



The Commonwealth of Massachusetts

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NO. 2010-0204-3R

**INDEPENDENT STATE AUDITOR'S REPORT ON
ROXBURY COMMUNITY COLLEGE'S
USE OF AMERICAN RECOVERY AND
REINVESTMENT ACT FUNDS**

JULY 1, 2009 THROUGH JUNE 18, 2010

**OFFICIAL AUDIT
REPORT
FEBRUARY 10, 2011**



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

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February 10, 2011

2010-0204-3R

Dr. Terrence A. Gomes, President
Roxbury Community College
1234 Columbus Avenue
Roxbury Crossing, Massachusetts 02120

Dear President Gomes:

Enclosed is an audit report for your review. This audit of the Roxbury Community College covers the audit period of July 1, 2009 to June 18, 2010. This is one of a number of audits commenced and largely completed during the tenure of my predecessor, State Auditor A. Joseph DeNucci. Should you desire more information relative to this audit, please contact me.

I look forward to fostering a cooperative relationship between our respective offices. If my staff or I may be of assistance at any time, please do not hesitate to call upon us. I know we both share the goal of making government work better.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne M. Bump".

Suzanne M. Bump

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INTRODUCTION

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Roxbury Community College (RCC) is authorized by Chapter 15A, Section 5, of the Massachusetts General Laws. RCC is under the oversight of the Board of Higher Education (BHE), which is responsible for coordinating the activities of the Commonwealth's publicly funded institutions of higher education. RCC is governed by a Board of Trustees, which establishes RCC's administrative policies, and RCC's President is responsible for implementing the policies set by the Board of Trustees.

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we conducted a review of funds provided to RCC (through the BHE) from the American Recovery and Reinvestment Act (ARRA) of 2009 for the period July 1, 2009 through June 18, 2010. The objectives of our audit were to review RCC's controls over monitoring and the use of ARRA funds received and expended.

Based on our review, we have concluded that, during the period July 1, 2009 through June 18, 2010, RCC used ARRA funds for the intended purposes; maintained adequate management controls; and complied with applicable laws, rules, and regulations for the areas tested.

INTRODUCTION

Background

Roxbury Community College (RCC) was established in 1973 pursuant to the provisions of Chapter 15A, Section 5, of the Massachusetts General Laws. RCC is a co-educational public institution of higher education, organized under the Board of Higher Education (BHE) and offering Associate's Degrees and Certificate Programs. RCC's primary objective is to provide opportunities for higher education to residents of the Commonwealth; specifically, those individuals living in the greater Boston area. RCC's goals are the result of ideas generated by the college community and reflect a response to the needs of the larger Roxbury community. A community-based Board of Trustees appointed by the Governor of the Commonwealth of Massachusetts works with RCC's President to ensure that Roxbury Community College is an effective educational institution providing a strong vehicle for the community to grow and prosper.

During our audit period, RCC, through the Board of Higher Education (BHE), received an American Recovery and Reinvestment Act (ARRA) grant of \$3,248,893 under the Education Fiscal Stabilization Fund Program. The grant period began on August 7, 2009 and ends September 30, 2011. During the last two quarters of fiscal year 2010, RCC used ARRA funds to maintain an average of 127 full- or part-time positions which equaled 69 full-time equivalent positions. RCC also paid 32 contactors and vendors from ARRA funds. As of June 18, 2010, RCC had received ARRA funds totaling \$2,560,983 and expended \$2,942,606, as follows:

| <u>Cost Category</u> | <u>ARRA Funds Expended</u> |
|--|---|
| <i><u>Employee Compensation</u></i> | |
| Salaries | \$1,205,344 |
| Contracted Faculty | <u>78,849</u> |
| | <u>\$1,284,193</u> |
| <i><u>Fringe Benefit Cost Recoupment</u></i> | |
| Fringe Benefits | <u>\$309,660</u> |
| | <u>\$309,660</u> |
| <i><u>Contract Employees and Services</u></i> | |
| Administrative, Staff Support , Professional and Janitorial Services | \$309,825 |
| Education, Training Services | <u>123,768</u> |
| | <u>\$433,593</u> |
| <i><u>Facility and Maintenance</u></i> | |
| Snow Removal and Grounds-keeping Services | \$19,625 |
| Architectural Services | <u>30,249</u> |
| | <u>\$49,874</u> |
| <i><u>Information Technology</u></i> | |
| Cabling | \$34,543 |
| Equipment Maintenance and Repair | 37,550 |
| Software & Information Technology Licenses | <u>37,268</u> |
| | <u>\$109,361</u> |
| <i><u>Equipment and Supplies</u></i> | |
| Library, Laboratory & Teaching Supplies and Materials | \$61,686 |
| Office Furnishings & Facility Equipment | 35,426 |
| Fire Alarm System & Materials | <u>51,514</u> |
| | <u>\$148,626</u> |
| <i><u>Security</u></i> | |
| Health & Safety Services | \$17,566 |
| Campus Security | <u>255,631</u> |
| | <u>\$273,197</u> |
| <i><u>Utilities</u></i> | |
| Electricity | \$308,353 |
| Water and Sewer | <u>25,749</u> |
| | <u>\$334,102</u> |
| Total ARRA Funds Expended | <u>\$2,942,606</u> |

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 Roxbury Community College (RCC) for the period of July 1, 2009 through June 18, 2010. The objectives of our audit were to review RCC's internal controls over monitoring of ARRA expenditures to determine whether these funds were expended for their intended purposes. 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 conducted the following audit procedures:

- Tested payroll expenses by reviewing the time records of 15 employees for accuracy and supervisory review to ensure that RCC complied with applicable Massachusetts laws, rules, and regulations.
- Verified the applicable fringe benefit rate that the Commonwealth is allowed to charge federal grants and verified that it was applied correctly to payroll expenditures.
- Compared college payroll data to job retention statistics reported by the Commonwealth for reasonableness.
- Tested 67 payments to vendors for compliance with both Commonwealth and ARRA requirements.
- Reviewed internal controls to ensure that ARRA funds are safeguarded against theft, loss, or misuse and are properly accounted for.

Our tests in the above-mentioned areas disclosed no material weaknesses. Based on our review, we have concluded, that during the period July 1, 2009 through June 18, 2010, RCC used ARRA funds for the intended purposes; maintained adequate management controls; and complied with applicable laws, rules, and regulations for the areas tested.