



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

Making government work better

Official Audit Report-Issued October 29, 2013

Burlington Housing Authority

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





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October 29, 2013

Richard Howard, Chair
Burlington Housing Authority
15 Birchcrest Street
Burlington, MA 01803

Dear Chairman Howard:

I am pleased to provide this performance audit of the Burlington 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 Burlington Housing Authority for the cooperation and assistance provided to my staff during the audit.

Sincerely,

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

Suzanne M. Bump
Auditor of the Commonwealth

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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 Burlington 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 applicable laws, rules, and regulations.

OVERVIEW OF AUDITED AGENCY

The Burlington 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 15 Birchcrest Street, operates 103 one-bedroom units and 2 two-bedroom units of elderly and handicapped housing, as well as 2 three-bedroom family-housing units. The Authority also has two other units known as the “management program.”

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

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 Burlington 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 related to 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.