

Section VI

Departments Audited in Prior Years

Departments Audited in Prior years Background

During the fiscal years 1993 through 1998 Single Audits, four departments were audited, with compliance and/or internal control findings resulting that were not audited as part of the fiscal year 1999 Single Audit. These departments were: Massachusetts Emergency Management Agency, Department of Police, and Executive Office of Environmental Affairs and Department of Environmental Protection. They were not included in the fiscal year 1999 audit because they were not among (1) the departments with chargeback operations audited as they were in 1993 through 1996, (2) the departments with Type A major federal programs that were considered low-risk under Section .520(c) (1).

However, one of the requirements of the Single Audit Act Amendments is to follow-up on the department's implementation of corrective action on prior year audit findings. Since the aforementioned departments were not included in the 1999 audit, a somewhat different approach to following up on these findings was taken. The Office of the State Auditor and the Office of the Comptroller's Department Assistance Bureau, under guidance from the Office of the State Auditor, conducted the follow-up at these departments.

Nine findings resulted at these four departments from the prior Single Audits. Based on the follow-up work, satisfactory corrective action had been taken on all nine findings and are not repeated in this report.

Findings not Repeated from Prior Years

1. The Massachusetts Emergency Management Agency (Agency) needed to resolve over-and under payments resulting from the October 1996 flood. The Agency received approval from the Federal Emergency Management Agency to resolve these payments. (*Fiscal Year 1998 Single Audit Finding 27*)
2. The Executive Office of Environmental Affairs (Office) did not maintain adequate documentation for salaries charged to the Coastal Zone Management Administration Award (CZM). The Office

- established a procedure requiring the CZM Deputy Director to certify the employees who worked on the program. (*Fiscal Year 1998 Single Audit Finding 22*)
3. The Office did not comply with the special conditions included in the 1998 CZM. A checklist was developed for all federally-funded programs to assure that all proper wording was included in publications. (*Fiscal Year 1998 Single Audit Finding 23*)
 4. The Office did not include the required financial reports to the National Oceanic and Atmospheric Administration for the proper periods. All required reports for the proper periods have been filed. (*Fiscal Year 1998 Single Audit Finding 24*)
 5. The Department of Police (Department) did maintain adequate documentation to support the time charged to the COPS program. The Department has established a procedure requiring that the COPS be added to the timesheets and all proper certifications are obtained. (*Fiscal Year 1998 Single Audit Finding 25*)
 6. The Department did not identify *the Catalog of Federal Domestic Assistance (CFDA)* number to subrecipients receiving federally-funded equipment provided under the COPS Program. The Department reissued letters to its subrecipients stating that the equipment provided was federally-funded. (*Fiscal Year 1998 Single Audit Finding 26*)
 7. The methodologies used in preparing the Department of Environmental Protection's (DEP) indirect cost rate proposal and the plan for allocating costs directly to federal programs needed revision. DEP received approval from the U.S. Environmental Protection Agency for its revised indirect cost rates for the fiscal years 1996 through 1999. (*Fiscal Year 1998 Single Audit Finding 69*)
 8. The methodologies used in preparing the DEP's fees, permits and indirect cost rate for cost recovery programs needed revision and integration. This finding was first reported as part of the fiscal year 1993 Single Audit and DEP has not been advised by the federal grantor agency of the need to revise and integrate its fees, permits and indirect cost rate for cost recovery programs. Therefore, in accordance with §_.315(b)(4)(i), this finding does not warrant any further action. (*Fiscal Year 1998 Single Audit Finding 70*)
 9. DEP had not established a system to compare the cost of fees and permits with revenue received in accordance with OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, for fiscal years 1993 through 1998. This finding was first reported as part of the fiscal year 1993 Single Audit and DEP has not been advised by the federal grantor agency of the need to revise and integrate its fees, permits and indirect cost rate for cost recovery programs. Therefore, in accordance with §_.315(b)(4)(i), this finding does not warrant any further action. (*Fiscal Year 1998 Single Audit Finding 71*)

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