

**HOME CARE ASSOCIATION
OF NEW HAMPSHIRE**

MANAGEMENT LETTER

DECEMBER 31, 2014



HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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March 5, 2015

Board of Directors
Home Care Association of New Hampshire
Concord, New Hampshire

In planning and performing our audit of the consolidated financial statements of the Home Care Association of New Hampshire (the "Association"), as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

During our audit, we became aware of two opportunities for strengthening internal control and operating efficiency. This letter does not affect our report dated March 5, 2015 on the financial statements of the Association.

CURRENT YEAR RECOMMENDATIONS

Pension contributions

During the audit, it was noted that employee pension contributions were not deposited in a timely manner. We recommend contributions are deposited no later than the 7th business day from withholding by the employer in order to be compliant with the Department of Labor's requirements.

Management response

HCANH agrees with this recommendation and will implement a procedure to deposit employee pension contributions on a bi-monthly basis after each pay period, consistent with recommendations above.

Establish policy and procedures for archiving email

There are numerous communications documented via email, such as board approvals and correspondence with member agencies. However, there is no formal policy for archiving and accessing important relevant email. In addition, any email messages that remain in Outlook could potentially clog or slow down the email system. We recommend the Association establish a policy for retention of email that meets the established criteria for retention as official records that includes legal and operational needs; provides for long-term storage of, and access to, such email; and purges mail that does not meet the retention criteria on a predetermined schedule.

Management response

HCANH has a Board-approved Destruction and Retention Policy, which was approved by the Board of Directors in 2011 and is overseen by the Finance Committee. This policy includes general correspondence and correspondence related to legal and other important matters. All HCANH electronic files are backed-up daily via a cloud-based server. This recommendation will be discussed with the Finance Committee to determine if the Destruction and Retention Policy should be revised further.

PRIOR YEAR RECOMMENDATION

Developing an Accounting Procedures Manual

We noted that the Association does not have a formal accounting procedures manual. Written procedures and instructions will prevent or reduce misunderstandings, errors; inefficient or wasted effort duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A good accounting manual should aid in the training of new employees, especially in the event of an untimely resignation of key accounting staff, and possibly allow for delegation to other employees of some accounting functions.

Status

Management has developed an accounting procedural manual during 2014.

We wish to thank Gina Balkus and Chloe Roe for their cooperation and assistance extended to us during the course of our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Association.

Hession & PARS, P.C.