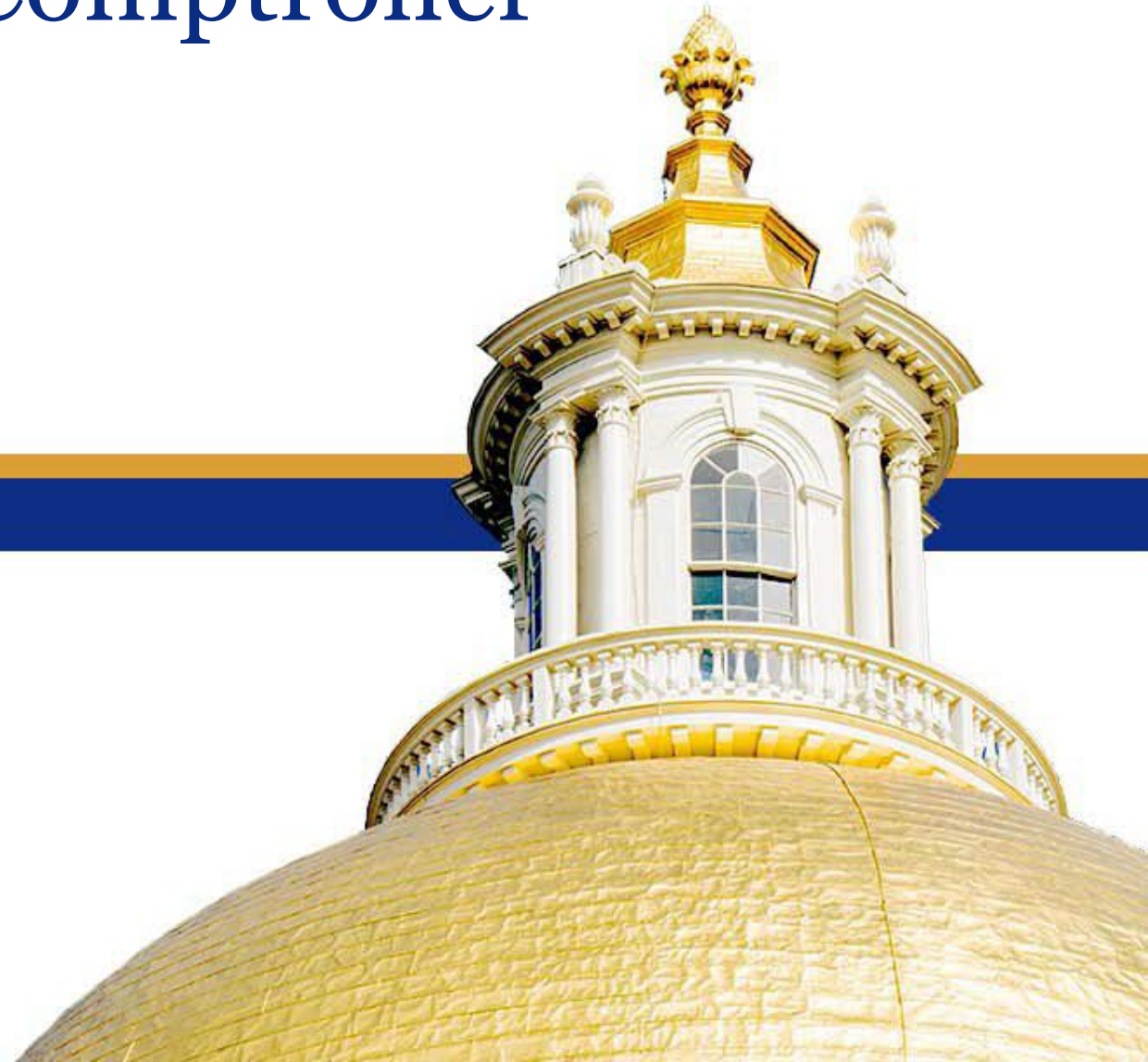


# Meeting of the Advisory Board to the Comptroller

May 18, 2026



OFFICE OF THE COMPTROLLER  
COMMONWEALTH OF MASSACHUSETTS



# Advisory Board to the Comptroller

## Statutory Members

- ★ **Matthew Gorzkowicz**, Secretary of Administration and Finance (Chair)
- ★ **The Honorable Diana DiZoglio**, State Auditor
- ★ **The Honorable Deborah B. Goldberg**, Treasurer and Receiver General
- ★ **The Honorable Andrea Joy Campbell**, Attorney General
- ★ **Thomas G. Ambrosino**, Court Administrator of Massachusetts Trial Court

## Appointed Members

- ★ **Michael Esmond**, Director of Municipal Finance, Town of Braintree
- ★ **Natalie S. Monroe**

# Agenda

#	Item	
I	(A) Call to Order (B) Authorization for Remote Meeting (C) Notice of Recording.	Secretary Matthew Gorzkowicz, Executive Office for Administration and Finance Chair of the Advisory Board
II	Review and approval of the April 28,2026 Advisory Board meeting minutes	Secretary Gorzkowicz
III	Remarks from the Chair	Secretary Gorzkowicz
IV	Comptroller’s Update; Review of the Single Audit process	Comptroller William McNamara Assistant Comptroller Jenny Hedderman David Godin, Single and Internal Audit Lead
V	CliftonLarsonAllen Report on the Single Audit	Bill Early, CPA Principal Shana Dorion, CPA Engagement Director
VI	Office of the Comptroller Single Audit follow-up	Assistant Comptroller Hedderman
VII	Items not reasonably anticipated by the Chair	Secretary Gorzkowicz
VIII	Timing outlook for next meeting	Comptroller McNamara
IX	Meeting adjournment	Secretary Gorzkowicz

# Meeting Information

On March 28, 2025, Governor Healey signed into law Chapter 2 of the Acts of 2025, which extends certain temporary provisions pertaining to the Open Meeting Law until June 30, 2027. Specifically, this further extension allows public bodies to continue holding meetings remotely without a quorum of the public body physically present at a meeting location, and to provide "adequate, alternative" access to remote meetings.

In accordance with that law, all members of the Advisory Board and members of the public are participating remotely in today's meeting.

Because members of the Board are participating remotely, all votes today will be taken by roll call.

Meeting Information	
Date and Time:	May 18, 2026 at 9:30am
Location:	Zoom
Meeting ID:	814 7853 2439
Passcode:	462990
Link:	<a href="https://macomptroller.zoom.us/j/81478532439?pwd=ZbjAmQHPq1nlvdT9ytGglhQBq47xFO.1">https://macomptroller.zoom.us/j/81478532439?pwd=ZbjAmQHPq1nlvdT9ytGglhQBq47xFO.1</a>
Dial-in:	1-929-205-6099

# Agenda Item I

(A) Call to Order

(B) Authorization for Remote Meeting

(C) Notice of Recording

**Matthew Gorzkowicz**

**Secretary, Executive Office for Administration and Finance**

# Agenda Item II

## Review and approval of minutes

**Matthew Gorzkowicz**  
**Secretary, Executive Office for Administration and Finance**

# Agenda Item III

## Remarks from the Advisory Board Chair

Secretary Gorzkowicz

**Agenda Item IV**  
**Comptroller's Update**  
**Review of the Single Audit process**

**Comptroller William McNamara**  
**Assistant Comptroller Jenny Hedderman**  
**David Godin, Single and Internal Audit Lead**

# Three major reporting requirements

SBFR	ACFR	Single Audit
<p><b>Statutory Basis Financial Report</b></p>	<p><b>Annual Comprehensive Financial Report</b></p>	<p><b>Federal requirement</b></p>
<ul style="list-style-type: none"> <li>• Required under state law (M.G.L. c. 7A § 12)</li> <li>• Most other states have similar reports</li> <li>• Present the results of the prior fiscal year activity in the Commonwealth’s funds primarily on a cash, non-GAAP basis</li> <li>• Compute and certify the annual budget balance and end of fiscal year transfer to the Stabilization Fund</li> <li>• Disclose and report certain aspects of financial performance as directed by statute or judged relevant by the Comptroller</li> </ul>	<ul style="list-style-type: none"> <li>• 50-state requirement (plus other local government entities)</li> <li>• Financial statements of a state, municipal or other governmental entity that comply with requirements promulgated by the Governmental Accounting Standards Board (GASB), which sets Generally Accepted Accounting Principles (GAAP) for those governments and entities</li> <li>• Key differences versus SBFR: Statements on a “modified accrual” basis; addition of multiple component units and other required information</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Single Audit:</b> Organization-wide financial statement and federal awards’ audit of entities that expend \$1 million or more in federal funds.</li> <li>• <b>Purpose:</b> To ensure compliance with federal requirements and regulations, and to evaluate internal controls over federal programs.</li> <li>• <b>Based on Uniform Guidance:</b> authoritative set of requirements for recipients of federal grants &amp; funds</li> <li>• <b>Includes the SEFA:</b> Schedule of Expenditure of Federal Awards; details the use of federal funds across the state</li> </ul>
<ul style="list-style-type: none"> <li>• Reviewed by the independent firm (CLA)</li> </ul>	<ul style="list-style-type: none"> <li>• Audited by the independent firm (CLA)</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted by the independent firm (CLA)</li> </ul>

# Topline results

		Fiscal Year 2025 Single Audit results			Net change*** versus Fiscal Year 2024		
		Material Weakness*	Significant Deficiency*	Total	Material Weakness	Significant Deficiency	Total
Exec Office of Education	Department of Early Education & Care	2		2			
	Department of Elementary & Secondary Education	2		2	+2	-1	+1
<b>Exec Office of Education Total</b>		<b>4</b>		<b>4</b>	<b>+2</b>	<b>-1</b>	<b>+1</b>
Exec Office of Health & Human Services	Department of Children & Families		1	1		+1	+1
	Department of Public Health	3	2	5	-1		-1
	Department of Transitional Assistance **				-1	-5	-6
	Exec Office of Aging & Independence	3	1	4	+1		+1
	Exec Office of Health & Human Services	1	2	3	+1	-1	
<b>Exec Office of Health &amp; Human Services Total</b>		<b>7</b>	<b>6</b>	<b>13</b>		<b>-5</b>	<b>-5</b>
<b>Exec Office of Housing &amp; Livable Communities **</b>	<b>Exec Office of Housing &amp; Livable Communities**</b>					-3	-3
<b>Exec Office of Housing &amp; Livable Communities Total</b>						<b>-3</b>	<b>-3</b>
Exec Office of Labor & Workforce Development	Exec Office of Labor & Workforce Development	5	12	17		+6	+6
<b>Exec Office of Labor &amp; Workforce Development Total</b>		<b>5</b>	<b>12</b>	<b>17</b>		<b>+6</b>	<b>+6</b>
Exec Office of Public Safety & Security	Emergency Management Agency	1		1		-1	-1
<b>Exec Office of Public Safety &amp; Security Total</b>		<b>1</b>		<b>1</b>		<b>-1</b>	<b>-1</b>
<b>Gr&amp; Total</b>		<b>17</b>	<b>18</b>	<b>35</b>	<b>+2</b>	<b>-4</b>	<b>-2</b>

\* Material Weaknesses are more serious than Significant Deficiencies

\*\* Departments shown in blue had no new findings for FY2025 but resolved FY2024 findings (as shown)

\*\*\* Figures shown are net change in counts

# Single Audit leadership and the broader Statewide Risk Management & Compliance Team



- Jenny Hedderman  
Assistant Comptroller



- David Godin, Internal &  
Single Audit Lead



- Arjun Malhotra,  
Risk & Compliance Team  
Coordinator

## Thank you to all the professionals in Statewide Risk Management & Compliance

- Biruk Gebreamlak
- Guillermo Perez
- Niloofar Ghasemi
- Rachel Cullity
- Sharmae Raye
  
- *Daniel Frisoli (currently on BEST)*

# Process Improvements achieved with CLA/CTR collaboration

## Single Audit Report Completion 6 Weeks Earlier

Change	Benefit
Mandatory Weekly/bi-weekly meetings for departments, CLA, and Office of the Comptroller	Provided real time feedback Cut time for responses increased accountability Improved timeline
Mandatory Weekly Check-in Meeting with CLA and Office of the Comptroller	Partnership improved tracking of open items, resolution of issues, responsiveness and accountability, which reduced timeline
Automated prior year finding follow-up process	Excel responses supported data analytics, reduced time for responses and enabled production of Word reports for CLA
Enforced expectation of no response extensions; Required written and justified department requests for extensions	Departments realigned schedules Reduced extension requests and increased timely responses
Required all responses/comments/questions to be posted in CLA AIE Portal vs. emails	Centralized data collection and CLA immediate access to data and comments; one-stop-shop for departments; created repository for references in future audit year; reduced “lost” communications
CLA configured AIE portal to enable status items export	Greatly improved department tracking of open items and provided real-time feedback on submissions
Office of the Comptroller formalized internal tracking process, updated audit processes and developed aggressive timeline	Enabled proactive preparation to improve efficiency, anticipate issue resolution options and reduce delays in timeline

# 21 Programs & 16 Departments Audited

Full Department Name	Program Name
Executive Office of Administration & Finance	Coronavirus State and Local Fiscal Recovery Funds
Massachusetts Emergency Management Agency	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Department of Elementary and Secondary Education	Education Stabilization Fund
Department of Elementary and Secondary Education	Child Nutrition Cluster
Executive Office of Health and Human Services	Medicaid Cluster
Executive Office of Health and Human Services	Children's Health Insurance Program
Division of Capital Asset Management & Maintenance	Grants to States for Construction of State Home Facilities
Department of Revenue	Child Support Enforcement
Department of Public Health	Opioid STR
Department of Public Health	Epidemiology and Laboratory Capacity for Infectious Diseases
Department of Public Health	Immunization Cooperative Agreements
Department of Early Education & Care	Child Care and Development Fund (CCDF) Cluster
Department of Transitional Assistance	Supplemental Nutrition Assistance Program (SNAP) Cluster
Department of Transitional Assistance	Summer Electronic Benefit Transfer Program for Children
Executive Office of Labor & Workforce Development	Unemployment Insurance
Executive Office of Labor & Workforce Development	Workforce Innovation and Opportunity Act (WIOA) Cluster
Executive Office of Labor & Workforce Development	Employment Service Cluster
Executive Office of Housing & Livable Communities	Moving to Work Demonstration Program
Executive Office of Aging & Independence	Aging Cluster
Department of Children & Families	Adoption
MassAbility	Rehabilitation Services - Vocational Rehabilitation Grants to States
Massachusetts Commission for the Blind	Rehabilitation Services - Vocational Rehabilitation Grants to States

# FY2025 Single Audit Headlines

- ★ The **timing** of the Single Audit filing **reduced by six weeks**
- ★ FY2025 Single Audit **results did not change** dramatically from FY2024
- ★ The **total number of findings** ↓ from **37 to 35**
  - Material Weaknesses ↑ from 15 to **16**
  - Significant Deficiencies ↓ from 22 to **19**
- ★ Total number of **prior year finding resolutions** ↑ up from 12 to **16**
- ★ Resolution rate:
  - Number of Resolved findings ↑ from 12 to 16 in FY2025
  - Number of Unresolved findings ↓ from 29 to 26 in FY2025

# 7 Audited Programs with No Findings

↑ from 3 in FY2024

Audited Department	Federal Program with No Findings
Department of Revenue	Child Support Enforcement
Department of Transitional Assistance	Summer Electronic Benefit Transfer Program for Children
Department of Transitional Assistance	Supplemental Nutrition Assistance Program (SNAP) Cluster
Division of Capital Asset Management and Maintenance	Grants to State for Construction of State Home Facilities
Executive Office of Housing and Livable Communities	Moving to Work Demonstration Program
Executive Office of Administration and Finance	Coronavirus State and Local Fiscal Recover Funds
MassAbility and the Massachusetts Commission for the Blind	Rehabilitation Services - Vocational Rehabilitation Grants to States

# FY2025 Overview: By the Numbers

★ The total number of findings ↓ by 2 to 35:

Level	FY2023	FY2024	FY2025	FY2025 vs FY2024
Material Weaknesses	12	15	17	+2
Significant Deficiencies	23	22	18	-4
<b>Total</b>	<b>35</b>	<b>37</b>	<b>35</b>	<b>-2</b>

A **material weakness** is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal controls over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

# How did Departments fare?

★ **Total Programs Audited: 21**

★ **Total Findings: 35**

★ **Highest:**

- EOLWD highest number of findings: 17
- EOLWD highest number of **Material Weaknesses: 5**

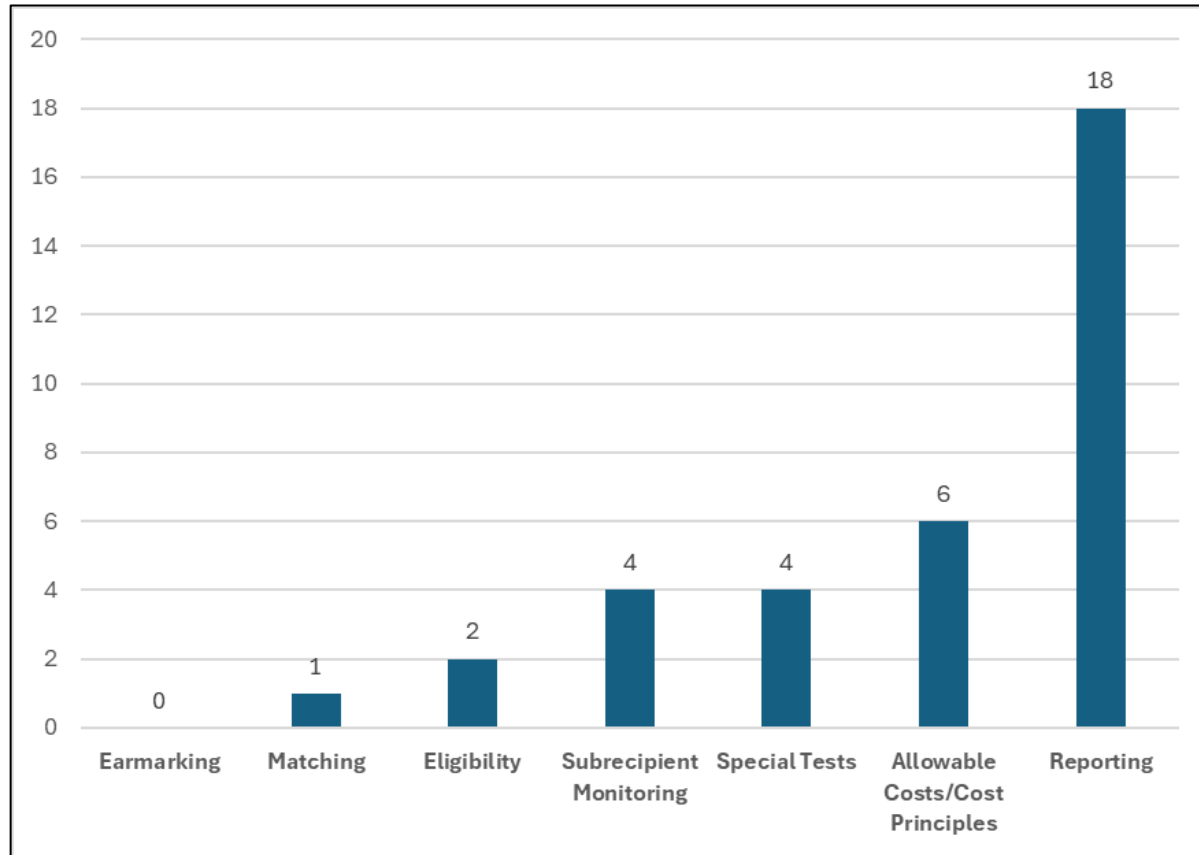
★ **Lowest:**

- Department of Children & Families: 1 **Significant Deficiency**
- MEMA: 1 **Material Weakness**

Department Full Name	Level	Count
Department of Children & Families		1
	Significant Deficiency	1
Massachusetts Emergency Management Agency		1
	Material Weakness	1
Department of Secondary & Elementary Education		2
	Material Weakness	2
Department of Early Education & Care		2
	Material Weakness	2
Executive Office of Health & Human Services		3
	Material Weakness	1
	Significant Deficiency	2
Department of Public Health		5
	Material Weakness	3
	Significant Deficiency	2
Executive Office of Labor & Workforce Development		17
	Material Weakness	1
	Significant Deficiency	12
<b>Grand Total</b>		<b>35</b>

# Findings Breakdown

Definitions on the following page



- ★ Earmarking: 0
- ★ Matching Requirements: 1
- ★ Eligibility: 2
- ★ Subrecipient Monitoring: 4
- ★ Special Tests: 4
- ★ Allowable Costs/Principles: 6
- ★ Reporting: 18

Compliance Area	Compliance Area Purpose	CLA Recommended Remediations
Earmarking (0)	Ensures federal funds are used for specific purposes	Establish dedicated staff roles for oversight, create a rigorous, documented review process, and ensure strict alignment with federal requirements.
Matching Requirements (1)	Ensures grantees match awards with a specified \$\$ or % of non-federal funds	Review and enhance internal controls regarding review and approval of program matching calculations to ensure that they are accurate and agree to supporting documentation.
Eligibility (2)	Ensures grantee verifies financial and nonfinancial factors of eligibility	Maintain documentation of participant eligibility, and ensure documentation is readily available for audit.
Subrecipient Monitoring (4)	Ensures subrecipients are monitored for compliance requirements	<ul style="list-style-type: none"> <li>• Ensure subrecipient monitoring is performed in compliance with the requirements of the federal program and that all required information is included in subaward agreements.</li> <li>• Always ensure federal award date is included in subaward agreements.</li> </ul>
Special Tests (4)	Targeted procedures to verify compliance with program requirements	<ul style="list-style-type: none"> <li>• Ensure that BAM case investigations are completed timely in accordance with the time limits established in the ET Handbook No. 395.</li> <li>• Develop a formal process to review quarterly performance reports for accuracy prior to submission.</li> <li>• Train to ensure overpayments are identified, recorded, and recovered in a timely manner</li> </ul>
Allowable Costs/Principles (6)	Ensures costs meet compliance requirements for allowable costs/principles	<ul style="list-style-type: none"> <li>• Perform additional training over time and effort reporting to ensure that payroll costs charged to the program are based on actual time and effort and a combination code that is allowable under the program.</li> <li>• Enhance procedures regarding calculation of its negotiated indirect cost rate and for maintaining documentation supporting the rate calculation.</li> <li>• Maintain documentation that claims are paid only to eligible providers and that documentation is readily available for audit.</li> </ul>
Reporting (18)	Ensures grantee adheres to federal reporting requirements.	<ul style="list-style-type: none"> <li>• Ensure that all required subawards and subaward modifications are reported no later than the end of the month following the month of issuance.</li> <li>• Ensure that reports are not only accurate, but that they agree with supporting documentation.</li> <li>• Implement controls to ensure that reports are reviewed more than once for accuracy.</li> <li>• Be sure to submit reports for all grant awards received for the program, in accordance with grant agreements.</li> </ul>

# Findings Observations

★ Highest: **Reporting**

- Highest number: 18
- Highest number of Material Weaknesses: 12
- Highest number of Significant Deficiencies: 6

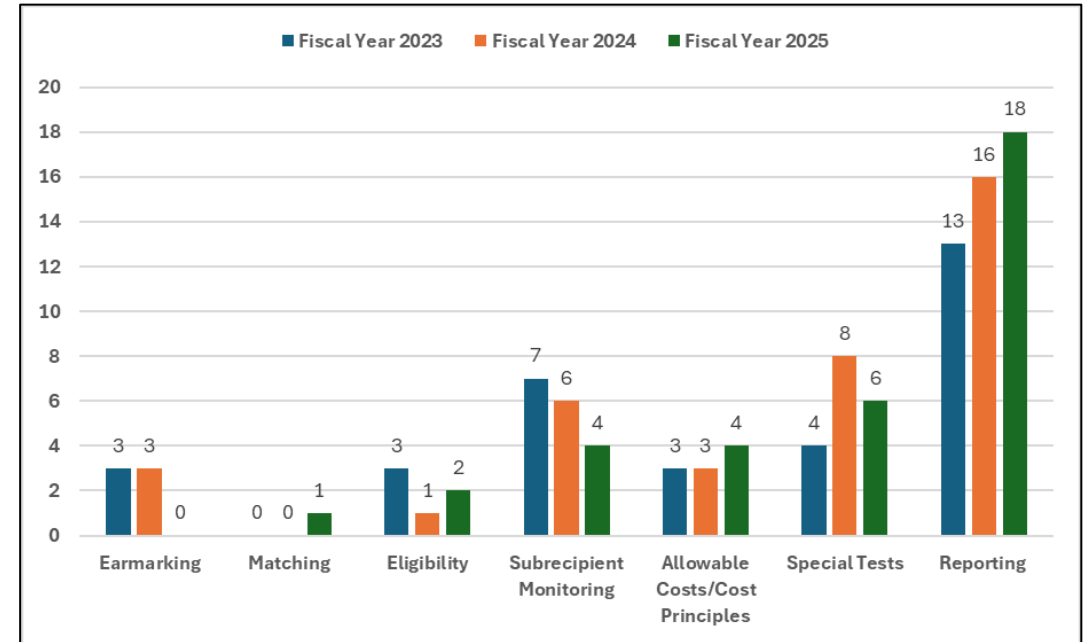
★ Why is Reporting so high?

- Prior year corrective actions not yet implemented
- Federal subaward reporting procedures not yet implemented after transition to SAM.gov
- Reports did not reconcile to supporting documentation
- Reports not double-checked for accuracy

Compliance Area		Fiscal Year 2025
<b>Reporting</b>		<b>18</b>
	Material Weaknesses	<b>12</b>
	Significant Deficiencies	<b>6</b>
<b>Allowable Costs/Cost Principles</b>		<b>6</b>
	Material Weaknesses	<b>1</b>
	Significant Deficiencies	<b>5</b>
<b>Subrecipient Monitoring</b>		<b>4</b>
	Material Weaknesses	<b>2</b>
	Significant Deficiencies	<b>2</b>
<b>Special Tests</b>		<b>4</b>
	Material Weaknesses	<b>1</b>
	Significant Deficiencies	<b>3</b>
<b>Eligibility</b>		<b>2</b>
	Material Weaknesses	<b>0</b>
	Significant Deficiencies	<b>2</b>
<b>Matching</b>		<b>1</b>
	Material Weaknesses	<b>0</b>
	Significant Deficiencies	<b>1</b>
<b>Earmarking</b>		<b>0</b>
<b>Total</b>		<b>35</b>

# Compliance Areas FY2023-FY2025

Compliance Area	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Earmarking	3	3	0
Matching	0	0	1
Eligibility	3	1	2
Subrecipient Monitoring	7	6	4
Allowable Costs/Cost Principles	3	3	4
Special Tests	4	8	6
Reporting	13	16	18
<b>Total</b>	<b>33</b>	<b>37</b>	<b>35</b>

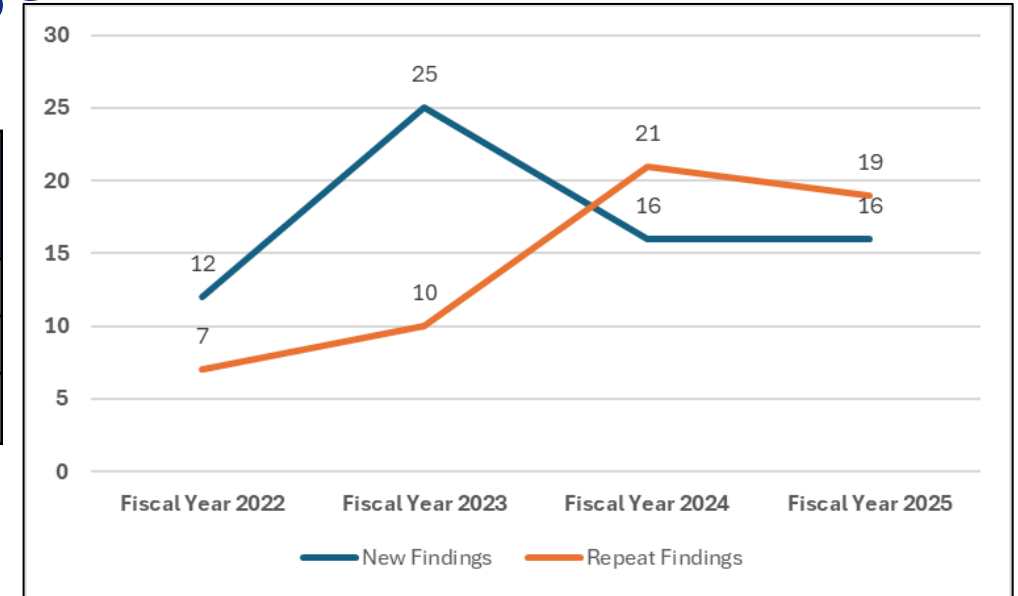


## ★ Why did Earmarking go down?

- Departments successfully implemented corrective action plans effectively

# New and Repeat Findings

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
New Findings	12	25	16	16
Repeat Findings	7	10	21	19
<b>Total Findings</b>	<b>19</b>	<b>35</b>	<b>37</b>	<b>35</b>



- ★ FY2023 total findings ↑ from 19 to 35 (due to multiple new program audits).
- ★ Total number of findings has not substantially changed in past 3 years
- ★ Repeat findings ↑ to 21 in FY2024 and then ↓ to 19 in FY2025.
- ★ New findings ↑ to 25 in FY2023 and ↓ to 16 in both FY2024 and FY2025

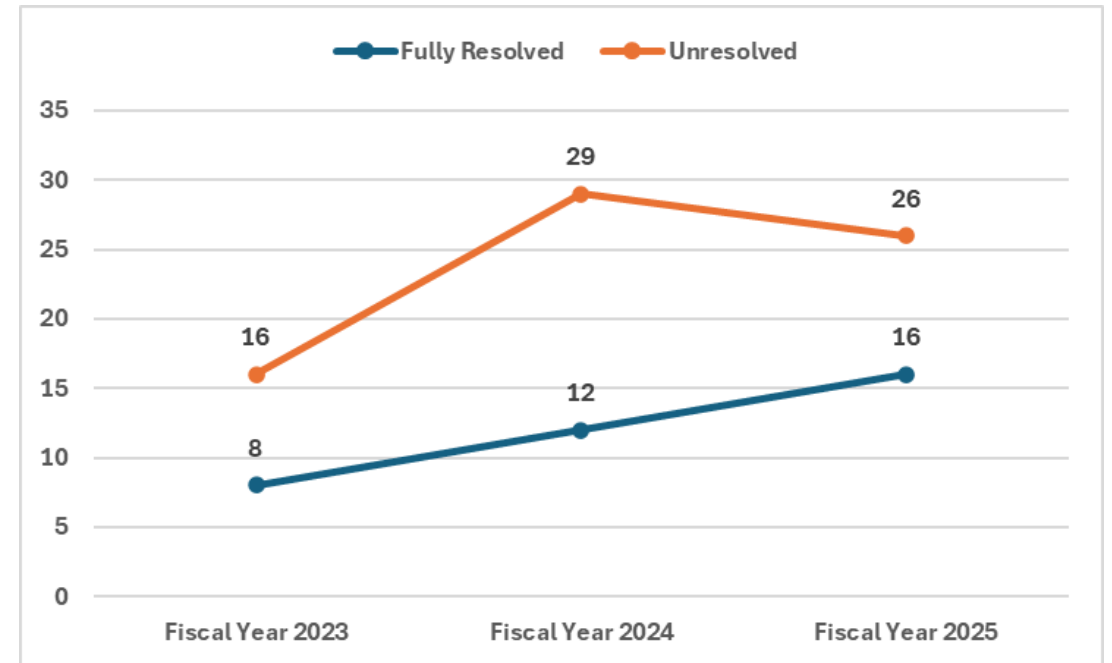
# Resolved and Unresolved Findings Improved

★ **Fully resolved** findings steadily ↑ FY2023-FY2025

★ **Unresolved** findings ↑ in FY2024, but ↓ to 26 in FY2025

★ Timing lag of Corrective Action Plan implementation slowed resolution of repeat findings

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<b>Fully Resolved</b>	8	12	16
<b>Unresolved</b>	16	29	26
<b>Total</b>	<b>24</b>	<b>41</b>	<b>42</b>



# Notable Observations FY2023-FY2025

- ★ Uncommon ↑ increase 17 findings in FY2023 with 7 new programs
- ★ Total audit findings have remained consistent due to:
  - Stricter audit reviews in accordance with federal audit guidance
  - Influx of new audited programs which normally have new findings
  - Corrective action plan remediations focused on single programs
  - Remediation delays and timing also delay CLA confirmation of full resolution
  - Remediation resources tend to be focused on program specific corrections, not department wide improvements for all federal programs
  - No requirement to extend controls beyond a single program

# Agenda Item V

## CLA Report on the Single Audit

**Bill Early, CPA - Principal**  
**Shana Doiron, CPA - Engagement Director**

Agenda Item VI  
Office of the Comptroller Single Audit follow-up

Jenny Hedderman

# Corrective Action Plan – Compliance Support Team

Pilot project to support departments and improve Single Audit results

- ★ New Team combining Single Audit, Compliance, and Monitoring Teams from Office of the Comptroller
- ★ Objectives: **Education**, **Support**, and **Monitoring**
- ★ Goals:
  - Reduce New and Repeat findings
  - Reduce severity of findings
  - Expedite completion of Corrective Action Plan recommendations
  - Remediate material weakness findings or drive to significant deficiency status
  - Proactively improve controls and processes across departments receiving federal funds
- ★ Planned Process:
  - On-site visits with Department audit team and federal grant staff
  - Regular check-ins and progress reports
  - Drop-in training sessions
  - Annual report submitted to Office of the Comptroller and CLA

Agenda Item VII  
Items not anticipated by the Chair

Secretary Gorzkowicz

# Agenda Item VIII

## Timing for next meeting

Secretary Gorzkowicz  
Comptroller McNamara

# Agenda Item IX Adjournment

Secretary Gorzkowicz