

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF MILITARY AFFAIRS AND
VETERANS SERVICES**

**INTERNAL CONTROL REVIEW
REVENUES AND EXPENDITURES
AUGUST 2022**



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To The Fiscal Committee Of The General Court:

This report presents the results of our assessment of the internal controls in place over the receipt, deposit, recording, and reporting of revenues and the authorization, payment, recording, and reporting of expenditures of the Department of Military Affairs and Veterans Services (Department) during the nine months ended March 31, 2022.

We conducted our work in accordance with auditing standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAGAS). 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 the evidence obtained provides a reasonable basis for our findings.

The work performed was for the purpose of meeting the audit objectives described on pages 4-5 of this report and did not constitute an audit of financial statements in accordance with GAGAS. The work performed also was not designed for the purpose of expressing an opinion on the effectiveness of the Department's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Department's internal controls.

The Department provided auditee responses which are included with each finding in this report. We did not audit the Department's responses.

This report can be accessed in its entirety on-line at:
<http://www.gencourt.state.nh.us/LBA/AuditReports/financialreports.aspx>

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DEPARTMENT OF MILITARY AFFAIRS AND VETERANS SERVICES
INTERNAL CONTROL REVIEW - REVENUES AND EXPENDITURES

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* No comments suggest legislative action may be required.

ABBREVIATIONS USED

CBMP	Community Based Military Programs
Department	Department of Military Affairs and Veterans Services
DHHS	Department of Health and Human Services
DAS	Department of Administrative Services
FY	Fiscal Year
FFY	Federal Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
MOP	Manual of Procedures
MCA	Master Cooperative Agreement
MCCA	Military Construction Cooperative Agreements
MOU	Memorandum Of Understanding
NGB	National Guard Bureau
NHFirst	New Hampshire State-wide Accounting System

STATE OF NEW HAMPSHIRE
DEPARTMENT OF MILITARY AFFAIRS AND VETERANS SERVICES
INTERNAL CONTROL REVIEW - REVENUES AND EXPENDITURES

EXECUTIVE SUMMARY

State agency management is responsible for establishing and maintaining effective internal controls, including controls over financial reporting, and controls over compliance with the laws, administrative rules, regulations, contracts, and grant agreements applicable to the entity's activities. Government Auditing Standards explains the purpose of internal control, and also explains its five components: control environment, risk assessment, control activities, information and communication, and monitoring, this is consistent with the Committee of Sponsoring Organizations of the Treadway Commission's *Internal Control – Integrated Framework*. In addition, the Department of Administrative Services (DAS) is responsible for managing and coordinating the state-wide accounting and financial reporting functions pursuant to RSA 21-I:1. DAS maintains a *Manual of Procedures (MOP)*, approved by the Governor and Council, for use by all State agencies to clearly describe accounting and financial reporting functions.

The objective of this audit was to evaluate whether the Department of Military Affairs and Veterans Services (Department) has designed, communicated, implemented, and operated suitable internal controls over the receipt, deposit, recording, and reporting of revenues and the authorization, payment, recording, and reporting of expenditures. Criteria used in the evaluation included State statutes and administrative rules; policies and procedures including DAS's MOP; accepted State business practice; internal Department policies and procedures; and federal grant agreements including the Master Cooperative Agreement and Military Construction Cooperative Agreement. The purpose of this audit was not to render an opinion on the Department's financial statements, internal control, or compliance.

Our audit was performed using the auditing standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAGAS). 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 the evidence obtained provides a reasonable basis for our findings.

SUMMARY OF RESULTS

We found that the Department's controls over the receipt, deposit, recording, and reporting of revenues and the authorization, payment, recording, and reporting of expenditures were generally suitably designed to provide reasonable assurance that the specified internal control objectives would be achieved. The Department's controls appeared to operate as designed and described by management; however, many controls were not formally documented or otherwise evidenced as having been reviewed and approved by management or compiled into a manual or other accessible reference resource. While the Department did have documented procedure manuals available to business office staff responsible for the processing of financial transactions within the State-wide accounting system, these manuals were largely informal process descriptions, and did not include a description of many of the Department's internal control procedures such as the validation of receipt of goods and services prior to payment of expenditures; the monthly expenditures and revenues reconciliation processes; and the processes for tracking expenditures related to the federal

Background

Master Cooperative Agreement (MCA) appendices and Military Construction Cooperative Agreements (MCCAs) and subsequently generating and submitting federal reimbursement requests.

We also found that the Department did not have a formal risk assessment process in place covering the significant areas of its financial operations, placing it in a largely reactive mode where risks may not be recognized in time to allow for efficient and effective avoidance and mitigation.

We found that the Department allows for the employees of the New Hampshire National Guard (non-State employees) to directly supervise certain of its employees. Supervisors are responsible for reviewing and approving timecards, approving requests for use of leave-time, and for completing and conducting employee performance appraisals. The arrangement is not formally documented via a Memorandum of Understanding or other formal policy document in place that is signed by both parties, and is instead described in policy memos dating back to 2010 that have not been recently revised.

BACKGROUND

The Department of Military Affairs and Veterans Services was legislatively created by Senate Bill 208, which was passed into law in July 2019, and became effective in September 2019. The bill consolidated military and veterans' services previously provided within three State departments, the Adjutant General, Office of Veterans Services, and the Department of Health and Human Services, into one Department of Military Affairs and Veterans Services. The Department is organized into divisions, including: the Division of Veterans Services; Division of Community Based Military Programs; and the State Veterans Cemetery, and two advisory bodies, namely the Veterans Council and the Military Leadership Team.

The Department is overseen by the Adjutant General and Deputy Adjutant General. The Adjutant General essentially functions as the Commissioner of the Department and is a member of the National Guard.

The Division of Veterans Services assists veterans who are residents of New Hampshire, or their dependents, in securing all benefits or preferences to which they may be entitled under any State or federal laws or regulations. Chapter Law 273, Laws of 2019, renamed from the Office of Veterans Services, under RSA 115, to the Division of Veterans Services within the Department of Military Affairs and Veterans Services under RSA 110-B. The NH State Veterans Cemetery provides and maintains a final-resting place to honor all veterans and eligible dependents. The Cemetery files for the veteran's federal burial benefits, which are deposited into the Veterans Cemetery account when received.

The Division of Community Based Military Programs (CBMP) facilitates military and civilian partnerships, and according to the Department's website, the Division was originally created in 2008 as a Bureau at the New Hampshire Department of Health and Human Services (DHHS). Pursuant to Chapter Law 273 Laws of 2019, the Bureau moved from the DHHS to the Department

of Military Affairs and Veterans Services and became the Division of Community Based Military Programs.

The Department's mission is to secure the homeland; fight America's wars; and build partnerships by:

- Providing the Departments of the Army and Air Force with operationally ready units and personnel in support of the total force, and for war or national emergencies as ordered by the President; upon declaration of war by the congress; or as otherwise specified by federal law.
- Providing the State and its counties, cities, and towns with operationally ready units and personnel to protect life and property and to preserve the internal security of the State when ordered by the Governor.
- Forging and maintaining associations with our civilian and military partners at the local, State, Federal, tribal, and global levels.

All financial activities (revenues and expenditures transactions) subject to this audit were processed at the Department of Military Affairs and Veterans Services located at 1 Minuteman Way in Concord, New Hampshire.

The Department's financial activity is accounted for in the State of New Hampshire's General Fund and Capital Projects Fund and is funded mainly by federal revenue reimbursements. The Department expends funds in accordance with the terms of a Master Cooperative Agreement (MCA) which provides federal support for services provided by State Military departments for authorized facilities for leases; real property services, maintenance and repair; operations and maintenance; and minor construction costs; as well as several Military Construction Cooperative Agreements (MCCAs) which provide federal support for the construction of military facilities, real property improvements, and design services.

The majority of the Department's revenues consist of federal reimbursement of funds expended under the MCA and MCCAs. The Department also receives a small amount of agency income for the sale of veterans decals, and veterans burial fees.

The Department records its revenues and expenditures in the General Fund and Capital Projects Fund, across 61 different accounting units in the State's accounting system, NHFirst. During the nine months ended March 31, 2022, the Department's financial activity was as follows:

Objectives, Scope, And Methodology

Revenues and Expenditures for the Nine Months Ended March 31, 2022 (UNAUDITED)

Revenues	General Fund	Capital Projects Fund	Total
Federal Operating Grants	\$ 8,754,520	\$ 2,195,984	\$ 10,950,504
Burial Fees	96,500	-	96,500
Other	4,108	-	4,108
Total Revenues	\$ 8,855,128	\$ 2,195,984	\$ 11,051,112
Expenditures			
Salaries And Benefits	\$ 8,060,145	\$ -	\$ 8,060,145
Maintenance And Repair	6,570,445	3,059,404	9,629,849
Utilities	2,214,975	-	2,214,975
Security Services	1,485,521	-	1,485,521
Current Expense	520,928	-	520,928
Construction	-	212,086	212,086
Rents And Leases	189,801	-	189,801
Interagency	141,328	-	141,328
Equipment	127,246	-	127,246
Workers' Compensation	119,000	-	119,000
Grants	90,000	-	90,000
Other	40,209	-	40,209
Total Expenditures	\$ 19,559,598	\$ 3,271,490	\$ 22,831,088

Source: NHFirst General Ledger Transactions For The Nine Months Ended March 31, 2022

OBJECTIVES, SCOPE, AND METHODOLOGY

Audit Objectives

1. Assess the control environment, including management's policies and procedures for the establishment and maintenance of an effective control system over the receipt, deposit, recording and reporting of the Department's revenues, and the authorization, payment, recording, and reporting of its expenditures.
2. Assess the adequacy of the design of internal controls over the receipt, deposit, recording, and reporting of the Department's revenues, and the authorization, payment, recording, and reporting of its expenditures.
3. Assess the establishment/implementation of the controls as designed.
4. Assess the operation of the controls, including:

- Functional compliance with written policies and procedures, laws, rules, contracts, and grant agreements related to the Department's revenues and expenditures.
- Functional compliance with stated (but not necessarily documented) policies and procedures related to the receipt, deposit, recording, and reporting of the Department's revenues, and the authorization, payment, recording, and reporting of its expenditures.
- Adequacy of segregation of duties and responsibilities related to the receipt, deposit, recording, and reporting of the Department's revenues, and the authorization, payment, recording, and reporting of its expenditures.

Audit Scope

The scope of our audit included the Department's controls over the receipt, deposit, recording, and reporting of revenues and the authorization, payment, recording, and reporting of expenditures.

The audit period was July 1, 2021 through March 31, 2022.

Audit Methodology

1. Interview Department personnel.
2. Review control documentation, including the Department's:
 - Policies and procedures
 - Revenues and expenditures documentation
 - Documentation of systems, applications, forms, and other relevant documentation
3. Review laws, rules, regulations, grant agreements, and policies and procedures related to the Department, including:
 - State statutes
 - Federal laws and regulations
 - New Hampshire administrative rules
 - State-wide policies and procedures
 - Master Cooperative Agreement and Military Construction Cooperative Agreements
 - Internal Department Policies and Procedures
4. Observe revenues and expenditures processes.
5. Review the design and operation of controls through tests of transactions and review and evaluation of supporting documentation.

PRIOR AUDIT

There are no prior audits that specifically addressed controls over the Department of Military Affairs and Veterans Services' receipt, deposit, recording and reporting of revenues and authorization, payment, recording, and reporting of expenditures. The Office of Legislative Budget Assistant (LBAO) issued a financial and compliance audit report of the Adjutant General Department's revenues collected and expenditures paid for the nine months ended March 31, 2007. The Current Status of Prior Audit Findings on page 13 of this report presents the status, as of the end of fieldwork date August 25, 2022, of the comments in the 2007 report that relate to the Department's internal controls over its revenues and expenditures. A copy of the 2007 report can be accessed at the Office of Legislative Budget Assistant's website at: www.gencourt.state.nh.us/lba/AuditReports/FinancialReports.aspx.

FINDINGS AND RECOMMENDATIONS

Observation No. 1

Policies And Procedures Covering The Major Areas Of The Department's Financial Operations Should Be Formally Documented

The Department did not have formally documented policies and procedures in place covering the major aspects of its financial operations.

While the Department did have process documents for the many areas of its day-to-day operations, such as various human resources functions and the entry and approval of purchase orders, payment vouchers, and cash receipts within the State-wide accounting system, NHFirst, many internal control procedures were not documented. Departmental processes that were not supported by formally documented policies and procedures include, but were not limited to the validation of receipt of goods and services prior to payment; the monthly expenditures and revenues reconciliation processes; and the processes for tracking expenditures related to the federal Master Cooperative Agreement (MCA) appendices and Military Construction Cooperative Agreements (MCCAs) and subsequently generating and submitting federal reimbursement requests.

The lack of formally documented policies and procedures increases the risk that revenues and expenditures may be processed and recorded inappropriately, and federal reimbursement requests may be completed inaccurately. This risk is exacerbated by the complex and time-consuming manual processes the Department uses to keep track of its federally reimbursable expenditures.

The Department submits the majority of its expenditures (with the exception of monthly or recurring expenditures relating to utilities, maintenance, and payroll) to the federal program resource manager for review prior to processing them for payment in NHFirst. The validation of receipt of goods and services is completed to ensure that only eligible expenditures are included in the federal reimbursement requests, and to avoid delays in receiving the federal funds. While the Department has documented procedures to follow for the processing of the invoices within NHFirst for payment, the process used to evidence the validation has not been formally documented.

During the nine months ended March 31, 2022, the Department used individual Excel spreadsheets for each of their 41 federally funded accounting units to track approximately \$20 million in federally reimbursable (either fully or partially) expenditures. Each accounting unit spreadsheet tracks the expenditure in separate tabs by class, and within each class the expenditures were further identified by federal fiscal-year (FFY). The expenditure spreadsheets are reconciled to NHFirst monthly and serve as the source for the requests for federal reimbursement. Approximately monthly, the Department reviews each expenditure spreadsheet and manually identifies expenditures that are eligible for reimbursement that have not previously been requested. Separate federal reimbursement requests must be completed for each MCA Appendix and MCCA specifically by FFY.

The Department reports that in prior years it has attempted to work with the Department of Administrative Services (DAS) in identifying a more efficient method of tracking the federal expenditures within NHFirst, but was ultimately unsuccessful in developing a method that could accurately compile its expenditures across the multiple MCA appendices, MCCAs, and multiple open FFYs.

Despite the Department's complex, manual process for tracking federal expenditures and submitting federal reimbursement requests, no errors or inaccuracies were noted during our review of the spreadsheets. However, the lack of formally documented policies and procedures, combined with the Department's complex manual processes for tracking and requesting federal reimbursement of expenditures increases the likelihood of business disruption if key staff responsible for the expenditure reconciliations and preparation of federal reimbursement requests were to terminate employment, or become unavailable for an extended period of time. Without adequate documented policies and procedures, any potential loss of institutional knowledge increases the likelihood that the Department may not be able to continue to perform these functions accurately, efficiently, and effectively.

Recommendation:

We recommend the Department formally document its policies and procedures covering the major areas of its financial operations, including but not limited to: the validation of receipt of goods and services prior to entry for payment in NHFirst; the monthly expenditures and revenues reconciliation processes; and the processes for tracking expenditures related to the federal MCA appendices and MCCAs and subsequently generating and submitting federal reimbursement requests. The written policies and procedures should be approved by management, and in sufficient detail to prevent significant disruption to operations upon the departure or absence of key employees.

During the process of formally documenting its policies and procedures, the Department should look for areas to gain efficiencies in its current processes used for tracking and requesting federal reimbursement of expenditures. The Department should work with DAS to examine current alternatives or opportunities to automate the tracking of federal expenditures and revenues within NHFirst.

Auditee Response:

We concur:

- *That there is room for improvement in documenting some of our high-level processes. While the Department has one-page procedure sheets, we could benefit from organizing processes into a single standing operating procedure. The Department has made a conscious decision to follow the Manual of Procedures and provisions of the MCA to guide day to day operations.*
- *With the recommendation to seek efficiencies. In the past, the Department worked with Financial Data Management and State Treasury to create an automated process to track federal expenditures and revenues within NHFirst. The resulting system was not reliable and resulted in accounting errors for more than 5% of the transactions. Federal and State fiscal systems are not linked and the Department does not operate in the Federal fiscal*

systems. Subsequently transactions must be processed manually. We welcome any assistance in creating a reliable and accurate automated system.

Observation No. 2

Formal Risk Assessment Process Should Be Established And Documented

The Department did not have a formal risk assessment process in place covering the significant areas of its financial operations.

The Department reports that it routinely assesses risk on an ongoing basis during its bimonthly meetings with the National Guard Bureau Federal Grants Officer Representatives and Federal Program Managers as part of managing the Master Cooperative Agreement appendices. However, these meetings address risks as they arise and are more reactive in nature. Additionally, the results of these meetings are not formally documented, and the Department has not identified and documented specific risks to allow it to begin to evaluate and craft a response to mitigate those risks.

Management's assessment of and response to risks facing an organization is an integral component of internal control. The purpose of an entity's risk assessment efforts is to identify, analyze, and respond to risks that could affect the entity's ability to achieve its objectives. An effective and documented risk assessment process should be a core element of management's planning activities and should be an ongoing process.

The absence of formally documented policies and procedures promoting the active review and consideration of risk places the Department in a largely reactive mode where risks may not be recognized in time to allow for efficient and effective avoidance and mitigation.

A similar comment was noted in our 2007 audit.

Recommendation:

We recommend that the Department establish and document a formal risk assessment process for recognizing, evaluating, and responding to risks that could affect the major areas of its financial operations, including the receipt, deposit, recording, and reporting of revenues; and the authorization, payment, recording, and reporting of expenditures. Department employees with related areas of expertise and knowledge of Department operations should participate in the review to ensure that details of operations that may not be obvious to management are appropriately considered.

The risk assessment should be periodically reviewed, and revised as necessary to ensure it remains relevant. The review should be incorporated into the risk assessment process, and formally documented.

Auditee Response:

We concur:

- *That the Department did not document its risk assessment process. The Department assesses risk as part of its bimonthly meetings. While the process is not documented it is formal and methodical. Reviews of risk are routine and ensure that expenditures are allowable, allocatable and attributable. We will document the processes to ensure continuity.*

Observation No. 3

The Department's Arrangement With The National Guard Bureau For The Federal Supervision Of State Employees Should Be Formalized

Eighteen of the Department's approximately 170 employees are supervised by employees of the New Hampshire National Guard (non-State employees). Despite the significant supervisory responsibilities being completed by Federal employees, a current and detailed agreement to outline the roles and responsibilities between the NH National Guard and the Department has not been completed.

Department employees are assigned to projects either fully or partially reimbursed by the Federal government. The projects operate under an appendix to the Master Cooperative Agreement (MCA) or Military Construction Cooperative Agreement (MCCA) and are administered by Federal Program Managers. Due to this close relationship, the Department reports that the NH National Guard supervisors are in the best position to oversee the work of certain State employees.

The NH National Guard supervisors are responsible for approving employee timecards and leave requests within the state-wide Time Management System, and for completing and conducting performance evaluations for the State employees under their supervision.

The Department reports that its MCA with the NGB requires substantial Federal oversight of the federal programs administered by the Department. As a result, the Department purports that the NH National Guard supervisors are in the best position to supervise certain State employees, as they are housed within the same work location, working on the same projects, and would be most familiar with the State employees' hours worked, and the quality of their work performance. While the Department acknowledges that there may be some risk with having State employees report directly to a NH National Guard employee, it has taken some steps to mitigate the risk, including:

- Completing a secondary high-level review of all employee timecards (all timecards have been reviewed and the correct number of hours are listed on the timecard) prior to finalizing the bi-weekly payroll.
- Requiring a secondary Departmental review and approval of any employee performance appraisal or other personnel action initiated by a NH National Guard supervisor.
- Requesting the NH National Guard supervisors complete certain annually required State trainings such as Cybersecurity and Respect in the Workplace.

- Notifying the NH National Guard supervisors of any changes to State timekeeping policies via the same methods it uses to inform State employees in supervisory roles.

A NGB Grants and Cooperative Agreement Policy Letter dated June 23, 2010 outlines responsibilities for Federal supervisors of Department employees. A Department memo dated July 1, 2009 and the Policy Letter require personnel actions such as hiring, reassignment, merit increase, appraisals and disciplinary actions be approved and executed by an authorized Department employee. A Department memorandum dated July 12, 2010 clarifying the Policy Letter dated June 23, 2010 outlines responsibilities for the Federal supervisors has not been reviewed or amended.

Without a formal, current Memorandum of Understanding (MOU) or other formal policy document in place that is signed by both parties and clearly outlines each party's roles and responsibilities in the NH National Guard supervision of State employees, the Department exposes itself to risks that the NH National Guard supervisors could potentially sign-off on State employee performance improperly; or approve timecards that have not been completed accurately or are otherwise not in compliance with State policy. In addition, the arrangement has the potential to create confusion among employees in the areas where NH National Guard and State timekeeping policies may differ, such as: Federal vs. State holidays, ability to work remotely, closing of facilities due to inclement weather, vacation and sick leave policies.

Recommendation:

We recommend:

- **The Department work with the State Department of Administrative Services, Division of Personnel and the NGB to document its arrangement with the NH National Guard for the Federal supervision of State employees in a MOU or other formal policy document evidencing agreement by both parties. The policy document should clearly outline the roles and responsibilities of each party to ensure supervision of Department employees and approval of employee timecards is completed in accordance with State policy. NH National Guard supervisors should be required to review and sign off on their understanding of State timekeeping and human resources policies prior to gaining access to the Time Management System or completing any oversight duties. The policy document should be periodically reviewed to ensure it remains current and relevant.**
- **The Department's secondary, high-level review of employee timecards should be strengthened to include evidencing the review.**
- **NH National Guard supervisors receiving access to the State's Time Management System should sign a confidentiality agreement prior to receiving such access. The agreement should underscore that they will have access to personal and confidential personnel information and that they are not to disseminate that information.**

Auditee Response:

We concur:

- *That the Department will clearly outline the roles and responsibilities of Federal supervisors to ensure supervision of Department employees and approval of employee*

timecards is completed in accordance with State policy. These responsibilities will be clearly outlined in an appropriate policy document. This includes ensuring all supervisors understand State timekeeping policies, including any concerns for confidentiality, prior to gaining access to the Time Management System or completing any oversight duties.

CURRENT STATUS OF PRIOR AUDIT FINDINGS

The following is a summary of the status, as of August 25, 2022, end of fieldwork date, of the observations contained in the Audit Report of the Adjutant General's Revenues Collected and Expenditures Paid for the nine months ended March 31, 2007 that relate to the internal controls over revenues and expenditures. That report can be accessed at, and printed from, the Office of Legislative Budget Assistant website:

www.gencourt.state.nh.us/LBA/AuditReports/FinancialReports.aspx

<i>2007 Audit Comments</i>		<u>Status</u>	
<i>Internal Control Comments</i>			
<u>Significant Deficiencies</u>			
2007-1	<p>The Department Should Seek Federal Reimbursement For All Allowable Costs Including Workers' And Unemployment Compensation Costs</p> <p><i>Review the cooperative agreements and their appendices to ensure the Department is recovering all allowable costs from the federal government. Determine the possibility of recovering previously unrequested federal participation in funding workers' and unemployment compensation benefits for federally funded State employees.</i></p>	●	●
2007-2	<p>Policies And Procedures For Kelly Days Should Be Formalized</p> <p><i>Policies and procedures for the use of Kelly Days should be formally documented. The Department's business office should take an active role in monitoring the accrual and use of Kelly Days to ensure they are used as intended.</i></p>	●	●
2007-3	<p>Risk Assessment Practices Should Be Formalized And Documented For The Department's Business Office Functions.</p> <p><i>The Department should adopt and implement a formal risk assessment process. (See current Observation No. 2)</i></p>	○	○
2007-4	<p>The Department Should Coordinate With The National Guard Bureau To Ensure Timely Federal Reimbursements</p> <p><i>The Department should coordinate its efforts with the National Guard Bureau to ensure federal reimbursements are made within the timeframe established by agreement between the Department and the Bureau.</i></p>	●	●

		<u>Status</u>	
Compliance Comments			
<u>Federal Compliance</u>			
2007-5	<p>The Department Should Ensure All Subject Contracts Comply With Federal Suspension And Debarment Provisions</p> <p><i>The Department should implement one or more of the acceptable verification methods to ensure that it contracts with parties that are neither suspended nor debarred by the federal government.</i></p>	●	●
2007-6	<p>Timing Of Requests For Federal Reimbursements Should Be In Accordance With Cooperative Agreements</p> <p><i>The Department should establish procedures to ensure federal reimbursement is requested at least monthly in accordance with the minimum requirement established in the Cooperative Agreements.</i></p>	●	●
<u>State Compliance</u>			
2007-7	<p>The Department Should Seek Governor And Council Approval For Cemetery Regulations, Including Fees For Interment</p> <p><i>In accordance with RSA 110-B:78, the Department should seek Governor and Council approval for change to its regulations, including fees for interment. The Department Should submit all proposed changes to its practice, or fees to Governor and Council for approval prior to effecting any changes.</i></p>	●	●
Management Issues Comments			
2007-10	<p>Relationship With New Hampshire State Veterans Cemetery Association Should Be Reviewed</p> <p><i>The Department should consult with the Attorney General's Office to determine if its services to the organization are appropriate. If deemed appropriate, the arrangement should be documented in a formal memorandum of understanding.</i></p>	●	●
<u>Status Key</u>			<u>Count</u>
Resolved		●	7
Remediation In Process (Action beyond meeting and discussion)		●	0
Unresolved		○	1