

Department of Police

Findings on Compliance with Rules and Regulations

Finding Number 6: Late Recording of Fixed Assets

The Department of Police (Department) did not record police cruisers onto the Commonwealth's Fixed Asset Subsystem in a timely manner. The Department purchased cruisers in fiscal years 1997, 1998 and 1999 and did not enter them onto the Massachusetts Accounting and Reporting System (MMARS) Fixed Asset Subsystem until January 11 and 12, 1999 for the cruisers purchased in fiscal years 1997 and 1998, and July 15, 1999 for the cruisers purchased in fiscal year 1999. *The MMARS Fixed Asset Subsystem User Guide* requires assets valued at \$15,000 or more to be recorded onto the system within seven (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 fixed assets in a timely manner and correctly is to understate the value of the fixed assets on the system and in the CAFR. Furthermore, a physical inventory of fixed assets would not reconcile with MMARS, the official books and records of the Commonwealth. Department personnel did not seem to be aware of the 7-day rule. Also, there was no policy in the Department's internal control plan to record such fixed assets onto MMARS within 7 days of acquisition.

Recommendation

The Department should develop a policy relative to the recording of fixed assets valued at \$15,000 or more onto the MMARS Fixed Asset Subsystem. The policy should require the recording of these fixed assets within 7 days to comply with *The MMARS Fixed Asset Subsystem User Guide*.

Department Corrective Action Plan

The Department will amend its General Order number DM-30, titled Asset management, dated January 22, 1998, to incorporate policy guidance on the matter of recording GAAP fixed assets valued at \$15,000 or more onto the MMARS Fixed Asset System. Such policy guidance will require that GAAP fixed assets be recorded in the MMARS Fixed Asset Subsystem within seven (7) days of acquisition. The Fixed Assets section of the Department's Internal Control Plan will also be amended to include the seven (7) day recording requirement.
Responsible Individual: Michael Weeks

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