



OFFICE OF THE STATE AUDITOR

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Bump Calls for Improved Administration of Leased Properties and Financing for Capital Projects in Barnstable County

Boston, MA—Auditor Suzanne M. Bump today released an audit of aspects of Barnstable County’s operations and administration of leased property, capital expenditure program, and its non-payroll expenditures. The audit was conducted at the request of Barnstable County Commissioners.

“I commend the leadership at Barnstable County for taking the proactive step of reaching out to my office for an independent assessment of its operations,” Bump said of the audit. “I am encouraged that County leadership has indicated their intent to correct the deficiencies identified in this audit, and I hope this document will serve as a tool to guide their efforts.”

This audit found the County did not properly administer the leasing of its properties. During the audit period of July 1, 2013 through June 30, 2015, none of the nine leased properties owned by the County followed proper leasing requirements established by state law. Barnstable County has a charter that speaks generally about leasing its property; however it does not adequately establish policies and procedures related to leasing. In the absence of such policies, the audit recommends that the County abide by existing state law.

State requirements include having an independent appraisal done within the previous fiscal year, offering the properties first to the Commonwealth and the cities and towns in which the properties are located, and maintaining adequate documentation of the leasing of each property. Seven of the tenants occupying County properties during the audit period had no leases, and were not paying any rent to the County. In addition, five of these seven also had their utilities, grounds maintenance, information technology expenses, and parking lot use paid by the County. This deficiency potentially resulted in a significant loss of revenue for the County.

The audit also recommended improvement to the County’s process for financing capital projects. Rather than issuing bonds to pay for long-term capital improvement projects, the county routinely funded these projects using its cash-on-hand. As a result, many necessary projects were never completed due to a lack of funds.

Lastly, the audit found that Barnstable County had inadequate documentation for expenditures totaling \$229,133. This includes payments to nonprofit organizations, as well as expenditures for items such as gift cards, food, and meeting venues. Proper documentation ensures that expenditures were appropriate, necessary, and related to County business.

As a result of these findings, Bump called on the County to develop an overall internal control plan to ensure it makes sound financial and policy decisions.

In response to the audit, the County indicated it is taking action to address all of the findings and recommendations.

The county consists of 15 towns: Bourne, Sandwich, Falmouth, Mashpee, Barnstable, Yarmouth, Harwich, Dennis, Brewster, Chatham, Orleans, Eastham, Wellfleet, Truro, and Provincetown. The county commission is made up of three members who provide administration and oversight of county government. In addition, county budgeting is overseen by an assembly of delegates that is made up of one delegate from each of the towns.

The audit of Barnstable County is attached.

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