



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO



Merit Rating Board Meeting

September 25, 2019

MINUTES

At the call of the Chair, Acting Registrar of Motor Vehicles Jamey Tesler, a meeting of the Merit Rating Board was called to order at 1:05 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts.

Also present were board members Gary Anderson, Insurance Commissioner and Assistant Attorney General Glenn Kaplan, representing Attorney General Maura Healey.

Others present were Paul Franzese, Boris Lazic, and Owen Kane.

Acting Registrar Tesler opened up the public comment session (there were no speakers).

Mr. Tesler welcomed Paul Franzese, the Interim Director for the MRB and thanked him for agreeing to serve in this capacity. Mr. Tesler discussed Mr. Franzese's skills and job description and said that in the month since his appointment, Mr. Franzese has provided

support and leadership for the Merit Rating Board's staff and the senior team.

The Acting Registrar next presented Agenda Item C, the possible adoption of a standard meeting schedule for future MRB meetings. Mr. Tesler noted the Transportation Board Room was available most Wednesday afternoons, and if the other members agreed, the MRB could plan to meet every other Wednesday at 1:00, at least for the time being until a permanent director for the MRB was identified. Discussion ensued.

On motion duly made and seconded, it was:

VOTED:

That the Merit Rating Board will reserve the Transportation Board Room every other Wednesday at 1:00 pm beginning on October 9, 2019 with the intention of holding regular meetings of the Merit Rating Board until such time as a permanent Director is identified; the Merit Rating Board will revisit the schedule at that time.

Next, the Acting Register presented Agenda Item D, a discussion of the job description for the permanent director for the Merit Rating Board. Mr. Tesler asked Boris Lazic, the Chief Human Resource Officer for MassDOT to join them to start the process and to discuss the best way to pursue this. A draft job description was provided to the Board for discussion, attached forthwith. Assistant Attorney Kaplan asked Mr. Lazic to describe the process he envisioned. Lengthy discuss ensued and it was agreed MassDOT was to post the job description and to seek applicants.

On motion duly made and seconded, it was:

VOTED:

That the Acting Registrar of Motor Vehicles, with the assistance of the Human Resources Division of MassDOT, is hereby authorized to take all necessary steps to post the final version of a job description for the position of permanent Director of the Merit Rating Board, such final version to be reviewed by the members individually prior to posting.

Next, the Acting Registrar asked Assistant Attorney General Kaplan to introduce Agenda Item E, seeking assistance from the Inspector General (IG). Assistant Attorney General Kaplan said the IG's office could play a role in helping with the management of risk within the organization and suggested the IG have a position at the MRB to provide additional expertise. Assistant Attorney General Kaplan referenced a recommendation from Grant Thornton's Preliminary Report, page 29, "Third Defense: The third line of defense is internal audit. Internal auditors provide the governing body and senior management with comprehensive assurance based on the highest level of independence and objectivity within the organization. This high-level independence is not available in the second line of defense. Internal audit provides assurance of the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives....Complicating the job of the MassDOT Audit Operations is the fact that there appears to be no complete process walkthrough documentation for many significant end-to-end processes within the RMV. Such process

walkthroughs should include both system and non-system components, key individuals, relevant internal controls, and a description of a transaction's path from initiation to completion. Absent such documented walkthroughs, the MassDOT Audit Operations must rely on institutional knowledge and professional judgment in identifying and selecting areas for testing." Extensive discussion ensued regarding the reporting structure and the length of the IG's tenure within the MRB.

On motion duly made and seconded, it was:

VOTED:

That the Interim Director of the MRB, and, subsequently, any permanent replacement, is directed to request that the Inspector General embed an employee at the MRB who will provide reports to this Board and provide guidance and assistance to the Interim Director and later the permanent Director relating to the MRB's efforts to effectively and efficiently carry out its mission.

The Acting Registrar announced the next meeting of the Merit Rating Board would be October 9 at 1:00.

On motion duly made and seconded, it was:

VOTED: to adjourn at 2:16 p.m.

Documents relied upon for this meeting:

Draft job description for the Director of the MRB

Grant Thornton's Preliminary Report, August 16, 2019