

The Office of the Attorney General

Findings on Compliance with Rules and Regulations

Finding Number 3: Late Recording of Fixed Assets

The Office of the Attorney General (Office) did not record telephone switching equipment onto the Commonwealth's central accounting system in a timely manner. The Office purchased telephone for its Portland Street offices in June 1995 for \$158,610.16 and upgraded the Portland Street equipment and purchased switches for its One Ashburton Place office for \$370,290 on June 1997. However, the fixed asset

Was not recorded in the Massachusetts Management Accounting and Reporting System (MMARS) Fixed Asset Subsystem until August 18,1997 as a 1998 fixed asset. The MMARS Fixed Asset Subsystem User Guide requires assets valued at \$15,000 or more to

"...be recorded onto the system within (7) days of acquisition...to properly account for and record those items owned by the Commonwealth...and to allow them to be incorporated into the Commonwealth's Comprehensive Annual Financial Report (CAFR) ..."

The effect of not recording assets timely and correctly was to understate the value of the fixed assets on the system and in the CAFR. Furthermore, the physical inventory of fixed assets would not have reconciled with MMARS records.

After the Ashburton Place switches were purchased and paid for, the Office realized that the Portland Street switches were not recorded as a fixed asset. The Office was not aware of the 7 day recording requirement.

Recommendation:

The Office should develop a policy relative to recording onto the MMARS Fixed Asset Subsystem fixed asset purchased that are valued at \$15,000 or more. This policy should indicate that the fixed assets should recorded within the required (7) days of purchase.

Department corrective action plan:

Attorney General's Office (AGO) personnel were not aware of the requirement to enter fixed assets into MMARS within seven (7) days of acquisition. AGO will comply with the 7 day rule in the future and will add a section to their internal control manual to reflect this.

Responsible individual: Jeanette Maillet

Implementation date: March 1999

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