

Completion Status: Open •  
 Partial ••  
 Substantial •••  
 Full ••••

#	Observation Title	Recommendation	Action Item	Due date	Completion Status
1	Adhere to Statutory Purpose & Improve Project Approval Documentation	<i>CDFA focus awards on projects conforming to statutory purpose and ensure purposes are explicitly met and clearly documented to demonstrate conformity with Legislative intent</i>	Implemented specific changes to application and internal review procedures to more specifically identify and demonstrate compliance with legislative intent.	Completed	****
2	Divest from DADCo	<i>Seek statutory changes to form separate corporations; CDFA divest itself from DADCo</i>	CDFA’s authorization allows formation of separate entities.	Completed	****
			CDFA Board and Staff analyzed the long term financial strategy of DADCo. CDFA has explored a list of options including possible restructuring or liquidation.	Completed	****
3	Dissolve Community Development Fund of NH	<i>Dissolve CDF; Seek statutory changes to form separate corporations</i>	CDFA Board dissolved the CDF in February 2015.	Completed	****
			CDFA’s authorization allows formation of separate entities.	Completed	****
4	Define Key Terms	<i>Create administrative rules for tax credit program</i>	CDFA Board reviewed the CDIP application and approval process for the July 2015 round.	Completed	****
5	Measure Outcomes	<i>Develop a formal, comprehensive approach to measuring outcomes to permit measuring progress towards accomplishing goals and objectives, including its statutory purpose.</i>	CDFA leadership recognized the value of this data and staff reviewed to identify specific measurable outcomes that do not create undue hardship on recipients, particularly small municipalities and nonprofits.	Completed	****

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6	Limit Barriers to Accessing Programs	<i>Limit barriers to accessing its programs by seeking to simplify program requirements and facilitating access to its programs by those entities lacking capacity to compete with established organizations.</i>	In the context of its mission, CDFA will hold up to five workshops to help organizations of varying capacity access our programs.	Completed	****
			The Community Development Block Grant program is a federal program. CDFA does provide assistance for potential CDBG applicants; however, addressing any perceived barriers to the CDBG program would require federal action.	n/a	****
7	Adopt Administrative Rules	<i>Promulgate administrative rules for its organization and all of its programs.</i>	CDFA maintains appropriate rules for its organization and programs under the structure provided by the legislature.	Completed	****
8	Improve Compliance with Right to Know & Financial Disclosure Statutes	<i>Conform to RTK and financial disclosure requirements.</i>	CDFA complies with financial disclosure.	Completed	****
			CDFA has instituted changes to bring it into full compliance with all public posting and right to know policies relative to 91-A.	Completed	****
9	Improve Conflict of Interest and Financial Disclosure Policies and Procedures	<i>Establish whether the CDFA BOD Conflict of Interest Policy also applies to the CDAC members, and aligning recusal practices;</i>	CDFA and CDAC Boards have aligned these practices. All CDAC members must comply with applicable CDFA Board procedures.	Completed	****
		<i>Ensure all statements of financial interest are filed with the Secretary of State;</i>	Financial interest statements are filed annually.	Completed	****
		<i>Establish a mechanism to identify whether staff could have a potential conflict of interest with reviewing applications;</i>	Staff is now required to identify potential conflicts and is prohibited from making funding decisions in those cases.	Completed	****
		<i>Establish policies for when it may be deemed appropriate for staff to accept gifts, gratuities, solicitations, or anything of value and establishing policies the requesting approval in these instances;</i>	Reviewed and updated employee manual.	Completed	****
		<i>Establish policies for the Board and CDAC members regarding gifts,</i>	CDFA Board has approved and implemented specific rules in the Board	Completed	****

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		<i>honorariums and expense reimbursements;</i>	manual.		
		<i>Prohibiting members from participating in discussions about projects in which they have a real or potential conflict;</i>	CDFA has instituted more stringent recusal notification requirements.	Completed	****
		<i>Differentiate between an abstention in lieu of a recusal, and a recusal, when members have a real or potential conflict of interest with an entity requesting funds.</i>	CDFA Board Manual has been updated to include specific definitions of these terms.	Completed	****
10	Improve Governance & Management Controls Over Risk and Public Interface	<i>Improve management controls related to public interface by formalizing policy and adopting administrative rules providing for public interaction including complaint and appeal process.</i>	CDIP funding decisions are exempt from appeals per RSA 162-L. CDFA will review unsuccessful applications with applicants upon request. CDBG awards are already appealable for 30 days.	Completed	****
		<i>Management develop the detailed policies and procedures that clearly delegate management responsibilities and submit them to the board for approval.</i>	Appropriate updates were made to board manual.	Completed	****
		<i>Expanding [Board's] understanding of agency operations, including all programs, and procurement;</i>	Staff-board processes were reviewed.	Completed	****
		<i>Improve management controls related to risk by formalizing and institutionalizing a risk management policy, including risks associated with potential fraud, waste and abuse</i>	Staff reviewed and implemented strategies for addressing these recommendations.	Completed	****
11	Improve Management Controls over Purchasing & Procurement	<i>Establish formal contracts with services providers;</i>	Formalized contract with IT services and all other service providers.	Completed	****
		<i>Utilize statewide contracts for purchasing commodities and services to other state agencies.</i>	CDFA maintains appropriate procurement procedures under the structure provided by the legislature.	Completed	****
				Completed	****

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		<i>Establish a purchasing and procurement procedure that is consistent with requirements established in state purchasing and procurement statutes;</i>	CDFA has instituted a new written procurement policy.	Completed	****
12	Improve Management Controls over IT	<i>Formalizing the relationship between CDFA and the IT contractor by defining roles, responsibilities and duties of each party in a written contract.</i>	Addressed in new contract with IT provider.	Completed	****
		<i>Conducting a comprehensive risk assessment</i>	Addressed under new IT contract; written security policy updated	Completed	****
		<i>Developing procedures for monitoring and following up on remote access to IT equipment.</i>	Addressed under new IT contract.	Completed	****
		<i>Ensuring access logs are enabled and reviewed:</i>	New procedures have been implemented.	Completed	****
		<i>Develop a comprehensive agency-wide information security plan including establishment of a password change policy and ensuring staff implement password changes and Securing data access points and limiting physical access to the computer room;</i>	Passwords have been changed. Data access points have been reconfigured to require password access after minimal inactivity time passes.	Completed	****
			Physical access issues addressed.	Completed	****
13	Improve Management Controls over Internal Grant & Loan Programs	<i>Develop formal policy, procedures, and practices for its internal grant and loan programs to ensure adequate management control, transparency, and uniformity in administering them.</i>	Comprehensive policies have been developed.	Completed	****
		<i>The board should exert greater oversight of all CDFA programs to help ensure it fulfill its governance role.</i>	CDFA Board has enhanced its oversight role focusing on ensuring compliance with financial and policy initiatives.	Completed	****
14	Improve Advisory Committee, Subcommittee, and Staff Policies and	<i>Develop formal policy, procedures, and practices related to the CDAC, staff and Board-created committees and sub-committees to ensure the</i>	CDFA Board policies have been updated and CDIP applications and review procedures have been updated for the 2014 round.	Completed	****

STATE OF NEW HAMPSHIRE  
 Community Development Finance Authority  
 AUDIT FINDING Corrective Action Plan  
 July 2016 – Final Report

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	Procedures	<i>organization's mission and goals are carried out efficiently and effectively.</i>	CDFA Board meeting procedures have been instituted across all platforms.	Completed	****
15	Improve Annual Reporting	<i>Produce time annual report focused on outcomes, including the entirety of CDFA's operations and ensure required distribution.</i>	CDFA reconfigured its annual reports to be submitted to assure these items are included.	Completed	****