

LHA AUP

Status: DHCD - Complete- No Follow-up

Housing Authority Name: MILLBURY HOUSING AUTHORITY

Fiscal Year End (FYE): Sep 2019

Date of AUP Conducted: 08/13/2020

Executive Director: Carol A. Smith

CPA: Gary L. DePace CPA PC

CPA Phone: 413-267-5223

HMS:

Total AUP Exceptions: 0

A. General Accounting

Total # of exceptions: 0		Rating: No Findings	
Exceptions	Exception Explanation	CPA Recommendations	LHA Response
A. Reconciling financial statements to general ledger.			
	1. The amounts reported on the Operating Statement and Balance Sheet (DHCD Forms 51-1 and 51-2, respectively) reconcile to the LHA's general ledger. (Tolerable error of +/- \$100). For all cases that don't match, please detail specifics including at a minimum account and variance amount in column to right.	NE	
B. The following general ledger accounts reconcile to supporting documentation (Tolerable error of +/- \$100, unless otherwise noted): For all cases that don't match, please detail specifics including at a minimum account and variance amount in CPA Recommendations column.			
	1. Cash accounts (#1111 to #1114.1 and #1162) are in agreement with bank statements and reconciliations	NE	
	2. Tenant Accounts Receivable and Prepaid Tenant Rent accounts (#1122, #1124 and #2240) are in agreement with agings of Tenants Accounts Receivable (TAR)	NE	
	3. Capital Assets and Accumulated Depreciation (all fixed assets except 1400.2) are in agreement with the depreciation schedule/fixed asset listing).	NE	
	4. Accounts Payables accounts (#2111, #2111.1, #2120 and #2139) are in agreement with supporting documentation for Accounts Payables and accruals.	NE	
	5. Accrued Compensated Absences accounts (#2135 and #2335.01) are in agreement with the compensated absences	NE	

A. General Accounting

+

B. Tenant Accounting

-

Total # of exceptions: 0		Rating: No Findings		
	Exceptions	Exception Explanation	CPA Recommendations	LHA Response
A. Select a random sample of rent transactions (Small - 5, Med - 10, Large - 15, Very Large - 20) of rent transactions. Include at least 20% are credit adjustments and 20% are lease enforcements (if have).				
1. The Authority retained supporting documentation for rent receipts.	NE			
2. The Authority posted rent receipts to the correct tenant accounts.	NE			
3. The Authority retained documentation supporting credit adjustments.	NE			
4. The Authority followed its rent collection policy for non-payment of rent if a				

A. General Accounting

+

B. Tenant Accounting

+

C. Payroll

-

Total # of exceptions: 0

Rating: No Findings

Exceptions	Exception Explanation	CPA Recommendations	LHA Response
------------	-----------------------	---------------------	--------------

A. Wage Reporting

1. Actual wages for the Top 5 highest paid employees was consistent with the DHCD-approved budget (Schedule of All Salaries and Positions Report), excluding over-time and longevity payments. (Tolerable error of +/- 3.0% of budgeted salary)

NE

2. Verify the amount reported on the Top 5 Compensation Form matches exactly the amount reported on reconciled to the WR-1.

NE

3. LHA is in possession of DHCD-approved executive contract signed by the LHA, Executive Director and DHCD. If LHA can show that currently being processed by DHCD and was not

A. General Accounting

+

B. Tenant Accounting

+

C. Payroll

+

D. Accounts Payable

-

Total # of exceptions: 0

Rating: No Findings

Exceptions	Exception Explanation	CPA Recommendations	LHA Response
<p>A. Select a random sample of (Small - 15, Med - 20, Large - 25, Very Large - 25) cash disbursement transactions. The auditor may substitute random selections for large or unusual items identified in a review of the cash disbursements journal. The auditor should substitute for at least one credit card statement, at least one employee expense reimbursement transaction, at least one capital expense, at least one operating expense and at least one debit card transaction. For all discrepancies, to the right detail the type of payable, the date, the charge, and the amount.</p>			

1. Cash disbursements were authorized in accordance with the Authority's policies. NE

2. Cash disbursements are in agreement with supporting documentation. NE

3. Supporting documentation is

- A. General Accounting +
- B. Tenant Accounting +
- C. Payroll +
- D. Accounts Payable +
- E. Inventory -

Total # of exceptions: 0

Rating: No Findings

Exceptions	Exception Explanation	CPA Recommendations	LHA Response
------------	-----------------------	---------------------	--------------

A. Capital and Non-Capital Asset Inventory

1. The Authority performed a physical count of its capital asset and non-capital asset inventory at least annually (non-capital assets are refrigerators and stoves and other furniture equipment over the Authority's non-capital inventory threshold, which may not exceed \$1,000).		NE	
2. Capital and Non-Capital Asset inventory includes all necessary information to identify the asset. For non-capital assets that includes a tag with an LHA-assigned number for all assets of \$1,000 or more (and all refrigerators and stoves of any		NE	

A. General Accounting

+

B. Tenant Accounting

+

C. Payroll

+

D. Accounts Payable

+

E. Inventory

+

F. Procurement

-

Total # of exceptions: 0

Rating: No Findings

Exceptions	Exception Explanation	CPA Recommendations	LHA Response
<p>For A to C below, examine the cash disbursements journal (or check register) as well as the contract register and identify purchases of goods and services during the year that should have been competitively procured. From these purchases that should have been competitively procured, select a sample (Small - 3, Med - 5, Large - 7, Very Large - 9) of known or possible procurements valuing \$10,000 or more; if possible when selecting the sample, include at least one procurement valuing \$10,000 to \$50,000 and one procurement valuing more than \$50,000 (for goods and services for MGL c. 30B only). If any in the sample were not competitively procured, enter as an exception in A. For sampled purchases that went through procurement, follow procedures under B or C below depending on the size of the procurement.</p> <p><u>COVID-Related Temporary Changes:</u> Only sample procurements done by the LHA; not RCAT or DHCD-assisted procurements. Documents to request for AUP include a copy of the ad(s), bid tabulation, board vote, signed contract, and contact register.</p>			
A. Procurement Policy			

- The Authority's procurement policy is consistent with the requirements of MGL c. 30b (or more conservative federal regulations).

NE

A. General Accounting

+

B. Tenant Accounting

+

C. Payroll

+

D. Accounts Payable

+

E. Inventory

+

F. Procurement

+

G. Eligibility Compliance

-

Total # of exceptions: 0

Rating: No Findings

Exceptions	Exception Explanation	CPA Recommendations	LHA Response
A. Public Housing - Select a sample (Small LHA - 5, Medium LHA - 10, Large or Very Large LHA - 15) of tenant files (from programs 200, 667, 705); if the LHA has multiple property managers, at least one file should be selected per manager.			

- The Authority performed timely annual rent determinations (or bi-annual if the Authority has a waiver from DHCD to do so). NE
- The Authority properly calculated rent. NE