

The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-6200

2010-4541-3R

July 26, 2010

Paul M. Connelly, President
Quincy Community Action Programs, Inc.
1509 Hancock Street
Quincy, Massachusetts 02169

Dear Mr. Connelly:

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of Quincy Community Action Programs, Inc., (QCAP) for the period July 1, 2009 to March 31, 2010. The objectives of our audit were to assess the adequacy of QCAP's management control system for measuring, reporting, and monitoring the effectiveness of its programs and to evaluate its compliance with laws, rules, and regulations applicable to each program.

Our audit scope was limited to federal stimulus funds that QCAP received under the American Recovery and Reinvestment Act (ARRA). During our audit period, QCAP was awarded federal stimulus funds that totaled \$6,921,460. As of March 31, 2010, QCAP had expended \$4,261,897, or 61.6%, of the total federal stimulus funds awarded, as detailed in the table below.

<u>Program</u>	<u>Amount of Award</u>	<u>Contract Term</u>		<u>Revenues Received</u>	<u>Expenses Reported</u>
		<u>Start</u>	<u>End</u>		
Head Start (COLA/Quality Improvement)	\$138,416	7/1/09	3/31/12	\$116,026	\$66,026
Summer Learning Promotion Voucher Initiative – 2009	11,721	7/1/09	9/6/09	11,721	11,721
Weatherization Assistance	5,045,885	8/28/09	3/31/12	3,320,922	3,810,217
Community Services Block Grant	453,990	10/1/09	9/30/10	218,286	241,019
Homelessness Prevention and Rapid Re-Housing	411,413	10/1/09	7/22/12	50,694	50,694
Head Start (Financial Assistance)	798,444	11/1/09	9/29/10	470,629	20,629
Community Care For Kids (Region 4)	39,418	1/20/10	6/30/10	39,418	39,418
Community Care For Kids (Region 5)	<u>22,173</u>	1/20/10	6/30/10	<u>22,173</u>	<u>22,173</u>
Total	<u>\$6,921,460</u>			<u>\$4,249,869</u>	<u>\$4,261,897</u>

Subsequent to our audit review period, additional federal stimulus funds totaling \$8,451 were awarded to QCAP to fund the 2010 Summer Learning Promotion Voucher Initiative.

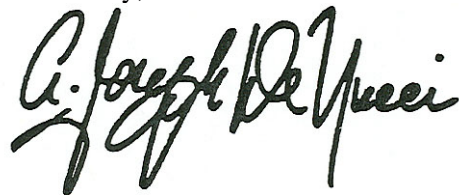
Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits and, accordingly, included such audit tests and procedures, as we considered necessary.

To achieve our audit objectives, we reviewed the following:

- Federal stimulus funds awarded to QCAP during our audit review period
- Lead agency administrative fees
- Direct and indirect expenses incurred under the above-mentioned grants to determine whether they were reasonable, allowable, and allocable under the terms of the grant award
- Administrative costs allocated to ARRA programs to determine whether they were reasonable, allowable, and allocable under the terms of each ARRA grant award
- Eligibility requirements in ARRA programs to determine whether they are being met
- Internal controls developed to ensure that ARRA funds are safeguarded against theft, loss, or misuse
- Recordkeeping procedures to determine whether ARRA programs are properly authorized, supported by adequate documentation, and accounted for separately within the agency's accounting records
- Payments made to subgrantees to verify compliance with established rules and regulations
- Procedures for evaluating the programmatic impact of ARRA funds received
- Verification of whether QCAP has applied for or plans to receive additional ARRA funds in the future

Our tests in the above-mentioned areas disclosed no material weaknesses. Based on our review, we have concluded that, during the nine-month period ended March 31, 2010, QCAP maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Joseph DeNucci". The signature is written in a cursive, flowing style.

A. JOSEPH DeNUCCI
Auditor of the Commonwealth

Beth Ann Strollo, Executive Director