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The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

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STATE HOUSE, BOSTON 02133



A. JOSEPH DE NUCCI
AUDITOR

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87-148-6

October 22, 1987

Ms. Barbara Young, Superintendent
Massachusetts Correctional Institution-Framingham
Western Avenue
Framingham, Massachusetts 01701

NCJRS
NOV 7 1988
ACQUISITIONS

Dear Ms. Young:

The State Auditor's Office recently made a study and evaluation of selected operations at the Massachusetts Correctional Institution (MCI)-Framingham, in accordance with Chapter 11, Section 12, of the Massachusetts General Laws. Our goal was to evaluate the effectiveness of the institution's internal control over materials and supplies, overtime, and property and equipment. To examine these areas, we performed the following audit work:

- o To evaluate controls over materials and supplies, we conducted a 100% physical inventory of materials and supplies and compared it to the stock ledger balances. We also examined the institution's purchasing procedures for the audit period to determine whether materials and supplies were obtained at reasonable prices.
- o To evaluate controls over overtime and to determine whether overtime is excessive, we examined the records of custodial personnel (guards), who accounted for 87% of the overtime at the institution.
- o To evaluate controls over property and equipment, we examined procedures in effect to control and account for all property and equipment. We tested the inventory records, by statistical sample, for (1) condition, (2) location, (3) serial number (if applicable), (4) tag number, and (5) value. In addition, we tested equipment-purchasing procedures to determine whether items purchased during the audit period were (1) necessary, (2) properly approved, (3) purchased in accordance with established procedures, (4) tagged upon receipt, and (5) entered on the inventory listing.

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During our review, we noted the following problems that we believe your office and the Department of Correction should address:

Use of Overtime: Our review of overtime records at MCI-Framingham for the two fiscal years ended June 30, 1986 revealed that MCI-Framingham expended \$370,778 and \$255,519 for overtime in fiscal years 1986 and 1985, respectively. It is our opinion that much of this overtime was caused by (a) the high rate of sick time taken by 32% of the guards and (b) coverage for guards out on injured leave.

Our analysis of sick time taken by guards at MCI-Framingham indicated that 32% of the guards used an average of 16.5 sick days in fiscal year 1986 and accounted for 62% of the total sick time used by all of the guards. This average far exceeds the average number of sick days (4.8) taken by the remaining 68% of the guards in fiscal year 1986 and the average number of sick days (8.6) taken by the employees of the institution as a whole. A reduction in the use of sick time would help to reduce the high cost of overtime.

We recommend that the institution and the Department of Correction review the sick time used by certain guards at MCI-Framingham.

Auditee's Response:

. . . certain posts . . . must be covered on a twenty-four hour basis or for at least part of that period. There are also emergencies to be covered, including emergency medical trips, last-minute notification of court trips, etc. When the staff available is insufficient to meet needs, overtime is required. While the custody slots assigned to MCI-Framingham total 121 (a 3-1 ratio with inmates), at any one time there are staff on Industrial Accident, vacancies, vacations, sick leave, training, maternity leave and military leave, which deplete the available staff, thus necessitating overtime.

As suggested, we will be reviewing the sick leave usage.

Property and Equipment: Our review of the property and equipment controls at the institution revealed that, although it maintained a current inventory listing and conducted an annual physical inventory, the institution (1) did

not identify equipment by serial number, where applicable; (2) did not tag all pieces of property and equipment; (3) did not include \$14,884 worth of data processing equipment on its inventory listing dated July 1, 1986; (4) did not adhere to procedures in effect to tag and record the assigned location of newly purchased items when received, thereby making it more difficult to update the inventory listing; and (5) did not adhere to established procedures for tracking old items that had been replaced, assigned new locations, or disposed of.

In addition, the institution's and the Comptroller's records indicate that, during the audit period, \$84,195 of equipment was purchased from the "15" subsidiary account (equipment). However, contrary to the requirements of Section 1 of the Comptroller's Accounting Manual, our audit tests of equipment purchases revealed that, during the audit period, the institution purchased an additional \$34,676 of equipment from various other subsidiary accounts. This action circumvents the Commonwealth's budgetary process.

The institution is responsible for controlling nearly \$800,000 of equipment. Without appropriate controls over the inventory process, there is no guarantee that this equipment is adequately safeguarded. In addition, without appropriate controls over equipment purchases, similar but less expensive items can be substituted for more expensive items and items can be misappropriated or can go undetected.

We recommend that the institution take steps to ensure that all items are included on the inventory list, that serial numbers be used whenever possible, that all items be tagged or marked with identifying numbers, and that procedures be established to track and tag newly purchased items as well as older replaced items.

The institution should also classify its expenditure transactions in accordance with the Commonwealth's accounting system. The institution should com-

ply with the Comptroller's regulations governing the budgetary process, and request budget transfers if it intends to use funds for purposes not suitable for a particular subsidiary account.

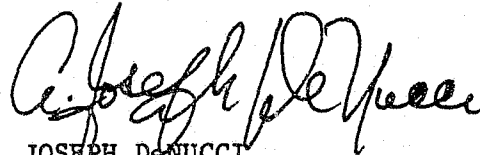
Auditee's Response:

While procedures are in place to try and track newly purchased equipment, these procedures have not always been followed. We are taking steps to identify all appropriate equipment by serial number; to make sure all equipment is tagged when received; to track the relocation and disposal of equipment; and to insure that equipment is purchased out of proper accounts.

Auditor's Reply: The auditee's responses indicate a willingness to take appropriate corrective action.

Thank you and your staff for the assistance granted during our review.

Sincerely,



A. JOSEPH DeNUCCI
Auditor of the Commonwealth