



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

Making government work better

Issued January 22, 2013

Results of Audit Recommendations from Post-Audit Review Surveys

FY 2013 First Quarter Report

July 1, 2012 - September 30, 2012



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INTRODUCTION

This is the fourth report to detail auditees' implementation of audit recommendations through the use of post-audit review surveys. To ensure that audit reports help effect positive change and make government work better, State Auditor Suzanne Bump launched an initiative in October 2011 to follow up with audited agencies on their actions regarding audit recommendations and the resulting outcome.

From the initiative's launch through the close of the fourth quarter on June 30, 2012, a 100% response rate has been achieved, with 77 of 77 post-audit reviews completed and returned. Auditor Bump extends her appreciation and commends these agencies for their cooperation, their professionalism, and their commitment to making government work better. (One review from the Administrative Office of the Trial Court, which had been outstanding as of the last quarterly report, was completed, and a summary is included in this report.)

According to the surveys, 90% of the 337 recommendations in the associated audits have been acted on, with auditees reporting that 50% had been fully implemented by six months after the audit's issuance. These remedial actions will improve accountability, preserve public property and other resources, ensure the security of confidential government information, and protect against fraud and abuse. With several cost-recovery actions still ongoing, the fiscal benefit of these audit recommendations could total \$52.8 million.

Post-audit review surveys are issued six months after the release of an audit with findings. These surveys initiate an increased level of contact between the Auditor and the auditee. This new interim communication lets auditees know that an audit should not be left to sit on a shelf until the next engagement, but that there is a public interest in using audit recommendations to strengthen government operations by enhancing efficiency, effectiveness, accountability, and transparency.

By the numbers

*Aggregate totals from
October 2011 to September 2012*

77	Number of post-audit reviews conducted
100	Percentage of post-audit reviews completed and returned by auditees since the program's launch in October 2011
337	Number of audit recommendations followed up on
90	Percentage of recommendations on which auditees reported taking action
\$52.8	Potential fiscal benefit of these recommendations in millions

Post-audit reviews also give auditees the opportunity to communicate operational issues or difficulties in implementing recommendations. This opportunity may lead to collaboration between the Auditor and auditee to propose legislative, regulatory, or other changes. Through this process, the Office of the State Auditor (OSA) serves as both a partner and a resource for making government work better.

This initiative also helps to improve the work of the OSA in a number of ways. Post-audit reviews maximize the resources and staff hours invested in an audit by adding value and increasing the return on investment by quantifying outcomes. Audit planning also will benefit, as the urgency of a full follow-up audit may increase or decrease based on a post-audit review response. In addition, the audit team will have auditee-supplied information to use at the start of the next audit of the agency, which will save time and assist in the development of the audit program.

HIGHLIGHTS OF AGENCIES' POST-AUDIT ACTIONS

In the first quarter of fiscal year 2013, the OSA conducted post-audit reviews of 14 audits out of a total of 18 issued from January 1, 2012 to March 31, 2012. One audit involved a human-service vendor that subsequently lost its state funding also contained recommendations for two state agencies. Accordingly, post-audit reviews were sent to those agencies, resulting in a total of 15 reviews from the 14 audits which have been conducted.

Additionally, the Administrative Office of the Trial Court (AOTC) completed and filed its survey related to the audit of Worcester Probate and Family Court, which was due for the last quarterly report. Including this response, 16 reviews from 15 audits are accounted for in this report.

It is important to note that responses to post-audit reviews are self-reported information that is unaudited. The OSA makes no claims as to the accuracy of the information. Since auditees are subject to future audits and public disclosure, it is in their best interest to provide the OSA with forthright responses.

According to the responses in the 16 completed reviews, OSA audit work and recommendations produced the following actions and results for the first quarter.

RESULTS OF POST-AUDIT REVIEWS

JULY – SEPTEMBER 2012

Audits issued January – March 2012

Number of Completed Reviews	Number of Recommendations	Fully Implemented	Percentage Fully Implemented	In Progress	Percentage of Recommendations Acted On	Planned Action	Fiscal Benefit
16	93	51	55%	30	87%	11	\$357,873

One recommendation had no action.

- At least \$357,873 in fiscal benefit, with \$225,628 in year-over-year savings. About \$150,000 of this amount is attributed to actions at Weymouth Housing Authority that have enabled vacant units to be turned around more quickly, resulting in increased rental income. Another \$40,000 of year-over-year savings comes from an improved IT inventory process at Northern Essex Community College.
- Eighty-seven percent of OSA recommendations were acted on. Of the 12 recommendations not acted on, actions were planned for 11, and one agency reported no action on a recommendation it carried out in a different fashion.
- After the audit of human service provider Life Focus Center of Charlestown, Inc. led the Department of Developmental Disabilities (DDS) to terminate the agency's contract, DDS transferred service provision to another provider. DDS recovered \$28,436 in inadequately documented and non-program-related expenditures noted in the audit and obtained the transfer of \$48,809 in assets obtained through questionable contract billings to the successor provider organization. The Executive Office of Health and Human Services hired a private auditor to expand the period of review and apply agreed-upon procedures to different business areas. DDS is completing a corrective action plan to forward to the Operational Services Division.
- Weymouth Housing Authority reported taking a number of actions to maximize revenue. In addition to the increased rental revenue previously mentioned, the Authority also halted overpayments to the local tenant organization that had totaled over \$120,000 in a four-year period. The Authority has scaled back its relationship with a related nonprofit organization. It also instituted policies and procedures for better board governance and controls over credit-card spending, procurement, and inventory.

- The AOTC stated that it had planned to meet with the Worcester Register of Probate to review the duties, time sheets, and attendance of the head administrative assistant at the Worcester Probate and Family Court.
- The Hampden and Northwestern District Attorney Offices and the Worcester Sheriff's Office reported working on implementing a number of recommendations as a result of transition audits to strengthen controls, improve operations, and safeguard assets.

POST-AUDIT REVIEWS							
FOUR-QUARTER TOTALS							
Number of Completed Reviews	Number of Recommendations	Fully Implemented	Percentage Fully Implemented	In Progress	Percentage of Recommendations Acted On	Planned Action	Fiscal Benefit
77	337	167	50%	135	90%	22	Up to \$52.8 million

Three disputed findings; 10 recommendations had no action. Data is as of the date of completed post-audit review.

Over the four quarters of following up on audit recommendations, auditees report taking action on 90% of audit recommendations, with a collective fiscal benefit of up to \$52.8 million. Of that amount, \$8.6 million represents year-over-year savings.

POST-AUDIT REVIEW RESULTS

Life Focus Center of Charlestown, Inc. – Department of Developmental Services Inquiry Audit No. 2011-4547-3C Issued March 7, 2012				
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
2	2	0	\$77,245	Recovery of funds
Life Focus Center of Charlestown, Inc. – Operational Services Division Inquiry Audit No. 2011-4547-3C Issued March 7, 2012				
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
1	0	1	N/A	Action pending completion of DDS' corrective action plan

The audit of the Life Focus Center of Charlestown, Inc., (LFC) identified various problems related to \$1,237,105 in expenses and billings, including \$129,982 in unallowable expenses related to LFC's state-funded contracts during the audit period. It also found inadequate oversight by LFC's Board of Directors and inadequate internal controls over time, attendance, and payroll-related activities, resulting in over \$1.1 million in undocumented employee compensation expenses. During calendar years 2008 through 2010, LFC paid the husband of its Staff Director a total of \$183,008 for consultant services. According to this individual's payment records and job description, he was hired to function primarily as a grant writer. However, according to the financial statements LFC filed with the Commonwealth, during the three fiscal years this consultant was employed by LFC, the agency only received a total of \$9,284 in grants. In addition, during fiscal years 2009 and 2010, LFC made payments totaling \$6,600 to a brother-in-law of LFC's Executive Director and \$11,036 to a brother-in-law of LFC's Deputy Director for various maintenance services.

The audit findings resulted in resignations by members of the board of directors and ultimately the Department of Developmental Services (DDS) taking the rare step of terminating that organization's contracts, effective June 16, 2012. DDS was able to bring in another organization to take over LFC's contracts with minimal disruption to the clients involved.

DDS recovered \$28,436 in inadequately documented and non-program-related expenditures noted in the audit, and required the transfer to the successor organization of \$48,809 in assets obtained through questionable contract billings. The Executive Office of Health and Human Services' Office of Compliance, Purchase of Service Program Integrity Unit engaged an outside firm to review the contract history, and it is expected that additional funds will be sought.

This audit also resulted in specific recommendations directed to the Operational Services Division (OSD). OSD indicated that it would study corrective action after the completion of DDS's further audit of LFC's past operations.

The results of this audit highlight the importance of the Office of the State Auditor's ongoing efforts to improve the monitoring of the vendors of state agencies. Because of repeated findings of questionable vendor billings and procedures, lack of effective agency oversight, and the vulnerable populations served, the OSA will continue its efforts to audit selected health and human service providers funded through the Commonwealth's purchase-of-service system.

Areas to Monitor: Purchase of Service Program Integrity Unit report, OSD follow-up actions

Weymouth Housing Authority				
Audit No. 2011-0815-11A			Issued March 29, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
17	15	2	\$179,628	<ul style="list-style-type: none"> Monthly expenditures are now reviewed and approved by Board of Commissioners. Authority vacancy turnover is within DHCD guidelines, resulting in increased rental income. Largely discontinued relationship with related nonprofit SSAHI. Discontinued overfunding of local tenant organization; all resident associations now funded within DHCD guidelines.

The audit of the Weymouth Housing Authority revealed several instances of poor financial management practices executed by the previous administration. In three months, the Authority had spent \$224,980 more than the Board of Commissioners authorized. The audit found excessive payments

to a local tenant organization from 2007 to 2010, totaling \$120,779, as well as \$53,906 in questionable credit-card purchases. Average vacancy turnover rates had risen to 131 days, more than 100 days longer than regulations permit. The Authority also had nearly \$100,000 in uncollected rent from vacated tenants. Further, the audit reported that Authority staff spent significant time working for a related-party nonprofit, South Suburban Affordable Housing, Inc. (SSAHI), while being paid with Authority funds.

The Authority reported that it has fully implemented 15 of the 17 recommendations made in the audit. The Authority stated that vacant unit turnaround times have been reduced by over 100 days, to 12 – 14 days, through prioritization of work and training of staff. These actions have enabled the Authority to generate approximately \$150,000 in increased rental income.

The Authority has ceased making overpayments to local tenant organizations, resulting in an annual cost savings of \$29,628. Credit-card purchases are now properly documented and approved by the Executive Director and the Board. The Authority has limited its relationship with SSAHI to five leased Section 8 housing units. Board members also now review monthly expenditures before giving final approval, ensuring that they are within budgetary limitations. The Authority has also reviewed its policies and procedures concerning rent collections and has become more aggressive in its collections.

Other recommendations that the Authority stated were fully implemented include having a plan in place to ensure proper Board oversight; implementing a capital improvement plan to address issues with the State Sanitary Code; developing policies and procedures to ensure that revolving funds are used in accordance with Department of Housing and Community Development (DHCD) regulations; becoming familiar with procurement policies; maintaining a contract register for its modernization projects; developing inventory control procedures; strengthening its controls over the review of timesheets; limiting petty cash to the maximum allowable amount; and improving protection of tenant records by installing locks on office doors.

Of the recommendations that were listed as “in progress,” the Authority stated that it is working with the Town of Weymouth to resolve the structural issues with its administrative offices by cleaning and renovating previously unusable space. The Authority is also working with DHCD to develop regulations and training to address the unauthorized disclosure of Authority employee records.

Areas to monitor: Expenditure controls, Board governance, State Sanitary Code compliance, credit-card-expenditure controls, implementation of regulations and training to address unauthorized access to employee records

Lynn Housing Authority and Neighborhood Development

Audit No. 2011-0699-7T

Issued January 26, 2012

Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
10	3	4	Not stated	<ul style="list-style-type: none">Implemented organizational framework that outlines staff responsibilities in the event of a failure of IT operations.
	Planned			
	3			

Findings from the audit of Lynn Housing Authority and Neighborhood Development (LHAND) revealed that LHAND needed to strengthen and document its strategies for recovering IT capabilities in the event of a disaster or emergency, enhance procedures concerning password administration over its IT system, and improve its physical inventory practices.

LHAND stated in its response that it had implemented three recommendations from the audit. With regard to disaster recovery and business continuity, LHAND has established a framework that outlines a staff hierarchy and acceptable time periods for the agency to respond to significant events affecting critical IT operations. LHAND has also formalized policies for password administration and enhanced policies to document and retain an annual inventory and reconciliation.

LHAND reported that four recommendations were “in progress.” LHAND noted that work had begun on risk analysis and criticality assessments to its IT systems as system upgrades are being implemented. Additionally, LHAND is testing the plans’ viability and control practices and conducting general periodic review of the plans.

LHAND further noted that it plans to identify alternate processing locations and vendors for its IT systems and hold additional meetings with its disaster recovery team to ensure that staff is adequately trained.

Areas to monitor: Effectiveness of disaster recovery and business continuity plans, inventory controls, policies over password administration

Millbury Housing Authority Audit No. 2011-0724-3H Issued February 2, 2012				
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
4	1	3	\$26,000	<ul style="list-style-type: none"> Working to improve average vacancy turnaround times and has been using DHCD formula funds to complete modernization projects Increased operating reserves by \$20,000.

Millbury Housing Authority stated that it has again requested funding from the Department of Housing and Community Development (DHCD) to properly rehabilitate or replace two significantly dilapidated units.

The Authority reported additional recommendations as “in progress.” Steps have been taken to start reducing its vacancy turnover rate, including securing funding, consulting DHCD for insight on speeding up the refurbishment process in vacant units, and prioritizing work. All of the above steps resulted in about a \$6,000 increase in the Authority’s monthly rental income, according to the Executive Director. The Authority has also been able to increase its operating reserves by \$20,000 through a funding request to DHCD and will continue to do so in subsequent budget requests. The Authority also stated that it is undertaking modernization projects with its formula funding received from DHCD.

Areas to monitor: Progress toward addressing State Sanitary Code violations and modernization initiatives, vacancy turnover rates, level of operating reserves

Shrewsbury Housing Authority Audit No. 2011-0776-3A Issued February 2, 2012				
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
4	4	0	Not stated	<ul style="list-style-type: none"> Implemented controls to ensure compliance with procurement regulations and Davis-Bacon Act wage rates.

The audit reported that Shrewsbury Housing Authority had failed to comply with the prevailing wage requirements of the American Recovery and Reinvestment Act of 2009 (ARRA) grant it received and also needed to improve its documentation of ARRA-related expenditures. The Authority was also found to have negative operating reserves of \$12,688, and incorrectly calculated its Maintenance Supervisor’s Medicare taxes.

In its response, the Authority stated that during the course of the audit, it implemented management controls to ensure compliance with procurement regulations and Federal Davis-Bacon Act wage rates. The Authority reported that it refunded its Maintenance Supervisor \$2,075 in incorrectly withheld Medicare deductions. The Authority also hired a new fee accountant to address the issues associated with documenting reimbursement of management expenses paid with ARRA funds and to prevent future negative operating reserves.

Area to monitor: Level of operating reserves

Webster Housing Authority				
Audit No. 2011-0807-3H			Issued February 2, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
5	3	2	\$35,000	<ul style="list-style-type: none"> Obtained \$35,000 from DHCD to boost operating reserves. Currently implementing new inventory policy

In its response, Webster Housing Authority reported that it has implemented three recommendations made in the audit. The Authority was able to increase its operating reserves through the request and receipt of an additional three-year, \$35,000 subsidy from the Department of Housing and Community Development. With regard to its 64-day average turnaround time for reoccupying vacant units, the Authority stated that it has reduced that time to 46 days. As to its difficulties with funding for maintenance, the Authority explained that years of deferred maintenance and emergencies have required it to spend beyond what was budgeted in this area. Lastly, the Authority has been documenting its Board of Directors meetings as required by the state's Open Meeting Law.

Other recommendations are considered to be "in progress." The Authority is implementing a new inventory policy and working with the Internal Revenue Service to process a vendor's IRS Form 1099 that had not been issued in 2008.

Areas to monitor: Level of operating reserves, effectiveness of inventory policy, vacancy turnaround time

Worcester Probate and Family Court – Administrative Office of the Trial Court Inquiry				
Audit No. 2010-1229-3O			Issued December 7, 2011	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
I	0	0	Not stated	<ul style="list-style-type: none">AOTC will meet with WPFC Register of Probate to discuss Head Administrative Assistant’s job duties and will review the employee’s time and attendance records.
	Planned			
	I			

In the audit of the Worcester Probate and Family Court (WPFC), one of the recommendations was directed to the parent agency, the Administrative Office of the Trial Court (AOTC); accordingly, the AOTC received and responded to a post-audit survey, which was due for the last quarterly report.

The recommendation that included the AOTC dealt with reviewing the duties and responsibilities of the Head Administrative Assistant for the Register of Probate, whom the audit found to be performing only three of the 19 duties required of the position and to be teaching at multiple colleges during working hours. AOTC reported that it is planning to meet with the Register of Probate at WPFC to review the duties of the Head Administrative Assistant and that it will also conduct an examination of the employee's time and attendance records during the audit period. Both actions were scheduled to be completed by the end of 2012.

Areas to monitor: Progress and findings of investigation by AOTC

Chicopee District Court				
Audit No. 2011-1167-3O			Issued January 25, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
3	2	1	N/A	<ul style="list-style-type: none"> Compliance with state law and regulations governing processing of bail Victim-witness-fee assessments allocated as first priority.

Chicopee District Court stated that it has fully implemented improvements in the processing of bails associated with defaulted criminal cases and has prioritized victim/witness fee assessments as mandated.

The Court also reported that new procedures to enhance the mandated documentation of probation fee waivers are “in progress.”

Areas to monitor: Compliance with probation fee waiver requirements, victim-witness-fee allocations, internal controls over defaulted bails

Hampden District Attorney's Office – Transition Audit				
Audit No. 2011-1259-3O			Issued February 8, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
11	10	0	N/A	<ul style="list-style-type: none">• Compliance with state law regarding asset forfeitures• Improved documentation of administrative expenses
	Planned			
	1			

The audit of the Hampden District Attorney's Office included five findings and 11 recommendations, including a prior audit result finding that had not been fully resolved.

The Hampden District Attorney's Office reported that it had completed 10 of the recommendations by enhancing its Internal Control Plan, updating its personnel leave request procedure, and forwarding incorrectly retained asset forfeiture funds to the appropriate law enforcement agency in compliance with Chapter 94C, Section 47, of the Massachusetts General Laws.

The Office planned to implement the last outstanding recommendation by bringing its non–Generally Accepted Accounting Principles fixed asset inventory control policies and procedures into compliance with Office of the State Comptroller (OSC) regulations.

Areas to monitor: Use of updated electronic inventory system, ongoing use of personnel leave form, future asset forfeiture fund distributions

Northwestern District Attorney's Office – Transition Audit				
Audit No. 2011-1260-3S			Issued February 8, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
11	1	3	N/A	<ul style="list-style-type: none">Internal control plan continues to be reviewed and will be updated annually.Working to update purchasing protocols
	Planned			
	6			

One recommendation had no action.

The Northwestern District Attorney's Office (NWD), whose jurisdiction includes Hampshire, Franklin, and part of Worcester County, responded that it has designated its Director of Operations as the individual responsible for maintaining and enhancing documentation for its Internal Control Plan (ICP). NWD stated that three related recommendations are “in progress”: automation of supporting plan documents, distribution of the plan to all staff, and continuous review and annual update of the plan.

NWD further indicated that action was planned in several areas. The agency will be working to update purchasing protocols to expand the number of personnel authorized to make capital purchases. NWD will revise its ICP to appropriately identify program risks associated with case-management, victim-witness, and child-abuse units. Additionally, NWD plans to research purchase dates and costs for items in its inventory that are missing this information and will work to merge and update its inventory listing.

On the recommendation reported as no action, NWD was updating its internal control plan regarding maintaining a master inventory list and conducting an annual inventory, but split up the responsibilities to two job functions different than the one recommended.

Areas to monitor: Internal control plan, inventory controls, agency purchasing protocols

Worcester Sheriff's Office – Transition Audit				
Audit No. 2011-1432-IIS			Issued March 14, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
6	0	6	N/A	<ul style="list-style-type: none"> Efforts to improve forwarding of unclaimed funds to OST

The Worcester Sheriff's Office (WSO) reported that it is “in progress” in addressing the audit's six recommendations. It is updating its Internal Control Plan in order to safeguard assets and promote operational efficiency. It is working with outside accountants to ensure that all outstanding checks are identified and remitted to the Office of the State Treasurer (OST) as appropriate and in a timely manner. WSO intends to address the practice of providing furnishing meals to employees at no cost in negotiations for its next Collective Bargaining Agreement.

WSO responded that it is awaiting the recommendations of the Special Commission studying the operations of Sheriff's Offices before implementing corrective action regarding the handling of inmate telephone commissions and civil processing fees.

Areas to monitor: Special Commission findings, outcome of collective bargaining process

University of Massachusetts Dartmouth				
Audit No. 2011-0210-7T			Issued February 22, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
8	5	3	N/A	<ul style="list-style-type: none"> Working with the UMass President's Office to implement a disaster recovery and business continuity plan

The University of Massachusetts Dartmouth (UMD) stated that it has implemented several measures that will allow for improved maintenance of its inventory system. UMD has conducted a reconciliation of its information technology (IT) resources, incorporated its IT and Facilities departments into the inventory process, and ensured a better understanding of the roles and responsibilities required of individual departments in the inventory process. Additionally, UMD will conduct training for the individuals responsible for reporting changes in departmental inventory to the university's Property Control Officer and has initiated an additional physical inventory.

Additional recommendations were reported as “in progress.” UMD is currently working to identify a workspace that will enable it to activate electronic tracking software on laptops before delivery to staff. UMD is also in the process of reconciling its record of physical access keyholders to a current list of employees in addition to improving university-wide building access controls. Further, UMD is working together with the UMass President’s Office to implement a disaster recovery and business continuity plan and will annually review and update the plans when needed.

Areas to monitor: Progress of implementation of disaster recovery and business continuity plan, inventory controls

Northern Essex Community College				
Audit No. 2011-0201-4T			Issued January 26, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
5	3	2	\$40,000	<ul style="list-style-type: none"> Implemented an automated system to ensure employee awareness of computer equipment regulations, generating staff cost savings of \$40,000. Working to develop and implement a disaster recovery and business continuity plan

Responding to the survey, Northern Essex Community College (NECC) stated that it has implemented an automated system that ensures employee training and awareness of state and federal regulations related to safeguarding computer equipment. Use of this system has allowed NECC to reduce personnel costs and save \$40,000. NECC also strengthened its controls over portable electronic equipment, which will reduce the risk of loss, ensure accurate inventory, and record acceptance of usage policies.

With regard to the audit recommendations “in progress,” NECC reported that it is working to expedite the development and implementation of a disaster recovery and business continuity plan and that it has also made improvements to its Internal Control Plan.

Areas to monitor: Progress toward development and implementation of disaster recovery and business continuity plan, development of Internal Control Plan, effectiveness of regulatory training and monitoring system, inventory controls

Division of Banks				
Audit No. 2011-0100-7T			Issued January 25, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
1	0	1	Not stated	<ul style="list-style-type: none"> Opened new backup facility that allows data to be backed up daily and securely stored in multiple locations.

The Division of Banks (DOB) stated that it has put into operation a new backup/disaster-recovery facility that uses cloud technology, enabling all data from the DOB to be backed up nightly and securely stored in multiple locations. DOB has also begun testing the connectivity between its Boston headquarters and its backup location in Springfield to simulate off-site operations in the event that its offices became inaccessible. Additionally, DOB noted that the identification and further testing of priority data, systems, and functions are “in progress.”

Areas to monitor: Progress toward full implementation of disaster recovery and business continuity plan

Department of Revenue – Underground Storage Tank Program				
Audit No. 2011-1402-3S			Issued February 23, 2012	
Number of Recommendations	Fully Implemented	In Progress	Fiscal Benefit	Selected Actions and Results
4	3	1	N/A	<ul style="list-style-type: none"> Implementation of new database query tool to reduce AP errors Improved management oversight of banking transactions

Management at the Department of Revenue’s Underground Storage Tank (UST) program addressed the audit findings regarding internal controls and maintaining segregation of duties with limited staffing. New forms will document management’s review of monthly bank statements and daily deposits, and an updated review process has been put in place to detect possible Accounts Payable (AP) errors.

UST program management reported as “in progress” its efforts to work with the Governor’s Office, the Secretary of Administration and Finance, and the Legislature to secure adequate funding to address its claims backlog and to enhance third-party evaluations.

Areas to monitor: Adequacy of new procedures to avoid AP errors, progress on claims backlog