



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

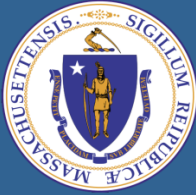
Making government work better

Official Audit Report – Issued November 23, 2020

Metro South Housing Court

For the period August 13, 2018 through December 31, 2019





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Making government work better

November 23, 2020

Honorable Neil Sherring, First Justice
Metro South Housing Court
215 Main Street, Suite 160
Brockton, MA 02301

Dear First Justice Sherring:

I am pleased to provide this performance audit of the Metro South Housing Court. This report details the audit objectives, scope, and methodology for the audit period, August 13, 2018 through December 31, 2019. My audit staff discussed the contents of this report with management of the court.

I would also like to express my appreciation to the Metro South Housing Court for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular background.

Suzanne M. Bump
Auditor of the Commonwealth

cc: Honorable Timothy F. Sullivan, Chief Justice
Mr. Benjamin O. Adeyinka, Deputy Court Administrator
Ms. Nella Lussier, Clerk-Magistrate

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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 performed an audit of the Metro South Housing Court (MSHC) for the period August 13, 2018 through December 31, 2019. In this performance audit, we examined MSHC's activities related to the reconciliation of cash receipts and adherence to time standards for summary process (i.e., tenant eviction) cases.

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

OVERVIEW OF AUDITED ENTITY

The Metro South Housing Court (MSHC) is a department of the Massachusetts Housing Court, which was established by Section 1 of Chapter 211B of the Massachusetts General Laws, and is subject to the policies and procedures of the Executive Office of the Trial Court and the Housing Court.

Section 78 of Chapter 47 of the Acts of 2017 amended Section 1 of Chapter 185C of the General Laws, creating MSHC. MSHC started serving the municipalities of Abington, Bridgewater, Brockton, East Bridgewater, West Bridgewater, and Whitman, and the municipalities in Norfolk County other than Brookline, on August 13, 2018.

According to the Housing Court Department's website,

The Housing Court Department has jurisdiction over civil and criminal actions, including equitable relief, which involve the health, safety, or welfare of the occupants or owners of residential housing. The Court hears summary process (eviction) cases, small claims cases, and civil actions involving personal injury, property damage, breach of contract, discrimination, and other claims. The Housing Court also hears code enforcement actions and appeals of local zoning board decisions that affect residential housing. The Housing Court has 15 judges authorized to serve its 6 divisions—Central, Eastern, Northeast, Southeast, Western, and Metro South—and conducts sessions in over 20 locations every week.

MSHC holds court sessions at its main administrative office in Brockton Monday through Friday, as well as court sessions in Canton on Fridays. The MSHC Clerk-Magistrate's Office has 13 employees.

As shown below, MSHC received \$504,765 in filing fee¹ revenue and processed 4,389 cases during our audit period. Of these, 3,831 were summary process cases.

Fiscal Year	Filing Fee Revenue	All Processed Cases	Summary Process Cases
2019 (August 13, 2018 through June 30, 2019)	\$ 304,085	2,710	2,321
2020 (July 1, 2019 through December 31, 2019)	200,680	1,679	1,510
Total	<u>\$ 504,765</u>	<u>4,389</u>	<u>3,831</u>

1. A filing fee is a fee that a person or entity must pay upon initial filing of a case.

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 Metro South Housing Court (MSHC) for the period August 13, 2018 through December 31, 2019.

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 and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Does MSHC reconcile cash receipts in accordance with Sections 1, 2, and 4 ² of the Trial Court's <i>Fiscal Systems Manual</i> ?	Yes
2. Does MSHC adhere to the time standards in Section VI of the Housing Court's "Standing Order 1-04" and Sections 2(c), 6, 7(a), and 7(b) of the Trial Court's <i>Rule 1: Uniform Summary Process Rules</i> ?	Yes

To achieve our objectives, we gained an understanding of the internal controls related to the objectives by reviewing policies and procedures, as well as conducting interviews with MSHC management. Further, we evaluated the design, and tested the operating effectiveness, of controls over the reconciliation of cash receipts.

Data Reliability

To ensure the completeness and accuracy of a list of case file docket numbers that the Administrative Office of the Housing Court provided to us, we produced a computer-generated random sample of 20 case file docket numbers from that list and determined whether they matched the hardcopy case file

2. Section 1 of the *Fiscal Systems Manual* is titled "Docketing and Receipting Funds," Section 2 is titled "End of Day Closing Procedures," and Section 4 is titled "Monthly Closing Procedures."

docket numbers. We also selected a random sample of 20 hardcopy case files and traced them to the case file docket number list.

To ensure the completeness and accuracy of all daily cash deposits during our audit period, we selected a random sample of 20 daily bank deposit slips³ and traced them to the matching bank statements. We then randomly selected 20 deposit transactions listed in the bank statements and determined whether their amounts matched the hardcopy bank deposit slips and cash receipts.

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

Reconciliation of Cash Receipts

To determine whether MSHC reconciled cash receipts in accordance with Sections 1, 2, and 4 of the Trial Court's *Fiscal Systems Manual*, we selected a nonstatistical random sample of 50 days from a population of 345 days in our audit period. We traced the receipts, which totaled \$64,711, through the entire reconciliation process. We confirmed that only one cash receipt was allowed per day. We then determined whether the cashier and bookkeeper were different employees to ensure segregation of duties. We traced the receipts to determine whether they matched the bank deposit slips for the same days and the monthly bank statements and whether deposit verifications were conducted twice a week. We then traced the receipts to the daily cash sheets, and to the Final Receipt Listing Report,⁴ to verify that they matched. We reviewed the daily cash sheets to determine whether they were totaled accurately; represented cash, credit card, or check amounts; were verified by a second person; and were completed by the close of the business day. We determined whether all required reconciliation forms were completed, retained, and accurate and whether they were submitted to the Office of Court Management within the Trial Court's Fiscal Affairs Department. We reviewed the bank statement ending balances to determine whether they matched the beginning balances on the State Treasurer Activity Report.⁵ Finally, we determined whether MSHC remitted all filing fees to the Fiscal Affairs Department at the end of each month. Since we used nonstatistical random sampling, we will not project our results to the entire population.

3. Bank deposit slips included the corresponding daily cash receipts.

4. A Final Receipt Listing Report is required by Section 2 of the *Fiscal Systems Manual*. It is a daily report of the total funds received as of the end of each day.

5. A State Treasurer Activity Report is required by Section 4 of the *Fiscal Systems Manual*. It details beginning and ending cash deposit amounts and is compiled monthly by each division of the Housing Court as part of the receipt reconciliation process.

Adherence to Time Standards

To determine whether MSHC adhered to the time standards in Section VI of the Housing Court’s “Standing Order 1-04” and Sections 2(c), 6, 7(a), and 7(b) of the Trial Court’s *Rule I: Uniform Summary Process Rules*, we obtained a list of all case file docket numbers from the Administrative Office of the Housing Court for our audit period and selected a random statistical sample of 40 summary process case files from a population of 3,831, using a 95% confidence level and a 7.5% tolerable error rate. We reviewed each case file and determined what date each entry was filed, whether each one was filed in accordance with file date requirements, and whether a continuance of each case was needed or rescheduled. We determined whether a case management conference was needed or a trial date was scheduled and heard on the original trial date. We reviewed each case and determined whether a request for discovery of evidence was filed, responded to, and served within required timeframes. We verified that if a motion to strike the discovery of evidence was made, a trial date was moved to a later date. We determined whether non-jury and jury trials were scheduled, postponed, continued, and completed in accordance with required timeframes; whether a ruling of law or fact finding⁶ for non-jury trials was completed within required timeframes; and whether counterclaims, if there were any, were completed in 60 days or less.

Conclusion

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

6. Rulings of law and fact findings show that the court applied the right standards of law and found the facts necessary to support the judgment made.