







STATE OF NEW HAMPSHIRE
Labor Department

LBA Financial Audit for the 9 Months Ending March 31, 2021
CORRECTIVE ACTION PLAN
Status as of May 21, 2024

Completion Status:

Unresolved  
Remediation in Process  
Resolved  

Obs.#	Observation	Recommendation	Action	Due	Status	Comments
1	Controls should be established to ensure Second Injury Fund disbursements are properly supported	Adopt policy requiring review of supporting documentation for SIF medical costs submitted by insurance carriers on a sample basis	Write and adopt internal Policy SIF-01	3/1/22	 	Resolved. Internal control policy SIF-01 adopted by the Department on April 6, 2022, requiring a random sample of carrier SIF submissions to support claims with proof of payment documentation.
2	Reconciliation policies and procedures should be developed for receipt accounts	Adopt policy relative to monthly reconciliation between NH FIRST and AS400, inclusive of trust funds. Document results and management review.	Write and adopt internal policy REC-02	10/1/21	 	Resolved. Internal control policy REC-02 adopted by Policy Committee on September 24, 2021
3	Controls over biweekly payroll should be strengthened	Adopt policy relative to biweekly payroll review and approval with explanations of significant variances	Write and adopt internal policy PAY-01	10/1/21	 	Resolved. Internal control policy PAY-01 adopted by Policy Committee on September 24, 2021

4	Effectively design, develop, and timely implement new information system.	Design, develop, and implement replacement for the aging AS400 IBM mainframe.	Request budget and then procure system to replace AS400. Implement new system.	7/1/24	● ○	<p>Pending. Funding was obtained in the 22-23 budget request. New “Electronic Document Management System” was launched January 18, 2022. Further funding has been approved through American Rescue Plan funds, with Fiscal & G &C approvals now completed. The agency received further funding in SFY24-25. Migration from AS400 anticipated to take 2+ years. The first two applications to migrate were launched 8/1/2022. Development of further migration modules is ongoing.</p>
5	Establish an IT security management program.	The DoIT should establish a written, comprehensive State-wide security management program. Subordinate plans should be developed at the agency level.	DoIT to develop updated cybersecurity strategy document and ratify with the Information Technology Council.	N/A	● ●	<p>Resolved. DoIT earlier reported the existence of a current, robust cybersecurity program, but that the strategy document “is in need of revision by a contracted vendor”. DoIT has instead opted to revise the document itself, and it is located here: Cybersecurity - Policy and Procedures NH Department of Information Technology. DoIT does <u>not</u> agree that there should be subordinate agency plans.</p>

6	Establish a formal service level agreement with the DoIT.	Enter into a SLA or MOA with the DoIT. Appoint a new Information Security Officer as soon as possible.	Confer with DoIT about SLA or MOU. Appoint new ISO.	N/A	● ●	<p>Resolved. DoIT indicates they will not enter into a SLA or MOU. They do not consider this best practice (4/6/2022).</p> <p>At Labor, a new ISO has been appointed.</p>
7	Continuity of Operations Plan should be tested.	Test COOP Plan on a regular basis.	Arrange for tabletop COOP test in coordination with HSEM.	3/1/24	● ●	<p>Resolved. Contacted HSEM for assistance with scheduling a COOP Plan test and provided them with our current COOP plan (3/29/2022). DOL re-established contact with HSEM and new Director for this purpose (9/26/2022). Planning meetings for testing were held on 12/9/2022; 1/18/2023; 3/23/23. Test exercise with Senior Management team held on 5/18/2023. HSEM "After Action Report" provided to the DOL with recommendations on 8/29/2023.</p>

8	The Department should review its Administration Fund assessment for compliance with statute.	Reevaluate policies for budgeting and computing the Administration Fund assessment.	Forward internal policy CAP-01 and associated supporting materials to Department of Justice for review.	12/1/22	● ○	Pending. Budget development policy and supporting documents submitted to DOJ for review on 3/29/2022.
9	Statutes should be clarified and conflicting statutes amended.	The Department should seek to amend conflicting statutory language relative to the deposit of certain civil penalties	Request language in HB 2 in the 24-25 biennial budget process	7/1/23	● ●	Resolved. Further research by the Department indicated there were additional such conflicts in statute that were not observed by LBA during the financial audit. DOL management sought HB 2 language in the SFY24-25 budget to correct all of these conflicts, and those were enacted upon adoption of the 24-25 budget and trailer bill.

10	Statements of Financial Interest should be filed as required by statute.	The Department should continue its practice of reminding board members to file annually.	Database created to store images of statements and track status of board members' filing	1/1/22	● ●	Resolved.
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