



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-6200

2010-4479-3R

July 26, 2010

Ms. Jill Dagilis, Executive Director
Worcester Community Action Council, Inc.
484 Main Street
Worcester, Massachusetts 01608

Dear Ms. Dagilis:

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Worcester Community Action Council, Inc., (WCAC) for the period April 1, 2009 to December 31, 2009. The objectives of our audit were to assess the adequacy of WCAC'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 WCAC received under the American Recovery and Reinvestment Act (ARRA). As of December 31, 2009, WCAC received federal stimulus funds that totaled \$3,111,564 and expended \$2,135,205, or 69%, as detailed in the table below. Our audit scope for WCAC's Weatherization Program focused solely on budgeted administrative costs, which totaled \$617,925 of the contract amount. A total of \$27,271 in Weatherization Program administrative costs was expended as of December 31, 2009.

<u>Program</u>	<u>Total Contract Award Amount</u>	<u>Amount Received as of 12/31/2009</u>	<u>Amount Expended as of 12/31/2009</u>
Head Start Program	\$305,266	\$37,486	\$40,579
Community Service Block Grant	1,019,009	203,802	187,851
WIA Summer Jobs Program	1,499,909	1,264,125	1,264,125
Weatherization Program	8,324,195	1,577,566	614,065
Emergency Food and Shelter Program	<u>28,585</u>	<u>28,585</u>	<u>28,585</u>
Total	<u>\$11,176,964</u>	<u>\$3,111,564</u>	<u>\$2,135,205</u>

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 WCAC during the audit period for the Head Start program, the Community Service Block Grant program, the Workforce Investment Act Summer Jobs program, and the Emergency Food and Shelter program
- Administrative costs allocated to the Weatherization Program to ensure that they were reasonable, allowable, and allocable under the terms of the grant award
- Eligibility requirements in ARRA programs to determine whether they are being met
- Direct and indirect expenses incurred under the above-mentioned grants to ensure that they were reasonable, allowable, and allocable under the terms of the grant award
- Internal controls developed to ensure that ARRA funds are safeguarded against theft, loss, or misuse
- Recordkeeping procedures to determine whether ARRA program expenses 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
- Verification of whether WCAC 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 upon our review, we have concluded that, during the nine-month period ended December 31, 2009, WCAC 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