



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

Making government work better

Official Audit Report – Issued February 28, 2022

Office of the State Treasurer and Receiver General

For the period January 1, 2019 through December 31, 2020





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February 28, 2022

Deborah B. Goldberg, Treasurer and Receiver General
Office of the State Treasurer and Receiver General
State House, Room 227
Boston, MA 02133

Dear Treasurer Goldberg:

I am pleased to provide this performance audit of the Office of the State Treasurer and Receiver General. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, January 1, 2019 through December 31, 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 Office of the State Treasurer and Receiver General 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: James MacDonald, First Deputy Treasurer and Cash Management Department Head for the Office of the State Treasurer and Receiver General
Sarah Kim, Third Deputy General Counsel for the Office of the State Treasurer and Receiver General
Minot Powers, Chief Financial Officer for the Office of the State Treasurer and Receiver General
Karen Guida, Internal Auditor for the Office of the State Treasurer and Receiver General

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LIST OF ABBREVIATIONS

CRA	Community Reinvestment Act
CTR	Office of the Comptroller of the Commonwealth
DOB	Division of Banks
MMARS	Massachusetts Management Accounting and Reporting System
OSA	Office of the State Auditor
OST	Office of the State Treasurer and Receiver General
SBBP	Small Business Banking Partnership
TIN	tax identification number

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 Office of the State Treasurer and Receiver General (OST) for the period January 1, 2019 through December 31, 2020. The purpose of our audit was to determine whether OST maintained and updated a list of qualified banks; published and transmitted the list to the Office of the Governor at least every six months as required by Section 34(a) of Chapter 29 of the General Laws; and ensured that state agencies used qualified banks when maintaining bank accounts established under Section 34(a) of Chapter 29 of the General Laws. OST does not keep a record of changes it makes to the tax identification number (TIN) list of all state agency bank accounts. Because no record of changes to the list is maintained, we obtained versions of the TIN list of all state agency bank accounts in use as of June 30, 2019 and June 30, 2020 and adjusted the audit period to June 30, 2019 through June 30, 2020 for our first audit objective. We also sought to determine whether OST submitted a semiannual report to the House and Senate Committees on Ways and Means and the Joint Committee on Revenue in accordance with Section 10B of Chapter 10 of the General Laws. Finally, we reviewed whether OST, consistently with its mission, had procedures in place to monitor whether all sheriffs' departments transmitted civil process revenue to OST.

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

Finding 1 Page 11	OST did not monitor the required transmittal of civil process fees by sheriffs' departments.
Recommendation Page 11	OST should develop and implement policies and procedures to monitor the transmittal of civil process fees by sheriffs' departments to OST for deposit.
Finding 2 Page 13	OST did not publish a list of qualified banks and transmit it at least once every six months to the Governor.
Recommendation Page 13	OST should develop and implement a procedure for publishing and transmitting the list of qualified banks to the Governor at least once every six months and should implement controls to ensure that this schedule is adhered to.
Finding 3 Page 14	OST's TIN list was inaccurate.
Recommendation Page 15	OST should implement internal controls to detect any errors on the TIN list.

OVERVIEW OF AUDITED ENTITY

The State Treasurer and Receiver General is an independently elected constitutional officer of the Commonwealth. The Office of the State Treasurer and Receiver General (OST) is responsible for a variety of important financial functions, as established by Chapter 10 of the Massachusetts General Laws, including receiving, managing, and investing all funds paid to the Commonwealth.

According to OST's website,

The Massachusetts State Treasurer and Receiver General . . . is responsible for the state's cash and debt management [and receiving, safeguarding, and disposing of] unclaimed property, and chairs state boards and commissions, including the Massachusetts School Building Authority, the Pension Reserves Investment Management Board, the State Board of Retirement, Massachusetts State Lottery Commission, and the Massachusetts Clean Water Trust.

OST is located at 1 Ashburton Place in Boston. Its operating budget was \$9,614,105 for fiscal year 2019, \$10,242,986 for fiscal year 2020, and \$11,197,324 for fiscal year 2021.

OST's Cash Management Department is responsible for managing the Commonwealth's daily cash flows and banking needs, distribution of local aid payments to municipalities, short-term investments, and reconciliation of state agency bank accounts.

1. Qualified Bank List

To ensure that only qualified banks are used by state officers, departments, institutions, and other agencies, OST's Cash Management Department generates and maintains a list of qualified banks that are approved for use. According to Section 34(a) of Chapter 29 of the General Laws, this list must be published by the State Treasurer and Receiver General and transmitted to the Governor at least once every six months. Each quarter, VERIBANC Inc. (a company that provides bank ratings of all federally insured financial institutions) transmits its Quarterly Service Rating Report to OST's first deputy treasurer, who distributes it to the OST director of investments and an OST special assistant. The special assistant sends the quarterly report to an OST Investment Unit staff member who is responsible for reviewing it and updating OST's list of qualified banks.

According to the director of investments, this Investment Unit staff member performs a quarterly internal check to ensure that the banks are still qualified. This staff member uses the Quarterly Service

Rating Report to determine whether the banks are well capitalized¹ or adequately capitalized² according to the Federal Deposit Insurance Corporation Improvement Act of 1991. The staff member also reviews the state Division of Banks' (DOB's) Community Reinvestment Act³ (CRA) ratings for state-chartered banks and credit unions. (DOB assesses state-chartered banks' and credit unions' compliance with the Massachusetts CRA⁴ and assigns a rating: "outstanding," "high satisfactory," "satisfactory," "needs to improve," or "substantial noncompliance." To remain on the list of qualified banks, a bank must maintain a CRA rating of "satisfactory" or higher.) Finally, the staff member provides the list to DOB to confirm the information and/or update or add any information that is not yet public or that the staff member missed.

Once the Investment Unit staff member completes the internal check, s/he returns the spreadsheet to the special assistant. The special assistant reviews the result of the internal check, makes adjustments to the list of qualified bank/s if necessary, and returns the list to the Investment Unit staff member for final review and approval of its contents. On receiving final approval, the special assistant generates a final list and presents it to the OST director of investments and first deputy treasurer for an informal review. Twice a year, upon approval by the first deputy treasurer, the special assistant submits the list, along with a letter addressed to the Governor, to the State Treasurer and Receiver General to be signed. When it is signed, the special assistant sends the letter and list of qualified banks to the Governor's office and an OST Information Technology Department staff member posts the letter and the list on mass.gov.

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1. Section 38(b) of the Federal Deposit Insurance Act states that a bank is "well capitalized" if it has significantly more funds than "the required minimum level for each relevant capital measure."
 2. Section 38(b) of the Federal Deposit Insurance Act states that a bank is "adequately capitalized" if it has enough funds to meet "the required minimum level for each relevant capital measure."
 3. The Federal Reserve's website states, "The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods. . . . Three federal banking agencies, or regulators, are responsible for the CRA. Banks that have CRA obligations are supervised by one of these three regulators. Each regulator has a dedicated CRA site that provides information about the banks they oversee and those banks' CRA ratings and Performance Evaluations." CRA ratings are based on these performance evaluations, which are performed by the regulators.
 4. According to DOB's website, "Massachusetts is one of several states which has its own CRA statute and regulation. The CRA ensures that financial institutions are meeting the credit needs of the communities which they serve. This includes low-and-moderate income areas, consistent with safe and sound banking practices."

2. Agencies' Use of Qualified Banks

OST is responsible for ensuring that state agencies use only qualified banks it has approved. State agencies seeking to open an account to deposit state revenue (a depository sweep account⁵) must download a New Account Request Form from the OST website, complete it, and mail it to OST's Cash Management Department. The form includes the agency name and address, the account's purpose, and the agency chief financial officer's signature. According to OST's "Bank Account Maintenance Policy,"

- *The properly completed [New Account Request] form is initialed by the Assistant Director [of] Cash Management Operations and signed by the Cash Management Department Head.*
- *The Assistant Director of Cash Management Operations emails the corresponding bank the completed and signed form. (The corresponding bank has no statutory timeframe to return the documentation to the Assistant Director of Cash Management . . . Operations.) The bank notifies the Assistant Director of Cash Management Operations with the new account documentation (i.e., signature cards, online banking access, or/and other necessary documentation).*

After these steps are completed, OST notifies the agency that it is authorized to use the bank account.

3. Banks Doing Business with the Commonwealth

Section 10B of Chapter 10 of the General Laws states,

The state treasurer shall semi-annually report to the house and senate committees on ways and means and the joint committee on revenue the lending and banking institutions into which the cash deposits of the commonwealth are being deposited.

The OST special assistant maintains a list of all banks doing business with the Commonwealth and updates it semiannually, in February and August. According to OST's "Bank Account Maintenance Policy," the director of investments and the assistant director of cash management operations review and approve the list before OST publishes it on the agency website and mails it to the chairs of the House and Senate Ways and Means Committees and the Joint Committee on Revenue in February and August.

OST uses three different types of bank accounts: operational (i.e., investments / certificates of deposit), Small Business Banking Partnership (SBBP), and agency depository sweep.

5. According to the OST "Bank Account Maintenance Policy," a depository sweep account is "a bank account that automatically transfers monies, at the close of each day [to a designated account]."

a. Operational Accounts

These are OST accounts used for various investments. OST reconciles these accounts, which have separate balances, each month. OST maintains a list of the accounts, called the Treasurer's List.

b. SBBP Accounts

OST opens and funds these accounts at banks with an agreement that the banks will use the funds to provide loans to small businesses. OST earns interest on these accounts. OST also includes the accounts, which have separate balances, on the Treasurer's List and reconciles each of them every month.

c. Agency Depository Sweep Accounts

OST opens these accounts for state agencies using the Commonwealth's tax identification number (TIN) (see "Agencies' Use of Qualified Banks"). The OST special assistant maintains a list of these sweep accounts, called the TIN list. According to OST management, as banks are added to or removed from the TIN list, OST notifies the Office of the Comptroller of the Commonwealth (CTR) so CTR can update the corresponding accounts it maintains in the Massachusetts Management Accounting and Reporting System (MMARS) to reflect the changes.

4. Civil Process Fee Transmittals

Civil process fees and amounts that sheriffs' departments are authorized to collect are codified in Section 8 of Chapter 262 of the General Laws.

All 14 sheriffs' departments (Barnstable, Berkshire, Bristol, Dukes, Essex, Franklin, Hampden, Hampshire, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk, and Worcester) are required to transmit a portion of the civil process fees they collect to OST; then it is allocated to the Commonwealth's General Fund.

Sheriffs' departments typically transmit civil process fees to OST's Cash Management Department quarterly by mailing a check along with a letter that documents the amount of the civil process fees being transmitted and the period when they were collected. Civil process fees collected during the audit period and transmitted by sheriffs' departments to OST for deposit totaled \$997,298.60.

An OST Cash Management Department staff member deposits the checks and enters a manual transaction in MMARS to credit the General Fund. The origin of the credit is not indicated in MMARS,

and there is no process in place to monitor whether each sheriff's department transmits its portion of civil process fees to OST.

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 Office of the State Treasurer and Receiver General (OST) for the period January 1, 2019 through December 31, 2020.

OST does not keep a record of changes it makes to the tax identification number (TIN) list of all state agency bank accounts. Because no record of changes to the list is maintained, we obtained versions of the TIN list of all state agency bank accounts in use as of June 30, 2019 and June 30, 2020 and adjusted the audit period to June 30, 2019 through June 30, 2020 for Objective 1.

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, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Does OST ensure that state agencies use qualified, approved banks when maintaining bank accounts established under Section 34(a) of Chapter 29 of the General Laws?	No; see Finding 3
2. Does OST submit a semiannual report in accordance with Section 10B of Chapter 10 of the General Laws?	Yes
3. Does OST maintain and update a list of qualified banks in accordance with its "Bank Account Maintenance Policy"?	Yes
4. Does OST publish and transmit the list of qualified banks to the Office of the Governor at least every six months as required by Section 34(a) of Chapter 29 of the General Laws?	No; see Finding 2
5. Does OST, consistently with its mission, have procedures in place to monitor whether all civil process fees that are received by sheriffs' departments pursuant to Section 8 of Chapter 262 of the General Laws, and are required to be transmitted to OST for deposit in the General Fund, are transmitted to OST?	No; see Finding 1

To achieve our audit objectives, we conducted interviews with OST staff members and management and reviewed agency policies and procedures to gain an understanding of internal controls that were relevant to the objectives. Additionally, we performed the procedures described below.

Agency Use of Qualified Banks

We obtained from OST two versions of the TIN list: one reflecting all state agency bank accounts in use as of June 30, 2019, and one reflecting this information as of June 30, 2020. We identified 14 banks associated with these accounts. Because no record of changes to the TIN list is maintained, we had to adjust the audit period to June 30, 2019 through June 30, 2020 for this objective. To determine whether all 14 banks were qualified and approved to do business with the Commonwealth, we traced all 14 banks to OST's published lists of qualified banks that were in effect during our audit period (published May 3, 2018 and September 30, 2019).

Semiannual Lists of Banks Doing Business with the Commonwealth

To determine whether OST provided the House and Senate Committees on Ways and Means and the Joint Committee on Revenue with semiannual lists of banks in which funds from the Commonwealth were deposited during our audit period, we inspected copies of signed transmittal letters sent with the required lists. We also verified that the four lists from the audit period were published on the OST website.

List of Qualified Banks

To determine whether OST maintained and updated a list of qualified banks in accordance with its "Bank Account Maintenance Policy," we compared OST's most recent list of qualified banks, dated June 30, 2020, to the corresponding VERIBANC Inc. report. We did this to determine whether all the banks on OST's list of qualified banks were listed on the VERIBANC Inc. report as well capitalized or adequately capitalized according to the Federal Deposit Insurance Corporation Improvement Act of 1991. Additionally, we confirmed that all the banks on OST's list of qualified banks had a Community Reinvestment Act rating of "satisfactory" or higher listed on the Federal Financial Institutions Examination Council's⁶ or the Division of Banks' website.

6. Publicly available Community Reinvestment Act ratings are consolidated on the Federal Financial Institutions Examination Council's website and updated quarterly.

Qualified Bank List Published and Transmitted to the Governor

To determine whether OST published and transmitted a list of qualified banks approved to do business with the Commonwealth to the Governor at least once every six months during our audit period, we checked the signed transmittal letter to the Governor and the OST website to verify that there was evidence of all OST's submissions to the Governor during the audit period.

Civil Process Fee Transmittals

To determine whether OST had a process in place to ensure that all civil process fees that were received by sheriffs' departments pursuant to Section 8 of Chapter 262 of the General Laws, and required to be transmitted to OST for deposit in the General Fund, were transmitted to OST, we reviewed OST cash management policies and procedures and interviewed OST officials. To identify which sheriffs' departments transmitted civil process fees to OST, we compared the dollar amounts recorded in each of the 68 letters that sheriffs submitted with fees collected during our audit period to the dollar amounts in a Massachusetts Management Accounting and Reporting System (MMARS) report that OST management provided to us. The MMARS report represented all civil process fees collected by sheriffs' departments during our audit period, transmitted to OST by sheriffs' departments, and deposited by OST in the General Fund.

Data Reliability Assessment

In 2018, OSA performed a data reliability assessment for MMARS for the period April 1, 2017 through March 31, 2018. The assessment focused on reviewing selected system controls, including access, security awareness, audit and accountability, configuration management, identification and authentication, and personnel security.

Based on our 2018 assessment, and our ability during this audit to trace the sheriff's department transmittal letters to and from the MMARS report of civil process fee transactions that OST provided to us, we determined that the MMARS report was sufficiently reliable for the purposes of this audit.

To determine the reliability of the TIN lists that OST provided to us, we conducted interviews with agency officials who had knowledge about the data on the lists and compared the two lists (one showing information as of June 30, 2019 and one showing information as of June 30, 2020) to identify new accounts opened during fiscal year 2020. We then traced all New Account Request Forms to the list of

new accounts to assess the completeness of the populations of forms and new accounts opened during fiscal year 2020. Based on these procedures, although we identified some issues (described in [Finding 3](#)), we determined that the TIN lists we obtained from OST were sufficiently reliable for the purposes of this audit.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. The Office of the State Treasurer and Receiver General did not monitor the required transmittal of civil process fees by sheriffs' departments.

The Office of the State Treasurer and Receiver General (OST) did not monitor the transmittal of civil process fees by sheriffs' departments to OST for deposit. Based on our analysis, 9 of 14 sheriffs' departments did not transmit civil process fees during one or more quarters of our audit period. Additionally, one sheriff's department, on three separate occasions, sent a quarterly letter stating that it was retaining the fees to spend on its needs. The amount of the fees retained by this sheriff's department on these three separate occasions totaled \$88,859.

If civil process fees due the Commonwealth's General Fund are not consistently transmitted by all sheriffs' departments to OST for deposit, the fees are not available to be spent on approved state programs or services in accordance with the budget approved by the Legislature.

Authoritative Guidance

OST's website states,

Our mission at the Office of the State Treasurer and Receiver General of Massachusetts is to prudently manage and safeguard the state's public deposits and investments through sound business practices for the exclusive benefits of our citizens, and perform these duties with integrity, excellence, and leadership.

Monitoring civil process fee transmittals and the subsequent OST deposit of these fees would be consistent with OST's mission "to prudently manage and safeguard the state's public deposits and investments through sound business practices."

Reasons for Issue

OST has no policies or procedures to monitor the transmittal of civil process fees by sheriffs' departments to OST for deposit. OST officials told us they did not have the authority or the responsibility to monitor whether sheriffs' departments transmitted civil process fees.

Recommendation

OST should develop and implement policies and procedures to monitor the transmittal of civil process fees by sheriffs' departments to OST for deposit.

Auditee's Response

[The Office of the State Auditor, or OSA] cites no specific statutory provision that authorizes the OST to audit, monitor, or demand remittance of civil process fees collected by sheriff's departments pursuant to M.G.L. c. 262, section 8. For this reason, the OST disagrees with this finding. OST receives much more cash for deposit than just sheriff's fees. To require that the OST must review, account for, and collect delayed or inaccurate transmittals is an administrative burden that OST is unprepared to accommodate without applying significantly more resources, which would be at a cost to both the OST and the Commonwealth. The work hours required for staff to dedicate to these tasks would be substantial and distract OST from responsibilities that are imposed by other statutes.

Auditor's Reply

OSA did not recommend that OST review the accuracy of the transmittals from sheriff's departments. OSA believes the accuracy of the transmittals is the responsibility of the sheriffs' departments.

However, OSA interprets OST's mission as prudently safeguarding deposits owed the Commonwealth through sound business practices. OST is responsible for receiving quarterly transmittals of civil process fees from sheriffs' departments and depositing them in the General Fund. Therefore, OSA feels that it would be prudent for OST to identify instances where sheriffs' departments have not transmitted civil process fees. As we determined during the audit, 9 of the 14 sheriffs' departments did not transmit civil process fees during one or more quarters of our audit period. We believe it would take very little additional effort to monitor whether OST receives quarterly transmittals and deposits them in the General Fund. When it identifies instances where a sheriff's department does not transmit, or intend to transmit, civil process fees to OST, OST should pursue collection of the funds. One method to pursue collection would be to petition the Superior Court to retrieve the funds. Under Section 12 of Chapter 200A of the Massachusetts General Laws, OST is required to petition the Superior Court to retrieve abandoned property that is not properly transmitted. OST should exercise the same diligence with instances of sheriffs failing to transmit civil process fees that it does with abandoned property. We feel that this is consistent with OST's mission to "prudently manage and safeguard the state's public deposits . . . through sound business practices for the exclusive benefits of our citizens." Therefore, we stand by our recommendation that OST develop and implement policies and procedures to monitor the transmittal of civil process fees by sheriffs' departments to OST for deposit.

2. OST did not publish a list of qualified banks and transmit it at least once every six months to the Governor.

OST only published a list of qualified banks and transmitted it to the Governor one time during the two-year audit period, on November 22, 2019. If the list of qualified banks is not regularly published, there is an increased risk of an agency opening an account at an unqualified bank, possibly risking a loss of Commonwealth funds.

Authoritative Guidance

Section 34(a) of Chapter 29 of the General Laws states,

State officers, departments, institutions and other agencies may, with the written consent of the state treasurer, deposit a portion of the public monies in their possession in national banks, federal savings banks and federal savings and loan associations, lawfully doing business within the commonwealth, and in trust companies, savings banks and . . . cooperative banks chartered under the laws of the commonwealth. The state treasurer shall publish a list of qualified banks and shall transmit that list at least once every 6 months to the governor.

Reason for Issue

OST does not have a procedure that defines the process for publishing the list of qualified banks and transmitting it to the Governor every six months.

Recommendation

OST should develop and implement a procedure for publishing and transmitting the list of qualified banks to the Governor at least once every six months and should implement controls to ensure that this schedule is adhered to.

Auditee's Response

The OST agrees with this finding and recognizes that one (1) bank list was published during calendar year 2019 and none were published in 2020.

It cannot be overstated that during the audit period, the Governor declared a state of emergency on March 10, 2020, prompting the OST to work with other Commonwealth agencies to minimize the disruption in meeting Commonwealth financial obligations, and preparing for the worst. While continuing to meet the Commonwealth's financial obligations, OST was purchasing and deploying equipment so that OST employees could work remotely. This was done in [a] rapidly changing environment, which included supply chain issues, while taking measures to maintain the health of OST's workforce. The first 2021 bank list was published in February 2021. The schedule for publishing this list has been established and is April and November of each year.

Further, during 2020, there were no substantial changes to the list of qualified banks that would affect a bank's relationship with the Commonwealth. No qualified bank was removed from the list due to being inadequately capitalized under the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) nor did any qualified bank receive an unsatisfactory [Community Reinvestment Act] rating.

The Bank Account Maintenance Policy has been updated to reflect the creation of the Section 34(a) of Chapter 29 of the Massachusetts General Laws bank lists.

Additionally, the OST has suggested a legislative change for this bank list to be published and submitted to the Governor once per year.

Auditor's Reply

Based on its response, OST is taking measures to address our concerns on this matter.

3. OST's tax identification number list was inaccurate.

For our audit period, we could not ensure the completeness and accuracy of the tax identification number (TIN) list that OST provided or the completeness of the population of New Account Request Forms. We identified seven bank accounts that were opened before our audit period but were not on the fiscal year 2018 or fiscal year 2019 TIN list and one account that was opened before our audit period but was not on the fiscal year 2019 TIN list. All eight accounts were on the fiscal year 2020 and fiscal year 2021 TIN lists.

During our testing for Objective 1, for the bank accounts we were able to identify, we did not find any instances where state agencies did not use qualified approved banks when maintaining bank accounts. However, if a bank doing business with the Commonwealth loses its qualified status and an accurate list of Commonwealth bank accounts is not available, there is a risk that a state agency could unwittingly do business with an unqualified bank, putting Commonwealth funds at risk of loss.

Authoritative Guidance

The "Bank Account List Maintenance" section of OST's "Bank Account Maintenance Policy" states,

- *[OST's] Cash Management Department is responsible for managing banking activities which include . . .*
 - *Maintaining and publishing the list of approved banks that Commonwealth agencies can use for deposits and the list of banks that are currently holding deposits from Commonwealth agencies.*

Maintaining this list should entail ensuring that the list is accurate.

Reason for Issue

OST management told us that because the process for maintaining the TIN list was manual, the list was subject to errors. However, OST had not implemented any internal controls to detect such errors.

Recommendation

OST should implement internal controls to detect any errors on the TIN list.

Auditee's Response

The OST agrees that the TIN list needs to be more accurate. . . . OST will review its current procedures and develop a solution to address this issue.

Auditor's Reply

Based on its response, OST is taking measures to address our concerns on this matter.