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UNITED STATES  
GENERAL ACCOUNTING OFFICE

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GENERAL ACCOUNTING OFFICE

AUG 27 1976

LIBRARY SYSTEM

Need To Avoid Duplicative  
Financial Audits Of The  
Comprehensive Employment And  
Training Act Subgrantees

Department of Labor

Labor has not adopted an audit policy which fosters the acceptance of audits done at the direction of Comprehensive Employment and Training Act subgrantees; but, rather, requires its prime sponsors to arrange for an independent audit of their subgrantees. This may result in additional audit expense and an unnecessary audit burden because many of the subgrantees are audited by a certified public accounting firm or a State auditor.

FGMSD-76-81

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AUG. 27, 1976

E R R A T A

To the recipients of the United States General Accounting Office report entitled "Need To Avoid Duplicative Financial Audits Of The Comprehensive Employment And Training Act Subgrantees" (FGMSD-76-81):

On page 7, paragraph 1, line 3, "Labor" should read "The Texas Department of Community Affairs."



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

DIVISION OF FINANCIAL AND  
GENERAL MANAGEMENT STUDIES

B-163922

The Honorable  
The Secretary of Labor 9

Dear Mr. Secretary:

We reviewed your Department's plan for auditing subgrantees and contractors of the Comprehensive Employment and Training Act (CETA) of 1973 in relation to the General Services Administration's (GSA's) Federal Management Circular 73-2, Audit of Federal Operations and Programs by Executive Branch Agencies dated September 27, 1973, as it relates to reliance on non-Federal audits. As of December 1975 the responsibility for this circular was transferred to the Office of Management and Budget (OMB). Outlays for the fiscal year 1976 CETA program are estimated at \$2.5 billion. The program is administered by approximately 600 prime sponsors and over 50,000 subgrantees and contractors. 27

The summary of our findings (see app. I) describes the need to revise the CETA audit policy to avoid duplicative financial audits of subgrantees and contractors.

The GSA circular requires that, in developing audit plans, Federal agencies administering programs in partnership with organizations outside of the Federal Government consider whether these organizations require periodic audits and whether they have made or arranged for these audits. The circular further provides that Federal agencies coordinate their audit requirements and approaches with these organizations to the maximum extent possible and that the scope of individual Federal audits gives full recognition to the non-Federal audit effort. 17

CETA regulations require each grantee to arrange for an independent financial and compliance audit of its subgrantees and contractors at least once every 2 years. The audits may be done by the grantee, by State and local government audit staffs, or by certified public accountants and audit firms under contract to the grantee. The regulations also provide that existing audit systems, where acceptable under the Comptroller General's "Standards for Audits of Governmental Organizations, Programs, Activities & Functions," such as State audits of city and county activities, be used to the maximum possible extent.

Although the CETA regulations require prime sponsors to use existing audit systems to the maximum possible extent, Labor has not adopted a policy fostering the acceptance of audits done at the direction of CETA subgrantees and contractors. Labor does not require its prime sponsors to rely on audits done at the direction of their subgrantees and contractors; but, rather, requires its prime sponsors to arrange for an independent audit of their subgrantees and contractors. This may result in additional audit expense and an unnecessary audit burden because many of the subgrantees and contractors are audited annually by a certified public accounting firm or a State auditor. (See app. I.)

We discussed our findings with the staff of your Assistant Secretary for Administration and Management, who generally agreed with our findings and recommendations.

This report contains recommendations to you which are set forth on page 11. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

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We are sending copies of this report to the Chairmen of the House and Senate Committees on Government Operations and to the House Committee on Appropriations and the Senate Subcommittee on Labor-Health, Education, and Welfare, Senate Committee on Appropriations. We are also sending copies to the Director, Office of Management and Budget; your Assistant Secretary for Administration; and your Director of Audits and Investigations.

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SN 00308

We appreciate the courtesies and cooperation extended to our staff during our review. We shall appreciate receiving your comments on any actions you take or plan to take on the matters discussed in this report.

Sincerely yours,

*Harold L. Stungart for*  
D. L. Scantlebury  
Director

SUMMARY OF OUR FINDINGS AND RECOMMENDATIONS  
TO AVOID DUPLICATIVE FINANCIAL AUDITS OF  
CETA SUBGRANTEES

The Department of Labor is responsible for insuring that the goals of the Comprehensive Employment and Training Act (CETA) of 1973, Public Law 93-203 are met and that the funds are properly spent. The purpose of this act is:

"To provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible and decentralized system of Federal, State and local programs."

The act replaced most previously authorized categorical manpower program approaches. The CETA goals are similar to those of the former categorical programs but decentralization, decategorization, and consolidation of manpower programs are emphasized. Under this approach, decisions as to the nature and scope of programs are to be made locally by prime sponsors within the limits of funding made available through Department of Labor Regional Offices. Governmental jurisdictions, ranging in population from 100,000 for an individual city or county or an entire State, or a combination of local units, including at least one such eligible political entity formed into a consortium, are eligible for designation as prime sponsors, as are Indian tribes and certain rural concentrated employment programs.

The CETA program is administered by about 600 prime sponsors and over 50,000 subgrantees. Subgrantees include any government unit or private nonprofit agency which receives a grant from a prime sponsor. CETA outlays for fiscal year 1976 are estimated at nearly \$2.5 billion.

CETA AUDIT RESPONSIBILITY

The Secretary of Labor is responsible for insuring that CETA's goals are met and that the funds are properly spent. However, because of the decentralized system of Federal, State, and local manpower activities established by the act, Labor developed a new audit approach called the Integrated Audit

Program. This approach is designed to support decentralized grant management while providing the Secretary with a comprehensive financial and compliance overview.

The CETA audit goal is to determine whether an entity's financial operations are properly conducted, whether its financial reports are presented fairly, and whether it has complied with applicable laws and regulations.

Labor's Directorate of Audit and Investigations is responsible for managing all CETA audit programs. It is also the Directorate's responsibility to insure that CETA program entities be audited on a 2-year cycle.

Under CETA, the prime sponsors also have a responsibility for having audits conducted of their subgrantees and contractors. These audits must also be done at least once every 2 years, and the prime sponsors must schedule, arrange for, and bear the cost of subgrantee audits as part of their grants. They can arrange to have their subgrantees and contractors audited by State and local auditors, or contract to have them audited by qualified independent auditors.

#### SCOPE OF REVIEW

We made our review at the Department of Labor's Directorate of Audit and Investigations headquarters in Washington, D.C., and its field offices in Dallas, Texas, and Boston, Massachusetts. We also visited selected CETA prime sponsors and subgrantees in Texas and Massachusetts.

In Texas and Massachusetts we reviewed the plans of all CETA prime sponsors for auditing their subgrantees and contractors. We reviewed these plans in relation to GSA's Federal Management Circular 73-2, Audit of Federal Operations and Programs by Executive Branch Agencies, September 27, 1973, as it relates to reliance on non-Federal audits. We did not review (1) the adequacy or the scope of the audits, (2) Labor's monitoring of the audits, or (3) its followup of audit recommendations.

#### RELIANCE ON NON-FEDERAL FINANCIAL AUDITS OF CETA SUBSPONSORS

Audit responsibility for federally assisted programs generally is shared among the various levels of government--Federal, State, and local. Because of this shared responsibility, duplicate audit effort and the accompanying waste

of time and money and interruption of the work of program personnel can occur unless auditors coordinate their work.

### FEDERAL MANAGEMENT CIRCULAR

The report of the Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, disclosed a series of widespread deficiencies in auditing federally assisted programs. Subsequently, the Bureau of the Budget (now Office of Management and Budget (OMB)), issued Circular A-73 in 1965 to encourage intergovernmental audit coordination and to set forth Federal policies to be followed in auditing Federal grants in aid to State and local governments. The circular provided, in part, that the Federal agencies' audit policies require them to rely, to the maximum extent feasible, on internal or independent audits made at State and local levels and that maximum use be made of audits by the grantee's internal or independent auditors, to avoid unnecessary duplication by Federal auditors. Responsibility for administering this circular was reassigned from OMB to GSA by a May 9, 1973, Executive order.

On September 27, 1973, GSA superseded OMB's Circular A-73, with its Federal Management Circular 73-2, Audit of Federal Operations and Programs by Executive Branch Agencies. This circular sets forth policies to be followed in auditing Federal operations and programs. Its primary objectives are to promote improved audit practices, achieve more efficient use of staff, improve coordination of audit efforts, and emphasize the need for early audits of new and substantially changed programs.

One method of achieving a more efficient use of audit staff, suggested by the circular, is for the Federal auditor to rely on non-Federal audits. In this respect the circular states,

"In developing audit plans, Federal agencies administering programs in partnership with organizations outside of the Federal Government will consider whether these organizations require periodic audits and whether the organizations have made or arranged for these audits. This consideration is especially necessary for those agencies that administer Federal grant-in-aid programs through State and local governments and which are subject to OMB Circular A-102, Attachment G. Attachment G provides standards

for financial management systems of grant-supported activities of State and local governments and requires that such systems provide, at a minimum, for financial/compliance audits at least once every two years. Federal agencies will coordinate their audit requirements and approaches with these organizations to the maximum extent possible. The scope of individual Federal audits will give full recognition to the non-Federal audit effort. Reports prepared by non-Federal auditors will be used in lieu of Federal audits if the reports and supporting workpapers are available for review by the Federal agencies, if testing by Federal agencies indicates the audits are performed in accordance with generally accepted auditing standards (including the audit standards issued by the Comptroller General), and if the audits otherwise meet the requirements of the Federal agencies."

Responsibility for administering Federal Management Circular 73-2 was reassigned to OMB by a December 31, 1975, Executive order.

#### CETA REGULATIONS

The CETA regulations issued by the Secretary of Labor contain the following statements relating to audits of subsponsors and contractors.

"Each grantee shall arrange for an independent audit of each of its contractors and subgrantees at least once every two years. Audits may be conducted by the grantee, by State and local government audit staffs, or by certified public accountants and audit firms under contract to the grantee. All audits performed by the grantee shall be conducted in accordance with the provisions of paragraph (d) of this section and shall not be subject to prior approval by the ARDM, [Assistant Regional Director for Manpower.] 1/ The cost of these audits shall be considered a part of the grantee's administrative cost and funded from its grant."

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1/Title has been changed to Assistant Regional Director for Employment and Training.



Paragraph (d) referred to above provides that

"Surveys, audits and examinations will conform to the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the Comptroller General of the United States and guides issued by the Secretary. Surveys, audits or examinations contracted by the Secretary will conform, at a minimum to the first element of the Comptroller General's Standards: An audit to determine (1) whether financial operations are properly conducted, (2) whether the financial reports are fairly presented, and (3) whether the available information indicates that the entity has complied with applicable laws, regulations, and administrative requirements. (In addition, selected Federal audits will include reviews of the economy and efficiency and/or program results of programs under the Act. As a result of such audits a report including appropriate recommendations will be issued to the Manpower Administration). 1/ Existing audit systems, where acceptable under the Comptroller General's Standards, such as State audits of city and county activities will be used to the maximum possible extent."

Although Labor regulations require its CETA prime sponsors to use existing audit systems to the maximum possible extent, Labor has not adopted a policy fostering the acceptance of audits done at the direction of CETA subgrantees and contractors. Labor does not require its prime sponsors to rely on audits done at the direction of their subgrantees and contractors; rather, it requires its prime sponsors to arrange for an independent audit of their subgrantees and contractors at least once every 2 years. This may result in additional audit expense and an unnecessary audit burden because many of these subgrantees and contractors are audited annually by a certified public accountant or a State auditor. These audits normally include CETA funds. The results of our work in Texas and Massachusetts follow.

#### TEXAS SPONSORS

There are 27 CETA prime sponsors in Texas, many of which have innumerable subgrantees and contractors. Labor has met with representatives of each prime sponsor to discuss ways of avoiding audit duplication in the CETA program and to determine the audit arrangements that the prime sponsor had made to audit each CETA subgrantee and contractor.

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1/Title has been changed to the Employment and Training Administration.

At these meetings the prime sponsors agreed that audits of CETA subgrantees and contractors would be covered by an audit agreement requiring the auditing firm or agency to follow Labor's CETA audit guide, to make available upon request, to the Assistant Regional Director for Audit, all workpapers pertaining to CETA subgrantee and contractor audits, to prepare audit reports in the format prescribed by Labor's CETA audit guide and to send the Assistant Regional Director for Audit a copy of each audit report of a CETA subgrant.

At the time of our review

--11 of the 27 CETA prime sponsors located in Texas had finalized their plans for auditing their subgrantees and contractors,

--6 prime sponsors had selected certified public accounting firms and 5 had selected internal audit staffs,

--15 prime sponsors planned to use a certified public accounting firm to audit their subgrantees and contractors but had not selected a firm, and

--the remaining prime sponsor planned to use Labor's audit staff to audit its lone subgrantee.

We have identified 66 Texas CETA subgrantees and contractors which are likely to have their financial statements audited annually by a certified public accounting firm or the Texas State Auditor. (See app. II.) In addition, their CETA funds will also be audited by a certified public accounting firm or an internal audit staff hired by their CETA prime sponsor. We did not contact each subgrantee and contractor to see if it is normally audited annually; however, it appears that the organizations listed are normally audited annually.

We contacted several CETA prime sponsors and subgrantees and contractors to determine the effect of Labor's policy of requiring its prime sponsors to arrange for an independent audit of their subgrantees and contractors. We found that this policy can result in additional audit expense and an unnecessary auditing burden when financial operations of the subgrantees and contractors are subjected to an annual audit by a certified public accounting firm or by the Texas State Auditor. For example, one subgrantee that is audited annually by a certified public accounting firm will also have its CETA funds audited by two other certified public accounting firms hired by CETA prime sponsors. Another CETA subsponsor, which

is audited annually by the Texas State Auditor, will also have its CETA funds audited by a certified public accounting firm engaged by its CETA prime sponsor.

### Texas Department of Community Affairs

The Texas Department of Community Affairs is a CETA prime sponsor and, as such, is responsible for having audits of its subgrantees and contractors done. Labor entered into a contract with a certified public accounting firm to examine the accounting and program records of its subcontractors and their delegate agencies. Half of the Texas Department of Community Affairs' subcontractors and their delegate agencies are to be examined for the period ended June 30, 1976, whereas the remaining are to be examined for the period ending June 30, 1977. The firm estimates that its charges for these services will total between \$80,000 and \$100,000 annually.

Many of the department's 53 subgrantees and contractors are governmental subdivisions of Texas and, as such, receive annual audits by either a certified public accounting firm or by the Texas State Auditor. In this regard, 16 of the department's subgrantees are regional councils of government and, as such, most are audited annually by certified public accountants as required by their Boards of Directors.

These 16 subgrantees received over \$36 million of the \$46 million, about 78 percent of the subgrants awarded by the Texas Department of Community Affairs between August 1974 and June 30, 1976. The remaining grantees include several State agencies, which are audited annually by the State auditor, and schools and community services programs which may or may not be audited annually.

The following examples show in detail the implications of the CETA audit plan.

### North Central Texas Council of Governments

The North Central Texas Council of Governments is a CETA subgrantee to the Texas Department of Community Affairs. For its fiscal year ended September 30, 1975, this council administered over \$7 million of Federal, State, and local funds, most of which were related to the 78 grant programs that it administered. A certified public accounting firm examined (1) the council's balance sheets as of September 30, 1975, and September 30, 1974, and (2) related statements of revenues and expenditures, and (3) changes in fund balances for

the years then ended. Five of the grants totaling \$4.2 million covered by the audit were CETA funds provided by the Texas Department of Community Affairs. These same funds will be examined by the certified public accounting firm hired by the Texas Department of Community Affairs to examine the accounting and program records of its CETA subcontractors and their delegate agencies.

These two firms may not be the only accounting firms examining CETA funds at the North Central Texas Council of Governments. The council is also a CETA subgrantee to the city of Dallas which has arranged for a third accounting firm to audit its CETA subgrantees. The agreement reached between Labor and Dallas requires that all of the city's subgrants and contracts, with the possible exception of one--the Texas Employment Commission--be audited at least once every 2 years by a certified public accounting firm of the city's choice.

Thus it is possible for three certified public accounting firms to audit CETA funds administered by the council. Although the latter two firms will be examining different CETA subgrants, many of the audit steps to be done in accordance with the CETA audit guide pertain to the accounting system as a whole rather than individual CETA grants or subgrants. This will result in both firms doing similar audit work at the council. Furthermore, the council's certified public accounting firm, during its examination of the council's accounting records, tests all grants administered by it. Thus, the audit efforts of the three certified public accounting firms may be similar and even duplicative.

#### Texas Education Agency

The Texas Education Agency is also a CETA subgrantee to the Texas Department of Community Affairs and received approximately \$369,000 of CETA funds from August 1974 to June 30, 1976. As a subgrantee, its CETA records are subject to audit by the certified public accounting firm engaged by the Department of Community Affairs. In addition, the financial activities of the Texas Education Agency are audited annually by the Texas State Auditor. The annual audit covers the receipt and expenditure of funds under Federal support programs. Thus, although the Texas State Auditor certifies to the Texas Education Agency's financial statements, the certified public accounting firm hired by the Department of Community Affairs will examine its accounting and program records relating to its CETA subgrants. This may result in both organizations reviewing the same accounting records and doing similar audit procedures at the Texas Education Agency.

Other Prime Sponsors

The Texas Department of Community Affairs may not be a typical CETA prime sponsor because of the large dollar value of its CETA grants--\$46 million--and because a large number of its subgrantees and contractors are large governmental subdivisions of Texas which are audited. However, while some other CETA prime sponsors administer much smaller grants and use smaller political subdivisions as their subgrantees and contractors, Labor's audit policy of holding the prime sponsor responsible for audits of subgrantees will result in additional audit expense and an unnecessary audit burden for those prime sponsors and subsponsors which are audited annually.

Texas Panhandle Manpower Consortium

The Texas Panhandle Manpower Consortium, a CETA prime sponsor, awarded three subgrants or contracts valued at \$4.2 million as follows:

<u>Subgrantee or contractor</u>	<u>Grant or contract value</u>
	(million)
Texas Panhandle Community Action Corporation	\$3.1
City of Amarillo	.5
Texas Employment Commission	.6

The consortium hired a certified public accounting firm to audit its CETA grants to the Community Action Corporation and Amarillo. The Texas Employment Commission will be audited by Labor.

The Texas Panhandle Community Action Corporation and the city of Amarillo are annually audited by certified public accounting firms hired by them. In this case, however, the certified public accounting firm hired by Amarillo is also the firm which was hired to do the CETA audits for the consortium.

MASSACHUSETTS GRANTEES

In Massachusetts we found a situation similar to that in Texas. Specifically, Labor's policy of permitting CETA prime sponsors to contract for audits of subgrantees and contractors without regard to prior audits that the subgrantee and contractor had done or that it may do in the future may result in additional audit expense and an unnecessary audit burden.

Of the eight CETA prime sponsors in Massachusetts

- four have finalized their plans for auditing their subsponsors and contractors and have selected a certified public accounting firm;
- two plan to use certified public accounting firms to audit their subsponsors and contractors but have not selected a firm;
- one has only two subgrantees, one of which will be audited by Labor and one for which audit arrangements have not been finalized because its contract was only recently awarded; and
- one will use the Massachusetts State Auditor and auditors from the Office of Economic Affairs to audit its subsponsors and contractors.

We contacted 18 CETA subgrantees and contractors to determine to what extent their organizations are audited. We found that 12 of the 18 organizations are audited annually by a certified public accounting firm. In addition, of the six organizations that did not have an annual audit, four reported that individual grants that they received from the Federal or State government were audited by either Federal or State auditors or by a certified public accounting firm. Thus only two of the subsponsors and contractors that we contacted had not been audited.

We asked 18 subgrantees and contractors whether or not they thought that there was any duplication among the various audits done at their organization. Eleven replied that there either was no duplication or that they could not comment on audit duplication. Seven responded that they thought there was audit duplication. However, 11 responded that the audits could have been better coordinated. Thus, while most subgrantees and contractors do not believe that separate audits by the various Federal agencies are duplicative, a majority of them believe that the audits could be better coordinated.

The following examples show how Labor's CETA audit policy has affected several CETA subgrantees.

#### Worcester Community Action Council

The Worcester Community Action Council is a CETA subgrantee to the Worcester Manpower Consortium. The consortium

has arranged for a certified public accounting firm to audit its CETA subgrantees, including the Community Action Council. This audit was done in May 1976. In addition to the CETA audit, the financial records of the council are audited annually by its certified public accounting firm. Thus it is possible for the two certified public accounting firms to audit the same CETA grant funds. Although a council representative did not believe that the two audits are duplicative, he thought that one audit could meet the requirements of all parties if a standardized program year could be devised.

#### Worcester Vocational School Department

At another subgrantee which receives CETA funds from two prime sponsors, separate teams will audit each CETA subgrant. Specifically, the Worcester Vocational School Department receives CETA funds from the State Department of Occupational Education and from the Worcester Manpower Consortium.

The CETA funds provided by the Department of Occupational Education have recently been audited by the Massachusetts State Auditor, while the funds provided by the consortium will be audited in the near future by a certified public accounting firm. Although these audit organizations will be auditing different CETA subgrants, many of the audit steps required by the CETA audit guide pertain to the accounting system as a whole rather than the individual CETA grants or subgrants. This will result in both organizations doing similar audit work at the subgrantee. Representatives of the subgrantee believe that the CETA audit arrangements could result in some duplicative audit coverage.

Appendix III is a list of Massachusetts CETA subgrantees and contractors which responded that their financial statements are audited annually by a certified public accounting firm. In addition, their CETA funds will also be audited by a certified public accounting firm hired by their CETA prime sponsor. Because we did not contact all CETA subgrantees located in Massachusetts, the list does not include all CETA subgrantees which have annual audits as well as separate CETA audits.

#### CONCLUSIONS AND RECOMMENDATIONS

Labor holds its CETA prime sponsors responsible for having independent audits conducted of their subgrantees and contractors every 2 years. However, Labor does not require that its prime sponsors, before arranging for CETA audits of

their subgrantees and contractors, consider audits that the subgrantees and contractors have had done and that they may do in the future. This may result in two audit organizations doing similar audit work at those CETA subgrantees and contractors that normally subject their operations to an annual audit. This can cause an additional audit expense and an unnecessary audit burden on those subgrantees and contractors.

We recognize and agree with Labor's desire to obtain quality audits of its CETA subgrantees and contractors. We also recognize that Labor has met with its prime sponsors to discuss ways of avoiding audit duplication. However, we believe that by working together, Labor and its prime sponsors can develop an audit system for CETA subgrantees and contractors which avoids duplicative audits and insures the conduct of high quality audits done in accordance with the Comptroller General's standards.

We recommend that Labor aggressively work with its prime sponsors to establish a coordinated audit system for CETA subgrantees and contractors. This system should seek to expand the audits currently being done at the subgrantees and contractors to include the audit requirements peculiar to the CETA program. This should correct the condition noted in this report. In setting up such a system, however, Labor must insure that the subgrantees and contractors audits are of an acceptable quality. Labor may obtain such assurance by requiring that the audits conform to the Comptroller General's standards and by subjecting them to its ongoing quality assurance program under which it tests a percentage of the audits.

#### DIRECTORATE COMMENTS

Directorate of Audit and Investigations officials agreed with our findings and conclusions, and our recommendation to work with the prime sponsors to establish a coordinated CETA audit system which seeks to avoid duplication and to insure quality audits.



TEXAS CETA SUBGRANTEES AND CONTRACTORS  
WHOSE FINANCIAL STATEMENTS ARE LIKELY TO BE AUDITED  
ANNUALLY AND WHOSE CETA FUNDS WILL BE AUDITED  
SEPARATELY

City of San Antonio  
Bexar County  
Alamo Area Council of Governments  
Community Council of South Central Texas  
Ark-Texas Council of Governments  
Brazos Valley Development Council  
Concho Valley Council of Governments  
Deep East Texas Council of Governments  
East Texas Council of Governments  
Golden Crescent Council of Governments  
North Central Texas Council of Governments  
Permian Basin Regional Planning Commission  
South Plains Association of Governments  
Texoma Regional Planning Council  
West Texas Council of Governments  
Houston-Galveston Area Council  
Texas Education Agency  
Texas Rehabilitation Commission  
Texas A & M Engineering Extension Service  
Texas Quality Water Board  
Alvin Jr. College  
Palacios Independent School District  
Prairie View A & M University  
Brazosport College  
Wharton Jr. College  
Brownsville Independent School District  
City of Harlingen  
Texas Southmost College  
Image  
Texas Department of Community Affairs  
Dallas County Community Action Agency  
Bishop College  
Dallas Independent School District  
El Paso County  
El Paso Community College  
Texas Education Foundation  
Harris County Community Action Agency  
Houston Community College  
Corpus Christi Independent School District  
Community Action Council of South Texas

APPENDIX II

APPENDIX II

San Patricio County  
Nueces Community Action Agency  
City of Pasadena  
City of Baytown  
Hidalgo County  
Southwest Texas State University  
City of Wichita Falls  
Crowell Independent School District  
City of Waco  
Heart of Texas Council of Governments  
Texas Agricultural Extension Service  
Economic Opportunity Commission of South Texas, Inc.  
City of Beaumont  
Orange County  
City of Orange  
Jefferson County  
City of Port Arthur  
Economic Opportunity Commission of South East Texas, Inc.  
Alabama-Cirishatta Reservation  
South Texas Development Council  
Texas Panhandle Community Action Agency  
City of Amarillo  
Tarrant County Jr. College  
Fort Worth Community Action Agency  
Fort Worth Independent School District  
Economic Opportunity Development Corporation

CETA SUBGRANTEES AND CONTRACTORS  
LOCATED IN MASSACHUSETTS WHOSE  
FINANCIAL STATEMENTS ARE AUDITED ANNUALLY  
AND WHOSE CETA FUNDS WILL BE AUDITED SEPARATELY

Worcester Community Action Council

Springfield Urban League

Brightwood Corporation

Lowell Chamber of Commerce

Community Teamwork, Inc.

Opportunity Industrial Center 1/

ABCD

Technical Development Corp.

Boy's Club of Boston

Dimock Community Health Center

Chelsea Community Action Program

1/Although both audits were done by one certified public  
accounting firm, they were done at different times.