



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

*Making government work better*

Official Audit Report - Issued June 15, 2012

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## Easton Housing Authority

For the period January 1, 2008 through December 31, 2010



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In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor conducted an audit of certain activities of the Easton Housing Authority for the period January 1, 2008 through December 31, 2010. The objectives of our audit were to review and analyze the Authority's management controls and practices over certain areas and functions for the purpose of determining their adequacy and to review its compliance with applicable laws, rules, and regulations. In addition, we reviewed the Authority's progress in addressing the conditions noted in our prior audit report (No. 2008-0648-3A).

Based on our review, we have concluded that, except for the issues addressed in the Audit Results section of this report, during the period January 1, 2008 through December 31, 2010, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

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#### **1. STATUS OF PRIOR AUDIT RESULTS**

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Our prior audit of the Authority, which covered the period July 1, 2005 to December 31, 2007, disclosed that the Authority did not (a) reoccupy vacated units in a timely manner and (b) incorporate the Department of Housing and Community and Development's (DHCD) Property Maintenance Guide into its policies and procedures or have an official written preventive maintenance plan to inspect, maintain, repair, and upgrade its existing housing units. Our follow-up review disclosed that although the Authority has taken some corrective action to remedy these issues, further improvements are needed.

#### **2. IMPROVEMENTS NEEDED IN FINANCIAL AND MANAGEMENT PRACTICES**

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Our review disclosed that the Authority needs to improve its controls over financial and management practices in a number of areas. Specifically, the Authority had limited documented policies and procedures for individual phases of its operations and therefore was not able to develop a comprehensive internal control plan. The lack of controls and comprehensive documented policies and procedures has resulted in the following issues: (a) inadequate expenditure controls, (b) employee reimbursement form deficiencies, (c) contract register not maintained for modernization projects, (d) lack of furniture and equipment inventory controls, (e) insurance register not maintained, (f) inadequate controls over vacated tenant balances, (g) inadequate controls over credit card expenditures, (h) rent redeterminations calculated incorrectly, (i) inadequate controls over laundry receipts, (j) flawed tenant selection process, (k) certificates of insurance not obtained, (l) IRS Income Information Form 1099-MISC not issued for calendar year 2009, (m) lack of proper procurement procedures, (n) Fee Accountant not adequately performing duties, (o) lack of security over records, (p) noncompliance with the State Sanitary Code, (q) septic system repairs needed, (r) tenant pet deposits not properly accounted for, (s) check numbers not accurately recorded, (t) purchase order policy not followed, (u) noncompliance with work order policy, (v) incomplete employee personnel folders, and (w) noncompliance with employee leave accrual policies and procedures.

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## **INTRODUCTION**

### ***Background***

The Easton Housing Authority is authorized by and operates under the provisions of Chapter 121B of the Massachusetts General Laws, as amended. The Authority has 104 one-bedroom apartments located at Parker Terrace, 80 one-bedroom apartments located at Elise Circle for elderly and handicapped residents (Chapter 667), and one two-bedroom and nine three-bedroom apartments at various locations for family residents (Chapter 705).

### ***Audit Scope, Objectives, and Methodology***

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, the Office of the State Auditor conducted an audit of certain activities of the Authority for the period January 1, 2008 through December 31, 2010. The audit was conducted due to the resignation of the former Executive Director and the hiring of a new Executive Director. The objectives of our audit were to determine the status of all Authority accounts, activities, and records; to provide the Board of Commissioners and new Executive Director with an assessment of the Authority's financial condition and the adequacy of internal controls as a baseline and indicator of areas needing improvement and corrective action; to determine the Authority's compliance with applicable laws, rules, and regulations; and to review and analyze the Authority's management controls and practices over the following areas and functions for the purpose of determining their adequacy: (1) tenant selection; (2) preparation and reoccupation of vacant units; (3) rent determinations; (4) collectability of accounts receivables; (5) site inspections; (6) payroll, travel, and fringe benefits; (7) disbursements; (8) inventory controls over property and equipment; (9) contract procurement; (10) cash management and investment practices; (11) Department of Housing and Community Development (DHCD)-approved budgets versus actual expenditures; (12) level of need for operating subsidies and operating reserves; and (13) the administration of modernization funds to determine, among other items, the existence of excess funds. We also conducted a follow-up review of the Authority's progress in addressing the issues noted in our prior audit report (No. 2008-0648-3A).

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:

- Tenant-selection procedures to verify that tenants were selected in accordance with 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 and to determine whether the Authority has in place an updated official written property maintenance plan for its managed properties.
- Procedures for making payments for payroll, travel, and fringe benefits to verify compliance with established rules and regulations.
- Authority expenditures to determine whether they were reasonable, allowable, and applicable to the Authority's operations and were adequately documented and properly authorized in accordance with established criteria.
- 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 audit report (No. 2008-0648-3A).

Based on our review, we have concluded that, except for the issues addressed in the Audit Results section of this report, during the period January 1, 2008 through December 31, 2010, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

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## AUDIT RESULTS

### 1. STATUS OF PRIOR AUDIT RESULTS

Our prior audit (No. 2008-0648-3A) of the Easton Housing Authority, which covered the period July 1, 2005 to December 31, 2007, disclosed that (a) vacated units were not reoccupied in a timely manner and (b) the Authority did not incorporate the Department of Housing and Community Development's (DHCD) Property Maintenance Guide into its policies and procedures or have an official written preventive maintenance plan to inspect, maintain, repair, and upgrade its existing housing units. Our follow-up review disclosed that although the Authority has taken some corrective action to remedy these issues, further improvements are needed, as discussed below:

#### a. Vacant Units Not Reoccupied within DHCD Guidelines

Our prior audit found that the Authority's average turnaround time for reoccupying vacant units was 114 days. DHCD's Property Maintenance Guide indicates that housing authorities should reoccupy units within 21 working days of their being vacated by a tenant. Our follow-up review disclosed that the Authority's average turnaround time for reoccupying vacant units increased to 127 days, resulting in the lost opportunity to earn \$94,940 in potential rental income during the audit period. The Authority indicated that lengthy vacancies have occurred due to a maintenance staff shortage.

#### *Recommendation*

The Authority needs to put additional effort into renovating vacant units so that it may lease units in a timely manner. By reducing its average turnaround time for reoccupying vacant units and complying with DHCD's 21-day unit turnaround timeframe, the Authority will not only improve its financial condition by maximizing its rental income, but also more expeditiously house its waiting list applicants. The Authority should also document the reasons for delays in filling vacant units, regularly monitor the unit turnaround process to ensure compliance with DHCD guidelines, and seek waivers from DHCD for units that cannot reasonably be reoccupied within the standard timeframe. In addition, the Authority should also appeal to DHCD for funding to hire additional maintenance staff, if needed.

***Auditee's Response***

*The Authority requested and received a formula funding advance to contract out the rehab of 16 vacant units. Those units have been rehabbed and the maintenance workers are now turning over units in adequate time to allow for re-occupancy within the DHCD 21-day turnaround timeframe.*

**b. Official Written Property Maintenance Plan**

Our prior audit found that the Authority did not incorporate DHCD's Property Maintenance Guide into its policies and procedures and did not have an official written preventive maintenance plan to inspect, maintain, repair, and upgrade its existing housing units. Our follow-up review determined that the Authority has implemented a preventive maintenance program that incorporates DHCD's Property Maintenance Guide into its policies and procedures. However, we found that the Authority's maintenance staff has not followed the Authority's preventive maintenance plan due to a maintenance staff shortage and a lack of familiarity with the plan.

***Recommendation***

The Authority should familiarize its maintenance staff with the provisions of the preventive maintenance plan so that it can become an important part of maintenance operations. Maintenance staff members should acknowledge that they have read and understood the Authority's preventive maintenance plan. The Authority should evaluate the maintenance staff for potential weaknesses, take the necessary corrective measures to improve maintenance staff performance, and communicate more effectively with the maintenance staff on what is expected of them to maintain the Authority's properties. Also, the Authority should appeal to DHCD for funding to hire additional maintenance staff, as necessary. With additional maintenance staff and better communication, the Authority will be better able to reach its goal of maintaining its properties in a safe and habitable condition.

***Auditee's Response***

*We are currently reviewing the policies within the agency. We have instituted an on-call maintenance policy and plan to institute a monthly preventive maintenance plan.*

**2. IMPROVEMENTS NEEDED IN FINANCIAL AND MANAGEMENT PRACTICES**

Our review disclosed that the Authority needs to improve its controls over financial and management practices in a number of areas. Specifically, the Authority's documented policies



and procedures were limited and inadequate for individual phases of its operations and therefore it was not able to develop a comprehensive internal control plan. Generally accepted accounting principles (GAAP) advocate that entities such as the Authority establish and implement an adequate internal control system. Without such documented internal control systems, there is inadequate assurance that Authority goals and objectives are met; resources are used efficiently, effectively, and in compliance with applicable laws, regulations, and policies; assets are safeguarded against potential waste, loss, and misuse; and financial data is maintained, reported, and fairly disclosed in reports. The lack of controls and comprehensive documented policies and procedures has resulted in several issues, as discussed below:

**a. Inadequate Expenditure Controls**

Internal controls over the Authority's board oversight and approval of expenditures need to be strengthened. The prior Executive Director gave the board members a partial listing of expenditures for approval, which was considered the warrant report, and the board members did not see the actual billing information. This partial listing included such data as check number, vendor, and amount but had little or no information regarding the expenditure. This process was changed when the prior Executive Director left. Actual vendor billings are now made available to board members, and the partial listing of expenditures specifies what the payments are for. Our examination of the Authority's expenditure information revealed the following issues:

- Despite its tax-exempt status, on 25 occasions the Authority paid Massachusetts state sales tax totaling \$446 during our audit period;
- There was no signature page for board members to approve the expenditures;
- There were no expenditure totals on warrant reports;
- A partial listing of expenditures was not generated from the Authority's accounting software; and
- Some of the Authority's monthly expenditures were not included on the warrant report.

***Recommendation***

The Authority should create an official warrant report directly from its accounting software that includes all expenditures and monthly totals. To approve the expenditures, board members

should sign and date a signature page attached to the official warrant report, noting and dating any revisions. Approved expenditures should be included in board minutes. Also, the Authority should ensure that it does not incur unnecessary Massachusetts state sales taxes.

### ***Auditee's Response***

*A purchase order system has been instituted where all purchases require a purchase order that is obtained through the Executive Director only. When invoices are received they are approved for payment only after they have been reviewed by the Executive Director, who ensures that there are no taxes paid.*

*A monthly warrant report is now generated from the Housing Authority's accounting software systems that list all housing authority expenditures for the month along with a description of the expenditure. The monthly warrants are approved at the monthly Board meeting and signed by the Board and Executive Director. All actual vendor bills are available for the Board to review.*

### **b. Employee Reimbursement Form Deficiencies**

The Authority has no written policies and procedures in place for employee reimbursement. We reviewed reimbursement request forms submitted to the Authority totaling \$3,991, of which \$3,932 was submitted by and reimbursed to the former Executive Director for the following:

- Mileage reimbursement of \$3,549
- Retroactive reimbursement of \$31 for board-approved change in mileage rate from \$.040 to \$.045
- Parking reimbursement of \$266
- Meal reimbursement of \$86

Our review of 27 reimbursement forms revealed the following deficiencies:

- Four of the 27 reimbursement forms contained calculation errors.
- None of the 27 forms included starting or ending addresses.
- Twenty-three of the 27 reimbursement forms were not signed by the prior Executive Director.
- None of the forms submitted by the prior Executive Director included a board member approval signature.
- Meal reimbursements were not supported by documentation.

- Two of eight parking reimbursements were not supported by documentation.
- None of the reimbursement forms identified an Authority business purpose.

In addition, we noted that the reimbursement form itself reflected an outdated mileage reimbursement rate of \$0.22.

### ***Recommendation***

The Authority should develop written policies and procedures for employee reimbursements and update the employee reimbursement form, as necessary. The Authority should require employees to include business purpose, starting address, and ending address on the reimbursement form; reimbursement for expenses other than mileage should be supported by proper documentation; and employees should sign and date the reimbursement form prior to submission. In addition, the approval signatures of two board members should be required on reimbursement forms submitted by the Executive Director, and all reimbursement forms submitted should be verified for accuracy and compliance with the above requirements prior to payment approval.

### ***Auditee's Response***

*The Board approved the increase in mileage reimbursement from \$0.40 per mile to \$0.45 per mile as allowed within DHCD's 2012 budget guidelines. New reimbursement forms will be provided to the staff. All future reimbursements will require the approval of the Executive Director and will not be paid without proper documentation.*

### **c. Contract Register Not Maintained for Modernization Projects**

The Authority did not maintain a contract register for its seven modernization projects, contrary to Section 6-8 of DHCD's Accounting Manual, which states:

*A separate contract register must be maintained for each contract in each Program. This register acts as a control over the total amount awarded including subsequent change orders, the amount paid to the contractor, the contract retention and balance due to the contractor. The contract register is especially important under the Modernization Program where multiple budgetary cost center distributions disallow the costing out of one architect or one contractor to one specific general ledger account.*

Since the Authority did not maintain a contract register, there is no assurance that adequate controls existed over the total amount of the contracts, payments made against each of the contracts, and change orders.

The Authority completed three modernization projects during our audit period and had four projects open as of the end of our audit period. Our review noted that each modernization project folder has been kept in a disorganized manner, with commingled documentation. Moreover, our review of the Authority's modernization financial statements provided by the Fee Accountant disclosed that contract amounts and payments made to each (modernization project) type of category as directed in DHCD's Accounting Manual could not be readily determined.

### ***Recommendation***

The Authority should maintain a contract register in compliance with DHCD guidelines for all current and future modernization projects. Moreover, DHCD should review the modernization projects for which the Authority did not maintain a contract register to verify that these projects complied with DHCD contracting regulations. Also, the Authority should maintain modernization files in a neat and orderly fashion.

### ***Auditee's Response***

*Contract registers are now being maintained for all modernization projects.*

### **d. Lack of Furniture and Equipment Inventory Controls**

Our review of the Authority's internal controls over furniture and equipment inventory determined that improvements are needed to ensure compliance with DHCD's Accounting Manual. Specifically, although the Authority did have a written capitalization policy in place, no written policies and procedures exist for maintaining inventory records to include tagging, annual inspection of equipment and physical inventory, and reconciliation to accounting records. Moreover, the Authority did not have a complete listing of property and equipment; property and equipment was not reconciled to the Authority's financial records/statements; the Authority's listing of disposed property and equipment is obsolete; and the Authority had no record of, nor were Authority employees interviewed as part of our audit able to recall, the last annual physical inventory taken.

DHCD's Accounting Manual, Section 15(D), states:

*The inventory procedures are as follows:*

- 1) Establish Furniture and Equipment Record Cards or use an automated system*
- 2) Tag all equipment with an inventory tag and assigned asset number*
- 3) Take an inventory once a year.*

*Procedures for Inventory of Furniture and Equipment*

- 1) A physical inventory of all Furniture and Non-expendable Equipment must be taken and an inventory list maintained each year.*
- 2) Physical inventory results must be compared to equipment record and any differences and discrepancies will be reviewed by the LHA [local housing authority] for possible adjustments.*

Because the Authority has not maintained an updated listing that contains an accurate inventory and asset values, its financial records/statements do not reflect the correct value of its property and equipment, and its inventory is not adequately safeguarded against possible loss, theft, or misuse.

***Recommendation***

The Authority should ensure that its inventory control procedures are in full compliance with DHCD requirements by establishing a comprehensive inventory listing, tagging all furniture and equipment, conducting a complete physical inventory count annually, and reconciling the inventory to its balance sheet and accounting records.

***Auditee's Response***

*The Authority intends to update all inventory records and maintain an automated system.*

**e. Insurance Register Not Maintained**

The Authority did not maintain an insurance register as required by DHCD. Without an insurance register there is no assurance that the quarterly amortization of insurance expense is correct. DHCD's Accounting Manual, Section 6-9, requires a housing authority to maintain an insurance register, as follows:

*An insurance register is required for maintaining control of all insurance policies for a particular project and to allow for the quarterly amortization of insurance expense. All insurance payments should be charged to Account 1211 and recorded in the issuance register with the execution of policies costing \$500.00 or less. These policies may be expensed directly to Account 4510, Insurance Expense as such amounts do not have a material effect on the LHA operating statement.*

**Recommendation**

The Authority should maintain an insurance register in compliance with DHCD guidelines for all insurance policies. Moreover, DHCD should review the quarterly amortization of insurance expense for all insurance policies for which the Authority did not maintain an insurance register to verify that amortization of insurance expense was reported correctly.

**Auditee's Response**

*An insurance register is now being maintained.*

**f. Inadequate Controls over Vacated Tenant Balances**

Our review disclosed that the Authority does not have written policies or procedures in place for vacated tenant balances. The Authority owes two tenants \$52 and, as shown in the following chart, is owed a total of \$13,419 from 11 vacated tenants (eight deceased tenants and three tenants whose whereabouts are unknown).

	<u>Last Known Year Tenant Resided At EHA</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>TOTALS</u>
Tenants Deceased	-	-	1	2	1	1	1	1	1	8
Money Owed by Deceased	-	-	\$609	\$1,753	\$2,373	\$344	\$1,246	\$237	\$1,161	\$7,723
Tenants Unknown Whereabouts	1	-	1	-	-	1	-	-	-	3
Money Owed to EHA	<u>\$1,562</u>	=	<u>\$3,670</u>	=	=	<u>\$464</u>	=	=	=	<u>\$5,696</u>
Total Owed to EHA:	<u>\$1,562</u>	=	<u>\$4,279</u>	<u>\$1,753</u>	<u>\$2,373</u>	<u>\$808</u>	<u>\$1,246</u>	<u>\$237</u>	<u>\$1,161</u>	<u>\$13,419</u>

**Recommendation**

The Authority should develop written policies and procedures in compliance with DHCD guidelines for vacated tenants with balances owed. Also, the Authority's board should approve writing off the \$13,419 owed by deceased and unlocatable former tenants, and the Authority should reimburse the \$52 owed to the two tenants.

### ***Auditee's Response***

*All money owed to tenants has been credited to their accounts. All vacated balances are being reviewed and all accounts that are determined to be collectable will be sent to a collection agency. All accounts that are determined to be non-collectable (from deceased or non-locatable former tenants) will be presented to the Board for approval of write-offs.*

### **g. Inadequate Controls over Credit Card Expenditures**

During our audit, we found that the Authority lacked sufficient internal controls over expenditures made with the Authority's credit card. Our review of 218 credit card transactions totaling \$30,444 that were paid during our audit period revealed that 84 transactions totaling \$19,662 lacked supporting documentation (e.g., store receipts, invoices) and that 175 transactions totaling \$29,964 did not sufficiently document the business nature of the expense, as shown in the following chart.

<u>Credit Card Testing</u>	<u>Number of Transactions</u>	<u>Total Amount of Transactions</u>
Not Adequately Documented	84	\$19,662
Adequately Documented	18	7,344
Recurring Charges (e.g., Internet access, finance fees, membership fees)	<u>116</u>	<u>3,438</u>
Totals	<u>218</u>	<u>\$30,444</u>
Authority Business Purpose Not Documented	175	\$29,964

Our audit further disclosed that the Authority does not have a policy to regulate the use of credit cards. Without adequate controls requiring proper documentation, review, and approval by the Authority for expenditures made on the Authority's credit card, there is inadequate assurance that the Authority's credit card is safeguarded against possible misuse.

DHCD's Accounting Manual for State-Aided Housing programs, Section 8, states:

*When checks are submitted for signature, a voucher along with supporting documents should be presented.*

***Recommendation***

The Authority should establish written policies and procedures to ensure that all credit card expenditures are accompanied by the proper documentation, used only for Authority-related expenses, and approved by the Board of Commissioners.

***Auditee's Response***

*The Authority does not currently have an active credit card account. The previous Executive Director was responsible for the inadequately documented charges listed within the draft audit report. Currently all expenditures are invoiced to the Authority and paid by check.*

**h. Rent Redeterminations Calculated Incorrectly**

Our review found that, although the Authority has formal policies and procedures in place for rent redeterminations, during our audit period these policies were not followed. Specifically, five of the 10 tenant files we tested did not contain all required documentation. In addition, the Authority did not conduct rent redeterminations for its Elderly Housing and Family Housing tenants in accordance with DHCD regulations.

In 2008, the Authority received DHCD approval to conduct biannual rent redetermination for Elderly Housing tenants, which allows all elderly tenants to receive a short form redetermination every two years and report changes to the Authority pertaining to medical expenses. A total of 184 tenants received the short form in September 2008. The following year, tenants received an application for continued occupancy (long form). In 2009, the 80 tenants residing at Elise Circle received the long form in May and the 104 tenants residing at Parker Terrace received the long form in July. The last biannual rent redetermination for all elderly tenants was September 2008. Our review of rent redeterminations indicated that during 2010, the Authority failed to notify elderly tenants of, or perform, required biannual rent redeterminations.

Family Housing tenants annually receive a long form as required by 760 Code of Massachusetts Regulations (CMR) 6.04, which states:

*(a) The Re-determination Date. The LHA shall re-determine each tenant's monthly rent once annually to be effective on a specific re-determination date which shall be the first day of a month. This re-determination date should be the same each year unless the LHA gives the tenant reasonable advance notice of a different date no more than a year subsequent to the most recent notice of rent as determined by the LHA.*



Our review of the Family Housing annual rent redeterminations revealed the following issues:

- Rent redetermination notices were not sent to tenants during 2010;
- No rent redeterminations were performed during 2010;
- The 760 CMR 7.04(4)(i) (heat schedule) was not properly applied to one family unit rent redetermination;
- An incorrect percentage was used in the calculation of monthly rent for one tenant who pays for heat and electricity; and
- The eligible household member deduction was not applied to one unit's rent redetermination.

### ***Recommendation***

The Authority should ensure that administrative employees performing rent redeterminations receive adequate training, consult with DHCD for guidance to implement a written policy for the purpose of charging a minimum monthly rent, ensure that all rent redeterminations comply with 760 CMR 6, and ensure that all tenant files contain all required documentation.

### ***Auditee's Response***

*Administrative employees that perform rent determinations will receive adequate training and have received a copy of 760 CMR 6. Rent redeterminations were previously being conducted all at the same time causing chaos and confusion and as a result staff would accept inadequate documentation in order to be sure the recertification was conducted. The Authority has since changed the tenant's redetermination date to the anniversary of the tenant's tenancy and will continue with biannual recertifications.*

### **i. Inadequate Controls over Laundry Receipts**

During the prior Executive Director's tenure, the Authority did not have written policies or procedures in place for the collection, deposit, and use of receipts from its coin-operated laundry machines. The Authority operates three washers and dryers at Parker Terrace and two washers and dryers at Elise Circle. During our review of the Authority's laundry receipts bank account, we noted the following:

- Monthly deposits from March 2008 through September 2009 (19 months) averaged \$556;
- Monthly deposits from October 2009 through November 2010 (14 months) averaged only \$328; and

- The monthly average deposit for March 2008 through November 2010 was \$459.

The new Executive Director implemented appropriate laundry receipts collection, deposit, and use controls. Since these controls have been in place, we noted that monthly deposits from January 5, 2011 through March 3, 2011 averaged \$868. However, although the new Executive Director implemented controls for the collection, deposit, and use of laundry receipts, formal written policies and procedures have not yet been established.

### ***Recommendation***

The Authority should establish formal written policies and procedures for the collection, deposit, and use of funds received from its laundry operation.

### ***Auditee's Response***

*Appropriate laundry receipt controls have been implemented. Laundry machine keys are now locked up and are accessible only to the Executive Director. When laundry machine coins are collected, one office staff person and one maintenance staff person collect the coins. The coins are immediately taken to the bank by both employees and are placed in the bank's coin counting machine and the funds are immediately deposited in the Authority's bank account. A formal written policy and procedure will be established.*

### **j. Flawed Tenant Selection Process**

The Authority did not comply with DHCD regulations when transferring a tenant from a second-floor to a first-floor apartment. Specifically, 760 CMR 4.04 (g) states that the transfer or admission of immediate family members of the Authority's board or Authority employees must be approved by DHCD:

*Whenever any LHA board member, any administrative or supervisory employee or any member of the immediate family of such a board member or employee seeks admission as a tenant or seeks admission as a participant in a program administered by the LHA or seeks a transfer to a different unit, all necessary information shall be forwarded to the Department, which shall make the decision on the requested admission or transfer in accordance with applicable procedures.*

However, the Authority did not notify, request or receive approval from DHCD as required. Further, the transferred tenant, a relative of the Authority employee who was personally involved in the transfer process, appears to have received preferential treatment over other tenants. Although the maintenance staff was instructed by the board to concentrate on turning

over second-floor apartments, they were told by the Authority's administrative assistant (the related employee) to disregard these instructions so that the employee's relative could be accommodated. If there was another tenant who had been waiting longer for a first-floor apartment, the improper transfer would have denied availability to such a tenant.

***Recommendation***

The Authority should comply with DHCD regulations and forward all proposed transfers or admissions of tenants related to Authority personnel to DHCD for its approval.

***Auditee's Response***

*The employee referenced had been suspended without pay for a period of five working days and has since received tenant selection training. In the future all proposed transfers or admission of tenants related to Authority personnel will be forwarded to DHCD for their approval.*

**k. Certificates of Insurance Not Obtained**

During our audit, the Authority hired outside contractors for electrical, plumbing, yard maintenance, tile replacement, floor work, apartment cleaning, and carpet installation. However, we found that, contrary to DHCD requirements, the Authority did not obtain certificates of insurance from these outside contractors and does not routinely do so. Without certificates of insurance, the Authority could be at risk for damages or injuries that occur during the course of an outside contractor's work.

***Recommendation***

The Authority should update its policies and procedures and require outside contractors to submit certificates of insurance before any work is performed.

***Auditee's Response***

*All contractors conducting work for the Authority are now required to provide a certificate of insurance prior to conducting any work or repairs to the Authority's properties.*

**l. IRS Income Information Form 1099-MISC Not Issued for Calendar Year 2009**

Our review disclosed that the Authority did not issue Internal Revenue Service (IRS) Income Information Form 1099-MISC to six vendors who were paid a total of \$42,971 during calendar year 2009 for their services. According to IRS publication Circular E, Employer's Tax Guide,

agencies that compensate individuals in excess of the annual threshold of \$600 must issue the individual an IRS Form 1099-MISC that details the name of the contractor, federal reporting number, and amount paid. All six vendors' compensation exceeded the \$600 threshold. By not adhering to the IRS requirement, the Authority could be subject to unnecessary penalties and interest.

### ***Recommendation***

The Authority should correct its IRS filings for 2009 and issue Form 1099-MISC to the vendors. Also, the Authority should ensure that all Forms 1099-MISC are properly issued and filed with the IRS in a timely manner.

### ***Auditee's Response***

*The Authority recognizes that 1099-MISC forms were not sent to vendors for the 2009 calendar year. All eligible vendors that were compensated in excess of \$600 annually had received 1099-MISC forms for 2010 fiscal year which were filed with the IRS in a timely manner. All eligible vendors that are compensated in excess of \$600 annually will receive 1099-MISC forms for every year and the forms will be filed with the IRS in a timely manner.*

### **m. Lack of Proper Procurement Procedures**

During the audit period, the Authority failed to comply with the requirements of both Chapter 30B and DHCD guidelines that require it to solicit bids for certain transactions. As a result, there is inadequate assurance that the Authority received the best possible price for these services.

Although the Authority had written procurement policies and procedures in place, it failed to solicit bids or price quotes for the following transactions:

- From March 29, 2010 through November 26, 2010, the Authority obtained services for payroll and accounts payable totaling \$8,400.
- As of the end of our audit period, no valid contract existed between the Fee Accountant and the Authority. The last valid contract on file expired on March 31, 2006. During our audit period accounting services totaled \$35,873 (\$11,606 in 2008, \$12,707 in 2009, and \$11,560 in 2010).
- For a March 20, 2008 invoice from MacGray for five Maytag high efficiency frontload coin-drop washers and five Whirlpool 4" mounting base dryers plus delivery and installation charges totaling \$7,200, no price quotes from any other vendors were on file.

DHCD requires the Authority to comply with the Uniform Procurement Act, Chapter 30B of the General Laws, which requires competitive bidding practices. The State Inspector General has issued a handbook explaining the requirements of Chapter 30B, which states, in part:

- *Contracts under \$5,000. Use sound business practice.*
- *Contracts between \$5,000 and \$24,999. Seek price quotes from at least three vendors and award the contract to the responsible vendor offering the supply or service needed for the best price.*
- *Contracts of \$25,000 or more. Conduct a formal advertised competition using sealed bids or proposals. In a bid process, you award the contract to the qualified bidder who meets your specifications and offers you the best price. In proposal process, you award the contract to the offeror submitting the most advantageous proposal, taking into consideration your specified evaluation criteria as well as price.*

Moreover, DHCD's Accounting Manual, Section 16 requires the Authority's board to authorize the award of any bid over \$5,000.

### ***Recommendation***

The Authority should comply with the requirements of Chapter 30B for procurement of goods and services, and its board should ensure that these requirements have been complied with prior to authorizing applicable transactions. The Authority's Contract Officer or designee should be certified through the Massachusetts Certified Public Purchasing Official (MCPPO) Program.

### ***Auditee's Response***

*The Authority will comply fully with the State's procurement laws. [The] new Executive Director . . . is certified through the Massachusetts Inspector General's Office as a Massachusetts Certified Public Purchasing Official (MCPPO).*

### **n. Fee Accountant Not Satisfactorily Performing Duties**

Our review disclosed that the Authority did not have a current signed contract on file for the services of its Fee Accountant, who is responsible for performing all accounting services in connection with the Authority's state and federal housing developments. Moreover, we found that the Fee Accountant did not perform all job duties as described in previous contracts or those duties that are typically performed by a Fee Accountant, including maintaining such accounting books and records as the General Ledger, the Cash Receipts Register, payroll

records, and journal vouchers. The Fee Accountant did not perform satisfactorily in the following areas:

- Bank Reconciliations Not Performed on All Bank Accounts: During our audit period, we reviewed the Authority's six bank accounts, which represented a combined reconciled balance of \$99,617 as of December 31, 2010. Of these six accounts, we noted that only one account, the revolving fund account, was reconciled monthly by the Fee Accountant. (The reconciled balance of the revolving fund account as of December 31, 2010 was \$22,655.) The Fee Accountant did not perform monthly reconciliations of the remaining five accounts totaling \$76,962 as of December 31, 2010. The Fee Accountant explained that, because the revolving fund is the only account from which checks are issued, he feels it is unnecessary to reconcile the other accounts. Our review revealed that although checks are not issued from the other accounts, there was activity such as interest, money transfers, and deposits. To ensure that an effective system of internal controls is present to safeguard cash and other assets, all cash accounts should be reconciled monthly.
- Compensated Absences Liability Not Accurately Calculated: The Fee Accountant only included allowable carry-over vacation time, as stated in the Authority's written policies, in the calculation of compensated absences liability and reported a liability of \$24,700 on the Authority's fiscal year 2010 balance sheet. Although the Authority allowed employees to carry forward more vacation time than stated in the written policies, the additional days carried forward were not included in the compensated absences liability calculation. The calculation also did not include other items such as sick time and paid holidays. By not including all required elements in the compensated absences liability calculation, the Fee Accountant understated the liability reported on the Authority's balance sheet. DHCD's Accounting Manual, Section 6, states:

*The credit balance in this account represents the estimated amount of future benefits employees have earned but have not used, which the LHA estimates will be paid based on experience in the next fiscal year. This includes vacation, paid holidays, vested sick leave and earned compensatory time. This account includes both the direct compensated absences cost and associated employer payroll expenses (employment taxes, pension cost, etc.). Only the current portion should be recorded in this line item.*

- Reported Tenant Accounts Receivable Balance Incorrect: The tenant accounts receivable balance that the Fee Accountant recorded in the general ledger and reported on the Authority's balance sheet did not agree with the Authority's subsidiary record. The Authority's subsidiary record indicated a balance of \$24,279 as of December 31, 2010 and the Fee Accountant recorded and reported a balance of \$32,751. The Fee Accountant does not reconcile the Authority's tenant accounts receivable subsidiary record to the general ledger to ensure that the balances are in agreement. When this discrepancy was brought to the attention of the Fee Accountant, he recorded an adjusting entry to reconcile to the Authority's balance but could not explain why they were different. The Fee Accountant should reconcile the tenant accounts receivable balances quarterly.

- Bank Statements Removed from Authority's Office: During our testing of the Authority's bank accounts, the auditors requested bank statements for the months of April through June 2010 for all of the Authority's accounts. The Authority could not locate these statements because the Fee Accountant had removed them from the Authority's office to work on them at his office. However, the Fee Accountant returned the original statements when the Authority brought the auditors' request to his attention. The Massachusetts Statewide Records Retention Schedule requires housing authorities to maintain bank statements and reconciliations for a period of three years. In the future, the Fee Accountant should perform necessary work at the Authority's office so that original documents are not removed.

***Recommendation***

The Authority should have a signed contract on file with the current Fee Accountant that provides for performance of job functions in accordance with DHCD guidelines.

***Auditee's Response***

*At their May 10, 2011 Board Meeting, after properly seeking fee accounting proposals, the Easton Housing Authority Board of Commissioners voted to hire Milne, Shaw & Robillard, P.C. for fee accounting services . . . replacing the longtime fee accountant.*

**o. Lack of Security over Records**

Our review disclosed that the Authority is not in compliance with 705 CMR 8.04, which states that "a holder of records shall take all reasonable measures to protect personal data from physical damage or removal." Specifically, we determined that the Authority does not keep all tenant applications in a locked file cabinet, potentially compromising private and confidential information, such as copies of Social Security cards, birth certificates, and medical information, that should be secured at all times.

***Recommendation***

The Authority should ensure that all confidential information such as tenant applications are kept in locked file cabinets in a secured building.

***Auditee's Response***

*All file cabinets with tenant files will be properly locked. A new alarm system has been installed in the office and maintenance shop.*

**p. Noncompliance with the State Sanitary Code**

The Department of Housing and Community Development's (DHCD) 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 105 CMR 410, Minimum Standard of Fitness for Human Habitation (Chapter II of the State Sanitary Code). During our audit, we inspected 10 units and noted several 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, and mildew. (The Appendix of our report summarizes the specific instances of noncompliance with the State Sanitary Code.)

**Recommendation**

The Authority should appeal to DHCD for funding to address the issues noted during our inspections and to hire additional needed maintenance staff as discussed in Audit Result No. 1. DHCD should obtain and provide sufficient funds to the Authority in a timely manner so that it may provide safe, decent, and sanitary housing for its tenants.

**Auditee's Response**

*In March of 2011 all of the Authority's units were inspected . . . . Work orders were generated for all of the sanitary code violations and health & safety issues were immediately addressed. In addition the Authority had submitted a capital plan to DHCD to address some of the major issues such as roofing, siding, window replacement, paving repairs, etc.*

**q. Septic System Repairs Needed**

In May 2009, the Authority entered into a Consent Order with the Massachusetts Department of Environmental Protection (DEP) due to discharges of greater than 15,000 gallons per day of sewage into a zone II public water supply well in violation of 314 CMR 5.00 and 6.00. The Consent Order required the Authority to comply with the following:

- Hire a Massachusetts-registered professional engineer to initiate the design and permitting, for construction, of a wastewater treatment facility at the Authority in full compliance with the requirements of 314 CMR 5.00 and 6.00), or hire a registered professional engineer to initiate the design and permitting for connecting to a wastewater treatment facility located adjacent to the property.



- Upgrade the septic system serving Elise Circle Buildings 1 and 2 as an "interim repair."
- Prepare and submit a "System Evaluation Report" on or before August 1, 2009.
- Implement recommendations made in the "System Evaluation Report" within 30 days of any approval granted by DEP.
- Refrain from increasing flow, expanding the system, or increasing the occupied square footage at the property while any existing on-site or temporary system is in operation.
- Annually (no later than June 1st of every year) submit to DEP a report that verifies that the system and any interim measures installed at the property have been inspected and pumped out and that identifies any needed repairs and/or system failures.

The Authority completed all of the above items required by the consent order; however, the Authority did not submit a June 1, 2010 Annual Report, correct small necessary repairs, or follow the pumping schedule as stated in the System Evaluation Report of 2009. Failure to correct the necessary repairs and to follow the pumping schedule could result in further septic failure and could increase the cost of the wastewater treatment plant.

### ***Recommendation***

The Authority should comply with the consent order requirements by obtaining pricing for the pumping schedule of various septic tanks, filing the required June 1, 2010 report with DEP, and appealing to DHCD for funding to correct the small necessary repairs.

### ***Auditee's Response***

*The Authority is currently working with DHCD to hire an engineer to draft specifications to build an on-site 4.5 million dollar wastewater treatment plant in compliance with the DEP order.*

### **r. Tenant Pet Deposits Not Properly Accounted For**

The Authority did not establish a written pet deposit accounting policy to comply with DHCD's Pet Guidelines for State-Aided Elderly Housing (October 1995). Our review of the Authority's pet deposit records disclosed the following deficiencies:

- The Authority did not establish a pet committee;
- Instructions for disposal of pet waste and cat litter were not posted in any building;
- Rules and regulations regarding pets were not posted in the Authority's office;

- All pet deposits were deposited in one account (Pet Account) at a local bank, whereas DHCD's Accounting Manual requires that they be deposited into the Authority's Security Deposit account;
- Tenants owed pet deposits totaling \$970 dating back to 2003;
- Three tenants who own pets had never paid a deposit;
- Returned pet deposits were paid from the Revolving Fund account without any corresponding entry in the Pet Account;
- The Authority had not refunded pet deposits to tenants who are no longer in possession of a pet or had moved;
- Money is transferred from the Pet Account to other accounts with no supporting documentation justifying the transfer;
- Pet deposits are recorded in the Authority's General Ledger in Account 1162.2 - Unrestricted Investments, contrary to DHCD's Accounting Manual, which requires pet deposits to be recorded in a separate account (1114 – Security Deposit and Pet Deposit Fund Cash); and
- As of December 31, 2010, pet security deposit records revealed that deposits received from tenants totaled \$4,599, whereas the Authority's General Ledger, Account 2114 Security Deposits (liability) balance was \$11,588, a difference of \$6,989.

### ***Recommendation***

The Authority should comply with DHCD's Accounting Manual and treat pet deposits as security deposits, properly record all pet deposit entries in the general ledger in the appropriate accounts, reconcile the General Ledger balances to its pet deposit records, and post and enforce pet rules and regulations.

### ***Auditee's Response***

*The Authority will be complying with their pet regulations & policy and reconcile the pet account and will set up [the] pet account as security deposits.*

### **s. Check Numbers Not Accurately Recorded**

Our review of the check register created from the Authority's accounting software disclosed that the check numbers entered into the software do not match the actual check number used to pay vendor invoices. The Authority files all paid invoices by check number. Each time a paid vendor invoice is needed, the Authority must look up the check number in order to find the

corresponding invoice. During our audit period, we noted that from October 18, 2006 to October, 2010, incorrect check numbers were entered into the check register. Without accurately recording check numbers, the Authority cannot efficiently track vendor payments and ensure that only authorized payments occur.

DHCD's Accounting Manual, Section 18, states:

*It is important however that the computer system utilized by the Authority have adequate supporting documentation and leave a clear audit trail.*

In addition, Chapter 121B, Section 29, of the General Laws states:

*Each housing authority shall keep an accurate account of all its activities and all its receipts and expenditures.*

### **Recommendation**

The Authority should file invoices by vendor name or the expenditure type (e.g., building repairs, telephone) and ensure that the correct check numbers are entered in the check register created from its accounting software.

### **Auditee's Response**

*All check numbers are properly entered into the Authority's software system. Vendor files were setup for all vendors and landlords.*

### **t. Purchase Order Policy Not Followed**

Our review determined that the Authority did not follow its written purchase order policies and procedures. Specifically, purchase orders were prepared and approved after the Authority had already made the purchase and received an invoice/statement. The Authority's written purchase order policies and procedures state the following:

*All Purchase Orders must be signed for by the approved purchasing employee stating where the purchase will be made and the items being purchased and the approximate price.*

*The completed purchase order is than authorized by the Executive Director prior to the purchase of equipment or supplies, etc. . . .*

Without prior purchase order preparation and approval, there is no assurance that the Authority purchased items that were necessary for its operations or that the best price was obtained.

***Recommendation***

The Authority should follow its written purchase order policies and a procedure that is in place and ensures that the Executive Director approves all purchase orders before the actual purchase occurs.

***Auditee's Response***

*The purchase order policy is now being adhered to and all purchases now require a signed purchase order from the Executive Director prior to making the purchase.*

**u. Noncompliance with Work Order Policy**

Our review disclosed that the Authority has written maintenance work order policies and procedures in place. However, these procedures are outdated, and the Authority does not follow them. The Authority currently has a backlog of over 700 work orders. In addition, work orders do not include the time that it takes to perform the job or the materials used. This backlog of work orders indicates that repairs and problems that tenants have reported to the Authority are not being attended to on a timely basis, posing safety and health risks to tenants.

***Recommendation***

The Authority should appeal to DHCD for funding to hire additional maintenance workers and/or to contract out portions of the work orders that maintenance staff cannot attend to. In addition, the Authority should update its maintenance work order policies and procedures to require that work orders list the type of problem reported, material used, employee time needed to correct the problem, and/or outside contractors hired.

***Auditee's Response***

*A temporary maintenance worker had been hired. Work orders are now caught up to date and new work orders are attended to in a timely fashion.*

**v. Incomplete Employee Personnel Folders**

Our review disclosed that the Authority's employee files did not contain all required documentation. Specifically, the following items were missing from most of the personnel folders we examined: Form M-4 Massachusetts Employee's Withholding Exemption certificate, performance evaluation, and notification of increase in pay. The following items were not found in any employee's personnel folder: Form I-9 Employment Eligibility Verification, training

record, and job description. Without complete employee files, the Authority does not have assurance that withholding taxes are proper or that employees receive appropriate training, are notified of and receive pay increases to which they are entitled, and are authorized to work in the United States.

### ***Recommendation***

The Authority should review and update employee files. Employees for whom there is no documentation of required training should be enrolled in training. Employee files should contain a training record, forms required by the federal government and the Commonwealth of Massachusetts, performance evaluations, notification of increase in pay, and job description.

### ***Auditee's Response***

*All employee folders are now complete with all required documents enclosed within.*

### **w. Noncompliance with Employee Leave Accrual Policies and Procedures**

Our review of payroll accruals revealed that that the previous Executive Director allowed employees to carry over more vacation and sick time, without the board's approval, than the Authority's written personnel policies permit. The policy states:

*Unless otherwise approved by the Board, each calendar year all employees shall take vacation of duration equal to the leave that he/she shall accrue for the calendar year. Upon December 31, not more than ten (10) days shall be accrued and carried over to the following year.*

*Sick time accrued in any calendar year shall accumulate for use in subsequent years up to a maximum amount to be carried over of 155 days.*

In addition, there was no indication in board meeting minutes that the Authority's board had approved the carrying over of excess vacation and sick time. Also, although written policies exist for vacation, the written policies do not indicate when an employee accrues vacation time. By allowing employees to carry over excess sick and vacation time, the Authority's compensated absences liability is greater than it should be. Also, employees could use leave time for longer periods, resulting in the need to pay additional overtime to other employees in order for the Authority to continue to operate.

In addition, our review indicated that one employee was continuously documented as using sick and vacation time when the Authority's records indicated that no leave time was available to the

employee, resulting in a cost to the Authority of approximately \$1,805 plus associated payroll costs. Moreover, accrual records for sick and vacation time were incomplete for one or more employees, records contained mathematical errors, some entries were in pencil, and documentation showed eraser marks. Furthermore, accrual for sick time was posted to all employees on the 1<sup>st</sup> of January for each calendar year of our audit period. The Authority's policy states:

*Sick time shall accrue at a rate of one and one fourth (1 ¼) days per month of full time employment.*

By allocating the accrual on the first day of each calendar year, the Authority has allowed employees who may be suspended or out on worker's compensation the ability to accrue sick time in violation of its written policy, which states:

*There is no credit given for sick time for any month in which an employee is absent without pay for more than one day.*

***Recommendation***

The board should update the Authority's vacation policy to indicate when an employee is to accrue vacation time. The Authority should follow its written policies, allocate sick time accruals to employees monthly, and not allow employees to carry over vacation or sick time in excess of what its written policies permit without board approval.

***Auditee's Response***

*All employee leave accrual policies are now adhered to.*

## APPENDIX

### Instances of Noncompliance with the State Sanitary Code

#### 705 Family Units

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
28 Barrow Street	Mice droppings in basement	105 CMR 410.55
	Missing storm door	105 CMR 410.50
	Peeling ceiling in bathroom	105 CMR 410.50
	Exposed wiring light fixture	105 CMR 410.351
	Uneven heat throughout house	105 CMR 410.20
	Cracked step leading to basement	105 CMR 410.50
	Water seepage into basement	105 CMR 410.501
50 Day Street	Kitchen - trash	105 CMR 410.602
	Bulkhead door broken	105 CMR 410.452
	1/4 inch gap front door	105 CMR 410.501(B)
	Light not working in bathroom	105 CMR 410.352
7 Chandler Way	Clutter in basement	105 CMR 410.692
	Back entry way broken floor tiles	105 CMR 410.50
	Water damage on ceiling	105 CMR 410.50
	Floor damage around tub	105 CMR 410.50
	Bathroom ceiling paint peeling	105 CMR 410.50
	No cold water in bathroom sink	105 CMR 410.351
	Bathroom tub spout decayed	105 CMR 410.351
	Bedroom ceiling paint peeling	105 CMR 410.50
	Bedroom door cracked	105 CMR 410.50
	Bedroom window pane broken	105 CMR 410.501(A)(1)
Bedroom missing bottom window	105 CMR 410.501(A)(1)	
Bedroom door damaged	105 CMR 410.50	

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
7 Chandler Way (Continued)	Entry door window pane broken	105 CMR 410.501(B)(1)
	Closet door damages front bedroom	105 CMR 410.50
26 Poquanticut Ave.	Unregistered car in yard	105 CMR 410.602
	Rotted shingles, paint peeling around chimney	105 CMR 410.50
	Cracked vinyl tiles front hallway	105 CMR 410.50
	Basement filled with garbage and debris	105 CMR 410.692

### **667 Elderly Development**

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
Elise Circle & Parker Terrace	Septic system failure	105 CMR 410.30
	All buildings have wood shingle decay, stain is faded, and outside windows peeling	105 CMR 410.50
	Sidewalk cracked and pools water	105 CMR 410.602
	Parking lot and roadway cracked and pools water	105 CMR 410.602
	Plywood handicapped ramps are decaying	105 CMR 410.452
	Lifting floor tiles in hallways	105 CMR 410.452
Elise Circle	No locks on exterior doors	105 CMR 410.48C
Building 5 Elise Circle	Porch area exit has egress obstruction	105 CMR 410.451
	Drainage issue water pools at exits	105 CMR 410.602(A)
Building 7 Elise Circle	Hole in window screen	105 CMR 410.500



<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
Building 8 Elise Circle	Exterior window broken	105 CMR 410.501(A)
74 Elise Circle	Living room crack in wall from floor to ceiling	105 CMR 410.500
61 Parker Terrace	Bathroom exhaust fan not working	105 CMR 410.352
	Bathroom ceiling peeling and cracked	105 CMR 410.500
	Mildew on bathroom ceiling	105 CMR 410.500
127 Parker Terrace	Bathroom light fixture broken	105 CMR 410.352
137 Parker Terrace	Bathroom floor cracked	105 CMR 410.500
	Oven door warped in kitchen	105 CMR 410.351
Building 6 Parker Terrace	Common area window latch broken	105 CMR 410.5
Buildings 11, 12, & 13 Parker Terrace	Mildew on outside of building	105 CMR 410.500
	Exterior metal door decaying	105 CMR 410.500
Administration Bldg./Community Room	Ripped or missing window screens	105 CMR 410.551
	Windows around air conditioner not weathertight	105 CMR 410.551(A)
	Holes and cracks in interior walls	105 CMR 510.5
	Common areas not in clean and sanitary condition	105 CMR 510.5
	Exit sign not working correctly	105 CMR 410.483
	Broken and raised vinyl floor tiles	105 CMR 410.500

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<b><u>Location</u></b>	<b><u>Noncompliance</u></b>	<b><u>Regulation</u></b>
Administration Bldg./Community Room (Continued)	Ladies room-missing wall tiles	105 CMR 410.500
	Cracked and missing vinyl siding	105 CMR 410.500
	Building left unlocked 24 hours a day	105 CMR 410.480
	Bathrooms not properly ventilated	105 CMR 410.28