

Report Highlights

OPEGA Report No.
RR-MSHA-11

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Maine State Housing Authority: Review of Certain Expenditures – Most Expenses Connected to Mission; Some Expense Types or Amounts May Be Unnecessary and Should Be Reconsidered



What was the general focus of this review?

The general purpose of this rapid response review was to determine whether Maine State Housing Authority was spending its funds in ways that were inappropriate, or that appeared unreasonable or unnecessary in relation to MaineHousing's mission and activities. The primary focus was on certain types of expenses that had been concerning to legislators in a recently completed OPEGA review of another quasi-independent State agency.

What issues did OPEGA identify during the course of this review?

- Supporting documentation for expense reimbursements and corporate credit card charges was not always submitted timely and often lacked itemized receipts or specific explanation of business purpose.
- Business purchases made on employees' personal credit cards created opportunity for personal gain and to circumvent purchasing controls.
- Some expenses were coded to accounts that did not accurately reflect the nature of the expense.
- Some expenses seemed only indirectly related to MaineHousing's mission and activities or may have been unnecessary.

More information about these issues, including OPEGA's recommendations for addressing them, is included in the full report.

What are OPEGA's conclusions?

OPEGA judged substantially all of the \$4.3 million sampled MaineHousing expenses to be generally consistent with its mission and primary activities. All the expenses appeared business-related and there were no indications of fraud. Those expenditures noted as having an indirect or unclear connection to mission and activities were related to certain sponsorships, organizational memberships, and conferences attended by MaineHousing staff.

OPEGA also found nearly all the dollar amounts associated with individual expenditures to be reasonable when details about of the expense were considered. For example, a meal expense that may have seemed high in total was reasonable when divided by the number of individuals the expense covered.

There were, however, several expense categories that might be questioned as potentially unnecessary. These types of expenses are not typical for a State agency or are not incurred with the same frequency we observed at MaineHousing. These expense categories are: sponsorships and organizational memberships; out of state conferences; food and refreshments for employees; gift cards for employee bonuses; and, business meals for MaineHousing management.