

LBA Financial Audit Report Summary:

New Hampshire Sweepstakes Commission Management Letter For the Year Ended June 30, 1999

The New Hampshire Sweepstakes Commission (the Commission) was established in 1964 in accordance with the provisions of RSA 284:21-a. The Commission is authorized to operate both instant and on-line games for the sole purpose of funding state aid to education pursuant to RSA 198:27-37. In addition, the Commission licenses and taxes charitable organizations who hold Bingo games and the manufacture, distribution and retail sale of Lucky 7 tickets pursuant to the provisions of RSA 287-E.

We audited the financial statements of the Commission as of and for the years ended June 30, 1999 and 1998 and issued our report thereon dated November 24, 1999. A copy of the Commission's comprehensive annual financial report may be obtained by writing to the New Hampshire Sweepstakes Commission, P.O. Box 1208, Concord, New Hampshire, 03301-1208.

The management letter, a product of the audit of the Commission for the year ended June 30, 1999 contains the auditor's report on compliance and on internal control over financial reporting and an auditor's report on management issues. The management letter contains four observations, two of which deal with internal control issues, one issue on state compliance, and one management issue as listed below.

Internal Control Comments

- Inadequate monitoring of the advertising contract,
- Continued lack of an approved disaster recovery plan for the service center,

State Compliance Comment

- Merchandise prizes were not subject to child support intercept verification, and

Management Issues Comment

- Lack of established performance measurements for merchandise games.