OFFICE OF THE COMPTROLLER
ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
(617) 727-5000
MACOMPTROLLER.ORG

Protocols for Audits, Audit Follow-Up, Department Initiated Audit Activity

Effective: July 1, 2004
Last Updated: February 23, 2026

Executive Summary

Key government officials, including the Comptroller and the Secretary of Administration and Finance, are obligated to make the Commonwealth external auditors aware of any ongoing audits, investigations or reviews being conducted by federal or state auditors/regulators, Inspectors General or investigators, and to certify to the external auditor annually that those notifications are materially complete and accurate. Additionally, the Comptroller is obligated to report to the Federal Government within the Single Audit on the status of uncorrected prior year findings. The purpose of this policy is to ensure the Office of the Comptroller is notified when departments are contacted by federal or state audit and regulatory authorities regarding proposed audits or program reviews and has a sound basis to provide these notifications and certifications. This document also includes policy for department-initiated audit activity and audit follow up.

Considerations

The types of audit activities discussed in this policy, (four of which are externally initiated), are as follows:

1. Notification to a department by federal or state auditors, Inspectors General, regulators, or other oversight authorities (Audit Entities) of the intent to perform an audit or review.
2. A request from federal or state audit authorities for additional information from an existing audit or program review.
3. Notification of Investigation, Review or Inquiry.
4. Report of any new or expanded audit findings.
5. Department-initiated audit activity.

Policy

1. Notification of External Audit

The first type of external audit activity involves notification to a department by Audit Entities of the intent to perform an audit or review. In all cases:

The department must notify the Office of the Comptroller's (CTR) Statewide Risk Management and Compliance Team by email of the proposed audit or review and attach a copy of the notification (engagement letter or email).

Federal regulations (CFR Title 2, Subtitle A, Chapter II, Part 200.503) provide that federal auditors must build upon any work already done in the State Single Audit (SSA).

In cases of federal audit notification, the following steps apply:

1. The federal auditors must notify the federal cognizant agency (Department of Health and Human Services) of their audit intent.
2. CTR will coordinate a visit with the independent audit firm conducting the single audit so the federal authority may review the single audit work papers.
3. The federal auditors may then begin the audit.

2. Request from External Authority for Information

The second type of external activity involves a request from Audit Entities for additional information on an existing audit finding, such as documentation of the current status of a department's corrective action plan as presented in the single audit reports. The actions to be taken in this case are as follows:

- If the request is made directly to the department, the department should respond to the request, and send a copy of any response to the CTR Statewide Risk Management and Compliance Team, or
- If the request is made directly to CTR, the Office of the Comptroller will refer the request to the applicable department. The department will respond to the request and send a copy of their response to the CTR Statewide Risk Management and Compliance Team.

3. Notification of Investigation, Review or Inquiry

The third type of activity involves a regulator, inspector general, law enforcement agency or other investigative body initiating a specific investigation into allegations of non-compliance, fraud or misappropriation of funds. The department must notify the CTR Statewide Risk Management and Compliance Team of this type of review or inquiry. In the case of highly confidential investigations, the department head may wish to bypass the Statewide Risk Management and Compliance Team and contact the Comptroller directly. While the specific review or investigation may place limitations on the level of information that can be conveyed, the existence of such an inquiry must be made known to the Comptroller and in most instances the external auditors.

4. Report of Audit Findings

The fourth type of activity results from a review from Audit Entities where new, subsequent or expanded findings arise. In these cases the department must notify the CTR Statewide Risk Management and Compliance Team with results immediately.

5. Department-Initiated Activity

Departments that plan to engage independent auditors to perform audits or program reviews must not enter into any contracts with independent auditors until CTR reviews the engagement. See the Auditor Independence Policy. In addition, any significant findings as a result of this work needs to be considered for communication to the independent auditor should they involve material non-compliance with law or policy.

Internal Controls

Department procedures for audit-related activity should include provisions to notify CTR, as required by this policy.

Information Sources

Legal Authority

- CFR Title 2, Subtitle A, Chapter II, Part 200.503
- M.G.L. c. 7A

Contacts

- CTR Solution Desk
- CTR Statewide Risk Management and Compliance Team
- MAComptroller.org