

LBA Financial Audit Report Summary:

State of New Hampshire Office of Energy and Planning, Financial Audit Report for the Fiscal Year Ended June 30, 2009

Reporting Entity And Scope

The reporting entity of this audit and audit report is the New Hampshire Office of Energy and Planning within the Office of the Governor, excluding the administratively attached Connecticut River Valley Resource Commission. The scope of this audit and audit report includes the financial activity of the Office of Energy and Planning for the fiscal year ended June 30, 2009. Unless otherwise indicated, reference to the Office, OEP, or auditee refers to the Office of Energy and Planning.

Organization

RSA 4-C:1 establishes the Office of Energy and Planning within the Office of the Governor under the supervision and direction of the Governor or the Governor's designee. During fiscal year 2009, the Office of Energy and Planning was under the supervision of the Governor's designee known as the Director of the Office of Energy and Planning.

At June 30, 2009, the Office of Energy and Planning, located at 4 Chenell Drive, Concord, New Hampshire, employed 12 non-classified and 12 classified full-time employees. The Office also employed one part-time non-classified employee.

Responsibilities

The Office of Energy and Planning is charged by RSA 4-C:1 to:

- Plan for the orderly development of the State and the wise management of the State's resources.
- Compile, analyze, and disseminate data, information, and research services as necessary to advance the welfare of the State.
- Encourage and assist planning, growth management, and development activities of cities and towns and groups of cities and towns with the purpose of encouraging smart growth.
- Encourage the coordination and correlation of state planning by agencies of state government.
- Participate in interstate, regional, and national planning efforts.
- Administer federal and State grant-in-aid programs assigned to the office by statute or executive order.

- Participate and advise in matters of land use planning regarding lakes and rivers management programs.
- Take a leadership role in encouraging smart growth and preserving farmland, open space land, and traditional village centers.
- Administer the following programs: the statewide comprehensive outdoor recreation plan, the national flood insurance program, the land conservation investment program, the scenic and cultural byways system, fuel assistance contracts, and weatherization contracts.
- Perform such other duties as the governor may assign.

In response to these duties and responsibilities, the Office undertakes a number of programs and activities. Financial support for these programs comes from federal grants and the State's General Fund.

Funding

The financial activity of the Office of Energy and Planning is accounted for in the General and Land Conservation Endowment Funds of the State of New Hampshire. A summary of the Office's revenues and expenditures for the fiscal year ended June 30, 2009 is shown in the following schedule.

Summary Of Revenues And Expenditures For The Fiscal Year Ended June 30, 2009

	General Fund	Land Conservation Endowment Fund	Combined Total
Total Revenues	\$ 49,985,570	\$ (74,292)	\$ 49,911,278
Total Expenditures	<u>51,680,792</u>	<u>90,762</u>	<u>51,771,554</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ (1,695,222)</u>	<u>\$ (165,054)</u>	<u>\$ (1,860,276)</u>

The auditor's report on the Office of Energy and Planning's financial statements was qualified, as the financial statements do not constitute a complete financial presentation of the Office in the General Fund.

The audit report includes an 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

Material Weaknesses

- Concern With Subrecipient Administration Of Weatherization Assistance For Low-Income Persons Program Should Be Resolved
- Centralized Federal Compliance Controls Should Be Considered
- Risk Of Reliance On Key Employees Should Be Mitigated

Other Significant Deficiencies

- Formal Risk Assessment Process Should Be Established
- Changes To The Low-Income Home Energy Assistance Program Should Be Approved By OEP Management
- User Access To The Fuel Assistance Program Information System Should Be Limited
- Calculation Of Applicant Income Should Be Clarified
- Invoices Should Be Reviewed For Accuracy Prior To Payment
- Payroll Duties Should Be Properly Segregated
- Fuel Assistance Program Information System Agreement Should Be Documented
- Policies And Procedures For Timely Drawdown Of Federal Funds Should Be Established

Compliance Comments

Federal Compliance Comments

- OEP's Subrecipient Monitoring Of The Low-Income Home Energy Assistance Program Should Be Improved
- OEP's Subrecipient Monitoring Of The Weatherization Assistance For Low-Income Persons Program Should Be Improved
- OEP's Supervision Of Refugee Program Eligibility Determinations Should Be Improved
- OEP's Supervision Of Refugee Cash Assistance Program Payments Should Be Improved
- Required Weatherization Site Inspections Should Be Performed
- Low-Income Home Energy Assistance Program Costs Should Be Supported

- Weatherization Program Costs Should Be Adequately Supported
- Indirect Costs Should Be Charged In Compliance With The Indirect Cost Rate Agreement
- Compliance With Low-Income Home Energy Assistance Program Eligibility Requirements Should Be Improved
- Controls Should Be Designed To Ensure Compliance With Eligibility Policies And Procedures For The Weatherization Program
- Limitations In The Weatherization Assistance For Low-Income Persons Program Information System Should Be Addressed
- Low-Income Home Energy Assistance Program Reports Should Be Adequately Supported
- Submitted Weatherization Program Reports Should Be Adequately Supported
- Required Weatherization Assistance for Low-Income Persons Program Report Should Be Filed
- Low-Income Home Energy Assistance Program Drawdowns Should Be Performed Timely
- Controls Over The Refugee Program Should Be Improved

State Compliance Comments

- Coordinator Of Federal Funds Position Should Be Established
- Required Administrative Rules Should Be Adopted
- Compliance With State Statutes Should Be Improved
- Policies And Procedures To Promote Compliant Filing Of Statements Of Financial Interests Should Be Implemented