



Commonwealth of Massachusetts  
Office of the State Auditor  
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## Brewster Housing Authority

For the period July 1, 2010 through June 30, 2012



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**EXECUTIVE SUMMARY**

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Brewster Housing Authority for the period July 1, 2010 through June 30, 2012. The objectives of our audit were to review and analyze the Authority's internal controls over its procurement of goods and services and to determine whether its procurement activities were in compliance with Department of Housing and Community Development (DHCD) procurement guidelines and other laws, rules, and regulations applicable to state-aided housing programs.

Based on our audit, we have concluded that the Authority maintained adequate internal controls and complied with DHCD procurement guidelines as well as other applicable laws, rules, and regulations for the areas tested.

**OVERVIEW OF AUDITED AGENCY**

The Brewster Housing Authority is authorized by, and operates under, the provisions of Chapter 121B of the Massachusetts General Laws, as amended. The Authority, which is located at 11 Frederick Court, Brewster, Massachusetts, has 32 units at Frederick Court for elderly and handicapped residents, 24 units at Huckleberry Lane for family housing, 26 Massachusetts Rental Voucher Program (MRVP) Project-Based vouchers for units located at Kings Landing in Brewster, and 4 mobile or tenant-based MRVP vouchers.

## **AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY**

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Brewster Housing Authority for the period July 1, 2010 through June 30, 2012. The objectives of our audit were to review and analyze the Authority's internal controls related to its procurement of goods and services and to determine whether its procurement activities were in compliance with Department of Housing and Community Development (DHCD) procurement guidelines and other applicable laws, rules, and regulations for state-aided housing programs.

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.

To achieve our audit objectives, we reviewed the following:

- The Authority's records related to its procurement of goods and services during the audit period to determine whether its activities in this area complied with DHCD guidelines and other applicable laws, rules, and regulations.
- Whether the Authority has explored group purchasing activities such as purchasing consortiums, and the use of procurement contracts negotiated by the state or local governments to ensure that it receives the best value.
- The Authority's records to determine whether any procurement was conducted by parties affiliated with, or related to, the Authority such as housing associations, corporations, or other private entities and, if so, whether the procurement was conducted in compliance with applicable laws, rules, and regulations.

Additionally, we gained an understanding of the internal controls deemed to be significant for our audit objectives and evaluated the design of these controls. We then performed further audit procedures consisting of tests of control effectiveness and/or substantive procedures that provided evidence pertaining to our audit objectives. Specifically, we performed procedures such as interviewing personnel, reviewing policies, analyzing records, and examining documentation supporting recorded transactions.

When performing our audit, we relied on hardcopy source documents and therefore did not consider the reliability of the Authority's information system controls. Whenever sampling was used, we applied a non-statistical approach, and as a result, we were not able to project our results to the population.

Based on our audit, we have concluded that the Authority maintained adequate internal controls and complied with applicable DHCD procurement guidelines and other applicable laws, rules, and regulations for the areas tested.