



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

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Results of Audit Recommendations from Post-Audit Review Surveys

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INTRODUCTION

To ensure that audit reports help effect positive change and make government work better, State Auditor Suzanne Bump launched an initiative to follow up with audited agencies on their progress toward implementing audit recommendations and the resulting outcome.

Post-audit review surveys are issued six months after the release of an audit with findings. These surveys initiate a new level of contact between the Auditor and the auditee. This new interim communication lets auditees know that an audit will not be allowed to just sit on a shelf until the next engagement, but that there is a public interest to utilize audit recommendations to strengthen government operations through better efficiency, effectiveness, accountability and transparency.

Post-audit reviews also allow auditees the opportunity to communicate operational issues or difficulties in implementing recommendations. This may lead to collaboration between the Auditor and auditee to make legislative, regulatory or other changes. Through this process, the Office of the State Auditor (OSA) can position itself as both a partner and resource for agencies in making government work better, as opposed to an adversary. To that end, Auditor Bump extends her appreciation and commends the initial group of agencies that received post-audit reviews for their cooperation, their action and their thoughtful and thorough responses.

This new initiative also helps to improve the work of the OSA in a number of ways. Post-audit reviews maximize the resources and staff hours invested in an audit by adding value and increasing the return on investment by quantifying outcomes. Audit planning will also benefit, as the urgency for a full follow-up audit may increase or decrease based on a post-audit review response. In addition, the audit team will have auditee-supplied information to utilize at the commencement of the eventual next audit of the agency, which will save time and assist in the development of the audit program.

HIGHLIGHTS OF AGENCIES' POST-AUDIT ACTIONS

In the second quarter of fiscal year 2012, the OSA conducted post-audit reviews of 21 audits, including 12 audits out of a total of 29 issued from March 18, 2011 to May 31, 2011 and nine audits issued by the prior administration selected based on the significance of their findings.

It is important to note that responses to post-audit reviews are self-reported information that is unaudited. The OSA makes no claims as to the accuracy of the information. Being subject to future audits and public disclosure, it is in an auditee's best interest to provide the OSA with forthright responses.

All 21 post-audit reviews issued during the time period have been received and, according to the responses, revealed that OSA audit work and recommendations produced the following actions and results.

RESULTS OF POST-AUDIT REVIEWS OCTOBER - DECEMBER 2011						
Number of Completed Reviews	Number of Recommendations	Fully Implemented	Percentage Fully Implemented	In Progress	Percentage of Recommendations Acted on	Fiscal Benefit
21	96	61	64%	30	95%	Up to \$12.8 million

- Up to \$12.8 million in fiscal benefits, including cost savings, pursuit of reimbursements, securing of grant revenue or investment in programs to improve efficiency and effectiveness. This figure will increase as ongoing actions come to fruition.
- Approximately \$4.7 million of the \$12.8 million represents annualized year-over-year savings.
- Ninety-five percent of OSA recommendations have been acted on. Of the five recommendations not acted on, two were moot and three came from one agency that was largely non-responsive in its submission.
- The Office of Medicaid (MassHealth) is seeking over \$3.8 million in reimbursement from dental providers, largely for the improper billing of X-rays.
- MassHealth instituted regulatory changes and system triggers to prevent providers from abusing the system and to increase efficiency that will result in over \$13 million in savings over the next three years, based on prior patterns of spending.

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- The level of radiation that children will be exposed to through excessive X-rays will be reduced as a result of MassHealth's adopting into its regulations the guidelines of the American Dental Association, the U.S. Department of Health and Human Services and the U.S. Food and Drug Administration.
 - The Education Cooperative (TEC) reduced its surplus by over \$1.2 million by cutting member district assessments by half and freezing tuitions for two years. TEC also improved its compliance with state educator licensure requirements and updated its personnel policies.
 - According to the Parole Board, paroled sex offenders are undergoing polygraph exams every six months as required, and drug testing is also conducted within the prescribed time frame. The Board has prioritized the collection of parole fees, directing over \$600,000 to the General Fund over the past three years, and has increased efforts to enforce parolee compliance with child support obligations.
 - The Department of Public Health secured nearly \$3 million in federal grants to improve the local delivery of food inspection services and instituted a computer system to share information between the state and its municipalities. The department also increased food inspections of schools, is continuing to work on instituting a statewide risk-based approach to inspections, and will soon update its regulations.
 - The Department of Youth Services installed a new information technology (IT) system that allows for the real-time management of committed youth and staff and makes available on-demand such critical information as medical history and educational assessments.
 - Framingham State University updated some of its financial aid policies to ensure that students receiving aid through a federal stimulus fund grant demonstrate the required financial need.

Conversely, two post-audit reviews highlighted potential issues. Specifically, the Mattapoissett Housing Authority was largely unresponsive, and the Massachusetts Maritime Academy reported that it is unable to obtain information from the Ethics Commission on a personnel issue that the Academy brought to the Commission's attention.

POST-AUDIT REVIEW RESULTS

MassHealth – Administration of Dental Claims				
Audit No. 2009-8018-14C			Issued November 16, 2010	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
12	7	5	Up to \$7.2 million, with an estimated \$4.4 million in continued annual savings	<ul style="list-style-type: none"> • Pursuing \$3.55 million in recoupment for unallowable billing • Changed regulations, coding and screening mechanisms to prevent the excessive or unnecessary use of X-rays or orthodontic practices reported in the audit • Children will be exposed to less radiation as a result of regulatory changes incorporating American Dental Association and federal guidelines

The audit uncovered over \$5.5 million in overcharges to the Commonwealth by dental and orthodontic providers as well as over \$150,000 lost to inefficient billing practices. In addition, the audit revealed potentially fraudulent billings for services never provided, inadequate system tools to detect unallowable billings and the overexposure of children to radiation resulting from X-rays in excess of nationally accepted standards.

MassHealth regulations state that the program will pay only for medically necessary dental radiographs taken as an integral part of diagnosis and treatment planning, with the intent of confining radiation exposure of members to the minimum necessary to achieve satisfactory diagnosis. However, in nearly 85 percent of over 360,000 claims reviewed at 10 providers, X-rays were administered as part of a routine exam instead of for a serious oral health condition as the regulation states. Other X-rays were to be administered to certain categories of patients under certain circumstances, but those requirements were not adhered to. Other X-rays and services were billed and the claims paid although they exceeded the limits for a certain time period. The excessive and unallowable use of X-rays exposed members, particularly children, to radiation in excess of U.S. Food and Drug Administration (FDA), U.S. Health and Human Services (HHS) and American Dental Association (ADA) guidelines. The audit also disclosed problematic billing practices whereby services that should have been included as part of a comprehensive exam were billed separately.

In response, MassHealth stated that it is seeking \$3.55 million in recoupment from dental providers for unallowable charges, some of which the providers are disputing. In addition, MassHealth indicated that it has instituted policy, regulatory and system edit changes that it claimed resulted in \$3.7 million in savings for

fiscal year 2011 and that, based on a similar continued pattern, would lead to approximately \$4.4 million in ongoing annual savings.

MassHealth also indicated that it has updated the dental program’s operational guide and instructions for providers, which now incorporates FDA, HHS and ADA guidelines and will reduce the amount of radiation to which children are exposed. MassHealth instructed its dental plan administrator, DentaQuest, which conducts periodic data analyses to identify problems, to conduct an initial investigation of excessive X-ray billing (defined as 30 or more X-rays per patient per provider within 12 months) beyond the period and scope of the audit. Subsequent to the post-audit review, the MassHealth dental director stated to the OSA that DentaQuest installed an edit that will prevent the payment of more than 19 X-rays per member per rolling 12 months and expressed consideration for reducing the number further to 15.

In regard to potentially fraudulent billing for services never provided, the OSA referred the matter to the Office of the Attorney General (OAG), although MassHealth did not indicate the existence or non-existence of any investigation.

Of the five recommendations that MassHealth stated were “in progress,” three involved recoupment activities and two involved further reviews of providers.

Areas to monitor: Results of recoupment activities, referral to the OAG and effect of actions taken.

Dr. Doreen Chong, DDS – Review of Claims Submitted to MassHealth				
Audit No. 2011-4545-3C			Issued May 10, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
1	0	1	Up to \$82,316	<ul style="list-style-type: none"> MassHealth stated that it is pursuing \$82,316 in reimbursement, the full amount recommended by the OSA. Dr. Chong is disputing the amount.

Utilizing the data mining, skills and expertise gained from the dental audit, the OSA targeted other providers whose activities raised concern. The audit found that Dr. Chong submitted claims and received payments for \$82,316 in X-rays, orthodontic consultations, periodic orthodontic visits and retention treatment that were noncompliant with the regulations. MassHealth regulations provide service descriptions and limitations for all covered orthodontic services. Regulations require orthodontic X-rays be requested and authorized by MassHealth; however, the audit reported that over 3,000 X-rays were performed and paid for that MassHealth did not request. System edits were not in place to reject claims for separate X-rays that should have been included in the billing for the overall orthodontic diagnostic treatment.

MassHealth stated that, based on the audit results, it is pursuing reimbursement of \$82,316. In response to the larger dental claims audit previously discussed in this report, MassHealth indicated that it will no longer pay for orthodontic X-rays separately. Dr. Chong is disputing the reimbursement action.

Areas to monitor: Results of recoupment activities and effect of action taken.

Dr. Melvin M. Frankel, DMD – Review of Claims Submitted to MassHealth				
Audit No. 20011-4546-3C			Issued May 10, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
3	0	3	Up to \$229,256	<ul style="list-style-type: none"> MassHealth stated that is pursuing \$229,256 in reimbursement, the full amount recommended by the OSA. Dr. Frankel is disputing the amount.

Similar to the findings of the audit of Dr. Chong, the audit reviewing Dr. Frankel’s claims found that Dr. Frankel submitted claims and received payments for \$222,866 in X-rays, orthodontic consultations and retention treatment that were noncompliant with MassHealth regulations. Regulations require orthodontic X-rays be requested and authorized by MassHealth; however, the audit reported that over 4,800 X-rays were performed and paid for that MassHealth did not request. In addition, the audit found that Dr. Frankel received \$4,982 in duplicate payments and \$1,408 for 10 member visits that were never performed.

MassHealth stated that, based on the audit results, it is pursuing reimbursement of \$229,256. Dr. Frankel is disputing the reimbursement action.

Areas to monitor: Results of recoupment activities and effect of action taken.

The Education Cooperative				
Audit No. 2009-4515-3C			Issued April 13, 2010	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
7	5	2	\$1.25 million	<ul style="list-style-type: none"> Came into compliance with teacher licensure requirements Returned approximately \$1.2 million of surplus to member school districts Strengthened board governance, personnel policies and improved internal controls

The Education Cooperative (TEC), located in Dedham, is an education collaborative, which is an entity created by a group of school districts chiefly to provide special education services. Since the release of the TEC report, three other education collaborative audits have been issued, which have

led to much public debate and legislative changes spearheaded by Auditor Bump's recommendations to improve accountability, oversight and transparency.

The audit reported that TEC employed unlicensed or inadequately qualified teachers and service support staff. In addition, Department of Elementary and Secondary Education (DESE) waiver requirements were not being met, and educational staff was not being evaluated as required by regulation. The audit also questioned TEC's surplus of over \$1.4 million, an amount inconsistent with Department of Revenue (DOR) Division of Local Services guidance on budgeting, cost accounting and service pricing. Moreover, the audit revealed unallowable expenses involving food and meetings and consulting expenses that were not approved by the TEC Board. The audit also found problems with internal controls over all operations and excessive and unauthorized compensation and fringe benefits.

Responding to the survey, TEC stated that all staff are now fully licensed and that DESE waiver requirements have been followed and documented. TEC also said that educational staff are evaluated annually, but office and administrative staff are currently implementing a new evaluation process, so TEC classified this recommendation as "in progress."

TEC reported that it has reduced its surplus from over \$1.4 million to approximately \$150,000 by cutting member district assessments by half and freezing tuition for two years. However, TEC indicated that this reduction in surplus has caused it financial difficulty. The matter of what constitutes an allowable surplus is addressed in the collaborative reform legislation, which directs DESE to promulgate regulations and requires that the appropriate level of surplus be a component of the collaborative agreement.

TEC stated that it recovered over \$1,800 in expenditures for alcoholic beverages and instituted new controls over meal and meeting expenses. It also stated that all programs and spending will be included in the budget or added to the budget and be approved by the board to prevent a recurrence of \$125,000 in consulting and lobbying fees not disclosed to the board.

TEC classified its action as "in progress" in response to the recommendation addressing compensation and fringe benefits. TEC was still reviewing its policy on retirement health care benefits, which the audit had criticized for being out of line with comparable public benefits when a change was made requiring only one year of service to receive retirement health care. Otherwise, TEC stated that it has initiated time and activity reporting for all employees and has reviewed policies and contracts for outside work arrangements, and that the Board has reviewed compensation and personnel policies.

TEC also stated that its updated policies and procedures manual and bylaws were posted on its website and distributed to all employees. An audit committee was also established, including members with finance and accounting experience.

Areas to monitor: Finalized compensation and benefit policies, teacher licensure, surplus status.

Department of Public Health – Food Protection Program				
Audit No. 2005-0290-351			Issued March 26, 2007	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
9	0	9	Over \$3.3 million	<ul style="list-style-type: none"> Secured \$2.8 million in federal grants to develop rapid response capacity for foodborne illness and to support regionalization of public health services Developed computer systems to better track and share information between the state and local level Required schools to be inspected twice per year

The audit of the Department of Public Health’s (DPH) Food Protection Program found serious shortfalls in food inspection. Local food inspections were not up to date. In some cases, high-risk establishments -- which are to be inspected three-to-four times per year -- went more than a year without an inspection, and one location went seven years. Eighty-five percent of wholesale and food processing establishments were inspected once every four years. Local food inspectors lacked training and qualifications. At the state level, DPH had less than one full-time equivalent overseeing the work of local health inspectors. Information was not exchanged between state and local levels, and there were shortfalls in the reporting, investigation and response to foodborne-illness incidents.

In response, DPH reported that limited staffing and resources continue to be a concern. However, it has secured \$2.8 million in federal grants to develop a rapid response capacity for food emergencies and to support municipalities in creating regional local health districts. The \$2 million FDA grant was one of six awarded nationally to those states deemed to have the greatest capacity to respond to foodborne illness.

DPH also reported that it has developed an Internet-based disease surveillance system, MAVEN, which receives, manages, processes and analyzes data from state and local public health agencies, clinics, labs, hospitals and providers. As of November 2011, 224 of 351 boards of health were using MAVEN, with regulations in place requiring all to do so by July 2012.

Changes in law in 2009 encouraged local health system restructuring, and DPH indicated that it received an \$800,000 grant from the U.S. Centers for Disease Control and Prevention to support local health regionalization and that DPH is investing \$500,000 in grants toward regionalization.

DPH indicated that enabling one trained and qualified inspector to cover multiple municipalities should improve local food inspection service while reducing costs, and that DPH will soon propose new regulations to establish minimum qualifications for local public health workers, including food inspectors and their supervisors.

DPH stated that it has worked with municipalities and the FDA to increase risk-based inspections. According to DPH, the number of municipalities conducting risk-based inspections has increased by over 80%. DPH also stated that a promulgated regulatory change has increased the number of school cafeteria inspections from one to two per school year, and that updated regulations governing retail food establishments are “in progress.” The adoption of FDA guidelines on risk-based inspections will be included in the regulatory change to provide statewide guidance on the subject. In addition, DPH indicated that it is developing a real-time data exchange and tracking system for wholesale and food processing establishments, which should increase both efficiency and effectiveness.

The audit noted the decentralized nature and lack of standardization in the food inspection system and recommended adopting FDA standards; DPH reports that there has been a 400% increase in municipalities using those standards over the past four years. DPH reported that it also conducted trainings on local food inspections and on food allergens.

Areas to monitor: Level of staffing and resources for food inspections, progress toward local health regionalization, promulgation and implementation of regulations on standards of inspections, conduct of risk-based inspections, minimum qualifications for local public health professionals, continued implementation of computer systems to improve the tracking, collecting, analyzing and sharing of data between the state and local levels.

Parole Board				
Audit No. 2007-0154-4T			Issued July 11, 2007	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
7	5	2	Over \$600,000 to date and over \$200,000 per year	<ul style="list-style-type: none"> • Strengthened policies to ensure sex offenders receive polygraph tests in a timely manner • Drug testing is now done on schedule • Increased collection of parole fees • Added child support obligations as part of pre-release screening

Paroled sex offenders are undergoing required polygraph testing every six months after the Parole Board made several changes to its policies and procedures, according to the Board’s post-audit review response. The audit reported that some paroled sex offenders had gone 10 months to a year without a polygraph, which is required biannually. Included in the Board’s changes are the scheduling of exams one month early, triggers in the system that notify parole officers and their supervisors when deadlines are approaching and efforts to ensure that there are a sufficient number of polygraphers available.

The audit reported on the Parole Board’s problems in collecting supervision fees. During one year of the audit period, the Parole Board collected 44% of fees, whereas in 55% of cases tested of parolees deemed able to pay, no collection efforts were made.

The Parole Board stated that, since the audit, in each successive year it has collected enough parole fee revenue to meet its budgeted limit of \$600,000 in retained revenue and has transferred over \$200,000 to the General Fund. In the three full fiscal years since the audit, that amounts to over \$600,000 to the General Fund in addition to the amount required to reach the retained revenue cap. The Parole Board indicated that this has been accomplished after consultation with the Office of the State Comptroller (OSC) by creating a system to conduct case audit reviews, utilizing sanctions for delinquency (including the noting of such on a parole violation report for the Board), and instituting collection actions.

After the audit found that only 3% of parolees with child support orders were current with their payments and that 550 parolees had over \$13.7 million in uncollected and arrearage child support cases, the Board reported actions to increase enforcement. Parole officers now inquire about child support during the hearing process, and the Board conducts a match of parolees with a DOR child support database and takes action with parolees who have outstanding payments. Fulfilling child support obligations is a condition of parole, and sanctions and interventions are in place for problematic cases. The Board indicated that it is updating its policies and procedures in this area and listed its action as “in progress.”

Similarly, after the audit found that one-third of parolees were overdue for drug testing and that some tests were never conducted, the Board reported enhanced procedures to ensure that required drug testing occurs within the prescribed time period. The Board stated that procedures are in place to notify both the parole officer and a supervisor when deadlines are approaching and that a periodic case audit review provides an additional layer of oversight.

The Board also addressed reassessing supervision levels of parolees and two IT-related recommendations, including disaster recovery and business continuity, which was “in progress.”

Areas to monitor: Measure results in each area of action.

Department of Public Health - Bioterrorism Grants				
Audit No. 2005-0290-3S2			Issued March, 24 2008	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
2	2	0	N/A	<ul style="list-style-type: none"> Improved policies and communication on the location, use and maintenance of mass casualty incident trailers Regular drills and training occur

In the wake of 9/11 and the resulting efforts to protect the country from terrorism, DPH received federal grants to increase protections against and response to bioterrorism and develop a regional response system to a mass casualty event. A significant effort of the grants was the purchase of emergency response vehicles known as mass casualty incident trailers, which are to be used as a center of emergency medical services at a time of widespread disaster. The audit reported that officials could not find one such vehicle, and that another trailer was not prepped and lacked equipment and supplies. In some instances, municipalities had not been notified of the trailers’ availability, location or purpose. Other trailers were not in their stated location, and drills and training on their use were lacking. Additionally, the audit reported the need for a standard protocol for the fiscal administration of grant funds to regional and local agencies.

DPH reported that its Emergency Preparedness Bureau (EPB) established procedures to ensure that the requirements established in the Memorandum of Understanding between the department and the regional Emergency Medical Services (EMS) councils were being met. The DPH liaison is included in all relevant meetings of the EMS councils, and DPH stated that the regions have established websites and other communications tools to provide awareness of the availability, location and purpose of the mass causality incident trailers. Procedures regarding deployment and use of the trailers have been developed, as have numerous checks and balances to ensure communication amongst agencies and knowledge of the trailer’s

location and status. Drills are conducted as are unannounced site visits. In addition, the emergency trailers have been activated for real-world response, most recently to provide support in response to the tornadoes in Central and Western Massachusetts in June 2011.

The EPB stated that it strengthened its fiscal protocols through quarterly disbursements and reporting, a revised comprehensive manual and an enhanced inventory system.

Area to monitor: Continued impact of action taken.

Department of Youth Services				
Audit No. 2008-0512-4T		Issued November 10, 2008		
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
5	5	0	N/A	<ul style="list-style-type: none"> Installed new IT system to increase its ability to track and protect youth in its custody in real time

The Department of Youth Services (DYS) responded that it has implemented a new system to better track and protect youth in its custody and improve the efficiency and effectiveness of its operations.

DYS stated that its new case management system, the Juvenile Justice Enterprise Management System, was approved for funding in January 2009, pilot tested in October 2010, and fully implemented in August 2011. The new web-based information system, according to the department, will allow DHS to track its committed youth agency-wide in real-time, transmitting critical data such as medical consent and treatment information, educational assessments and facility vacancies. The new system will also increase the efficiency and effectiveness of DHS's management of its staff and resources.

Overall, DHS reported fully implementing all five audit recommendations. Two others were IT-related, including strengthening administration of passwords and user accounts and developing plans for business continuity and off-site backup data storage. DHS also stated that it took steps to improve inventory controls and make required reports to the OSA in accordance with Chapter 647 of the Acts of 1989 when thefts or unaccounted-for variances or losses occur. Previously, 58 laptop computers had been stolen from DHS without a Chapter 647 report being submitted to the OSA.

Area to monitor: Effectiveness of new case management system.

Framingham State University				
Audit No. 2010-0179-3R			Issued May 26, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
2	2	0	Not stated	<ul style="list-style-type: none"> Implemented internal controls and documented policies and procedures for financial aid

Framingham State University (FSU) used a \$500,000 American Recovery and Reinvestment Act (ARRA) grant to reimburse financial aid expenditures from the Student Fee Grant. However, contrary to OSC and ARRA guidelines, FSU lacked written eligibility standards and policies for administering the program. Moreover, 25% of student files tested had Student Fee Grant eligibility deficiencies. In addition, this was the second consecutive audit that revealed FSU did not report instances of theft to the OSA as required by Chapter 647 of the Acts of 1989.

FSU indicated that both recommendations have been fully implemented. Related to the financial aid issue, FSU stated that policies have been written and procedures and internal controls have been implemented. FSU also stated that a second person has been added to review manual awarding for an additional control. FSU also indicated that it has written and implemented a more formal set of policies and procedures in regard to Chapter 647 compliance, which it stated will improve communications between departments and possibly aid in the recovery of missing or stolen items.

Areas to monitor: Financial aid eligibility and administration and Chapter 647 reporting.

Civil Service Commission				
Audit No. 2011- 1378-4T			Issued April 22, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
7	6	1	N/A	<ul style="list-style-type: none"> Increased inventory controls over IT equipment Enhanced internal controls

The Civil Service Commission (CSC) stated that it has implemented six of seven audit recommendations concerning inventory controls and Chapter 647 reporting, and that one recommendation concerning a business continuity plan is “in progress.”

According to CSC’s response, DOR is now responsible for all IT resources in the Administration and Finance secretariat. All newly purchased CSC IT equipment is now entered into the Employee Accounts Maintenance System, and CSC is now working with DOR to complete an inventory of previously purchased

items and track those through the new system. CSC indicated that it has enhanced its internal controls and procedures to ensure that all instances of unaccounted-for variances, losses and theft of funds or property are reported immediately to the OSA in accordance with Chapter 647 of the Acts of 1989. CSC also included in its response a draft business continuity plan.

Area to monitor: Effectiveness of inventory control system.

Massachusetts Maritime Academy				
Audit No. 2011-0182-12S			Issued May 12, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
Status Check	N/A	N/A	N/A	<ul style="list-style-type: none"> Mass. Maritime referred a case to the State Ethics Commission, which closed the case and did not provide details.

Massachusetts Maritime Academy became aware of a professor who also worked for a private firm and sold to Academy students the firm's off-campus test preparation and test-taking services related to a course the professor was teaching. In accordance with Chapter 647 of the Acts of 1989, the Academy reported this matter to the OSA. The Academy estimated that the professor had received approximately \$50,000 in total during the six years in which this practice occurred. The Vice President of Finance conducted an investigation that recommended the professor's termination and recovery of funds in excess of the cost of the exam. When the audit was issued, the Academy had referred the matter to the State Ethics Commission and suspended any action pending the outcome of this investigation.

The post-audit review asked the Academy for an update on the status of this case. The Academy responded that the Ethics Commission closed the case but did not provide the school with any details, raising a potential issue surrounding a referring party's right to know information related to the decision.

Randolph Housing Authority				
Audit No. 2010-0763-3A			Issued August 30, 2010	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
1	1	0	\$7,250	<ul style="list-style-type: none"> Former employee pleaded guilty to embezzlement and is making restitution. Internal controls over rent collections and review of deposits have been strengthened.

This was the second consecutive audit of the Randolph Housing Authority that included a theft of funds by an employee, despite detailed recommendations in the prior audit. This audit attributed the second theft to a number of shortfalls, including: the Authority's board and management not

having adequate understanding of the accounting system, inadequate training, a lack of internal controls and an inadequate system of checks and balances. The audit recommended that the Authority's board be more involved in management's and staff's ability to safeguard resources. The audit also recommended that the fee accountant review controls and segregation of duties as part of the monthly accounting activities and the annual audit.

The Authority responded that it has fully implemented the recommendation. The Authority stated that the former employee had paid back \$3,212 and is on a schedule to repay the full \$7,250. The Authority also indicated that its fee accountant educated the board on the accounting system, internal controls over rent collections have been strengthened, and the Executive Director, along with the accountant, reviews all deposits. The Authority also indicated that it has changed job classifications and descriptions and has encouraged residents to pay rent by check or money order.

Areas to monitor: Board governance, training, segregation of duties, fee accountant's review of internal controls and review of controls over deposits.

Attleboro Housing Authority				
Audit No. 2010-0603-3A		Issued August 16, 2010		
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
4	4	0	\$95,000	<ul style="list-style-type: none"> • Implemented new maintenance protocols resulting in reduction of vacancy turnaround times and increased revenue • New cash management policy developed, improving documentation of credit card expenditures, and collection of tenant accounts receivable balances

Findings from the Attleboro Housing Authority audit included excessive turnaround time for vacant units, tenants' accounts receivable balance of over \$130,000, insufficient documentation for \$57,000 in credit card purchases and the unallowable accrual of compensatory time by the Executive Director.

The Authority responded that it has implemented new maintenance protocols and more efficient purchasing, which has reduced vacant unit turnaround time and improved occupancy by 6%. Combined with increased leasing efforts, the Authority reported enhanced revenue of \$55,000.

The Authority stated that its Board of Commissioners approved a new cash management policy that addressed both credit cards and receivables. A more aggressive approach to income certifications, discrepancies, fraud and pursuit of delinquent accounts led to the increased collection of \$40,000.

The Authority also indicated that issues regarding compensatory time accrual were outlined in the Executive Director's contract, which was reviewed and approved by the Department of Housing and Community Development (DHCD).

Areas to monitor: Impact of new cash management policy on credit card expenditures and accounts receivable, status of vacancy turnaround time and Executive Director's compensatory time.

Southwick Housing Authority				
Audit No. 2010-0783-3A			Issued April 21, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
8	7	1	\$2,344	<ul style="list-style-type: none"> Authority disbanded local tenant organization and recovered \$2,344 in unallowable expenses

The audit identified 24 sanitary code violations, including crumbling driveways and damaged floors and ceilings. The Authority indicated that it is working to remedy all 24 violations, but budget constraints have limited further repairs. Because of this condition, this was the one recommendation the Authority reports as “in progress.” The remaining recommendations concerned the Authority's local tenant organization, which was disbanded. The Authority indicated that the recommended recovery of \$2,344 was made and that a new tenant organization will start from scratch with the Authority's board more closely reviewing expenditures.

Areas to monitor: Physical condition of Authority units and property, expenditures of new tenant organization.

Mattapoissett Housing Authority				
Audit No. 2009-0709-3A			Issued January 6, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
12	8	1	N/A	<ul style="list-style-type: none"> N/A

The Mattapoissett Housing Authority audit had found that no approvals had been sought for \$80,000 in overtime payments, inconsistencies in the Executive Director's reported working hours, issues with time and leave records and that the Authority's management plan had not been updated since 1994.

The Authority did not explain the specific actions taken regarding any of its responses in the post-audit review. Moreover, the Authority indicated that no action was taken on incorrect payments to maintenance staff and unauthorized/undocumented payments to the Executive Director.

Areas to monitor: Overtime approvals, Executive Director time and attendance, management plan.

Auburn Housing Authority				
Audit No. 2011-0605-3A			Issued April 21, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
2	1	0	N/A	<ul style="list-style-type: none"> Improved understanding of prevailing wage

Auburn Housing Authority responded that as a result of the audit, the Executive Director has attended U.S. Department of Housing and Urban Development-sponsored training on ARRA prevailing wage requirements as well as Office of the Inspector General-sponsored procurement training. These trainings fully addressed one recommendation, whereas the other addressed future ARRA reporting and thus far has not been applicable.

Areas to monitor: Future ARRA expenditures, if any.

Hull Housing Authority				
Audit No. 2011-0683-3H			Issued April 21, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
1	1	0	Not stated	<ul style="list-style-type: none"> Additional funding received from DHCD for repairs

Hull Housing Authority had resolved most of the findings from its prior audit. The post-audit review inquired about the Authority's status on turning around vacant units. The Authority indicated that all units were occupied and that it had received additional funding from DHCD for repairs to accelerate the turnaround time of vacant units.

Area to monitor: Vacancy turnaround time.

Dedham District Court				
Audit No. 2011-1160-30			Issued March 18, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
3	1	2	Not stated	<ul style="list-style-type: none"> Through the implementation of the new MassCourts financial module, a single cash collection and disbursement point and accounts receivable system was created. Improved victim witness fee assessment collection.

All district courts had been awaiting the full roll-out of the MassCourts management system, which launched on May 16, 2011. The Dedham District Court reported that it has utilized MassCourts to address all three recommendations in the audit. The Court also indicated that it was in the process of developing its accounts receivable system and creating a single cash collection and disbursement point, which should improve the court’s management of finances and resources.

A victim witness assessment is collected from any person who is convicted or pleads to a finding of sufficient facts, and by statute, this fee has first priority in collections. Prior to 2003, the fees were transferred to the Victim Witness Assistance Fund, but since have been transferred to the General Fund; however, the fee’s status as a first priority did not change. The audit found that the Court did not always collect the fee as a first priority, particularly in the case of partial payments. The Court stated that the MassCourts system defaults the victim witness fee as the first priority on any outstanding obligations, and that staff has been trained to apply all initial payments to outstanding victim witness assessments.

Areas to monitor: Continued progress with the accounts receivable system and single cash collection and disbursement point.

Falmouth District Court				
Audit No. 2010-1201-30			Issued March 18, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
3	2	0	N/A	<ul style="list-style-type: none"> Implemented all accounting options available in MassCourts Victim witness funds collected in timely manner

Falmouth District Court indicated that its accounts receivable system is now operational through the MassCourts system, through which all of its accounting activity is now processed. The Court stated that the victim witness fee is credited with the first post-conviction payment

from a defendant. There has not been any further action taken on the third recommendation regarding the administrative probation fee, which was applied prospectively, but not retroactively.

Area to monitor: Continued utilization of MassCourts.

Natick District Court				
Audit No. 2011-1145-30		Issued May 23, 2011		
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
5	3	2	Not stated	<ul style="list-style-type: none"> Implemented MassCourts system Compliance with state law and Trial Court regulations governing processing of bail

Natick District Court stated that it has fully implemented the MassCourts system and has trained its employees in its use, in compliance with regulations. The Court also indicated that improvements have been fully implemented over the processing of abandoned bail and bails associated with defaulted criminal cases. The audit found that the Court did not always transmit unclaimed bails to the Office of the State Treasurer as abandoned property or order bails forfeited when defendants failed to appear. The Court also stated that it has fully implemented improvements regarding the collection of the administrative probation fee by reviewing current accounts to ensure that all individuals on administrative probation are in compliance with paying the increased fee.

The Court indicated that improvements are “in progress” with regard to its internal control plan and that corrective action is currently “in progress” regarding the Court’s reconciliation of financial and administrative information contained on its suspended payments list to data in its criminal case dockets.

Area to monitor: Progress of reconciliation of financial and administrative information contained on suspended payments list.

Newton District Court				
Audit No. 2011-1143-30			Issued April 22, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
2	1	1	Not stated	<ul style="list-style-type: none"> Implemented MassCourts financial module; enhancements to reporting methods and fiscal collection currently in progress Victim witness fee assessments allocated as first priority

Newton District Court responded that the implementation of MassCourts is “in progress,” that the Administrative Office of the Trial Court and the Administrative Office of the District Court have provided training and oversight, and that the new system creates daily and monthly reports, which are reconciled to ensure proper operations. The Court also stated that the victim witness fee recommendation has been fully implemented through MassCourts, which defaults the victim witness fee as the first priority on any outstanding obligations, and that staff has been trained to apply all initial payments to outstanding victim witness assessments.

Areas to monitor: Continued progress with financial management through MassCourts.