps were taken to secure the building and town records.

Council received a report from the Town's auditor on Monday May 30, 2022 containing the results of a forensic audit completed on behalf of Council. Council met on Tuesday May 31, 2022 to discuss the auditor's report and how to proceed. This meeting included the Town's legal counsel. A copy of the auditor's report is included for your information. The Town has recovered all funds involved in the attempted fraud (except a service fee of \$220) and the results of the forensic audit concluded that this was a onetime event and there was no evidence of any additional incidents of fraud.

Council received legal advice from the Town's solicitor regarding what the possible outcome would be if council proceeded with legal action against the former town clerk. Based on this advice and the fact the town recovered (\$24,045), the difference being a service fee charged by the bank, Council passed a motion not to proceed with legal action.



Brian Hurley, Mayor