



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

Official Audit Report – Issued February 7, 2019

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## Massachusetts Developmental Disabilities Council

For the period October 1, 2016 through September 30, 2018





Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

February 7, 2019

Mr. Daniel Shannon, Executive Director  
Massachusetts Developmental Disabilities Council  
100 Hancock Street, Suite 201  
Quincy, MA 02171

Dear Mr. Shannon:

I am pleased to provide this performance audit of the Massachusetts Developmental Disabilities Council. This report details the audit objective, scope, and methodology for the audit period, October 1, 2016 through September 30, 2018. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to the Massachusetts Developmental Disabilities Council for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMBump".

Suzanne M. Bump  
Auditor of the Commonwealth

cc: Michael J. Heffernan, Secretary of the Executive Office for Administration and Finance

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## **EXECUTIVE SUMMARY**

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of the Massachusetts Developmental Disabilities Council (MDDC) for the period October 1, 2016 through September 30, 2018. In this performance audit, we examined whether MDDC's administration of its sub-recipient grants was consistent with applicable laws, regulations, contractual terms and conditions, and other guidance.

Our audit revealed no significant instances of noncompliance by MDDC that must be reported under generally accepted government auditing standards.

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## OVERVIEW OF AUDITED ENTITY

The Massachusetts Developmental Disabilities Council (MDDC) is an independent agency funded by the federal government through a federal grant authorized under Subtitle B of the federal Public Law 106-402 (the Developmental Disabilities Assistance and Bill of Rights Act of 2000). MDDC was established in accordance with state Executive Order 512. It is made up of citizen members appointed by the Governor as well as representatives from state agencies and the Massachusetts Developmental Disabilities Network.<sup>1</sup> According to its website,

*MDDC's goal is to help make sure people with developmental disabilities lead successful lives in their communities, have greater employment opportunities, support for inclusive education, and choose where and with whom they live.*

During our audit period, MDDC had a budget of approximately \$1.9 million for fiscal year 2017 and \$1.8 million for fiscal year 2018. MDDC has an executive director and an additional 15 employees at 100 Hancock Street in Quincy.

### Sub-Recipient Program

According to Section 122(b) of Public Law 106-402, MDDC receives an annual federal allotment for the following purpose:

*To be used to pay for the Federal share of the cost of carrying out projects in accordance with State plans approved under section 124 for the provision under such plans of services for individuals with developmental disabilities.*

The Commonwealth must provide a waiver of a portion of MDDC's fringe benefits and indirect costs to match the award. These costs are absorbed by the Commonwealth.

MDDC selects partnering entities (called sub-recipients) to carry out the projects described in its plan. The projects performed by the sub-recipients include, but are not limited to, self-advocacy training, special education, leadership forums, and health insurance training (these are performed in various languages, such as Spanish, Vietnamese, and Arabic). The intent of these projects is to provide information in various languages to people with developmental disabilities and their families to enhance their independence, productivity, and inclusion in the community.

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1. This network consists of MDDC, the Institute for Community Inclusion, the University of Massachusetts Medical School Shriver Center, and the Disability Law Center. According to its website, the network provides "advocacy, education, research, and dissemination of information."

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## AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of certain activities of the Massachusetts Developmental Disabilities Council (MDDC) for the period October 1, 2016 through September 30, 2018.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is our audit objective, indicating the question we intended our audit to answer and the conclusion we reached regarding the objective.

Objective	Conclusion
1. Does MDDC properly administer its federal grant program to sub-recipients, including authorizing, recording, and monitoring?	Yes

To achieve our objective, we gained an understanding of the internal controls we deemed significant to our audit objective by evaluating the design and operating effectiveness of controls related to the awarding of sub-recipient grants. In addition, we performed the following procedures to obtain sufficient, appropriate audit evidence to address our audit objective.

We obtained a list of the nine sub-recipient grants MDDC had awarded, finalized, and closed during our audit period. We reviewed each of the sub-recipient reports in the DD Suite<sup>2</sup> application for compliance with financial and programmatic requirements. Specifically, we reviewed whether each sub-recipient's reports were reviewed by MDDC personnel, whether each sub-recipient met its stated goals, and whether the budgets and expenditures were reviewed by MDDC's project manager. We also determined whether the grants were properly recorded in the Massachusetts Management Accounting and Reporting System (MMARS). More specifically, we determined whether the grants were properly entered in MMARS, and we reviewed the final Payment Request Documents to determine whether they

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2. According to MDDC's website, "The DD Suite is an application that Developmental Disabilities Councils use to collect data on implementation activities, award and administer grants, and generate required data for federal reports."

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were approved by the executive director or chief fiscal officer, whether the amounts agreed with MMARS, and whether the total expenditures recorded in DD Suite agreed with the payments recorded in MMARS.

## **Data Reliability**

In 2018, OSA performed a data reliability assessment of MMARS focused on testing selected system controls (access controls, application controls, configuration management, contingency planning, and segregation of duties) for the period April 1, 2017 through March 31, 2018. As part of our current audit, we reviewed DD Suite for programmatic review and acceptance of sub-recipient reports. We reconciled the cost data in DD Suite with the data recorded in MMARS. We also performed a data query from MMARS of all grant payments made by MDDC to non-public entities (sub-recipients) and tested to verify that the cost data were consistent in all data sources. We also obtained the Payment Request Documents and verified that these payments agreed with the reports. We reconciled the total grant expenditures recorded in DD Suite with the payments recorded in MMARS through December 31, 2018.<sup>3</sup> We also verified these grant payments with the Comptroller of the Commonwealth's CTHRU open records platform.<sup>4</sup>

We determined that the data in DD Suite and MMARS were sufficiently reliable for the purposes of our audit.

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3. Our audit period was October 1, 2016 through September 30, 2018. However, payments for federal grants are on a three-year cycle. Payments for these grants must be made within this cycle, which started on October 1, 2016 and will end on September 30, 2019.

4. CTHRU is a website maintained by the Comptroller of the Commonwealth to allow public access to state spending and payroll data.