



The Commonwealth of Massachusetts
Office of the Comptroller
One Ashburton Place, Room 901
Boston, Massachusetts 02108

MARTIN J. BENISON
COMPTROLLER

PHONE: (617) 727-5000
FAX: (617) 727-2163
INTERNET: <http://www.mass.gov/osc>

Memorandum

To: Department Heads, Chief Fiscal Officers, Federal Stimulus Leads
From: Martin J. Benison, Comptroller,
Ramesh Advani, Deputy Director – Office of Infrastructure Investment
Date: August 7, 2009
Re: American Recovery and Reinvestment Act (ARRA) Risk Assessment
Engagement

Executive Summary

As part of the Commonwealth's implementation of the American Recovery and Reinvestment Act (ARRA), the Commonwealth has engaged KPMG LLP to perform a risk and readiness assessment for the Governor of ARRA-funded programs overseen by Executive Branch departments. Over the next 8 weeks, teams from KPMG LLP will be visiting various agencies to complete agency specific readiness assessments. Additionally, all agencies will soon be receiving an ARRA readiness survey from KPMG LLP. **Please note that this engagement is separate and distinct from the Commonwealth's single audit.**

The Executive office of Administration and Finance has been designated by the Governor to lead, monitor and coordinate the Commonwealth's ARRA efforts. An important part of that monitoring and coordinating is to assess risk of non-compliance and readiness to accept ARRA funds.

The agency specific readiness assessments will be conducted in cross section of agencies with the goal of encompassing a broad spectrum of programs and projects receiving ARRA funds. We ask that selected agencies give the teams from KPMG their full cooperation in completing this assessment. For agencies that receive only the ARRA readiness survey, we ask that you fill it out and return it as soon as possible.

KPMG LLP will release the survey to departments on August 14, 2009. This survey will be done on-line. CFO's of departments must submit this survey no later than August 28, 2009. If a non-CFO is responsible for ARRA funds in a department, the CFO must agree to the assessment and note as such in the submission. The outcome of the survey is a report that KPMG LLP will deliver to the ARRA steering committee. The important information obtained through this process will help us determine any potential gaps in our federal ARRA compliance. The assessment will also inform us about the processes currently in place to ensure proper oversight and compliance relative to ARRA funds going forward. Our goal is to address any gaps in compliance or oversight to ensure all ARRA funds are properly spent and accounted for.

Should you have any questions on this process, please feel free to call Deputy Comptroller, Eric Berman at 617-973-2602 who is coordinating this effort.