



New Hampshire Veterans Home
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Commandant

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October 8, 2014

Her Excellency, Governor Margaret Wood Hassan
State House
Concord, New Hampshire 03301

Re: Implementation Progress Report, February 2014 LBA Performance Audit of
Internal Controls Over the Budget

In accordance with Executive Order 2014-03 issued by Governor Hassan requiring a report on progress implementing the recommendations of performance and financial audits of any audit issued since January 2013, I am submitting this report to comply with this Order to report on a performance audit on the New Hampshire Veterans Home that was conducted by the Office of the Legislative Budget Assistant that was submitted to the Fiscal Committee of the General Court in February 2014.

The following information lists the observations, the recommendations, the auditee responses, and the implementation progress.

Observation No. 1

The Home Should Adopt Written Policies and Procedures To Guide Budget Process

Recommendation:

We recommend the Home develop and adopt written policies and procedures which define and describe the Home's budget development, approval, and monitoring processes.

Auditee Response:

The Home concurs that we should develop and adopt written policies and procedures which define and describe the Home's budget development, approval, and monitoring processes. These policies and procedures will be developed and in place by May 1, 2014.

Implementation progress:

The Home has adopted written policies and procedures, which define and describe the Home's budget development, approval, and monitoring processes. These policies and procedures were used to develop the current FY16-17 budget that has been submitted to the Governor's Office.

Observation No. 2

The Board of Managers Should Approve Operating and Capital Budgets

Recommendation:

We recommend the Board of Managers formally review and approve the Home's budget requests prior to submission to the Governor's office. We also recommend the Home's management provide the Board with detailed and complete budget documents to aid this review and approval process.

Auditee Response:

The Home concurs that the Board of Managers should formally review and approve the Home's budget requests prior to submission to the Governor's office. We also concur that the Home's management will provide the Board with detailed and complete budget documents to aid this review and approval process.

Implementation progress:

At the July Board of Managers Meeting, discussion took place regarding the needs of the Home in compiling the proposed FY16/17 budget. The Board of Managers have been given the budget package to review and will be meeting on October 20, 2014 at 9:00 a.m. for any questions/recommendations that they have for the FY16/17 Budget of the New Hampshire Veterans Home.

Observation No. 3

The Board of Managers Should Regularly Review Financial Reports

Recommendation:

We recommend the Board of Managers regularly review the Home's monthly financial reports, including budget to actual comparisons, for all operating and capital budget accounting units.

Auditee Response:

The Home concurs that the Board of Managers should regularly review the Home's monthly financial reports, including budget to actual comparisons, for all operating and capital budget accounting units.

Implementation progress:

The Board of Managers have been receiving monthly e-mails from the Home that detail the year to date expenditures, including budget to actual comparisons as well as anticipated expenditures for the remaining year.

Observation No. 4

Additional Appropriations Should Be Requested When Needed

Recommendation:

We recommend the Home seek supplemental appropriations through the Legislative process when facing budget deficits which cannot be resolved through transfers from other applicable class lines or through controlling spending.

Auditee Response:

The Home concurs and going forward we will seek supplemental appropriations through the Legislative process when facing budget deficits which cannot be resolved through transfers from other applicable class lines or through controlling spending.

Implementation progress:

The Home has managed the FY14 budget with a significant lapse to General Funds and is confident in being able to continue to strive towards that goal again this fiscal year. The Home, if needed, will seek supplemental appropriations through the Legislative process if facing budget deficits which cannot be resolved through transfers from other applicable class lines or through controlled spending.

I hope this letter has been helpful in demonstrating the Home's efforts to date in resolving the observations listed.

The Home's mission is to provide excellent care and a very high quality of life for the veterans who choose to make this their home. Your continued support helps to make this a daily reality.

Sincerely,



Margaret D. LaBrecque
Commandant

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