



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued March 18, 2011

Brockton Area Transit Authority

For the period July 1, 2009 to September 30, 2010



TABLE OF CONTENTS/EXECUTIVE SUMMARY

INTRODUCTION

1

The Brockton Area Transit Authority (BAT) was established in accordance with the provisions of Chapter 161B of the Massachusetts General Laws. BAT was established to provide fixed-route bus service and paratransit service to the cities and towns of Abington, Avon, Bridgewater, Brockton, East Bridgewater, Easton, Rockland, Stoughton, West Bridgewater, and Whitman. Local control is maintained through an Advisory Board that is chaired by the mayor of Brockton and also consists of one member from each of the remaining communities served. The Advisory Board is responsible for providing policy decisions for and general oversight of BAT's administrative operations.

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of BAT for the period July 1, 2009 through September 30, 2010. The objectives of our audit were to review BAT's controls over and monitoring of American Recovery and Reinvestment Act (ARRA) funds received and expended. Also, we reviewed ARRA expenditures to determine whether these funds were expended for their intended purposes.

Based on our review, we have concluded that, during the 15-month period ended September 30, 2010, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

INTRODUCTION

Background

The Brockton Area Transit Authority (BAT) was established in 1974 pursuant to the provisions of Chapter 161B of the Massachusetts General Laws. BAT provides 50 fixed-route buses along with 49 Demand Response buses that service the cities and towns of Stoughton, Abington, Avon, Bridgewater, Brockton, East Bridgewater, Easton, Rockland, West Bridgewater, and Whitman. BAT contracts with a private company to operate its buses, perform maintenance services and conduct various administrative functions. Local control is maintained through an Advisory Board that is chaired by the mayor of Brockton and also consists of one member from each of the remaining communities served. The Advisory Board is responsible for providing policy decisions for and general oversight of BAT's administrative operations.

During our audit period, BAT received an American Recovery and Reinvestment Act (ARRA) grant totaling \$4,240,885, which included an amendment in the amount of \$385,309 from the Federal Transit Administration (FTA). The grant funds are to be used for the following: (1) five transit buses, including three that are hybrid-electric powered, and one 30-foot cutaway bus; (2) GPS locator and tracking system for 35 buses; and (3) tools and replacement engines for the hybrid buses. As of September 30, 2010 BAT received and expended ARRA funds totaling \$682,987 which BAT expended in compliance with the requirements set forth in the grant agreement. In addition to the funds expended from the ARRA grant, BAT has also obligated \$3,557,600 of the total funds awarded to them under the grant.

Audit Scope, Objectives, and Methodology

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of BAT for the period July 1, 2009 to September 30, 2010. The objectives of our audit were to review BAT's controls over and monitoring of ARRA funds received and expended. Also, we reviewed ARRA expenditures to determine whether these funds were expended for their intended purposes.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our

audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To achieve our audit objectives, we reviewed the following:

- The ARRA Application and Grant awarded to BAT by the FTA;
- Controls over the receipt and expenditures of ARRA funds;
- The receipt and expenditure of ARRA funds to ensure that they were reasonable and allowable under the terms of the grant award; and
- BAT's ARRA reports to ensure they were in compliance with reporting requirements.
- Reports on jobs created or sustained utilizing ARRA funds that were filed with FTA to ensure they were in compliance with FTA reporting requirements.

Based on our review, we have concluded that during the 15-month period ended September 30, 2010, the Authority maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.