



A. JOSEPH DeNUCCI  
AUDITOR

# The Commonwealth of Massachusetts

## AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819  
BOSTON, MASSACHUSETTS 02108

TEL. (617) 727-6200

**No. 2010-0143-4T**

**OFFICE OF THE STATE AUDITOR'S  
REPORT ON THE EXAMINATION OF  
INFORMATION TECHNOLOGY-RELATED CONTROLS  
AT THE APPELLATE TAX BOARD**

**July 1, 2006 to November 10, 2009**

**OFFICIAL AUDIT  
REPORT  
MARCH 10, 2010**

**TABLE OF CONTENTS**

---

<b>INTRODUCTION</b>	<b>1</b>
---------------------	----------

---

<b>AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY</b>	<b>3</b>
---	----------

---

<b>AUDIT CONCLUSION</b>	<b>7</b>
-------------------------	----------

---

<b>AUDIT RESULTS</b>	<b>11</b>
----------------------	-----------

---

<b>1. Business Continuity and Contingency Planning</b>	<b>11</b>
<b>2. Case Management System</b>	<b>13</b>

---

## INTRODUCTION

The Massachusetts Appellate Tax Board (referred to as “ATB”) is a quasi-judicial agency within the Executive Office for Administration and Finance (EOAF), “but not subject to its control in the conduct of its adjudicatory functions,” under Chapter 58A, Section 1, of the Massachusetts General Laws. ATB is devoted exclusively to hearing and deciding cases on appeal from any state or local taxing authority. ATB was established by the Legislature in 1929 to relieve the Superior Court of the large volume of tax appeals, and to provide taxpayers with a less expensive and more expedient means of appeal. ATB handles appeals related to virtually all state taxes and excises, as well as appeals of local property taxes, from all 351 cities and towns in the Commonwealth.

Ninety percent of the petitions filed at ATB are appeals of local property taxes. The remaining cases are appeals by taxpayers regarding state taxes, including income tax, sales and use tax, corporate excise, bank excise, and other related taxes. In addition, ATB has jurisdiction to hear appeals by cities and towns of valuations set by the Department of Revenue that are used in computing local aid and state assessments. Although appeals involving state taxes and excise taxes comprise on average only six to ten percent of the total number of cases filed with ATB, they generally require more time and resources, because they often involve issues of first impression regarding the interpretation of state tax statutes and may affect a great number of taxpayers.

ATB is committed to maintaining an appeal process which is fair, understandable, and accessible to all litigants, including pro se taxpayers (plaintiffs not represented by attorneys), and which resolves tax appeals in an expeditious fashion. Toward that end, ATB has scheduled pending appeals so that most cases are heard within six to twelve months of filing. In addition, ATB has uniformly issued a decision within three to six months of all hearings and has promulgated written findings of fact and reports within three to six months of the completion of the hearing process.

ATB is located on the second floor of 100 Cambridge Street in Boston, which is where the majority of hearings are conducted. However, as a convenience to taxpayers and boards of assessors located in areas that are distant from Boston, ATB travels to such cities and towns as Pittsfield, Springfield, New Bedford, Falmouth, and Northampton to hold hearings.

ATB is comprised of a total of 20 employees, including five commissioners. There is only one full-time docket clerk, although there are multiple employees with the knowledge to fill the position if a backup role were needed. Additionally, commissioners and attorneys have read-only access to the dockets.

ATB's 20 employees utilize leased equipment comprising a total of 22 desktop computers and five laptop computers.

ATB operates and maintains a telecommunications room located within the ATB office at 100 Cambridge Street. However, ATB's mission-critical and essential information is maintained by the Information Technology Division, under the Executive Office for Administration and Finance, located at One Ashburton Place and at the Massachusetts Information Technology Center in Chelsea. All paper files for both active and closed cases are kept on site for three years from the date of original filing. Paper files for cases that are four to seven years old are removed, inventoried, and sent to the Massachusetts Records Center in Dorchester. However, those paper files for cases that are four to seven years old with findings of fact and reports or are on claim of appeal at the Appeals Court or Supreme Judicial Court are kept on site. Three years after being archived in Dorchester, the paper files are destroyed.

## AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

### **Audit Scope:**

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we performed an information technology (IT) audit of the Appellate Tax Board (ATB). The audit was conducted from September 30, 2009 through November 10, 2009, covering the period of July 1, 2006 through November 10, 2009. The scope of our audit consisted of an examination of IT-related general controls that support ATB's IT operations, including physical security, environmental protection, system access security, inventory controls over computer equipment, and business continuity and contingency planning. In addition, we reviewed the improvements made to the docket tracking system with reference to our audit recommendations in our prior audit report, No. 2007-0143-3S, issued January 16, 2007, involving the availability and reporting of certain docket information posted to the new Case Management System. We also reviewed the current caseload inventory.

### **Audit Objectives:**

Our primary audit objective was to determine whether ATB's IT-related internal control environment provided reasonable assurance that control objectives would be achieved to support their business functions. In this regard, we sought to evaluate whether adequate controls were in place to provide reasonable assurance that IT-related resources would be safeguarded, properly accounted for, and available when required.

We also sought to establish whether adequate physical security controls were in place and in effect to restrict access to the server room and local area network (LAN) to only authorized individuals to prevent unauthorized use, damage, or loss of IT-related assets. We sought to determine whether sufficient environmental protection controls were in place in the server room to prevent and detect damage or loss to both ATB's Internet protocol server and the communication equipment.

Our objective regarding system access security was to determine whether adequate controls had been implemented to provide reasonable assurance that only authorized users were granted access to ATB's application systems and data files.

Our review and evaluation of inventory control over computer equipment was to determine whether control practices were in place regarding the accounting for computer equipment. In addition, we sought to determine whether an annual physical inventory and reconciliation were conducted.

Our audit objective regarding business continuity and contingency planning was to determine whether a business continuity plan, including comprehensive user area and contingency plans, was developed and

fully documented and that ATB's business resumption strategy was made available to appropriate management and staff in the event that ATB's IT systems or applications were rendered inoperable or inaccessible.

With regard to ATB's Case Management System, our audit objective, which was based on recommendations made in our prior audit, No. 2007-0143-3S, was to determine whether improvements made to this new docket tracking system in fiscal year ending June 30, 2007 enabled management and other government officials to obtain up-to-date and pertinent caseload information, including the current active caseload inventory. In addition, our objective was to determine whether report generation features for tracking and managing cases included data availability, such as value of a case, assignment responsibility, and dates of filings and continuances.

**Audit Methodology:**

To accomplish our audit objectives, we conducted pre-audit work that included reviewing appropriate documentation in terms of ATB's organizational structure, its relevant business operations, and its IT-related environment. We interviewed ATB's Operational Director, Chief Fiscal Officer, and Chief Information Officer. We also interviewed appropriate personnel from the Information Technology Division (ITD) and the Executive Office for Administration and Finance (EOAF). As part of our review of IT-related general controls, we obtained an understanding of current computer operations at ATB and conducted a walk-through of the server room.

To further accomplish a preliminary review of the adequacy of general controls over IT-related functions and assets, we evaluated the degree to which ATB had documented, authorized, and approved IT-related control policies and procedures. We documented the significant functions and activities supported by the automated systems and reviewed automated functions related to IT operations.

We determined whether ATB's policies and procedures provided management and users with sufficient standards and guidelines to comply with statutes, regulations, and policy directives related to physical security, environment protection, system access security, inventory control over computer equipment, and disaster recovery and business continuity planning.

To evaluate physical security, we determined whether procedures were in place and in effect to help prevent unauthorized persons from gaining access to the server room. Because security personnel, metal detectors, and key card controls were in use throughout the floor of the building where ATB is located, our physical security review was limited to ATB's server room. We also examined the existence of controls, such as locks, motion detectors, and intrusion alarms.

To determine whether adequate environmental controls were in place to properly protect the computer equipment located in the server room, we checked for the presence of smoke and fire detectors, fire alarms, fire suppression systems (i.e., sprinklers and fire extinguishers), an uninterruptible power supply (UPS), and emergency generators and lighting. Further, to determine whether proper temperature and humidity controls were in place, we inspected the server room for the presence of appropriate dedicated air conditioning, heating, and ventilation systems. In addition, we reviewed environmental protection controls related to general housekeeping.

To evaluate system access security, we determined whether all users with active privileges were current employees. We compared all users with active access privileges for the network and Case Management System to ATB's list of current employees. To further verify whether adequate system access controls were in place, we requested a "computer usage policy" for our review of logon and password administration procedures and information regarding selected control practices. We determined whether all persons authorized to access the automated systems were required to change their passwords periodically and, if so, the frequency of the changes.

To determine whether adequate controls were in place and in effect to properly account for ATB's computer equipment, we reviewed inventory control policies and procedures. To evaluate whether ATB complied with Commonwealth of Massachusetts regulations for fixed-asset accounting, we reviewed evidence supporting ATB's performance of an annual physical inventory and reconciliation of the inventory record of computer equipment. ATB currently leases Dell computer equipment from Bay State Computer Leasing, Inc. We reviewed the terms of the lease agreement and examined the authority of ATB's representative signature. We also verified whether the lease was current, accurate, complete, and valid. To evaluate whether the lease accurately and completely reflected the items of computer equipment, we confirmed the location, description, and serial numbers of the hardware items on hand to the items listed on the lease. We verified all 22 desktop computers and five laptop computers to the leasing records.

Regarding our review of business continuity and contingency planning, we performed a preliminary review of the adequacy of documentation for ATB's business resumption plans. We interviewed ATB's Operational Director, and requested and reviewed all documentation pertaining to user area plans. We determined whether roles and responsibilities were clearly defined for staff in the communication process for disaster notification. This type of information would be useful in developing user area plans for disaster recovery and business resumption planning.

To assess, more specifically, the adequacy of ATB's business continuity and contingency planning, we reviewed the level of planning and the procedures for resuming computer operations in the event that the automated systems were to become inoperable or inaccessible. We interviewed the Director of Local Area Network (LAN) and Desktop Services, as well as the LAN Administrator of EOAF, the Help Desk, and other IT contacts for ATB. Further, we interviewed ITD's Business Continuity Program Manager responsible for developing ITD's business resumption planning, which includes ATB's electronic data.

To determine whether ATB's re-designed Case Management System (CMS) continues to support its mission by providing a comprehensive approach to case management information, we conducted a current system review to determine the adequacy of the system in meeting the needs of both ATB and other government agencies in terms of receiving pertinent caseload information through requested reports. During our follow-up review of the new CMS, we determined the number of case filings and current caseload inventory, stratified by ATB's fiscal years, beginning with fiscal year 2000, and ending with fiscal year 2009. Our tests consisted of requesting and reviewing a data base layout for the new CMS and an open docket listing to determine whether data fields that were, according to our prior audit, previously difficult or impossible to report on were in the new Case Management System.

Our audit was conducted in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States through the U.S. Government Accountability Office and generally accepted industry practices.

## AUDIT CONCLUSION

Our audit found that adequate physical security controls were in place to protect computer equipment from unauthorized physical access. We found that the entrance of the ATB's office areas and the administrative offices on the second floor were subject to appropriate physical security, as well as ATB's file server room. Although adequate physical security was provided, documentation of the physical security controls over the server room needed to be strengthened. Security personnel, metal detectors, and key card controls were in use throughout the floor of the building. We found that the entrance to ATB's office area housing workstations and other computer equipment was controlled through the use of key card authorization and sign-in logs, and that office areas were locked.

We confirmed that there is one entrance/exit to the server room with no access to a public area. The door was locked at the time of our review, and there were only two people authorized to have keys. Although there were no key management policies for the distribution, tracking, and returning of keys, the two people in possession of keys to the server room exercise appropriate control of the keys. We did not observe intrusion alarms or cameras, but the proximity of the server room to the office area reduces the risk of unauthorized entry. Generally accepted computer industry practices indicate that appropriate physical security controls need to be in place to ensure that the IT resources operate in a safe and secure processing environment and that computer equipment is properly safeguarded against loss or damage.

We found that adequate environmental protection controls, such as smoke detectors, fire alarms, and fire suppression equipment, were in place throughout the building and in the administrative offices of ATB. Our review of environmental controls for the server room confirmed the presence of a smoke and/or fire detector and a nearby fire alarm and hand-held fire extinguisher. We also found an uninterruptible power supply (UPS) and emergency lighting. We observed that proper temperature and humidity controls were in place, as well as a dedicated climate control system.

In addition, we found that general housekeeping needed to be improved as the server room was generally unkempt and dusty, and contained various storage items.

With respect to system access security, we found that appropriate control practices were in effect regarding the authorization of staff to be granted access to network resources, activation of access privileges, and deactivation of access privileges. However, documentation of policies and procedures related to access security needed to be strengthened. This included documentation of controls in effect to help ensure that access privileges would be appropriately modified or deactivated as a result of a change in job requirements or employment termination. We found that all 22 staff user accounts tested for access

to the network and the Case Management System were assigned as current employees. However, no ATB employee had signed a formal security statement as would be included in a "Computer Usage Policy." For access to network resources, which are managed through the Executive Office for Administration and Finance (EOAF) LAN and Desktop Services, we found that EOAF needed to ensure that ATB receives appropriate instructions.

We found that ATB's inventory control over computer equipment provided reasonable assurance that IT resources were properly accounted for. ATB currently leases all of its Dell computer equipment from Bay State Computer Leasing, Inc. We determined that adequate inventory controls were in place and in effect, as set forth in the lease agreement and adhered to by ATB's control procedures. ATB complied with Commonwealth of Massachusetts regulations for fixed-asset accounting by its performance of an annual physical inventory and reconciliation of the leased equipment. We reviewed the terms of the lease agreement and found that the lease reflected proper authoritative signatures and the lease was current and valid. To evaluate whether the lease accurately and completely reflected the items of computer equipment, we confirmed the location, description, and serial numbers of the hardware items on hand. We performed an inventory test of 100% (27) of the leased computer equipment by verifying the items on the floor to the listed items in the lease. All items included in the inventory test were verified and properly accounted for.

Regarding business continuity and contingency planning, we determined that ATB had a continuity of operations plan (COOP) that contained multiple elements of business continuity and disaster recovery planning. A COOP is a high-level documented strategy for agencies falling under the Executive Branch of Massachusetts State Government containing plans for continuation of operations. However, ATB, in conjunction with EOAF, did not have a documented business continuity and contingency plan to help ensure the continuation of mission-critical functions should a disaster cause significant disruption to computer operations. ATB should continue to work with EOAF to develop a documented and approved business continuity and contingency plan that is reviewed or tested at least annually. Although certain procedures are in place, ATB, in conjunction with EOAF, has not fully documented the development of comprehensive user area and contingency plans to help ensure the resumption of business functions that depend on IT processing in the event of a disaster or emergency.

According to the Director of LAN and Desktop Services for EOAF, should a disaster occur, and normal business operations could not be regained, ATB employees, through the management of EOAF, could access their file/print services located on the eighth floor of One Ashburton Place, and could access their docket tracking system at the Massachusetts Information Technology Center (MITC) in Chelsea. Regarding a temporary work site, ATB employees would have access to workstations, also located on the

eighth floor of One Ashburton Place. Should a disaster render One Ashburton Place inaccessible, EOAF and Information Technology Department (ITD) employees would relocate to MITC to initiate recovery and resume IT operations.

Our review and assessment of ATB's current Case Management System (CMS), re-designed and revised in conjunction with ITD, indicated that the docket tracking system supports the mission of ATB by providing a comprehensive approach to case management information. The New Case Management System, which is web-based via MAGNet, has been in use for about two and a half years. According to staff, the way that petitions are entered now is more efficient than the previous system. Examples of improvements over the old system are: enhanced data field navigation, repetitive data entry feature, updating the docket sheets, scheduling cases, and search capabilities. According to ATB, the new system contains necessary user tools and the system's user manual is well documented.

Through interviews with the Appellate Tax Board's Chief Information Officer (CIO), Chief Financial Officer (CFO), and Operational Director, and by our own testing, we concluded that the inability of the prior Case Management System to report pertinent, requested information is no longer an issue. The new Case Management System is able to provide the necessary docket tracking information requested, such as docket or file numbers, dates of first filings, and docket activity including continuance petitions, assigned Commissioners, and monetary values.

During our review of the new Case Management System, we also examined the active caseload inventory. We determined the number of case filings and the caseload inventory as stratified from fiscal year 2000 through fiscal year 2009. We noted that the current inventory of 13,151 active cases pending as of June 30, 2009 represented an increase of 33% since our prior audit, when the inventory was 9,924 as of June 30, 2006. This caseload inventory included cases from the Commissioner of Revenue and from property tax cases.

We noted that 9,090 (72%) of current cases pending at ATB are less than three years old. Most cases that have been in ATB's inventory for more than three years are awaiting resolution by a similar lead case involving the same issue. ATB is taking aggressive action to schedule and dispose of other cases that have been in inventory for more than three years. A higher percentage of property tax cases are proceeding to trial on their merits, rather than being settled out of court. The present economy also has resulted in an increase in the number of appeals filed for both state and property tax appeals. The increase in case filings, along with the significant decrease in out-of-court settlements prior to trial, not only puts a strain on ATB's staff, but results in an increase in the inventory of cases pending at ATB, which rose from 12,183 cases in fiscal year 2008 to 13,151 cases in fiscal year 2009.

**Auditee's Responses**

1. *You correctly identify that the ATB has no written management policy on keys and security to the server area. The ATB will develop a written policy to address these areas and concerns.*
2. *The ATB acknowledges the condition of the server room. Staff reductions and staff retirements have precluded the agency from implementing a disposition plan for unused and obsolete equipment which must continue to be stored on site. The warehousing of this equipment is the primary reason for the condition currently existing in the server room and storage areas of the ATB*
3. *The ATB acknowledges that documentation of the granting and deactivation of access privileges to the ATB's IT network resources, password and usage policies needs strengthening. The ATB will cooperate with EOAF and/or ITD in their development and implementation of such documentation.*

**Auditor's Reply**

We acknowledge ATB's efforts to comply with our conclusions, especially concerning the areas of the development and documentation of certain policies and procedures.

## AUDIT RESULTS

### **1. Business Continuity and Contingency Planning**

Our audit indicated that ATB, in conjunction with ITD, had not developed a fully documented business continuity and contingency plan that would provide reasonable assurance that mission-essential IT operations could be effectively regained in a timely manner. In addition, ATB had neither fully developed nor documented individual contingency plans to address a potential loss of automated processing. Without contingency planning, ATB is at risk of not regaining access to network applications in a timely manner. A loss of processing capabilities could result in significant delays in docketing and other primary business functions, and could ultimately increase caseload inventory.

We note that although not formally documented in a plan, procedures for personnel notification were available in the event of a major disruption of normal business operations. Also, the LAN Administrator and the Director of LAN and Desktop Services of EOAF could provide ATB with current documented procedures for accessing critical data files, as well as access to its case management application.

Based on interviews with ATB management, we were informed that under a disaster scenario in which it could not conduct business on a short-term basis in Boston, ATB would be able to conduct hearings at other locations where the boards of assessors are located, such as Lowell, Lawrence, Pittsfield, and Falmouth. Moreover, should a disaster occur, and normal computer operations could not be regained, ATB employees could access their file/print services located on the eighth floor of One Ashburton Place, and could access their docket tracking system at MITC in Chelsea. Regarding a temporary work site, ATB employees would have the use of several workstations, also located on the eighth floor of One Ashburton Place. Should a disaster render One Ashburton Place inoperable, EOAF and ITD employees would relocate to MITC to begin rebuilding servers and restoring data.

An effective disaster recovery plan should provide specific instructions for various courses of action to address different types of disaster scenarios. The plan should identify the ways in which essential services would be provided without full use of the data processing facility and, accordingly, the manner and order in which processing resources would be restored or replaced. The plan should identify the procedures to be followed, detailing the logical order for restoring critical data processing functions, either at the original site or at an alternate processing site. The plan should document that currently, there are daily backup operations performed at MITC, and that a full backup of data files is performed every other Friday. Also, when changes are made, backups are generated incrementally. In addition, the plan should describe the tasks and responsibilities necessary to transfer and safeguard backup copies of data

files, program software, and system documentation from off-site storage to the site being used for restoration efforts.

Generally accepted practices and industry standards for computer operations support the need for ATB to have an ongoing business continuity planning process that assesses the relative criticality of information systems and develops appropriate contingency and recovery plans. To that end, ATB should assess the extent to which it is dependent upon the continued availability of information systems for all required processing or operational needs and should develop its recovery plans based on the critical aspects of its information systems.

The viability of the business continuity planning process requires management commitment. Senior management and system users should be closely involved in business continuity planning to help ensure that there is a clear understanding of the entity's information system environment, that determinations of system criticality and the risks and exposures associated with the systems are correct, that appropriate IT and user area plans are developed based on the relative criticality and importance of systems, and that adequate resources are available.

### **Recommendation**

We recommend that ATB continue to work with EOAF to develop a documented business continuity and contingency plan that would provide reasonable assurance that mission-essential IT operations could be effectively regained and in a timely manner. In addition, ATB should develop and document a business continuity or contingency plan to address a potential loss of automated processing. A loss of processing capabilities could result in significant delays in docketing and other primary business functions, and could ultimately increase caseload inventory.

The business continuity and contingency plan, including user area plans, should document the ATB's recovery and contingency strategies with respect to various disaster scenarios. The recovery plan should contain all pertinent information, including clear delineation of key personnel and their roles and responsibilities, needed to effectively and efficiently recover mission-critical and essential operations within the needed time frames. We recommend that business continuity and user area plans be tested and periodically reviewed and updated, as needed, to ensure their viability. The completed plans should be distributed to all appropriate staff members who must be trained in the execution of the plan under emergency conditions.

**Auditee's Response**

*ATB acknowledges that there is no written formalized business continuity plan regarding computer operations that currently exists. Under the current lease arrangement for ATB space at the Saltonstall Building, the ATB currently has no ability to terminate the lease, notwithstanding the incredibly high cost. Given this and other restrictions, the ATB has no current ability to negotiate for alternative sites in the event of some disaster. The Executive Office for Administration and Finance and the Division of Capital Asset Management ("DCAM") would be the entities that would drive that process.*

*As to the draft findings on the lack of documentation of BCCP, ATB will work with EOAF to develop a formalized and specific plan to insure that alternative processing sites exist and that necessary contingency plans are established to restore all data processing functions in the event of a disaster.*

**Auditor's Reply**

We acknowledge ATB's goal to document comprehensive plans for business continuity and its efforts to identify an alternate operation site to conduct business operations. Once viable recovery and continuity plans are in place, they should be periodically reviewed and tested to provide an adequate degree of assurance of their continued viability.

**2. Case Management System**

With respect to ATB's improved Case Management System that was re-designed and modified by ITD, our audit indicated that this docket tracking system represents a recognizable improvement over the prior application system and supports the mission of ATB by providing a comprehensive approach to case management information.

During our review of the new Case Management System, we also examined the active caseload inventory. We determined the number of case filings and the caseload inventory as stratified from fiscal year 2000 through fiscal year 2009. We noted that the current inventory of 13,151 active cases pending as of June 30, 2009 represented an increase of 33% since our prior audit, when the inventory was 9,924 as of June 30, 2006. This caseload inventory included cases from the Commissioner of Revenue and from property tax cases. We noted that 9,090 (72%) of current cases pending at ATB are less than three years old. An aging of active caseload (by fiscal year) for Commissioner of Revenue and property tax combined is as follows:

**Inventory of Current Pending Cases by Fiscal Year (As of 11/30/09)**

Years Cases Filed:	<u>&lt;2004</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Pending Cases:	776	694	1,027	1,120	1,879	2,458	4,753

Most cases that have been in ATB's inventory for more than three years are awaiting resolution by a similar lead case involving the same issue. ATB is taking aggressive action to schedule and dispose of other cases that have been in inventory for more than three years. More and more property tax cases are proceeding to a trial on their merits. The present economy also results in an increase in the number of appeals filed for both state and property tax appeals.

The increase in case filings, along with the significant decrease in out-of-court settlements prior to trial, not only puts a strain on the agency's staff, but results in an increase in the inventory of cases pending at ATB, which rose from 12,183 cases in fiscal year 2008 to 13,151 cases in fiscal year 2009.

### **Recommendation**

We recommend that ATB continue to work with EOAF in analyzing and reviewing the case management application in terms of its capabilities in dealing with the increase in case filings, as well as formulate a strategy for clearing up the current increasing inventory of pending cases. In addition, we recommend that ATB continue in its efforts to determine the actual status of backlogged cases, perform an aging analysis for these cases, and assess its current workforce's level of productivity to process increased current case filings and address the current caseload.

### **Auditee's Response**

*The ATB agrees that the new case management system has remedied previously identified issues and concerns about case management and is a valuable tool to manage and dispose of case inventory.*

*The ATB notes that the vast majority of cases pending are less than three years old. The ATB would only add in that regard the vast majority of cases outside of that three year classification are cases that are awaiting action from an Appellate Court requiring no current ATB action or are pending in whole or part before some other tribunal.*

*Finally relative to case management, the ATB will continue to actively move cases to the fullest extent possible given the most recent budget setbacks and furloughs. The ATB will make every effort to insure that every case that is ready for trial is heard and that any legal opinion rendered on said case is issued in as timely a fashion as possible. The continued degenerative state of the Massachusetts economy however continues to cause an increase in case filings and ATB hearings and, combined with staffing and budget shortfalls, negatively impacts the ATB's capability to manage the aging of cases. The ATB reiterates however that an analysis of aging cases, when viewed in isolation, does not provide a complete picture of cases before the Board. Telecommunication appeals affecting all municipalities in the Commonwealth currently on appeal to the Supreme Judicial Court, as well as proceedings before the U.S. Bankruptcy Court, Superior Court, and other cases pending before the Supreme Judicial Court or the Massachusetts Appeals Court are all carried as "active" on the ATB docket tracking system even though ATB has no current requirement of action.*

**Auditor's Reply**

We commend the actions taken by ATB in developing a strategy to address the increasing inventory of pending cases due to both an increase in case filings and a simultaneous decrease in workforce levels. We appreciate ATB's efforts to determine the actual status of pending cases. We also note the timely and expeditious case processing of active cases by available personnel. We believe that ATB should continue to work with the Executive Office for Administration and Finance in reviewing other case management problems that may result from the present economic downturn.