

**STATE OF NEW HAMPSHIRE**  
**BIENNIAL REPORT**  
**OF THE**  
**LEGISLATIVE BUDGET ASSISTANT**  
**CALENDAR YEARS 2023 AND 2024**

Michael W. Kane, MPA  
Legislative Budget Assistant

Christopher M. Shea, MPA  
Deputy Legislative Budget Assistant

Christine L. Young, CPA  
Director of Audits

---

Office of Legislative Budget Assistant  
107 North Main Street  
State House, Room 102  
Concord, New Hampshire 03301-4906  
Voice: 603.271.3161  
TTY/TDD Relay: 603.225.4033

[www.gencourt.state.nh.us/lba](http://www.gencourt.state.nh.us/lba)



**TABLE OF CONTENTS**

	<u>PAGE</u>
Letter of Transmittal .....	i
Legislative Budget Assistants .....	v
Summary of Audits and Other Reports Completed and Issued By the Office of Legislative Budget Assistant .....	1
Synopses of Reports Issued by the Office of Legislative Budget Assistant .....	3
• Financial Audit Reports .....	4
• Performance Audit Reports.....	30
Reports of Other Auditors and Accountants Under Contract With the Office of Legislative Budget Assistant .....	38

**APPENDICES**

• Office of Legislative Budget Assistant Organizational Chart .....	A-1
• Oversight Committees 2023 and 2024 Members.....	A-3
Fiscal Committee	
Legislative Performance Audit and Oversight Committee	
• Statutory Authority .....	A-4
• Staff of the Office of Legislative Budget Assistant As of December 31, 2024 .....	A-8

**THIS PAGE INTENTIONALLY LEFT BLANK**



MICHAEL W. KANE, MPA  
Legislative Budget Assistant  
(603) 271-3161

CHRISTOPHER M. SHEA, MPA  
Deputy Legislative Budget Assistant  
(603) 271-3161

## State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
State House, Room 102  
Concord, New Hampshire 03301

CHRISTINE L. YOUNG, CPA  
Director, Audit Division  
(603) 271-2785

January 2025

### **To the Members of the House of Representatives Finance Committee, Senate Finance Committee, House of Representatives Ways and Means Committee, and Senate Ways and Means Committee:**

I am pleased to present to you, in accordance with RSA 14:31, VI, a report of the results of post-audits, program result audits, and investigations conducted during calendar years 2023 and 2024 by the Audit Division of the Office of Legislative Budget Assistant (LBA).

Additionally, I offer a summary of the activities and responsibilities of the Budget and Audit Divisions during the biennium, and note changes that affect the technical reporting methods of the LBA.

Additional information about the LBA can be found at [www.gencourt.state.nh.us/lba](http://www.gencourt.state.nh.us/lba). The web site also makes available to the public, information about the state operating and capital budgets, the Fiscal Committee, the Performance Audit and Oversight Committee, the Long Range Capital Planning and Utilization Committee, and the Capital Project Overview Committee. In addition, the site includes the full text of all issued audit reports, as well as general information regarding our mission and statutory authority.

### **THE BUDGET DIVISION**

During the General Court's annual sessions and throughout the year, the LBA Budget Division provides technical staff assistance in the areas of finance, accounting, and budgeting to members of the Legislature and its committees. It also assists in preparing the operating and capital budgets and provides assistance to special study committees and commissions.

The Budget Division monitors bills that contain appropriations, bond authorizations, or have revenue and expenditure implications. Fiscal notes are written as needed. 810 fiscal notes were written during the 2023 session for introduced and redrafted bills and amendments; during the 2024 session, a total of 1,118 fiscal notes were written for introduced, redrafted, and amended bills.

The LBA staff provides support to the Fiscal Committee, the House Finance Committee, the Senate Finance Committee, the House Ways and Means Committee, the Senate Ways and Means

Committee, the House Public Works and Highways Committee, the Senate Capital Budget Committee, the Capital Project Overview Committee, the Long Range Capital Planning and Utilization Committee, the Legislative Performance Audit and Oversight Committee, and other committees when requested.

The Budget Division is also responsible for writing fiscal impact statements for new, amended, and interim rules submitted under the Administrative Procedure Act (RSA 541-A). In 2023, there were 348 fiscal impact statements written for various rules; in 2024, the LBA issued 322 fiscal impact statements.

The Budget Division is actively involved in the National Conference of State Legislatures (NCSL) and the Eastern States Legislative Fiscal Officers Association (ESLFOA).

#### Revenue Projections

As required by statute, the Legislative Budget Assistant assists the committees responsible for estimating State revenues for the forthcoming biennium, and tracks for the responsible committees actual State revenues to see how they correspond with projections.

#### Responsibilities of the Fiscal Committee

The Legislative Budget Assistant is appointed by the Fiscal Committee. The ten-person committee meets monthly to consider a variety of requests from State agencies. Among its duties are to accept and authorize the expenditure of federal and other funds in excess of \$100,000 that were not previously budgeted; to transfer funds from allocated units inter- and intra-agency; to authorize the expenditure of federal funds for personnel costs; to grant agencies approval to spend appropriations, when required to do so by law; and to transfer money from the Highway or Fish and Game surplus accounts. The Committee also reviews and approves all audits conducted by the LBA or under its aegis.

## THE AUDIT DIVISION

The pace of change in the governmental accounting and auditing field over the past several years shows no sign of relenting. The national focus on audit quality in both the public and private sector has highlighted the need for auditors at all levels to better understand both the operating environments and the numerous and complex financial reporting and audit standards that apply in the governmental sector. The LBA provides regularly scheduled continuing professional education to its staff and, to the extent possible, invites employees of other agencies and departments to attend. The Audit Division is actively involved in the New England Intergovernmental Audit Forum and the National State Auditors Association.

#### Auditing Standards

The Audit Division conducts both financial and performance audits in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. These standards are known as both Generally Accepted Government Auditing Standards (GAGAS) and as the Yellow Book.

In accordance with these standards, the LBA has the following audit objectives:

- Attesting to the fair presentation, in all material respects, of agency financial statements.
- Determining whether the State's resources are properly safeguarded.
- Determining whether such resources are properly and prudently used.
- Determining an agency's compliance with legal and regulatory requirements.
- Evaluating management's economy and efficiency in its use of resources.
- Determining and evaluating a program's results, benefits, and accomplishments.
- Ensuring that all audit results are fully disclosed to the Legislature, the public, and State agencies.

All LBA audit results are intended to inform the Legislature and to assist the agency and program administrators by indicating areas where accounting and administrative controls, financial operations, risk assessments, program results, and efficiency and effectiveness can be improved.

All audits conducted by the LBA are in accordance with the applicable standards, which necessitates close monitoring of the current and proposed standards, including standards on auditor independence. The Audit Division has historically protected and maintained its independence both in appearance and in fact. We will continue to closely monitor all changes to standards to ensure audit work complies with industry standards.

*Government Auditing Standards* require that organizations conducting audits undergo an external quality control review, also known as a peer review, at least once every three years. The Audit Division underwent a peer review conducted under the direction of the National State Auditors Association in September 2023. This peer review resulted in a favorable opinion on the system of quality control in place at the LBA - Audit Division. The next peer review is anticipated in September 2026.

#### Accounting Standards

In endeavoring to remain current with generally accepted accounting principles, the LBA continually monitors the activities of the Governmental Accounting Standards Board (GASB). Changes in financial reporting standards take place regularly. Since its inception in 1984, GASB has issued 104 governmental accounting standards Statements and, as of December 2024, has many other projects in process.

#### Reports Issued

During 2023 and 2024, the Audit Division issued 16 audit reports. A complete list of these reports begins on page 1. The audits involve all components of State government and offer a total of 107 observations and recommendations for improving operations and strengthening internal managerial and accounting controls to ensure that funds are expended as intended and recorded properly. Of these, 18 suggested legislative action may be required.

In addition to the audit work conducted by the LBA staff, the Office also contracted with other accountants for audit work. A list of the contracted accountants and their reports can be found on

page 38. Reports issued by the LBA or its contracted accountants can be accessed by visiting our web site at [www.gencourt.state.nh.us/LBA/auditreports.aspx](http://www.gencourt.state.nh.us/LBA/auditreports.aspx).

#### Funding of Audits

The Audit Division is initially funded by appropriations from the General Fund. Agencies and programs which do not receive appropriations from the General Fund are billed at the conclusion of an audit. Fees are based on the time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. Costs for audits completed for federally funded programs are billed to the Audit Set Aside Account, to which all federal programs contribute annually, in accordance with the federally approved statewide central service cost allocation plan. The Audit Division collected \$620,921 and \$563,625 in revenue in State fiscal years 2023 and 2024, respectively.

The Office of Legislative Budget Assistant is grateful for the support it receives from the leadership and members of the General Court. I look forward to continuing this cordial and productive relationship in the coming years.

Michael W. Kane  
Legislative Budget Assistant

**LEGISLATIVE BUDGET ASSISTANTS**

<u>Years of Service</u>	<u>Legislative Budget Assistant</u>
1947 – 1948	Arthur E. Bean
1948 – 1969	Remick J. Loughton
1969 – 1971	Henry F. Goode, <i>Acting LBA</i>
1971 – 1984	Henry F. Goode
1984 – 1996	Charles L. Connor
1997 – 2008	Michael L. Buckley
2008 – 2015	Jeffry A. Pattison
2015 – Present	Michael W. Kane

**THIS PAGE INTENTIONALLY LEFT BLANK**

**SUMMARY OF AUDITS AND OTHER REPORTS COMPLETED AND  
ISSUED BY THE OFFICE OF LEGISLATIVE BUDGET ASSISTANT**

The Office of Legislative Budget Assistant completed and issued 16 audit reports from January 1, 2023 through December 31, 2024. A synopsis of each is included in this report at the referenced page number. These reports can be accessed at and printed from the Office web site at [www.gencourt.state.nh.us/lba/auditreports.aspx](http://www.gencourt.state.nh.us/lba/auditreports.aspx).

**FINANCIAL AUDIT REPORTS**

AGENCY / AREA OF REVIEW	PERIOD AUDITED	PAGE
Department of Corrections Internal Control Review Salary and Benefit Expenditures February 2024	For the Nine Months Ended March 31, 2023	4
State of New Hampshire Internal Control Review Establishment and Maintenance of Vendor Accounts September 2023	For the Nine Months Ended March 31, 2022	8
Judicial Council Internal Control Review Revenues and Expenditures October 2024	For the Nine Months Ended March 31, 2024	13
Liquor Commission Annual Comprehensive Financial Report	For the Fiscal Year Ended June 30, 2022	19
Liquor Commission Management Letter	For the Fiscal Year Ended June 30, 2022	20
Liquor Commission Annual Comprehensive Financial Report	For the Fiscal Year Ended June 30, 2023	21
Liquor Commission Management Letter	For the Fiscal Year Ended June 30, 2023	22
Lottery Commission Annual Comprehensive Financial Report	For the Fiscal Year Ended June 30, 2022	23
Lottery Commission Management Letter	For the Fiscal Year Ended June 30, 2022	24
Lottery Commission Annual Comprehensive Financial Report	For the Fiscal Year Ended June 30, 2023	25

AGENCY / AREA OF REVIEW	PERIOD AUDITED	PAGE
Lottery Commission Management Letter	For the Fiscal Year Ended June 30, 2023	26
Department of Revenue Administration Financial Audit Report	For the Fiscal Year Ended June 30, 2022	27
State Treasury Financial Audit Report	For the Fiscal Year Ended June 30, 2023	28

**PERFORMANCE AUDIT REPORTS**

AGENCY / AREA OF REVIEW	PERIOD AUDITED	PAGE
Department of Education Special Education Dispute Resolution Processes March 2024	For the Three Fiscal Years Ended June 30, 2022	30
Department of Energy Weatherization Assistance Program March 2023	For the Four Fiscal Years Ended June 30, 2022	33
Mental Health Workforce Licensing October 2023	For the Fiscal Year Ended June 30, 2022	35

**SYNOPSIS OF REPORTS ISSUED BY THE  
OFFICE OF LEGISLATIVE BUDGET ASSISTANT**

**JANUARY 1, 2023 THROUGH DECEMBER 31, 2024**

A summary of each report issued by the Office of Legislative Budget Assistant from January 1, 2023 through December 31, 2024 is provided herein. Each summary describes what was found at the time of the audit. The summaries are presented alphabetically by agency under audit with respect to the type of audit conducted.

## FINANCIAL AUDIT REPORTS

**State of New Hampshire  
Department of Corrections  
Internal Control Review  
Salary and Benefit Expenditures  
For the Nine Months Ended March 31, 2023  
Issued in February 2024**

### EXECUTIVE SUMMARY

The Department of Corrections (Department) had not established adequate internal controls over the authorization, payment, recording, and reporting of salary and benefit expenditures during the nine months ended March 31, 2023. While the Department's controls over new hires, pay changes, and timekeeping were tested and found to be operating effectively, certain necessary controls were not properly designed, implemented, or operating effectively. Some salary and benefit expenditures were not paid in accordance with applicable statutes, administrative rules, and documented Department of Administrative Services policies and procedures.

During the audit, we found:

- The Department lacks personnel with sufficient payroll expertise needed to manage the complexity of the Department's payroll. The payroll process is complicated as it has several different nonstandard shifts, operates under six different Collective Bargaining Agreements, and must comply with the federal Fair Labor Standards Act and numerous state statutes and administrative rules.
- The Department does not have a formal risk assessment process nor a formal business continuity and disaster recovery plan for critical administrative support and financial reporting activities supported by written policies and procedures to identify, analyze, and respond to risks.
- The Department lacks agency specific policies and procedures for paying recruitment and retention incentives, income protection leave, and for the mobility punch function within the State's Workforce Management System.
- The Department lacks an effective monitoring control over the bi-weekly payroll and manual check processes to ensure payroll is being processed accurately and in accordance with applicable compliance requirements.

As noted in the observations contained in this report, significant weaknesses existed in all five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring.

## **BACKGROUND**

The Department of Corrections (Department) traces its history back to the opening of its first State prison in 1812. The current Department was established in 1983 by RSA 21-H:3, which consolidated the State's existing Probation Department, Parole Department, and Men's Prison. The Department is organized into six divisions, including: the Division of Administration, Division of Field Services, Division of Medical and Psychiatric Services, Division of Professional Standards, Division of Personnel and Information, and the Division of Rehabilitative Services.

The Department is headquartered in Concord, NH, where centralized activities, such as administration and payroll (salaries and benefits) processing, occur. The Department operates three prisons: the New Hampshire State Prison for Men, the New Hampshire Correctional Facility for Women (both located in Concord), and the Northern New Hampshire Correctional Facility (located in Berlin); as well as the Secure Psychiatric Unit (located within the men's prison) and the Residential Treatment Unit. In addition to the three prisons, the Department also operates the Corrections Transitional Work Center, and the North End, Calumet House, and Shea Farm Transitional Housing Units. The Department's Division of Field Services also has district offices in each county throughout the State for probation and parole officers to work out of.

The State Prisons (correctional facilities) are administered by a Warden who is responsible for the operation of the facility; its security staff; provision of access and space to other Department employees who have duty stations within each respective prison; and the care, custody, safety, and treatment of inmates housed in their facility. The Wardens serve at the pleasure of the Commissioner and are unclassified employees. Employees with the rank of Major oversee the security within the prisons and are at the top of the Correctional Officers hierarchy.

The Division of Personnel and Information is located in the Department's headquarters and is responsible for the administration of payroll, benefits, and human resources functions. The Office consists of a Payroll Supervisor and two Human Resources Technicians that are supervised by an Administrator II and overseen by an Administrator IV who reports to the Director of the Division of Personnel and Information. Human Resources Coordinators are also located within each prison and are overseen by the Director of Human Resources who reports to the Director of the Division of Personnel and Information. The Division of Administration is responsible for monitoring payroll expenditures to ensure the Department does not overspend and performing necessary transfers to cover shortfalls when they occur and is overseen by a Division Director and Deputy Director.

The Department's budget and actual transactions are recorded primarily in the State's General Fund. The Department recorded \$86.3 million of salary and benefit expenditures in NH FIRST during the nine months ended March 31, 2023.

## OBJECTIVES, SCOPE, AND METHODOLOGY

### Audit Objectives

1. Assess the Department's internal controls over the authorization, payment, recording, and reporting of salary and benefit expenditures processed in and out of the General Fund. This includes assessing the control environment, risk assessment, control activities, information and communication, and monitoring, and determining the adequacy of management's policies and procedures.
2. Assess the adequacy of the design of internal controls over the authorization, payment, recording, and reporting of salary and benefit expenditures processed in and out of the General Fund.
3. Assess the establishment and implementation of internal controls as designed.
4. Assess the operation of the internal controls, including:
  - Functional compliance with statutes, rules, contracts, and written policies and procedures related to the authorization, payment, recording, and reporting of salary and benefit expenditures.
  - Effective segregation of duties and responsibilities for control activities.

### Audit Scope

The scope of our audit included a review of the internal controls over the authorization, payment, recording, and reporting of the Department's salary and benefit expenditures paid during the nine months ended March 31, 2023. The scope of the audit also included determining whether the salary and benefit expenditures were paid in accordance with applicable statutes, administrative rules, contracts, and documented Department of Administrative Services policies and procedures.

The audit period was July 1, 2022 through March 31, 2023.

### Audit Methodology

1. Interviewed Department of Corrections' and Department of Administrative Services' personnel.
2. Reviewed internal control documentation, including the State's and the Department's:
  - Policies and procedures;
  - Documentation of systems, applications, forms and instructions, and other relevant information; and
  - Significant contracts and grant agreements.

3. Reviewed laws, rules, regulations, and policies and procedures over the authorization, payment, recording, and reporting of the Department's salary and benefit expenditures including:
  - State statutes;
  - Federal laws and regulations;
  - New Hampshire administrative rules;
  - Department of Administrative Services Manual of Procedures;
  - Collective Bargaining Agreements;
  - State-wide policies and procedures; and
  - Agency-based policies and procedures.
4. Observed the salary and benefit expenditure processes.
5. Reviewed the design and operation of controls through tests of transactions, review, and evaluation of supporting documentation.
6. Performed analyses of NH FIRST salary and benefit expenditure transactions.

#### **FINDINGS AND RECOMMENDATIONS**

- Internal Control Structure Over Salaries And Benefits Processing Needs Strengthening
  - Prepare And Implement Fundamental Internal Control Processes And Plans
  - Establish Department-specific Policies And Procedures For Employee Incentive Payments
  - Policies And Procedures For The Use Of Mobility Punches Should Be Implemented
  - Manual Payroll Check Process Should Be Adequately Controlled
  - Controls Over Job Reallocations Should Be Strengthened
  - Implement Effective Monitoring Controls Over Salary And Benefit Expenditures
  - Seek Clarification Of Double-Time Compensation Provisions
  - Seek Clarification On The Compensation Of Academic Employees
  - Non-Exempt Classification Listing Should Be Published
  - Test Of Backup Information Should Be Performed
  - The Department Should Adhere To Conflict Of Interest Statute And Executive Branch Ethics Committee Advisory Opinion
  - Internal Policy And Procedure Directives Should Be Reviewed Timely
  - Statements Of Financial Interests Should Be Filed As Required By Statute
  - Organizational Structure Should Align With Statute
-

---

**State of New Hampshire**  
**Internal Control Review**  
**Establishment and Maintenance of Vendor Accounts**  
**For the Nine Months Ended March 31, 2022**  
**Issued in September 2023**

---

**EXECUTIVE SUMMARY**

The State's internal controls were ineffectually designed, implemented, and operated to provide reasonable assurance the control objectives for the establishment and maintenance of vendor accounts would be achieved.

During the audit, we found:

- The State lacks an online self-service vendor portal. The current manual process for onboarding and updating vendor data relies mainly on data entry performed by State personnel and is inefficient and prone to errors.
- The Department does not have a formal risk assessment process to identify, analyze, and respond to risks.
- Policies and procedures were not sufficiently developed to allow succinct communication for properly establishing and maintaining vendor accounts statewide. Policies and procedures did not effectively address the following:
  - the identification and assignment of vendors to the proper vendor class and income code when new accounts are created;
  - guidance and training to State agency personnel;
  - required documentation necessary to create and activate a vendor account for each vendor type and class;
  - maintenance, retention, and security over source documents; and
  - when to inactivate vendor accounts.
- The lack of a review and approval control procedure for establishing new, and changing existing, vendor accounts resulted in:
  - errors in vendor information (i.e., vendor name, address, email address);
  - incorrectly categorized vendors by class;
  - duplicate vendor accounts;
  - missing information; and
  - incorrect reporting of vendor income to vendors and the Internal Revenue Service.
- The State was not in compliance with certain federal laws, State statutes, administrative rules, and the Department's Manual of Procedures.
- System access was not effectively segregated.

Significant weaknesses existed in all the generally accepted components of internal control including control environment, risk assessment, control activities, information and communication, and monitoring. As a result, the State could not be certain that intended controls were in place, consistently operating, and relevant to the risks associated with the establishment and maintenance of vendor accounts. While certain issues noted during the audit impacted the data integrity of the State's vendor Master File, we did not find any instances of fraud during the nine months ended March 31, 2022.

## **BACKGROUND**

The Department of Administrative Services (Department) has primary responsibility for the administration and management of establishing and maintaining vendor accounts in the State's NH FIRST vendor Master File. However, responsibility for establishing and maintaining effective internal controls over financial reporting and compliance with laws, administrative rules, regulations, contracts, and grant agreements is shared between the Department and other State agencies.

The State's integrated financial accounting and reporting system, NH FIRST, is the primary system used to establish and maintain vendor accounts. Vendor accounts are established and maintained in NH FIRST tables, known as the vendor Master File, which allows the State to make payments to vendors through NH FIRST. The vendor Master File contains key information, such as vendor name, address, contact information, tax identification, and reporting information. For audit purposes, vendors were defined as all entities or individuals that will, or may, receive payment from the State processed through NH FIRST, including businesses providing products or services to the State, grantees, employees (non-payroll) reimbursed for travel or training, Medicaid or Medicare providers, jurors and witnesses, abandoned property claimants, taxpayers, and governmental entities. Twenty vendor classes were established in the NH FIRST vendor Master File to categorize vendors by type. Some vendor classes were restricted to specific State agencies. It is essential to effectively maintain the vendor Master File to avoid unauthorized or inappropriate activity, prevent duplicate payments, reduce the risks of fraud or errors, and promote efficiencies.

According to NH FIRST data, there were 44,717 new vendors established in NH FIRST in various vendor classes. Three vendor classes - PSG, INT, and WCE - were not used during the period audited.

Vendors interested in providing services or commodities to the State are required to furnish an Alternate W-9 Application Form and a Form W-9 *Request For Taxpayer Identification Number and Certification* in accordance with Administrative Rule Adm 603, Vendor Code Number Requirements. Vendor accounts are mainly created by the Department of Administrative Services, Division of Procurement and Support Services' Data Control Administration (DCA); however certain State agencies may also create vendor accounts. Vendor information is keyed into NH FIRST or may be input into subsystems that interface with NH FIRST.

Vendors use Form W-9 to provide their Taxpayer Identification Number (TIN), which is required for the State to file an information return (i.e., Forms 1099) with the Internal Revenue Service (IRS). The Department compiles information from NH FIRST to report vendor income annually to the vendor and the IRS for tax reporting purposes. The IRS may assess penalties if the State fails to include all the information required to be reported, or reports inaccurate information, on a Form 1099.

Vendor payments are generally issued by check through the New Hampshire State Treasury (Treasury). Vendors interested in receiving electronic payments through the Automated Clearing House (ACH) in the form of direct deposits may submit an ACH Enrollment Form notarized to the Treasury. Once the ACH Enrollment Form is received by Treasury and all required information is verified, the vendor is setup in NH FIRST to receive electronic payments.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

### Audit Objectives

1. Assess the State's internal controls over the establishment and maintenance of vendor accounts, including control environment, risk assessment, control activities, information and communication, and monitoring by assessing the adequacy of the State's policies and procedures related to establishing and maintaining vendor accounts.
2. Assess the adequacy of the design of internal controls over the establishment and maintenance of vendor accounts, including vendor validation, setup, modification, and maintenance processes.
3. Assess the establishment and implementation of internal controls as designed.
4. Assess the operation of the internal controls, including:
  - Functional compliance with written policies and procedures, laws, and rules related to the establishment of new vendor accounts and the ongoing maintenance required for those accounts within the NH FIRST vendor Master File.
  - Functional compliance with stated (but not necessarily documented) policies and procedures related to the establishment of new vendor accounts and the ongoing maintenance required for those accounts within the NH FIRST vendor Master File.
  - Adequacy of segregation of duties and responsibilities for controls related to the establishment and maintenance of vendor accounts.

### Audit Scope

The scope of our audit included a review of the internal controls over the establishment and maintenance of the State's vendor accounts including vendor validation, setup, modification, and maintenance processes within the NH FIRST vendor Master File. The scope of our audit

did not include a review of the internal controls over the State's processing of vendor payments unless such controls were integrated in the process of establishing a vendor account. Certain vendors are created to allow them to offer commodities or services to the State, while other vendors may be created specifically for the purpose of making a payment to the individual or entity.

The audit period was July 1, 2021 through March 31, 2022.

### Audit Methodology

1. Interviewed Department and other State agencies' personnel.
2. Reviewed Department and other agencies' documentation, including:
  - Policies and procedures; and
  - Documentation of systems, applications, forms and instructions, and other relevant information.
3. Reviewed laws, rules, regulations, and policies and procedures related to establishing and maintaining State vendor accounts, including:
  - State statutes;
  - Federal laws and regulations;
  - New Hampshire administrative rules;
  - Department's Manual of Procedures;
  - State-wide policies and procedures; and
  - Agency-based policies and procedures.
4. Observed the establishment and maintenance of vendor account processes.
5. Reviewed the design and operation of controls through tests of transactions and review and evaluation of supporting documentation.
6. Performed analyses of NH FIRST vendor account data.

## FINDINGS AND RECOMMENDATIONS

- The Department Should Prioritize The Development Of A Self-Service Vendor Portal
  - Formal Risk Assessment Process Should Be Established
  - Policies And Procedures Should Be Developed For The Establishment And Maintenance Of Vendor Accounts
  - Formal Policies And Procedures Should Be Established Over The Creation Of JCS Vendor Class Accounts
  - Review And Approval Control For Creation Of And Changes To Vendor Accounts Should Be Established
  - Onboarding Of Commodities Or Services Vendors Should Be Performed In Compliance With Administrative Rule\*
  - The Department Should Establish Controls For Reporting Vendor Income In Accordance With Federal Law
  - Strengthen Controls And Improve Guidance To Agencies On Contract And Documentation Requirements
  - Unused Vendor Accounts Should Be Inactivated Timely In NH FIRST
  - System Access Controls Should Be Strengthened
  - Corrections to Vendor Information Should Be Performed Efficiently And Effectively
  - The Department Should Periodically Ensure Vendors Are Not Federally Debarred
  - Vendor Electronic Payment Enrollment Process Should Be Performed More Timely
  - Formal Report From Advisory Committee On State Procurement Should Be Obtained
-

---

**State of New Hampshire  
Judicial Council  
Internal Control Review  
Revenues and Expenditures  
For the Nine Months Ended March 31, 2024  
Issued in October 2024**

---

**EXECUTIVE SUMMARY**

The Judicial Council has not established adequate internal controls over revenues and expenditures, including the receipt, deposit, recording, and reporting of revenues and the authorization, payment, recording, and reporting of expenditures for the nine months ended March 31, 2024. The financial accounting control environment in place during the audit period exhibited weaknesses that impacted the Judicial Council's ability to effectively design and implement a system of internal controls, and to provide effective oversight of financial operations.

During the audit, we found:

- The Judicial Council has not established policies and procedures to effectively manage the complexity of the indigent defense delivery system, including the public defender contract, contracted attorneys, and assigned counsel. The structure and fees established for paying indigent defendant counsel services is unsupported, not fully compliant with laws, and is not designed to provide an optimal balance of compensation to ensure there is a quality indigent defense delivery system in the State of New Hampshire.
- The Judicial Council's case management and billing system is ineffective, unsecure, and needs to be replaced. The system is comprised of an unsupported database application and spreadsheets to record payments made to attorneys, guardians, and other providers for indigent defense services. The system provides no ad hoc reporting, little summary information, requires redundant manual input, and requires the Executive Director to perform many financial and clerical duties that should be done by personnel with financial expertise.
- The Judicial Council, comprised of 24 members responsible for issues affecting the administration of justice in the State of New Hampshire, is unable to perform its statutory duties due to poor attendance at meetings and unfilled vacancies.
- The Judicial Council lacks a formal policy to address conflicts of interest and related party transactions, and is not in full compliance with statutory requirements for filing of statements of financial interests.
- The Judicial Council neither has a formal risk assessment process nor formal strategic, business continuity, and disaster recovery plans to identify, analyze, and respond to risks and support financial activities.

The procurement of an effective case management and billing system and the hiring of a financial manager could help the Judicial Council with resolving many of the observations contained in the audit report.

## **BACKGROUND**

The Judicial Council was established in 1945 pursuant to RSA 494. The Judicial Council consists of a 24-member board established to provide assistance and information about the State's courts and justice system to all branches of State government as well as to the New Hampshire Bar Association. In accordance with RSA 494:5, the Judicial Council is required to meet in January, April, and October of each year, and at such other times as the Judicial Council or its Chair may determine.

In addition, the Judicial Council provides funding for the New Hampshire Public Defender (NHPD), Court Appointed Special Advocates (CASA) of New Hampshire, New Hampshire Legal Assistance (NHLA) for civil matters and guardian ad litem (GAL) in guardianship, termination of parental rights, and abuse and neglect matters.

## **Organization**

The Judicial Council is comprised of the following members pursuant to RSA 494:1:

- The five-member Judicial Branch Administrative Council, appointed pursuant to Supreme Court Rules;
- The Attorney General or designee;
- A clerk of the Superior Court, selected by the Chief Justice of the Superior Court;
- A clerk of the Circuit Court, selected by the Administrative Judge of the Circuit Court;
- The president-elect of the New Hampshire Bar Association;
- The chairperson of the Senate Judiciary Committee or a designee from such Committee appointed by the chairperson;
- The chairperson of the House Judiciary Committee or a designee from such Committee appointed by the chairperson;
- Eight other members appointed by the Governor and Council, 3 of whom shall be members of the New Hampshire Bar Association of wide experience who have been admitted to practice in the state for more than 5 years, and 5 of whom shall be members of the public who are not lawyers; and
- Five other members appointed by the Chief Justice of the Supreme Court, 3 of whom shall be members of the New Hampshire Bar Association of wide experience who have been admitted to practice in the state for more than 5 years, and 2 of whom shall be members of the public who are not lawyers.

The Judicial Council has an administrative staff of three: the Executive Director, an Administrative Assistant, and an Accounting Technician. The Executive Director communicates regularly with the Chair of the Judicial Council.

## **Responsibilities**

The duties of the Judicial Council as defined in RSA 494:3 are as follows:

- I. To serve as an institutional forum for the on-going and disinterested consideration of issues affecting the administration of justice.
- II. To survey and study continuously the administration of justice within the state and the organization, procedure, practice, rules and methods of administration and operation of the courts of the state.
- III. To devise ways of simplifying judicial procedure, expediting the transaction of judicial business, and of improving the administration of justice.
- IV. To recommend and provide general information to the general court, to the supreme court, to the superior court, to the circuit court, to any public official, department or agency or to the state bar association, either upon request or upon the council's own motion, such changes in the law or in the rules, organization, operation or methods of conducting the business of the courts, or with respect to any other matter pertaining to the administration of justice, as it may deem desirable.
- V. To serve as a catalyst for the discussion of legal and judicial issues through seminars, forums and special studies, and any other means, within the limits of available state and private funding.
- VI. To administer the indigent defense delivery system and ensure its quality and cost effectiveness, pursuant to RSA 604-A [Adequate Representation for Indigent Defendants in Criminal Cases] and RSA 604-B [Public Defender Program].
- VII. To provide legal and guardian-ad-litem services in child protection cases, pursuant to RSA 169-C:10 [Attorneys and Guardians Ad Litem], RSA 604-A, and RSA 170-C:13 [Termination of Parental Rights - Fees and Court Costs].
- VIII. To provide legal services for indigent proposed wards in guardianship proceedings brought under RSA 463 [Guardianship of Minors and Estates of Minors] and RSA 464-A [Guardians and Conservators].

RSA 490:26-f grants the Judicial Council with authority to pay for guardian ad litem bills. Guardian ad litem appointments may be for probate matters such as guardianships of minors and adults, and representation by both attorneys and guardians ad litem in termination of parental rights matters pursuant to RSA 170-C.

## **Financial Activity**

The Judicial Council records its financial activity in the State's General Fund. During the nine months ended March 31, 2024, the Judicial Council recorded approximately \$185,000 of revenues and \$40.3 million of expenditures in the State's accounting system, NH FIRST.

The Judicial Council contracts with the NHPD to provide counsel and other representation for indigent defendants in criminal cases or for juveniles charged as delinquents, as required by RSA 604-B. The Judicial Council pays the NHPD in advance for their services. During the audit period, \$183,056 was returned from the NHPD for funds not used during State fiscal years 2022 and 2023. The Judicial Council recorded these unused funds as unrestricted revenues.

The majority of Judicial Council expenditures are for contract payments to attorneys and legal service providers who provide indigent defense in criminal cases. Individuals who are in need of an attorney but cannot afford one are considered to be eligible for indigent defense in New Hampshire. When an individual is charged with a crime and needs an attorney, the court will refer the case to the NHPD to determine if they can take on the assigned case. Payments under the NHPD contract totaled \$27.8 million for the nine months ended March 31, 2024. If the NHPD cannot take on the case due to a conflict of interest, the case is referred to a contracted attorney. Contracted attorneys enter into contracts with the Judicial Council to take on a certain number of cases in a defined period of time. Any case not handled by the NHPD or a contracted attorney is assigned to a private lawyer, known as “assigned counsel”. The Judicial Council is also responsible for the payment of attorneys representing parents in abuse and neglect cases, and guardians ad litem appointed in delinquency cases.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

### Audit Objectives

1. Assess the control environment, including management’s policies and procedures for the establishment and maintenance of an effective internal control system over the receipt, deposit, recording, and reporting of the Judicial Council’s revenues, and the authorization, payment, recording, and reporting of its expenditures.
2. Assess the adequacy of the design of internal controls over the receipt, deposit, recording, and reporting of the Judicial Council’s revenues, and the authorization, payment, recording, and reporting of its expenditures.
3. Assess the establishment/implementation of the internal controls as designed.
4. Assess the operation of the internal controls, including:
  - Functional compliance with laws, rules, contracts, and written policies and procedures related to the Judicial Council’s revenues and expenditures.
  - Functional compliance with stated (but not necessarily documented) policies and procedures related to the receipt, deposit, recording, and reporting of the Judicial Council’s revenues, and the authorization, payment, recording, and reporting of its expenditures.
  - Adequacy of segregation of duties and responsibilities related to the receipt, deposit, recording, and reporting of the Judicial Council’s revenues, and the authorization, payment, recording, and reporting of its expenditures.

### Audit Scope

The scope of our audit included a review of internal controls over the Judicial Council's revenues and expenditures, including the receipt, deposit, recording, and reporting of revenues; the authorization, payment, recording, and reporting of expenditures; and review of the Judicial Council's compliance with laws, rules, contracts, State-wide policies and procedures, and the Judicial Council's internal policies and procedures.

The audit period was July 1, 2023 through March 31, 2024.

### Audit Methodology

1. Interviewed Judicial Council's personnel.
2. Reviewed internal control documentation, including the State's and the Judicial Council's:
  - Policies and procedures;
  - Revenues and expenditures documentation;
  - Documentation of systems, and other relevant information; and
  - Significant contracts relative to expenditures.
3. Reviewed laws, rules, and policies and procedures over the receipt, deposit, recording, and reporting of revenues and the authorization, payment, recording, and reporting of Judicial Council expenditures including:
  - State laws,
  - Federal laws,
  - Supreme Court rulings,
  - State contracts,
  - Department of Administrative Services Manual of Procedures,
  - State-wide policies and procedures, and
  - Agency-based policies and procedures.
4. Observed the revenue and expenditure processes.
5. Reviewed the design and operation of controls through tests of transactions, review, and evaluation of supporting documentation.

## **FINDINGS AND RECOMMENDATIONS**

- Counsel Fees And Services Should Be Reviewed And Compliant With Laws
  - Case Management And Billing System Should Be Replaced
  - Improve Oversight Of Funded Entities
  - Strengthen Core Financial Accounting Resources
  - Controls Should Be Strengthened To Prevent Duplicate Payments
  - Conflicts Of Interest Policy Should Be Established
  - Statements Of Financial Interests Should Be Filed As Required
  - Judicial Council Members Should Fulfill Their Statutory Obligations
  - System Of Standard Operating Procedures Should Be Established
  - Formal Risk Assessment Process Should Be Established
  - Information Technology Plan Should Be Developed In Accordance With Law
  - Plans Fundamental To An Effective System Of Internal Controls Should Be Developed
  - Policies And Procedures Should Be Established For Termination Of Counsel
  - Biennial Report Should Be Filed As Required
-

---

**State of New Hampshire  
Liquor Commission  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022  
Issued in December 2022**

---

The New Hampshire Liquor Commission, established in 1933 pursuant to Chapter 99, Laws of 1933, regulates the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of wine, spirits, and malt or brewed beverages in New Hampshire. All sales of wine and spirits in New Hampshire, with the exception of wines sold by licensees of the Liquor Commission and direct shippers, were made through the 68 wine and spirits outlets operated by the Liquor Commission and warehouses owned and contracted by the Liquor Commission. These include both retail sales to individual consumers and wholesale sales to licensed establishments where wine and spirits are either sold and consumed on the licensed premise or sold and consumed off the licensed premise. In addition to liquor sales, the Liquor Commission collects license fees for the manufacturing, sale, transportation, or warehousing of alcoholic beverages and a \$0.30 per gallon tax on beer sold by wholesale distributors and beverage manufacturers to retailers in New Hampshire, in accordance with RSA 178:26.

The Liquor Commission is responsible for the accounting and reporting of the Liquor Fund, an enterprise fund which receives revenues primarily from the sale of goods through the State liquor outlets, two warehouses, fees from licensees, and fines and penalties from rule or law violations. The Liquor Fund serves as a pass-through account for receipts which are distributed periodically to the General Fund. The Liquor Fund appropriations are provided to cover costs associated with the operation and administration of all Liquor Commission functions including the enforcement of the liquor laws and regulations.

During the fiscal year ended June 30, 2022, the Liquor Commission's operating revenues were \$755.3 million, and its operating expenses were \$589.1 million. The Liquor Commission distributed \$153.5 million to the State's General Fund, \$10.3 million to the Alcohol Abuse Prevention and Treatment Fund, and \$8.7 million to the Granite Advantage Health Care Trust Fund during the fiscal year ended June 30, 2022.

#### **AUDIT RESULTS**

The auditor's report on the financial statements of the Liquor Commission was unmodified.

A management letter dated December 20, 2022, a byproduct of the fiscal year 2022 financial audit of the Liquor Commission, was issued under a separate cover.

---

**State of New Hampshire  
Liquor Commission  
Management Letter  
For the Fiscal Year Ended June 30, 2022  
Issued in December 2022**

---

The management letter is a byproduct of the audit of the New Hampshire Liquor Commission for the fiscal year ended June 30, 2022. The management letter contains our auditor's report on internal control over financial reporting and on compliance and other matters and related audit findings. The following is a list of the comments in the report:

***Internal Control Comments***

***Significant Deficiencies***

- Ongoing Delays To Replace Legacy Computer System Poses Significant Risks
- Formal Risk Assessment Procedures Should Continue To Be Developed
- Internal Audit Function Should Be Established

***State Compliance Comment***

- Transfers To The Alcohol Abuse Prevention And Treatment Fund Should Be In Accordance With Statute
-

**State of New Hampshire**  
**Liquor Commission**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2023**  
**Issued in December 2023**

---

The New Hampshire Liquor Commission, established in 1933 pursuant to Chapter 99, Laws of 1933, regulates the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of wine, spirits, and malt or brewed beverages in New Hampshire. All sales of wine and spirits in New Hampshire, with the exception of wines sold by licensees of the Liquor Commission and direct shippers, were made through the 68 wine and spirits outlets operated by the Liquor Commission and warehouses owned and contracted by the Liquor Commission. These include both retail sales to individual consumers and wholesale sales to licensed establishments where wine and spirits are either sold and consumed on the licensed premise or sold and consumed off the licensed premise. In addition to liquor sales, the Liquor Commission collects license fees for the manufacturing, sale, transportation, or warehousing of alcoholic beverages and a \$0.30 per gallon tax on beer sold by wholesale distributors and beverage manufacturers to retailers in New Hampshire, in accordance with RSA 178:26.

The Liquor Commission is responsible for the accounting and reporting of the Liquor Fund, an enterprise fund which receives revenues primarily from the sale of goods through the State liquor outlets, two warehouses, fees from licensees, and fines and penalties from rule or law violations. The Liquor Fund serves as a pass-through account for receipts which are distributed periodically to the General Fund. The Liquor Fund appropriations are provided to cover costs associated with the operation and administration of all Liquor Commission functions including the enforcement of the liquor laws regulations.

During the fiscal year ended June 30, 2023, the Liquor Commission's operating revenues were \$738.8 million, and its operating expenses were \$584.5 million. The Liquor Commission distributed \$146.2 million to the State's General Fund, \$11.5 million to the Alcohol Abuse Prevention and Treatment Fund, and \$7.2 million to the Granite Advantage Health Care Trust Fund during the fiscal year ended June 30, 2023.

**AUDIT RESULTS**

The auditor's report on the financial statements of the Liquor Commission was unmodified.

A management letter dated December 18, 2023, a byproduct of the fiscal year 2023 financial audit of the Liquor Commission, was issued under a separate cover.

---

**State of New Hampshire  
Liquor Commission  
Management Letter  
For the Fiscal Year Ended June 30, 2023  
Issued in December 2023**

---

The management letter is a byproduct of the audit of the New Hampshire Liquor Commission for the fiscal year ended June 30, 2023. The management letter contains our auditor's report on internal control over financial reporting and on compliance and other matters and related audit findings. The following is a list of the comments in the report:

***Internal Control Comments***

***Significant Deficiencies***

- System Data Should Be Secured From Unauthorized Changes And Data Input
  - Controls Over Receipt And Inspection Of Goods Should Be Improved
  - Establish Formal Policies And Procedures Over Supplier Price Changes And Discounts
  - Disaster Recovery Plan Should Be Developed And Risk Assessment Finalized
  - Backups Should Be Tested Periodically
-

**State of New Hampshire  
Lottery Commission  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022  
Issued in December 2022**

---

The New Hampshire Lottery Commission was established in 1963 pursuant to RSA 284:21-a for the sole purpose of raising revenues to help fund education in New Hampshire. The first lottery tickets went on sale in March of 1964, making New Hampshire the first modern state-run lottery program. The New Hampshire Lottery Commission provides customers the opportunity to participate in a variety of instant and on-line lottery games, and sports betting on mobile and retail platforms. The Lottery Commission is also responsible for the licensing and regulatory activities of sports betting and charitable gaming operations. As a member of three joint lottery ventures, the Tri-State Lotto Commission, the Multi-State Lottery Association, and Lucky for Life, the Lottery Commission offers a variety of games including Megabucks, Powerball, Mega Millions, Lucky for Life, and Keno.

For financial reporting purposes, the New Hampshire Lottery Commission is a department of the State of New Hampshire. The Lottery Commission's financial statements include all Lottery activity in a separate enterprise fund and do not include any activity related to any other state agency. The Lottery Commission's financial activities are reported in the Lottery Commission enterprise fund in the State of New Hampshire's Annual Comprehensive Financial Report.

During the fiscal year ended June 30, 2022, the Lottery Commission's operating revenues were \$536.7 million, and its operating expenses were \$387.4 million. The Lottery Commission's distributions to the State's Education Trust Fund totaled \$146.6 million during the fiscal year ended June 30, 2022.

#### **AUDIT RESULTS**

The auditor's report on the financial statements of the Lottery Commission was unmodified.

A management letter dated December 19, 2022, a byproduct of the fiscal year 2022 financial audit of the Lottery Commission, was issued under a separate cover.

**State of New Hampshire  
Lottery Commission  
Management Letter  
For the Fiscal Year Ended June 30, 2022  
Issued in December 2022**

---

The management letter is a byproduct of the financial audit of the New Hampshire Lottery Commission for the fiscal year ended June 30, 2022. The management letter contains our auditor's report on internal control over financial reporting and on compliance and other matters and related audit findings. The following is a list of the comments in the report:

***Internal Control Comments***

***Significant Deficiencies***

- iLottery Revenue Reconciliation Control Should Be Strengthened
- Ineligible Players Listings Should Be Updated Routinely

***State Compliance Comment***

- Administrative Rules Should Be Adopted And Statutory Language Clarified
-

---

**State of New Hampshire  
Lottery Commission  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023  
Issued in December 2023**

---

The New Hampshire Lottery Commission was established in 1963 pursuant to RSA 284:21-a for the sole purpose of raising revenues to help fund education in New Hampshire. The first lottery tickets went on sale in March of 1964, making New Hampshire the first modern state-run lottery program. The New Hampshire Lottery Commission provides customers the opportunity to participate in a variety of instant and on-line lottery games, and sports betting on mobile and retail platforms. The Lottery Commission is also responsible for the licensing and regulatory activities of sports betting and charitable gaming operations. As a member of three joint lottery ventures, the Tri-State Lotto Commission, the Multi-State Lottery Association, and Lucky for Life, the Lottery Commission offers a variety of games including Megabucks, Powerball, Mega Millions, Lucky for Life, and Keno.

For financial reporting purposes, the New Hampshire Lottery Commission is a department of the State of New Hampshire. The Lottery Commission's financial statements include all Lottery activity in a separate enterprise fund and do not include any activity related to any other state agency. The Lottery Commission's financial activities are reported in the Lottery Commission enterprise fund in the State of New Hampshire's Annual Comprehensive Financial Report.

During the fiscal year ended June 30, 2023, the Lottery Commission's operating revenues were \$603.4 million, and its operating expenses were \$414.5 million. The Lottery Commission's distributions to the State's Education Trust Fund totaled \$189.5 million during the fiscal year ended June 30, 2023.

**AUDIT RESULTS**

The auditor's report on the financial statements of the Lottery Commission was unmodified.

A management letter dated December 20, 2023, a byproduct of the fiscal year 2023 financial audit of the Lottery Commission, was issued under a separate cover.

---

---

**State of New Hampshire  
Lottery Commission  
Management Letter  
For the Fiscal Year Ended June 30, 2023  
Issued in December 2023**

---

The management letter is a byproduct of the financial audit of the New Hampshire Lottery Commission for the fiscal year ended June 30, 2023. The management letter contains our auditor's report on internal control over financial reporting and on compliance and other matters and related audit findings. The following is a list of the comments in the report:

***Internal Control Comments***

***Significant Deficiencies***

- Revenue Reconciliation Control For Historical Horse Racing Revenues Should Be Strengthened
- Ineligible Players Listings Should Be Complete
- Quarterly Reviews Of User Access Permissions Should Be Evidenced
- Formal Approval Process For Retailer Promotional Credits Should Be Developed

***Compliance Comments***

- Systems And Organization Controls Reports Covering Historical Racing Tote Systems Should Be Obtained As Required By Administrative Rule
  - Comply With Or Amend Biennial Transfer Limit
- 
-

---

**State of New Hampshire  
Department of Revenue Administration  
Financial Audit Report  
For the Fiscal Year Ended June 30, 2022  
Issued in June 2023**

---

The Department of Revenue Administration was established in 1985 pursuant to RSA 21-J:1, I, for the purpose of overseeing the collection of state taxes, providing information collected through tax administration activities to the governor and general court for public policy decisions, establishing a uniform system of financial reports and accounting for the state's political subdivisions, and developing such forms or returns as may be necessary.

For financial reporting purposes, the Department of Revenue Administration is an organization of the primary government of the State of New Hampshire. The financial activity of the Department is accounted for and reported in the State's General Fund, Education Trust Fund, and Capital Projects Fund in the State of New Hampshire's Annual Comprehensive Financial Report.

We audited the financial statement of the New Hampshire Department of Revenue Administration for the fiscal year ended June 30, 2022 and issued our report dated June 12, 2023. Our report on the financial statement was modified as the Statement of Revenues and Expenditures – Governmental Funds does not purport to and does not constitute a complete financial statement presentation of the Department in the Governmental Funds in conformity with accounting principles generally accepted in the United States of America.

The financial audit report presents information related to our audit in two sections: a management letter section and a financial section. The management letter section, prepared by the auditors, is a byproduct of the audit of the Department's financial statement. That section contains an auditor's report on internal control over financial reporting and on compliance and other matters and related audit findings.

The financial section of the report, with the exception of the independent auditor's report on the Department's financial statement, was prepared by the financial management of the Department, with assistance from the Department of Administrative Services, Bureau of Financial Reporting. In addition, to the auditor's report, the financial section of the report includes the financial statement and notes to the financial statement.

During the fiscal year ended June 30, 2022, the Department's revenues were \$2.9 billion, and its expenditures were \$9.5 million.

***Internal Control Comments***

***Significant Deficiencies***

- Adhere To Risk Management Policies And Procedures
  - Monthly Revenue Reconciliation Control Should Be Strengthened
  - Fiscal Year-End Reporting Process Should Be Improved
  - Policies And Procedures Supporting Department Operations Should Be Updated
  - Controls Over Accounts Payable Processing Should Be Strengthened
-

**State of New Hampshire**  
**State Treasury**  
**Financial Audit Report**  
**For the Fiscal Year Ended June 30, 2023**  
**Issued in September 2024**

---

Part 2, Article 67 of the New Hampshire State Constitution establishes the position of the Treasurer of the State of New Hampshire. In accordance with the Constitution, the State Treasurer is elected by a joint session of the Senate and the House of Representatives (the General Court). The first State Treasurer of the State of New Hampshire was elected in 1680. In addition to the core Treasury responsibilities of managing the State's cash, investments, and debt management functions, the State Treasury oversees the Unclaimed Property program, the College Tuition Savings Plan, the New Hampshire Public Deposit Investment Pool, and shares the administration of the NH Achieving a Better Life Experience (ABLE) Plan with the Governor's Commission on Disability.

For financial reporting purposes, the State Treasury is an organization of the primary government of the State of New Hampshire. The financial activity of the State Treasury is accounted for and reported in the State's General Fund, Education Trust Fund, Capital Projects Fund, Permanent Funds, Other Governmental Funds, Private Purpose Trust Funds, and Custodial Funds in the State of New Hampshire's Annual Comprehensive Financial Report.

We audited the financial statements of the New Hampshire State Treasury as of and for the fiscal year ended June 30, 2023 and issued our report dated September 3, 2024. Our report on the financial statements was modified as the Statement of Revenues and Expenditures - General Fund, Education Trust Fund; and Capital Projects Fund does not purport to, and does not, constitute a complete financial statement presentation of the New Hampshire State Treasury in the General Fund, Education Trust Fund, and Capital Projects Fund in conformity with accounting principles generally accepted in the United States of America.

The financial audit report presents information related to our audit in two sections: a management letter section and a financial section. The management letter section, prepared by the auditors, is a byproduct of the audit of the New Hampshire State Treasury for the fiscal year ended June 30, 2023 and contains our Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*, and related audit findings.

The financial section of the report, with the exception of the independent auditor's report on the New Hampshire State Treasury's financial statements, was prepared by the management of the New Hampshire State Treasury, with assistance from the Department of Administrative Services, Bureau of Financial Reporting. In addition to the independent auditor's report, the financial section of the report includes the financial statements and notes to the financial statements.

The New Hampshire State Treasury's financial activity for the fiscal year ended June 30, 2023 is located at the following website:

<https://www.gencourt.state.nh.us/lba/auditreports/Financial Reports.aspx>

***Internal Control Comments***

***Significant Deficiencies***

- Internal Controls Over Dedicated Accounts Should Be Improved
  - Debt Management System Should Be Maintained And Supported
  - Policies And Procedures Should Be Established
-

## PERFORMANCE AUDIT REPORTS

State of New Hampshire  
Department of Education  
Special Education Dispute Resolution Processes  
Audit Period: The Three Fiscal Years Ended June 30, 2022  
Issued in March 2024

We designed the audit to answer the following question:

**How effectively did the NHED manage special education dispute resolution processes during State fiscal years 2020 through 2022?**

The audit report contains 20 observations, five of which may require legislative action. The auditee concurred with nine recommendations and concurred in part with 11.

### EXECUTIVE SUMMARY

We found the New Hampshire Department of Education (NHED) did not effectively manage special education dispute resolution processes. NHED did not adequately:

- ensure the rights of children with disabilities and their parents were protected;
- encourage early resolution of disputes;
- identify trends, issues, and unmet needs to provide assistance to local educational agencies (LEA) and other stakeholders; and
- monitor performance of, and enforce compliance with, special education requirements.

Ineffective management of these processes and the resulting issues we identified negatively impacted stakeholders. Compliance and public transparency were compromised, and parents were inappropriately burdened with enforcement responsibilities.

Six special education dispute resolution processes were available through NHED to help parents and LEAs resolve special education disputes – primarily issues related to students with an individualized education program (IEP). Between July 1, 2019, and June 30, 2022, there was an average of 29,968 students identified with a disability in New Hampshire. According to our review of NHED records, there were 331 dispute resolution complaints and requests filed with the Department during the same period. State law also allowed LEAs to develop processes to facilitate early resolution of issues without NHED involvement, but NHED was not aware of any locally developed dispute resolution processes.

### System Of Controls And Compliance With Requirements Needs Improvement

NHED lacked adequate controls to: 1) ensure requirements were consistently implemented and enforced, 2) reduce risk of fraud and waste, and 3) identify and address conflicts of interest or potential conflicts of interest. Without effective controls, State eligibility for federal assistance was

also potentially at risk. Existing controls were limited, informal, inconsistently implemented, and not clearly documented or communicated. Management relied significantly on staff institutional knowledge to understand requirements and administer processes. Trends and needs affecting dispute resolution processes were not always identified and addressed. Monitoring controls were not well-designed, which resulted in unfulfilled dispute resolution enforcement responsibilities.

NHED lacked procedures to help ensure necessary changes to its dispute resolution regulatory framework were timely and comprehensive. State law and rule inconsistently reflected federal requirements, conflicted with each other or were ambiguous, and did not include authority for two of the six dispute resolution options available. NHED's ability to effectively manage certain processes was limited in part due to unclear and conflicting record restrictions in State law. Many dispute resolution practices and requirements were informally developed over time without appropriate adoption into rule, were not properly communicated internally and externally, and could not be enforced. Burdensome and confusing requirements were also a cost and barrier to stakeholders, which NHED did not fully address. Some weaknesses we identified have existed for many years. We first reported on unnecessarily complex requirements in 1991.

### **Processes And Outcomes Need Better Monitoring**

NHED lacked a comprehensive performance measurement system informed by strategy and risks. State requirements and operational processes were not connected to expected outcomes. NHED did not have a public communication system to consistently obtain and objectively evaluate stakeholder feedback to help make comprehensive process or performance improvements. Performance measurement was focused on limited federal outputs. Other quantifiable goals, objectives, and targets were not developed, monitored, and routinely reported.

Records were incomplete, missing, or not timely provided to NHED by contractors. Staff tracked dispute resolution processes in various formats without procedures to ensure information collected was complete and accurate. Resulting data was unreliable which compromised federal reporting and was insufficient to determine effectiveness or achievement of outcomes. Systemic defects with records management and uncontrolled data also made some controls, processes, practices, and transactions unauditible.

### **Processes Need To Be Adequately Designed, Resourced, And Administered**

Organizational changes occurred in 2017 without a documented strategy or plan which impacted special education dispute resolution operations and contributed to deficiencies. NHED did not detail costs and resources necessary to administer special education dispute resolution processes prior to or after making changes to demonstrate improved efficiency and effectiveness. Dispute resolution processes continued to be administered generally independent of each other without aligning processes and objectives to NHED's mission and vision. Most contractors and the NHED staff overseeing them also had non-special education responsibilities. However, staff responsibilities were not inventoried, properly assigned or delegated, and clearly communicated to ensure continuity of operations and that resources were sufficient. Neither did NHED evaluate whether it could improve efficiency by contracting with stakeholder organizations that provided

similar services to some NHED responsibilities. Lack of documented policies and procedures and staff turnover contributed to knowledge loss and unfulfilled responsibilities.

Contract management controls for dispute resolution processes were not comprehensive. NHED contracted with investigators, hearing officers, and facilitators to conduct the six processes. Contract terms and conditions were incomplete, limited controls were not always implemented or enforced, and contractors were inconsistently held accountable for noncompliance or unmet deliverables. Documentation in case records also inconsistently supported contractor payments. Neither did management ensure NHED consistently contracted with enough qualified individuals to fulfill dispute resolution regulatory and contract requirements. NHED lacked ongoing training requirements, certain scheduling requirements in State law were unimplemented, and some processes were inconsistently available to the public.

### **NHED Needs To Develop A Strategy To Address Deficiencies**

Making improvements to the special education dispute resolution regulatory framework and NHED's management control framework will likely be a multi-year undertaking. This report presents 20 observations with recommendations that are intended to help NHED management improve controls, improve administration of dispute resolution processes, ensure implementation of dispute resolution results, achieve intended outcomes, and ensure rights are protected. In May 2023, we provided NHED management our detailed review of dispute resolution requirements related to our specific audit objectives. However, a comprehensive analysis of NHED's dispute resolution regulatory framework will still be necessary to ensure deficiencies are systematically identified and addressed.

Additionally, evaluating current responsibilities, developing a risk-based approach to prioritize needs, and developing and implementing related plans should assist NHED with making necessary changes. While management recognized many issues we identified, and reported beginning to address deficiencies, most NHED responses to recommendations lacked enough detail to make clear whether, how, and when management will remediate deficiencies. Improvements will be difficult to make without a strategy outlining clearly defined goals and objectives, effective management oversight, and sufficient resources for ensuring full implementation.

---

---

**State of New Hampshire**  
**Department of Energy**  
**Weatherization Assistance Program**  
**Audit Period: The Four Fiscal Years Ended June 30, 2022**  
**Issued in March 2023**

---

We designed the audit to answer the following question:

**Did the Weatherization Assistance Program efficiently and effectively monitor the provision of weatherization services by Community Action Agencies during State fiscal years (SFY) 2019-2022?**

Subsequent to the approval of the scope statement, it became apparent that NH Energy could not readily provide documentation needed to complete the audit as planned. Due to NH Energy's creation on July 1, 2021, and apparent staffing difficulties, documents from SFYs prior to 2022 were not readily available so this audit was limited in scope to activities primarily occurring during SFY 2022. We accepted this limitation on our review based on NH Energy being newly created, staffing issues, and knowing the WAP also undergoes a federal program review.

The audit report contains six observations, none of which may require legislative action. The auditee concurred with all six recommendations.

**EXECUTIVE SUMMARY**

We found the New Hampshire Department of Energy's (NH Energy) monitoring of the Weatherization Assistance Program (WAP), which was designed to improve energy efficiency in the homes of low income clients, was generally effective and the program had exceeded its expected statewide number of dwellings weatherized in two of the three State fiscal years (SFY) for which we requested federal reports. Because the WAP works through community action agencies (CAA), it does not provide weatherization services directly to clients. The CAAs qualify and serve clients based on federal statutes, regulations, and State WAP guidelines. The WAP functioned primarily in an oversight and grant management role for about \$1.7 million in annual federal funds. The WAP is separate and distinct from several other weatherization programs.

We found the WAP could be operated more efficiently and effectively with an information system specifically designed to support the program and operated by the WAP. The information system used by the WAP during the audit period was operated by one of the CAAs and designed for the Fuel Assistance Program. Related to the lack of an information system, we found WAP records were generally not readily available to management or authorized outside parties when needed. Without timely access to required documents, efficient management oversight and routine operations are impeded. In addition, while the WAP was able to report to the US Department of Energy how many dwelling units were completed during the quarter, it did not track which CAAs completed the units. Although the WAP exceeded its statewide goals, the WAP did not track which CAAs were achieving their individual goals, and therefore had not been able to incentivize individual CAAs to produce more or identify which CAAs needed attention.

Staffing during the audit period consisted of one full-time program manager, with periodic assistance from other divisions within NH Energy like accounting. During SFY 2023, a program specialist was added to provide assistance for the program manager position. Having a program run by only one person over many years, albeit largely successfully, may have contributed to some deficiencies we identified. We found some WAP processes imposed requirements on applicants and vendors that were not codified in administrative rules as required by State law. The WAP had implemented a new income limit but had not fully updated its external and internal documents. In addition, NH Energy conducted a risk assessment of the WAP in SFY 2023 that needs to be periodically updated for planning and improvement purposes.

If recommendations made here are implemented in addition to the new administrative support provided by NH Energy, the WAP appears to be well-positioned to improve its operating efficiency and effectiveness in overseeing the provision of weatherization services to low-income families in New Hampshire. This enhanced efficiency will be especially important as the State implements its share of funding of the federal Bipartisan Infrastructure Law which is expected to bring an additional \$18.2 million through the end of SFY 2027 for weatherization.

---

---

**State of New Hampshire**  
**Mental Health Workforce Licensing**  
**Audit Period: The Fiscal Year Ended June 30, 2022**  
**Issued in October 2023**

---

We designed the audit to answer the following question:

**Are there substantial barriers to entry into the mental health field imposed by State licensing boards?**

We devoted more attention to professions where New Hampshire's requirements appear to be more stringent than those adopted by other states. Additionally, license types that were not prevalent across the country received less scrutiny.

Our audit period encompasses State fiscal year (SFY) 2022; however, we examined licensing requirements, management controls, and other relevant matters outside the audit period when they affected Board operations during and after the audit period.

This audit report contains 12 observations, six of which may require legislative action. The auditee concurred with all 12 recommendations.

#### **EXECUTIVE SUMMARY**

To become licensed in New Hampshire as a mental health provider, State laws and administrative rules established specific licensing requirements applicants must meet. While specific requirements could vary across the country, several national professional organizations established minimum licensing standards to guide their professions.

#### **No Substantial Barriers To Licensing**

We found New Hampshire's licensing standards generally aligned with requirements established by professional organizations and appeared comparable with most states we examined when reviewed for education, pre-license practice, supervision, and examination requirements. While we found a few states were less stringent in some areas, New Hampshire's pre-license practice and supervision requirements were in the middle or slightly lower compared to other states for most professions. We did not assess whether requirements used in other states were appropriate for New Hampshire. Therefore, Boards would need to further evaluate all requirements and determine their impact on public safety.

#### **Low-risk Applications Could Require Less Review**

While we did not find statutes and rules imposed substantial barriers to entering mental health professions, some Board processes and requirements were not established in their rules or did not align with controlling statutes. Additionally, some procedures used by Boards during the audit period may have unnecessarily prolonged the application process by requiring a case-by-case review of applications.

While Boards mostly met time limits for licensing activities governed by statute, activities occurring outside of statutorily controlled time limits may have contributed to delays. Some activities were out of the Boards' and the Office of Professional Licensure and Certification's control, such as waiting for the applicant to transmit additional documentation, results of criminal background checks, and verification of licenses from other states. However, activities such as requiring Board review of all applications at a monthly Board meeting regardless of the licensing risk posed, and reviewing all criminal convictions regardless of how long ago they occurred or whether they were substantially or directly related to the profession, impeded streamlining and should be reviewed to facilitate faster application processing.

### **Processes Intended To Expedite Licensing Could Be Improved**

Mechanisms intended to expedite the application process did not appear to significantly reduce processing time. Statutes provided Boards with methods to expedite the licensing process, particularly for individuals already licensed in another state, but we found Boards did not adequately take advantage of these processes. State laws generally required Boards establish mechanisms to facilitate license portability. Despite this, Boards did not have processes to identify states which may have equal, substantially equivalent, or higher licensing standards for which alternative processes could be established to further expedite licensing.

Nationally, the growth of interstate compacts has attempted to standardize minimum licensing requirements and enable increased portability. Compacts were intended to facilitate recognition of licenses issued by other states, helping to reduce the time and effort required for professionals to obtain a license in a participating state. In the past several years, interstate compacts have been developed for telepsychology and limited face-to-face psychology services, clinical mental health counselors, social workers, and advanced practice registered nurses. New Hampshire has passed legislation to implement two of these compacts. While rules were in place for the compact addressing psychologists, rules for other compacts have not been formally adopted, making it unclear how licensing processes for these professions will be affected.

While not a national compact, the International Certification and Reciprocity Consortium (IC&RC) was established to facilitate portability through its reciprocity processes for alcohol and drug counselors. Most states, including New Hampshire, were members of the IC&RC. Additionally, several national organizations offered credentials to psychologists meeting specific requirements. New Hampshire recognized individuals holding one of three credentials as being high credentialled. As a member of the IC&RC and by recognizing these psychologist credentials, New Hampshire was poised to take advantage of portability processes already in place through these organizations. However, both Boards overseeing these professions still required individuals follow the same application procedures as those who had never held a license, prolonging the licensing process.

Enacting mechanisms to facilitate license portability and establishing risk-based processes for approving applications could greatly support Boards to speed up application processing. Laws passed during the 2023 legislative session could facilitate a more streamlined approach. However, rules now need to be developed to implement these laws.

This report presents opportunities to examine some of those processes, changes to which could potentially improve processing time, and enable qualified mental health professionals to begin practicing sooner in New Hampshire.

---

**REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS  
UNDER CONTRACT WITH THE LEGISLATIVE BUDGET ASSISTANT**

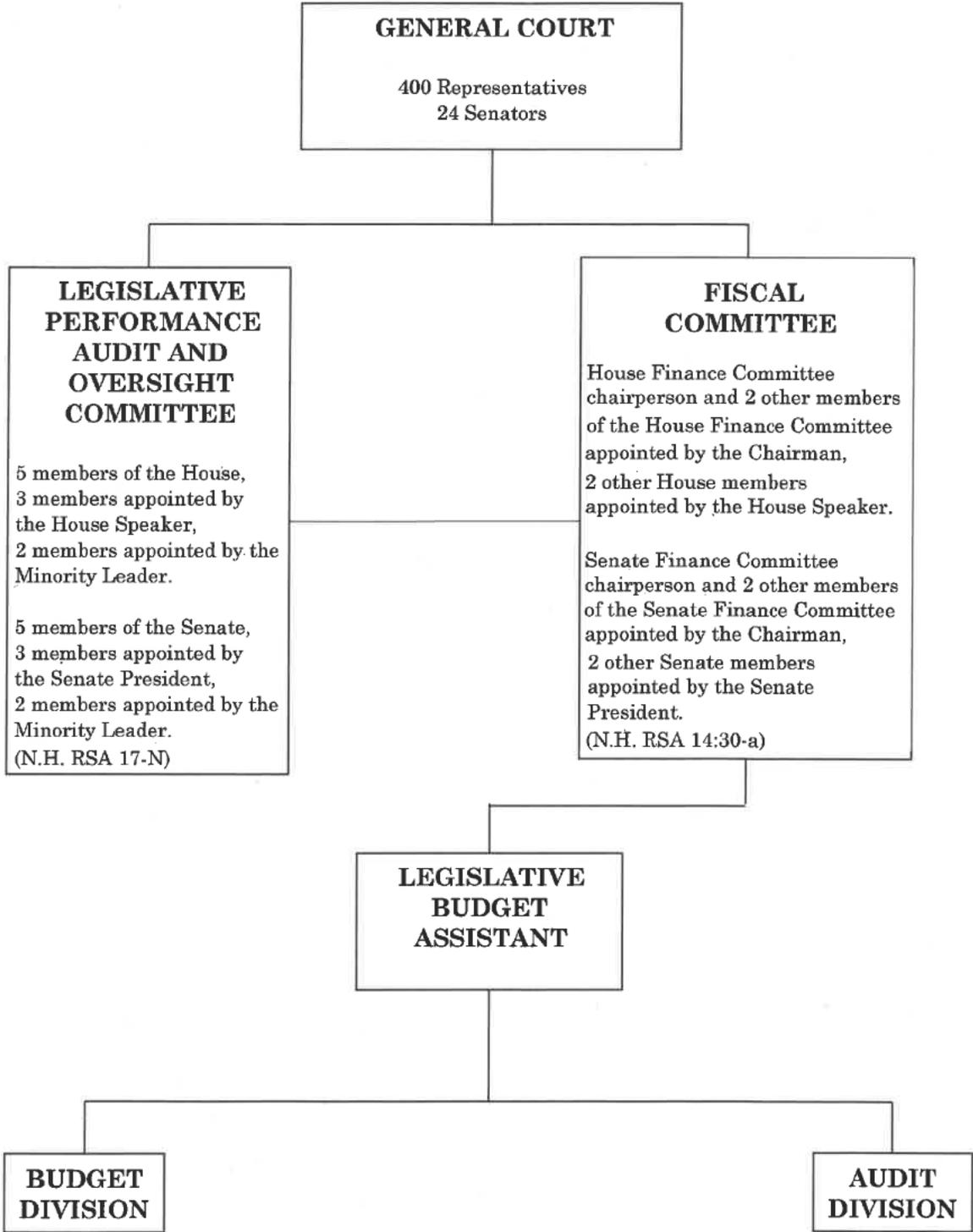
AUDITOR: KPMG, LLP

DESCRIPTION	FISCAL YEAR ENDED
State of New Hampshire Annual Comprehensive Financial Report	June 30, 2022
State of New Hampshire Management Letter	June 30, 2022
State of New Hampshire Annual Comprehensive Financial Report	June 30, 2023
State of New Hampshire Management Letter	June 30, 2023
State of New Hampshire Single Audit of Federal Financial Assistance Programs	June 30, 2022
State of New Hampshire Single Audit of Federal Financial Assistance Programs	June 30, 2023
State of New Hampshire Department of Transportation Turnpike System Annual Financial Report	June 30, 2022
State of New Hampshire Department of Transportation Turnpike System Annual Financial Report	June 30, 2023

AUDITOR: Pricewaterhouse Coopers, LLP

DESCRIPTION	FISCAL YEAR ENDED
The Fidelity Advisor 529 Plan Annual Report	September 30, 2022
The Fidelity Advisor 529 Plan Annual Report	September 30, 2023
The UNIQUE College Investing Plan Annual Report	September 30, 2022
The UNIQUE College Investing Plan Annual Report	September 30, 2023

**OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
ORGANIZATIONAL CHART**



**THIS PAGE INTENTIONALLY LEFT BLANK**

## OVERSIGHT COMMITTEES 2023 AND 2024 MEMBERS

### FISCAL COMMITTEE

The Fiscal Committee was created by the General Court in 1965 to consult with, assist, advise and supervise the work of the Legislative Budget Assistant. It may, at its discretion, investigate and consider any matter relative to the appropriations, expenditures, finances, revenues or any of the fiscal matters of the State. The committee also considers recommendations proposed to it by the Legislative Performance Audit and Oversight Committee.

The Fiscal Committee consists of five members of the House of Representatives (the chairman of the Finance Committee and two other members of the committee, appointed by the chairman; and two other Representatives appointed by the Speaker of the House) and five members of the Senate (the chairman of the Finance Committee and two other members of the committee, appointed by the chairman; and two other Senators appointed by the Senate President). The chairman of the House Finance Committee is the chairman of the Fiscal Committee. [RSA 14:30-a]

HOUSE MEMBERS	SENATE MEMBERS
Representative Ken Weyler, <b>Chairman</b>	Senator James Gray, <b>Vice-Chairman</b>
Representative Keith Erf	Senate President Jeb Bradley
Representative Jess Edwards	Senator Regina Birdsell
Representative Peter Leishman	Senator Cindy Rosenwald
Representative Mary Jane Wallner	Senator Lou D'Allesandro
Representative Gerald Griffin, <b>Alternate</b>	
Representative Maureen Mooney, <b>Alternate</b>	
Representative Mary Heath, <b>Alternate</b>	
Representative David Huot, <b>Alternate</b>	<b>Alternate(s)</b> appointed as needed

### LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE

This committee was created by the General Court in 1987 to consider the need to review state departments, boards, institutions, commissions, and agencies and to make recommendations to the Fiscal Committee for such reviews.

The Legislative Performance Audit and Oversight Committee consists of five members of the House of Representatives, three appointed by the Speaker of the House and two appointed by the House Minority Leader; and five Senators, three appointed by the President of the Senate and two appointed by the Senate Minority Leader. [RSA 17-N]

HOUSE MEMBERS	SENATE MEMBERS
Representative Mary Jane Wallner	Senator Cindy Rosenwald, <b>Chair</b>
Representative Keith Erf	Senator Carrie Gendreau
Representative Ken Weyler	Senator Rebecca Whitley
Representative Lucy Weber	Senator Howard Pearl
Representative Gerald Griffin	Senator Timothy Lang
<b>Alternate(s)</b> appointed as needed	<b>Alternate(s)</b> appointed as needed

---

**Statutory Authority**

**RSA 14:31 Office of Legislative Budget Assistant; General Duties.**

- I. The office of the legislative budget assistant shall consist of 2 divisions, the audit division and the budget division.
- II. The legislative budget assistant shall be responsible for the proper execution by the audit division and the budget division of their respective functions, as detailed in RSA 14:31, III, RSA 14:31-a, and RSA 14:31-b.
- III. Both the audit division and the budget division shall conduct such investigations, analyses, or research into the financial activities and condition or the financial management procedures, or any specific area thereof, of any department, board, institution, commission, agency, political subdivision, or entity authorized to expend state funds for the information of the legislature, as the fiscal committee shall specifically direct. The authority of the legislative budget assistant to investigate, analyze, or research non-state agencies shall be limited to 5 entities in a 5-year period. In making any such investigation, analysis, or research, the legislative budget assistant, and any assistants appointed pursuant to RSA 14:34 and under the direction of the legislative budget assistant, shall have the power to examine whatever operations, accounts or records of, or property or things of value held by, said department, board, institution, commission, agency, political subdivision, or entity authorized to expend state funds the legislative budget assistant deems useful to said investigation, analysis, or research.
- III-a. No department, board, institution, commission, agency, or political subdivision shall assert the attorney-client privilege in response to a request for information or examination of operations, accounts, or records by the legislative budget assistant. The attorney-client privilege shall not be deemed waived by any department, board, institution, commission, agency, or political subdivision that provides attorney-client privileged materials to the legislative budget assistant pursuant to this section. Attorney-client communications obtained from any regulated entities shall not be disclosed to the legislative budget assistant.
- IV. All state departments, boards, institutions, commissions, agencies, and political subdivisions, and other entities authorized to expend state funds, shall be required to furnish to the legislative budget assistant any information, including confidential and privileged information, he or she may request in the course of carrying out the duties as prescribed by this section, RSA 14:31-a, and RSA 14:31-b, including online access to such information in the state's integrated, multi-module, information technology system, and any related subsystems, except that access to records, files, returns, or information deemed confidential information maintained by the department of revenue administration shall be controlled solely by the provisions of RSA 21-J:14. If the legislative budget assistant requires access to confidential or privileged information, the state entity shall furnish the information. In such situations, the legislative budget assistant shall be subject to the same restrictions and penalties regarding disclosure of the information as the original custodian of the information. The work product of the legislative budget assistant shall also be confidential to the extent required to preserve confidentiality required by law. Disclosure of confidential information to the legislative budget assistant shall be only for the purpose

of, and to the extent necessary for, conducting audits as are required or permitted by law. The legislative budget assistant shall notify the head of any state department, board, institution, commission, agency, or political subdivision, or other entity authorized to expend state funds, before requiring the state entity to furnish any confidential or privileged information which was obtained by the entity through an exchange of information agreement with another state or the federal government. This paragraph shall not be construed to authorize disclosure to any member of the legislature or to any expert consultants, including certified public accountants and data processing experts, hired by the legislative budget assistant to assist him or her in the carrying out of the duties, except such summaries and results which do not disclose any identity required by law to be confidential or privileged, including the attorney-client privilege. If any entity objects to providing confidential or privileged information under the provisions of this paragraph, the state entity may apply to the fiscal committee of the general court for disapproval of the request.

- V. The commissioner of administrative services shall deliver to the legislative budget assistant the official financial information under the control of the commissioner as required by this section in a form unaltered from that which is finally reported in the state's integrated multi-module, information technology system, including any related subsystems. The approval of the governor, the speaker of the house of representatives, and the senate president shall be required for delivery of any other information, other than the official financial information required by this section. The right of access to information under this section shall not arise until after each transaction or event subject to RSA 91-A has taken place. Such information shall be provided to the legislative budget assistant in a mutually agreeable and compatible format at the end of each business day. The legislative budget assistant shall be subject to the provisions of RSA 21-I:13-a, II and RSA 21-G:37, I-III. This paragraph shall not be construed as granting the legislative budget assistant access to any information or any information system relative to the internal functions of the office of the governor or any executive agency, department, board, commission, or institution.
- VI. In addition to any other reports required by statute or by the fiscal committee to be submitted by the legislative budget assistant, he or she shall submit to the members of the finance and ways and means committees a report of the results of post-audits, program result audits, and investigations he or she has conducted since the date of his or her last such report. The fiscal committee shall determine which policy committees of both houses of the general court, in addition to those listed in this paragraph, shall receive reports pursuant to this paragraph. The report required by this paragraph shall be submitted not later than January 25 of each regular legislative session.

**Source.** 1953, 10:1, par. 34. RSA 14:31. 1969, 281:2. 1977, 217:1; 436:3. 1979, 179:2; 434:70. 1982, 42:179. 1983, 454:10. 1985, 399:29. 1987, 391:4, I; 416:8. 2000, 239:11, 12. 2006, 79:1. 2011, 173:1, eff. Aug. 13, 2011. 2015, 185:2; 276:180, eff. July 1, 2015; 276:270, eff. Jan. 1, 2016 at 12:01 a.m.

---

**RSA 14:31-a Audit Division.**

- I. The audit division shall:
  - (a) Conduct post-audits of the accounts and records of any state department, board, institution, commission, agency, or political subdivision, or other entity authorized to expend state funds. The authority of the legislative budget assistant to conduct post-audits on non-state agencies shall be limited to 5 entities in a 5-year period. The legislative budget assistant may cooperate with federal officials and agencies in conducting said post-audits.
  - (b) Audit the accounts of the state treasurer at least once each fiscal year. The findings and report of a certified accountant, designated by the legislative budget assistant, may be accepted as fulfilling the requirements of this subparagraph.
  - (c) Submit a detailed report of every audit conducted pursuant to this section to the fiscal committee for its approval. After approval by the committee, a copy of the report shall be given to the governor; the speaker of the house of representatives; the president of the senate; the commissioner of the department of administrative services; and the executive officer of the department, board, institution, commission, agency, political subdivision, or entity authorized to expend state funds concerned. The executive officer shall have the right to submit a written statement explaining or rebutting the findings of the report to the fiscal committee.
  - (d) Conduct such program result audits of any department, board, institution, commission, agency, political subdivision, or entity authorized to expend state funds as the fiscal committee shall specifically direct. Program result audits shall include, but not be limited to, examinations and any determinations based upon the examinations as to whether the results contemplated by the legislature, or other authorizing body, have been and are being achieved by the department, board, institution, commission, agency, political subdivision, or entity authorized to expend state funds concerned, and whether such objectives could be obtained more effectively through other means. This paragraph shall not apply to constitutional officers in the execution of their constitutional duties. The fiscal committee may direct the legislative budget assistant to expand the scope of any program result audit to include such policy analysis as the fiscal committee may, in its discretion, designate. Such committee shall, at least once every 10 years, consider the necessity of the review, pursuant to this paragraph, of each department, board, institution, commission, agency, political subdivision, and entity authorized to expend state funds.
  - (e) Conduct audits of the compliance of state agencies with statewide information technology standards and procedures.
  - (f) [Repealed.]
- II. The detailed reports of every audit conducted pursuant to this section shall become a public record upon approval by the fiscal committee. Audit work papers and notes are not public records. However, those materials necessary to support the compilations in the final audit report may be made available by majority vote of the fiscal committee after a public hearing

showing proper cause. For the purposes of this section, work papers shall include, but are not limited to, all preliminary drafts and notes used in preparing the audit report.

**Source.** 1973, 376:62. 1987, 416:9. 1991, 346:4. 1998, 222:5. 2001, 289:1. 2003, 319:41, I. 2006, 79:2, eff. July 1, 2007.

**RSA 14:31-b Budget Division.**

- I. The budget division shall:
  - (a) Provide technical staff assistance in the areas of finance, accounting and budgeting to the appropriations, finance, ways and means, and capital project overview committees and such other committees, including joint committees, of the general court as the fiscal committee may from time to time designate, upon the request of any of such committees or the fiscal committee.
  - (b) Prepare fiscal notes and amendments to fiscal notes as required by RSA 14:44-47.
  - (c) Prepare fiscal impact statements as defined in RSA 541-A:1, VII.
  - (d) Conduct orientation programs and prepare and distribute summary materials regarding the budget and budget process to the full membership of the house and senate.
- II. The legislative budget assistant shall attend all hearings on state budgets as provided for in RSA 9:7.

**Source.** 1987, 416:10. 1994, 412:2. 1998, 222:6, eff. June 22, 1998. 2023, 192:4, eff. Aug. 4, 2023.

**OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
STAFF AS OF DECEMBER 31, 2024**

<b>LEGISLATIVE BUDGET ASSISTANT</b>	Michael W. Kane, MPA
<b>DEPUTY LEGISLATIVE BUDGET ASSISTANT</b>	Christopher M. Shea, MPA, CIA

**BUDGET DIVISION**

<b>SENIOR BUDGET OFFICERS</b>	Michael W. Hoffman, CPA, MBA Michael J. Landrigan, CPA
<b>BUDGET OFFICERS</b>	Kevin P. Ripple, MPA, CIA, CGFM Jack Mullen Melissa A. Rollins
<b>ADMINISTRATIVE ASSISTANT</b>	Pamela Ellis

**AUDIT DIVISION**

<b>DIRECTOR OF AUDITS</b>	Christine L. Young, CPA
---------------------------	-------------------------

<b>AUDIT SUPERVISORS</b>	Jean M. Mitchell, CPA Jay S. Henry, MPA, CIA, CGFM		
<b>SENIOR AUDIT MANAGERS</b>	Kimberly R. Bisson, CPA, MSA John M. Clinch, MPA, CIA, CISA Steven M. Grady, MPA, MSS James L. LaRiviere, CPA Vilay Skidds, MPA, CIA	<b>SENIOR AUDITORS</b>	Donna McFarland Nicholas A. Titus, MS
<b>AUDIT MANAGERS</b>	Nicole Gaffen, MPP, CGAP Paige Lorenz, MPA, CGAP Collin W. Quinn, CPA, MS	<b>AUDITORS</b>	Melanie M. Amaral, JD Vivienne S. D. Butera, MA Dianne Dawson Aidan Kinsella, MSA Audrey Mulliner, MA, JD Jacob Saionz, MPA Katie C. Vazquez Thomas T. Ward, MSA
<b>ADMINISTRATIVE ASSISTANT</b>	Denise Heselton		