

# Metropolitan District Commission

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## Findings on Compliance with Rules and Regulations

### Finding Number 8: Late Recording of Fixed Assets

The Metropolitan District Commission (Commission) did not record land purchased onto the Commonwealth's Fixed Asset Subsystem in a timely manner. The Commission purchased the land in March 1999 (fiscal year 1999) and did not enter it onto the Massachusetts Accounting and Reporting System (MMARS) Fixed Asset Subsystem until May 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. The fixed asset was not recorded onto MMARS because of an error by Commission personnel.

### Recommendation

The Commission should monitor all fixed asset purchases to ensure to the recording of fixed assets valued at \$15,000 or more onto the MMARS Fixed Asset Subsystem within in 7 days to comply with *The MMARS Fixed Asset Subsystem User Guide*.

### Department Corrective Action Plan

The MDC entered the Fixed Asset in MMARS in May 1999. Please note that while the MDC was not in compliance with the Fixed Asset Subsystem User Guide seven (7) day requirement, the MDC did enter the data in the correct fiscal year. At the time my office was down two staff members due to a retirement and a workmen's compensation injury. However please note that every attempt is made to always comply with State law and regulation. In future, I will make every effort to record Fixed Assets within the mandated seven (7) days. Responsible Individual: Michael Rock

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