

<b>Agency Name</b>	Department of Safety
<b>Audit Name</b>	Division of State Police
<b>Audit Period</b>	9 Months Ended March 31, 2019
<b>Audit Report Date</b>	July 29, 2020
<b>Status Report Date</b>	March 11, 2024

Summary of Audit Observations/Findings					
Number	Observation Title	Status			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
1	Establish A Formal Risk Assessment Process		X		
2	Establish Audit Trail For Criminal Record Fee Revenues			X	
3	Monitor No-Fee And Reduced-Fee Transaction Activity			X	
4	Management Review And Approval Controls Over Annulments Should Be Established			X	
5	Extra Duty Detail Rate Should Be Reviewed And Formally Documented				X
6	Revenue Reconciliation Controls Should Be Established For Extra Duty Details And Boat Registrations			X	
7	Comply With The Extra Duty Details Policy				X
8	Contractor Application And Invoicing Practices For Extra Duty Details Should Be Reviewed And Documented				X
9	Federal Drawdown Process Should Be Centralized And Subject To An Independent Review And Approval Procedure		X		
10	Vendor Invoices Should Be Paid In A Timely Manner				X
11	FBI Invoices Should Be Reviewed For Accuracy Prior To Payment				X

12	System Access Permissions For Terminated Employees Should Be Documented And Removed Timely				X
13	Establish Disaster Recovery And Business Continuity Plans			X	
14	Adopt A Written Policy For IT Program Changes			X	
15	Administrative Rules Should Be Adopted And Kept Current		X		
16	Statements of Financial Interests Should Be Filed In Accordance With Statute				X
17	Job Performance Evaluations Should Be Completed Annually			X	
18	Employer's Share Of Retirement Contributions Should Be Calculated In Accordance With Statute				X
19	Authority For S416U Wage Schedule Should Be Documented				X
20	Practice Of Awarding Prior Service Credit Should Be Incorporated Into Collective Bargaining Agreement			X	

**Observation 1: Establish A Formal Risk Assessment Process**

Summary of Finding: **The Department and the Division should establish and document its risk assessment process for recognizing, evaluating, and responding to risks that could affect its ability to achieve its financial accounting and reporting objectives. The process should include an IT security risk assessment for the CHRI and VISION systems to ensure the Division's information assets are adequately protected.**

**The Department and the Division should regularly review its financial and operational activities for indicators of risk exposure and establish and monitor controls to address those risks. Division employees with particular areas of expertise and knowledge of Division operations should participate in the review to ensure that details of operations that may not be obvious to management are appropriately considered. A periodic, documented review of the risk assessment by management should be incorporated into the process.**

Current Status: Partially Resolved

The Department has a formal Risk Assessment Policy requiring a regular and ongoing risk assessment of all financial and operational activities on an ongoing basis. This assessment occurs during regular financial management, project management, and quarterly review meetings including representation from the Division of State Police, Division of Administration, and Department of Information Technology (DOIT). The Division of Administration also conducts and documents annual financial risk assessments for the Department. Actions to mitigate risk are identified, implemented, and reviewed as part of this process. Formal documentation of other Division specific risk assessments, including IT systems, remains in process due to significant resource constraints caused by COVID-19 and increased staff vacancies.

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**Observation 2: Establish Audit Trail For Criminal Record Fee Revenues**

Summary of Finding: **The Division should implement policies and procedures for criminal record fee transactions, and establish an audit trail, or perform alternative procedures to gain comfort over the completeness of revenues. If retention of source documentation is not deemed practical, the Division should implement mitigating controls, such as the review of CHRI system activity reports and comparison to actual revenues collected. Additionally, the Division should require and document the applicant's proof of eligibility for waived and reduced-fee transactions**

Current Status: Substantially Resolved

The Criminal Records Unit (CRU) launched a new Criminal Record Portal, which retains the original applicant requests in an electronic form. In addition, all mailed in Criminal Record Request forms are scanned into a folder for the supervisor to complete periodic audits. Transaction audit trails have been built into the system and are used by Management to ensure completeness of revenue collections. An on-demand Daily Waived Report shows the staff member responsible for the fee waiver and the reason for the fee waiver. More reasons for waiving the transaction fee have been added. Formal policies and

procedures requiring regular review of the Daily Waived Report are in process and are expected to be completed by June 30, 2024.

### Observation 3: **Monitor No-Fee And Reduced-Fee Transaction Activity**

**Summary of Finding: The Division should implement controls to monitor no-fee and reduced-fee transaction activity processed by clerks in the CRU to reduce the risk of errors or fraud. The Division should use management reports to periodically review and compare no-fee and reduced-fee transaction activity by clerk to ensure there are no anomalies in the processing of these transactions. This review should be performed by an employee independent of the revenue collection and recording process.**

**The Division should also establish procedures for monitoring compliance with statutes and administrative rules that provide for fee exemptions or reduced fees. These procedures may include the establishment of a memorandum of understanding with eligible organizations or retaining support for the fee exemptions for management's periodic review.**

Current Status: Substantially Resolved

The new Criminal Record Portal has been designed to align all no-fee and reduced-fee transaction activity in accordance with Administrative Rule and Law. Fees have been aligned by requesting agency to ensure proper amounts are charged. In addition, all mailed in Criminal Record Request reduced fee forms are scanned into a folder for the supervisor to complete periodic audits. On-demand reporting and querying of no-fee and reduced-fee transactions is available and used by management on a periodic basis to monitor transaction activity.

Formal policies and procedures requiring regular monitoring and review of no-fee and reduced-fee transactions are in process and expected to be completed by June 30, 2024.

### Observation 4: **Management Review And Approval Controls Over Annulments Should Be Established**

**Summary of Finding: The Division should retain documentation supporting the annulment of criminal records.**

**The Division should also properly segregate duties over the processing of annulments by instituting a documented management review and approval procedure so that no single employee can complete the process without the involvement of another employee. Annulments should not be sent to the FBI until the review and approval process is complete. If management's review and approval cannot be performed prior to FBI notification, a post-processing review should be conducted and the FBI should be informed of any necessary changes to the records.**

Current Status: Substantially Resolved

The annulment process now entails a report that is sent by the FBI the day after an annulment is processed. The supervisor reviews the report to ensure that all annulments that were processed the day before are on the list. In addition, the Department is retaining all corresponding court paperwork supporting each annulment. Supervisors regularly access this shared folder to perform “spot checks” to examine the court disposition findings against the customer’s record and annulment status. If discrepancies are identified, notification is sent to the FBI to rectify the issue. Formal policies and procedures requiring regular review, approval, and retention of annulment transactions are in process and expected to be completed by June 30, 2024.

#### Observation 5: **Extra Duty Detail Rate Should Be Reviewed And Formally Documented**

Summary of Finding: **The Department should perform a thorough review of the \$74 extra duty detail hourly rate charged to contractors to determine whether the rate continues to adequately recoup the costs of law enforcement services provided by State Troopers. If the Department determines a change in the rate is necessary, the Department should ensure the new rate receives the proper approvals from Department and Division management prior to implementation and communication of the new rate to others. The Department should also take steps to fully document the process by which it develops, reviews, and revises the extra duty detail rate.**

Current Status: Fully Resolved

The Department has formally documented the process for calculating the hourly Extra Duty Detail Rate. The Extra Duty Detail rate is determined by the Administrator of the Financial Management & Planning Bureau and reviewed each year for revision to ensure that costs are adequately recovered. Adjustments are reviewed and authorized by the Commissioner of Safety and the Colonel of State Police prior to implementation.

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#### Observation 6: **Revenue Reconciliation Controls Should Be Established For Extra Duty Details And Boat Registrations**

Summary of Finding: **The Department’s Business Office should implement policies and procedures to ensure revenue reconciliations are performed over all significant revenue streams. The Business Office should request the necessary permissions to allow for monthly revenue reconciliations between NHFirst and the underlying records. Reconciliations should be formally documented and include evidence of management review and approval.**

Current Status: Substantially Resolved

The Financial Management & Planning Bureau (formerly the Business Office) has obtained access to the Extra Duty Detail database and now conducts periodic reconciliations of contractor invoices to NHFIRST. The Department has also transitioned to recording all Detail Desk invoicing from the Extra Duty Detail

database into the NHFIRST Accounts Receivable module currently being used for all other Department invoicing. Invoice data entry now occurs on a regular basis. Formal documentation of the revenue reconciliation process will be completed by June 30, 2023.

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#### Observation 7: **Comply With The Extra Duty Details Policy**

Summary of Finding: **The Division should take steps to ensure compliance with the Extra Duty Details Policy for public safety purposes and the continued professional reputation of the State Police. If the Division determines certain provisions of the Policy no longer meet its needs, revisions should be made accordingly and effectively communicated to all Division members to ensure consistency in operations.**

Current Status: Fully Resolved

The Division has updated the Extra Duty Details policy to reflect previously implemented changes including the change in the number of hours worked between scheduled duty days. The new policy was effective and distributed to Division staff on August 1, 2019. The Division has re-training existing Detail Duty staff and reinforced with supervisors the importance of submitting complete and properly approved detail vouchers before processing.

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#### Observation 8: **Contractor Application And Invoicing Practices For Extra Duty Details Should Be Reviewed And Documented**

Summary of Finding: **The Division should review the contractor application used in the extra duty details process to determine if the requirements continue to meet the Division's needs and make appropriate revisions, if deemed necessary. The Division should ensure its practices are aligned with the contractor application requirements and State accounting policies, and those changes should be properly communicated to those seeking services.**

Current Status: Fully Resolved

The Division has reviewed and updated the Extra Duty Details Contractor Application and updated the Extra Duty Details website. In December 2021, vendors were formally notified of the requirement to file applications annually. The Detail Desk will be tracking vendor applications and ensuring that all vendors have completed the application prior to assigning details.

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#### Observation 9: **Federal Drawdown Process Should Be Centralized And Subject To An Independent Review And Approval Procedure**

Summary of Finding: **The Department should review its federal grant reimbursement request process and take steps to ensure that requests are completed consistently across all federal**

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**programs. The Department could consider centralizing the responsibility for preparing federal grant reimbursement requests in the GMU to ensure that all grants are subjected to the same detailed, independent, and documented review and approval procedure as is performed for Coast Guard grants.**

Current Status: Partially Resolved

The Department has reviewed existing federal reimbursement request procedures and has begun developing a single consistent process that strengthens existing controls. The new process adequately segregates duties by requiring the preparation of cash draw support at the Division level for review and reimbursement request processing by the Grants Management Bureau. Completion has been delayed due to significant resource constraints caused by COVID-19 and vacancies in key roles. The Department expects to have the new process in place by June 30, 2022.

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**Observation 10: Vendor Invoices Should Be Paid In A Timely Manner**

**Summary of Finding: The Department and the Division should review the current invoice payment process to identify potential areas to gain efficiencies. Once the review has been completed, the Department should take steps to implement changes to the current accounts payable process to ensure that vendors are consistently paid in a timely manner and in accordance with the payment terms on the invoice.**

Current Status: Fully Resolved

The Department conducted a review of the invoice payment process and identified several areas for improvement. The previous process was re-engineered to ensure timely and accurate payment of invoices. A risk based approach to invoice review was implemented and redundant reviews were eliminated where appropriate. The Department centralized the receipt of vendor invoices and implemented paperless invoice processing which reduced the time required to obtain Division level approvals. As a result of these significant changes, the invoice backlog was eliminated by June 30, 2020 and invoice payments remain current.

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**Observation 11: FBI Invoices Should Be Reviewed For Accuracy Prior To Payment**

**Summary of Finding: The Division should establish procedures to ensure FBI invoices are reviewed for accuracy prior to payment. The review should include a recalculation of the invoice to determine the correct amount was charged, and the proper administrative fees were retained by the State.**

Current Status: Fully Resolved

The Division has established a procedure requiring that the monthly FBI invoice is reviewed and

reconciled against the tangible transactions submitted through the AFIS system prior to approval for payment to ensure the correct amount is charged. Any discrepancies are documented and shared with the FBI for resolution. Formal procedures requiring monthly review of the FBI Invoices are being performed.

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**Observation 12: System Access Permissions For Terminated Employees Should Be Documented And Removed Timely**

**Summary of Finding: The Department and the Division should implement procedures to ensure the access permissions of terminated employees are promptly removed from the CHRI and VISION systems, and all other relevant systems, to avoid IT security threats. Sufficient documentation should be retained to support the revocation of access permissions.**

Current Status: Fully Resolved

The Department of Safety (DOS) currently removes access to the Department network upon termination by disabling the user account within Active Directory. This request is initiated through the Human Resources Management Bureau and in direct communication with Department of Information Technology (DOIT). Both CHRI and VISION systems authenticate users against the centralized Active Directory. Application access gets blocked as soon as DOIT disables the account within Active Directory. To comply with previous audit findings, the CHRI application was enhanced to enforce application level account lockout and maintain complete audit trail of role assignment and removal.

The DOS Human Resources Management Bureau has implemented an off boarding checklist to document revocation of IT access privileges. The checklist and DOIT request form is sent to supervisors and required to be completed and returned to HR after all IT access, including CHRI and VISION system access is terminated. HR requires this form to close a termination file and reconciles any outstanding forms on a regular basis to ensure timely removal of access permissions.

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**Observation 13: Establish Disaster Recovery And Business Continuity Plans**

**Summary of Finding: The Division, in conjunction with the Department, should establish a disaster recovery plan and work towards completing its business continuity plan. The plans should be formally documented and distributed to employees with plan roles and responsibilities, and those employees should be appropriately trained. The Department and the Division should regularly test the plans to ensure the plans remain relevant and effective, and employees are practiced in implementing the plans.**

Current Status: Substantially Resolved



Each Division within the Department has completed a Continuity of Operations Plan (COOP) which is on file in the Office of the Commissioner. These plans detail how mission critical operations would continue during disruptions from loss of facility access, reduced workforce, or equipment and system failures.

A comprehensive Business Continuity plan for IT systems remains in process and documents a disaster recovery and business continuity strategy that involves moving core applications to a vendor hosted environment. Completion has been delayed due to significant resource constraints caused by COVID-19.

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**Observation 14: Adopt A Written Policy For IT Program Changes**

Summary of Finding: **The Department should adopt a formal, written policy for implementing IT program changes to standardize the methods, processes, and procedures in place for such changes.**

Current Status: Substantially Resolved

The Department of Safety (DOS) has worked with the Department of Information Technology (DOIT) to develop an internal policy on IT program changes. DOIT already has a statewide Infrastructure Change Request policy that addresses program change controls. DOIT has expand this existing statewide policy and formalized existing approval procedures for IT program changes that impact DOS systems. Formal documentation remains in process due to significant resource constraints caused by COVID-19 and staff vacancies. The Department expects to have the new formal documentation completed by June 30, 2022.

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**Observation 15: Administrative Rules Should Be Adopted And Kept Current**

Summary of Finding: **The Division should adopt and keep current all statutorily-required administrative rules. If the Division determines certain rules are not necessary, the Division should request a statutory revision.**

**The Division should formalize the reduced fee schedule charged to the DHHS for criminal history record searches by adopting administrative rules or seeking a change in statute. If neither is feasible, the Division should charge DHHS the fees required by administrative rules.**

Current Status: Partially Resolved

The Division completed a comprehensive review of all Criminal History record fees and worked with entities to ensure that all payments are in accordance with fees established in rule and law. The Division will continue to review the remaining rules noted and move to adopt current rules or request a change in statute if rulemaking is determined to be unnecessary. The Criminal Records Unit Supervisor is in the

process of working with DOS Legal to review and updates Administrative Rules as needed. Completion has been delayed due to significant resource constraints caused by COVID-19.

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**Observation 16: Statements Of Financial Interests Should Be Filed In Accordance With Statute**

Summary of Finding: **The Division should establish procedures to ensure all Board and Committee members submit statements of financial interests by the required filing date in accordance with RSA 15-A:3, I (c). As part of these procedures, the Division should consider sending annual reminders to Board and Committee members to remind them of the filing requirements.**

Current Status: Fully Resolved

The Office of the Commissioner sends an annual reminder to all Department of Safety Divisions to ensure timely filing of statement of financial interests for applicable Division members and administratively attached Boards and Commissions. Each Division forwards these reminders directly to related Boards and Commission members notifying them of their statutorily required reporting obligation under RSA 15-A:3, I (c). The Office of the Commissioner maintains record of these annual notifications.

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**Observation 17: Job Performance Evaluations Should Be Completed Annually**

Summary of Finding: **The Department and the Division should implement policies and procedures to ensure all full-time classified employees receive annual performance evaluations, regardless of whether a pay increment is due, as required by RSA 21-I:42, XIII and Administrative Rule Per 801.06 (a).**

Current Status: Substantially Resolved

The Human Resources (HR) Bureau is responsible for supporting performance management activities within each Division. Delays in the timely completion of annual performance evaluations were previously identified and several procedures have been implemented to improve completion rates. Division Directors are now provided with a monthly listing of upcoming and overdue evaluations and overall completion rates are shared and discussed during regular HR meetings with Divisions. The Department is working to formalize existing procedures to ensure that annual performance evaluations are completed timely.

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**Observation 18: Employer's Share Of Retirement Contributions Should Be Calculated In Accordance With Statute**

Summary of Finding: **The Division, in conjunction with the Department of Administrative Services (DAS), should work together to conduct a thorough review, and gain a complete understanding of, the various pay-codes used by the Division and the State.**

**Once the review has been completed, DAS should take steps to ensure that the employer's share of retirement contributions calculation appropriately includes or excludes pay-codes related to special and/or extra duty assignments, in accordance with statute.**

Current Status: Fully Resolved

The Department of Safety (DOS) worked with the Department of Administrative Services (DAS) to review the use of extra duty pay-codes and ensure that employees are better trained to select the appropriate code for the appropriate circumstance. DOS and DAS worked with the NH Retirement System to add data to NHFIRST to automate this manual process. The new Workforce Management System (WFM) timekeeping system was implemented on August 12, 2022 which automates pay calculations including employers share of retirement calculations based on the type of pay and employee specific retirement system status coding in NHFIRST.

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**Observation 19: Authority For S416U Wage Schedule Should Be Documented**

Summary of Finding: **The Department and the DAS Division of Personnel should work together to establish and fully document the authority for the continued use of the S416U wage schedule. Additionally, the Division of Personnel should make the wage schedule available publicly, along with all other wage schedules used to compensate State employees.**

Current Status: Fully Resolved

The S416U Wage Schedule has been posted on the Department of Administrative Services (DAS), Division of Personnel (DOP) website.

As noted, auxiliary troopers are unrepresented employees. It is DAS' practice to work with the legislature to include the collectively bargained costs of pay increases in legislation. That legislation's content includes the associated pay schedule for the largest union representing Executive Branch employees. That reference is included because the State's practice has been to approve the funding for all the collectively bargained agreements as well as to include language that authorizes increases to unrepresented, unclassified, and non-classified positions based on the largest union's negotiated increases.

The last enacted legislation that authorized funding for collective bargaining agreements, Chapter 162 Laws of 2018, included the following language specifically regarding unrepresented State Troopers, Section 162:17:

162:17 Increases in Salary; Other Nonclassified or Unclassified Employees, Unrepresented New Hampshire State Troopers. All other nonclassified or unclassified employees or unrepresented New Hampshire state troopers not covered by the provisions for salary increases in this act shall be granted a salary increase of 1.5 percent effective June 8, 2018, and an additional salary increase of 1.5 percent effective January 4, 2019.

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**Observation 20: Practice Of Awarding Prior Service Credit Should Be Incorporated Into Collective Bargaining Agreement**

Summary of Finding: **While the Department's current practice of awarding a two labor grade pay increase to Troopers as a credit for prior full-time certified law enforcement service appears to align with the 2005 letter from the DAS Division of Personnel to the NHTA and the 2006 settlement agreement describing the practice to be put in place, the Department, in conjunction with the DAS Division of Personnel and the NHTA, should take steps to incorporate this practice into the NHTA CBA in order to reduce confusion and increase transparency in the State Trooper payroll process.**

Current Status: Substantially Resolved

The Department of Safety (DOS) will continue the current practice of awarding prior service credit as supported by existing guidance and the 2006 settlement agreement. DOS will continue to work with the Department of Administrative Service (DAS) Division of Personnel (DOP) to incorporate this practice in future Collective Bargaining Agreement sessions with the NH Troopers Association.