



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

*Making government work better*

Official Audit Report-Issued September 17, 2013

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## Franklin Housing Authority

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





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George Danello, Chairman  
Franklin Housing Authority  
1000 Central Park Terrace  
Franklin, MA 02038

Dear Chairman Danello:

I am pleased to provide this performance audit of the Franklin Housing Authority. This report details the audit objectives, scope, and methodology for the audit period, April 1, 2010 through June 30, 2012. My audit staff discussed the contents of this report with management of the Authority.

I also would like to express my appreciation to the Franklin Housing Authority for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written in a cursive style.

Suzanne M. Bump  
Auditor of the Commonwealth

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**EXECUTIVE SUMMARY**

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor has conducted an audit of certain activities of the Franklin Housing Authority for the period April 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 efficient and in compliance with the Department of Housing and Community Development's (DHCD's) procurement guidelines and laws, rules, and regulations applicable to state-aided housing programs.

Based on our audit, we have concluded that, for the period April 1, 2010 through June 30, 2012, the Authority maintained adequate internal controls in the areas tested and conducted its procurements in an efficient manner in compliance with DHCD guidelines and applicable laws, rules, and regulations.

**OVERVIEW OF AUDITED AGENCY**

The Franklin Housing Authority is authorized by and operates under the provisions of Chapter 121B of the Massachusetts General Laws, as amended. The Authority's management office is located at 1000 Central Park Terrace in Franklin. The Authority oversees 165 units of state housing for the elderly, 28 units for veterans and their families, 8 units for residents with special needs, and 5 family scattered sites. The Authority also administers three other Authority-owned properties: 2 units in a single-level duplex and 2 two-level single-family homes.

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

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor has conducted an audit of certain activities of the Franklin Housing Authority for the period April 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 efficient and in compliance with the Department of Housing and Community Development's (DHCD's) procurement guidelines and laws, rules, and regulations applicable to state-aided housing programs.

To accomplish our audit objectives, we reviewed the Authority's procurement policies and procedures to verify that they include criteria for compliance with the state's public bidding law (Chapter 30B of the General Laws) and DHCD guidelines. We selected non-statistical samples of purchases of equipment and other commodities made during the audit period to evaluate the Authority's efforts to obtain the best value; to verify compliance with the purchasing requirements of Chapter 30B and with DHCD contract requirements; and to determine whether the Authority is coordinating with other local entities, such as municipalities, school departments, or regional planning organizations, to purchase goods and services collectively in order to take advantage of potential cost savings through bulk purchasing.

We conducted a limited review of the internal controls related to our audit objectives in accordance with generally accepted government auditing standards. Our evaluation of internal controls was not designed to provide assurance regarding the effectiveness of the internal control structure as a whole.

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.

We did not rely on computer-processed data for our audit. Instead, we relied on data such as hardcopy source documents and interviews as supporting documentation on which we based our conclusions.

Based on our audit, we have concluded that, for the period April 1, 2010 through June 30, 2012, the Authority maintained adequate internal controls in the areas tested and was conducting its procurements in an efficient manner in compliance with DHCD guidelines and laws, rules, and regulations applicable to state-aided housing programs.