



INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURE

Ms. Suzanne M. Bump  
Auditor of the Commonwealth of Massachusetts  
Massachusetts, Office of the State Auditor  
One Ashburton Place, Room 1819  
Boston, MA 02108

We have performed the procedure enumerated below, which was agreed to by the management of the Massachusetts, Office of the State Auditor (OSA) and the Auditor of the Commonwealth of Massachusetts (the specified parties), related to the OSA's compliance with the requirements and guidance in chapters one through three, six, and seven, of generally accepted government auditing standards (GAGAS) that apply to performance audits, as published in the 2011 Revision of Government Auditing Standards, during Audit No. 2016-10158-3S, Department of Children and Families (the DCF audit), issued by the OSA on December 7, 2017 for the period January 1, 2014 through December 31, 2015. The OSA's management is responsible for its compliance with those specified requirements and guidance. The sufficiency of this procedure is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedure and associated findings are as follows:

**Procedure** – Assess the OSA's compliance with the requirements and guidance in chapters one through three, six, and seven of GAGAS that apply to performance audits, as published in the 2011 Revision of Government Auditing Standards, during the performance of the DCF audit, issued by the OSA on December 7, 2017 for the period January 1, 2014 through December 31, 2015.

**Chapter 1- Government Auditing: Foundation and Ethical Principles** - 1.04 The professional standards and guidance contained in this document, commonly referred to as generally accepted government auditing standards (GAGAS), provide a framework for conducting high quality audits with competence, integrity, objectivity, and independence. These standards are for use by auditors of government entities and entities that receive government awards and audit organizations performing GAGAS audits.

1.10 The ethical principles presented in this section provide the foundation, discipline, and structure, as well as the climate that influence the application of GAGAS. This section sets forth fundamental principles rather than establishing specific standards or requirements.

**Finding No. 1** – No instances of noncompliance were noted when we compared the DCF audit documentation to the fundamental principles of chapter 1.

**Chapter 2** – *Standards for Use and Application of GAGAS* – 2.01 This chapter establishes requirements and provides guidance for audits performed in accordance with GAGAS. This chapter also identifies the types of audits that may be performed in accordance with GAGAS, explains the terminology that GAGAS uses to identify requirements, explains the relationship between GAGAS and other professional standards, and provides requirements for stating compliance with GAGAS in the auditors’ report.

**Finding No. 2** – The OSA had no documentation in the DCF audit to demonstrate compliance with 2.25. When auditors do not comply with applicable requirement(s), they should (1) assess the significance of the noncompliance to the audit objectives, (2) document the assessment, along with their reasons for not following the requirement(s), and (3) determine the type of GAGAS compliance statement. The auditors’ determination is a matter of professional judgment, which is affected by the significance of the requirement(s) not followed in relation to the audit objectives.

As noted in Finding No. 4, the OSA had no documentation in the DCF audit to demonstrate compliance with the presumptively mandatory requirement of 6.42 with regard to the independence of the professionals referenced in the “Other Matters” section of the audit report whose opinions the OSA sought as to whether child sexual abuse should be considered a critical incident.

**Chapter 3** – *General Standards* – 3.01 This chapter establishes general standards and provides guidance for performing financial audits, attestation engagements, and performance audits under GAGAS. These general standards, along with the overarching ethical principles presented in chapter 1, establish a foundation for the credibility of auditors’ work. These general standards emphasize the importance of the independence of the audit organization and its individual auditors; the exercise of professional judgment in the performance of work and the preparation of related reports; the competence of staff; and quality control and assurance.

**Finding No. 3** – No instances of noncompliance were noted when we compared the DCF audit documentation to the requirements of chapter 3.

**Chapter 6** – *Field Work Standards for Performance Audits* - 6.01 This chapter contains field work requirements and guidance for performance audits conducted in accordance with GAGAS. The purpose of field work requirements is to establish an overall approach for auditors to apply in obtaining reasonable assurance that the evidence is sufficient and appropriate to support the auditors’ findings and conclusions. The field work requirements for performance audits relate to planning the audit; supervising staff; obtaining sufficient, appropriate evidence; and preparing audit documentation.

**Finding No. 4** – The OSA had no documentation in the DCF audit to demonstrate compliance with 6.42 with regard to the independence of the professionals referenced in the “Other Matters” section of the audit report whose opinions the OSA sought as to whether child sexual abuse should be considered a critical incident.

6.42 ...If auditors intend to use the work of specialists, they should assess the professional qualifications **and** independence of the specialists.

**Finding No. 5** – The OSA had no documentation in the DCF audit to demonstrate compliance with 6.44 with regard to the independence of the professionals referenced in the “Other Matters” section of the audit report whose opinions the OSA sought as to whether child sexual abuse should be considered a critical incident.

6.44 Auditors’ assessment of the independence of specialists who perform audit work includes identifying threats and applying any necessary safeguards in the same manner as they would for auditors performing work on those audits.”

**Chapter 7 – Reporting Standards for Performance Audits - 7.01** This chapter contains reporting requirements and guidance for performance audits conducted in accordance with GAGAS.

**Finding No. 6 - 7.30** When auditors comply with **all** applicable GAGAS requirements, they should use language, which represents an unmodified GAGAS compliance statement, in the audit report to indicate that they performed the audit in accordance with GAGAS.

As noted in Finding No. 2, the OSA had no documentation in the DCF audit to demonstrate compliance with 2.25.

This agreed-upon procedure engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements and guidance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the OSA and the Auditor of the Commonwealth of Massachusetts and is not intended to be, and should not be, used by anyone other than the specified parties. However, this report is a public document and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Jarvis Kelly". The signature is stylized with a large, looping initial "J" and a cursive "K".

April 5, 2018



The Commonwealth of Massachusetts  
AUDITOR OF THE COMMONWEALTH  
STATE HOUSE, BOSTON 02133

SUZANNE M. BUMP, ESQ.  
AUDITOR

TEL: 617-727-2075

April 5, 2018

Mr. Randall Davis, Managing Partner  
DavisKelly Certified Public Accountants  
4238 Washington Street, Suite 307  
Boston, MA 02131

Dear Mr. Davis:

I am writing in response to the review you conducted of the Office of the State Auditor's (OSA) review of the Massachusetts Department of Children and Families. The OSA appreciates the thorough and professional review performed by DavisKelly Certified Public Accountants and is pleased that the review finds that the work performed on this audit was in accordance with the professional standards established by the Government Accountability Office and that the audit findings are sufficiently supported by work performed by the audit staff.

We appreciate the reviewers' comments with regard to documenting the independence of the medical and child welfare officials referenced in the "Other Matters" section of the audit report and whose professional opinions were sought as to whether child sexual abuse should be treated as a critical incident. In response, we have conducted a training for staff to ensure that the independence of all external specialists is documented in future audits.

Thank you for your time and attention to this matter. Please do not hesitate to contact my staff or I should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a horizontal line.

Suzanne M. Bump  
Auditor of the Commonwealth