

# **LBA Financial Audit Report Summary:**

Pari-Mutuel Commission Audit Report For the Year Ended June 30, 1995

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The Pari-Mutuel Commission (PMC) was established in 1982 by Chapter 42:140, Laws of 1982, which amended RSA 284 by combining the former State Racing Commission, established in 1933 to regulate horse racing, and the State Greyhound Racing Commission, established in 1971 to regulate dog racing, into one State department charged with regulating both. RSA 284:6-a provides the authority for PMC to assume the powers, rights, duties and responsibilities of the two former racing Commissions.

In 1991, RSA 284:22-a provided the authority, subject to certain PMC approvals, for those entities licensed to conduct live races in New Hampshire to simulcast and sell pari-mutuel pools on thoroughbred and harness horse and greyhound dog races held at racetracks other than the racetrack at which the licensee conducts its race meet.

The PMC consists of six part-time Commissioners appointed by the Governor and Council for a term of three years and until a successor has been appointed. Daily administration of the PMC is the responsibility of a full-time director.

Responsibilities of the PMC include regulating thoroughbred and harness horse racing and greyhound dog racing and collecting taxes imposed on the entities licensed to conduct horse and dog racing in New Hampshire as well as license fees and racing fines.

Our report included five observations regarding weaknesses in the internal control structure, three regarding noncompliance with state laws, and four management issues.

## **Major observations included:**

- an inappropriate method of accounting for salary reimbursement;
- inadequate procedures for collecting, safeguarding, depositing and recording daily receipts collected at the tracks;
- inefficient and ineffective automation of accounting procedures;
- questionable procedures for compensating track employees;
- inconsistencies in the timing of tax and breakage remittances; and
- undetermined classification of state veterinarians.

## **We recommended that the Commission:**

- request appropriations to cover the full amount of anticipated salaries;
- take steps to better safeguard and expedite the handling of receipts;
- review procedures and determine where automation could improve efficiency and effectiveness;
- consult with proper authorities on current compensating practices and make changes as appropriate;
- review the current legislation setting the timing of payments and propose revised legislation to require a standard payment policy; and
- review statutes and consult appropriate authorities to determine the correct classification of state veterinarians.