

Minutes of the Advisory Board to the Comptroller

Meeting Date: Monday, May 18, 2026
Time: 9:30 a.m.
Location: Virtually via ZOOM, consistent with Chapter 2 of the Acts of 2025.

ADVISORY BOARD MEMBERS PRESENT

Members Present

Matthew Gorzkowicz (Chair), Secretary for Administration and Finance
Kathleen McNamara (Designee), Director of Internal Audit, Office of the State Treasurer
Paula McManus (Designee), Chief Operating Officer, Office of the Attorney General
Thomas G. Ambrosino, Court Administrator of Massachusetts Trial Court
Michael Esmond (Gubernatorial Appointment), Director of Municipal Finance, Town of Braintree

ADVISORY BOARD MEMBERS ABSENT

Georgette Beauchamp (Designee), First Deputy State Auditor, Office of the State Auditor
Natalie Monroe (Gubernatorial Appointment)

OFFICE OF THE COMPTROLLER PARTICIPANTS

William McNamara, Comptroller
Jenny Hedderman, Assistant Comptroller for Risk & Compliance
David Godin, Single Audit Lead

CLIFTONLARSONALLEN (CLA) PARTICIPANTS

Bill Early, CPA, Principal
Shana Doiron, CPA, Director

AGENDA

1. ADMINISTRATIVE MATTERS

(a) Call to Order

The Chair called the meeting to order.

(b) Statement on Remote Participation

The Chair announced that this meeting was being held remotely in accordance with the Open Meeting Law. All members of the Advisory Board and members of the public participated remotely in the meeting. Because members of the Board participated remotely, votes were taken by roll call.

(c) Notice of Recording

The Chair announced that, pursuant to the Commonwealth's Open Meeting Law, Massachusetts General Laws, Chapter 30A, Section 20, any person may make a video or audio recording of this open meeting.

The Chair noted that the Office of the Comptroller ("CTR") was recording for the purpose of keeping the minutes and asked anyone else making a recording to please identify themselves. No one identified themselves.

2. REVIEW AND APPROVAL OF APRIL 28, 2026, ADVISORY BOARD MEETING MINUTES

On a motion by Mr. Esmond, seconded by Ms. McManus, the Board approved by roll call vote the April 28, 2026, Advisory Board meeting minutes.

- Secretary Gorzkowicz – Yes
- Kathleen McNamara – Yes
- Paula McManus – Yes
- Thomas Ambrosino – Yes
- Michael Esmond - Yes

3. REMARKS FROM THE CHAIR OF THE ADVISORY BOARD

The Chair stated that the purpose of this meeting is to review the statewide Single Audit. This report is an entity-wide audit of the Commonwealth's financial statements and expenditures related to federal awards to state agencies. It reviews internal controls and financial reporting by an external independent auditor, which in Massachusetts is CliftonLarsonAllen (CLA). He thanked all participants at CTR and CLA for all the work done on financial reporting and auditing over the past year. The Chair turned the presentation over to the Comptroller.

4. COMPTROLLER'S UPDATE AND REVIEW OF THE SINGLE AUDIT PROCESS

The Comptroller thanked participants and observers for their attendance. He reviewed the three major financial reports that CTR produces: the SBFR, the ACFR, and the Single Audit. The purpose of this meeting is to review the Fiscal Year (FY) 2025 Single Audit. The Comptroller reviewed the Single Audit topline results. There were 17 material weaknesses and 18 significant deficiencies, for a total of 35 Single Audit results, two fewer than in FY24. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Commonwealth's annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Commonwealth's financial reporting.

The Comptroller introduced and recognized the Single Audit team at CTR and the Risk Management & Compliance team who helps support their work: Jenny Hedderman, Assistant Comptroller for Risk Management & Compliance, David Godin, Internal & Single Audit Lead, and Arjun Malhotra, Risk & Compliance Team Coordinator. The Comptroller turned the presentation over to Assistant Comptroller Hedderman and Mr. Godin to discuss the Single Audit results.

Assistant Comptroller Hedderman discussed Single Audit efficiency improvements that were implemented with CLA/CTR collaboration over the past year. The improvements included:

- Mandatory weekly or bi-weekly meetings for departments, CLA, and CTR;
- Mandatory weekly check-in meetings between CLA and CTR;

- Improved prior year finding follow-up process;
- Enforced expectation of no response extensions and requiring written justification by departments for extension requests;
- Required all responses, comments, and questions to be posted in CLA's AIE portal to enable status items export; and
- CTR formalized internal tracking processes, updated audit processes, and developed an aggressive timeline.

Assistant Comptroller Hedderman reviewed the 21 programs and 15 departments that were audited. She discussed the key headlines from the Single Audit, which include:

- The timing of the Single Audit filing was reduced by six weeks;
- The results did not change dramatically from FY24. The total number of findings fell from 37 to 35; and
- The total number of prior year finding resolutions went up from 12 to 16, and the number of unresolved findings decreased from 29 to 26.

There were seven audited programs that had no findings, four more than in FY24. This is a good result, because no findings means that there were no material weaknesses or significant deficiencies found for the department to address. The department with the highest number of findings was the Executive Office of Labor & Workforce Development (EOLWD), with 17, while the lowest was the Department of Children & Families, with one.

The Comptroller stated that the large number of findings at EOLWD are largely caused by Unemployment Insurance. CTR has been working with EOLWD over the past few years to help them produce their financial reporting more quickly. Unemployment Insurance is always part of the Single Audit, because it is a federally funded state administered program. The program has shown incremental improvements over the past few years, but these improvements should begin accelerating. CTR has hired a former CTR employee who is a government CPA expert to work directly with EOLWD and Unemployment. He has helped achieve earlier results and is training CTR team members to continue making improvements. Unemployment is also installing updated software that should help them work more efficiently. EOLWD has also hired new members of leadership that will help continue making improvements.

Assistant Comptroller Hedderman discussed the findings breakdown. The 35 findings broke down into the following categories:

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

Earmarking has been an issue in previous years and has been steadily declining, and FY25 showed no findings in that category because departments successfully implemented corrective actions plans. Assistant Comptroller Hedderman discussed the breakdown in more detail, including CLA's recommended remediations to the departments. Reporting was the highest category for a few reasons, mostly due to prior year corrective actions not yet implemented. Other reasons were that the federal subaward reporting procedures were also not yet implemented after the transition to SAM.gov, reports did not reconcile to supporting documentation, and reports were not double-checked for accuracy.

Mr. Godin discussed trends in the Single Audit since FY22. There was a large jump in findings in FY23 due to multiple new program audits, and the total number has not substantially changed over the past three years. However, the state is trending in the right direction. Fully resolved findings have steadily increased over the past three years, while unresolved findings decreased from FY24 to FY25. A significant contributor to the plateau of total findings over the past three years is a timing lag for Corrective Action Plan implementations, but this is improving.

Assistant Comptroller Hedderman discussed notable observations in the Single Audit results from FY23 – FY25. The uncommon increase in findings in FY24 was due to seven new programs being audited. The total audit findings have remained consistent for several reasons:

- 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; and
- It is not a requirement to extend controls beyond a single program.

Assistant Comptroller Hedderman turned the presentation over to Shana Doiron, CLA Engagement Director working on the Single Audit, and Bill Early, CLA Principle who oversees the Single Audit for Massachusetts.

5. CLIFTONLARSONALLEN REPORT ON THE SINGLE AUDIT

Ms. Doiron reviewed the Single Audit results. She noted that the Single Audit breaks down into six main areas:

- Report on compliance for each major federal program
- Report on internal control over compliance
- Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs

There were 21 programs audited in FY25 within 15 lead departments. Ms. Doiron provided a summary of the findings. The most common qualified opinion involved noncompliance in Federal Funding Accountability and Transparency Act (FFATA) reporting, which is a national trend. The reason for the increase is because it was removed as an area for auditors to test in the Single Audit for a few years, but recently returned. Many state departments were still required to comply with the requirements, but compliance became inconsistent after it was not being audited. Now that it is being tested annually again, these inconsistencies are being discovered in the Single Audit process. Mr. Early mentioned that FFATA reporting is being added as an auditing requirement for every program moving forward, and CLA is working with departments

to come back into compliance. CLA also reviewed findings with agencies in January 2026, rather than waiting for the final report to come out, which gives departments more time to work on clearing out findings for the FY26 Single Audit.

The Comptroller asked the Board members if they had any questions or comments about the Single Audit? Mr. Esmond complimented the presentations and thanked CTR and CLA for their hard work and for making information about the Single Audit easy to understand. He asked if CTR or CLA have information regarding how the Single Audits in other states compare to Massachusetts, especially regarding COVID-19 grants? Mr. Early said that, during COVID-19, the volume of sub recipients and gap in knowledge regarding sub recipients led to many FFATA findings nationwide. He said COVID-19-related findings are trending down and should drop off during the next Single Audit. Ms. Doiron reiterated that there have been changes to the FFATA system, which accounts for many of the issues.

The Comptroller turned the presentation over to Assistant Comptroller Hedderman.

6. OFFICE OF THE COMPTROLLER SINGLE AUDIT FOLLOW-UP

Assistant Comptroller Hedderman discussed a pilot project to support departments in making more improvements in Single Audit results. There will be a new Compliance Support Team combining Single Audit, compliance, and monitoring teams from CTR to help departments in education, support, and monitoring. The goals of the team are to reduce new and repeat findings, reduce severity of findings, expedite the completion of Corrective Action Plan recommendations, remediate material weakness findings or drive to significant deficiency status, and to proactively improve controls and processes across departments that receive federal funds. To accomplish their goals, the team will make on-site visits with department audit teams and federal grant staff, do regular check-ins and progress reports with departments, provide drop-in training sessions, and provide an annual report to CTR and CLA regarding their work.

7. ITEMS NOT REASONABLY ANTICIPATED BY THE CHAIR

The Chair asked if there were any other items not reasonably anticipated by the Board to be discussed? None were raised.

8. TIMING OUTLOOK FOR NEXT ADVISORY BOARD MEETING

The Comptroller stated that the next Advisory Board meeting will likely occur in August or September. The next meeting will likely focus on how things are progressing on the next cycle of financial reporting.

9. MEETING ADJOURNMENT

The Chair adjourned the meeting.