



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

Making government work better

Official Audit Report-Issued November 1, 2013

Wakefield Housing Authority

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





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Jane Good, Chair
Wakefield Housing Authority
26 Crescent Street, #1
Wakefield, MA 01880

Dear Chairwoman Good:

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'SMBump'.

Suzanne M. Bump
Auditor of the Commonwealth

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

OVERVIEW OF AUDITED AGENCY 2

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY 3

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 Wakefield 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 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 July 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 other applicable laws, rules, and regulations.

OVERVIEW OF AUDITED AGENCY

The Wakefield 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 26 Crescent Street, operates 116 one-bedroom units for elderly or disabled residents, as well as another facility for elderly or handicapped residents that has 10 one-bedroom units and 3 congregate suites (whose tenants share living, kitchen, and dining facilities) containing five bedrooms each. The Authority also operates 8 two-bedroom units of family housing. In addition, the Authority owns an eight-unit facility that it leases to the Department of Developmental Services. The Authority also administers 31 housing vouchers funded by the Massachusetts Rental Voucher Program.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

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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.

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 federal, 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 we deemed to be significant to our audit objectives and evaluated the design of these controls. We then performed further audit procedures consisting of tests of control effectiveness 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.

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. 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, for the period July 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.