

LBA Financial Audit Report Summary:

New Hampshire Department of Safety, Road Toll Bureau 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 Road Toll Bureau of the New Hampshire Department of Safety. The scope of this audit and audit report includes the financial activity of the Road Toll Bureau for the fiscal year ended June 30, 2009. Unless otherwise indicated, reference to the Bureau or auditee refers to the Road Toll Bureau.

Organization

Pursuant to RSA 21-P:9, the Director of Motor Vehicles, with the approval of the Commissioner of the Department of Safety, is responsible for appointing a road toll administrator who shall assume, under the control of the Director of Motor Vehicles, the responsibility for the administration of the motor vehicle road toll and fuel tax agreement laws (RSAs 260:30-260:65-e).

Operationally, in accordance with the State Operating Budget, the Road Toll Bureau falls under the control of the Department of Safety's Division of Administration.

The Road Toll Bureau is headed by an administrator and at June 30, 2009 was staffed with 23 full-time employees.

The Road Toll Bureau is located in the James H. Hayes Building, 33 Hazen Drive, Concord, New Hampshire.

Responsibilities

The Road Toll Bureau's stated mission is "to collect motor fuel taxes in the most cost effective manner and achieve the highest level of voluntary compliance with the State of New Hampshire's Motor Vehicle Road Toll Law, primarily through education, audit and enforcement initiatives."

The Road Toll Bureau is responsible for collecting motor fuel tolls (tax) and enforcing toll compliance with the Motor Vehicle Road Toll Law. The Field Audit Section of the Bureau is responsible for auditing:

- Motor fuel distributor licensees, International Fuel Tax Agreement (IFTA) licensees, and motor fuel and petroleum products transporter licensees,
- International Registration Plan registrants for the Department of Safety’s Division of Motor Vehicles, and
- Petroleum import licensees for the Department of Environmental Services.

The Road Toll Bureau is also responsible for administering New Hampshire’s participation in the International Fuel Tax Agreement (IFTA), a multi-jurisdictional program that allows licensees to obtain one fuel-use license, with a base jurisdiction, effective in all participating jurisdictions.

Funding

The financial activity of the Road Toll Bureau is accounted for in the General, Highway, and Capital Projects Funds of the State of New Hampshire. A summary of the Bureau’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 Nine Months Ended March 31, 2010**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Total Revenues	\$ 1,951,649	\$ -0-	\$ 1,951,649
Total Expenditures	<u>72,537,873</u>	<u>1,757,866</u>	<u>74,295,739</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ (70,586,224)</u>	<u>\$ (1,757,866)</u>	<u>\$ (72,344,090)</u>

The auditor’s report on the Road Toll Bureau financial statement was qualified, as the financial statement does not constitute a complete financial presentation of the Bureau.

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

Material Weaknesses

- All Significant Revenue Accounts Should Be Reconciled

Other Significant Deficiencies

- Revenue Responsibilities Should Be Segregated
- Results Of Desk Audits Should Be Monitored And Acted Upon
- Effective Controls Over Refunds Of Road Tolls Should Be Reestablished
- Utilization Of Available Information Technology Controls Should Be Improved
- Transactions Posted In Error Should Be Corrected
- Recovery Of Cost To Administer The Collection Of Petroleum Import Fees Should Be Reviewed
- Adequacy Of Licensee Bonds Should Be Monitored
- Policies and Procedures For Managing Accounts Receivable Should Be Formalized
- Expenditures Should Be Charged To The Proper Account

Compliance Comments

- Administrative Rules Should Be Consistently Applied
- Compliance With The Department's Interstate Agreements Should Be Improved
- Reporting Responsibility Of Bureau Administrator Should Be Clarified
- Required Reports Should Be Submitted Timely