Section III

Summary Schedule of Prior Audit Findings

The Commonwealth of Massachusetts

Office of the Comptroller

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Report on Compliance and Internal Control in Accordance with Government Auditing Standards and the Requirements of OMB Circular A-133 and the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 1999.

The following schedule contains the finding number and title, segregated by Commonwealth department, of each of the findings included in the *Report on Compliance and Internal Control in Accordance with Government Auditing Standards and the Requirements of OMB Circular A-133 and the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 1998.* Following the finding number and title is the year the finding originated. If the finding repeated, as a result of the fiscal year ended June 30, 1999 audit, a parenthetical reference to the current year finding is provided. Under the heading corrective action taken there will be the following: F Full (indicating the corrective action plan was fully implemented)
P-R Partial (indicating the corrective action plan was partially implemented and the finding repeated in 1999)
N/R Not Reported (the finding does not meet the criteria for reporting under OMB Circular A-133, Section .510 a)

Finding Number and Title	**Corr Action Taken**

Masschusetts Emerengy Management Agency Finding Number 1: Information Supporting the Comprehensive Annual Financial Report was not Properly Completed FY1997	**F**
Department of Mental Health Finding Number 2: Late Recording of Fixed Assets - FY1998	**F**
The Office of the Attorney General Finding Number 3: Late Recording of Fixed Assets - FY1998	**F**
Department of Food and Agriculture Finding Number 4: Department did not Certify That Internal Control Plan was Updated - FY1998	**F**
Executive Office of Environmental Affairs Finding Number 5: Internal Control Plan Need to be Updated - FY1998	**P-R#2**
Department of Public Health Finding Number 6: GAAP Receivable System Needs Improvement - FY1995	**P-R#5**
Office of Child Care Services Finding Number 7: Fixed Assets not Recorded in MMARS Fixed Asset Subsystem and not Properly Inventoried- FY1998	**F**
Department of Education Finding Number 8: Internal Control Plan Needs to be Completed - FY1995	**F**
Massachusetts Maritime Academy Finding Number 9: Non-Appropriated Funds Activity not Reported and Reconciled Properly - FY1995	**F**
Masschusetts Bay Community College Finding Number 10: Non-Appropriated Funds Activity not Reconciled - FY1995	**F**

Roxbury Community College Finding Number 11: Non-Appropriated Fund Activity and Balances not Reconciled Monthly - FY1995	**P-R#9**
Operational Services Division Finding Number 12: Electronic Data Interchange (EDI) Controls Need to be Improved - FY1996	**F**
Salem State College Finding Number 13: The Need to Accurately Report Financial Activity - FY1998	**P-R#61**
Office of the State Treasurer Finding Number 14: Internal Control Plan to be Completed - FY1995	**P-R#12**
Information Technology Division Finding Number 15: Access to Production and Utility Libraries should be More Restricted - FY 1996	**F**
Information Technology Division Finding Number 16: Communications Room Environment	**F**
Information Technology Division Needs Improvement – FY 1997	**F**
Information Technology Division Finding Number 17: Business Continuity Planning - FY 1996	**F**
Information Technology Division Finding Number 18: Statewide Information Security Architecture- FY 1996	**F**
Massachusetts Highway Department Finding Number 19: Need to Update Many Standard Operating Procedures - FY 1994	**P-R#13**
Massachusetts Highway Department Finding Number 20: Delays in Submission of Final Vouchers - FY 1998	**N/R**

Division of Employment and Training Finding Number 21: Incomplete and Missing Benefit Determination Information - FY 1994	**F**
Executive Of Environmental Affairs Finding Number 22: Salaries Allocated to Federally-Funded Programs are not Supported by Proper Documentation - FY 1998	**F**
Executive Of Environmental Affairs Finding Number 23: Federally-Funded Publications do not Contain the Required Disclaimer- FY 1998	**F**
Executive Of Environmental Affairs Finding Number 24: Federal Reports not Filed or Filed for the Incorrect Period - FY 1998	**F**
Department of Police Finding Number 25: Time Charged to the Cops Program was not supported by Proper Documentation - FY 1998	**F**
Department of Police Finding Number 26: Need to Identify CFDA Number for Federal Awards to Subrecipients - FY 1998	**F**
Masschusetts Emergency Management Agency Finding Number 27: $1,893 in Overpayments and $9,059 in Underpayments Pertaining to the October 1996 Floods - FY1997	**F**
Department of Transitional Assistance Finding Number 28: Food Stamps Status of Claims against Household Report Filed with Inaccurate Data - FY1996	**P-R#20**
Division of Medical Assistance Finding Number 29: Late Filing of Reports -FY1996	**P-R#23**
Division of Medical Assistance Finding Number 30: Medicaid Waiver Reports not Filed FY1996	**P-R#24**
Division of Medical Assistance Finding Number 31: Closer Review of Waiver Recipients Case File Documentation Needed - FY 1996	**F**

Division of Medical Assistance Finding Number 32: Documentation of Timely Redeterminations of Eligibility Needs Improvement - FY1996	**P-R#25**
Division of Medical Assistance Finding Number 33: Lack of Waivers to Pay and Chase Medicaid Claims - FY1996	**P-R#26**
Department of Public Health Finding Number 34: Payroll Certifications not Performed - FY 1998	**F**
Department of Public Health Finding Number 35: Inadequate Record Retention to Support Filed Financial Reports - FY 1998	**F**
Department of Public Health Finding Number 36: Program Monitoring Documentation Needs Improvement - FY 1998	**F**
Department of Public Health Finding Number 37: Monitoring of Obligated Funds Needs Improvement - FY 1998 **F**	
Department of Public Health Finding Number 38: Inadequate Accounting Records - FY 1998	**F**
Department of Public Health Finding Number 39: Documentation Support Earmarking Compliance Needs Improvement - FY 1998	**F**
Department of Public Health Finding Number 40: Inadequate Monitoring of Filing Deadlines - FY 1998	**F**
Department of Social Services Finding Number 41: Subrecipient Monitoring Needs Improvement - FY 1997	**P-R# 30**
Department of Social Services Finding Number 42: Late Federal Reports - FY 1998	**F**
Department of Social Services Finding Number 43: Semi-Annual Certification not Filed - FY 1998	**F**

Office of Child Care Services Finding Number 44: Need to Eliminate Appearance of Conflict of Interest - FY 1998	**F**
Office of Child Care Services Finding Number 45: MMARS Revenue Reports and Bank Statements not Reconciled - FY 1998	**P-R# 31**
Office of Child Care Services Finding Number 46: Monitoring of Subrecipients Needs Improvement **-** FY 1998	**P-R# 32**
Department of Revenue/Division of Child Support Enforcement Finding Number 47: Comets System Posting Hierarchy Error - FY 1998	**P-R#33**
Department of Revenue/Division of Child Support Enforcement Finding Number 48: Ineffective Case Tracking and Management System - FY 1998	**P-R#34**
Department of Revenue/Division of Child Support Enforcement Finding Number 49: Inadequate Control over Case Adjustments - FY 1998	**F**
Department of Revenue/Division of Child Support Enforcement Finding Number 50: Cases not Closed in System - FY 1998	**P-R#35**
Department of Revenue/Division of Child Support Enforcement Finding Number 51: Title IV-D Interdepartmental Service Agreement Costs not Claimed - FY 1998	**F**
Department of Revenue/Division of Child Support Enforcement Finding Number 52: Federal Reporting Needs Improvement - FY 1998	**F**
Department of Revenue/Division of Child Support Enforcement Finding Number 53: Amounts Due from Non-custodial Parents are not Supported by the Transaction History Detail - FY 1998	**P-R#37**

Department of Education Finding Number 54: Subrecipient Report Review Needs Improvement – FY 1998	**P-R#38**
Department of Education Finding Number 55: Inadequate Subrecipient Monitoring - FY 1998	**P-R#45**
Department of Education Finding Number 56: Local Education Agencies (LEA) Compliance with Supplement not Supplant Requirement is not Monitored Annually - FY 1998	**P-R#39**
Department of Education Finding Number 57: Salaries Allocated to Federally-Funded Programs are not Supported by Proper Documentation - FY 1998	**P-R#40**
Department of Education Finding Number 58: Vocational Education Grant Requirements for Eliminating Sex Discrimination not Met - FY 1998	**F**
Department of Education Finding Number 59: Core Standards and Measures are Inadequate - FY 1998	**P-R#41**
Department of Education Finding Number 60: State Plan Administrative Matching Requirement Deficiencies - FY 1998	**P-R#42**
Department of Education Finding Number 61: Inadequate Site Monitoring - FY 1997	**P-R#43**
Department of Education Finding Number 62: Inadequate Site Monitoring - FY 1997	**P-R#43**
Department of Education Finding Number 63: Failure to Recapture Funds or Obtain a Waiver for Maintenance of Effort Failure - FY 1998	**P-R#44**
Framingham State College Finding Number 65: Refunds not Returned within Required Time Frame - FY1997	**F**

Information Technology Division Finding Number 66: $25,121 in Duplicate Charges Included in the Rates - FY 1998	**F**
Information Technology Division Finding Number 67: $3,824,999 in Additional Costs Included in the 1996 and 1997 Rates Effecting both Federal and State Programs - FY 1998	**P-R#70**
Information Technology Division Finding Number 68: Documentation Supporting Rate Development Needs Improvement - FY 1997	**P-R#71**
Department of Environmental Protection Finding Number 69: Departmental Cost Plans Need Revision - FY 1996	**F**
Department of Environmental Protection Finding Number 70: Need for a Unified Methodology to Establish Rates - FY 1996	**F**
Department of Environmental Protection Finding Number 71: A Comparison of Revenues to Expenditures Should be Made for Fiscal Years 1993 Through 1998 - FY 1997	**F**
Salem State College Finding Number 72: Need to Implement Approved Policies to Determine Students' Unofficial Withdrawal Date - FY 1997	**F**
Quinsigamond Community College Finding Number 73: Federal Funds Disbursed to Ineligible Students - FY 1998	**F**
Roxbury Community College Finding Number 74: Status of the U.S. Department of Education (DOE) Office of Inspector General (OIG) Issues - FY 1996	**P-R#46**
Roxbury Community College Finding Number 75: Pell Refunds not Paid - FY 1996	**P-R#46**
Roxbury Community College Finding Number 76: Funds Awarded to Underage Students - FY 1996	**P-R#46**

Status of Departmental Corrective Action Plans of Prior Audit Findings

Report on Compliance and Internal Control in Accordance with Government Auditing Standards and the Requirements of OMB Circular A-133 and the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 1999.

The following schedule contains the finding number and title, segregated by Commonwealth department, of each of the findings included in the *Report on Compliance and Internal Control Over Financial Reporting in Accordance with Governmental Auditing Standards for the Fiscal Year Ended June 30, 1998*. Following the finding number and title, the departmental certifications of the status of prior year findings repeated in 1999 re listed.

Executive Office of Environmental Affairs
Finding Number 5: Internal Control Plan Needs To Be Updated - FY 1998

Agency has undergone significant staff changes among key personnel through FY1999. Among key personnel changes were acting and new Cabinet Secretary and senior administrative staff (acting and new Assistant Secretary for Finance/CFO). We are currently undertaking a comprehensive review of our Internal Control Plan and revising it in response to these changes and the audit finding. We anticipate completing the revisions and fully implementing the corrective action on or before 31October 1999. **Department of Public Health**
Finding Number 6: GAAP Receivable System Needs Improvement - FY 1995

In early May, the Department met with staff from the Office of the State Comptroller along with representatives from Deloitte & Touche to focus on procedures for reporting GAAP receivables in an accurate and consistent manner. It was agreed to at that time that the Comptroller's Office would conduct a review of our Accounts Receivable Policy Manual to ensure compliance with Comptroller requirements. The DPH Accounts Receivable Policy Manual is presently under review by Comptroller staff. We will update this manual accordingly based upon recommendations from the Office of the State Comptroller. We expect final completion by mid-July. The revised manual will be utilized in reporting FY'99 GAAP data due to Comptroller's on August 13th. **Roxbury Community College**
Finding Number 11: Non-Appropriated Fund Activity and Balances Not Reconciled Monthly –FY1995

Non-appropriated funds activities are entered monthly into the MMARS system. Non-appropriated Funds financial activities for the Fiscal year ended June 30, 1999 have been entered into MMARS. New Trust Fund bank accountants opened recently will be incorporated into the appropriate existing Trust Fund Accounts on MMARS.

The formal reconciliation to the 110H report is in the process of being completed. We expect to have this done by the end of November 1999. **Salem State College**
Finding Number 13: The Need to Accurately Report Financial Activity - FY 1998

Staff from the Fiscal Affairs Office attended a session at the Comptroller's Office. They now have a better understanding of the reporting of non-appropriated funds. The College will ensure that MMARS, GAAP, and financial statements issued by the College will agree. **Office of the State Treasurer**
Finding Number 14: Internal Control Plan To Be Completed - FY 1995

The Treasurer appointed an Internal Auditor in June 1999. While the previous administration did submit an internal control plan, it is clearly not comprehensive in its scope and did not address key risk criteria and meet the requirements of Chapter 647 as noted in prior year findings. While the current administration's internal control plan has not been finalized, drafts of all key Treasury processes (Abandoned Property, State Board of Retirement, Cash Management, encumbrance and payment management, Administration and Finance) have been developed and are currently being reviewed by management staff. It is the current administration's intent to completely involve all levels of management and staff in the internal control process, including risk assessment and risk mitigation. **Massachusetts Highway Department**
Finding Number 19: Need To Update Many Standard Operating Procedures - FY 1994

The Department does maintain a written plan for internal controls in accordance with C647. The Internal Control Plan includes Standard Operating Procedures (SOP's), Policy directives, engineering Directives, manuals, and Interoffice Correspondence identifying policy changes and program procedures. The Department's organizational structure also provides for internal controls over financial activity. All financial transactions processed by department sections are supported by consistent standard MHD internal documentation, the appropriate MMARS transaction, supporting documentation as required by Massachusetts General Laws and Regulations, and the approval of the transaction by authorized Department personnel. During the FY '99 period, the SOP's referred to in the FY'98 finding have been under review by the sections. This review will continue and SOP's will be updated accordingly to provide assurance that transactions submitted by the sections for processing are supported by current SOP's. **Department of Transitional Assistance**

Finding Number 28: Food Stamps Status of Claims against Household Report Filed with Inaccurate Data - FY 1996

The Department has implemented the new BEACON accounts receivable system. At the present time, the Department is resolving the identified "bugs" in the FNS-209 Report and associated detail. The Department has kept USDA informed of its progress in this area.
Division of Medical Assistance
Finding Number 29: Late Filing of Reports - FY 1996

The Division is continuing to make every effort to complete the PMS 272 and HCFA 64 reports within the prescribed deadlines. However, as the current complexities in reporting continue to be compounded by new program reporting requirements, timely submission is difficult to achieve. On-site HCFA personnel are notified of any anticipated delay in quarterly reporting submissions as indicated by Gerry Beaudreault, Director, Federal Revenue in the corrective action plan. **Finding Number 30: Medicaid Waiver Reports not Filed - FY 1996**

As of 6/30/99 DMR 372 reports were up-to-date; the EOEA CY98 report, due June 30, 1999, was submitted to HCFA 8/24/99. This minor delay was due to a systems requests backlog. **Finding Number 32: Documentation of Timely Redeterminations of Eligibility Needs Improvement - FY 1996**

In November 1998, the Division reported that the annual review of community elder cases, with review dates greater or equal to one year, and was at a 97% compliance level. These figures have improved slightly, with the compliance level being at 98%. The goal is to be at 100% at the end of calendar year 1999. The redetermination of the long-term care portion of the caseload has increased from 37% to 80% in fiscal year 1999 with the goal of being in full compliance by December 1999. In April 1998, the Division began converting approximately 135,000 cases from PACES to MA-21 via a redetermination process. This process was completed in March 1999. In July 1997, the Division began establishing new health Care Reform cases on the MA-21 system. In November 1998, the Division began reviewing selected cases and to date has sent approximately 30,000 review forms to HCR members. The Division has developed an automated review process, which will profile cases according to case characteristics at prescribed intervals not to exceed 12 months. This profiling system is currently in the final stages of development and testing and will be implemented in September 1999. The Division plans to review 20,000 cases per month, beginning with the oldest cases and moving forward until the review dates are one year or less. **Finding Number 33: Lack of Waivers To Pay And Chase Medicaid Claims - FY 1996**

Due to health care reform and other Division high priority initiatives, implementation of systems enhancements for absent parent obligations has been given a low priority status. The Division is monitoring the systems enhancement request and its rank in the project queue monthly.

Department of Social Services
Finding Number 41: Subrecipient Monitoring Needs Improvement - FY 1997

The Department provided written notices to sub-recipients in June 1999.

Office of Child Care Services
Finding Number 45: MMARS Revenue Reports and Bank Statements not Reconciled - FY 1998 The Office's previous comments and Corrective Action Plan essentially remains unchanged. The Office does however offer the following updates Since the audit the Office has successfully completed the reconciliation for fiscal year 1999. In addition, the Office has offered comprehensive training to its staff to ensure those established Revenue/Cash Receipt Pressing procedures and the Commonwealth's MMARS Report 469A are being reviewed. Although training sessions will eventually be held on a quarterly basis, the training's are presently being held on a monthly basis to provide staff with more intensive exposure to the issues. The Office has also redesigned its reconciliation process. Under the old system, the Office had only one central bank account, in which all the licensing fees received by all the Office's five regional offices were deposited via a mail in deposit transaction. The office managers for each regional office would mail the deposits and then submit copies of the deposit slips to the central office on a weekly basis. The system complicated the reconciliation process, because it was difficult for the central office staff to track the mailed transactions made by each regional office. Under the new system, the Office has a separate stamped deposit receipt for each of its five regional office's deposits. This change helps the Office track daily deposits and daily transfers quicker and more efficiently. In addition, the Central Office Administration and Finance unit will be performing monthly reconciliations that will be sent to the Office's Assistant Commissioner for Administration and Finance by the twentieth day of each month for review. **Finding Number 46: Monitoring of Subrecipients Needs Improvement - FY 1998 The Office offers the following updates:** Since the audit, the Office has concentrated its efforts on developing a comprehensive monitoring system. The Office formed a monitoring work group (meeting held on 4/9 and 4/16) which review all state and federal requirements as well as evaluating existing monitoring tools used by other agencies. The larger monitoring group has broken down into smaller work groups with each group working on different parts of the tool. One member of the monitoring work group is working on the form to be used by the OCCS Account Specialists during the desk review process, while the other two work groups members are working on developing the eligibility review section

of the tool and the section of the tool that will address the RFR specifications/requirements. **The OCCS Director of Procurement and Contracting has developed a draft-monitoring tool that consists of the following:**
* A risk assessment that assesses the level of risk for each provider based on the facts including but not limited to: prequalification/ requalification status, licensing history, number of contracts held, amounts of federal dollars received; billing problems.
* An overview of the OCCS monitoring process that describes the process and specific steps in detail and outlines the responsibilities of the contract monitoring staff. **Still to be completed is the following:**
* Finalize site visit protocol including but not limited to: procedures for conducting entrance and exit conferences, administrative and programmatic staff interviews, review of client records, review of personnel records and agency policies and procedures;
* Finalize the risk assessment tool;
* Finalize various contract monitoring forms/letters including but not limited to: monitoring schedule; contract summary; billing and utilization; monitoring checklists; site visit letter;
* Finalize the following tools to be used during on-site reviews: eligibility; performance measures; training requirements; family child care systems requirements; A-133 and Terms and Conditions for Human Services requirements.
* It is anticipated that all of the above (with the exception of A-133 section of the tool) will be finalized by the beginning of October. Contract staff will be trained on the monitoring tool during mid-October with on-site monitoring to begin in late October 1999.

Department of Revenue/Division of Child Support Enforcement

Finding Number 47: Comets System Posting Hierarchy Error - FY 1998 This finding related to a COMETS posting hierarchy error which caused current support payments received between accrued assessments (before the system determined them to be due) to be allocated to arrears. As previously noted, programming to fix this error was completed in June 1968. In addition, CSE has made significant improvements in the area of quality assurance. A fully functioning Quality Assurance Unit has been established under the supervision of a new Director, Michael Roche. CSE has also substantially improved documentation and procedures relative to the COMETS development and change control processes (see finding 49 below for further explanation). Samples of procedures and training documentation relative to improvements in the change control process have been provided to the audit team for review. **Finding Number 48: Ineffective Case Tracking and Management System-FY 1998** Issues identified in this finding include a case in which the youngest child has reached the age of majority but the case was not closed. The finding also identified deficiencies in on-line documentation of location efforts and noted a perceived discrepancy between information displayed on the Enforcement Matrix and Case Event History Screens. With respect to case closures, CSE has convened a workgroup, which has prepared a series of recommendations to identify and work cases, which are candidates for closure (for more information, see finding number 50), In an area of on-line case event documentation, CSE has implemented improvements to ensure that automated location attempts are consistently recorded on COMETS. There has also been a concerted effort to ensure that cases are recorded as appropriated for each new piece of automated functionality implemented in COMETS. With respect to the Enforcement Matrix and Case and Case History screens, CSE continues to disagree with the premise that there is or should be a reconcilable relationship between these screens. The Enforcement Matrix continues to display the case actions for which a particular case is eligible at the present time and provides field staff with a mechanism to "shut off" enforcement under certain circumstances (i.e., when it is believed that the custodial parent could face physical harm as a result of enforcement). However, as noted above, CSE has worked to ensure that all federally-required case actions take place on a timely basis and are properly recorded in the CASE EVENT history. **Finding Number 50: Cases not Closed in System - FY 1998** CSE has convened a Case Closing Workgroup, which completed an analysis and prepared a list of recommendations to identify case that may meet federal case closing criteria. The following identifies some of the identified case categories: Post-Obligation Cases

Arrears-only cases without arrears (PA and NPA). We determined that a total of 21,457 cases existed on COMETS that have no current obligation and also have $0 arrears.

- Non custodial parents are deceased**.** We identified 1,113 cases associated with deceased noncustodial parents (vital statistics records as of 1996).
- Noncustodial parents with arrears of less than $500 (excluding interest and penalties). We identified a total of 3,632 cases on COMETS.
- Noncustodial parents without verified address for a period of three (3) years and no payments in three (3) years**.** We identified a total of 3,240 cases on COMETS.
- Out-out-out-cases. Cases in which the custodial and the noncustodial parent reside outside the Commonwealth and DOR is enforcing an out-of-state order. We are still analyzing the data, but the number of cases could be as high as 700.

The figures noted above reflect the number of cases meeting each of the given criteria. It is likely that there are cases, which meet one or more of the criteria. Therefore, the total number of cases to be closed will be less than the

total of cases listed for all categories.

Pre-Obligated cases

> Cases refereed from DTA not linked to NCP. This category of cases known as the "referral area." It includes cases that came from DTA and are not linked to a noncustodial parent because there is insufficient information to identify the noncustodial parent.

"GMT only" cases(custodial parent opts out after receiving GMT results) GMT exclusions. Putative father is excluded after GMT test and no other putative father is named. A number of change orders have been prepared and submitted to initiate IRB's assessment of the feasibility and level of effort required to proceed with a systemic effort to close eligible cases. An effort has been completed to remove more than 1,000 cases from COMETS in which the noncustodial parent has been identified to be deceased. **Finding Number 53: Amounts due From non-custodial Parents are not Supported by the Transaction History Detail - FY 1998** On March 9, 1999, CSE's System management Bureau (SMB) completed a review of 151 randomly selected cases with findings similar to those offered by Deloitte and Touche. In this review, SMB determined that a manual calculation of arrears did not agree with COMETS arrears in 51 of the 151 (34%) cases sampled. The reviewer attributed the arrears discrepancies to problems with data conversions, incorrect Aid Category Assignments (proper attribution of the case as either AFDC or non-AFDC), IV-A/IV-D Interface (computer interface between CSE and the Department of Transitional Assistance), and human data entry or update errors. Additional analysis of arrears balances has recently been undertaken by the CSE Quality Assurance Unit which intends to categorize arrears balances errors and develop specific recommendations for systemic and or manual corrections of arrears where necessary. CSE is also proactively pursuing improvements to ensure the prospective accuracy of arrears balances. There is an ongoing effort between CSE, IRB, and DTA to correct problem with IV-A/IV-D interface (the nightly transmission of TAFDC data from the Department of Transitional Assistance to COMETS). Data entry and update deficiencies have been addressed thorough the creation of Regional Case Establishment Teams and the design and implementation of improved case establishment documentation and training. COMETS problems known contribute to deficiencies in the accuracy of arrears are also being aggressively addressed. For example, a system fix was recently implemented to correct a problem whereby COMETS was creating duplicate assessments for cases in which a retroactive court order modification has been recorded. **Department of Education Finding Number 54: Subrecipient Report Review Needs Improvement - FY 1998** The Department has developed a system and methodology to identify, track, collect and review audit reports of its subrecipients. In December of 1998 the Department sent a letter (attached) to all of its' subrecipients explaining the requirements of both the grantor and grantee of funds. The department has a methodology (*Desk Review Process for Audits*) to identify which of its' subrecipients need to comply with OMB Circular A-133. This methodology has been submitted to the auditors. These reports are being collected and subject to review and follow up if the report is deficient or noncompliance. The funding clusters within the department have been notified when their grantees have issues that need their review. A new system is also being created for the future consolidated reviews of school districts. Beyond the reports that have to be in compliance with OMB Circular A-133, systems have been developed to review audit reports of recipients of other federal funds and recipients of state funds. **Finding Number 55: Inadequate Subrecipient Monitoring - FY 1998 STC** In FY1999 there were 60 Coordinated Program Reviews done, 6 of those were Voc-Tech Perkins reviews. In addition, there were 13, Perkins, 3 HSTW and 4 NEASC. In FY2000 there are 70 Coordinated Program Reviews scheduled, 10 Voc-Tech Perkins reviews as well as 8 Perkins, 3 HSTW and 2 NEASC. **Finding Number 56: Local Education Agencies (Lea) Compliance with Supplement not Supplant Requirement is not Monitored Annually - FY 1998** Relating to special education: Status is as follows: Letters were sent out with requested return information by the end of May 1999. Some districts responded within the requested timeframe. Some did not. We are following up with those who did not and will not release federal funds until and unless we have sufficient and appropriate justification or budget information. The letters we are using are available for review at any time. In regards to Voc Ed letters were mailed, replies received and verifications were made in all cases completed and given to the auditors for their review. We continue to monitor schools according to the Perkins guidelines. **Finding Number 57: Salaries Allocated to Federally-Funded Programs are not Supported by Proper Documentation - FY 1998** The Department of Education was successful in securing additional state funding in the FY99 state budget to address the overcharge to the various federal programs. In early July of last year, approximately twenty staff was transferred from federal funds to state funds to eliminate the vast majority of the previous years audit exception. Additional staff were also transferred in the beginning of January to correct some minor over and under charges that were identified as a result of the second quarter federal payroll reporting analysis. The Department of Education will continue to monitor the federal payroll reporting and make timely adjustments to eliminate any future exceptions. **Finding Number 59: Core Standards and Measures are Inadequate - FY 1998** We are awaiting the results of the MCAS test to compare with the previous year's results to determine the strengths and weaknesses of each school and program in order to set benchmarks and take corrective measures. We are also working on the 4 indicators for the New Perkins III. **Finding Number 60: State Plan Administrative Matching Requirement Deficiencies - FY 1998** The Department of Education will review the allocation of staff that is used as part of the Vocational Education match and make the necessary changes. Also, the

Department of Education has contracted with an independent accounting firm and a number of LEA's will be selected and reviewed this fiscal year. **Finding Number 61: Inadequate Site Monitoring - FY 1997** We continue to work with the monitoring process to assure compliance with current and newly issued regulations. **Finding Number 62: Inadequate Site Monitoring - FY 1997** We continue to work with the monitoring process to assure compliance with current and newly issued regulations. **Finding Number 63: Failure to Recapture Funds or Obtain a Waiver for Maintenance of Effort Failure - FY 1998** Regarding the failure to recapture funds or obtain a waiver for maintenance of effort failure, while a system is now in place to track funds and adjustments to grants for Title I, the process is currently being refined to ensure that internal controls are in place. A manual is being developed to outline specific procedures and timelines for maintenance of effort. Ongoing communication with the department's Grants Management Unit is being maintained, with a log reviewed periodically for open items. The Program Manager maintains a separate log of adjustment to use in the review prior to approval of grants. **Information Technology Division Finding Number 67: $3,824,999 in Additional Costs Included in the 1996 and 1997 Rates Effecting Both Federal and State Programs - FY 1998**
Status as of April 22,1999 Ed Shapiro promised Phil Simard of the US Department of Health and Human Services, Division of Cost Allocation that the ITD Cost Allocation Plan rate calculation will completed for his review with in the next week or two. With one exception, ITD has agreed to include the above adjustments in the FY1998 rate calculation. ITD will include $1.4 million of NYNEX credit refunds that are attributable to the ITD Centrex Telephone chargeback system.
Finding Number 68: Documentation Supporting Rate Development Needs Improvement - FY 1997
Status as of April 22,1999

Per a telephone conversation with Fred DeMinico, today April 22, 1999: Phil Simard of the US Department of Health and Human Services, Division of Cost Allocation AGREES with ITD. The ITD Cost Allocation Plan is a Public Assistance Cost Allocation Plan as defined by 45 CFR 95 and Attachment D of OMB Circular A-87. The ITD Cost Allocation Plan is NOT an Internal Service Fund Cost Allocation Plan as defined by Attachment C of OMB Circular A-87. The following is a letter summarizing a meeting between Ed Shapiro, ITD and Phil Simard, US Department of HHS, Division of Cost Allocation. Phil is out of town for the next week or two. This letter will be presented to Phil Simard for his review upon his return.

MEMORANDUM

To: Phil Simard, U.S. Department of Health and Human Services, Division of Cost Allocation **From:** Edward Shapiro, Commonwealth of Massachusetts, Information Technology Division **CC:** Louis Angeloni, Commonwealth of Massachusetts, Information Technology Division **Date**: April 22, 1999

Meeting attendees:
Edward Shapiro, Commonwealth of Massachusetts, Information Technology Division
Philip Simard, U.S. Department of Health and Human Services, Division of Cost Allocation

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Per our meeting on Monday April 12,1999, we agreed to the following:

Certain Information Technology Division (ITD) business units are NOT required to track time pursuant to OMB Circular A-87 even though personnel may work in more than one chargeback cost center. Business units employing personnel with all of the following characteristics are eligible for this treatment: Low paid individuals,Minimal education required to performing the tasks are performing routine interchangeable tasks within the business unit. Specifically, the following business units are exempt from time tracking:

Mailrooms at MITC in Chelsea; inter-office mail facility in Boston which includes personnel who burst and distribute printed mainframe reports; the Network control center personnel and The computer operators.

Additional agreements:

As of this writing, time tracking is required for the following ITD business units:
Application personnel in the Enterprise Applications Bureau; Technical Services Unit of the ITD Data Center (Only those Systems programmers performing tasks in more than one chargeback cost center at the MITC facility in Chelsea.); Database Administration Group of the ITD Data Center (Only those Database Administrators performing tasks in more than one chargeback cost center at the MITC facility in Chelsea.) In addition, Phil is aware that the System Programmers and the Database administrators in Chelsea staged a revolt against time tracking. The Data Center is in the process of designing a friendlier tracking system. The Single Auditor's observation that ITD does not have a standardized timesheet

form is an irrelevant issue. There are no state regulations concerning standardized timesheets.

Roxbury Community College

Finding Number 74: Status of the U.S. Department of Education (DOE) Office of Inspector General (OIG) Issues - FY 1996 On September 21, 1998, the college was notified that its potential liability resulting from the ESL had been reduced to $ 570,000. In accordance with applicable appeal procedures, the college submitted its response to the DOE and is now awaiting their response. The College will continue to work with DOE to resolve this matter. **Finding Number 75: Pell Refunds not Paid - FY 1996** On September 21, 1998, the College was notified that its potential liability resulting from the ESL had been reduced to $ 570,000. In accordance with applicable appeal procedures, the College submitted its response to the DOE and is now awaiting their response. The College will continue to work with DOE to resolve this matter. **Finding Number 76: Funds Awarded to Underage Students - FY 1996** On September 21, 1998, the College was notified that its potential liability resulting from the ESL had been reduced to $ 570,000. In accordance with applicable appeal procedures, the College submitted its response to the DOE and is now awaiting their response. The College will continue to work with DOE to resolve this matter.

Next Section

Privacy Policy
Any questions? Send e-mail to: comptroller.info@state.ma.us.
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