



# The Commonwealth of Massachusetts Department of Elementary and Secondary Education

75 Pleasant Street, Malden, Massachusetts 02148-5023

Telephone: (781) 338-3000

November 24, 2010

Dr. Mary Elizabeth Beach  
Superintendent  
Ware Public Schools  
239 West Street  
Ware, MA 01082

Dear Dr. Beach:

During the week of October 27, 2010 your District took part in the Massachusetts Department of Elementary and Secondary Education Fiscal Review.

Enclosed, please find the final report generated as a result of the fiscal review performed. The summary details the Ware Public School employees interviewed and a list of the documentation we retained in the final review file. In addition, we highlighted fiscal observations made during the review.

The Department of Elementary and Secondary Education would like to thank you and your staff of professionals for your cooperation and participation in our fiscal review program. Should have any questions, please feel free to contact me at 781-338-6516.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Valchuis".

Joseph Valchuis, CFE, CFS Supervising Auditor  
Massachusetts Department of Elementary and Secondary Education

To: Dr. Mary-Elizabeth Beach, Superintendent

The Audit and Compliance Unit of the Massachusetts Department of Elementary and Secondary Education performed a fiscal review of the Ware Public Schools in conjunction with the Department of Elementary and Secondary Education, Program Quality Assurance Unit's Coordinated Program Review. The fiscal review was conducted on October 27, 2010.

We have performed the procedures specified below primarily to gain a knowledge and understanding of the District's fiscal policies and procedures, per the Single Audit (A133) direct fiscal sub recipient monitoring requirement. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been prepared or for any other purpose.

Specifically, for purposes of this report, we have performed the following procedures and noted the indicated findings:

- A. Interviewed and documented conversations with various school business office fiscal staff. Interviews were conducted to gain an understanding of the policies and procedures in place. Areas documented included, but were not limited to Accounts Payable, Account Receivable, Payroll, and General Ledger Accounting. The following are the dates and individuals the Audit and Compliance Unit met with:

October 27, 2010

- Dr. Mary-Elizabeth Beach, Superintendent
- Andrew Paquette, Business Manager
- Linda Dansereau, Administrative Assistant to Superintendent
- Jane Sterndale, Bookkeeper for Medicaid, Main Receptionist

- B. Obtained and retained examples of the policies and procedures in place to corroborate the assertions made by the above individuals, but were not tested for accuracy or effectiveness. Items obtained for the review's work papers included but are not limited to:

- Organization Chart
- Hourly Timesheet
- Sample Purchase Order
- State Ethics Certification Form
- Budget to Actual YTD Report
- Semi-Annual Certification
- Stipend Listing for extra curricular activities

Based on the individual interviews and the corroborating evidence provided, we feel comfortable that there are policies and procedures in place.

Observations:

Ware Public Schools has set up their Chart of Accounts to reflect the Department of Elementary and Secondary Education's expenditure classifications. This set up allows the School District to meet reporting requirements more efficiently and eliminates the need for a crosswalk

Ware Public Schools current methodology for split-funded employees is a use of a spreadsheet for payroll allocation. The staff are split on the budgeting spreadsheet based on the percentage to be paid by a Grant. That percentage is in the payroll system, and the employees are paid by the percentage only. The district should be performing an expense reconciliation to actual hours worked at least quarterly.

Ware Public Schools has a number of best practices being performed, however, it might be beneficial for the School to document those practices so there is no confusion or misunderstanding in the future. The best practices that are not covered under a written policy include, but are not limited to: semi-annual certifications regarding OMB circular A-87 and the implementation of an employee handbook.

We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion on the internal control structure as a whole. Accordingly, we do not express such an opinion. Had we been required to perform additional procedures, matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Massachusetts Department of Elementary and Secondary Education and the Ware Public Schools and should not be used for any other purpose.

Copy: Ware Public Schools CPR Fiscal File