

**STATE OF NEW HAMPSHIRE  
OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
AUDIT DIVISION**

**PROPOSED PERFORMANCE AUDIT SCOPE STATEMENT  
BOARD OF NATUROPATHIC EXAMINERS**

In May 2016, the Fiscal Committee of the General Court adopted a joint Legislative Performance Audit and Oversight Committee recommendation to conduct a performance audit of the Board of Naturopathic Examiners (Board). We held an entrance conference with the Board's chair and administrative staff from Office of Professional Licensure and Certification (Office) in August 2016.

**Background**

The Board was established in 1994 to license and regulate doctors of naturopathic medicine to protect the public by ensuring naturopathic doctors met professional standards. To achieve this objective, the Board was to process applications for licensure, review educational credentials, promulgate rules to regulate the profession, and receive and adjudicate complaints against licensed naturopathic doctors. The Board consisted of five governor-appointed members serving five-year terms. Three members were required to be practicing naturopathic medicine, the fourth was required to be a graduate of an approved naturopathic college, and the fifth was to be a member of the public.

As of September 2016, New Hampshire was one of 17 states allowing and regulating naturopathic practice, three states banned the practice of naturopathic medicine, and the remainder did not regulate naturopathy. As of September 2016, the Board reported 89 active licensees in New Hampshire. Applicants for initial licensure were required to graduate from an accredited naturopathic school and take a licensing examination administered by the North American Board of Naturopathic Examiners, or graduate from a naturopathic school approved by the Board which granted degrees prior to 1981. Licenses expired after two years. During the renewal process, naturopathic doctors were required to demonstrate completion of 45 credits of continuing education during a three year period. Twelve pharmacology or pharmacognosy credits were required and the remaining 33 credits could be in a range of health care topics. The Office reported collecting a total of \$18,700 in licensing fees during State fiscal years (SFY) 2015 and 2016.

*Scope Of Practice And The Naturopathic Formulary*

Each state regulating naturopathy defined the scope of practice differently. In New Hampshire, naturopathic medicine was defined as “the prevention, diagnosis, and treatment of human health conditions, injuries, and diseases...[using] education, natural medicines and therapies to support and stimulate the individual's intrinsic self-healing processes.” Permissible treatments included natural therapies, such as dietary therapy, exercise therapy, and counseling. Naturopaths could perform common noninvasive diagnostic procedure such as laboratory tests, x-rays, and electrocardiograms. The practice of surgery and emergency medicine was prohibited, and prescribing medicines was limited to natural and homeopathic medicines. The authority to prescribe controlled drugs was limited to a naturopathic formulary adopted in rule by the Board. Substances eligible for inclusion on the formulary were required to be identical or substantially identical to the molecular structure of a plant or animal substance found in nature.

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Statute created the Council on Doctors of Naturopathic Medicine Formulary (Council) which was responsible for authoring the naturopathic formulary. The five-member Council included: a Board member, a Board-appointed licensed naturopath, a licensed physician appointed by the Board of Medicine, a licensed pharmacist appointed by the Board of Pharmacy, and a member with an advance degree in pharmacology or pharmacognosy selected by the Council. The naturopathic formulary was last adopted in 2009 and, in March 2016, the Council developed an update to be adopted by the Board. The new formulary was a component of rules pending a public hearing in October 2016. The 2009 Formulary listed several natural substances, including some controlled substances such as benzodiazepines. However, other controlled substances, like cocaine and opiates, were specifically excluded from the 2009 Formulary.

*Administrative Support*

The Board was administratively attached to the Department of Health and Human Services through SFY 2015. In July 2015, the Board became a component of the Division of Health Professions within the Office. The Office was responsible for Board administration and day-to-day operations; the Board maintained responsibility for regulating and overseeing naturopathic doctors. Administrative support from the Office included: assistance with processing licenses, corresponding with the public, assisting with the rulemaking process, and accounting. The Board received legal assistance from the Department of Justice.

**Audit Scope**

Our audit will be designed to answer the following question:

**How effective was the Board at regulating the naturopath profession during SFYs 2015 and 2016?**

To address this question, we plan to:

- review relevant State and federal statutes, rules, policies, procedures, plans, and guidelines;
- interview Office personnel, Board and Council members, and external stakeholders;
- observe any Board and Council meetings occurring during the audit;
- review similar audits and evaluations from other states; and
- review Board and Council files and records.

Audit work will not be limited to the audit period where management control weaknesses outside the audit period affected Board effectiveness during the audit period.

We anticipate completing this project in January 2017 and presenting the final report to the Fiscal Committee at its February 2017 meeting.

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**GLOSSARY OF TERMS**

Controlled drugs are any drugs or substances, or immediate precursors, which are scheduled according to State law and rules.

Natural medicines are food, food extracts, vitamins, minerals, enzymes, digestive aids, whole gland thyroid, plant substances, homeopathic preparations, and topical medicines.

Homeopathic medicines are medicines prepared according to the Homeopathic Pharmacopoeia of the United States.

Pharmacology the scientific study of drugs and how they are used in medicine.

Pharmacognosy is a branch of pharmacology dealing with medicinal substances of biological origin, especially medicinal substances obtained from plants.

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**PROPOSED PERFORMANCE AUDIT SCOPE STATEMENT  
COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE**

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In August 2016, the Fiscal Committee of the General Court adopted a joint Legislative Performance Audit and Oversight Committee recommendation to conduct a performance audit of the Community College System of New Hampshire (CCSNH). We held our entrance conference with CCSNH management during the same month.

**Background**

RSA 188-F:1 established the CCSNH to provide a well-coordinated system of public community college education offering, as a primary mission, technical programs to prepare students for technical careers as well as general, professional, and transfer programs, and certificate and short term training programs. The mission of the CCSNH “is to provide residents with affordable, accessible education and training that aligns with the needs of New Hampshire’s businesses and communities, delivered through an innovative, efficient, and collaborative system of colleges.”

Established by the Legislature as a body politic and corporate in 2007, the CCSNH is overseen by a 24 voting member Board of Trustees (Board), which has broad authority to manage the system, including all colleges.<sup>1</sup> Voting members are appointed by the Governor, and confirmed by the Executive Council. The Board has the authority to appoint the CCSNH Chancellor. CCSNH campuses are currently located in Berlin, Claremont, Concord, Laconia, Manchester, Nashua, and Portsmouth. Each campus is overseen by a president who is nominated by the Chancellor and approved by the Board. According to the CCSNH, enrollment at the seven colleges totaled 27,636 for the 2015-2016 academic year.

Effective 2011, all functions, powers, duties etc. of the former Department of Regional Community-Technical Colleges were transferred to the CCSNH Board. Since that time, the Chancellor’s Office has become the central administrative hub for the CCSNH, providing general administration and typical business-type supports. This includes information technology, finance, human resources, legal counsel, and risk management. The Chancellor acts as the chief executive for the system and is assisted by a Vice Chancellor (currently vacant), an Associate Vice Chancellor for Human Resource Planning and Development, and an Associate Vice Chancellor for Finance and Strategic Planning. The system office consists of 55 staff, excluding the seven college presidents who report directly to the Chancellor, of which 42 positions are currently filled.

The seven colleges that make up the CCSNH operate somewhat independently by each of their respective presidents, and follow varied organizational configurations. Each president is typically assisted by a Vice President of Student Affairs and a Vice President of Academic Affairs with additional business office, human resource, and information technology personnel reporting directly to the president. Some campuses may also have public relations, marketing, maintenance, institutional research, or corporate affairs personnel reporting directly to the

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<sup>1</sup> Prior to August 20, 2016, the Board of Trustees consisted of 23 voting members.

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president. The CCSNH reported offering, for the 2016-2017 academic year, 130 Associate's degree programs and 150 certificates through at least one of the seven colleges.

The Community Colleges of New Hampshire Foundation (Foundation) is a tax-exempt nonprofit corporation that seeks to locate and secure private funds and grants in order to supplement the traditional revenue sources of CCSNH. The Foundation's mission is to provide greater access to educational opportunities through financial assistance for student scholarships, program development, and enhancements to college facilities. Its executive director is an employee of CCSNH, and its assets and all activity are included in CCSNH's financial statements as a discretely presented component unit.

**Audit Scope**

Our audit period will include State fiscal years 2015 and 2016, and will seek to answer the following question: **How efficient and effective was the Community College System of New Hampshire?** Specifically, we will determine:

- Were CCSNH administrative operations efficient and effective?
- Was CCSNH financial management efficient and effective?
- Did the system efficiently and effectively utilize the Foundation?
- Was the System Banner Revitalization Project planned and executed efficiently and effectively?

To address these questions, we plan to:

- review relevant State and federal laws and rules as well as CCSNH and Foundation policies, procedures, plans, reports, and performance measures;
- research industry practices;
- review financial and administrative operations;
- observe relevant CCSNH and Foundation board and committee meetings and review meeting minutes;
- interview key CCSNH and Foundation staff and stakeholders; and
- conduct a survey of CCSNH faculty and staff.

We anticipate completing this project in March 2017 and presenting the final report to the Fiscal Committee at its April 2017 meeting.