

The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-6200

NO. 2009-0815-3A

INDEPENDENT STATE AUDITOR'S REPORT
ON CERTAIN ACTIVITIES OF THE
WEYMOUTH HOUSING AUTHORITY
JANUARY 1, 2007 TO MARCH 31, 2009

OFFICIAL AUDIT
REPORT
DECEMBER 22, 2009

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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 Weymouth Housing Authority for the period January 1, 2007 to March 31, 2009. The objectives of our audit were to assess the adequacy of the Authority's management control system for measuring, reporting, and monitoring the effectiveness of its programs, and to evaluate its compliance with laws, rules, and regulations applicable to each program. We also conducted a follow-up review of the Authority's progress in addressing the issues noted in our prior audit report (No. 2006-0815-3A).	
Based on our review, we have concluded that, except for the issues addressed in the Audit Results section of this report, during the 27-month period ended March 31, 2009, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.	
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Our prior audit of the Authority, which covered the period July 1, 2003 to June 30, 2005, disclosed that (a) various instances of noncompliance with the State Sanitary Code existed at the Authority's state-aided housing developments, (b) vacant units were not occupied in a timely manner, and (c) a discrepancy existed between Authority and Department of Housing and Community Development (DHCD) records regarding the operating subsidy due the Authority. Our follow-up review disclosed that although the Authority has taken action to remedy these issues, further improvements are needed, as discussed below:	
a. Compliance with State Sanitary Code	3
DHCD's Property Maintenance Guide, Chapter 3(F), requires that inspections of dwelling units be conducted annually and upon each vacancy to ensure that every dwelling unit conforms to minimum standards for safe, decent, and sanitary housing as set forth in Chapter II of the State Sanitary Code. Our prior audit noted 108 instances of noncompliance with the State Sanitary Code, including broken glass windows/doors, loose doorknobs, water stains on ceilings, lifting and broken floor tiles, broken countertops, crumbling sidewalks and curbs, peeling and flaking paint on walls and ceilings, mildew, and mold. Our follow-up review determined that the Authority has taken corrective action to address 58 of the prior instances of noncompliance; however, 50 issues still exist and need to be addressed (Appendix I of our report summarizes the specific State Sanitary Code violations).	

b. Occupancy of Vacant Units 4

Our prior audit found the Authority's average turnaround time for reoccupying vacant units was 165 days. DHCD's Property Maintenance Guide requires each housing authority to have a unit reoccupied within 21 working days after the previous tenant has vacated. Our follow-up review revealed that although the Authority has successfully reduced its turnaround time for reoccupying vacant units to 63 days, further improvement is still needed.

c. Status of Operating Subsidies Earned, Received, and Outstanding 4

Our prior audit noted that the Authority's operating subsidy accounts indicated that \$254,815 was due the Authority, contrary to DHCD records, which indicated that \$32,423 was due the Authority. Our follow-up review determined that this discrepancy was resolved; the Authority is currently receiving the correct amount of subsidy from DHCD, and the Authority's and DHCD's records are in agreement.

2. ADMINISTRATIVE OFFICE DEFICIENCIES 4

During our current audit we observed structural deficiencies and unsafe conditions throughout the Authority's administrative office located at 402 Essex Street that present constant and continually worsening safety and health hazards to employees, tenants, and visitors. The Authority has proposed converting a vacant day care center located at its 200-1 family housing development at Lakeview Manor into new administrative offices. Appendix II of our report includes photographs documenting office space conditions.

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INTRODUCTION

Audit Scope, Objectives, 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 Weymouth Housing Authority for the period January 1, 2007 to March 31, 2009. The objectives of our audit were to assess the adequacy of the Authority's management control system for measuring, reporting, and monitoring the effectiveness of its programs, and to evaluate its compliance with laws, rules, and regulations applicable to each program.

Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits and, accordingly, included such audit tests and procedures as we considered necessary.

To achieve our audit objectives, we reviewed the following:

- Tenant-selection procedures to verify that tenants were selected in accordance with Department of Housing and Community Development (DHCD) regulations.
- Vacancy records to determine whether the Authority adhered to DHCD procedures for preparing and filling vacant housing units.
- Annual rent-determination procedures to verify that rents were calculated properly and in accordance with DHCD regulations.
- Accounts receivable procedures to ensure that rent collections were timely and that uncollectible tenant accounts receivable balances were written off properly.
- Site-inspection procedures and records to verify compliance with DHCD inspection requirements and that selected housing units were in safe and sanitary condition.
- Procedures for making payments to employees for salaries, travel, and fringe benefits to verify compliance with established rules and regulations.
- Procedures for making payments to landlords under the Massachusetts Rental Voucher Program to verify compliance with the contract provisions and that rental charges by landlords were consistent with established rules and regulations.
- Property and equipment inventory-control procedures to determine whether the Authority properly protected and maintained its resources in compliance with DHCD requirements.

- Contract procurement procedures and records to verify compliance with public bidding laws and DHCD requirements for awarding contracts.
- Cash management and investment policies and practices to verify that the Authority maximized its interest income and that its deposits were fully insured.
- DHCD-approved operating budgets for the fiscal year in comparison with actual expenditures to determine whether line-item and total amounts by housing program were within budgetary limits and whether required fiscal reports were submitted to DHCD in a complete, accurate, and timely manner.
- Operating reserve accounts to verify that the Authority's reserves fell within DHCD provisions for maximum and minimum allowable amounts and to verify the level of need for operating subsidies to determine whether the amount earned was consistent with the amount received from DHCD.
- Modernization awards to verify that contracts were awarded properly and that funds were received and disbursed in accordance with the contracts, and to determine the existence of any excess funds.
- The Authority's progress in addressing the issues noted in our prior report (No. 2006-0815-3A).

Based on our review, we have concluded that, except for the issues addressed in the Audit Results section of this report, during the 27-month period ended March 31, 2009, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

AUDIT RESULTS

1. STATUS OF PRIOR AUDIT RESULTS

Our prior audit (No. 2006-0815-3A) of the Weymouth Housing Authority, which covered the period July 1, 2003 to June 30, 2005, disclosed that (a) various instances of noncompliance with the State Sanitary Code existed at the Authority's state-aided housing developments, (b) vacated units were not occupied in a timely manner, and (c) a discrepancy existed between Authority and Department of Housing and Community Development (DHCD) records regarding the operating subsidy due the Authority. Our follow-up review disclosed that although the Authority has taken action to remedy these issues, further improvements are needed, as discussed below:

a. Compliance with State Sanitary Code

DHCD's Property Maintenance Guide, Chapter 3(F), requires that inspections of dwelling units be conducted annually and upon each vacancy to ensure that every dwelling unit conforms to minimum standards for safe, decent, and sanitary housing as set forth in Chapter II of the State Sanitary Code. Our prior audit noted 108 instances of noncompliance with the State Sanitary Code, including broken glass windows/doors, loose doorknobs, water stains on ceilings, lifting and broken floor tiles, broken countertops, crumbling sidewalks and curbs, peeling and flaking paint on walls and ceilings, mildew, and mold. Our follow-up review determined that the Authority has taken corrective action to address 58 of the prior instances of noncompliance; however, 50 issues still exist and need to be addressed (e.g., broken windows, water stains on ceilings, broken countertops, broken doors, lack of electrical outlets in bathrooms, and non-functioning kitchen/bathroom vents). (Appendix I of this report lists the issues remaining to be addressed.)

Recommendation

The Authority should continue to appeal to DHCD to provide additional funding to address the remaining instances of noncompliance. DHCD should obtain and provide sufficient funds to the Authority in a timely manner to remedy these issues so that it may provide safe, decent, and sanitary housing for its tenants.

b. Occupancy of Vacant Units

Our prior audit found that the Authority's average turnaround time for reoccupying vacant units was 165 days. DHCD's Property Maintenance Guide requires each housing authority to have a unit reoccupied within 21 working days after the previous tenant has vacated. Our follow-up review disclosed that although the Authority has successfully reduced its unit turnaround time for reoccupying vacant units to 63 days further improvement is still needed.

c. Status of Operating Subsidies Earned, Received, and Outstanding

Our prior audit noted that the Authority's operating subsidy accounts indicated that \$254,815 was due the Authority, contrary to DHCD's records, which indicated that \$32,423 was due the Authority. Our follow-up review determined that this discrepancy was resolved; the Authority is currently receiving the correct amount of subsidy from DHCD, and the Authority's and DHCD's records are in agreement.

2. ADMINISTRATIVE OFFICE DEFICIENCIES

The Authority's administrative office is located at 402 Essex Street, which the Authority leases from the Town of Weymouth for \$1 per year. During our audit we noted that the building, which is more than 100 years old, has major structural deficiencies that present a potential hazard to Authority employees, tenants, and visitors, including the following conditions:

- Water leaks in many different areas of the building, resulting in water stains on ceilings and walls, and mold and mildew throughout the entire three-story building
- Peeling paint on the walls and ceilings
- Exposed wiring
- Excessive use of electrical adapters (a fire hazard)
- Exposed wires surrounding light fixtures
- Holes in walls and ceilings
- Broken tile floors and doors
- A constant foul odor throughout the building
- An unpaved, gravel parking lot that presents a safety hazard for both employees and the public (particularly for the elderly)

In 2007, the Authority petitioned DHCD to convert a vacant day care center located at the Authority's 200-1 family housing development at Lakeview Manor into new administrative offices. The Authority hired an architect, who determined that the conversion would be feasible at an estimated cost of \$193,000. However, DHCD had not responded to this petition. (Appendix II of this report presents photographs illustrating the conditions at the Authority's current administrative offices.)

Recommendation

The Authority should continue to appeal to DHCD for funding to convert the vacant day care center into administrative offices so that the Authority can provide a safe, decent, and sanitary work environment for its employees, tenants, and visitors.

Auditee Response

The Authority's Executive Director indicated that he agreed with the Audit Results.

APPENDIX I

Instances of Noncompliance with State Sanitary Code

667-1 Elderly Development

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
6 C Calnan Circle	Bathroom – no electrical outlets	105 CMR 410.252
	Living Room, Kitchen, Bathroom, Bedroom – windows very difficult to open	105 CMR 410.500
	Kitchen – countertop laminate burnt and bubbled	105 CMR 410.100
	Common Area – broken window screen	105 CMR 410.551
	Common Area – window cracked and very difficult to open	105 CMR 410.500
	Hallway – littered with trash	105 CMR 410.602
22 B Calnan Circle	Bathroom – no electrical outlets	105 CMR 410.252
	Living Room – wind-blown rain entering the window, causing paint to lift	105 CMR 410.501
	Bedroom – wind-blown rain entering the window, causing paint to lift and the floor to get wet	105 CMR 410.501
	Kitchen – stove needs a new door gasket	105 CMR 410.100
22 B Calnan Circle	Common Areas – hallway contains storage of tenant possessions	105 CMR 410.451
	Living Room, Kitchen, Bathroom, Bedroom – windows very difficult to open	105 CMR 410.500
	Bathroom – Four-inch hole in ceiling	105 CMR 410.500
10 A Calnan Circle		

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
25 Calnan Circle	Kitchen – countertop is broken and discolored	105 CMR 410.100
	Bathroom – toilet does not work	105 CMR 410.150
	Living Room, Kitchen, Bathroom, Bedroom – windows very difficult to open	105 CMR 410.500
	Living Room – wind drafts	105 CMR 410.501
	Bathroom – no vent for moisture over tub and shower	105 CMR 410.280
	Hallways – front and back door locks broken	105 CMR 410.480

667-2 Elderly Development

49 A Harrington Circle	Bathroom – no electrical outlets	105 CMR 410.252
	Kitchen – door is blocked by tenant possessions	105 CMR 410.451
6 C Harrington Circle	Bathroom – no electrical outlets	105 CMR 410.252
	Kitchen – nails protruding from linoleum floor	105 CMR 410.504
10 D Harrington Circle	Living Room – window rattles and wind draft	105 CMR 410.501
	Hallway – littered with clutter	105 CMR 410.602
	Bathroom – no electrical outlets	105 CMR 410.252
	Living Room – broken door casing	105 CMR 410.500
	Kitchen – nails protruding through linoleum floor, plywood floor beneath sink needs replacement	105 CMR 410.504
	Hallways – littered with clutter	105 CMR 410.602

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
14A Harrington Circle	Bathroom – no electrical outlets	105 CMR 410.252
	Hallways – littered with clutter	105 CMR 410.602

667-3 Elderly Development:

506 Pope Towers	Kitchen, Bathroom – vents not working Bathroom – water stain on ceiling Stove/oven (25 years old) not working Hallways – littered with clutter Front Door – Handicapped/security door broken (splintered glass)	105 CMR 410.280 105 CMR 410.500 105 CMR 410.100 105 CMR 410.602 105 CMR 410.500
507 Pope Towers	Bedroom, Living Room, Kitchen, Entryway – water-stained ceilings	105 CMR 410.500
	Kitchen and Bathroom vents not working	105 CMR 410.280
209 Pope Towers	Hallway – tenant possessions blocking all room entrances	105 CMR 410.451
	Kitchen – water damage to the ceiling - from the 4 th floor to the 1 st floor Kitchen – countertops are broken	105 CMR 410.500 105 CMR 410.100

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
201 Pope Towers	Living Room – water stains on window frame from wind-blown rain	105 CMR 410.501
	Kitchen and bathroom vents do not work	105 CMR 410.280
	Bathroom – ceiling has water stain due to moisture problem	105 CMR 410.500
701 Pope Towers	Kitchen and bathroom vents do not work	105 CMR 410.280
	Hallway – ceiling stained due to roof leaks	105 CMR 410.500
	Common Areas – tenant storage in hallway	105 CMR 410.451
403 Pope Towers	Living Room – two holes in the walls	105 CMR 410.500
	Kitchen and bathroom vents do not work	105 CMR 410.280
	Kitchen – base shelf under sink is water-damaged	105 CMR 410.100

APPENDIX II**Administrative Office Space Photographs**

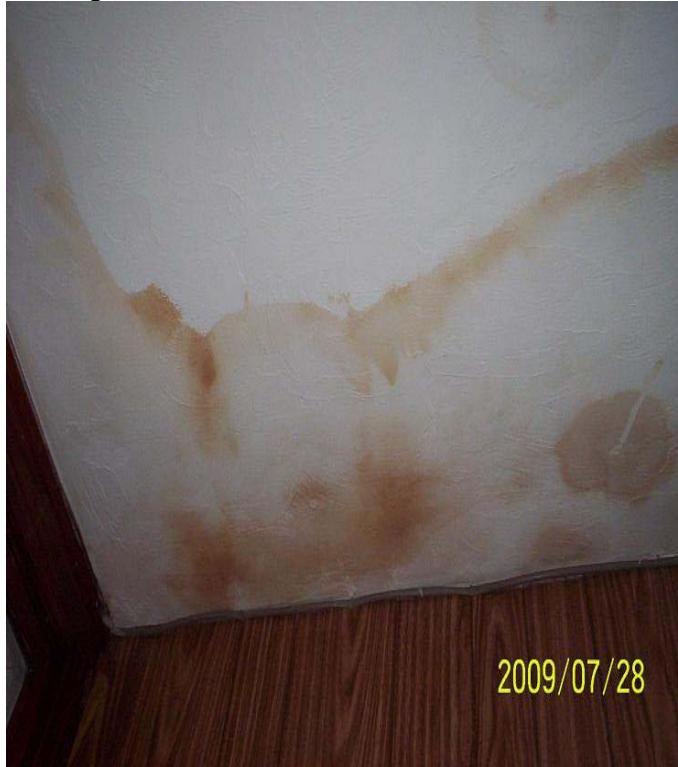
Conference Room: Peeling Paint and Cracked Walls



Conference Room: Peeling Paint, Cracked Walls, and Water Leak



Peeling Paint, and Water Leak



Basement



Basement**Hole in Ceiling****402 Essex St., 2nd Floor – Fire Hazard****402 Essex St., 2nd Floor – Hole in Wall**