

**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND
REGULATION OF PLUMBERS**

**PERFORMANCE AUDIT REPORT
DECEMBER 2009**

To The Fiscal Committee Of The General Court:

We conducted an audit of the State Board for the Licensing and Regulation of Plumbers (Board) to address the recommendation made to you by the joint Legislative Performance Audit and Oversight Committee. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The purpose of this audit was to determine whether the Board efficiently and effectively fulfilled its statutory responsibilities. The audit period included State fiscal years 2008 and 2009.

This report is the result of our evaluation of the information noted above and is intended solely for the information of the Board and the Fiscal Committee of the General Court. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Fiscal Committee is a matter of public record.

Office Of Legislative Budget Assistant

December 2009

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**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

TABLE OF CONTENTS

	<u>PAGE</u>
TRANSMITTAL LETTER	i
SUMMARY	1
OVERVIEW	7
SCOPE, OBJECTIVES, AND METHODOLOGY	7
BACKGROUND	9
BOARD MANAGEMENT	17
Observation No. 1: Consider Organizational Changes To Improve Leadership And Management.....	17
Observation No. 2: Improve Oversight And Efficiency Of Plumbing Inspectors	19
Observation No. 3: Improve Information System Management	22
Observation No. 4: Improve Internal Controls Over Cash And Check Handling.....	25
Observation No. 5: Improve Compliance With Statute Requiring Members Submit Statements Of Financial Interests.....	26
Observation No. 6: Improve Control Environment	27
Observation No. 7: Formalize And Adhere To Recusal Policy	29
Observation No. 8: Improve Public Outreach And Information Sharing	31
LICENSING	35
Observation No. 9: Ensure Adequate Controls And Adherence To Administrative Rules When Processing Fees	35
Observation No. 10: Ensure Fees Collected For Plumbing Business License Renewals Are Consistent With Administrative Rules	37
Observation No. 11: Licensed Staff Should Pay Licensing Fees.....	37
Observation No. 12: Ensure Administrative Rules And Board Practices Are Consistent.....	38
Observation No. 13: Ensure Applications Contain Information Required By Administrative Rules	41
Observation No. 14: Define "Good Character" In Administrative Rules.....	43
Observation No. 15: Provide New Licensees Administrative Rules Required By RSA 332-H:2	44

Observation No. 16: Establish License Numbering Practices In Administrative Rules.....	45
INSPECTIONS AND INVESTIGATIONS.....	47
Observation No. 17: Comply With State Law And Improve Controls Over Inspection Fees.....	47
Observation No. 18: Improve Management Controls Over Inspection Fee Calculations	50
Observation No. 19: Institute Management Controls Over Food Protection-Related Plumbing Inspections	51
Observation No. 20: Accurately Track And Report The Timeliness Of Investigations.....	52
Observation No. 21: Investigations Should Be Complete And Follow-Up Conducted To Ensure Licensees Comply With Board Directives.....	54
Observation No. 22: Ensure Board Reviews All Cases Within Its Jurisdiction And Approves All Discipline	56
ENFORCEMENT AND DISCIPLINE	59
Observation No. 23: Develop Administrative Rules And Policies And Procedures Regulating Discipline	59
Observation No. 24: Seek Additional Enforcement Tools	62
Observation No. 25: Improve Enforcement Actions Against Unlicensed Plumbers	63
OTHER ISSUES AND CONCERNS.....	67
CONCLUSION	69
APPENDICES	
Appendix A: Board Response To Audit	A-1
Appendix B: NH Licensed Plumbers Survey Results	B-1
LIST OF FIGURES	
Figure 1: Organization Chart Of The State Board For The Licensing And Regulation Of Plumbers.....	10
Figure 2: Application And Licensing Process: Master And Journeyman Plumbers And Apprentices.....	12
Figure 3: Logic Model	16

LIST OF TABLES

Table 1: State Board For The Licensing And Regulation Of Plumbers Revenues And Expenditures SFYs 2007 – 2009 11

Table 2: Satisfaction With The Board’s Overall Services..... 14

Table 3: Expired Licenses By License Type, SFYs 2008 and 2009..... 67

ABBREVIATIONS

Board	State Board For The Licensing And Regulation Of Plumbers
DES	Department Of Environmental Services
DoIT	Department Of Information Technology
DOJ	Department Of Justice
DOS	Department Of Safety
DHHS	Department Of Health And Human Services
GAO	U.S. Government Accountability Office
ICC	International Code Council
ID	Identification
IS	Information Systems
JLCAR	Joint Legislative Committee On Administrative Rules
LLC	Limited Liability Company
SFY	State Fiscal Year

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STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS

SUMMARY

Purpose And Scope Of Audit

This audit was performed at the direction of the Fiscal Committee of the General Court consistent with the recommendation of the joint Legislative Performance Audit and Oversight Committee. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The purpose was to determine whether the State Board for the Licensing and Regulation of Plumbers (Board) efficiently and effectively fulfilled its statutory responsibilities. The audit period included State fiscal years (SFY) 2008 and 2009.

Background

RSA 329-A:3 creates a five-member Board consisting of three licensed plumbers, one of whom may be a Journeyman Plumber, and two public members appointed by the Governor with approval of the Council. 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. Four full-time Plumbing Inspectors and three full-time administrative staff support the Board. During the fiscal year ended June 30, 2009, the Board licensed 3,369 Master and Journeyman Plumbers, 415 Plumbing Businesses, and issued 428 identification cards to plumbing apprentices. Master and Journeyman Plumbers represent 80 percent of all licenses, registrations, and certifications issued by the Board.

Results In Brief

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. 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. Our audit presents 25 observations and recommendations to assist the Board in fulfilling its statutory responsibilities efficiently and effectively.

We found weaknesses in the Board's management, licensing function, inspection and investigation functions, and enforcement and discipline responsibilities.

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.

**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

RECOMMENDATION SUMMARY

Observation Number	Page	Legislative Action Required	Recommendation	Agency Response
1	17	Yes	The Legislature may wish to consider amending the organizational structure of the Board.	Concur
2	19	No	Develop a performance management strategy for Plumbing Inspectors. Task administrative staff to receive inspection requests and process payments. Provide training to Plumbing Inspectors on policies and expectations. Request additional resources for Plumbing Inspectors.	Concur
3	22	No	Improve information system access controls, develop a written business continuity plan, acquire computer resources and telecommunications capabilities, regularly reconcile licenses issued with revenues reported in the State accounting system, and assess the sufficiency of the current licensing and complaint database.	Concur
4	25	No	Review revenue collection process and implement appropriate controls.	Concur
5	26	No	Develop and implement written policies and procedures to promote timely filings of statements of financial interests and ensure compliance with RSA 15-A:6.	Concur
6	27	No	Apply the requirements of statute and administrative rules equally to all licensees regardless of employment status, prohibit employees from conducting non-State related business while on State time, and seek Statutory authority to regulate providers of continuing education.	Concur
7	29	No	Develop a formal recusal policy.	Concur
8	31	No	Provide disciplinary actions, licensee status, and performance measures on the Board's website.	Concur
9	35	No	Charge the full initial license fee as well as all late renewal fees and ensure plumbers are correctly and equitably charged all fees due.	Concur
10	37	No	Comply with administrative rules and charge the full \$190 required for business license renewals.	Concur
11	37	No	Charge all license fees to all plumbers as provided in statute and administrative rule.	Concur

Recommendation Summary

Observation Number	Page	Legislative Action Required	Recommendation	Agency Response
12	38	No	Align practices with administrative rules and seek to amend existing administrative rules where appropriate.	Concur
13	41	No	Require all applicants submit all documentation required by administrative rules. Comply with administrative rules requiring Master Plumber license applicants hold a Journeyman Plumber license issued by the Board, thoroughly review and establish legal organization for Plumbing Business license applicants, and charge corporations with more than one shareholder in full.	Concur
14	43	No	Develop administrative rules to define “good character” and submit them for approval to the Joint Legislative Committee on Administrative Rules.	Do Not Concur
15	44	No	Provide a copy of the Board’s administrative rules in the license package distributed to new licensees in compliance with RSA 332-H:2.	Concur
16	45	No	Develop a formal process for issuing license numbers and consider de-linking Plumbing Business and Master Plumber license numbers to avoid licensing number issues related to current practices.	Concur
17	47	No	Require documentation of the value of plumbing work to calculate the correct fee, develop written internal policies and procedures for paid inspections, discontinue negotiating inspection fees, and ensure payment is made to the main office prior to the inspection. Develop performance measures for Plumbing Inspectors.	Concur
18	50	No	Revise Administrative Rule Plu 308.09(c) to eliminate double counting some values used in calculating fees for projects valued over \$300,000, codify the Plumbing Inspection Request form in administrative rule as required by RSA 329-A:14, I, and verify contracted price to calculate correct inspection fees.	Concur

Observation Number	Page	Legislative Action Required	Recommendation	Agency Response
19	51	No	Develop policies and procedures to ensure all requests for inspections follow the same process and establish documentation and record retention requirements for all inspection-related paperwork, including DHHS-generated notifications.	Concur
20	52	No	Develop written policies and procedures for the entire investigation process, including preparatory work. Track all complaints received by the Board to determine case processing times and develop time standards for case processing.	Concur
21	54	No	Establish policies and procedures regarding how investigations should be conducted and routinely follow up on Board-disciplined licensees.	Concur
22	56	No	Provide clear guidance to Plumbing Inspectors regarding circumstances under which financial or contractual disputes should be brought to the Board, more closely manage and train staff to ensure they do not impose discipline reserved solely for the Board, and develop and implement policies and procedures to identify repeated allegations against licensees.	Concur
23	59	No	Codify disciplinary guidelines in administrative rules for licensees, develop policies and procedures for Plumbing Inspectors clearly defining the limits of their authority, and establish standard warnings and other communications issued by the Board.	Concur In Part
24	62	Yes	The Legislature may wish to consider amending RSA 329-A to include authority to issue administrative fines for licensees violating provisions of the Chapter.	Concur
25	63	Yes	The Legislature may wish to consider amending RSA 329-A to provide the Board with authority to levy administrative fines against those found plumbing without a license. Until the statute is changed, the Board should comply with applicable statutes.	Concur

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STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS

OVERVIEW

In May 2009, the Fiscal Committee of the General Court adopted a recommendation made by the joint Legislative Performance Audit and Oversight Committee to conduct a performance audit of the efficiency and effectiveness of the State Board for the Licensing and Regulation of Plumbers (Board). We held an entrance conference with the Board in May 2009.

SCOPE, OBJECTIVES, AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Scope And Objectives

The audit was conducted to answer the following question: **Has the State Board for the Licensing and Regulation of Plumbers efficiently and effectively fulfilled its statutory responsibilities?** To address this objective, 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 did not review the Board's involvement in apprentice programs or certification of Water Treatment Technicians. The audit period is State fiscal years (SFY) 2008 and 2009.

Methodology

We performed the following procedures to determine whether the Board efficiently and effectively fulfilled its statutory responsibilities:

- In planning the audit, we reviewed statutes, administrative rules and rulemaking requirements, Board policies and procedures, public meeting and information requirements, and the administrative adjudication process; conducted structured interviews with current and former Board members, Board employees, non-governmental trade associations, and Department of Justice employees with Board support responsibilities; identified regulatory body best practices; and assessed the adequacy and efficiency of controls over the licensing, complaint, investigations and inspections, and disciplinary processes.
- To develop an understanding of how plumbers' boards in other states are organized and managed, how other boards compare to the New Hampshire Board, and develop an understanding of professional and occupational licensing in New Hampshire, we gathered and compared information on plumbers' boards for all 50 states. We analyzed information such as the level of board consolidation within each state and

the composition and function of plumbers' boards. We reviewed professional and occupation licensing in New Hampshire and isolated construction trade licensing to determine the authority, comparability, overlapping responsibility, and other points of interest. To establish best practices related to regulatory boards and specifically plumbers' boards, we reviewed other states' audits, literature on regulatory boards, and the Council on Licensure, Enforcement, and Regulation website.

- To assess the control environment, we documented Board member compliance with Statement of Financial Interest requirements under RSA 15-A by reviewing each members' filings with the Secretary of State's office for calendar years 2008 and 2009. We reviewed all Board meeting minutes during the audit period, applicable statutes, and selected audio recordings of meetings to analyze Board members' involvement in discussions or votes related to their private interests.
- To assess the efficiency of the Plumbing Inspectors, we reviewed daily time logs for one day of each month from August 2008 through May of 2009 for two Plumbing Inspectors. The days were selected randomly and represent each day of the workweek. Since we selected a non-probability sample, results cannot be generalized to the population.
- To identify potential deficiencies with the Board's management of paid inspections, we reviewed all 74 paid inspection forms for calendar years 2008 and 2009 through August 19, 2009. We inquired of the Board's Administrative Supervisor and the Chief Plumbing Inspector to clarify the content of the binder and reviewed relevant statutes and rules and fee receipts recorded by Board staff.
- To test compliance with licensing statutes and administrative rules, we conducted a file review of all plumbers originally licensed by the Board between July 1, 2007 and June 30, 2009. The initial license application population for SFYs 2008 and 2009 was 428 applicants: 90 Plumbing Business applicants, 165 Master applicants, and 173 Journeyman applicants. We then used a simple random sample at the 80 percent confidence level with a 10 percent margin of error for a sample size of 130 case files.
- To test compliance with license renewal statutes and administrative rules, we used the Board's database to identify active plumbers and removed all apprentices and new applicants who have not yet renewed resulting in a renewal population of 3,591 active plumbers; 376 Plumbing Business licenses, 2,416 Master Plumber licenses, and 799 Journeyman Plumber licenses. We chose a random sample 173 renewal license files (80 percent confidence level with a 10 percent margin of error) and reviewed each with a compliance checklist based on Board Administrative Rule Plu 300 and statutes.
- To test the Board's compliance with applicable statutes and administrative rules related to investigative practices, we developed a compliance checklist and reviewed investigation files for all 134 cases opened and closed during State fiscal years 2008 and 2009.

- To evaluate the Board’s cash receipt process and evaluate the controls in place, we interviewed Board staff and observed the entire process from initial mail receipt through posting to the NH First accounting system and preparation of the deposit slip.
- To determine licensee satisfaction with Board performance, we surveyed a random sample of licensed active plumbers. The Board’s licensing database at June 30, 2009 showed 4,212 licensed active plumbers. We drew a random sample based on an 80 percent confidence level with a 10 percent margin of error and calculated a sample size of 158. We increased the sample size to 451 anticipating a 35 percent response rate. We then sent a survey to each of the selected plumbers during August 2009 and received 123 surveys in return for a 27 percent response rate. Because the survey response rate was lower than our anticipated sample size required for statistical validity, the results cannot be projected to the entire population.

We did not evaluate decisions made by the Board related to the Board’s adjudicatory function or attempt to second-guess its decisions. Rather, we assessed whether the process to arrive at these decisions was consistent with statutes, administrative rules, and established Board practice.

BACKGROUND

Forty-three states and the District of Columbia license the plumbing trade. The other seven states handle licensing either at the local level or have no licensing requirements. In New Hampshire, RSA 329-A establishes a five-member State Board for the Licensing and Regulation of Plumbers (Board) responsible for protecting and improving “the general health and welfare of the people of the state of New Hampshire in the field of environmental sanitation by authorizing rules and regulations for licensing qualified plumbers.” The Legislature created the Board to ensure plumbers possessed the training and skills necessary to install in buildings the pipes, fixtures, and other apparatus for bringing in the water supply, and removing liquid and water-carried wastes. Board responsibilities include: defining licensing and certification requirements for Master and Journeyman Plumbers, and Water Treatment Technicians, while denying licenses to unqualified applicants and businesses; renewing licenses and certifications; training continuing education providers; monitoring licensee competency and plumbing knowledge; receiving and investigating complaints against licensees; conducting inspections and investigations; adjudicating and disciplining licensees for misconduct or violations of the State Plumbing Code; and rulemaking.

Organizational Structure

The Board consists of three licensed plumbers, one of whom may be a Journeyman Plumber, and two public members unaffiliated with plumbing. Board members are appointed by the Governor and approved by the Council for no more than two consecutive five-year terms. Board members each receive \$30 per day for meetings plus official travel expenses (RSA 329-A:4).

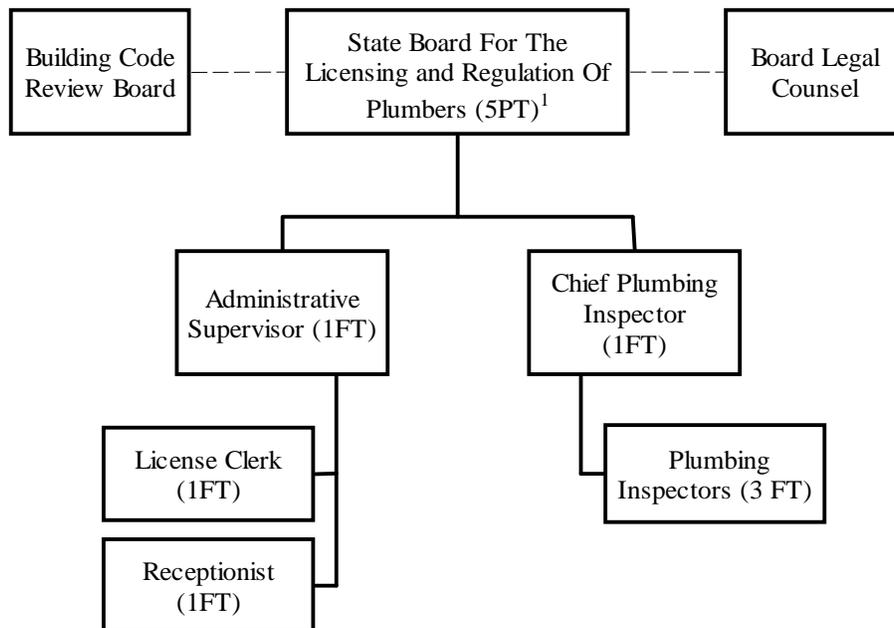
In SFY 2009, full-time Board staff included an Administrative Supervisor, a License Clerk, and a Receptionist responsible for processing license applications, receiving complaints, and

answering general questions from the public. Additionally, a Chief Plumbing Inspector and three Plumbing Inspectors investigated complaints against licensees, conducted plumbing inspections upon request, consulted with municipal building code officials, and inspected work sites on an ad hoc basis as they happened upon them. There was no single executive or manager overseeing all Board staff. Figure 1 details the Board's organization.

The Board is administratively attached to the Department of Environmental Services (DES) pursuant to RSA 329-A:3, III. The Board has neither requested nor received significant assistance from the DES. The Board reports making regulatory decisions and undertaking contracting and procurement, hiring staff, and promulgating rules, and other administrative functions independent of the DES.

Figure 1

**Organization Chart
State Board For The Licensing And Regulation Of Plumbers**



Notes:

¹Numbers in parentheses represent numbers of personnel working on a part-time (PT) or full-time (FT) basis.

Source: LBA analysis of Board information and statutes.

Financial Data

RSA 329-A:5-a requires the Board to establish fees for: plumbers licenses, license renewal, and late license renewal; Water Treatment Technician certification, certification renewal, and late certification renewal; initial and renewal plumber's apprentice identification cards; inspections done pursuant to RSA 329-A:17; copies of the State Plumbing Code; licensure and certification

verification letters requested by other jurisdictions; courses, workshops, and seminars offered by the Board; transcribing and transferring records; and other services. In addition, this statute requires Board-established fees produce estimated revenues equal to 125 percent of the direct operating expenses of the previous fiscal year.

The Board's financial activity is accounted for in the State's General Fund. Table 1 details revenues and expenditures for SFYs 2007 through 2009.

Table 1

**State Board For The Licensing And Regulation Of Plumbers
Revenues And Expenditures SFYs 2007 - 2009
(in thousands)**

	2007	2008	2009
Revenues	\$ 552	\$ 600	\$ 584
Personal Services-Permanent	\$ 216	\$ 240	\$ 259
Benefits	110	115	136
Personal Services- Temp/Appoint	55	4	1
Current Expenses	21	22	25
Transfers to General Services	16	17	18
Transfers to OIT	9	3	0
Equipment	11	0	0
Travel	7	6	6
Other	4	2	4
Total Expenditures	\$ 449	\$ 409	\$ 449
Excess of Total Revenue Over Total Expenditures	\$ 103	\$ 191	\$ 135
Revenue As A Percentage of Expenditures	123%	147%	130%

Source: LBA analysis of State Integrated Financial System data.

Licensing And Certification

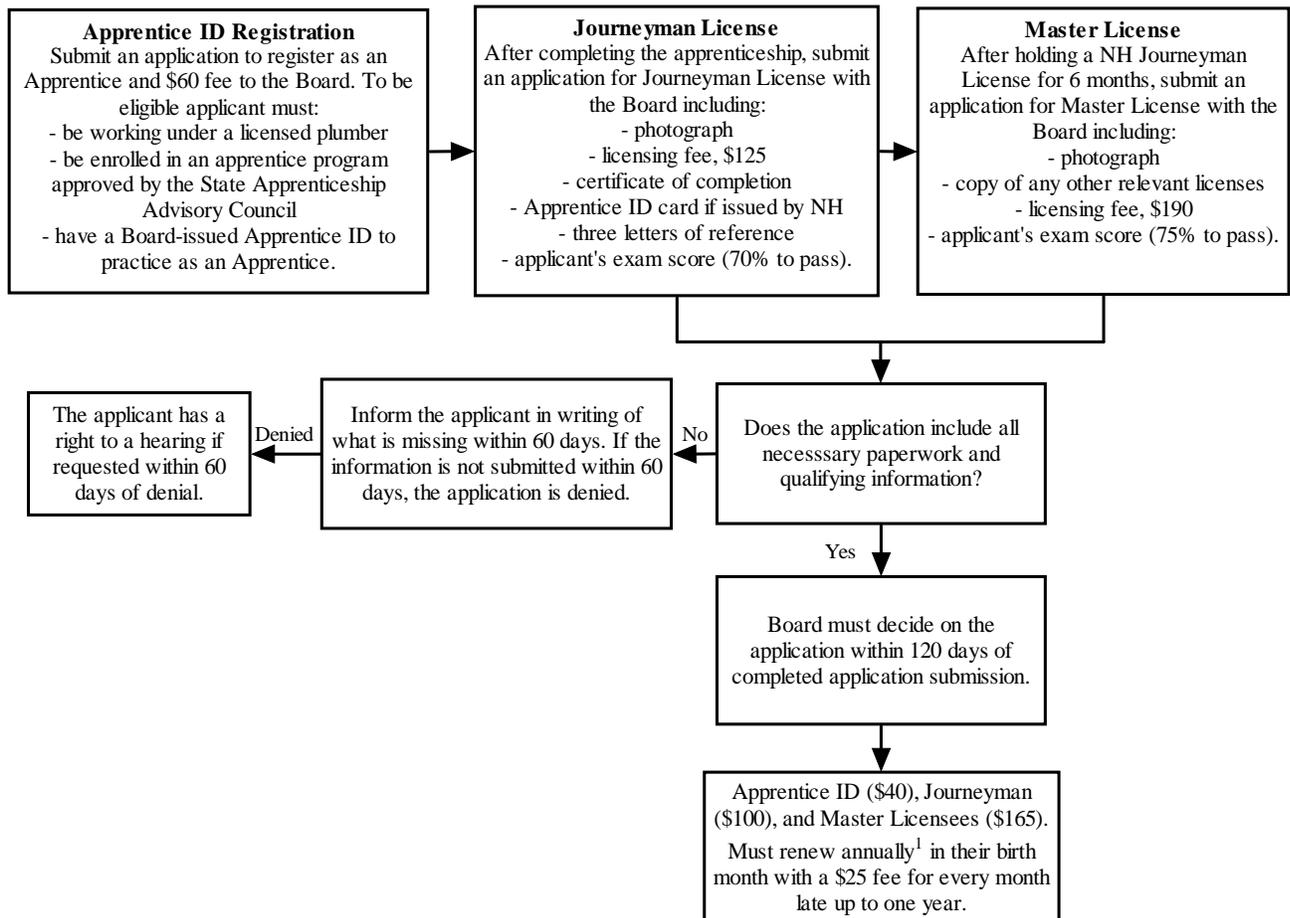
The Board issues three types of licenses: Master Plumber, Journeyman Plumber, and Plumbing Business. A person who has held a Journeyman Plumber license for at least six months and paid the license fees established by the Board is entitled to take an examination, and if found qualified by a majority of the Board, shall be licensed as a Master Plumber (RSA 329-A:8). More specific eligibility requirements are found in Administrative Rule Plu 303.01, including the requirement to hold a *New Hampshire* Journeyman Plumber license for six months.

Eligibility requirements for the Journeyman Plumbers license are found in RSA 329-A:9 which states, “[a]ny person who, having successfully completed his or her apprenticeship in plumbing, has received an official completion certificate from the organization conducting the program shall, upon payment of the fees established by the Board, be entitled to examination and, if found qualified by a majority of the board members, be licensed as a [J]ourneyman [P]lumber.”

The Board also issues Apprentice Plumber identification cards, which are valid for one year (RSA 329-A:9-b). The Board renews identification cards of Apprentice Plumbers who continue to be engaged in learning and assisting with plumbing and drainage installation under an apprenticeship program meeting the requirements of the State Apprenticeship Advisory Council (Administrative Rule Plu 305.03). The Board also certifies Water Treatment Technicians (RSA 329-A:9-a). Figure 2 illustrates the application and licensing process for Master and Journeyman Plumbers and Apprentices.

Figure 2

Application And Licensing Process: Master And Journeyman Plumbers And Apprentices



Note: ¹Chapter 170, Laws of 2009 increased license validity from one year to two years.

Source: LBA Analysis of Board Administrative Rules Plu 302 - 305.

During the fiscal year ended June 30, 2009, the Board reported licensing a total of 3,784 individuals and businesses, including 2,483 Master Plumbers, 886 Journeymen Plumbers, and 415 Plumbing Businesses. Additionally, the Board issued 428 Apprentice identification cards.

Inspections

According to RSA 329-A:16, the State Plumbing Code is enforced by municipal code enforcement departments or by an officer designated by the administrative authority of a city or town. In the absence of a locally designated authority, the Board has the authority to enforce the State Plumbing Code. The Board estimated approximately 50-70 New Hampshire communities are not served by local authorities. RSA 329-A:17 authorizes the Board to appoint Plumbing Inspectors with authority to enter any premises in which plumbing is being done to inspect its installation, repair, or replacement. Plumbing Inspectors have the authority to order the correction or removal of any violation, and may also order any public utility to discontinue water service until the violations have been corrected. When correction or removal is ordered, the Plumbing Inspector must notify the municipal code enforcement official or administrative authority who then is responsible for reviewing the corrections and approves continuation of work if the issue is satisfactorily resolved.

A building owner, plumber or plumbing business performing plumbing work, general contractor, or a municipal code enforcement official can request an inspection from the Board's Plumbing Inspectors. In these cases, the Board charges a fee based on the cost of the plumbing work. Administrative Rules Plu 308.08 and Plu 308.09 identify the method for calculating the inspection fee and specifies fees shall be paid in full before inspection. Between January 2009 and August 2009, Board records showed 21 paid inspections were conducted. Municipal code enforcement officials may also *request assistance* inspecting plumbing work within their jurisdiction. The Board does not charge for providing assistance or support to municipal code enforcement officials.

There is no statutory process to ensure all plumbing work throughout the State is inspected and complies with the State Plumbing Code. The Board is considering administrative rules to request plumbers notify the Board of new construction in locations without municipal code enforcement officials.

Complaints and Investigations

During SFYs 2008 and 2009, 176 cases were initiated either by Plumbing Inspectors or as a result of a complaint. Anyone may file a complaint with the Board; however, consumers such as homeowners, most often file complaints. Our review of the Board's complaint database showed 98 cases were opened in SFY 2008 and 78 cases were opened in SFY 2009. Our analysis of SFYs 2008 and 2009 complaint data showed the time taken to resolve a case ranged from zero to 429 days, with an average of 75 days and a median of 52 days. Cases opened in SFY 2009 took considerably more time to resolve than those opened in SFY 2008. The number of days to resolve a case in SFY 2009 averaged 105 days versus 61 days in SFY 2008 with a median of 87 days in SFY 2009 versus 40 days in SFY 2008.

Of the 176 cases in SFY 2008 and 2009, 151 cases recorded a “place of complaint” representing 79 different municipalities. Thirty municipalities had more than one complaint, but only four had five or more. Those four were Nashua (11 complaints), Manchester (10 complaints), Auburn (5 complaints), and Hooksett (5 complaints). Five different Plumbing Inspectors worked on cases in SFYs 2008 and 2009. Complaints regarding unlicensed plumbers represented more than half of all complaints and code violations represented almost a quarter of the total.

Enforcement and Discipline

The Board has the authority to enforce the State Plumbing Code and the Board’s Plumbing Inspectors have the authority to enter any premises in the State in which plumbing is subject to regulation under the Board’s authority. Each Plumbing Inspector is assigned a geographical area to cover.

Disciplinary sanctions include reprimand; suspension, limitation or restriction of license; revocation of license; or requiring continuing education. The Board cannot discipline unlicensed plumbers because the Board only has authority over licensed plumbers. However, unlicensed plumbers are referred to the New Hampshire Attorney General and the responsible County Attorney for appropriate action.

Survey of Plumbers Licensed in New Hampshire

We surveyed a random sample of plumbers licensed in New Hampshire to assess overall satisfaction with the Board’s services. Survey results are contained in Appendix B. We received 123 responses for a 27 percent response rate. Sixty-eight percent of the respondents were Master Plumbers, while 61 percent of all respondents were licensed for more than 20 years. Respondents identified working in all ten counties of the State, with most reporting working in Merrimack, Hillsborough, and Rockingham Counties.

In general, a majority of respondents are satisfied or very satisfied with the Board’s services. Table 2 shows licensees expressed a high level of satisfaction with the Board’s services.

Table 2

Satisfaction With The Board’s Overall Services		
Respondents reporting satisfaction with the following Board services:	Satisfied or Very Satisfied	No Opinion
General availability of guidance, information, and resources	90%	8%
Responsiveness	81%	18%
Plumbing knowledge	88%	12%
Investigations	69%	28%
Public outreach	69%	27%
Enforcement	70%	24%
Training and education requirements	86%	11%
Discipline	68%	27%

Source: LBA Analysis of 2009 survey of plumbers licensed in New Hampshire.

One area of concern for the respondents pertains to enforcement of unlicensed plumbing. Forty-two percent were satisfied or very satisfied with the enforcement of unlicensed plumbing, while 29 percent were dissatisfied or very dissatisfied. With the exception of unlicensed plumbing concerns, a majority of respondents were either satisfied or very satisfied with all processes, although some comments such as concern over license costs, continuing education, and lack of consistency at the local level may indicate some dissatisfaction.

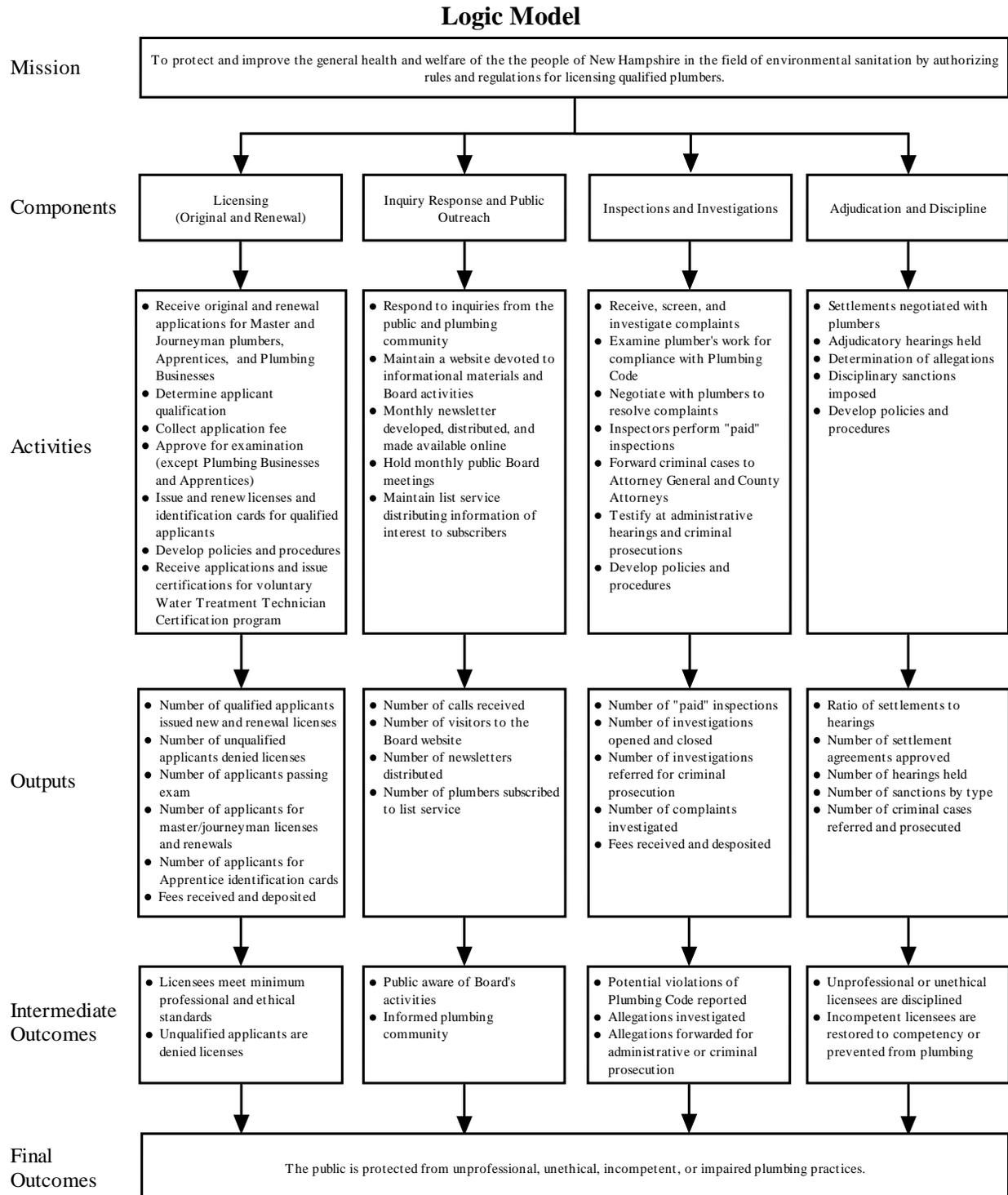
Logic Model

The logic model presented in Figure 3 presents how Board objectives are intended to connect significant program goals and their activities with outputs and outcomes. Activities describe what the Board does to produce outputs. Outcomes are what the Board hopes to change via its activities. Therefore, Board outcomes, or the intended impact of the Board's activities, should be linked to the mission.

Logic models are presented as flow charts describing programs in a way that facilitates understanding intended causal relationships between activities, outputs, and outcomes. The flow chart illustrates how a program intends to solve identified problems. Individual program activities, outputs, and outcomes are arranged in rows. Relationships between the various activities, outputs, and outcomes are arranged vertically on the page according to the sequential flow of program logic. The arrows linking the program elements signify the intended flow of the program.

Figure 3 focuses on the mission and purpose of the Board and is intended as an aid to understanding Board functions.

Figure 3



Source: LBA Analysis Of RSA 329-A, Board administrative rules, and staff interviews.

STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS

BOARD MANAGEMENT

As a State agency, the State Board for the Licensing and Regulation of Plumbers (Board) is responsible for developing and implementing the management controls integral to efficient and effective operation, for ensuring reliable reporting, and for complying with applicable laws and regulations. The Board is responsible for developing the detailed policies and procedures to operationalize the controls necessary to: aid mission accomplishment, improve accountability, minimize operational problems, provide reasonable assurance it achieves its goals, and help safeguard public resources.

There are five generally recognized interrelated components of management control: control environment, risk assessment, control activities, information and communications, and monitoring. The control environment encompasses management's philosophy, operating style, organizational structure, assignment of responsibility and authority, integrity, and ethical values. Controls should assess organizational risk confronting an agency, helping avoid unnecessary risk exposures. Control activities include the policies, procedures, and practices employed by the Board to enforce management directives, control risk, and achieve results. Information and communication incorporates records and management communications essential to operating and controlling an agency. Monitoring helps ensure an agency performs as expected over time.

The Board is responsible for ensuring public safety through licensing and enforcement. While these are the Board's core functions, many administrative tasks support implementing these functions. The following observations address deficiencies found in each of the five components of management control affecting the Board's organizational structure, personnel management, equipment, information technology controls, cash handling controls, business environment, and public outreach and information sharing.

Observation No. 1

Consider Organizational Changes To Improve Leadership And Management

The Board has no single employee managing all daily operations. A Chief Plumbing Inspector manages and supervises three Plumbing Inspectors, while an Administrative Supervisor manages two administrative staff. Board members and staff reported conflicts arising from this arrangement. The Board is administratively attached to the Department of Environmental Services (DES), but Board members and staff reported no functional relationship with the DES and limited to no support received from the DES.

The Board handles personnel issues as well as policy and regulatory functions. Two Board members noted spending excessive amounts of time on personnel issues, frustration with conflicts between administrative and inspection staff, and a lack of overall leadership for Board staff. One Board member stated more staff supervision is needed. Meeting once a month, the part-time Board is ill-equipped to manage personnel or daily operations.

We found three alternative organizational structures that may enhance management of the Board's administrative and inspection staff. First, a single administrator could be placed in charge of the daily operations of the Board, including its administrative and inspection functions. This State employee would be responsible for the effective and efficient operation of the Board, except for policy and regulatory matters, overseeing all staff, and interfacing with the Board. Appointing a single administrator, who possesses the appropriate knowledge, skills, and abilities, could reduce the burden on Board members in managing daily operations.

A second alternative organizational structure could consolidate the Board with other regulatory boards. Consolidating state regulatory boards has become common across the country. We found autonomous plumbers boards occurring in only seven of 50 states (14 percent), including New Hampshire. In the remaining 43 states (86 percent), some level of regulatory board consolidation was evident. Construction trades were consolidated in 38 of the 45 states (84 percent) requiring construction trade licensing. Consolidation most often combined administrative functions, rather than maintaining redundant administrative staff from one board to the next. Consolidating boards may have benefits including: better policy coordination, reduced costs, administrative efficiency, eliminating service duplication, standardization, unbiased investigations, improved oversight and accountability, and centralized public access. Drawbacks to consolidation can include inefficient bureaucracies, diminished license-specific expertise, and weakened board authority.

The third organizational option includes co-locating the Board in an agency with similar regulatory bodies. In co-location, the Board maintains its administrative and inspection staff without utilizing potential administrative efficiencies found in consolidation. The Board's administrative staff and inspectors are brought into the existing structure where they can be managed by State personnel, but the Board itself is still independent in its regulatory and policy-making endeavors and not responsible for managing the staff. Currently, the Department of Safety's (DOS) Division of Fire Safety licenses, certifies, and regulates: 1) electricians, 2) fuel gas fitters, 3) heating equipment technicians, 4) manufactured housing installers, and 5) lightning rod installers and dealers. The Building Code Review Board also resides within the DOS and is responsible for reviewing and updating the NH Building Code, including the Plumbing Code, as well as hearing appeals of Plumbing Board decisions. The electricians and manufactured housing installers are also regulated by licensing boards within the Division of Fire Safety, and are charged with licensing, investigation and inspection, discipline, and enforcement, similar to the Board.

Co-locating the Board within the DOS may improve efficiency. According to a DOS administrator, the Department works well with State Plumbing Inspectors, but additional collaboration could increase functionality, improve productivity, and improve overall public safety. Because the Division of Fire Safety is responsible for inspecting buildings and all of their systems including plumbing, co-location could benefit overall project management. In addition, co-locating the Board within the DOS may benefit licensees by leading to a one-stop-shop for licensing construction trades. In our survey of licensed New Hampshire plumbers, 59 percent reported also holding a fuel gas fitters license, 66 percent reported holding at least two licenses, and 23 percent reported holding more than two licenses. The most common additional licenses plumbers reported holding, fuel gas fitter and heating equipment technician, are administered by the DOS.

An organization's structure provides management a framework for planning, directing, and controlling operations. An effective organizational structure: 1) clearly identifies and delegates authority, 2) establishes lines of reporting, and 3) enforces accountability. Chapter 144, Laws of 2009 establishes a "committee to study the consolidation of administrative and adjudicative functions of boards, commissions, and councils regulating occupations and licensing professionals to provide for increased efficiency and cost savings." This study, while broader than the Board, may provide additional insights in determining the appropriate organizational structure for the Board.

Recommendation:

The Legislature may wish to consider amending the organizational structure of the Board to improve management control of Board operations.

Auditee Response:

The Board concurs with this recommendation. The Board has already been investigating what solution would be the correct path for improved administrative/supervisory support for the agency operation. Clearly, this volunteer board has not been effective in being able to properly supervise and manage the operations. The Board has supported efforts to consolidate the administrative functions of various boards.

Time Frame For Implementation – the sooner the better.

Observation No. 2

Improve Oversight And Efficiency Of Plumbing Inspectors

The Board has limited policies and procedures governing the management of its Plumbing Inspectors and provides little support and equipment resources for them to accomplish their assigned duties.

Management Of State Plumbing Inspectors

The Board employs three Plumbing Inspectors and one Chief Plumbing Inspector. Each Plumbing Inspector, including the Chief, is assigned a specific geographic area of the State. The Chief Plumbing Inspector is responsible for general management of the highly mobile inspection staff, who spend significant amounts of time outside the Concord office, in their home offices, and on the road within their assigned territories.

We found examples of inadequate management oversight of the Board's Plumbing Inspectors. We reviewed two Plumbing Inspectors' daily logs for one day each month between August 2008 and May 2009 and found instances where personal business was conducted by one employee on State time. We found no record indicating leave was taken for time spent on personal business.

The Board has begun taking positive steps to improve management of its Plumbing Inspectors. Plumbing Inspectors are asked to call the office at the beginning of each morning and submit daily activity logs once a month. The Chief Plumbing Inspector also holds monthly staff meetings and each Plumbing Inspector is required to be in the Concord office one day per week. While Plumbing Inspectors are asked to call the office at the start of the day, there is no set time and they are not required to report where they will be or their appointments for the day. In contrast, the Electrician's Board requires each Inspector to call in each day with their plan for the day and the information is recorded in a spreadsheet to provide some level of accountability.

Mobile workforces demand a different management strategy than traditional office staff. Some considerations include specific policies for remote work, training, clear goal setting, and performance measures for oversight. Good communication and clear guidelines and expectations are integral components of managing a mobile workforce. The lack of regular contact and oversight demands clear policies and procedures as well as documentation of expectations. These policies and procedures should not only outline expectations, but should also identify ethics requirements, equipment use, and personnel matters. Along with policies and procedures should come training including reviewing the policies and procedures, communication options, expectations, work schedules, technology, and other considerations relevant to the mobile environment.

Without a formal calendar, or a daily plan or routine, it is necessary to ensure the Plumbing Inspector's activities are properly prioritized and executed in fulfilling the Board's mission. Best practices identify clear performance measures as a tool for measuring productivity. For example, the number of inspections completed per month, number of new cases, percent of open cases completed, or number of towns visited within a Plumbing Inspector's assigned territory could measure performance for Plumbing Inspectors. This allows employees the freedom and trust required to complete their jobs while still being accountable for completing the necessary workload.

Equipping State Plumbing Inspectors

A key component of successfully managing a mobile workforce is providing necessary tools to effectively do the job. During the audit period inspection staff did not have State-issued laptop computers or Internet connectivity to assist them in documenting cases, completing paperwork while outside the office, or accessing their State e-mail accounts. Plumbing Inspectors reported using their personal laptops or home computers to complete the Board's work. In addition, four Plumbing Inspectors share one computer while in the Concord office. Plumbing Inspectors are assigned State cell phones, however.

Without adequate computer resources, Plumbing Inspectors cannot carry out their duties efficiently. Plumbing Inspectors could process most of their paperwork from home or the field with the necessary equipment. Without laptops or Internet connectivity, the Plumbing Inspectors do not have access to the Board's network containing the plumbing database with the list of active plumbers, complaints, former cases, and investigations; any needed document templates; or access to their State e-mail. As a result, Plumbing Inspectors drive extra miles to the Concord office multiple days per week to complete paperwork and use the shared computer. Multiple trips

to the Concord office in the Plumbing Inspectors' week reduces time in the field for conducting inspections and general enforcement.

Efficient Travel

Plumbing Inspectors spend a considerable amount of time driving to and from Concord and to appointments within their assigned territories. The Chief Plumbing Inspector reports Plumbing Inspectors spend approximately 25 percent of their day driving. Our analysis of the daily logs found driving is a substantial component of the day. In some cases, the amount of time spent driving does not appear efficient or the most optimal solution for daily tasks. Additionally, daily logs documented travel to town halls without appointments only to find the town hall was not open or the town's inspector was not there. The daily logs also showed Plumbing Inspectors driving within their territories randomly searching for worksites which were never found.

As noted in Observation No. 17, having administrative staff take requests for inspections and process inspection fees before forwarding the request to Plumbing Inspectors may reduce risks associated with segregation of duties. In addition, technology such as Internet access and network connectivity for the Plumbing Inspector's home offices may reduce unnecessary trips to Concord.

Recommendations:

We recommend the Board develop and implement a performance management strategy for its Plumbing Inspectors to provide better management and accountability, including comprehensive policies and procedures, daily plans, decision rules for travel in the field, and commonly used forms and templates.

We also recommend the Board:

- **use its administrative staff to receive requests for inspections, process payments, and notify Plumbing Inspectors;**
- **provide training to its Plumbing Inspectors on policies and expectations; and**
- **request laptop computers for all Plumbing Inspectors and consider whether additional resources, such as Internet access and network connectivity, are needed to enable Plumbing Inspectors to efficiently work from their homes or in the field.**

Auditee Response:

The Board concurs with the recommendations. The Board intends to work on developing and implementing the recommended performance management strategy for its inspectors including policy and procedure determinations, rules for travel and forms and templates. The Board concurs with the recommendation for laptop computers and has just received approval for their purchase.

Time frame For Development And Implementation – six months to one year.

Observation No. 3

Improve Information System Management

The Board's information systems (IS) lack adequate general and application controls such as access controls, backup and recovery controls, and input and database controls. General and application controls are interrelated. General controls support the functioning of application controls, and both help ensure complete and accurate information processing. We found the following weaknesses in the Board's IS controls.

Access Controls

Access controls are comprised of policies and procedures designed to allow use of data processing assets only in accordance with management's authorization. Protecting these assets consists of both physical (e.g., locked doors) and logical access (e.g., passwords) controls to prevent or detect unauthorized use, damage, loss, or modification. IS resources needing protection include the system software, application programs and tables, transaction detail and history files, databases, documentation, hardware, and tape or cartridge libraries. Access to these resources should be limited to those personnel authorized to process or maintain a particular system. Unique user identification (ID) and passwords are used to control and maintain accountability over logical access to the programs and data files. Consequently, the password should be unique to each user and should not be easily determined.

Board employees share user IDs to access the Board's licensing and complaint database. Licensing staff uses a single user ID, which has full access rights to any object within the database. With these permissions anyone logged into the database as this user can add, delete, or modify data. Plumbing Inspectors share a different user ID that has read-only access to the database. We also observed a Plumbing Inspector on two occasions sharing his password for one of the Board's computer resources with another Plumbing Inspector or staff. Without a properly controlled environment and unique user identification and passwords, anyone with access to the Board's network and knowledge of the common user ID and password can access the database and make changes without detection.

Backup And Recovery Controls

Backup and recovery controls are the provisions to provide reasonable assurance an organization will be able to recover from loss or destruction of data processing facilities, hardware, software, or data. These continuation provisions include the retention of copies of data files and software, arrangements for access to backup hardware on short notice, and tested recovery plans.

The Board has not prepared a business continuity and contingency plan to minimize disruption of essential operations in the event of a physical disaster or other foreseen or unforeseen disturbances. The purpose of a business continuity and contingency plan is to document recovery strategies, plans, and policies and procedures necessary to implement a recovery process for essential technology and other functions. In addition, the Board has no plan to recover electronic or hardcopy records or methods to reconstitute its essential functions. The Board's server resides in the Board's offices along with all other, non-archived hardcopy licensing and disciplinary

records. The Board relies upon its hard copy records for much of its licensing and disciplinary activity. Although electronic data are reportedly backed up daily, the back-ups are not stored off-site, which poses significant risk should the Board's offices or technology systems suffer a catastrophic event.

Input Controls

Input controls are the procedures and methods utilized to help ensure all transactions (or data) entered into the computer system are accurate, have been authorized and recorded, are complete and input only once, and have been properly converted into a machine-readable format. Controls over data preparation are concerned with accuracy and completeness of the transaction and include staff training, written manuals, design of source documents, storage of blank source documents, and the review process.

As noted in Observation No. 20, our analysis of the Board's complaint tracking database and supporting hardcopy files identified a difference of 11 calendar days in the average case processing time. We attributed the difference to the Board's complaint tracking process, where event dates are not consistently entered. For example, because the Board has no policies and procedures regarding what date should be used as the complaint date and entered into the database, the database may reflect the date the Plumbing Inspector determined the complaint worthy of investigation, rather than the date the Plumbing Inspector actually began work on the case or the date the Board actually received the complaint. As a result, basic management information such as the number of days it takes to complete an investigation is not reliable.

As noted in Observation No. 4, Board staff do not routinely reconcile licensing information contained in its licensing database to revenue recorded in the State's accounting system to ensure all licensing revenue is properly recorded. Aggravating this condition, the Board's licensing database does not require a payment to be entered before a license can be issued, renewed, or reinstated. As a result, licenses may be issued without collecting the appropriate fee or the fee can be misappropriated by deleting the transaction in the database (or not creating the transaction) without affecting the validity of the license. In the absence of access controls unique to each user as discussed previously, it is difficult, if not impossible, to determine who added, deleted, or modified a record in the database.

Observation No. 2 notes inspection staff did not have State-issued computers, relying on their own personal computers to conduct State business. In addition, we found Board staff using personal e-mail addresses when working from home rather than using a State supplied account. Although Board staff appear to be doing the best they can without State computer resources, these practices increase the risk of lost or misused data, viruses infecting the State's network via file sharing, and compromise security. Using personal e-mail accounts to conduct State business may diminish the State's reputation and may obfuscate the public's right to know.

Recommendations:

We recommend the Board improve its information systems access controls by:

- **implementing appropriate user authentication practices ensuring only authorized users can access the Board's information systems resources. Specifically, all user IDs and passwords should comply with standards established by the Department of Information Technology (DoIT) policies;**
- **creating a data security-conscious environment by providing staff training, especially on the importance of protecting passwords from disclosure; and**
- **reviewing user needs and ensuring users may access only tables or records needed for their position.**

We also recommend the Board:

- **Develop and implement a written business continuity plan, with assistance from the DoIT, to minimize the effects on Board operations in the event of a technology system failure or physical disaster at the Board's offices. The plan should include written procedures for recovering and carrying out core Board functions such as licensing, complaint management, and investigations until technology systems and office facilities are restored. Procedures should also address a process for storing database back-ups and essential duplicate hardcopy records off-site.**
- **Regularly reconcile licenses with revenues reported in the State accounting system and identify the reasons for any discrepancies.**
- **Assess the Board's current licensing and complaint database system to determine whether it can support the Board's needs. The Board should seek assistance from the DoIT early in this process to access their expertise. Commercial off-the-shelf software should be considered to determine whether it can support the Board's needs and coordinate with other regulatory boards seeking similar software.**
- **Acquire the computer hardware, software, and telecommunications capability to improve computer security and decrease risks of data loss when Plumbing Inspectors work from home.**

Auditee Response:

The Board concurs with the recommendations.

Time Frame For Implementation - six months to one year.

Observation No. 4

Improve Internal Controls Over Cash And Check Handling

The New Hampshire Department of Administrative Services' *Internal Control Guide* defines internal control as a process to provide reasonable assurance agency operations are effective and efficient, financial reporting is reliable, and laws and regulations are followed. Internal controls, such as rules, policies, and procedures are critical tools to help an agency meet its objectives and protect the public's interests.

The Board receives cash and checks primarily as a result of its licensing and inspection functions. Improper cash and check handling provides an opportunity for potential loss through fraud, physical loss, and loss of interest earnings. We found the following weaknesses in the Board's revenue collection practices which increase the risk cash and checks may be lost or misdirected by error or fraud:

- Checks received as payment are not restrictively endorsed or processed for deposit upon receipt.
- Three different employees handle cash and checks prior to restrictive endorsement or being recorded as received.
- The same employee making bank deposits also receives the mail, approves transactions in the State's accounting system, and completes deposit slips.
- Deposits are held four business days on average, before deposit. The average deposit amount was nearly \$8,000 during State fiscal year (SFY) 2009. We found six instances where seven or more days elapsed between deposits. During the audit period, RSA 6:11, II, required deposits when a State department possessed more than \$100. Chapter 14:4, Laws of 2009, effective June 16, 2009 increased the threshold to \$500.
- Board staff does not reconcile information contained in its licensing database to revenue recorded in the State's accounting system to ensure proper revenue recording. The licensing database used by the Board does not require a payment to be entered before a license can be issued, renewed, or reinstated.
- As noted in Observation No. 17, the Board lacks adequate controls for handling paid inspection fees.

Recommendations:

We recommend the Board review its revenue collection process and implement appropriate controls. Accountability for revenues must be established upon receipt and maintained through deposit. Receipts should be immediately recorded, separated from applications, and further processed for deposit, allowing applications to be subsequently processed by other Board employees without concern for tracking and safeguarding accompanying receipts. Responsibility for custody of receipts must be segregated from access to supporting accounting records.

We also recommend:

- **While the Board's planned implementation of new licensing software will provide certain control opportunities, the Board should also centralize its receipt processing activities to limit the number of employees handling receipts.**
- **All cash receipt documents should be regularly accounted for and agreed to deposits and recording in the State's accounting system.**
- **All cash and checks should be processed and deposited daily and should be restrictively endorsed upon receipt.**

Auditee Response:

The Board concurs with this observation.

The Board's only concern is that as a small agency, there could be some problems with having coverage in the office while staff travels to deposit funds being collected on a daily basis.

Reimbursement/refund checks may have to be issued in cases where applications for licensure or renewal are rejected by the Board.

Time Frame For Implementation – six months.

Observation No. 5

Improve Compliance With Statute Requiring Members Submit Statements Of Financial Interests

Members of the Board have not consistently complied with requirements to file statements of financial interests. Only one member of the Board filed a Statement of Financial Interests in 2008. While all Board members filed in 2009, only one member filed on time. Other members filed from seven to twelve weeks late. As a result, most Board members may not have been in compliance during calendar years 2008 and 2009.

RSA 15-A:6 requires Board members to file a Statement of Financial Interests annually on or before the third Friday in January or within 14 days of assuming public duty. Effective September 6, 2009, no person required to file a statement of financial interests pursuant to RSA 15-A:3, III, will be eligible to serve in his or her appointed capacity prior to filing a statement of financial interest. RSA 15-A:7 makes it a misdemeanor to knowingly fail to comply with the provisions of this chapter or knowingly file a false statement.

Recommendation:

We recommend the Board develop and implement detailed written policies and procedures to promote timely filings of Statements of Financial Interests and to ensure compliance with RSA 15-A:6.

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation – The Board can establish a policy and procedure for implementation with 60 to 90 days and will be sure that its members file appropriately for 2010.

Observation No. 6

Improve Control Environment

The control environment includes management’s philosophy, operating style, organizational structure, assignment of responsibility and authority, and integrity and ethical values. The Board is limited in its ability to influence and oversee day-to-day activities given its voluntary membership and the demands of regulating the trade. By necessity, the Board relies on staff to conduct day-to-day activities, conduct regulatory activities, as well as general operations such as investigations, inspections, licensing, and human resource management. The Board can improve compliance with statute and administrative rules and certain aspects of the organization’s control environment.

Statutory Noncompliance

As we discuss in Observation No. 11, a previous Board reportedly waived the licensing fees for licensees employed by the Board. This practice has continued since the Board hired its first Plumbing Inspector. The Board has not shown it has the authority to waive statutory requirements. As we discuss in Observation No. 5, members of the Board have not consistently complied with requirements to file Statements of Financial Interest. Board members need to be cognizant of their responsibilities to file timely Statements of Financial Interest annually. When the Board does not conform to statute it undermines management controls. The purpose of management controls is, in part, to help program management achieve desired results through effective stewardship of public resources. This is accomplished by ensuring the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Personal Business On State Time

While reviewing Plumbing Inspector logs, we noted instances where one Plumbing Inspector logged non-State activities during the workday, but did not submit a leave slip for the time spent doing non-State work on State time. When we asked the Plumbing Inspector’s supervisor about this entry, the supervisor stated the Plumbing Inspector had been *instructed not to record such things in his log*, rather than telling the Plumbing Inspector he should not conduct private business on State time. The U.S. Government Accountability Office (GAO) defines “abuse” as deficient or improper behavior when compared with behavior a prudent person would consider a reasonable and necessary business practice, given the facts and circumstances. Management sets the objectives, puts the control mechanisms and activities in place, and monitors and evaluates

the control environment. Management's failure to set a proper control environment in this case promotes improper behavior and invites other inappropriate behavior.

Listing Continuing Education Providers

The Board's webpage and newsletter do not list continuing education providers in alphabetical or numerical order. The Board lists continuing education providers by continuing education business certification numbers first (500 series numbers), and then by individual certification numbers (100 series numbers), which are based upon when the provider first became certified. This resulted in the Board's webpage and monthly newsletter listing two Board members first and second on a list of certified continuing education providers. However, the Board has no statutory authority to certify continuing education instructors and has not promulgated Administrative rules regulating the practice.

By listing the two Board members first, based on certification numbers it has no authority to issue, the Board may appear to provide an unfair business advantage to two Board members. When choices are presented on a list for which a selection is required, and when the selector has no meaningful information about their choices, the selector may, more often than not, choose the first listed choice. Listing Board members first and second consequently provides an advantage to the Board members. The Board's actions should be beyond reproach, both in fact and appearance.

Teaching Continuing Education Courses

A November 2007 Executive Branch Ethics Committee Advisory Opinion concluded an Executive Branch official could engage in private business providing training to licensees on the laws, rules, or codes enforced by the official if the official followed a proper recusal policy. The Board obtained an opinion from the Board's Department of Justice (DOJ) legal counsel, which reportedly advised Board members they could provide continuing education for remuneration, but advised against allowing Board employees to provide continuing education for remuneration. We requested a copy of the opinion, but the Board refused to provide it to the LBA, reportedly on the advice of the DOJ. We also requested the DOJ provide a copy, and it refused our request. The Board Chairman, who owns a business teaching continuing education, stated the opinion concluded there was no conflict for Board members because they could recuse themselves from decisions related to seminars but Board employees could not. In a letter to its staff the Board stated the reason for the prohibition on the Board employees engaging in teaching continuing education seminars is because of "potential ethical conflict issues."

However, the same Board employees prohibited from teaching continuing education commercially are required to annually train licensees, including the two Board members, who will instruct other licensees the following calendar year, on changes in the State Plumbing Code as well as other Board-established subjects. The International Code Council (ICC) develops the training packets. Through this process, the Board certifies continuing education trainers. This training is counted as fulfilling the annual continuing education requirements for these trainers. The training is conducted by the Chief Plumbing Inspector who, prior to the DOJ opinion, had conducted continuing education seminars as a private business. Requiring the Chief Plumbing

Inspector to provide continuing education in one instance, which is a precursor and enabler for Board members in private business to provide continuing education to plumbers, has the appearance of a conflict of interest.

Recommendations:

We recommend the Board improve the control environment by:

- **applying the requirements of statute and administrative rules equally to all licensees regardless of employment status;**
- **prohibiting non-State related business from being conducted on State time;**
- **requiring Board members comply with the Statements of Financial Interest requirements; and**
- **seeking statutory authority to regulate providers of continuing education and, if provided, promulgate administrative rules to provide transparency in certifying continuing education providers while ensuring adherence to the State Code of Ethics contained in RSA 21-G:21-27.**

Auditee Response:

The Board concurs with the recommendations. The Board will take immediate steps to advise employees of the prohibition of conducting personal business on State time and notify Board members of the requirement to file Statements of Financial Interests.

All other recommendations can be implemented in six months to one year.

Observation No. 7

Formalize And Adhere To Recusal Policy

The Board has no formal recusal policy to guide its members during meetings and deliberations. Twice during the audit period, the Board's legal counsel reportedly advised Board members to recuse themselves from issues regarding continuing education, which the Board regulates. Two Board members have private monetary interests in continuing education seminar training, but they participated in discussions and votes directly related to continuing education.

RSA 21-G:22 prohibits Executive Branch officials from participating in any matter in which they have a private interest which may directly or indirectly affect or influence the performance of their duties. According to an Advisory Opinion of the Executive Branch Ethics Committee, voting on, or participating in, discussions which lead to Board actions involving matters for which the Board member has a private interest runs contrary to the direction statute requires Executive Branch officials to follow. Board members should either completely recuse themselves from matters coming before the Board for which they have a private interest or eliminate the participation in private interests which cause a conflict of interest, or present an appearance of a conflict, while a member of the Board.

We reviewed public Board meeting minutes and audio recordings of meetings and found the following instances of their participation in continuing education issues before the Board:

- Both the Board member and Chair discussed requiring licensees to bring Plumbing Code books to the seminars at its July 2007 meeting.
- The Board member helped the Chief Plumbing Inspector develop the substance of the 2008 continuing education seminar curriculum and prepared the draft 2008 seminar training materials, which included Plumbing Code changes and the length of the seminar.
- Both the Board member and Chair discussed the cost of the “Train the Trainer” seminar at the August 2007 Board meeting, but neither voted on the motion to charge continuing education providers \$50 for the training material.
- Prior to a vote at the August 2007 Board meeting the Chair clearly stated he did not want the seminars expanded to three hours while another member noted three hours of continuing education was already required by the Board’s administrative rules.
- The Chair and the Chief Plumbing Inspector decided at the October 2007 Board meeting, seminar trainers arriving more than fifteen minutes late to the “Train the Trainer” seminar would not be allowed to participate in the training and would not be certified by the Board to teach the continuing education seminar.
- Both members voted to approve the 2008 seminar training materials for continuing education providers at the November 2007 Board meeting.

The Board’s legal counsel advised the Board a second time in December 2007, that based on an Advisory Opinion from the Executive Branch Ethics Committee, the two Board members providing continuing education seminars as a private business should recuse themselves from continuing education-related Board matters. However, subsequent public Board minutes again demonstrate these two Board members were involved in continuing education-related discussions:

- Prior to a vote, the Chair objected to requiring seminar providers to collect contact information from seminar attendees. The Board ultimately decided to require continuing education providers *inform* attendees to contact the Board with their information.
- The Chair requested Board newsletters include e-mail addresses of continuing education providers because some providers are unable to handle the volume of calls from licensees.
- The Board’s Vice Chair suggested both Board members were permitted to testify about continuing education as members of the public but the Chair stated he would follow up with Board counsel.
- Both members were involved in a discussion to prohibit Board staff from conducting continuing education seminars on behalf of the Board with revenue going to the

general fund. As discussed in Observation No. 6, the Board determined it would be a conflict of interest for staff to conduct continuing education seminars.

- Both members reviewed the seminar training curriculum and materials drafted by the ICC for the Board's approval for 2009 continuing education training. The Chair volunteered to discuss the material with the ICC and report to the Board with a decision.

Without a formal recusal policy, the Board may act in ways contrary to statute and advisory opinions of the Executive Branch Ethics Committee.

Recommendations:

We recommend the Board develop a formal recusal policy and related procedures to prevent members from participating in matters coming before the Board in which they have, or appear to have, private interests.

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation - six months to one year.

Observation No. 8

Improve Public Outreach And Information Sharing

The Board provides some information on its website for licensees and the public. The website includes general information and updates, as well as information on apprenticeships, licensing fees, Plumbing Inspectors and their territories, laws and rules, Board meeting minutes, continuing education seminars available from private providers, contact information, and a monthly newsletter.

The GAO states effective internal controls require appropriate external communications with relevant stakeholders. While the Board provides some outreach, additional information such as an online licensee lookup tool, licensed plumber's disciplinary histories, individuals found practicing without a license, and performance measures could assist the public in making wise consumer decisions and provide accountability for the Board.

Disciplinary Information

The Board opened 176 cases initiated by complaints or Plumbing Inspectors during SFYs 2008 and 2009, including instances of code violations, unlicensed plumbing, and ethical disputes. We found eight of 43 (19 percent) states we examined maintain a public list of disciplinary action taken against licensed and unlicensed plumbers, including Nevada and Arizona, which post online most wanted lists, the individual's picture, and their offenses. This level of public scrutiny may further discourage plumbers from violating licensing, Plumbing Code, and ethical

requirements and provides a tool for consumers to make educated decisions regarding their plumbing needs.

Licensed Plumber Lookup

The Board does not have a list of active plumbers available on the Internet. If a consumer or a Plumbing Inspector in the field wants to verify whether a plumber is licensed, they must call the Board. Some State of New Hampshire licensing boards currently have this capability through the State's "eGov" website, "New Hampshire Online Licensing" (see <http://nhlicenses.nh.gov/>), as well as the New Hampshire Joint Board of Licensure and Certification's website for online license lookup of professions licensed under its authority (See <https://nhlicenses2.nh.gov/cgi-bin/professional/nhprof/search.pl>). Using this resource, the Board could provide consumers a tool to ensure plumbers they select are licensed by the State of New Hampshire. At a minimum, the Board could include an active licensee list on its website.

Performance Measures

Performance measures and management reporting help ensure accountability and foster performance improvement. A common control activity is using performance measures and indicators to ensure activities meet organizational mission and goals, unexpected results are tracked and managed, and an overall view of the organization's activity and productivity is available.

Several performance measures could be utilized by the Board to track and report its productivity. These include: expenditures, revenues, staffing, number of licensees, time to process a licensing application, number of renewals, time to process a renewal application, number of complaints, number of complaints investigated, number of complaints resolved, time to resolve complaints, number of investigations leading to corrective action, cease and desist orders issued, list of disciplinary actions, and number of inspections. These indicators would allow the Board and the public to have a better understanding of its operations, and provide more transparency in its activities.

Recommendation:

We recommend the Board provide additional information on its website including disciplinary actions, licensee status, and performance measures to better inform the public about licensees and the Board's activities.

Auditee Response:

The Board concurs with this observation and would like to work towards achievement of these recommendations. The licensing look-up is something that has been requested. The Board expects that with the new 2 year renewal cycle the staff will be able to develop the necessary means to track the various performance measures that were listed in the observation.

The Board has been discussing publication of disciplinary cases and of those who practice plumbing without benefit of a license and will continue to pursue this provided we do so within the limits of the law. We expect to be getting advice from counsel on this matter very soon.

Time Frame For Implementation – The Board feels that within six months to one year the staff could have in place the necessary performance measures and methods of data collection so that we could start building a reference point to better understand our operations and to provide the public with more information

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**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

LICENSING

According to RSA 329-A:1, the purpose of authorizing rules and regulations for licensing qualified plumbers is to protect and improve the general health and welfare of the people of the state of New Hampshire. Staff of the State Board for the Licensing and Regulation of Plumbers (Board) implement licensing practices identified in statute and administrative rules. The following observations address insufficient adherence to administrative rules and ensuring accurate documentation of all licensing practices in administrative rules.

Observation No. 9

Ensure Adequate Controls And Adherence To Administrative Rules When Processing Fees

The Board prorates licensing fees for partial years without authority and does not have adequate controls for fees relating to initial licensure and late renewals. As a result the Board has not collected all fees authorized by administrative rules.

Initial Licensure – Application Fees

Administrative Rule Plu 308.02 establishes the initial fee for Master Plumber licensure at \$190 and \$125 for initial Journeyman Plumber licensure. Administrative Rule Plu 308.03 sets a fee of \$190 for a plumbing business with one or more licensed plumbers and no fee for plumbing businesses with a licensed Master Plumber as the sole shareholder. As discussed in Observation No. 12, the Board also charges an unauthorized processing fee of \$25. Administrative Rules also do not authorize prorating the licensing fee; however, the Board uses these practices when assessing fees for initial licensures.

To assess the quality and controls of the initial licensure application process, we reviewed a random sample of 118 applications for initial licensure submitted to the Board during State fiscal years (SFY) 2008 and 2009. To test the accuracy of the initial licensing fee, we reviewed 85 of the 118 applications for initial licensure including 39 Master and 46 Journeyman applications. The remaining applications were for businesses which we excluded from our analysis because sole shareholders do not pay a fee under Administrative Rule Plu 308.03 and the Board does not prorate other Plumbing Business licenses like individual licenses. Additionally, four files were excluded as there was no license letter in the file which is necessary to calculate the prorated fee.

The Board currently prorates the licensing fee based on the number of months between first license to the next renewal, which occurs during the applicant's birth month. The prorated amount is based on the licensing fee less the \$25 processing fee. The Board developed a chart to determine the required prorated fee. However, in 24 of the 85 applications, the prorated fee charged was incorrect. The fees charged are both under and over the actual required fee. In at least six cases, it appears Board staff misread the chart and charged, for example, a fee for seven months instead of five months (overcharge) or a fee for three months instead of nine months (undercharge). For these 85 cases we reviewed, the errors netted out to a \$30 difference between what should have been collected based on the Board's prorating practices and what was actually

collected. Although these errors had a negligible impact on the Board's finances, individual plumbers may have over- or underpaid up to \$151.

For these 85 cases, the Board collected \$7,987. If the Board had adhered to administrative rules and not prorated fees, the Board should have collected \$13,160, for a difference of \$5,182 or 65 percent of the fees collected for these licenses. Given the incorrect charges we discovered, controls over the Board's prorated licensing practices are inadequate.

By charging a processing fee and prorating initial license fees, the Board does not adhere to its own administrative rules. Additionally, inadequate controls over the prorating fee process have allowed inequity, where some plumbers are overcharged and others undercharged for their initial licensure.

Renewal – Late Fees

According to Administrative Rule Plu 308.07, the Board charges a \$25 late fee for every month a renewal is late. We conducted a file review of a random sample of 157 renewal applications for SFYs 2008 and 2009, considering only the most recent renewal. We identified 44 (28 percent) files containing late renewal applications, including 32 Master Plumber, nine Journeyman Plumber, and three Plumbing Business license renewals. Of those 44 cases, 26 were charged no late fee and 10 were charged an incorrect late fee, for a combined total of 36, or 82 percent of all late renewals. The remaining eight renewals were correctly charged. Where we found no fee or an incorrect fee, 18 (50 percent) fell within the first five days of the late month. In these cases, the Board appears to provide a short grace period regarding late fees or may identify these as mailed prior to being late, thus charging no late fee in any of these cases. For the remaining cases, the Board either undercharged or did not charge late fees when received well into the late month. In these 44 cases, the Board collected \$775 in late fees, but should have collected \$1,625, a difference of \$850.

Had management routinely reviewed applications and fees charged these errors could have been detected. By not collecting all late fees, the Board is not adhering to administrative rules. This creates inequity for those who are charged late fees.

Considering only the files selected for our file review of 85 initial licensures and 44 renewal late fees, had the Board followed administrative rules or ensured proper controls over collecting late renewal fees, the Board would have collected \$14,785 compared to \$8,753, representing a difference of \$6,032 or more than half of what was actually collected for the files selected for our review.

Recommendations:

We recommend the Board adhere to administrative rules and charge the full initial licensure fee as well as all late renewal fees.

We further recommend the Board implement controls, policies, and procedures to ensure plumbers are correctly and equitably charged all fees due.

Auditee Response:

The Board concurs with this observation and recommendation.

Time Frame For Implementation – The Board feels that the recommendations can be implemented within 60 days.

Observation No. 10

Ensure Fees Collected For Plumbing Business License Renewals Are Consistent With Administrative Rules

The Board charges an incorrect fee for Plumbing Business license renewals. Administrative Rule Plu 308.06 states the fee for annual renewal of Plumbing Business licenses “shall be the same as the fees for initial licensure...set forth in Plu 308.03.” Plu 308.03 states the fee is \$190.00 for initial business licensure. In contrast, the Board charges \$165 for Plumbing Business license renewal. One Board staff noted, the \$165 excludes a \$25 processing fee built into the \$190 initial licensure fee, stating the intent of the Rules was not to charge \$190 for renewal. However, as noted in Observation No. 12, a \$25 processing fee is not identified nor authorized in administrative rules.

By excluding \$25 from the renewal fee, the Board is not following administrative rules. Rules are effective management control tools when they are followed. However, when administrative rules are not followed, unauthorized practices may result in inefficiencies and confusion.

Recommendation:

We recommend the Board comply with its administrative rules and charge the full \$190 required for Plumbing Business license renewals.

Auditee Response:

The Board concurs with these recommendations.

Time Frame For Implementation – six months to one year.

Observation No. 11

Licensed Staff Should Pay Licensing Fees

The Board waived \$1,485 in license fees during the audit period for licensees employed by the Board as Plumbing Inspectors. According to the Board’s Administrative Supervisor, a previous Board decided to waive license renewal fees for licensed employees first hired as Plumbing Inspectors. Subsequent Boards continued this practice. However, the Board is unable to demonstrate it has the authority to waive the fees in statute or administrative rule. RSA 541-A:22, IV, prohibits agency “waivers of, or variances from, any provisions of its rules without either amending the rules, or providing by rule for a waiver or variance procedure.”

RSA 329-A:5-a directs the Board to establish fees for the examination of applicants, fees for licensure, and fees for renewal of licenses for plumbers. RSA 329-A:11, III requires payment of a fee to obtain or renew a license. According to the supplemental job description for Plumbers Board Inspectors, Plumbing Inspectors must, as a minimum qualification, hold a current State-issued plumber's license. The Department of Administrative Services, Division of Personnel Administrative Rules Per 1002 outline disciplinary action should an employee's license expire.

Recommendations:

We recommend the Board charge license fees, including license renewal fees, to all plumbers as provided in statute and administrative rule.

If the Board determines it is appropriate to continue to waive license renewal fees for its Plumbing Inspectors, the Board should review with legal counsel whether it has the authority to do so. All determinations affecting the application of fees should be appropriately documented in the Board's records.

Auditee Response:

The Board concurs with this observation and recommendation. This Board was not aware of the waiving of license fees for Board employees.

Time Frame For Implementation – The Board feels that this can be implemented within a 60-day period.

Observation No. 12

Ensure Administrative Rules And Board Practices Are Consistent

The Board does not adhere to its administrative rules for several of its core licensing functions.

Licensing Process

Application Forms

The Board's application form does not correspond with the structure or contents outlined in administrative rules. Administrative Rule Plu 302.03 describes a two-part application form for plumbers and Water Treatment Technicians. Part one contains information available to the public and part two contains confidential information. According to the Rule, part one contains information that may be shared with the public including the following: applicant's name; place and birth date; apprenticeship information, if applying for a Journeyman Plumber license; references; questions regarding whether the applicant was convicted of a felony or other criminal offenses; disciplinary actions related to plumbing in any jurisdiction; and a signature and date acknowledging a statement concerning making false statements. On the Board's actual application however; criminal convictions, signature, and date are located in part two of the application. A request for apprenticeship information, references, social security number,

disciplinary history, and civil actions appears in part three, labeled “Confidential All Applicants.” Part three of the application does not exist in rules. Also, including date and place of birth in the public section potentially discloses information commonly used in identity theft. While we have no evidence of unauthorized disclosure, placement of birth information in a section of the application available to the public may make it easier for identity thieves to assume an identity.

The application for Plumbing Business licensure requires the applicant to “list all employees involved in plumbing installations including their license number and license type.” Administrative rules do not require this disclosure, although the Board uses this information to ensure Plumbing Business employees are properly licensed or registered.

Administrative Rule Plu 307.03 requires Water Treatment Technician applicants to disclose their disciplinary history as Water Treatment Technicians. However, because the Board uses the same application for both plumbers and Water Treatment Technicians, the applicant is asked about their *plumbing* disciplinary history rather than their disciplinary history as Water Treatment Technicians.

Administrative rules clearly define the format and content of the application form. Rules are good management control tools when properly implemented. However, practices not accurately described in administrative rules may result in inefficiencies and confusion.

Application Processing and Payment

The Board does not process license applications consistent with administrative rules. Administrative Rule Plu 308 states the initial fee for a Master Plumber license is \$190, \$125 for Journeyman Plumber license, \$125 for Water Treatment Technician certification, and \$60 for apprentice registration. Furthermore, Plu 302.01 identifies required contents for a complete Master and Journeyman Plumber application: the application form, supporting material (including exam score), and the license fee.

The Board’s current practice requires submission of an initial license application along with a \$25 processing fee. Once the license application is complete and the applicant successfully passes the examination, the Board sends a request for payment of the prorated licensing fee to the applicant. The license is mailed once the applicant pays the license fee. Administrative rules require the examination score and license fee as part of the application packet, do not identify a \$25 processing fee, and do not authorize a prorated fee. Practice inconsistent with administrative rules may create confusion for licensees in the application process.

Continuing Education

Continuing Education Requirements

The license renewal form states “all master, journeyman plumbers and water treatment technicians shall attend one seminar each year before they renew their license.” RSA 329-A:11, III states, the Board “shall renew the licenses and certificates of eligible applicants upon the payment of the required fee and documentation of having met continuing education requirements

and any other eligibility requirements established by the board pursuant to RSA 541-A.” However, during the audit period the Board’s administrative rules did not address continuing education requirements such as defining the quantity of continuing education needed, course contents, or who is authorized to provide these seminars. Proposed administrative rules were conditionally approved on September 23, 2009 by the Joint Legislative Committee on Administrative Rules (JLCAR) and await final adoption and filing by the Board.

Certification to Conduct Continuing Education

The Board certifies licensed plumbers as instructors to provide other plumbers with required continuing education. To become certified the potential instructor must attend a train-the-trainer class conducted by the Board. Once certified, the instructor is issued a certification number, must attend an annual train-the-trainer class, and is eligible to teach seminars. Administrative rules in place during the audit period provide no guidance or authority to certify seminar teachers.

The administrative rules conditionally approved on September 23, 2009 by the JLCAR recognizes “seminar teachers” and defines eligibility requirements and requirements for meeting their continuing education needs. The Rule still does not identify any type of certification or certification identification issued by the Board to seminar instructors. Internal policies and procedures provided by the Board identified continuing education and certification requirements and processes; however, this information is not found in current or proposed Rules. Additionally, current and proposed Rules do not identify an application method to become a seminar teacher, nor is the opportunity advertised. Without duly adopted administrative rules defining seminar provider certification, the Board lacks authority to certify providers, and potential providers are not notified of the opportunity or process to become certified.

Renewals

Administrative Rule Plu 308.07 states the Board will charge a monthly late fee of \$25 for license renewal “after the expiration date of the license or certification and before the one-year anniversary of the expiration date.” Board staff reported when a license has not been renewed within one year of expiration, the licensee must reapply for initial licensure and retake, and pass, the appropriate exam. We found no basis in statute, administrative rule, or on the Board’s website for revoking a license one year after expiration. The renewal form quotes the Rule as it applies to the late fee, but does not specify the license will be revoked after the one-year period. The Board currently considers plumbers with expired licenses of less than one year as active licensed plumbers until one year after the renewal date. The current practice allows a plumber with an expired license to continue plumbing for an additional year, without a valid license.

Administrative Rules Plu 402 and Plu 404 conditionally approved on September 23, 2009 by the JLCAR, more clearly define timelines for renewals with the plumber ineligible to practice plumbing upon license expiration, requiring a monthly \$25 late fee within the first year after renewal date, and requiring re-application and successfully passing the exam if not renewed within one year after renewal date.

Recommendations:

We recommend the Board:

- **amend existing administrative rules to prevent unauthorized disclosure of birth dates and places of birth of its licensees and applicants,**
- **request only information authorized by rules or statutes and ensure confidential information or other data vulnerable to identity theft is adequately protected from public exposure by placing it in the confidential application section, and**
- **align its practices with administrative rules and seek to amend existing administrative rules where appropriate.**

Auditee Response:

The Board concurs with this observation and recommendation.

Time Frame For Implementation – Imminent.

Observation No. 13

Ensure Applications Contain Information Required By Administrative Rules

The Board does not collect all required information for initial licensing of plumbers. Administrative Rule Plu 302.05 identifies documents needed for initial licensure of Master or Journeyman Plumber license applicants. However, based on our review of 118 initial licensing files for Master and Journeymen Plumber licenses and Plumbing Business licenses for SFYs 2008 and 2009, we found the following:

- Approximately 10 percent of the files reviewed did not have a completed application form.
- All applicant files for initial Master and Journeyman Plumber licensure contained a photograph as required; however, the requirement photographs be taken within six months of the application was not consistently met, as some photographs used for the apprenticeship application were used again years later for Journeyman Plumber applications. Others did not consistently meet size requirements.
- While the exam score is written in the application by administrative staff, there is no confirmation of exam scores in the file. In addition, in at least two applications, a lower exam score was crossed out and replaced with a passing exam score with no explanation. It is unclear from the file if the exam was retaken and passed or if the score was changed for another reason.
- Over 40 percent (16 of 39) of Master Plumber license files we reviewed contained no proof the applicant held a New Hampshire Journeyman Plumber license as required by Administrative Rule Plu 303.01(a)(2). According to the Board, out-of-state license applicants are not required to hold a New Hampshire Journeyman Plumber license to

become a New Hampshire licensed Master Plumber. Instead out-of-state applicants must hold a Journeyman or Master Plumber license in their own state to be eligible for the same license in this State. RSA 329-A:8 requires Master Plumber license candidates to hold a Journeyman Plumber license for six months, but does not specify it must be issued by New Hampshire. This specification is identified only in administrative rules.

- Of 49 initial applications for Journeyman Plumber licensure, we found seven (14 percent) contained no photocopy of a required apprentice completion certificate, 48 (98 percent) contained no photocopy of an apprentice identification card, eight (16 percent) did not have two letters of reference demonstrating the applicant's character, and nine (18 percent) did not contain a letter of reference from a supervisory plumber stating the applicant was competent to become a licensed Journeyman Plumber.

Information provided in the application and required by administrative rules assists the Board in determining licensing eligibility. The Board may not have all the relevant facts regarding an applicant's qualifications and competency without obtaining all required documentation supporting an application. Applicants may also be treated differently as some submit all required documentation while others do not and yet are still treated as eligible for licensure.

Plumbing Business Licensing

Administrative Rule 302.08 lists needed documentation for plumbing corporations, limited liability companies, or partnership.

Of the 29 applications for Plumbing Business licenses, we found 17 (59 percent) contained no photocopy of a required New Hampshire Master Plumber license held by the individual signing the application. In addition, ten of the 21 corporate, limited liability company (LLC), and partnership applications contained no corporate resolution, or other signed statement giving authority to the individual signing the application.

Corporations with a sole shareholder are exempted by RSA 329-A:10 and Administrative Rule Plu 308.03(b) from paying the Plumbing Business license fee. While the application form requires a notarized letter confirming a sole shareholder owns the corporation, this requirement is not adhered to in practice. Inconsistent or insufficient documentation of the applicant's business type may allow corporations with multiple shareholders, LLCs, or partnerships to represent themselves as sole shareholders to avoid paying the business licensing fee.

Best practice identifies control activities such as maintaining thorough records providing "evidence of execution" and appropriate documentation. Without requiring or maintaining all supporting documentation, the Board weakens its controls, and as a result, it is difficult to ensure the Board can accurately determine eligibility with licensing requirements.

Recommendations:

We recommend the Board require all applicants submit all documentation required by administrative rules. In addition, the Board must ensure all required information is complete and accurate.

We recommend the Board comply with its administrative rule requiring applicants for a Master Plumber license hold a Journeyman Plumber license issued by the Board. If the Board believes this is too restrictive, it should seek to amend Administrative Rule Plu 303.01(a)(2) through the JLCAR to more closely align with RSA 329-A:8.

We recommend the Board more thoroughly review documentation submitted to support Plumbing Business license applications ensuring business entities are organized as stated on the application, and ensuring the Board charges the correct fee for all Plumbing Business licensees.

Auditee Response:

The Board concurs with these recommendations.

Time Frame For Implementation - six months to a year.

Observation No. 14

Define "Good Character" In Administrative Rules

The Board's administrative rules describe minimum requirements for initial licensure as a Master plumber (Plu 303.01) and Journeyman Plumber (Plu 303.01), and certification as a Water Treatment Technician (Plu 306.01). One requirement is candidates must have "good character" to become licensed or certified, but the rules do not explicitly define "good character."

Administrative rules state good character may be evidenced by responses to application questions regarding criminal convictions; prior licensing or certification history, including disciplinary actions in this State or other jurisdictions; and pending claims related to plumbing in any court. It is not clear from the Board's rules or application what offenses, disciplinary actions of other regulators, or civil judgments disqualify an applicant from becoming licensed.

The Board's administrative rules generally describe misconduct that, if committed by a licensee, is punishable by license revocation or suspension, or other sanctions. Some of these acts include felony criminal convictions while licensed or certified, any criminal offense involving injury to a victim or the risk of injury, or any criminal offense involving dishonesty.

Consumers and employers may assume the Board's licensure process prevents individuals without plumbing knowledge and professional experience from obtaining a license, and may also assume potential licensees who may be dangerous or dishonest would be precluded from obtaining a license. Without being more specific regarding which offenses would preclude an applicant from becoming licensed or certified, or factors the Board considers in determining

whether an applicant has “good character,” the public can not make informed judgments about the licensed plumber or certified Water Treatment Technician in their home or employ. In addition, the Board may risk claims of making arbitrary decisions in its denials without having some criteria on which to judge whether a person is of “good character.” While no policy or criteria can guarantee licensees may not be dangerous or dishonest, the Board could formalize factors it considers important when deciding which applicants are too risky to be licensed, such as the nature of the offense, frequency, and time elapsed since conviction.

RSA 541-A:1, XV, defines a rule, in part, as a way to prescribe or interpret an agency policy, procedure, or practice requirement binding on persons outside an agency. By not establishing Administrative rules to define good character, or crimes and convictions deemed by the Board as demonstrating a lack of good character, a potential licensee who desires to become a licensed plumber or certified Water Treatment Technician will not know what past acts and convictions will preclude him or her from obtaining licensure.

Recommendation:

We recommend the Board develop administrative rules to define “good character” and submit them for approval to the JLCAR.

Auditee Response:

The Board does not concur with this observation and recommendation. The Board had lengthy discussions regarding this matter and concluded that it would be too arbitrary to try to establish specific disqualifying crimes or offenses because there are many times extenuating circumstances that the Board feels it must give weight to on a case by case basis. A great deal of time is spent with applications that have criminal conviction information on due diligence so that appropriate decisions can be made on the merits of each individual, specifically to avoid arbitrary determinations as to whether someone is of sufficient “good character” to be licensed.

Observation No. 15

Provide New Licensees Administrative Rules Required By RSA 332-H:2

RSA 332-H:2 requires licensing commissions and boards to provide new licensees one copy of a publication containing the administrative rules relating to the examination, licensing, and regulation of the occupation or profession.

The Board sends a licensing package including a license notification letter, the license, a wall certificate, the most recent newsletter, and a copy of RSA 329-A. However, the Board does not send a copy of the administrative rules to newly licensed plumbers. The Board reportedly was unaware of the requirements of RSA 332-H:2.

Recommendation:

We recommend the Board comply with RSA 332-H:2 by including a copy of the Board’s administrative rules in the license package distributed to new licensees.

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation – immediate.

Observation No. 16

Establish License Numbering Practices In Administrative Rules

The Board’s laws, administrative rules, and internal policies and procedures do not address authority to change or re-issue license numbers. We found examples of license numbers transferred to other licensees without identifying the authority or reason in the licensee’s file. Lower license numbers may be perceived as valuable, as a lower number implies longevity in the industry.

Each licensee receives a license number upon initial licensure. Licenses are sequentially numbered beginning with license number 1. Under current practice, the earlier one received a license, the lower the license number.

The Board reports transferring license numbers in response to several different situations. First, the Board reported some license numbers may have been transferred from father to son. Second, a business license has the same number as its sponsoring Master licensee. If a business changes hands, the Master Plumber’s license number may also change to maintain the business license number or the business license number may change to match the sponsoring Master license.

We also found a group of licensees affiliated with the Board, such as current and former staff and former Board members, holding lower license numbers than their original licensure date should suggest. We found no reason, such as circumstances described above, for the license number transfers for this last group of licensees, nor could the Board confirm the reasons for these transfers. According to minutes from the December 17, 2008 Board meeting, a request was made to transfer a license number from father to son and the Board made a motion to deny the request and “to further move that once you receive a license that remains the individual’s number and cannot be transferred to another individual.” This motion passed by a three to one vote with one member recusing himself. There is no evidence of license number transfers since that time.

Transferring licenses from father to son and tying Plumbing Business licenses to Master Plumber licenses requiring transfer of license numbers is not authorized in statute or administrative rules. Additionally, tying Plumbing Business license numbers to Master Plumber license numbers may lead to confusion and additional costs for licensees. For example, there are costs associated with changing license numbers, as licensees must list their license numbers in their advertisements, and license numbers may appear on vehicles and signs, all of which will require updating if a new number is necessary when a business changes hands. Without a formal process for assigning and transferring license numbers, the Board risks the perception of favorable or inconsistent treatment of licensees.

Recommendations:

We recommend the Board develop a formal process for issuing license numbers and submit it to the JCLAR for approval.

We also recommend the Board consider de-linking Plumbing Business license and Master Plumber license numbers to avoid licensing number issues related to current practices.

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation – minimum of one year.

**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

INSPECTIONS AND INVESTIGATIONS

RSA 329-A:17 authorizes the State Board for the Licensing and Regulation of Plumbers (Board) to appoint Plumbing Inspectors with the power to enter any premises in which plumbing is being installed, replaced, or repaired. Plumbing Inspectors may inspect the plumbing to ensure compliance with the State Plumbing Code, may order correction or removal of any violations found, and may order any utility providing water to the premises to discontinue such service until the violations are corrected. Board Plumbing Inspectors may also investigate complaints from the public, contractors, or upon the Board’s own initiative. In some cases, Board Plumbing Inspectors may assist or advise a local code inspector lacking the necessary knowledge to complete an inspection. The Board does not charge for inspections when investigating complaints, or providing assistance or advice to local code enforcement officials. However, Administrative Rule Plu 308.08 requires the Board charge fees when an inspection is requested by a contractor, homeowner, or when there is no local code enforcement official.

We found the Board’s inspection and investigation function can be improved by strengthening controls over paid inspections, fee calculations, and food protection-related plumbing inspections; tracking the timeliness of investigations; handling all cases within its jurisdiction; and following-up on compliance with Board-approved discipline.

Observation No. 17

Comply With State Law And Improve Controls Over Inspection Fees

There are no internal policies or procedures pertaining to inspection fees, and administrative rules are not consistently followed when determining when to charge for inspections and re-inspections. Additionally, the Board lacks adequate controls for handling paid inspection fees and does not follow its own rules regarding information required to determine inspection fees.

Charging Inspection Fees

RSA 329-A:5-a and Administrative Rule Plu 308.08 require the Board to charge fees for inspections conducted by a Board-appointed Plumbing Inspector pursuant to RSA 329-A:17. Administrative Rule Plu 308.08(b) states “The board shall not charge a fee when the board-appointed [I]nspector merely assists, or provides consultation to, the local code enforcement authority performing a plumbing inspection.” However, according to Board staff, whether the Board actually charges a fee is determined on a case-by-case basis. The Board “rarely” charges for food protection-related inspections any time there is a local inspector. If the establishment is located in a municipality with a local inspector, no State fee is charged unless the municipality removes itself at the beginning of the process and does not charge the applicant a permitting fee. Further, Administrative Rule Plu 308.09 (d) identifies a fee for necessary re-inspections, but Board staff reported the Board never charges a re-inspection fee.

Consistent with Board rules, if there is no municipal code enforcement official, the State will reportedly charge inspection fees based on the inspection fee schedule in the Board’s

Administrative Rule Plu 308.09. By not charging for inspections otherwise eligible for fee collection, the Board is not following its administrative rules and limits revenue collection.

Collecting Fees

Board rules require completed Plumbing Inspection Request forms and fully paid fees prior to the inspection. However, Board rules do not address whether fees may be paid directly to the Plumbing Inspector at the time of the inspection or by sending payment to the Board's office prior to the inspection. Also, the Board has no written policies or procedures governing fee collection. Administrative Rule Plu 308.08 (c) requires full payment for all inspections prior to the inspection. According to Board staff, some inspections may be time sensitive and may not be pre-scheduled. Consequently, fees may not be collected prior to the inspection. In these cases, the Plumbing Inspectors calculate and collect fees on site in the form of checks, cash, or money orders. This increases the risk fees will be miscalculated or misappropriated. Without adequate management and internal controls, including a rudimentary record-keeping process or central receipt and notification for food protection-related and other paid inspections, a Plumbing Inspector could schedule inspections at any time and erroneously calculate or misappropriate the fee, without the Board's knowledge.

Calculating Fees

Administrative Rule Plu 308.09 (a) requires the Board to determine inspection fees using a formula based on the total "contracted cost of repairing or installing the plumbing to be inspected." Board staff instead reportedly rely on the "fair and honest" amount submitted by the individual requesting the inspection. The Board does not request documentation or verification of the cost of the work, such as an invoice stating the contract price of the plumbing work. RSA 541-A:22, IV, prohibits agency "waivers of, or variances from, any provisions of its rules without either amending the rules, or providing by rule for a waiver or variance procedure." By not adhering to its rules requiring obtaining contracted costs, the Board may not collect all fees it is owed.

Discrepancies

We reviewed each of the 74 Plumbing Inspection Request forms filed with the Board during calendar year 2008 and for calendar year 2009 through August 19, 2009. We found the following discrepancies:

- The Board accepted six (eight percent) requests for inspections where the fee was miscalculated.
- The Board negotiated the cost of one inspection without authority in statute or rule to do so and without a detailed process in administrative rules.
- The Board accepted two inspection fee payments without the Plumbing Inspection Request form, nor any other documentation of the cost of the work performed, necessary to determine the correct fee.
- No record of payment for two inspection reports.

Management control activities are the policies, procedures, techniques, and mechanisms enforcing management directives, such as the process of adhering to requirements for paid inspections. Best practice specifies the proper execution of transactions, timely recording of transactions, appropriate documentation, segregation of duties, performance measurement, and policies and procedures as necessary components of sound management controls. Best practice dictates the Board develop written policies and procedures for administering the inspection program. Overriding established management controls, such as not following administrative rules, leads to collecting incorrect inspection fees. Although we found no evidence of wrongdoing, allowing inspection fees to be paid directly to Plumbing Inspectors could lead to fraud. Segregated duties are a component of good management controls and should ensure the same individual is not in a position to initiate, approve, and review the same action. Establishing effective segregation of duties, such as allowing only the Board's office staff to accept inspection requests and inspection fees, could reduce the risk of both erroneous and unlawful actions.

Recommendations:

We recommend the Board comply with statute and administrative rules regarding paid inspections by requiring the requestor document the value of the plumbing work necessary for calculating inspection fees, and discontinue negotiated inspection fees.

We further recommend the Board:

- **charge for all authorized inspections and re-inspections to ensure revenue is maximized;**
- **develop written internal policies and procedures for paid inspections, including documentation required on the Plumbing Inspection Request form to correctly calculate inspection fees;**
- **require inspection fee collection by the Board office before a Plumbing Inspector arrives on site to complete the inspection; and**
- **develop performance measures such as the number of inspection requests received, number of inspections completed, and revenues generated.**

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation – The Board feels that proper policies and procedures can be developed with three to six months.

Observation No. 18

Improve Management Controls Over Inspection Fee Calculations

Administrative Rule Plu 308.09 provides a three-step formula for calculating inspection and re-inspection fees. However, the formula double counts the result of Step One for projects over \$300,000 in total contracted costs. Administrative Rule Plu 308.09 describes the fee calculation:

Step One: The first \$0.01 to \$100,000.00 of the total contracted cost is multiplied by 1.2%;

Step Two: The next \$100,000.01 to \$300,000.00 of the total contracted cost is multiplied by 0.5%, with the result added to the sum calculated in Step One; and

Step Three: The next \$300,000.01 and higher of the total contracted cost is multiplied by 0.3%, with the result added to the results calculated in Steps One and Two.

Step Three adds the results of Steps One and Two. However, Step Two already includes the value calculated in Step One, resulting in double counting the value calculated in Step One.

The Board's inspection fee formula on its Plumbing Inspection Request form is also erroneous. The form consists of three steps. Steps One and Two produce results consistent with the administrative rule. However, Step Three on the form adds an additional \$500 fee for projects over \$300,000.

The formula, when used for projects valued over \$300,000, multiplies the entire project cost by 0.3% and adds \$2,700 to arrive at the total fee. This \$2,700 addition should represent the maximum fees possible from Steps One and Two, but instead is \$500 more than the \$2,200 maximum fee for Steps One and Two if calculated using the formula cited in administrative rules ($(\$2,200 = \$100,000 \times .012) + (\$200,000 \times .005)$). Consequently, jobs valued over \$300,000 overpay the required fee by \$500 when calculated using the Board's form. We documented one overpayment during the audit period; however, we did not examine all Plumbing Inspection Request forms for this point.

In addition, the Board has not complied with RSA 329-A:14, I, which requires administrative rules describing the design and content of all forms used, including the Plumbing Inspection Request form.

Finally, the Board does not require verification of the total contracted price necessary to calculate the inspection fee as required by Administrative Rule Plu 308.09(a). Instead, the Board uses a value provided by the plumber. Without documenting the contract cost, the Board cannot be certain it is collecting the correct fee as required by Administrative Rule Plu 308.09.

Recommendations:

We recommend the Board:

- **revise Administrative Rule Plu 308.09(c) to eliminate double counting the value of Step One on projects valued over \$300,000,**
- **revise the Plumbing Inspection Request form to accurately reflect the value of Steps One and Two when calculating fees for projects over \$300,000,**
- **codify its Plumbing Inspection Request form in administrative rule as required by RSA 329-A:14, I, and**
- **require verification for the contracted price required to determine accurate inspection fees.**

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation – three months to six months.

Observation No. 19

Institute Management Controls Over Food Protection-Related Plumbing Inspections

The Food Protection Section of the State Department of Health and Human Services (DHHS) licenses food service establishments. The Board and potential licensees receive a letter from the Food Protection Section instructing the applicant to contact the Board for plumbing-related inspections. The Board distributes the letters to its Plumbing Inspectors based on their assigned territory. We found the Board does not maintain any single file, list, or other record of all establishments potentially requiring plumbing inspections and no complete record of inspected establishments. The Board conducts no independent follow-up and only conducts inspections if contacted by the establishment. Board staff could not provide an exact number, but estimated several hundred letters are received annually and about 25 percent result in inspections. The DHHS reported approximately 240 letters are sent per year, although an unknown number of those inspections are for mobile units, which Board Plumbing Inspectors are not required to inspect. For State fiscal years (SFY) 2008 and 2009, we located documentation for only 18 completed food protection-related inspections, including 13 identified in the “paid” inspection log and five identified in an incomplete restaurant inspection log.

The Board has no policies and procedures regarding this process. While the Board’s relationship with the Food Protection Section has been in place for 15 years, there is no memorandum of agreement nor any outline of responsibilities and expectations. Further, the Food Protection Section does not require a plumbing inspection in order to approve a food establishment license. With no policies and procedures, record keeping, or accountability, the Board lacks necessary management controls required to minimize health and safety risks.

Recommendations:

We recommend the Board develop policies and procedures to ensure all requests for inspections follow the same process, such as how the requests are received, documented, assigned, tracked, and resolved.

We also recommend the Board establish documentation and record retention requirements for all inspection-related paperwork, including DHHS-generated letters.

Auditee Response:

The Board concurs with this observation and recommendation.

Time Frame For Implementation – The Board feels that due to the need for inter-agency cooperation the realistic time frame for implementation would be nine months to one year.

Observation No. 20

Accurately Track And Report The Timeliness Of Investigations

The Board does not accurately track case processing times, nor does it report processing times internally or externally.

During SFYs 2008 and 2009, the Board completed 84 investigations for which we were able to determine processing times. The Board maintains a database containing important case management information, such as case start and end dates. Information is entered into the database by a member of the Board's administrative staff, in conjunction with the Plumbing Inspector responsible for the case.

Our analysis of the Board's complaint tracking database resulted in an average processing time, from date of complaint to date of closure, of 102 calendar days and a median of 76 calendar days. We also analyzed data collected from our file review and determined the actual average processing time of 113 calendar days and a median of 90 calendar days. Our file review revealed Board investigations during the audit period took an average of 11 calendar days, or 11 percent, longer to complete than Board data indicated. Our file review also identified 19 cases (23 percent) that took at least 20 days longer to process than the Board's database indicated.

The difference between Board-reported and file review-determined processing times may be attributable to the Board's complaint tracking process. Board staff reported complaint-initiated investigations are not added to the Board's database until a Plumbing Inspector reviews the complaint and opens it as a case. Because each Plumbing Inspector spends little time at the Board's offices, it may take several days after a complaint arrives at the Board before it is reviewed by a Plumbing Inspector. In addition, Plumbing Inspectors conduct preliminary work to determine whether a complaint merits formal investigation. If the Plumbing Inspector determines the complaint is worthy of formal investigation, the Plumbing Inspector logs the complaint in the Board's investigation logbook and the Licensing Clerk enters the case into the Board's database. The date entered in the database reflects the date the Plumbing Inspector determined the

complaint worthy of investigation, rather than the date the Plumbing Inspector actually began work on the case or when the complaint was actually received from the complainant. These practices suggest dates entered in the Board's logbook and database do not reflect full processing times, and also prevent the Board from fully tracking all complaints because Plumbing Inspectors do not log complaints they deem unworthy of investigation.

The Board has not established time standards for case processing. Board staff report investigations take as long as necessary to complete, based on witness cooperation and the complexity of the investigation. While factors such as these certainly impact case duration, the lack of established time standards means the Board is unable to determine how long investigations should take on average, and where opportunities for greater efficiency might exist in the current investigatory process. We identified six cases closed without formal resolution. Reportedly, these cases were closed because they had been open for a lengthy time period and had become too old to investigate. Established time standards and case management practices may have prevented this outcome by alerting management to pending or incomplete cases. Established time standards or benchmarks would allow management to accurately and objectively judge the performance of individual Plumbing Inspectors.

Since investigatory staff do not track case processing times, they are unable to report these statistics to the Board. Consequently, the Board itself is unaware how long investigations actually take to complete. Ongoing performance monitoring is an essential element of management control allowing management to exercise appropriate oversight of an agency's activities. Since lengthy case processing times may undermine due process, the Board has an obligation to ensure cases are resolved in a timely fashion and all cases are thoroughly investigated.

Recommendations:

We recommend the Board define in writing what events constitute start dates or case closure, to ensure information entered into the complaint database accurately reflects actual start dates, end dates, and other pertinent information. This definition should encompass the entire investigation process, including preparatory work, to allow the Board to track all components of the investigatory process.

We also recommend the Board:

- **track all complaints, including those not resulting in formal investigations, in order to account for all investigatory work conducted by Board staff;**
- **require its staff track case processing times and periodically report these statistics to the Board for review and management action; and**
- **develop time standards for case processing to ensure the Board investigates and disposes of cases consistently in a timely manner.**

Auditee Response:

The Board concurs with this observation and recommendation.

Time Frame For Implementation – The Board feels that to develop the policies and implement a more accurate tracking and reporting process of complaints and investigation could take place within six to nine months.

Observation No. 21

Investigations Should Be Complete And Follow-Up Conducted To Ensure Licensees Comply With Board Directives

Plumbing Inspectors possess considerable discretion when determining how much investigative work is necessary before a case may be closed. Our file review of 134 investigation cases completed during SFYs 2008 and 2009 found some cases were closed, apparently without complete investigation. In addition, we found no mechanism for Plumbing Inspectors to follow up on disciplined licensees, whether ordered by the Board or by consent agreement, to ensure compliance with the terms of Board-approved sanctions.

Investigation Cases

The Board has few guidelines defining thorough investigations. According to the Board's policy, each case file includes an "investigation checklist," listing necessary components of a case, such as a written complaint, if the case was complaint-driven, and descriptions of consumer-initiated legal action, if any. It appears the only components required by the Board's policy for all cases are: 1) a timeline identifying notable events in the investigation, such as the date the case came to the Plumbing Inspector's attention and the date the case was closed, and 2) a concluding statement identifying how the case was resolved. Most case files we reviewed also include correspondence with the complainant and the licensee under investigation regarding the investigation's findings, but this is not required by the investigation checklist.

While all but five files (four percent) contained an investigation checklist and all but nine case files (seven percent) contained a concluding statement, some case files documented little investigative work. One investigation was conducted entirely via e-mail, with the Plumbing Inspector reviewing e-mailed photographs of a plumbing site to determine whether the site contained violations of the State Plumbing Code. Another case was apparently closed without follow-up, after the Plumbing Inspector sent the licensee a letter to cease performing an activity and closed the case the day the letter was sent, without determining whether the licensee complied with the letter's instructions. This case was subsequently reopened when the complainant lodged a second complaint. Three unlicensed plumber cases occurring at a single work site were closed without investigation because the Plumbing Inspector responsible for the cases concluded there was insufficient evidence to prosecute the case. In addition to closing the case without investigation, the Plumbing Inspector opted not to refer the case to the Department of Justice or County Attorney having jurisdiction for possible prosecution as required by RSA 329-A:16, II.

30-Day Letters

A “30-day letter” is issued by the Board’s Plumbing Inspectors in lieu of a formal investigation and informs licensees their practices do not comply with statute. The letter states the licensee has 30 days to comply or the Board will hold a meeting to determine whether formal discipline is required. Observation No. 23 discusses the need to clearly define 30-day letters in Administrative Rule. Plumbing Inspectors issue 30-day letters to: 1) plumbing businesses who employ plumbers with expired licenses, contrary to RSA 329-A:18, III and 2) to Master plumbers who own a plumbing business with an expired business license in violation of RSAs 329-A:10 and 329-A:18, II. Depending on the circumstances, these violations may be classified as either a misdemeanor or violation. During SFY 2009, the Board issued 32 letters to businesses employing unlicensed plumbers or without a valid business license. In ten of these cases (31 percent), we found evidence in the Board’s files showing follow-up investigation to ensure the business had taken steps to comply with the statute.

Follow-Up on Disciplined Licensees

There is no evidence Plumbing Inspectors performed follow-up investigations on licensees disciplined by the Board. Although 13 licensees received Board sanctions in SFYs 2008 and 2009, case files provide no evidence these licensees were monitored to ensure compliance with Board directives. Board staff confirmed Plumbing Inspectors do not actively follow up on these cases. Instead, the Plumbing Inspectors wait until they receive another complaint about the licensee or happen upon the licensee while conducting routine inspections. Board staff reported Plumbing Inspectors will follow up on a case if specifically required by the Board, but identified no cases during the audit period with this requirement.

Investigations are a substantial component of the Board’s activities. Complete investigations are necessary for the Board to fulfill its statutory obligation to “protect and improve the general health and welfare,” as well as for complainants to have confidence the Board is fully addressing their concerns. In addition, licensees should be afforded complete investigations to ensure they are treated fairly. Likewise, sufficient follow-up work is necessary for the Board to ensure licensees comply with the Board’s directives and operate in a manner not injurious to the public safety.

Recommendations:

We recommend the Board establish policies and procedures regarding how investigations should be conducted and identify criteria necessary to close an investigation.

We also recommend Plumbing Inspectors routinely follow up on Board-disciplined licensees to ensure licensees comply with Board sanctions.

Auditee Response:

The Board concurs with this recommendation.

Time Frame For Implementation – three to six months.

Observation No. 22

Ensure Board Reviews All Cases Within Its Jurisdiction And Approves All Discipline

The Board does not receive information regarding all cases it is authorized to review under RSA 329-A:12 and did not approve all disciplinary actions taken. During the audit period, the Board heard no financial or contractual complaints, although such complaints are within the Board's jurisdiction. Also, the Board is authorized to take disciplinary action against licensees who repeatedly violate the provisions of RSA 329-A; yet, it has no formal mechanism for identifying licensees with multiple allegations against them.

Financial Or Contractual Disputes

RSA 329-A:12 authorizes the Board to undertake disciplinary proceedings in cases of unprofessional or dishonorable conduct by a licensee. Administrative Rule Plu 500 adopts a code of ethics to assist the Board in evaluating allegations of such conduct. According to Plu 504.01(d), licensees and certificate holders are prohibited from misrepresenting any of the following to their customers or the public: "(1) Their services; (2) Materials required to be used in delivering their services; or (3) The charges for services or materials." During SFY 2008 and 2009, the Board heard no cases falling within these categories, although 11 complaints of this type were lodged.

At present, the Board has issued no formal guidance to Plumbing Inspectors regarding when a financial or contractual complaint should be brought to the Board for a hearing. A Board staff member noted the Board has issued informal, verbal guidance regarding these cases, but stated it is difficult to pass judgment on financial disputes. This difficulty, combined with the Board's statutory authority to hear cases involving unprofessional or dishonorable conduct, suggest the Board should ensure clear criteria exist for determining when financial or contractual disputes require a full hearing.

Discipline Without Board Involvement

Our review of all investigation files opened and closed during SFYs 2008 and 2009 identified two disciplinary actions taken by State Plumbing Inspectors without Board involvement. Board Plumbing Inspectors issued two letters of reprimand independent of the Board. Although reprimands are a type of formal disciplinary action authorized by RSA 329-A:12, it appears only the Board may impose discipline. Reprimands are typically reserved for minor violations not meriting harsher discipline, such as immediate license suspension. According to one Board member, if a violation is a minor issue that can be fixed on the spot or within a short amount of time, Plumbing Inspectors may require licensees to correct the work with no further action. However, Plumbing Inspectors should bring repeated violations by a licensee to the Board's attention.

RSA 329-A:12 delegates to the Board responsibility for disciplining licensees. Administrative Rule Plu 212.07(a) further clarifies the disciplinary process by stating the Board "shall issue a decision or order" based on the outcome of a formal hearing. Administrative Rule Plu 213.01

states the Board may accept settlement agreements in the absence of a hearing, provided the agreement is signed by a member of the Board and finalized as an order issued by the Board.

Neither law nor rule permits Board staff to undertake disciplinary action without Board involvement. Disciplinary action taken without formal Board involvement may undermine due process by denying licensees a Board-attended hearing at which the licensee is permitted to contest allegations against them.

Repeated Allegations Of Wrongdoing

RSA 329-A states the Board may undertake disciplinary proceedings against licensees who evidence “willful or repeated violation of the provisions of” the Chapter. Currently, the Board has no formal mechanism for identifying licensees with repeated allegations against them. Because Plumbing Inspectors do not bring all allegations of misconduct to the Board, the Board may be unaware of repeated allegations against a licensee. Board staff reported Plumbing Inspectors, not the Board, are currently responsible for determining whether repeated allegations merit Board review. The Board has issued no formal guidance to Plumbing Inspectors regarding when or if multiple allegations of wrongdoing merit Board review.

In addition to repeated complaints against a licensee, the Board may be unaware of licensees who have committed multiple code violations. When conducting plumbing inspections, Board Plumbing Inspectors issue warning notices for minor code violations. However, there is no mechanism to track violations against individual licensees or for compiling this information and providing it to the Board. As a result the Board may be unaware of licensees who have evidenced repeated violations of the provisions of RSA 329-A.

The Board has the authority to hold formal hearings regarding issues of licensee misconduct under RSA 329-A. The Board’s obligation to “protect and improve the general health and welfare” suggests it should take steps to ensure licensees with repeat allegations against them are identified and disciplined, as necessary.

Recommendations:

We recommend the Board:

- **provide clear guidance to Plumbing Inspectors regarding the circumstances under which a financial or contractual dispute should be brought to the Board for review;**
- **ensure staff cease imposing discipline reserved solely for the Board;**
- **more closely manage and train its staff to ensure they understand the scope of their authority and responsibilities of their positions;**
- **establish controls to ensure employees do not operate outside the scope of their authority;**
- **clearly define, identify, and codify in administrative rules any warning processes; and**

- **develop and implement policies and procedures to identify repeated allegations against licensees and ensure automatic review of licensees against whom repeated allegations of wrongdoing have been made.**

Auditee Response:

The Board concurs with this observation. It is true that the Board has not yet set clear policies regarding the expansion of its authority to hear complaints against those who may violate those provisions in some of the financial/contractual complaints the Board receives. The Board also agrees that there should be a method to track repeat offenders.

Time Frame For Implementation – Board staff will be instructed to cease imposing discipline immediately. The Board feels that clear policies and directives to the inspection staff can take place within six to nine months. The Board feels the training and establishment of controls could be implemented within three months.

**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

ENFORCEMENT AND DISCIPLINE

RSA 329-A:16 authorizes the State Board for the Licensing and Regulation of Plumbers (Board) to enforce the Plumbing Code statewide in the absence of local code enforcement authorities. RSA 329-A:12 authorizes the Board to undertake disciplinary action against licensees, establishes the conduct for which the Board may undertake disciplinary proceedings, and identifies types of discipline. Fraud, willful or repeated violations of RSA 329-A, and unprofessional or dishonorable conduct unworthy of the plumbing profession warrant Board discipline (RSA 329-A:12, II) by reprimand; suspension, limitation, or restriction of license or certification for a period of up to five years; revocation of license or certification; requiring continuing education; or a combination of options (RSA 329-A:12, III). The Board may discipline a licensee or certificate holder by entering into consent agreements or holding adjudicative hearings and ordering discipline when warranted. Statute does not articulate what discipline is appropriate for which offense.

The Board's authority to prevent work being conducted by unlicensed plumbers appears limited because RSA 329-A only refers to licensed plumbers. Other than referring allegations to the Department of Justice (DOJ) and County Attorney, we found no explicit statutory authority for the Board to investigate or prosecute unlicensed plumbers. RSA 329-A:18 identifies plumbing without a license as either a misdemeanor or violation, depending on the circumstances. RSA 329-A:16, II, requires the Board to refer allegations of violations of RSA 329-A:18 to the DOJ and the appropriate County Attorney, leaving investigation and prosecution responsibility to the County Attorney, if the DOJ takes no action. However, the Board reported neither the DOJ nor counties regularly prosecute these cases.

The following observations identify weaknesses in the Board's enforcement and discipline function, including a need for policies and procedures to ensure consistency, the need for additional disciplinary tools, and the inability of the Board to apply discipline to individuals or plumbing businesses practicing plumbing without a license.

Observation No. 23

Develop Administrative Rules And Policies And Procedures Regulating Discipline

The Board lacks management controls over several aspects of the disciplinary process, potentially minimizing the effectiveness of Board disciplinary activities and leading to inconsistency. There is no clear way to identify whether sanctions are consistently applied in similar cases, no assurance communications issued to licensees and certificate holders are consistent, and no safeguards ensuring Plumbing Inspectors do not exercise authority reserved for the Board.

Disciplinary Processes Inadequately Structured

Board administrative rules define non-public letters of reprimand, suspension or revocation of licenses, and continuing education requirements as disciplinary tools and broadly define

considerations, including intent, harm, and previous offenses, for determining which sanctions or combination of sanctions to impose. However, rules do not specifically tie together potential violations with corresponding sanctions or discipline.

In addition to lack of guidance in statute and administrative rules, the Board has no policies delineating what situations warrant discipline, offense-appropriate discipline, formats for communication with licensees, or necessary follow-up of warnings and discipline. Lack of guidance and follow-up may lead to inconsistent treatment of licensed plumbers.

Warning Process Inadequately Structured

Plumbers are warned of violations by verbal warnings, written warning notices, warning letters, and 30-day letters which provide 30 days to correct the deficiency issued by Board staff and without Board involvement. None of these warning forms are described in administrative rule and neither statute nor administrative rules provide staff the authority to issue warnings. Neither is a means to challenge the veracity of a warning available to recipients. The Chief Plumbing Inspector noted the Board verbally directed the staff to issue warnings as currently processed, but also noted there is no written delegation of authority. One Board member confirmed not expecting to review all warnings issued to plumbers; however, no formal delegation of authority exists in statute or administrative rule. While statute and administrative rule identify required steps in the disciplinary process, warnings preceding the disciplinary process are excluded leaving no guidance for staff in managing warnings. Lack of guidance leads to inconsistency and unclear authority.

Inconsistency

Warning and reprimand letters are not based on templates, creating formatting and wording variations and inconsistencies, and may incorporate language or imply authority the Board does not have. For example, we observed a 30-day letter notifying a business an apprentice was ineligible to renew his apprentice identification card, when, if registered with the federal apprenticeship program, there is no reason the apprentice could not re-register. Another letter included language stating “licensing infractions while being a registered apprentice” will negatively affect one’s ability to obtain a license; however, this not codified in Board rules or policy and may constitute overreach on the part of the Plumbing Inspector.

We observed inconsistent outcomes for “hiring unlicensed plumber” cases where the circumstances appeared similar. The Board either took no action, issued a 30-day letter a letter of warning requiring the licensee’s signature, or entered into a consent agreement in this type of case. In addition, discipline stemming from inspections also appeared inconsistent. Some inspections led to an inspection report and correction notice where the plumber corrected the issues and received no sanctions, but in other cases the inspection resulted in opening a disciplinary case where the plumber was subject to Board-imposed sanctions. It was unclear based on the case files why a case was opened and discipline sought for code violations instead of issuing an inspection report and correction notice as found in other inspections. The Chief Plumbing Inspector noted this was likely due to inconsistency by the Plumbing Inspectors, but may be caused by the number or severity of code violations or if there are unlicensed plumbers

on site. The Chief Plumbing Inspector noted there are no policies and procedures regulating inspections. Additionally, Plumbing Inspectors are not trained on the limits of their independent authority, when Board involvement is required, the investigative process, and how to achieve consistency in issuing warnings or recommending discipline as we discuss in Observations No. 22 and 23.

Best Practice Suggests Greater Control Is Warranted

Best practice identifies the need to clearly document “policies, procedures, techniques, and mechanisms” to “enforce management directives” and achieve “effective results.” Disciplinary guidelines are a tool to promote consistency in discipline issued by the Board. Best practice suggests the Board should develop standard criteria regarding: the types of violations which generally occur, how serious violations are, the types of corrective actions needed for each type of violation, when corrective actions must be taken, and the consequences of not taking required corrective action. Professional licensing agencies in New Hampshire and other states have developed disciplinary sanctions guidelines intended to inform licensees and the public of the penalties associated with licensee misconduct. Examples of detailed discipline descriptions can also be found in other state plumbing boards’ administrative rules where each offense and the progressive level of discipline is outlined. Best practice suggests, and other states in practice, post disciplinary actions online, creating a high level of transparency for both the public and the plumbing trade. Public posting of disciplinary actions is further discussed in Observation No. 8.

Without identifying infractions and possible sanctions in administrative rules, the Board risks treating licensed plumbers inconsistently. In addition, without policies and procedures outlining appropriate processes, responsibility, and follow-up and training staff on the requirements of policy and procedure, the Board’s effectiveness in enforcing the plumbing statute and Code may be limited.

Recommendations:

We recommend the Board codify disciplinary guidelines in administrative rules and include:

- **the types and seriousness of violations which generally occur,**
- **enumerating corrective actions and forms of discipline,**
- **when corrective actions must be taken,**
- **consequences for not taking required corrective action, and**
- **correlating discipline to each offense.**

We further recommend the Board develop policies and procedures for its Plumbing Inspectors, clearly defining the limits of their authority to issue warnings and pursue corrective action, establishing requirements for referring cases to the Board for review and consistent investigation practices, and defining proper follow-up on all cases. If Plumbing Inspectors are to retain authority to issue warnings and order corrective action, the Board

should promulgate administrative rules codifying such a delegation, standardizing the types of warning, and identifying what offenses warrant a warning.

We also recommend the Board establish standard warnings and other communications issued by the Board or on behalf of the Board to licensees and certificate holders to prevent variability in official communications and train Plumbing Inspectors on all related policies and procedures.

Auditee Response:

The Board partially concurs with these recommendations. The Board has concerns that not every offense can be anticipated in order to identify a specific penalty with a specific offense. There is concern that attempts to include every offense with corresponding penalties will place the Board in the position of not having any penalties for certain unanticipated offenses. The Board feels it needs some flexibility in evaluating the varied nature of offenses and the necessity to evaluate cases based on individual circumstances.

Time Frame For Implementation – six months to one year.

Observation No. 24

Seek Additional Enforcement Tools

RSA 329-A does not authorize the Board to levy administrative fines against licensees. Administrative fines are a potentially valuable disciplinary tool, and could provide the Board additional enforcement power supplementing its disciplinary options.

Of the 43 states licensing plumbers at the state level, at least 22 (51 percent) utilize fines as a penalty. These fines range from a minimum of \$10 to a maximum of \$2,500 per offense. In addition, at least 11 occupational regulatory boards in New Hampshire are authorized to issue administrative fines as a form of licensee discipline, including boards regulating accountants, cosmetologists, podiatrists, dentists, and optometrists. RSA 329-A:12 permits the Board to discipline licensees by reprimand; suspension, limitation, or restriction of license or certification for a period of up to five years; revocation of license or certification; requiring continuing education; or any combination of actions.

Current and former Board members report administrative fines would allow the Board to discipline licensees for minor offenses without resorting to comparatively harsh sanctions, such as revoking a licensee's ability to practice plumbing. According to one former and two current Board members, under the current statutory scheme the Board must either impose harsh or mild sanctions upon licensees, neither of which may adequately fit the offense. These members reported it is unfair to suspend or revoke a license for moderate offenses such as code violations, although these offenses may warrant sanctions harsher than a reprimand or educational requirements. These sentiments were also voiced by a Board staff member, who stated other than license revocation and suspension, the Board's current enforcement tools lack teeth and prevent the Board from adequately disciplining licensees. In addition, suspending or revoking a licensee's ability to practice may be counterproductive, as some may simply continue plumbing

without a license. Were this to happen, the Board would be unable to issue a sanction, since the Board currently has no authority over unlicensed plumbers as we discuss in Observation No. 25.

Based on our review of 134 investigations opened and closed during SFYs 2008 and 2009, the Board took 13 disciplinary actions. Of these 13 actions, three did not involve license suspension or revocation, but resulted in lesser sanctions such as a reprimand. The remaining ten actions resulted in “suspended suspensions,” which may have been supplemented by other, lesser forms of discipline. In each of these cases, the Board suspended a license, but immediately “suspended” the suspension for a period of six months or more, allowing the licensee to continue plumbing and effectively putting the licensee on probation for a specified period of time. Of the ten “suspended suspensions,” five were in response to code violations, four were in response to plumbing businesses hiring unlicensed plumbers, and one was in response to an ethical violation. Each of these licensees was allowed to continue plumbing, and the Board did not revoke any licenses during the audit period.

With a range of intermediate disciplinary options, such as administrative fines, the Board could more effectively calibrate sanctions to the severity of each offense. A structured system of administrative fines, where a specific fine was levied for a specific violation, could allow the Board to impose discipline on licensees without resorting to license suspension.

Recommendation:

The Legislature may wish to consider amending RSA 329-A to include authority to issue administrative fines for licensees violating provisions of the Chapter.

Auditee Response:

The Board wholeheartedly concurs with this recommendation and appreciates the research and resulting information to support it.

Time Frame For Implementation – Up to the legislature.

Observation No. 25

Improve Enforcement Actions Against Unlicensed Plumbers

Most states (43 of 50 states) license plumbers to ensure their competency and compliance with plumbing codes. Federal guidelines recommend four years of on-the-job training and 576 hours of education to become a licensed plumber. Unlicensed plumbers may have no training, education, or awareness about potential health issues related to improper plumbing. RSA 329-A:1 states the Board’s purpose “is to protect and improve the general health and welfare of the people of the [S]tate of New Hampshire in the field of environmental sanitation by authorizing rules and regulations for licensing qualified plumbers.” RSA 329-A:2, IV defines plumbing as “the art of installing in buildings the pipes, fixtures and other apparatus for bringing in the water supply and removing liquid and water carried wastes.” However, the Board’s ability to ensure the public’s health is limited because it has little or no independent enforcement authority to prevent individuals from plumbing without a license.

We found no explicit statutory authority for the Board to investigate or prosecute unlicensed plumbers. RSA 329-A:18 identifies plumbing without a license as either a misdemeanor or violation, depending on the circumstances. RSA 329-A:16, II, requires the Board to refer allegations of violations of RSA 329-A:18 to the DOJ and the appropriate County Attorney, leaving investigation and prosecution responsibility to the County Attorney, if the DOJ takes no action. However, the Board reported neither the DOJ nor counties regularly prosecute these cases. One County Attorney refused to take unlicensed plumbing cases, citing tight budgets and limited resources, choosing rather to focus on other crimes of a “higher priority.” This County Attorney also noted the potential for inconsistent treatment of unlicensed plumbing cases by relying on County Attorneys to prosecute instead of the DOJ.

Other states have implemented statutes providing authority to discipline unlicensed plumbers. Thirty-one of 43 states with licensing requirements (72 percent) have authority to fine or impose other civil penalties for unlicensed plumbers. These fines range from a minimum of ten dollars to \$10,000 per day. The first offense most often falls within a \$100 to \$1,000 fine or civil penalty. Additional discipline for unlicensed plumbers includes a publicly-posted list of unlicensed activity, not allowing unlicensed plumbers to seek remedy in court, and mandatory court appearances.

Our survey of plumbers licensed in New Hampshire found 25 percent were dissatisfied or very dissatisfied with regulation of unlicensed plumbers, while 35 percent were satisfied or very satisfied. This is significant when compared to the majority of other responses we received from our survey, where five percent or less of respondents expressed dissatisfaction in any response. Of the 26 comments received regarding enforcement, 81 percent identified concern over the policing or means to police unlicensed plumbers. Two comments identified specific concerns for unlicensed plumbing in the North Country. Additionally, one comment addressed concern over licensed plumbers following statute and obtaining the appropriate license being subject to discipline by the State for a code violation, while unlicensed plumbers may have multiple code violations with no discipline as the Board lacks the necessary authority.

Our review of case files opened and subsequently closed in SFYs 2008 and 2009 indicated 57 percent of the sampled cases related to unlicensed plumbing. We were able to find only nine cases referred for prosecution, with only one case file indicating a conviction.

In order to ensure public health and safety, the Board is tasked with regulating the plumbing trade. Part of this regulation includes licensing plumbers, which ensures those performing plumbing have completed a minimal level of on-the-job training and education. The International Plumbing Code identifies the ability to enforce the regulations of the trade as an integral part in ensuring the public’s safety. Without adequate authority to enforce laws discouraging or preventing unlicensed plumbers, the Board’s ability to accomplish its primary purpose of protecting public health is compromised.

Recommendations:

The Legislature may wish to consider amending RSA 329-A to provide the Board the authority to levy administrative fines against those found plumbing without a license. In addition, the Legislature may wish to consider granting the Board authority to issue cease and desist orders in cases where unlicensed plumbing occurs. If the authority to issue fines is granted to the Board, the Legislature may wish to consider amending RSA 329-A:16, II, to allow, but not require, the Board to forward plumbing without a license cases for criminal prosecution. Until the statute is changed, the Board should comply with applicable statutes.

Auditee Response:

The Board concurs that its mission is compromised by the restrictive nature of the legislation, RSA 329-A that governs it. The Board appreciates the observation and its finding that a large majority of states with licensing programs grant authority to fine or impose other civil penalties to unlicensed plumbers.

The Board has found that in all cases the statutory limits currently on discipline for licensed plumbers does not make for appropriate measures. Other than having authority to put the plumber's license at risk, there is no other option. The Board has found that in many cases a reasonable fine for a code violation would be an appropriate disincentive to continue creating such violations and would allow many cases to be resolved in an efficient manner without action against the license.

Time Frame For Implementation – The Board is willing to return to the legislature at any time to make the case for a statutory change to authorize imposition of fines for both unlicensed plumbers who do plumbing without a license and create code violations and for the licensed plumber who creates code violations so that the Board can better serve the public health and safety. Perhaps with the recommendations of this audit report, something can be done in this area. The implementation, while almost completely outside of the Board's control could be accomplished in one to two years.

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**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

OTHER ISSUES AND CONCERNS

In this section, we present issues we consider noteworthy, but not developed into formal observations. The Legislature and the State Board for the Licensing and Regulation of Plumbers (Board) may wish to consider whether these issues and concerns deserve further study or action.

Maintain And Verify Active Plumber Database Information

The Board maintains a database of plumbers. As of July 1, 2009, the database contained approximately 4,230 active plumbers or apprentices. The Board's database showed 470 plumbers (11 percent of all licensees and registrants) with an active status even though their license or registration was past its expiration date. Another 47 plumbers (about 1 percent) were still identified as active plumbers or apprentices more than one year after their licenses or registrations had expired. Board staff reported the active status of these 47 licensees were oversights and will be corrected.

During the audit period, Administrative Rule Plu 308.05 required licensees to renew annually. The Board's Licensing Clerk notifies licensees one month before their license expires. The Board, as authorized by Administrative Rule Plu 308.07, charges \$25 monthly as a late fee for up to one year after the expiration date and still considers the plumber active during this period. After one year past the expiration date, Board staff reportedly revoke the license, requiring the licensee to reapply and retake the exam. The Board reportedly removes licensees from active status only after one year beyond the license's expiration date. The database is also updated monthly to change the status of those who have not renewed after the one-year late period. Table 3 shows a summary of expired licenses by license type but still listed as active plumbers as of July 1, 2009.

Table 3

Expired Licenses By License Type, SFYs 2008 and 2009

<u>License Type</u>	<u>Past Renewal Date by Less Than One Year</u>	<u>Past Renewal Date by More Than One Year</u>
Apprentice	112	25
Business	29	5
Journeyman	92	9
Master	190	8
Total	423	47

Source: LBA analysis of Board licensing and complaint database.

The Board should consider regularly reviewing its Licensing and Complaint database for accuracy and develop a database report to run periodically which identifies plumbers with an active status who are beyond their expiration data.

Board Should Adopt a Consistent Policy for Handling Cases

In our review of all 134 investigation cases opened and closed during the audit period, we found the Board “withdrew” 35 cases opened by Board inspection and investigation staff. Each of these “withdrawn” cases involved plumbing businesses employing plumbing apprentices who, according to Board staff, were not in full compliance with apprenticeship educational requirements and were effectively operating as unlicensed plumbers. Board Plumbing Inspectors opened one case against each unlicensed plumber and one case against each business employing these plumbers. Board Plumbing Inspectors began to negotiate consent agreements with the apprentices and with representatives of the plumbing businesses. While it is unclear from case files how many consent agreements were negotiated, we identified at least 15 consent agreements in the case files.

According to Board staff and a former Board member, when these cases were presented to the Board, the Board declined to review each of the consent agreements and instead directed investigative staff to issue “30-day letters” to plumbing businesses who hired the apprentices. The Board also directed investigative staff to “withdraw” the cases involving the plumbing apprentices. According to Board files and the Board’s inspection logbook, Board staff withdrew 35 cases.

Since there is no formal process for “withdrawing” cases, it is unclear what status a case has if it as been withdrawn by the Board. Board staff reported that each withdrawn case was “dropped” and “does not exist,” however these cases remain on file in the Board’s office, alongside all other case files. It is unclear whether withdrawn cases will be counted against licensees who may be the subject of future disciplinary action. Additionally, some of these files do not contain information describing the details of the case making it impossible to determine processing times and other relevant information.

The Board should consider adopting a formal process of handling cases that have been opened by Board staff that the Board subsequently determines to be without merit.

STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS

CONCLUSION

In planning and performing this audit, we examined the core functions of the State Board for the Licensing And Regulation of Plumbers (Board) to determine whether the Board operates efficiently and effectively. We conclude many improvements are needed to enhance the Board's management of both staff and its operations.

The Board has several opportunities to improve its operations to ensure compliance with State laws and rules, promote consistency, and ensure the appropriate use of State resources. Plumbing Inspectors are highly mobile and spend much of their time conducting inspections and investigations away from the Board's Concord office, yet few management controls exist to ensure their schedules are coordinated and make efficient use of each Plumbing Inspector's time. Significant improvements can be made in the Board's inspection and investigation function by providing Plumbing Inspectors with adequate management oversight, appropriate tools for the job, and standardized investigation protocols.

We found the Board's organizational structure may impede its efficiency and effectiveness. The lack of single, accountable manager to oversee daily operations contributes to the lack of adherence to State laws and rules and lack of controls for inspection staff. Without a single manager responsible for all operations and accountable to the Board, the Board may continue to devote considerable time to handling personnel issues, at the expense of the Board's regulatory and oversight functions.

The Board's limited statutory authority further prevents the Board from adequately regulating the plumbing trade. The inability of the Board to adequately prevent unlicensed plumbers from practicing undermines the Board's mission and defeats its efforts to protect the public. If the Board were able impose administrative fines on licensed and unlicensed plumbers alike, the Board would be able to more directly regulate the field in a less time consuming and more efficient and consistent way. In the absence of administrative fines, the Board's current limited enforcement tools, especially license revocation and suspension, make it difficult for the Board to issue sanctions proportionate to the offense, while balancing the need for the licensee to earn a living with a penalty likely to stop unwanted behavior.

The Board has the opportunity to improve controls over their own operations while improving and more consistently regulating the trade. By adhering to current laws and administrative rules, considering a more effective organizational structure, and seeking Legislative changes to better regulate the trade of plumbing, the Board may be able to improve its licensing and regulation of plumbers.

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STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS

APPENDIX A
BOARD RESPONSE TO AUDIT

The State of New Hampshire



STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS
21 South Fruit Street Suite 24 Concord, NH. 03301-2452
(603) 271-3267 TDD Access: Relay NH 1-800-735-2964 FAX 271-6656

Richard J. Mahoney, CPA
Director of Audits
State House, Room 102
107 North Main Street
Concord, NH 03301-4906

November 18, 2009

Re: Performance Audit of the New Hampshire Board for Licensing and Regulation of Plumbers.

Dear Mr. Mahoney,

Thank you for this opportunity to comment on the performance audit by the Office of Legislative Budget Assistant. This being our first audit experience, the Board and its staff were apprehensive about the process. However, your team was very professional and it has been a pleasure interacting with your office.

The Board is very thankful for the detail provided and the extensive research performed by your auditors in producing a document that will be an extremely helpful guide for a volunteer board and a small agency such as ours. The report is comprehensive and gives the Board excellent direction on how to accomplish the necessary suggested improvements noted. The Board feels that the report is accurate and illustrates clearly what needs to be achieved to provide better service to the citizens of New Hampshire.

The Board remains concerned about the resources that may be necessary to accomplish the many recommendations, but looks forward to working with the Legislature to achieve the desired results in as short a time frame as possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tedd Evans".

Tedd Evans
Chairman

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**STATE OF NEW HAMPSHIRE
STATE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS**

**APPENDIX B
NH LICENSED PLUMBERS SURVEY RESULTS**

Note: We mailed 451 surveys to licensed plumbers, plumbing businesses, and apprentices during August 2009 and 123 surveys were returned for a 27 percent return rate.

Although 123 surveys were returned, the total number of responses to a question may be more because respondents were allowed to select all choices that applied or less because some respondents did not answer the question. Accordingly, the percent calculated uses total number of responses to the question unless otherwise indicated.

SURVEY LETTER

The Office of Legislative Budget Assistant (LBA), Audit Division is conducting a performance audit of the State Board for the Licensing and Regulation of Plumbers (the Board). Performance audits evaluate the efficiency and effectiveness of State programs. As part of this process, we would like your opinion as a plumber on the Board's activities. Your participation and responses will help us obtain information about your experience with the Board.

A sample of all licensed, active plumbers were selected for our survey. Your survey responses will provide essential information for our review of the Board for the Licensing and Regulation of Plumbers and assist us to develop constructive recommendations for the Legislature and the Board.

All responses are confidential, consistent with RSA 14:31-a, II. Individual surveys will not be shared with the Board. Your responses will be combined with others and reported as aggregate data in our final report.

Please complete the survey and return it to our office before **August 14, 2009**. We have enclosed a postage-paid return envelope for your convenience.

If you have any questions regarding this survey, please contact me at (603) 271-2785 or you may e-mail me at michelle.bohler@leg.state.nh.us.

To learn more about the LBA, please visit our website at <http://gencourt.state.nh.us/lba/index.html>.

Thank you for your time and consideration in answering the attached survey.

Sincerely,

Michelle Bohler
Performance Auditor

INSTRUCTIONS: PLEASE MARK WITH AN “X” THE RESPONSE WHICH BEST FITS YOUR ANSWER TO THE QUESTION BASED ON YOUR EXPERIENCE WITH THE NEW HAMPSHIRE BOARD FOR THE LICENSING AND REGULATION OF PLUMBERS OR FILL IN THE BLANK WHERE APPROPRIATE. PLEASE CHOOSE NOT APPLICABLE TO ANY QUESTIONS WHICH YOU HAVE NO PERSONAL EXPERIENCE.

Please refer only to your experiences with the New Hampshire Board for the Licensing and Regulation of Plumbers when responding to the following questions.

1. Please identify which license, certificate, or registration you currently hold. (Check all that apply.)

Count	Percent	Description
3	2%	Apprenticeship Identification Card
17	12%	Journeyman License
100	68%	Master License
26	18%	Corporate License
0	0%	Water Treatment Technician Certificate
<hr/>	<hr/>	
146	100%	Total

2. Please identify any other trade licenses or certificates you hold in New Hampshire. (Check all that apply.)

Count	Percent	Description
73	59%	Fuel Gas Fitter
16	13%	Heating Equipment Technician
3	2%	Wastewater Treatment Plant Operator
13	11%	Water Pump Installer
2	2%	Water Treatment Technician
4	3%	Boiler and Pressure Maintenance
0	0%	Manufactured Housing Installer
1	1%	Water Distribution System Operator
2	2%	Water Treatment Plant Operator
0	0%	Water Well Contractor
8	7%	Other
<hr/>	<hr/>	
122	100%	Total ¹

¹ Percent calculated using 123 respondents.

3. How long have you been a licensed plumber?

Count	Percent	Description
14	11%	0 to 5 years
8	7%	6 to 10 years
9	7%	11 to 15 years
17	14%	16 to 20 years
75	61%	21 + years
<u>123</u>	<u>100%</u>	Total

4. Which counties of the State do you do most of your plumbing work? (Check all that apply)

Count	Percent	Description
11	5%	Belknap
18	9%	Cheshire
15	7%	Grafton
32	15%	Merrimack
16	8%	Strafford
15	7%	Carroll
7	3%	Coos
44	21%	Hillsborough
41	20%	Rockingham
10	5%	Sullivan
<u>209</u>	<u>100%</u>	Total

5. Do you hold a plumbing license or certificate in any other state(s)? If yes, which state(s)?

Count	Percent	Description
66	54%	Yes
57	46%	No
<u>123</u>	<u>100%</u>	Total

Count	Percent	Description
36	42%	MA
26	31%	ME
8	10%	VT
6	7%	CT
8	10%	Other
<u>84</u>	<u>100%</u>	Total

LICENSING & RENEWAL

6. Please rate your satisfaction with the following aspects of the Board's licensing or renewal processes:

6a. Availability of guidance, information, and resources to guide you through the process

Count	Percent	Description
42	39%	Very Satisfied
55	51%	Satisfied
3	3%	No Opinion
0	0%	Dissatisfied
1	1%	Very Dissatisfied
6	6%	Not Applicable
107	100%	Total

6b. Clarity and ease of use of the required forms

Count	Percent	Description
40	38%	Very Satisfied
59	56%	Satisfied
1	1%	No Opinion
1	1%	Dissatisfied
0	0%	Very Dissatisfied
4	4%	Not Applicable
105	100%	Total

6c. Availability of required forms

Count	Percent	Description
39	38%	Very Satisfied
51	49%	Satisfied
4	4%	No Opinion
1	1%	Dissatisfied
2	2%	Very Dissatisfied
6	6%	Not Applicable
103	100%	Total

6d. Time to process the licensing application or renewal

Count	Percent	Description
48	46%	Very Satisfied
47	46%	Satisfied
1	1%	No Opinion
3	3%	Dissatisfied
2	2%	Very Dissatisfied
2	2%	Not Applicable
<u>103</u>	<u>100%</u>	Total

6e. Responses to inquiries concerning your application or renewal

Count	Percent	Description
41	38%	Very Satisfied
49	45%	Satisfied
1	1%	No Opinion
3	3%	Dissatisfied
1	1%	Very Dissatisfied
13	12%	Not Applicable
<u>108</u>	<u>100%</u>	Total

6f. The licensing exam (only respond if you have taken the exam in 2008 or 2009)

Count	Percent	Description
7	22%	Very Satisfied
5	16%	Satisfied
1	3%	No Opinion
0	0%	Dissatisfied
1	3%	Very Dissatisfied
18	56%	Not Applicable
<u>32</u>	<u>100%</u>	Total

6g. Time to receive your initial or renewal license after submitting the required paperwork

Count	Percent	Description
47	44%	Very Satisfied
49	46%	Satisfied
4	4%	No Opinion
2	2%	Dissatisfied
2	2%	Very Dissatisfied
2	2%	Not Applicable
<u>106</u>	<u>100%</u>	Total

7. If you were dissatisfied or very dissatisfied with any components of the licensing or renewal process, please tell us why.

Count	Percent	Description
2	22%	Need more licensing info, maybe in seminar, no response to inquiry
4	45%	Cost is too much
1	11%	Staff is "ill-trained" and rude
1	11%	Board does good job representing licensed plumbers
1	11%	Late fees are too much
<u>9</u>	<u>100%</u>	Total

8. Please provide any additional comments or concerns regarding the licensing or renewal process.

Count	Percent	Description
3	30%	Very happy with process
3	30%	Renewal should be every 2 or 3 years like other trades
1	10%	Need more regular communication of Code changes
1	10%	More warning for renewals, send class list at beginning of year
1	10%	Takes a long time to process renewals
1	10%	If own more than 50% of corporation, should not have to pay to license
<u>10</u>	<u>100%</u>	Total

INSPECTIONS

9. Please rate your satisfaction with the following aspects of inspections conducted by the Board's inspectors:

- 9a. Ease in requesting inspections

Count	Percent	Description
16	27%	Very Satisfied
25	41%	Satisfied
3	5%	No Opinion
0	0%	Dissatisfied
1	2%	Very Dissatisfied
15	25%	Not Applicable
<u>60</u>	<u>100%</u>	Total

9b. Availability of inspectors to conduct inspections

Count	Percent	Description
12	21%	Very Satisfied
25	42%	Satisfied
6	10%	Undecided
0	0%	No Opinion
1	2%	Very Dissatisfied
15	25%	Not Applicable
<u>59</u>	<u>100%</u>	Total

9c. Ease in scheduling inspections

Count	Percent	Description
13	22%	Very Satisfied
25	41%	Satisfied
4	7%	No Opinion
2	3%	Dissatisfied
1	2%	Very Dissatisfied
15	25%	Not Applicable
<u>60</u>	<u>100%</u>	Total

9d. Cost of inspections

Count	Percent	Description
10	17%	Very Satisfied
19	33%	Satisfied
10	17%	No Opinion
1	2%	Dissatisfied
0	0%	Very Dissatisfied
18	31%	Not Applicable
<u>58</u>	<u>100%</u>	Total

9e. Inspection requirements across the State

Count	Percent	Description
7	12%	Very Satisfied
25	42%	Satisfied
8	14%	No Opinion
2	3%	Dissatisfied
1	2%	Very Dissatisfied
16	27%	Not Applicable
<u>59</u>	<u>100%</u>	Total

9f. Inspector's knowledge of the Plumbing Code

Count	Percent	Description
18	32%	Very Satisfied
21	36%	Satisfied
4	7%	No Opinion
1	2%	Dissatisfied
0	0%	Very Dissatisfied
13	23%	Not Applicable
<u>57</u>	<u>100%</u>	Total

9g. Consistency of inspections throughout the State

Count	Percent	Description
8	14%	Very Satisfied
23	40%	Satisfied
8	14%	No Opinion
1	2%	Dissatisfied
1	2%	Very Dissatisfied
16	28%	Not Applicable
<u>57</u>	<u>100%</u>	Total

10. If you were dissatisfied or very dissatisfied with any components of the inspection process, please tell us why.

Count	Percent	Description
1	17%	Arrogance and indifference to plumbing community
1	17%	Scheduling can be problematic when deadline
4	66%	Local inspectors are not responsive, inconsistent, too few
<u>6</u>	<u>100%</u>	Total

11. Please provide any additional comments or concerns regarding the inspection process.

Count	Percent	Description
1	100%	Inspectors are not available and not responsive

ENFORCEMENT

12. Please rate your satisfaction with the following aspects of enforcement:

12a. Availability of inspectors for general enforcement

Count	Percent	Description
14	14%	Very Satisfied
45	45%	Satisfied
14	14%	No Opinion
4	4%	Dissatisfied
3	3%	Very Dissatisfied
20	20%	Not Applicable
100	100%	Total

12b. Consistency of statute and Plumbing Code enforcement throughout the State

Count	Percent	Description
9	9%	Very Satisfied
46	44%	Satisfied
17	17%	No Opinion
3	3%	Dissatisfied
5	5%	Very Dissatisfied
23	22%	Not Applicable
103	100%	Total

12c. Regulation of unlicensed plumbers

Count	Percent	Description
6	6%	Very Satisfied
30	28%	Satisfied
24	24%	No Opinion
12	12%	Dissatisfied
13	13%	Very Dissatisfied
17	17%	Not Applicable
102	100%	Total

13. If you were dissatisfied or very dissatisfied with any components of the enforcement process, please tell us why.

Count	Percent	Description
21	81%	No policing of or means to police unlicensed plumbers
3	11%	Local inspectors need to be licensed
2	8%	No code in North Country
26	100%	Total

14. Please provide any additional comments or concerns regarding the enforcement process.

Count	Percent	Description
2	29%	Have never seen sign of enforcement
1	14%	Plumbers rented out and receive less pay
1	14%	Need regulation for water heaters
3	43%	Need Statewide Code, different locally
<u>7</u>	<u>100%</u>	Total

INVESTIGATIONS AND DISCIPLINE

15. Please rate your satisfaction with the following aspects of the Board's investigations:

15a. Fairness and objectivity of the Plumbing Inspector

Count	Percent	Description
16	16%	Very Satisfied
38	39%	Satisfied
10	10%	No Opinion
0	0%	Dissatisfied
1	1%	Very Dissatisfied
33	34%	Not Applicable
<u>98</u>	<u>100%</u>	Total

15b. Fairness and objectivity of the Chief Plumbing Inspector

Count	Percent	Description
17	18%	Very Satisfied
38	39%	Satisfied
9	9%	No Opinion
0	0%	Dissatisfied
1	1%	Very Dissatisfied
32	33%	Not Applicable
<u>97</u>	<u>100%</u>	Total

15c. Fairness and objectivity of the Board

Count	Percent	Description
14	15%	Very Satisfied
34	35%	Satisfied
15	15%	No Opinion
2	2%	Dissatisfied
0	0%	Very Dissatisfied
32	33%	Not Applicable
<u>97</u>	<u>100%</u>	Total

15d. Consistency of investigations throughout the State

Count	Percent	Description
7	7%	Very Satisfied
36	38%	Satisfied
15	16%	No Opinion
2	2%	Dissatisfied
2	2%	Very Dissatisfied
34	35%	Not Applicable
<u>96</u>	<u>100%</u>	Total

16. Please rate your satisfaction with the following aspects of the Board's discipline:

16a. Availability of guidance, information, and resources regarding the disciplinary process

Count	Percent	Description
8	9%	Very Satisfied
41	44%	Satisfied
8	9%	No Opinion
1	1%	Dissatisfied
1	1%	Very Dissatisfied
33	36%	Not Applicable
<u>92</u>	<u>100%</u>	Total

16b. Disciplinary action proportional to the offense

Count	Percent	Description
5	5%	Very Satisfied
37	42%	Satisfied
9	10%	No Opinion
1	1%	Dissatisfied
4	4%	Very Dissatisfied
35	38%	Not Applicable
<u>91</u>	<u>100%</u>	Total

16c. Equitable treatment of all licensed plumbers

Count	Percent	Description
9	10%	Very Satisfied
37	41%	Satisfied
8	9%	No Opinion
0	0%	Dissatisfied
2	2%	Very Dissatisfied
34	38%	Not Applicable
<u>90</u>	<u>100%</u>	Total

16d. Clear notification of the hearings process

Count	Percent	Description
6	7%	Very Satisfied
31	35%	Satisfied
12	13%	No Opinion
0	0%	Dissatisfied
1	1%	Very Dissatisfied
39	44%	Not Applicable
<u>89</u>	<u>100%</u>	Total

16e. Clear notification of the settlement process

Count	Percent	Description
4	4%	Very Satisfied
33	37%	Satisfied
13	14%	No Opinion
0	0%	Dissatisfied
1	1%	Very Dissatisfied
40	44%	Not Applicable
<u>91</u>	<u>100%</u>	Total

17. If you were dissatisfied or very dissatisfied with any components of the investigation and discipline process, please tell us why.

Count	Percent	Description
1	33%	Board has too much authority to deny for criminal background
1	33%	Would rather administrative fines, but don't revoke licenses
1	33%	Continuing education class said plumber will be fined
<u>3</u>	<u>99%</u>	Total

18. Please provide any additional comments or concerns regarding the investigation and discipline process.

Count	Percent	Description
2	100%	Unlicensed plumbers get off with no punishment while licensed plumbers are punished

CONTINUING EDUCATION

19. Please rate your satisfaction with the Board's continuing education requirements:

19a. Availability of continuing education

Count	Percent	Description
39	34%	Very Satisfied
65	57%	Satisfied
4	4%	No Opinion
2	2%	Dissatisfied
2	2%	Very Dissatisfied
1	1%	Not Applicable
<u>113</u>	<u>100%</u>	Total

19b. Quality of continuing education

Count	Percent	Description
33	30%	Very Satisfied
62	56%	Satisfied
8	7%	No Opinion
3	3%	Dissatisfied
3	3%	Very Dissatisfied
1	1%	Not Applicable
<u>110</u>	<u>100%</u>	Total

19c. Instructor's knowledge of the Plumbing Code

Count	Percent	Description
44	39%	Very Satisfied
59	51%	Satisfied
6	5%	No Opinion
4	4%	Dissatisfied
0	0%	Very Dissatisfied
1	1%	Not Applicable
<u>114</u>	<u>100%</u>	Total

19d. Continuing education curriculum

Count	Percent	Description
30	27%	Very Satisfied
61	55%	Satisfied
9	8%	No Opinion
7	6%	Dissatisfied
2	2%	Very Dissatisfied
2	2%	Not Applicable
<u>111</u>	<u>100%</u>	Total

19e. Cost of continuing education courses

Count	Percent	Description
22	20%	Very Satisfied
54	48%	Satisfied
21	19%	No Opinion
9	8%	Dissatisfied
5	4%	Very Dissatisfied
1	1%	Not Applicable
<u>112</u>	<u>100%</u>	Total

20. If you were dissatisfied or very dissatisfied with any components of the continuing education process, please tell us why.

Count	Percent	Description
4	19%	Need information on changes and updates, but not a lesson about the Board or general plumbing
5	24%	Instructors interpret code differently (prefer inspectors)
3	14%	More time on common violation
1	5%	Uninteresting, unorganized, inconsistent
7	33%	Costs are too high
1	5%	Need more options for continuing education; online, other instructors, etc
<u>21</u>	<u>100%</u>	Total

21. Please provide any additional comments or concerns regarding the continuing education process.

Count	Percent	Description
2	32%	Necessary and relevant to keep informed
1	17%	Need more information mailed to plumbing community
1	17%	Great with excellent education
1	17%	Local 131 has great Free training
1	17%	Instructors need to focus on class and not tell war stories
<u>6</u>	<u>100%</u>	Total

GENERAL SATISFACTION

22. Please rate your satisfaction with the following aspects of Board:

- 22a. General availability of guidance, information, and resources

Count	Percent	Description
26	24%	Very Satisfied
68	62%	Satisfied
8	7%	No Opinion
1	1%	Dissatisfied
1	1%	Very Dissatisfied
6	5%	Not Applicable
<u>110</u>	<u>100%</u>	Total

- 22b. Responsiveness

Count	Percent	Description
22	20%	Very Satisfied
59	55%	Satisfied
18	17%	No Opinion
0	0%	Dissatisfied
1	1%	Very Dissatisfied
8	7%	Not Applicable
<u>108</u>	<u>100%</u>	Total

22c. Plumbing knowledge

Count	Percent	Description
33	30%	Very Satisfied
58	53%	Satisfied
12	11%	No Opinion
1	1%	Dissatisfied
0	0%	Very Dissatisfied
6	5%	Not Applicable
<u>110</u>	<u>100%</u>	Total

22d. Investigations

Count	Percent	Description
10	10%	Very Satisfied
45	44%	Satisfied
22	21%	No Opinion
2	2%	Dissatisfied
1	1%	Very Dissatisfied
23	22%	Not Applicable
<u>103</u>	<u>100%</u>	Total

22e. Public outreach

Count	Percent	Description
14	13%	Very Satisfied
47	46%	Satisfied
24	23%	No Opinion
3	3%	Dissatisfied
1	1%	Very Dissatisfied
15	14%	Not Applicable
<u>104</u>	<u>100%</u>	Total

22f. Enforcement

Count	Percent	Description
13	13%	Very Satisfied
49	47%	Satisfied
21	20%	No Opinion
4	4%	Dissatisfied
2	2%	Very Dissatisfied
15	14%	Not Applicable
<u>104</u>	<u>100%</u>	Total

22g. Training and education requirements

Count	Percent	Description
23	21%	Very Satisfied
68	61%	Satisfied
12	11%	No Opinion
0	0%	Dissatisfied
3	3%	Very Dissatisfied
4	4%	Not Applicable
<u>110</u>	<u>100%</u>	Total

22h. Discipline

Count	Percent	Description
13	13%	Very Satisfied
43	42%	Satisfied
22	21%	No Opinion
1	1%	Dissatisfied
3	3%	Very Dissatisfied
21	20%	Not Applicable
<u>103</u>	<u>100%</u>	Total

23. If you were dissatisfied or very dissatisfied with any components of the Board's activities, please tell us why.

Count	Percent	Description
1	20%	The Board is a dysfunctional entity
1	20%	Need more frequent and regular communication via mail
1	20%	Meeting minutes posted way after and no agenda posted before meeting
1	20%	Need reciprocal agreements
1	20%	Need more enforcement in towns with no code
<u>5</u>	<u>100%</u>	Total

24. Please provide any additional comments or concerns on the Board.

Count	Percent	Description
1	20%	Good job protecting licensed plumbers and general public
1	20%	General public does not know need to be licensed, need outreach
1	20%	Poor investigation and enforcement of unlicensed plumbers
1	20%	Need more code consistency from area to area
1	20%	Conflict to have family on Board and inspector
<u>5</u>	<u>100%</u>	Total

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**PERFORMANCE AUDITS
ISSUED BY THE
OFFICE OF LEGISLATIVE BUDGET ASSISTANT**

<u>TITLE OF REPORT</u>	<u>DATE</u>
Bureau of Elderly and Adult Services Medicaid Long-Term Care Program	July 2009
Liquor Commission	April 2009
State of New Hampshire Service Contracting	March 2009
Department of Resources and Economic Development Division of Parks and Recreation Revenues of the State Park Fund	September 2008
Fleet Management	September 2008
Office of Information Technology	July 2008
State of New Hampshire Succession Planning	July 2008
Board of Medicine	April 2008
Department of Fish and Game	January 2008
Department of Environmental Services Alteration of Terrain and Wetlands Permitting	August 2007
Insurance Department Consumer Protection Functions	August 2007
Department of Education No Child Left Behind Fund Distribution	February 2007
Insurance Procurement Practices	September 2006
Enhanced 911 System	January 2006
Department of Education Adequate Education Grant Data	December 2004
Board of Mental Health Practice	November 2004
Home Care for Children with Severe Disabilities	April 2004
Department of Corrections Division of Field Services	December 2003

**PERFORMANCE AUDITS
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<u>TITLE OF REPORT</u>	<u>DATE</u>
Judicial Branch Administration	November 2003
Department of Health and Human Services Division of Elderly and Adult Services Home and Community-Based Care	April 2003
Department of Corrections – Inmate Health Care	January 2003
Department of Corrections – Sexual Harassment and Misconduct	October 2002
Department of Environmental Services Performance-Based Budgeting	March 2002
Department of Safety – Division of Fire Safety	November 2001
Department of Education – Construction and Renovation Programs	September 2001
Department of Health and Human Services Division for Children, Youth and Families Foster Family Care	September 2001
Department of Education – Bureau of Vocational Rehabilitation and Service Delivery	August 2001
Department of Transportation – Bureau of Turnpikes Performance-Based Budgeting	April 2001
Judicial Branch – Family Division Pilot Program	January 2000
Year 2000 Computing Crisis – Special Report – Update	July 1999
Special Education – Catastrophic Aid Program	July 1999
Year 2000 Computing Crisis – Special Report	March 1999
Juvenile Justice Organization	November 1998
Marine Patrol Bureau Staffing	March 1998
Health Services Planning and Review Board	January 1998

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<u>TITLE OF REPORT</u>	<u>DATE</u>
Economic Development Programs	October 1997
Job Opportunities and Basic Skills Training Program	May 1997
Child Support Services	December 1995
Multiple DWI Offender Program	December 1995
Managed Care Programs for Workers' Compensation	November 1995
State Liquor Commission	July 1994
Property and Casualty Loss Control Program	November 1993
Child Settlement Program	March 1993
Workers' Compensation Program for State Employees	January 1993
Prison Expansion	April 1992
Developmental Services System	April 1991
Department of Administrative Services Division of Plant and Property Management State Procurement and Property Management Services	June 1990
Mental Health Services System	January 1990
Hazardous Waste Management Program	June 1989
Review of the Indigent Defense Program	January 1989
Review of the Allocation of Highway Fund Resources to Support Agencies and Programs	March 1988
Review of the Public Employees' Deferred Compensation Plan	December 1987
Review of the Management and Use of State-Owned Passenger Vehicles and Privately Owned Vehicles Used at State Expense	August 1984
Management Review of the Policies and Procedures of the Division of Plant and Property Management	June 1984

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OFFICE OF LEGISLATIVE BUDGET ASSISTANT**

Copies of previously issued reports may be received by request from:

State of New Hampshire
Office of Legislative Budget Assistant
107 North Main Street, Room 102
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