

**LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE**

Legislative Office Building, Room 212

Concord, NH

Monday, March 6, 2017

**MEMBERS PRESENT:**

Rep. Lynne Ober, Chair

Rep. Lucy Weber

Rep. Raymond Gagnon

Rep. Richard Barry

Sen. John Reagan

Sen. Bob Giuda

Sen. Jay Kahn

(The meeting convened at 1:00 p.m.)

**1. Organization and election of officers.**

**\*\*** JOHN REAGAN, State Senator, Senate District #17: Call the meeting to order. The first order of business is the election of a Chairman, and I would nominate Representative Ober.

LUCY WEBER, State Representative, Cheshire County, District #01: I would second the nomination.

(Representative Barry enters the committee room.)

RICHARD BARRY, State Representative, Hillsborough County, District #21: Who did you nominate?

SEN. REAGAN: Any further nominations? Seeing none, all those in favor? Any opposed?

**\*\*\* {MOTION ADOPTED}**

LYNNE OBER, State Representative, Hillsborough County, District #37: I didn't vote.

SEN. REAGAN: All right. Congratulations, Chairman Ober, and the agenda is now yours.

CHAIRWOMAN OBER: Thank you outgoing Chair, Senator Reagan. You did a wonderful job. I shall try to do as well as you did.

**2. Acceptance of minutes of the November 10, 2016 meeting.**

CHAIRWOMAN OBER: We have the minutes from November 10, 2016. Some of you were on the Committee and some of you were not on the Committee. Of the people on the Committee, do you have any additions or corrections to the minutes?

\*\* SEN. REAGAN: I move to accept.

CHAIRWOMAN OBER: Senator Reagan moves to accept the minutes. Is there a second?

REP. WEBER: Second.

CHAIRWOMAN OBER: Of those of us eligible to vote, all in favor? Opposed? Minutes are accepted.

\*\*\* {MOTION ADOPTED}

**3. Current status of ongoing and pending performance audits.**

CHAIRWOMAN OBER: Current status. Please.

REP. BARRY: Madam Chair, am I still on the Committee? I got invited to this.

CHAIRWOMAN OBER: Did you get a letter inviting you?

SEN. REAGAN: Did you get the letter?

REP. BARRY: I got a letter inviting me.

REP. WEBER: I have to look it up. It will take me a minute.

REP. BARRY: I got a letter inviting me, but I didn't see a book here with my name on it.

CHAIRWOMAN OBER: You aren't on Finance anymore. This is the former Chair of Division III of Finance who's now the Chair of Science and Technology who knows perfectly well what these books are. You abandoned Finance.

REP. BARRY: Whew! You kicked me off.

CHAIRWOMAN OBER: Not me.

REP. BARRY: Here we go.

CHAIRWOMAN OBER: Here we go. Please.

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good afternoon. For the record, I am Steve Smith, the Director of Audits for the Office of Legislative Budget Assistant. Congratulations, Madam Chair.

CHAIRWOMAN OBER: Thank you.

MR. SMITH: Since we -- since the November 10<sup>th</sup> meeting, there was one Performance Audit Report that we did present to Fiscal, and that was the Department of Corrections, the Sex Offender Treatment Program. So just make the Committee aware of that.

The listing on your agenda, I'll just quickly run through those.

The Naturopathic Examiners, we did an entrance to begin the audit back in August. The last meeting the Committee approved the Scope Statement. Field work is complete. We are awaiting Agency responses on our Observations. So we are well on our way with the report itself, and we are hoping to complete and present that to the Fiscal Committee in April.

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The Community College System, again, we met with them in terms of an entrance back in August. Last meeting the Scope Statement was approved. Field work is ongoing. We have campus visits, surveys, so we are in the thick of it there. And we are looking at completion of that audit in the spring.

Very similar with the Real Estate Brokers. Entrance was held in December. Scope Statement will be discussed in a moment for your approval, your consideration, and field work is ongoing. And, again, we are targeting the spring time for completion of that audit as well.

The Control Drug Prescription and Health and Safety Program, for the benefit of some of the new members, we have a statutory deadline for that of December 31<sup>st</sup>. So we are looking to begin that at the end of this month, maybe early April, depending upon when we can meet with the Board of Pharmacy and get on their agenda, and then we'll begin that audit.

The Air Resource Division, Department of Environmental Services, we did begin that about a year ago. Had an entrance meeting but with other topics that became a priority with the last Committee that was tabled, and so we'll pick that up. Probably once we complete a couple of these other ones, we'll continue on with that one.

And, lastly, the DoIT, Department of Information Technology. We have not begun any work on that at all. There are two additional handouts, really just informational items for the Committee. One is titled potential performance audit topics. That's a historical listing this Committee has worked from in the past to give us topics. If you have any you'd like to add to that list, you can certainly let myself or Jay know through e-mail. You do not need any topics at this meeting. We have plenty to do for the balance of the spring and into the summer. But perhaps the next meeting we will look for some topics for consideration.

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And the second handout there is a listing by agency and when or if we had done a performance audit at that agency. Again, that's just for your information as to know where we have been over the last 10 to 20 years. So that completes the status. Any questions the Committee Members might have?

CHAIRWOMAN OBER: Senator.

JAY KAHN, State Senator, Senate District #10: Thank you. I wanted to ask you about the Information Technology Department Audit.

MR. SMITH: Hm-hum.

SEN. KAHN: I noticed that there are some in the intent in House Bill 2, there's the suggestion to possibly combine resources for IT with some other IT resources that are distributed through State Government. Ask Representative Ober. Are you more familiar with this?

My point here is I don't know the staffing levels that there are to the current department and what the implications might be for that department relative to its scope and staffing changes that are the result of combining offices. It's just the manner of the scope on that that I'm questioning. Is it broad enough to give enough of the information that might be useful for other considerations?

CHAIRWOMAN OBER: No. May I?

MR. SMITH: Sure, go ahead.

CHAIRWOMAN OBER: I Chair Division I. Representative Barry used to Chair Division III. Representative Byron does that now. We had a joint meeting with the Commissioner of DoIT and HHS. This is a request of both agencies because it would be more efficient and effective. And, actually, during the Joint meeting I had gotten LBA to give us a listing of staff and Representative Rosenwald, I love her sense of humor, but she's

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sitting there and the lady is answering questions and she held up her hand to ask a question. She said, "Are you so and so?" And she answered yes. And she said, "Are you a dentist? Because you have an IT person at HHS with a job title of New Hampshire State Hospital Dentist being a project manager because HHS doesn't know how to do the job titles." Wants to get them transferred over to the agency that knows. This will not be done in this budget. It will be something we work on after the budget passes, fall and summer, to produce a bill to finally have it.

Secondly, we've had in HHS what I would call an internal breach that got a lot of noise in the newspaper. It was poor staffing of good IT practices. It was poor practices. We literally had a staff member over there sign-on to a public computer in the hospital, leave her sign-on on, walk away, she had access to patient records. A patient who knew something sat down and did it. So that might be what you would call an inside job. So, again, that training needs to be centralized.

So the HB 2 sections are to look at how we would move forward with additional legislation for full public hearings next year, as opposed to being the purpose of this audit. Representative Weber.

REP. WEBER: So that leaves me with the question does it make sense to do this audit relatively speedily so there would be some information available, which I think is what your question was. And knowing the process, it's unlikely it would be finished before the budget process was, but --

CHAIRWOMAN OBER: You won't get anything.

REP. WEBER: But the question is should we just leave this until later because if we are going -- I mean, the question is will it inform or will it just get in the way of making the changes?

CHAIRWOMAN OBER: I don't know how it would get in the way, but it won't give you any data because right now the IT people

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were talking about our HHS employees and this is an audit only of DoIT; isn't that correct, Mr. Smith?

MR. SMITH: Correct. That's my understanding.

CHAIRWOMAN OBER: You'll get nothing out of it that would help that.

REP. WEBER: Thank you.

CHAIRWOMAN OBER: But we don't, you know, performance audit is pretty narrow. And when we look at the scope, you'll see we look at -- it's not a broad look at everything in an agency. So we might not get something anyway. I mean, this performance audit we are going to look at was a basis of we combined them last year with the Joint Board, and do we want to know how things are going, so a year later. So that might be what you'd see with what DoIT and HHS are proposing. Do you have any other questions? Representative Barry?

REP. BARRY: Thank you.

CHAIRWOMAN OBER: Always good to see you.

REP. BARRY: To follow-up on Representative Weber's concept. At some point in time we need to -- we need to understand whether the IT should be multiple pigeon holes with one --

CHAIRWOMAN OBER: Centralized or decentralized.

REP. BARRY: Probably going to wind up to be the combination. Do you see anything coming out of the audit that as we have given it to you that would help us along those directions or is yours more focused on what they're doing today, not what we might like them to take on in the future?

MR. SMITH: I would say my initial response what they are doing today. We haven't really applied any resources to the topic yet. It's just the topic that was granted to us.

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Obviously, as we develop and plan and look at the scope, we could give consideration to that to see if there's something; but at this point we really haven't done much with it.

CHAIRWOMAN OBER: Follow-up.

REP. BARRY: Will we -- will we be able to get a sense of -- of how many different databases that there are being used out there now and whether they're all interoperable? From my understanding out there, if you got something in DMV that nobody in another area could access, but some of the data is the same that come up.

JAY HENRY, Audit Supervisor, Audit Division, Office of Legislative Budget Assistant: Yeah.

MR. SMITH: Jay, if you want to --

MR. HENRY: I think back ten years ago we did an audit of DoIT right after it was formed. Before that, every agency had their own IT people and we would go in to audit and, you know, they had all these kinds of systems. Nothing was standardized. If someone knew a program in one agency, that's the program they used, maybe not the most cutting-edge program. So at least DoIT was trying to standardize a lot of the procedures and policies; but, of course, every agency lost IT people that they controlled directly, and they had to pay DoIT a fee every year, and they didn't like that either. So there's always that balance of maybe standardizing things, getting better, more security; but agencies lost control over things they used to have.

So we'd be following up on that audit and as an audit we always sort of look what have they been doing up until this point. We don't do a lot of, you know, what's the best policy going forward, because that's really a matter for the Legislature.

REP. BARRY: Part of what I'm looking at is how do we get ourselves to one-stop shopping where somebody comes in, a

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customer, the taxpayer, whether it be a business person who wants to get different permits; but each place has different sets of database, and you can't talk to one another. I don't know if there was any way you'd be looking at any interoperability. Probably not but --

MR. HENRY: Yeah. In fact, the -- the audit that you're going to be looking at the Scope Statement, the Office of Professional Licensure, they do have a software where all these different boards are licensing using the software. That's an example of where that's happening. And we have members from that office here if you have questions about that.

REP. BARRY: So we are going the right way, I think.

CHAIRWOMAN OBER: I think we are going the right way. And even though we centralized, we do have embedded staff. So we have IT staff who are working for DoIT but have an office and spend 100% of their time housed in the agency. So they become an agency expert and -- but they have more -- maybe it's the one-stop shopping mentality because they're all working for one organization, if that's what you want to call it.

REP. BARRY: Thank you.

CHAIRWOMAN OBER: Any other questions? Want to look --

REP. BARRY: Not on that. I do have one on the Real Estate Commission.

CHAIRWOMAN OBER: Yeah. Well, I think we are going to get a Scope Statement here.

MR. SMITH: Yes, I'll ask Jay to come up and present that.

REP. WEBER: While we are switching off, Madam Chair, I will just say that when I first talked to this Committee, the 2017 for the drug one sounded like a long way off; yet, here we are.

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CHAIRWOMAN OBER: I was thinking that myself; but it is what it is and here we are.

REP. WEBER: And here we are.

**4. Discussion and approval of Scope Statement for the Real Estate Commission performance audit.**

MR. HENRY: All right. What I can do is just give you a real high-level overview of the Scope Statement.

CHAIRWOMAN OBER: Yep.

MR. HENRY: For new members, this Committee gives us topics. We go out and we do planning work for probably two months or three months. We come back with basically an audit question which you'll find on Page 3. And after we have learned about the agency and we come back here to get your approval on is this the question you want us to answer, sometimes the Committee will change it a little bit or expand it and that's your role.

So the Real Estate Commission regulates real estate brokers and salespersons and ensures that they meet and maintain minimum standards for promoting public understanding and competence in real estate transactions.

There are five Commission Members, including two licensed real estate brokers, one licensed real estate salesperson, one attorney, and one public member who have the authority to set fees, issue licenses, hold hearings, issue orders, subpoenas, and initiate rulemaking.

The Commission used to have an Executive Director, but in November of 2015 the Commission was consolidated into the Office of Professional Licensure and Certification, and the Commission staff were placed under the supervision of the office.

In State Fiscal Year 2016, the Commission collected approximately \$1.1 million in revenue and OPLC estimates that the Commission had \$406,000 in allocated expenses. State Law

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prohibits anyone from acting as a real estate broker or salesperson without a license.

If you look at Table 1 on Page 2, as of January 26, 2017, the Commission had over 12,000 active and inactive licensees. Continuing education instructors are required to have their courses accredited by the Commission. As of February 2017, the Commission had over 400 accredited continuing education courses.

State Law allows the Commission to suspend, revoke, or deny the renewal of licenses, levy fines, or require additional education courses of licensees.

During 2016, the Commission received 43 complaints, 17 of which had no action, three resulted in a hearing, and three resulted in settlement agreements, and two resulted in other types of disciplinary action.

Down at the Scope Statement we will focus on did the Real Estate Commission operate efficiently and effectively between July 1, 2013, and December 31, 2016. And we will specifically look at how efficiently and effectively the Commission processed licenses, complaints, examination registrations and continuing education; maintained adequate controls over its administrative operations, and how efficiently and effectively it's regulating the real estate industry in New Hampshire. And to address these we plan to look at laws, rules, policies, procedures; interview the Commission and the office personnel and staff, and including external stakeholders. We may survey Commission licensees. We'll review audits, evaluations, and guidance that we have seen done in other states. We will review and analyze the files that are maintained at the Commission, including complaint files, licensing, and education provider files. And we'll compare Commission practices to our relevant guidelines, laws, and accepted practices.

And that's --

CHAIRWOMAN OBER: Questions for LBA on the scope?

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REP. BARRY: I have a few, if I may? How do we know overall that -- that -- that they're doing their job and there's a control oversight, control environment over?

MR. HENRY: One of the things we'll be doing as we look at the files, especially we'll be comparing all the actions they're taking to what's in law and what's in rules. Are they following, you know, what they're supposed to be doing. So that's one aspect of compliance. We also want to talk -- we'll talk to the stakeholders, the people who are interested, the licensees, and to see if there's any feedback, if we hear from the people getting served by the office.

CHAIRWOMAN OBER: Follow-up.

REP. BARRY: Thank you. Are there requirements for them to report back to the Legislature as to what -- what they have done and whether they have done well or done poorly or need some changes to legislation?

MR. HENRY: Do you mean as a result of the audit?

REP. BARRY: No, no. You know, if that's in place today.

CHAIRWOMAN OBER: You want to know if State Law says that?

REP. WEBER: I don't think there's any requirements that they report back.

CHAIRWOMAN OBER: The agency is here. Are there requirements that they report back?

LINDA CAPUCHINO, Division Director, Division of Technical Professions, Office of Professional Licensure and Certification: No, not to the best of my knowledge. We don't have -- there was some discussion about that last year when there was a different House Bill, but they elected to send it to the Audit Committee instead.

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CHAIRWOMAN OBER: Follow-up.

REP. BARRY: Is there an appeal process where somebody complains to the Board and they don't get an action taken on it, will they come get relief?

MS. CAPUCHINO: There is not an appeal process for a complainant. Is that what you mean? So somebody complains, and the Board votes to take no action, then there is no avenue other than the civil court for the complainant to pursue that. However, if the licensee has a disciplinary action taken against them, then that complainant does have the right to appeal. A lot of the Boards go straight to the Supreme Court. This particular Commission goes -- their appeals go to Superior Court. So the licensees can appeal, but the complainant has no right of appeal once the Commission, I mean, you know, votes on it.

REP. BARRY: And I would expect that the Board -- that the audit will look at those and see that those are reasonable.

MR. HENRY: Look at -- look at any kind of court cases?  
Yes.

MS. CAPUCHINO: They do get a response -- if I may, Madam Chair? They do get a letter closing it out stating that the Committee did vote. They get the minutes as well, but then they also get a letter stating that there was insufficient evidence to determine to take disciplinary action against them based upon the statutes or rules that were alleged to have been violated.

CHAIRWOMAN OBER: Before Senator Giuda asks a question, I do think that what we get from a performance audit may or may not lead us to file legislation after we hear what it is. Senator Giuda.

BOB GIUDA, State Senator, Senate District #02: Thank you, Madam Chair. Is there any mechanism through which the ethics or the unethical actions potentially of the Board itself can be reviewed? I state that -- if I may, Madam Chair? You have one public person on there, the rest of them are professionals. If I

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was a person in the public come forth, de facto the Board is stacked against me because I'm making a complaint against somebody in that field. And so the question I have is if we have no means of recourse, except going to court, that makes lawyers rich and doesn't solve a lot of problems.

CHAIRWOMAN OBER: Maybe you should file a bill.

SEN. GIUDA: I'm just wondering if there was a mechanism to, in fact, maybe reshape the Board itself, the Commission itself, so it's a little bit more friendly towards the people it's supposed to be serving.

MR. HENRY: I would say this Board is probably set up very similar to most of the other boards that under the office as far as most of the members are of the profession and they try to have at least one public member, again, to have someone, you know, the non-professional involved. I mean, this office actually -- this Board actually has two sort of non-licensees.

SEN. GIUDA: One's an attorney; right?

MR. HENRY: Right.

CHAIRWOMAN OBER: Representative Weber, followed by Senator Reagan.

REP. WEBER: I would just say, I mean, of course, it depends on the individuals of any given board; but having as a former attorney been under licensing boards, and then before that as a teacher, there's a huge impetus if you sit on one of these boards to make sure that the rotten apples are weeded out because, you know, it doesn't -- it doesn't help the profession. It doesn't help the people who are in the profession. And I know that we've had, when I sat on ED&A, we had all kinds of questions about folks who were coming from out-of-state and making inroads and making sales in the state and that was an issue that we took up at one point. That's probably two different things combined into one thought. But -- but the other

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thing I was also going to say is that just as a result of the comment earlier, one of the things that we get in the report is recommendations for further --

CHAIRWOMAN OBER: Yes.

REP. WEBER: -- for further action. If there is a problem identified that needs statutory action to be -- to address it, that actually goes right in the report.

CHAIRWOMAN OBER: And once the Fiscal Committee accepts the report, it does get posted. The audit gets posted on the LBA website so everybody can easily see it. And if you want to file a bill, the recommendations are there for everybody. Senator Reagan, you had your hand up?

\*\* SEN. REAGAN: I move to accept the Scope Statement.

CHAIRWOMAN OBER: Senator Reagan moves to accept the Scope Statement. Is there a second?

SEN. GIUDA: Second.

CHAIRWOMAN OBER: Senator Giuda seconds. Is there more discussion? Please.

SEN. KAHN: One last. So in the category of risk, it's one of the considerations of your audits, what I have heard from folks in the industry is one of the greatest risks in the timing of executing agreements is the appraisal process. And I recognize that appraisal -- appraisers are of a different Commission.

MR. HENRY: Hm-hum.

SEN. KAHN: And licensed differently. And so in this thought is the concern that that is a profession that does not have a ratio of one licensee per hundred households in the state. It, in fact, is one of the barriers to completing sales in a timely manner, as I understand it, because of the lack of appraisers

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and the attrition in that profession. So on the path of evaluating risk is why I previously wrote Mr. Henry and to ask if that was part of this scope. It's not, I understand; but I think we are missing one of the consumer's points of risk when we look too narrowly at just this licensing and not more broadly at how the public is served by this profession.

RAYMOND GAGNON, State Representative, Sullivan County, District #05: Madam Chair.

CHAIRWOMAN OBER: Representative.

REP. GAGNON: To help maybe complicate the matter, ED&A last session had a bill in regards to the Real Estate Commission. It was drafted by a realtor. Its concern and focus that was expressed was looking at the process and the procedures of the sort of the Licensing Board and in relationship to the Real Estate Board. Hum -- and when I look at your scope, I think you're reflecting very nicely the sentiments that were expressed in that Committee. And I think one of the reasons why, as I recall, the reason we pulled back from the Committee in regards to this was the scope audit. So I just want to say that I think you're addressing exactly what ED&A Committee requested you to do. And I know there was some lost correspondence between outgoing Chairman Christie and the present status; but I think this reflects very nicely what we were talking about. So from our perspective we're happy.

CHAIRWOMAN OBER: Thank you. Thank you for that historical perspective. Seeing no additional comments, we have a motion --

REP. BARRY: I'll second it.

CHAIRWOMAN OBER: -- to accept the scope and it has been seconded by Senator Giuda. All those in favor say aye? Opposed? We voted unanimously.

**\*\*\* {MOTION ADOPTED}**

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## 5. Other Business.

CHAIRWOMAN OBER: We heard earlier we do not need to have -- make any decisions on future audits; but I will tell you you have this paper and then the paper with lines, which Lucy said, and Mr. Henry is willing to listen to any other idea you have. Do we have other business?

REP. GAGNON: I don't know who had their hand up first.

CHAIRWOMAN OBER: Senator Giuda.

SEN. GIUDA: Thank you, Madam Chair. I don't know how many are familiar with the Board of Claims, but I have a constituent who has been eight years arm wrestling with this Board.

CHAIRWOMAN OBER: Why don't you get that in writing to Mr. Henry and we will get it added. We can discuss it at our next meeting and any other topic that we have can certainly be added to the list. Representative.

REP. GAGNON: Yes, thank you. I notice that number five, Department of Cultural Resources, is on the docket. The Governor has made a promotion -- not promotion -- he has planned to merge parts of Cultural Resources with the Department of DRED and come up with a whole new concept. And I guess I'm just -- I don't know what the status of that is, but I'm just wondering if maybe what's -- maybe this should be on the back burner, Department of Cultural Resources, if it's changing. If it's going to change, then --

CHAIRWOMAN OBER: It is changing.

REP. GAGNON: Yeah. So maybe that isn't a priority.

CHAIRWOMAN OBER: I think that's just a listing of the audits -- performance audits that have been done --

REP. GAGNON: Oh, it's not planned for?

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CHAIRWOMAN OBER: -- through March 6, 2017.

REP. WEBER: These are the ones that are just proposals that we threw out but hadn't voted on yet.

CHAIRWOMAN OBER: We haven't voted on.

REP. GAGNON: Oh, okay. I thought that was one of the ones on the docket to be done.

MR. HENRY: Just for your thoughts.

REP. GAGNON: And my thought is that maybe since like it's in flux, maybe that is certainly not a priority.

CHAIRWOMAN OBER: The proposal from the Governor is to disband DRED. You'll have Cultural Resources, State Parks, Forestry, and, unfortunately, my favorite, rest areas along the roads in Cultural Resources. You will have -- the proposal is to have Tourism and Business in the Business Development Agency. We have not had a budget hearing on that yet. That's next week.

REP. GAGNON: Exactly. So I just thought this was what you were proposing as a list of upcoming --

MR. SMITH: It's not a proposal we're making.

REP. GAGNON: Okay, good. Thank you.

MR. SMITH: This is a historical listing that the Committee has used.

REP. GAGNON: I withdraw whatever I said.

CHAIRWOMAN OBER: We have ideas. We get it on the list. We discuss it. So that's where that came from at some point. Representative Weber.

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REP. WEBER: Thank you, Madam Chair. I was just going to bring up something for people to think about a little bit, and this also stems from my time on ED&A. My recollection is that the statute requires, 'cause you were talking about the process, the statute requires, at least for the House, that after the audit is released to the public it's supposed to go to the Committee, to the House Committee that has jurisdiction over the issue.

CHAIRWOMAN OBER: Is that happening?

REP. WEBER: And what happened when I was chairing ED&A was that there simply were not enough minutes in the day to get to the work that we already have in front of us. So certainly didn't happen then. ED&A got all of the licensing ones and all the ones that were left over after Education got the Education ones, and Health and Human Services got the Health and Human Services ones. You know, the ones where you had an agency attached to a Committee. But I think that perhaps it would be a good idea for us to think about this because I don't think, except for the people who have so little lives left that we go on-line and actually read these and somebody decides then to bring a bill because it's necessary. I do think that we have a wealth of information that isn't necessarily getting out to people and I just want people to kind of think about that going forward.

MR. SMITH: We currently, with all of our audit reports, we do send a copy of the report, hard copy of the report to the Chair of any oversight committee that would be appropriate. For example, if it's DOT related, goes to the appropriate, both House and Senate. ED&A typically gets all reports, but it goes to the Chair.

REP. WEBER: Right. And I'm not necessarily saying that you want to change that. And I have to say when I took over as Chair of ED&A, one of the things that we spent weeks doing was getting rid of the reports from years back that were piled to the ceiling, even though they're on-line any way. I think we kept

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one of each. But we had -- we actually at that point had one for every member of the Committee and they wouldn't take them. But I think, and I'll look it up, but I think that people are actually supposed to hold a hearing on it or something like that and I'm not sure -- I'm not sure that's in the statute.

SEN. REAGAN: No, there's a history.

REP. WEBER: Sorry?

SEN. REAGAN: There's a history.

REP. WEBER: Okay. I will retract that part of it, but I just want to think a little bit about --

CHAIRWOMAN OBER: In your spare time you just made something for you to do. I heard that.

REP. BARRY: I make the motion we have a subcommittee of one.

SEN. GIUDA: I nominate.

REP. WEBER: Well, it will give me something to do in the three hours a day I spend in my car. Thank you very much for that.

REP. BARRY: We could have these on books. We could have them converted to books so you can listen to them in the car while you're coming.

REP. WEBER: Oh, please.

REP. GAGNON: In all seriousness --

REP. WEBER: Those minutes are already taken up with other things that I listen to in the car.

CHAIRWOMAN OBER: Do we have any other business?

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REP. GAGNON: I just wanted to reinforce that the ED&A Committee has asked several times what's the status of this Real Estate Commission Audit, and so I'm planning on copying your scope of work 21 times and sharing with the whole Committee.

CHAIRWOMAN OBER: Excellent.

REP. GAGNON: So that's something that I know they would like to see when it is done.

CHAIRWOMAN OBER: Division I had the same question. I'm going to do the same thing. Senator.

SEN. KAHN: I want to understand, Madam Chair, the route that you suggested to Senator Giuda that, for instance, on the real estate appraisers, if I want to suggest a future performance audit to complement the one that we just adopted, I would do so in writing to --

CHAIRWOMAN OBER: To Mr. Henry.

SEN. KAHN: To Mr. Henry.

CHAIRWOMAN OBER: This list was developed by us coming up with ideas. Probably the next meeting they will have to -- we will need to vote on future performance audits so that they are adequately working where they're supposed to be, and they come to us and they say I need to develop more lists. And then we go through and we usually, if they say I need four, then we look at it and we talk about them and say what are your top four, the top four by vote of this Committee in case there were four needed, then move on to the next phase. The bottom lines stay on the list.

SEN. KAHN: The list keeper is Mr. Henry?

MR. HENRY: Or you can come to the meeting and just suggest a topic and people have brought in letters from other -- other

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Representatives and members of the public and it's up to the Committee, really, to decide what audit topics. We just --

SEN. KAHN: Very good.

MR. HENRY: -- try to facilitate that.

**6. Date of next meeting and adjournment.**

\*\* SEN. REAGAN: Move to adjourn.

CHAIRWOMAN OBER: Okay. We would --

REP. GAGNON: Second.

CHAIRWOMAN OBER: -- adjourn to the call of the Chair.

REP. BARRY: Madam Chair, looks like there's a question of --

MS. CAPUCHINO: I just wanted to make one comment. The Real Estate Appraisers Board, which is also under me, is mandated to be audited every two years by the Federal Government, which I know is not you folks. But I think that information is accessible to you and they are coming in May because it's they're two-year cycle; but they do it every two years. They plant themselves there for five days and they go through volumes. So if you would like to, they're coming, I think, sometime in May.

CHAIRWOMAN OBER: More auditing than we actually do. Before we vote on the adjourn motion, Senator Giuda.

SEN. GIUDA: Through the Chair to Mr. Henry, do you have any feedback on how many of your performance audits actually produce legislation or policy changes within departments? Seems to me if --

CHAIRWOMAN OBER: He hasn't been in this position very long. Stephen Fox retired. We wanted to make it so he was slave labor,

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but Senator Reagan can probably give you a background. But Mr. Henry has ably taken over from Dr. Fox; however, hasn't been in the position much longer than you have, Senator, of sitting here so I don't want to put him on the hot seat with something.

REP. BARRY: If I could comment on that. One of the first things we do when an agency has been audited a second time is look at the previous audit and what has happened there. We fix that piece of it.

CHAIRWOMAN OBER: That comes to Fiscal every time we look at that.

MR. HENRY: Part of the audit we say which recommendations may have required legislative action. That's been part of our recommendation summary. That gives a heads-up to the Fiscal Committee where we present audits, you know, they see it there and then if it goes to a Committee, the Committee Chair would also see, oh, there's three Observations that may require legislative action and it's up to the Committees to take that action. There's no follow-up by our office once we release the report.

CHAIRWOMAN OBER: But we will get copies of the performance audits as part of this Committee, too. So you have -- you have that before Fiscal releases it, which is something to plan on for future legislation. So we have a motion to adjourn until the call of the Chair. All those in favor? Thank you for coming.

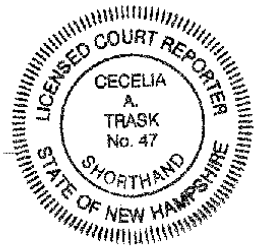
**\*\*\* {MOTION ADOPTED}**

(The meeting adjourned until the call of the Chair at 1:41 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask  
Cecelia A. Trask, LSR, RMR, CRK  
State of New Hampshire  
License No. 47



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