



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

Making government work better

Official Audit Report – June 28, 2022

Massachusetts Sheriffs' Association

For the period July 1, 2017 through June 30, 2020





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Sheriff Steven W. Tompkins, President of the Massachusetts Sheriffs' Association
Suffolk County Sheriff's Department
20 Bradston Street
Boston, MA 02118

Dear Sheriff Tompkins:

I am pleased to provide this performance audit of the Massachusetts Sheriffs' Association. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2017 through June 30, 2020. 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 Sheriffs' Association 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: Carrie Hill, Esq., Executive Director of the Massachusetts Sheriffs' Association

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LIST OF ABBREVIATIONS

CFO	chief financial officer
COVID-19	2019 coronavirus
CPI	cost per inmate
CTR	Office of the Comptroller of the Commonwealth
ERM	enterprise risk management
ICP	internal control plan
MSA	Massachusetts Sheriffs' Association
OSA	Office of the State Auditor

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 Sheriffs' Association (MSA) for the period July 1, 2017 through June 30, 2020.

In this performance audit, we examined the reports MSA collected from sheriffs' offices, and we reviewed MSA's policies and procedures as well as its budgetary language¹ requirements.

Our audit revealed two significant instances of noncompliance by MSA that must be reported under generally accepted government auditing standards. We also identified a number of internal control plan issues that we believe warrant MSA's attention, which we have disclosed in the "Other Matters" section of this report.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page 5	MSA did not ensure the consistency and accuracy of cost-per-inmate reports.
Recommendations Page 5	<ol style="list-style-type: none">1. MSA should provide guidance to the sheriffs' offices to ensure that all "Total Operational Spending per Inmate" reports are completed consistently and accurately.2. MSA should review all reports when it receives them.
Finding 2 Page 6	MSA did not establish policies and procedures for coordinating and standardizing services and programs at the sheriffs' offices.
Recommendation Page 7	MSA should develop and establish policies and procedures for the coordination and standardization of services and programs at the sheriffs' offices.

1. Budgetary language is language about the use of disbursed funds that is attached to appropriations in the Commonwealth's budget.

OVERVIEW OF AUDITED ENTITY

Each county sheriff in the Commonwealth is an elected official who serves a term of six years. The county sheriffs' offices were originally county government entities but have all, as of January 2010, been converted to state government entities. The Massachusetts Sheriffs' Association (MSA) is located in Boston and currently consists of an executive director and a deputy director, who are appointed by the state's 14 sheriffs. A president and vice president are elected to serve a two-year term. MSA receives an annual legislative appropriation in the Commonwealth's approved budget under Line Item 8910-7110, "Massachusetts Sheriffs' Association Main Appropriation." For fiscal years 2018, 2019, and 2020, MSA's state appropriations were \$375,992, \$461,742, and \$461,742, respectively.

MSA collects data related to incarceration, recidivism, and inmate population from the 14 independent sheriffs' offices and reports the information, as required, on its website and in formal reports to various legislative bodies and state agencies. In addition, MSA is charged with standardizing the services and programs that the sheriffs' offices offer and providing technical assistance and training to the sheriffs throughout the Commonwealth.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

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 certain activities of the Massachusetts Sheriffs' Association (MSA) for the period July 1, 2017 through June 30, 2020.

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 a list of our audit objectives, indicating each question we intended our audit to answer, the conclusion we reached regarding each objective, and where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did MSA develop a uniform reporting calculation model and format for "Total Operational Spending per Inmate" reports submitted by all sheriffs' offices as required by its final budgetary language for fiscal years 2018, 2019, and 2020?	No; see Finding <u>1</u>
2. Did MSA establish policies and procedures for the standardization of services and programs for the sheriffs' offices as required by its final budgetary language for fiscal years 2018, 2019, and 2020?	No; see Finding <u>2</u>

To achieve our audit objectives, we gained an understanding of the internal controls that we determined to be relevant to the objectives by reviewing MSA's policies and procedures and conducting interviews and walkthroughs of the reporting process with key personnel, including a selection of the sheriffs' chief financial officers (CFOs). Additionally, we performed the procedures described below.

To determine whether MSA had developed a uniform reporting calculation model and format for documenting the cost per inmate (CPI) at each sheriffs' office, we obtained from MSA's current executive director the "Total Operational Spending per Inmate" report template for each of the two separate models that sheriffs' offices can use to determine CPI: a single CPI model and a double CPI model. The single CPI model requires sheriffs' offices to calculate CPI by dividing the total operational spending by the average daily number of inmates. The double CPI model requires sheriffs' offices to

calculate CPI by dividing the adjusted operational spending, which is the total operational spending minus the costs unrelated to inmate care, by the average daily number of inmates. Our population consisted of 39 "Total Operational Spending per Inmate" reports, submitted during fiscal years 2018 through 2020 by 13 of the 14 sheriffs' offices. (The population of 39 represented 1 report from each of the 13 offices for each year of the three-year audit period; we excluded Nantucket County because it does not house incarcerated individuals.) We reviewed all 39 reports to determine whether they followed the format MSA established in consultation with the state Executive Office for Administration and Finance.

To determine whether MSA developed policies and procedures for the coordination and standardization of services and programs that the sheriffs' offices offer, we obtained and reviewed all active policies and procedures in place at MSA during our audit period.

Data Reliability

To determine the reliability of data from the "Total Operational Spending per Inmate" reports, we interviewed current MSA management personnel to gain an understanding of the reports and how they were compiled. We met with the CFOs from four of the sheriffs' offices to obtain an understanding of how the CFOs completed, and submitted to MSA, the "Total Operational Spending per Inmate" reports; we determined that the reports were submitted by email. By requesting, obtaining, and reviewing all fiscal year 2018, 2019, and 2020 reports, we assessed the completeness of the reports submitted annually to MSA by the sheriffs' offices. We reviewed a total of 39 "Total Operational Spending per Inmate" reports. We also verified, through a review of emails, that MSA had submitted the fiscal year 2018, 2019, and 2020 "Total Operational Spending per Inmate" reports it had collected to the executive offices to which it was required to send them based on its budgetary language.

Based on the results of these procedures, we determined that the information obtained for our audit period was sufficiently reliable for the purposes of our audit work.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. The Massachusetts Sheriffs' Association did not ensure the consistency and accuracy of cost-per-inmate reports.

During our audit period, the Massachusetts Sheriffs' Association (MSA) did not ensure the consistency and accuracy of the 39 "Total Operational Spending per Inmate" reports (5 reports using the single cost-per-inmate, or CPI, model and 34 using the double CPI model), based on the required uniform reporting calculation, that sheriffs' offices submitted to MSA.

Consequently, 16 of the 39 reports did not follow the required format. For instance, improper reports listed the average inmate population in the incorrect field, reported a negative number in the field for adjusted operational spending, or did not use the workbook template that MSA provided. In addition, MSA cannot be certain that it has submitted accurate cost information to the state agencies and legislative bodies to which MSA is required to send it.

Authoritative Guidance

Line Item 8910-7110 of the Commonwealth's budget for fiscal year 2020 states,

Each sheriff's office shall also report, in a format designated by [MSA], in consultation with the executive office for administration and finance, fiscal year . . . total costs per inmate by facility and by department.

MSA's fiscal year 2018, 2019, and 2020 budgetary language had the same requirements. We believe that since MSA designates the aforesaid format, MSA is the most appropriate party to ensure that sheriffs' offices follow it.

Reasons for Issue

MSA did not have a policy or process in place to ensure that reports it received from the sheriffs' offices were consistent and accurate.

Recommendations

1. MSA should provide guidance to the sheriffs' offices to ensure that all "Total Operational Spending per Inmate" reports are completed consistently and accurately.
2. MSA should review all reports when it receives them.

Auditee's Response

The Massachusetts Sheriffs' Association created a Data Collection and Reporting Policy that will ensure the timely collection and distribution of all data and relevant information required under the purview of the Massachusetts Sheriffs' Association. This policy shall ensure that the Massachusetts Sheriffs' Association generate and provide all mandated information reporting data to designated external agencies on, or before, established reporting dates and also ensure that the Massachusetts Sheriffs' Association assume full responsibility for the collection of all generated data and that said information is reported in the required format and established guidelines. This policy shall further establish agreed upon procedures with all Sheriff's Offices pertaining to their respective obligations to generate and distribute required data.

We believe the issue is the challenge with the Cost Per Inmate Template. It is also important to re-iterate that the data reporting templates, which were created by a private company hired by the Commonwealth, have never worked to accurately gather the metrics that truly capture the uniqueness of each Sheriff's Office. This is regularly evidenced by the many varying CPI reporting templates. Each Sheriff's Office has been adamant that they need to report as they do to reflect the uniqueness of their facilities. Collectively the MSA met with [the state Executive Office for Administration and Finance] and [the state House of Representatives and Senate Committees on Ways and Means] to see if they had any recommended metrics or suggestions for the reporting template. None were given. The 101 Commission [a commission charged with examining funding levels for the Department of Correction and sheriffs' offices] and legislative leadership agreed the report was ineffective and should be deleted from the MSA's line item. Following that recommendation from the 101 Commission, [the Senate Committee on Ways and Means] has the CPI report removed from the MSA line item.

While acknowledging there were deficiencies in the past with reporting consistency and accuracy, it is important to note that the MSA did review the reports as required. Under the new MSA leadership we have taken steps to ensure all data reporting requirements are done accurately and in accordance with established timelines. Of note, due to the current existing external reporting parameters, these CPI reports will continue to be inconsistent to reflect each Sheriff's Office unique characteristics and metrics. Accordingly, the MSA supports the Senate's budget amendment to remove the Cost Per Inmate reporting from the MSA line item.

Auditor's Reply

Based on its response, MSA is in the process of addressing our concerns on this matter.

2. MSA did not establish policies and procedures for coordinating and standardizing services and programs at the sheriffs' offices.

In our review of all available MSA policies and procedures, we found that MSA had not developed any policies and procedures to ensure that the services and programs at the sheriffs' offices were coordinated and standardized.

Without policies and procedures for coordination and standardization, it is possible that not all services and programs will be available at all sheriffs' offices.

Authoritative Guidance

MSA's budgetary language from Line Item 8910-7110 of the Commonwealth's budget states,

The sheriffs shall appoint persons to serve as executive director, assistant executive director, research director and other staff positions [of MSA] as necessary for the coordination and standardization of services and programs, the collection and analysis of data related to incarceration, recidivism and generation of reports, technical assistance and training to ensure standardization in organization, operations and procedures.

Reasons for Issue

MSA told us that the previous executive director had not created policies and procedures to coordinate and standardize services and programs at the sheriffs' offices.

Recommendation

MSA should develop and establish policies and procedures for the coordination and standardization of services and programs at the sheriffs' offices.

Auditee's Response

The Massachusetts Sheriffs' Association working closely with the 101 Commission and Legislative Leadership created a "Services, Programs, Interventions and Community Re-Investment Matrix" that now ensures the coordinated collection and standardized reporting of all services, programs and community reinvestments at the fourteen (14) Sheriff's Offices. The MSA, working with the Executive Office of Public Safety and Security recommended additional metrics to the Matrix to expand the efficacy of the reporting. The Matrix has been applauded and is a living document which will be updated, expanded and submitted annually as required by statute.

As noted above the Massachusetts Sheriffs' Association created a Data Collection and Reporting Policy that will ensure the timely collection and distribution of all data and relevant information required under the purview of the Massachusetts Sheriffs' Association.

Auditor's Reply

Based on its response, MSA is in the process of addressing our concerns on this matter.

OTHER MATTERS

The internal control plan of the Massachusetts Sheriffs' Association did not include all required components and did not address the 2019 coronavirus pandemic.

The internal control plan (ICP) of the Massachusetts Sheriffs' Association (MSA) did not include all the components required by the Office of the Comptroller of the Commonwealth's (CTR's) *Internal Control Guide* and had not been updated to address the 2019 coronavirus (COVID-19) pandemic. In our review of MSA's ICP, we identified the following issues:

- MSA's ICP does not consider or adequately identify all eight components of the enterprise risk management (ERM) framework described in CTR's *Internal Control Guide*. The Office of the State Auditor (OSA) compared MSA's ICP to CTR's *Internal Control Guide* and determined that seven of the eight ERM components—objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring—were not included in MSA's ICP.
- MSA has not reviewed or updated its ICP since 2016. CTR's *Internal Control Guide* states, "The ICP must be reviewed and updated annually."
- MSA's ICP does not describe the method that its personnel should use to report internal control issues and/or policy violations.
- MSA's ICP does not include control activities and does not document procedures for collecting required reports from sheriffs' offices based on MSA's budgetary language.
- MSA's ICP does not address the COVID-19 pandemic as required by CTR's September 30, 2020 document "COVID-19 Pandemic Response Internal Controls Guidance."

The lack of a compliant and updated ICP impedes MSA from identifying vulnerabilities that could prevent it from achieving organizational goals and objectives and exposes it to heightened risks in its operations.

In OSA's opinion, MSA should review and update its ICP annually and whenever significant changes occur in objectives, risks, management structure, or program scope.

Auditee's Response

Under the new MSA Executive Director's leadership, the MSA has a brand new and updated Internal Control Plan which incorporates the Auditor's and Comptroller's recommendations.