

# THE AUDITOR'S REPORT



## News & Updates

from the Office of the State Auditor Suzanne M. Bump

*Making government work better*



Suzanne M. Bump  
State Auditor



[Office of the State Auditor](#)  
Massachusetts State House  
Room 230  
617-727-2075  
[@MassAuditor](#)

Dear Friend,

A new year brings an opportunity to reflect on the successes and challenges of the previous year, and to chart a course to build on them moving forward.

In 2016, we built trust in government by identifying opportunities to improve its performance through our audits and reports. We drove innovation through the use of data analytics to tackle problems such as the state's opioid crisis and waste in MassHealth. And we established the office as a national leader in government accountability, receiving several awards for our work, and participating in a federal working group to guide national policies and priorities regarding government accountability.

In 2017, we'll continue to use the talents of our team members and the capabilities of our data analytics tools to not only identify problems, but also offer solutions to improve how government works. We will be directing this expertise to a few key areas in the coming year, including the Department of Children and Families and improving the integrity and accessibility of public benefits programs.

Beyond our audit work, with the new legislative session beginning, I have put forward the "Accountability Agenda" to build public trust in government. The package of legislation includes bills that will ensure that our state government is acting accountably, leveraging the power of innovative technology and data to enhance performance, and improving transparency. I look forward to conversations with lawmakers about the value these bills have not just to the OSA, but to every resident of the Commonwealth.

From all of us at the OSA, I wish you a happy and healthy new year. It is our goal to make 2017 a year of government accountability.

Thank you,

Suzanne M. Bump  
*Auditor of the Commonwealth*

## Recent Audits

[Secretary of the Commonwealth](#)

[Hampden Sheriff's Department](#)

[Massachusetts College of Art and Design](#)

[Holyoke Community College](#)

[Human Service Options Inc.](#)

[Massachusetts Sheriffs' Association](#)

[View more audits](#)

## Recent Press Releases

[Audit Suggests Clarification Relative to Works of Art and Historic](#)

[Auditor's Office Highlights 35 Years of Protecting Municipalities](#)

[Audit Finds Massachusetts Sheriffs' Association Falling Short of Transparency Requirements](#)

[View more releases](#)

## Upcoming Events

**Auditor Bump participates in the Government Accountability Office's Domestic Working Group meeting**, Thursday, January 12, 8:30 a.m., GAO Headquarters, 441 G Street NW, Staats Briefing Room, 7th floor, Room 7C13, Washington, D.C.

**Auditor Bump will speak at the Springfield Young Professionals Leadership Luncheon**, Wednesday, February 8, 12 p.m., UMass Center at Springfield, Tower Square, 1500 Main St., 2nd floor, Springfield.



*On December 7, Auditor Bump spoke to members of the North Central Massachusetts Chamber of Commerce about the OSA's efforts to make state government more accountable. Auditor Bump discussed her proposed legislation, as well as the work of the Division of Local Mandates, during the Leadership Breakfast in Fitchburg.*

## OSA Focus: All Things Local

While much of the work of the Auditor's Office is focused on state agencies and programs, the efforts of the OSA's Division of Local Mandates (DLM) focuses on local government. DLM analyzes the cost impacts of state laws, rules, and regulations on local governments.

Last month, DLM wrapped up its 35th year of serving as a resource to cities and towns by [releasing a report](#) highlighting the Division's efforts throughout its history. In that time, of the 675 petitions DLM has received from municipalities and members of the Legislature, it has issued 435 unfunded mandate determinations, finding in favor of municipalities 78 times. As a result of these efforts, approximately \$343 million in state funding or other remediation has been provided to local communities. DLM has also issued 17 municipal impact studies, which look at issues that have a significant financial impact on cities and towns. Along with the report, the OSA released an [interactive timeline](#) to highlight the work of the Division.

In April 2016, DLM released its first [Five—Year Statutory Review](#), which reviewed 1,560 statutes enacted by the Legislature between 2011 and 2016. Of those, DLM identified 97 statutory provisions that have a significant fiscal impact on local governments. The report also included a recommendation for a proposed bill that would provide greater transparency of the fiscal impacts of the decisions made by state agencies. This session, the OSA has partnered with Representative Theodore Speliotis and Senator Kathleen O'Connor Ives to introduce this recommendation—to require state agencies to file municipal impact statements with DLM, in addition to the Department of Housing and Community Development and the Local Government Advisory Committee, when adopting, amending, or repealing regulations. If accepted, this change would enable DLM to provide more responsive feedback on proposed regulatory changes.

Looking ahead to 2017, DLM is working on an analysis of the cost of the state's early voting law, which was implemented for the first time in 2016, and will be releasing a municipal impact study of the costs, regulation and financing of water infrastructure and the implications on municipal budgets.

While the work of DLM may seem different from the audit work of the OSA, ultimately it is another way the OSA is providing accountability: through this Division, the Auditor's Office ensures that state government is accountable for the decisions it makes that impact local government entities.

## OSA's Work Makes Headlines

### [Strengthening our social safety net](#)

At the end of 2016, the OSA launched an initiative to strengthen the social safety net in Massachusetts. Auditor Bump wrote this opinion piece about the important role the OSA has in ensuring the integrity of public benefits programs and that they are available to those who are eligible and truly need them, as published in the Springfield Republican.

### [State Auditor Suzanne Bump to push 'accountability agenda' on Beacon Hill](#)

In preparation for the new legislative session, which began January 4, 2017, Auditor Bump discussed her priorities to bring greater accountability to state government in the coming year with members of the Northern Central Massachusetts Chamber of Commerce, as the Fitchburg Sentinel & Enterprise reports.



Auditor Bump, right, recently joined Boston Herald radio hosts Jaclyn Cashman, left, and Hillary Chabot, center, to discuss her Accountability Agenda. Listen to the [full interview here](#).

### [Massachusetts State Auditor examines cost of early voting](#)

With early voting taking place for the first time this year in Massachusetts, the Division of Local Mandates launched a survey of municipal election officials to examine the cost for cities and towns to comply with the law, as WWLP-22 News reports.

### [Read more coverage of OSA's work](#)



We showed up.

Stood up.

And spoke up.

Auditor Bump tells the Joint Ways & Means Committee about how data is enhancing her office's work.

## A Look Back at 2016:

In 2016, the OSA showcased what government accountability was all about. From audits and reports that called for greater transparency in government to innovative practices that received national recognition, the agency's aim has always been the same— to build public trust in government. To highlight how all this happened in 12 short months, the OSA created a [year-in-review video](#).

Questions or concerns about this newsletter? Email us at [media@sao.state.ma.us](mailto:media@sao.state.ma.us).



# Accountability in Action: Setting the Agenda

Residents put their faith in their government to provide services and assistance when they need it in exchange for taxes. It's a simply transaction. However, when government fails to supply the needed or expected services or assistance responsibly and with efficiency, the public's trust in its government is weakened. One sure way to fix that fragile trust is by investing in accountability.

That's why, during this legislative session, the Auditor's Office is putting forward an Accountability Agenda to build public trust in government. These bills will ensure that government is acting accountably, leveraging the power of innovative technology and data to enhance performance, and improving transparency. The Agenda has three primary bills:



*Auditor Bump joined her colleagues in welcoming new and returning members of the Legislature who were sworn in on Wednesday, January 4.*

- The Office of the State Auditor (OSA) is tasked with providing independent oversight of entities receiving state funds to ensure they are responsibly using taxpayer dollars. However, it is limited in its ability to provide the same level of scrutiny to the department that collects those tax dollars—the Department of Revenue (DOR). While the OSA is able to audit operational aspects of the DOR—such as how it is protecting filing cabinets and other property from theft or loss—it is unable to conduct audits to ensure DOR is effectively managing activities that are at the heart of the department's mission—those that deal with collection and oversight of tax revenue. **The Revenue Accountability Act** will allow the OSA to access tax return information for audit purposes. Examples of the types of audits the OSA could conduct upon passage of this act include: an examination of whether DOR is properly remitting to municipalities appropriate revenue collected through local option taxes, reviewing whether agencies are confirming wage eligibility for public programs, and ensuring DOR is garnishing tax returns of individuals who owe delinquent child support.
- While traditional auditing relies on samples of physical files from state entities to draw conclusions about how those entities are meeting their responsibilities, OSA has been a leading force of innovation in the field. It has used technological advancements to rely less on small samples of files, and instead uses data to examine entire entities to assess their performance. **The Accountability Through Data Access Act** would provide OSA auditors with the same access to the digital data of auditees that they have to physical data and files. This measure would ensure that state laws keep up with the pace of innovation.
- **The Accountability for Taxpayer Assets Act** will give the State Comptroller, in consultation with the State Auditor, the ability to establish regulations related to existing reporting requirements for state agencies and departments regarding their processes and plans to mitigate risks to taxpayer assets.

Learn more about the [Accountability Agenda](#).



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**Our mailing address is:**  
Massachusetts State House, Room 230, Boston, MA 02133

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