

NO. 73-S-235



The Commonwealth  
of Massachusetts

REPORT ON THE EXAMINATION OF THE ACCOUNTS  
OF THE  
LEGISLATIVE POST AUDIT AND OVERSIGHT BUREAU  
FROM INCEPTION, MARCH 1, 1972 TO MAY 22, 1973

# DEPARTMENT OF THE STATE AUDITOR

MASS. : AUDITOR'S DEPT.  
REPORTS ON THE EXAMINATIONS OF  
THE ACCOUNTS OF THE VARIOUS  
STATE AGENCIES.

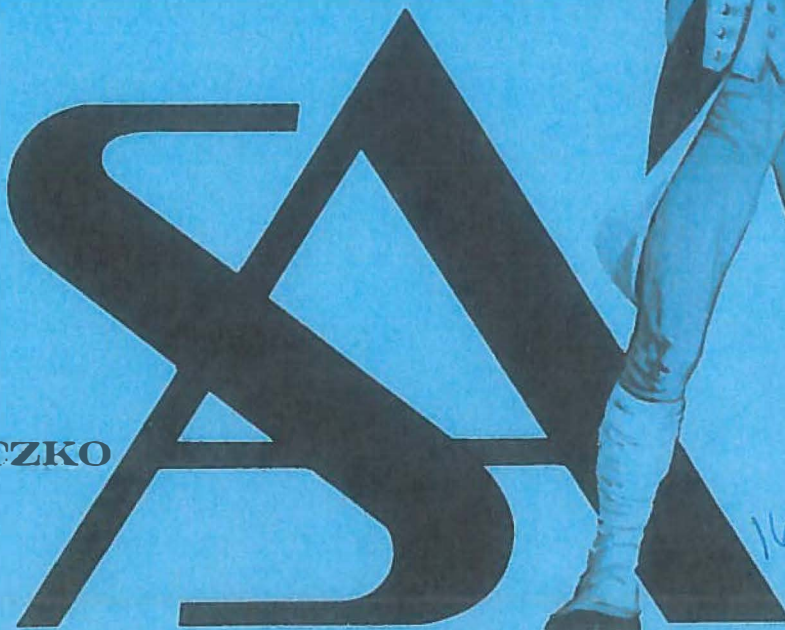
*"Guardian of  
the Commonwealth"*



THADDEUS BUCZKO  
STATE AUDITOR

B36.7M3

A21ra



232

TABLE OF CONTENTS

	<u>Page</u>
Organization	1
Statutory References	2
Scope of Audit	3
Notes and Comments	4 - 6
Financial Statement:	
I Statement of Disbursements under Maintenance	
Appropriation, Fiscal Year Ending June 30, 1972	7

ORGANIZATION

May 22, 1973

The Legislative Post Audit and Oversight Bureau was established by Section 64 of Chapter 3 of the General Laws, as inserted by Section 1 of Chapter 1008 of the Acts of 1971.

Legislative Post Audit and Oversight Bureau

	<u>Date of Original Appointment</u>	<u>Annual Salary</u>
Director of Bureau: William H. Finnegan	March 1, 1972	\$26,075 00
Assistant Director of Bureau: Cornelius R. Owens	March 1, 1972	25,032 00

Functions

The Legislative Auditor (Director of Bureau) and his assistants shall, at the direction of the Committee, (the Joint Committee on Post Audit and Oversight of the General Court) have access to and authority to examine, during regular business hours, any and all records, including but not limited to books, reports, accounts, vouchers, bank accounts and money or other property of any agency of the State and it shall be the duty of any officer or employee of any such agency having such records or property in his possession or under his control, to permit access to and examination thereof upon the request of the Legislative Auditor or his authorized representative. The Bureau shall submit all reports to the Committee as requested.

Location of Bureau

This Bureau is located and occupies space on the fifth and sixth floors at 14 Beacon Street, Boston. The premises are rented under a tenant-at-will basis at an annual cost of \$4,879.80.

STATUTORY REFERENCES

1. Legislative Post Audit and Oversight Bureau established by Section 64 of Chapter 3 of the General Laws, as inserted by Section 1 of Chapter 1008 of the Acts of 1971.

SCOPE OF AUDIT

An examination has been made of the accounts of the Legislative Post Audit and Oversight Bureau covering the period from its inception, March 1, 1972 to May 22, 1973.

There is no cash at this Bureau.

All appropriation expenditures are preaudited by the Comptroller's Division before payment. The individual charges to the appropriation account were test checked.

The appropriation account was reconciled with the Comptroller's Division records as of June 30, 1972 and April 30, 1973.



NOTES AND COMMENTS

Audit Review: At the conclusion of the audit a draft of this report was reviewed with the Director of this Bureau.

Personnel Employed: A list of the personnel employed at this Bureau as of the date of audit follows:

<u>Position</u>	<u>Annual Salary</u>
Director	\$26,075 00
Assistant Director	25,032 00
Supervising Legislative Analyst	20,547 00
Legislative Analyst	17,731 00
Legislative Analyst	17,731 00
Legislative Analyst	17,000 00
Legislative Analyst	16,000 00
Associate Legislative Analyst	15,000 00
Associate Legislative Analyst	14,602 00
Associate Legislative Analyst	13,559 00
Associate Legislative Analyst	12,516 00
Associate Legislative Analyst	12,000 00
Secretary to the House Chairman and Administrative Assistant to the Legislative Post Audit and Oversight Bureau	9,387 00
Administrative Assistant	9,387 00
Legislative Aide	4,680 00 (part time)
Legislative Analyst	160 00 (per week)

All personnel employed are subject to the approval of the Joint Committee on Post Audit and Oversight of the General Court.

General: The Legislative Post Audit and Oversight Bureau under the direction of the Joint Committee on Post Audit and Oversight of the General Court shall, when requested by such Committee, conduct a performance audit of any particulars affecting a specified agency of the Commonwealth.

The Committee shall oversee the development and implementation of a legislative auditing program to be conducted by the Bureau with special emphasis on performance auditing. The Committee shall receive the reports of the Department of the State Auditor and the Legislative Auditor and shall determine what remedial measures, if any, are necessary.

The creation of this Bureau by the General Court has filled a gap in the

financial controls of the Commonwealth resulting from the continuing failure of the Commission on Administration to follow up deficiencies reported in audits by the Department of the State Auditor.

The statute regulating the Department of the State Auditor requires that this department shall annually complete an audit of all agencies of the Commonwealth. In complying with this law, it is necessary for this department to conduct approximately 700 audits in every fiscal year. This places a tremendous work load on the Department of the State Auditor and as a result, every individual audit must be scheduled in advance with a time limit. When we encounter an unusual situation we make such an examination as is necessary to establish an exact pattern of the impropriety involved, but we do not have the personnel available to follow up every individual instance that may be involved. In other words we establish, by our audit, definite proof that an improper situation exists. An examination of the laws of the Commonwealth clearly indicates that it is the duty of the Commission on Administration to act upon such conditions when brought to the Commission's attention.

In recent months, as a result of action taken by the Post Audit Bureau on matters which have been commented on in our reports, substantial improvements have either been made or are in the process of correction.

For many years, the Department of the State Auditor has reported continuing and expanding abuses in the use of consultants by many agencies of the Commonwealth. As the result of action by the Post Audit Bureau, the use of consultants' services is being limited.

We have reported in several of our reports that the MDC has used monies provided by Water Bonds to employ a substantial number of individuals whose duties have nothing to do with the purpose for which these funds were borrowed. Correction of this situation, we understand, is in progress.

Audit reports issued by this department have called attention to the fact that the cost of transporting handicapped children to special educational facilities

has exceeded the cost of tuition for these same students. This has been acted on by the Post Audit Bureau and corrections are now in progress.

For several years our audit reports have called attention to the fact that two distinct committees exist ostensibly for the same purpose and that a conflict exists between the two. We are referring to the Committee on Law Enforcement and Administration of Criminal Justice and the Governor's Public Safety Committee. As the result of the Post Audit Bureau calling the situation to the attention of the Attorney General, legislation has been filed to correct this intolerable situation.

Attention now is directed to the fact that audit reports issued by this Department in the course of a fiscal year contain literally dozens of comments that are not necessarily of sufficient scope to warrant the attention of the Post Audit Committee; however, in every instance they should be followed to final determination by the Commission on Administration.

We are using this audit report as a vehicle to call this condition to the attention of the Secretary of Administration.

#### FINANCIAL STATEMENT

The financial statement listed in the "Table of Contents" follows:



Schedule No. IStatement of Disbursements under Maintenance Appropriations

Fiscal Year Ending June 30, 1972

	<u>1972</u>
Appropriation (Account #0169-7102)	<u>\$108,000 00</u>
Disbursements	\$ 43,728 75
Balance Forward	<u>64,271 25</u>
	<u>\$108,000 00</u>
Analysis of Disbursements:	
Salaries - Other	\$35,627 53
Services - Non-employees	2,656 00
Laboratory and Medical Supplies and Expenses and General Care	16 00
Travel and Automotive Expenses	1,734 43
Office and Administrative Expenses	3,150 34
Rentals	544 45
	<u>\$43,728 75</u>