

# **LBA Financial Audit Report Summary:**

Department of State and Related Boards and Commissions Audit Report for the Ten Months Ended April 30, 1996

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For the purpose of this audit, the reporting entity was defined as the New Hampshire Department of State and the State boards and commissions that are related to the Department by Statute, including:

- The Board of Auctioneers and the Board of Claims, accounted for in the Department's organization and financial statements,
- The Real Estate Commission, the Real Estate Appraisers Board, and the Commission on the Status of Women, which are administratively attached to the Department,
- The Joint Board of Professional Engineers, Architects, Land Surveyors, Foresters, and Natural Scientists, the Board of Accountancy, the Boxing and Wrestling Commission, and the Ballot Law Commission, which function within the Department.

The Department of State was established by Chapter 5, part 4:1, Laws of 1950. The Department is directed by the secretary of state, a constitutional officer, who is elected biennially by a joint ballot of the Senate and House of Representatives.

The Department's major duties and responsibilities include keeping the great seal, attesting to the governor's signature and affixing the great seal on all official documents, administering state elections, printing ballots and election forms and instructing local election officials, overseeing the receipt of corporate returns and related fees, recording all filings under the Uniform Commercial Code, establishing and maintaining programs for the storage, retention, and making available the public archives, and in accordance with RSA 421-B:21, administering the state laws related to the sale of securities in the state including licensing agents, broker-dealers, and investment advisors as well as the licensing of securities sold in the state.

Our report included a total of 53 observations covering the operations of the Department and the six organizations related to the Department. The report contained 32 reportable conditions including observations on revenue, expenditure, and equipment processing controls. There were 20 state compliance observations included in the report. One state compliance observation recommended that the Department seek to clarify the relationships between the Department and its related boards and commissions in order to establish responsibilities that are clear and consistent. Other compliance comments dealt with the status of administrative rules, the accounts to which revenue was credited, the filing of reports, and the examination of securities issuer-dealers. There was one management issue related to the reconciliation of manual ledgers.