

	RSA 14:31 LBA Audit as directed by the Fiscal Committee				Fully Resolved; Substantially Resolved; Partially Resolved; Unresolved
	Financial Audit 2015				
#		PUC's Response	Page	Legislative Action Required	Status
1	Observation #1- <u>Establish A Formal Risk Assessment Process</u> - The Commission should establish a formal risk assessment process, supported by policies and procedures, for recognizing, evaluating, and responding to risks that could affect its ability to reach its objectives. The Commission should regularly review its financial and operational activities for indicators of risk exposure, and establish and monitor controls that appropriately address those risks. Commission employees with particular areas of expertise and knowledge of Commission operations should participate in the review to ensure that details of operations that may not be obvious to management are appropriately considered.	We concur	6	No	
1.1	PUC's Response- PUC will finalize a formal risk assessment process by June 2016.				Fully Resolved
2	Observation #2- <u>Establish A Policy And Procedure To Ensure Timely Requests Are Made To Increase Grant Class Appropriations</u> - The Commission should establish a policy and procedure to ensure it timely requests an increase in its grant class appropriations whenever auction proceeds exceed the budgeted amount in order to ensure all financial activity is accurately reflected in NHFirst.	We concur	7	No	
2.1	PUC's Response- PUC will timely submit a request to the Bureau of Accounts to increase its grant class appropriations whenever auction proceeds exceed the budgeted amount, effective immediately.				Fully Resolved
3	Observation #3- <u>Document Utility Assessment Review</u> - The Commission should redesign its annual utility assessment review control to require the reviewer of the assessment to evidence their review and approval of the calculations and supporting exhibits used to arrive at the amounts assessed the utilities for the cost of regulation; and the publication of the List of Utility Assessments. Documentation of the control should clearly identify the successful completion of the review and approval of the assessment, and also establish that the individual performing that function is otherwise independent of the responsibility for the preparation of the assessment.	We concur	7	No	
3.1	PUC's Response- PUC will include evidence of review and approval by individuals who are not involved in the preparation of the assessment, commencing February 2016.				Fully Resolved

4	Observation #4- <u>Establish Policies And Procedures To Support Reconciliation Controls</u> - The Commission should complement its revenue and expenditure reconciliation procedures with documented policies and procedures for the performance of the reconciliations, and the review and approval control over those reconciliations. The review and approval control should address both the timely and complete performance of the reconciliation, and the resolution of any differences indicated by the reconciliation. The review and approval function should be separate from the preparation function, and the preparer and reviewer/approver should be clearly identified. Further, the Commission should establish a written policy and procedure for the reconciliation process to help ensure expectations are understood, to set the rules for the process and provide guidance, and to promote consistency in practice.	We concur	9	No	
4.1	PUC's Response - PUC has documented the reconciliation process that is unique to each program and identifies separate review and approval functions.				Substantially Resolved
5	Observation #5- <u>Review The Financial Reporting Of Utility-Administered Public Benefit Programs</u> - The Commission should review the nature and operation of its low-income bill-paying assistance and energy-efficiency programs with the Department of Administrative Services to determine whether those programs should be included in the State's financial reporting.	We do not concur	10	No	
5.1	PUC's Response - PUC will review the issues with the Department of Administrative Services.				Substantially Resolved
6	Observation #6- <u>Periodically Advise And Remind Associated Individuals To File Required Statements Of Financial Interests</u> - The Commission should periodically advise and remind required employees and members of associated boards of their responsibility to file timely Statements of Financial Interests, pursuant to RSA 15-A.	We concur	12	No	
6.1	PUC's Response - PUC will remind its own employees, and members of administratively attached boards to file a Statement of Financial Interest in December of each year.				Fully Resolved
7	<u>Observation #7- Observation Seven Is Addressed to DAS</u>	We concur	13	No	
8	Observation #8- <u>Include The Electric Assistance Program (EAP) In The State Operating Budget</u> - The Commission should include the EAP in the biennial operating budget and work with the Department of Administrative Services to ensure all balances and activities of the EAP are reported in the State CAFR.	We do not concur	15	No	
8.1	PUC's Response - PUC believes the EAP does not need to be included in the State budget.				Substantially Resolved

Completed as evidenced by:

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The Commission has developed a risk assessment process to cover four major financial risk areas: Internal policies and procedures changes, personnel changes, program funding changes, and external market changes.

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When needed, the Commission has made a request to the Bureau of Accounts as soon as the auction proceeds are published.

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The Commission implemented these changes in February for the August 2016 assessment.



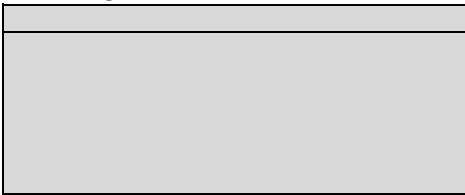
The Commission has established a standard for the written procedures and has assigned staff to develop them.



The Commission has met with Administrative Services.



The Commission has added the Office of the Consumer Advocate and Site Evaluation Committee to the notification procedure.



The audit of the Commission was the first financial audit of an agency initiated subsequent to the amendment to RSA 21-I:8, II (c). While there were conflicting priorities and staffing shortages, the Commission found the Department of Administrative Services to be helpful.