

LBA Financial Audit Report Summary:

Governor's Office of State Planning Audit Report for the Nine Months Ended March 31, 1998

The reporting entity of this audit and audit report was the Office of State Planning (Office), within the Office of the Governor, excluding two administratively attached organizations: the Connecticut River Valley Resource Commission and the Squam Lakes Public Access Trust Program.

The Office is established under RSA 4-C:1 within the Office of the Governor. Administrative operations at the Office are under the supervision and direction of a Director who serves at the pleasure of the Governor. At March 31, 1998, the Office had a total of 44 permanent full-time positions and three part-time positions.

The Office is located at 2 ½ Beacon Street in Concord. The Office also has one satellite office located at 152 Court Street in Portsmouth.

Pursuant to RSA 4-C:1, the general duties and responsibilities of the Office include:

1. Planning for the orderly development of the state and the wise management of the state's resources.
2. Compiling, analyzing, and disseminating data, information, and research services as necessary to advance the welfare of the state.
3. Encouraging and assisting planning, growth management, and development activities of cities and towns.
4. Encouraging the coordination and correlation of state planning by agencies of state government.
5. Participating in interstate, regional, and national planning efforts.
6. Administering federal and state grant-in-aid programs assigned to the Office by statute or executive order.
7. When requested by one or more towns under RSA 261:153, V, studying the adequacy of the additional fee collected to pay fees for the collection and disposal of motor vehicle wastes. If the Office deems it necessary, it shall submit proposed legislation affecting such fees.
8. Maintaining a current list of contractors and facilities approved by the Office for the collection and disposal of motor vehicle waste.
9. Participating and advising in matters of land use planning regarding lakes and rivers management programs.
10. Performing such other duties as the Governor may assign.

Financial support for these programs comes from federal grants as well as from the State's General and Special Funds. The federally funded Community Development Block Grant (CDBG) program administered by the Office accounted for

approximately 88% of the Office's revenues and 74% of the Office's expenditures during the nine months ended March 31, 1998. The CDBG program is funded through the U. S. Department of Housing and Urban Development. The objectives of the program are to benefit low and moderate income persons, to eliminate slums and blighting influences, and to eliminate serious and immediate threats to a community's health and welfare.

The Office is also responsible for aspects of the State's Land Conservation Investment Program including monitoring the income, expenditures, and the financial reporting for the Land Conservation Endowment Fund, a non-expendable trust fund. The State Treasury is the custodian of the Fund and invests the Fund as directed by the Office. At March 31, 1998, the fund balance of the Land Conservation Endowment Fund was \$2,169,634.

Our report included a total of 17 constructive service comments; eight internal control reportable conditions, six compliance comments (five state and one federal), and three management issues comments.

Some of the more significant comments included recommending the Office improve its controls over its revenue processing, CDBG computer system, distribution of signed checks and accounting for a CDBG loan. We also recommended that the Office prepare annual performance evaluations for its classified employees in compliance with state law and generally accepted internal control practices.