

# **LBA Performance Audit Report Summary:**

**State Board for the Licensing and Regulation of Plumbers - December 2009**

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The purpose of this audit was to determine whether the State Board for the Licensing and Regulation of Plumbers (Board) efficiently and effectively fulfilled its statutory responsibilities. The Board's mission is to protect and improve the general health and welfare of New Hampshire's citizens in the field of environmental sanitation through licensing plumbers, inspection and investigation, enforcement of the State Plumbing Code, and discipline. Audit efforts focused on determining how the Board: 1) managed its administrative and enforcement responsibilities, 2) licensed regulated plumbers, 3) enforced trade standards, and 4) disciplined licensees not conforming to applicable standards. The audit period included State fiscal years (SFY) 2008 and 2009.

## ***Results in Brief***

Our audit presents 25 observations and recommendations to assist the Board in fulfilling its statutory responsibilities efficiently and effectively: eight concern Board management, eight relate to licensing, six regard inspections and investigations, and three involve enforcement and discipline. Three of these observations may require Legislative action.

Overall, the Board lacks many of the management controls necessary to provide reasonable assurance the public is protected, ensure consistent treatment of plumbers, and safeguard State funds. We found weaknesses in the Board's management, licensing function, inspection and investigation functions, and enforcement and discipline responsibilities. The lack of policies and procedures, failure to adhere to administrative rules, incomplete administrative rules, and an organizational structure that is not conducive to leadership or accountability all contribute to preventing the Board from maximizing efficiency and effectiveness while minimizing risk.

We found inadequate management controls including insufficient oversight of staff, insufficient controls over revenues and information technology, non-compliance with various administrative rules and statutes, as well as limited public outreach and information sharing. Some of these weaknesses stem from an organizational structure that does not support a well-coordinated working unit.

We found the Board's licensing function operates relatively well despite having some of the same weaknesses as other Board functions: lack of policies and procedures and non-compliance with administrative rules. The inspection and investigation function similarly strays from compliance with administrative rules, resulting in increased risk of improper cash handling in the inspection process. The Board's investigations follow no standardized process, and its Plumbing Inspectors receive insufficient oversight to ensure the Board's mission is accomplished efficiently and effectively. Consumers and the Board cannot be assured plumbing trade complaints have been adequately investigated and completed, and all licensed plumbers are treated fairly and consistently.

Finally, we found the Board lacks the appropriate tools and controls to adequately and effectively discipline those violating State statutes, the State Plumbing Code, and administrative rules. The Board does not have administrative rules for offenses warranting discipline nor the type of discipline to be imposed based on the violation. We found the lack of disciplinary policies or guidelines led to inconsistent disciplinary sanctions of plumbers.