

LBA Financial Audit Report Summary:

New Hampshire Board Of Nursing Financial Audit Report For The Six Months Ended December 31, 2008

Reporting Entity And Scope

The reporting entity of this audit and audit report is the New Hampshire Board of Nursing. The scope of this audit and audit report includes the financial activity of the Board of Nursing for the six months ended December 31, 2008. Unless otherwise indicated, reference to the Board or auditee refers to the Board of Nursing.

Organization

The Board of Nursing, established by RSA 326-B:3 of the Nurse Practice Act, consists of eleven members appointed by the Governor, with the consent of the Executive Council, to three-year terms. Each member may serve a total of 3 consecutive 3-year terms, or a total of 9 consecutive years. The Board, pursuant to RSA 326-B:4, XII, has the authority to prescribe the duties of a qualified registered nurse to serve as Executive Director and to request such additional staff positions as may be necessary to administer and enforce the provisions of RSA 326-B. The Board is also authorized to obtain legal counsel, hearing officers, accountants, and such other employees, assistants, and agents as may be necessary, in the opinion of the Board to administer and enforce the provisions of RSA 326-B. At December 31, 2008, the Board had ten full-time and four part-time employees.

The Board of Nursing is administratively attached, under RSA 21-G:10, to the Department of Health and Human Services by RSA 326-B:3, XII.

The Board of Nursing Office is located at 21 South Fruit Street in Concord, New Hampshire.

Responsibilities

RSA 326-B:1 describes the purpose of the Board to be a regulatory authority to “safeguard the life, health, and public welfare of the people of New Hampshire and in order to protect the people of the state from the unauthorized, unqualified, and improper application of services by individuals in the practice of nursing.”

RSA 326-B:4 describes the powers of the Board to include:

- I. Establish reasonable and uniform standards for nursing practice;
- II. Provide consultation regarding nursing practice;
- III. Examine, license, and renew licenses;
- IV. Gather and report information;
- V. Conduct investigations, hearings, and proceedings;
- VI. Subpoena witnesses, records, and documents, as needed, and administer oaths;
- VII. Determine and enforce disciplinary actions;
- VIII. Deny or withdraw approval of nursing education programs;
- IX. Maintain records of proceedings;
- X. Conduct conferences, forums, studies, and research on nursing practice and education;
- XI. Obtain legal counsel and other assistants as may be necessary;
- XII. Prescribe the duties of an Executive Director;
- XIII. Establish and collect fees; and
- XIV. Limit the multistate licensure privilege of any registered nurse or licensed practical nurse as necessary to protect the health and safety of New Hampshire citizens.

To fulfill its regulatory responsibilities, the Board licenses nurses and nursing assistants, defines the scope of nursing and nursing assistant practice, establishes rules that govern practice and education, reviews and approves all schools of nursing, and sanctions licensees who violate the law.

Funding

The financial activity of the New Hampshire Board of Nursing is accounted for in the General Fund of the State of New Hampshire. A summary of the Board's revenues and expenditures for the six months ended December 31, 2008 is shown in the following schedule.

**Summary Of Revenues And Expenditures - General Fund
For The Six Months Ended December 31, 2008**

Total Revenues	\$ 847,557
Total Expenditures	<u>496,582</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ 350,975</u>

The auditor's report on the Board of Nursing's financial statement was qualified, as the financial statement does not constitute a complete financial presentation of the Board in the General Fund.

The audit report includes the auditor's report on internal control over financial reporting and on compliance and other matters. The following is a list of the comments in the report.

Internal Control Comments

Significant Deficiencies

- Accounting Structure Should Be Aligned With Board Operations
- Expenditures Should Be Accurately Allocated To Accounts
- Controls Over Licensing System Should Be Improved
- Recognized Risk In Credit Card Revenue Process Should Be Addressed
- Allowable Costs For Nurse Aide Registry Should Be Clarified
- Fees Amounts Should Be Enumerated In Administrative Rules
- Policies And Procedures For Administering Fines Should Be Improved
- Policies And Procedures Should Be Established For The Periodic Review Of Fees And The Methodology For Setting Fees
- Controls Over Receipt Of Revenues Should Be Improved
- Program Review Fees Should Be Consistently Applied
- Expenditures Should Not Exceed Budgeted Appropriations
- Compliance With Budgetary And Other Expenditure Controls Should Be Improved
- Significant Contracts Should Be Submitted For Required Approvals

- Board Review Of Payroll Should Be More Effective
- Formal Risk Assessment Process Should Be Implemented
- Formal Fraud Prevention And Detection Program Should Be Established
- Monitoring Of Financial Activity Should Be Improved
- Agreement For Inspectional Services Should Be Completed
- Agreement For Services Provided By DHHS Should Be Comprehensive
- State Equipment Policies And Procedures Should Be Implemented

Compliance Comments

- Required Administrative Rules Should Be Adopted
- Assistance Should Be Provided To Promote Accurate Filings Of Statements Of Financial Interests
- Required Reports Should Be Filed