



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

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BOSTON, MASSACHUSETTS 02108

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-6200

2010-4308-3R

September 30, 2010

Mr. Dan Shannon, President
South Shore Community Action Council, Inc.
265 South Meadow Road
Plymouth, MA 02360

Dear Mr. Shannon:

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the South Shore Community Action Council, Inc., (SSCAC) for the period April 1, 2009 to May 31, 2010. The objectives of our audit were to assess the adequacy of SSCAC'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 SSCAC received under the American Recovery and Reinvestment Act (ARRA). During our audit period, SSCAC was awarded federal stimulus funds that totaled \$1,386,204. As of May 31, 2010, SSCAC expended \$674,655, or 48.7%, of the total federal stimulus funds awarded, as detailed in the table below:

| <u>Program Title</u> | <u>Reporting Period</u> | <u>Award Amount</u> | <u>Amount Received</u> | <u>Amount Expended</u> | <u>Grant Balance</u> |
|--|-------------------------|---------------------|------------------------|------------------------|----------------------|
| Emergency Food & Shelter Program | 4/1/09 - 9/30/09 | \$ 42,000 | \$ 42,000 | \$ 42,000 | \$ 0 |
| Community Services Block Grant | 4/1/09 - 3/31/10 | 453,990 | 223,307 | 223,307 | 230,683 |
| Cost of Living Adjustment & Quality Adjustment | 4/1/09 - 5/31/10 | 120,811 | 60,541 | 60,541 | 60,270 |
| Head Start & Early Head Start | 4/1/09 - 5/31/10 | <u>769,403</u> | <u>348,807</u> | <u>348,807</u> | <u>420,596</u> |
| TOTALS | | <u>\$1,386,204</u> | <u>\$674,655</u> | <u>\$674,655</u> | <u>\$711,549</u> |

Community Services Block Grant funds totaling \$453,990 were awarded to fund SSCAC's Food Services/Homelessness Diversion programs. These programs provide food resources to the neediest citizens. As a result of the grant, the SSCAC hired three new employees and was able to retain three employees. The new positions filled were a Planner, Receptionist, and Executive Secretary and the three retained were the Food Resource Manager, Project Data Coordinator, and Homelessness Diversion Coordinator.

SSCAC was also awarded \$769,403 to fund the Head Start and Early Head Start programs to provide education and daycare at two locations. The grants provided openings for 18 additional children at the Marshfield location and 54 new infants and toddlers at the Plymouth location. Two preschool teacher positions were created and filled in Marshfield during our audit period. In addition, 14 new infant/toddler teacher positions were created in the Plymouth and Marshfield locations; seven of which were hired during our audit period and seven additional teachers were to be hired in the near future.

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 SSCAC during our audit review period
- 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
- Procedures for evaluating the programmatic impact of ARRA funds received

- Verification of whether SSCAC 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 14-month period ended May 31, 2010, SSCAC maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

Sincerely,

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

A. JOSEPH DeNUCCI
Auditor of the Commonwealth

cc: Ms. Patricia Daly, Executive Director