

TOWN OF STOUGHTON, MASSACHUSETTS

INDEPENDENT AUDITORS' REPORT AS
REQUIRED BY OMB CIRCULAR A-133
AND ***GOVERNMENT AUDITING STANDARDS***
AND RELATED INFORMATION

FOR THE YEAR ENDED JUNE 30, 2013

TOWN OF STOUGHTON, MASSACHUSETTS
INDEPENDENT AUDITORS' REPORT AS REQUIRED BY OMB CIRCULAR A-133
AND **GOVERNMENT AUDITING STANDARDS** AND RELATED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Honorable Board of Selectmen
Town of Stoughton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Stoughton, Massachusetts' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Stoughton, Massachusetts' major federal programs for the year ended June 30, 2013. The Town of Stoughton, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Stoughton, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Stoughton, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Stoughton, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Stoughton, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002. Our opinion on each major federal program is not modified with respect to these matters.

Town of Stoughton, Massachusetts's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Stoughton, Massachusetts's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Town of Stoughton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Stoughton, Massachusetts's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Stoughton, Massachusetts's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stoughton, Massachusetts as of and for the year ended June 30, 2013, and have issued our report thereon dated March 17, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Stoughton, Massachusetts' financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

R. E. Brown & Company

March 17, 2014

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

PROGRAM GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
SPECIAL EDUCATION CLUSTER:			
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION			
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			
PL 94-142 PROJECT CLASS - FY 2013	84.027	240-275-3-0285-N	\$ 945,583
PL 94-142 PROJECT CLASS - FY 2012	84.027	240-225-2-0285-M	92,366
SPED PROGRAM IMPROVEMENT - FY 2013	84.027	274-130-3-0285-N	18,634
SPED PROGRAM IMPROVEMENT - FY 2012	84.027	274-268-2-0285-M	12,220
EARLY CHILDHOOD SPED PROGRAM IMPROVEMENT	84.173	298-196-3-0285-N	3,144
TOTAL PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION (DESE)			<u>1,071,947</u>
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION -			
DEPARTMENT OF EARLY EDUCATION & CARE (EEC)			
EARLY CHILDHOOD ALLOCATION - FY 2013	84.173	26213STOUGHTONPUBLIC	34,028
EARLY CHILDHOOD ALLOCATION - FY 2012	84.173	26212STOUGHTONPUBLIC	6,106
TOTAL PASS-THROUGH PROGRAMS FROM : MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION (EEC)			<u>40,134</u>
TOTAL SPECIAL EDUCATION CLUSTER:			<u>1,112,081</u>
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION -			
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 13	84.010	305-000658-2013-0285	342,586
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 12	84.010	305-048-2-0285-M	87,416
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 12	84.010	305-343-2-0285-M	6,582
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 13	84.010	305-131-3-0285-N	13,198
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES: SCHOOL IMPROVEMENT FY 13	84.010	323-029-3-0285-N	5,639
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES: SCHOOL IMPROVEMENT FY 12	84.010	323-030-2-0285-M	3,630
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES - FY 13	84.048	400-070-3-0285-N	10,700
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES - FY 12	84.048	400-060-1-0285-M	6,658
ENGLISH LANGUAGE ACQUISITIONS GRANT - FY 13	84.365	180-095-3-0285-N	8,746
ENGLISH LANGUAGE ACQUISITIONS GRANT - FY 12	84.365	180-058-2-0285-M	146
ENGLISH LANGUAGE ACQUISITIONS GRANT - FY 11	84.365	180-036-1-0285-L	1,486
TEACHER QUALITY GRANT - FY 13	84.367	140-002904-2013-0285	70,008
TEACHER QUALITY GRANT - FY 12	84.367	140-089-2-0285-M	13,359
TEACHER QUALITY GRANT - FY 11	84.367	140-048-3-0285-N	3,544
TEACHER QUALITY GRANT - FY 11	84.367	140-019-2-0285-M	9,812
EDUCATION JOBS GRANT	84.410	206-039-2-0285-M	13,152
RACE TO THE TOP - FY 13	84.413	201-000379-2013-0285	72,289
RACE TO THE TOP - FY 12	84.413	201-143-20285-M	3,578
TOTAL PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION (DESE)			<u>672,529</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1,784,610</u>
U.S. DEPARTMENT OF AGRICULTURE			
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION			
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE): BUREAU OF NUTRITION			
SCHOOL BREAKFAST PROGRAM	10.553	N/A	67,238
NATIONAL SCHOOL LUNCH PROGRAM	10.555	N/A	607,725
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>674,963</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
DIRECT PROGRAMS FROM: SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION			
DRUG FREE COMMUNITIES SUPPORT PROGRAM GRANT - FY 13	93.276	N/A	85,767
DRUG FREE COMMUNITIES SUPPORT PROGRAM GRANT - FY 12	93.276	N/A	68,164
PUBLIC HEALTH EMERGENCY PREPAREDNESS - FY 13	93.069	N/A	262
PUBLIC HEALTH EMERGENCY PREPAREDNESS - FY 12	93.069	N/A	607
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>154,800</u>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

PROGRAM GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF JUSTICE			
DIRECT PROGRAM FROM: CRIMINAL DIVISION			
JOINT LAW ENFORMENT OPERATIONS	16.111	N/A	<u>46,901</u>
DIRECT PROGRAMS FROM: BUREAU OF JUSTICE ASSISTANCE			
EDWARD J BYRNE MEMORIAL - FY 12	16.738	N/A	723
ARRA EDWARD J BYRNE MEMORIAL - FY 13	16.804	N/A	<u>47,720</u>
TOTAL DIRECT PROGRAMS FROM: BUREAU OF JUSTICE ASSISTANCE			<u>48,443</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>95,344</u>
U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS BOARD OF LIBRARY COMMISSIONERS			
LIBRARY SERVICES TECHNOLOGY ACT (LSTA) - LITERACY	45.310	N/A	<u>8,365</u>
TOTAL U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>8,365</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EMERGENCY MANAGEMENT AGENCY			
DISASTER GRANTS - PUBLIC ASSISTANCE: SNOW STORM	97.036	FEMA 4110	184,173
DISASTER GRANTS - PUBLIC ASSISTANCE: PRATTS COURT CULVERT	97.036	FEMA 1895 PW-00040	105,070
DISASTER GRANTS - PUBLIC ASSISTANCE: EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.036	FFY10 EMPG GRANT	5,999
EMERGENCY MANAGEMENT PERFORMANCE GRANT : PORTABLE BARRIERS	97.042	FY13 EMPG	2,353
HOMELAND SECURITY GRANT PROGRAM: STOUGHTON HIGH SCHOOL	97.067	N/A	<u>770</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>298,365</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
PASS-THROUGH PROGRAM FROM: MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST			
ARRA - CAPITALIZATION GRANT FOR STATE DRINKING WATER REVOLVING FUNDS	66.468		<u>27,168</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>27,168</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,043,615</u>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**TOWN OF STOUGHTON, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue. The significant accounting policies followed by the Town are as follows:

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Stoughton, Massachusetts under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) A-133, Audits of States, Local Governments and Non for Profit Organizations. Because the schedule presents only a selected portion of the operations of the Town of Stoughton, Massachusetts, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Stoughton, Massachusetts.

II. SCOPE OF AUDIT

The Town of Stoughton, Massachusetts (the Town) is a governmental agency established by the laws of the Commonwealth of Massachusetts. All operations related to the Town's Federal grant programs, (the Department of Agriculture, Department of Education, Institute for Museum and Library Services, Department of Health and Human Services, Department of Justice, Environmental Protection Agency and Department of Homeland Security), are included in the scope of the OMB Circular A-133 Audit Requirements for audits of state and local governments (the Single Audit). The U.S. Department of Health and Human Services has been designated as the Town's oversight agency for the Single Audit.

III. PERIOD AUDITED

Single audit testing procedures were performed for Town Federal grant transactions during the year ended June 30, 2013.

IV. SCHOOL LUNCH PROGRAM

The Town accounts for local, state and federal expenditures of the National School Lunch and School Breakfast programs in one combined fund. Program expenditures in the accompanying Schedule of Expenditures of Federal Awards represent federal reimbursements for meals provided during fiscal year 2013. Non-cash contributions of commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

V. SUBRECIPIENTS

The Town of Stoughton, Massachusetts passed no federal awards through to sub-recipients during the period under audit.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Selectmen
Town of Stoughton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stoughton, Massachusetts as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Town of Stoughton's basic financial statements, and have issued our report thereon dated March 17, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Stoughton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stoughton's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Stoughton's internal control.

A deficiency *in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Stoughton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002.

Town of Stoughton's Response to Findings

Town of Stoughton's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Stoughton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R. E. Brown & Company

March 17, 2014

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditors' Report Issued:

Unmodified Opinion

Internal Control over Financial Reporting:

- Material Weakness(es) Identified?
- Significant Deficiency(ies) Identified?

_____ Yes X No
_____ Yes X No

Noncompliance Material to the Financial Statements Noted?

_____ Yes X No

Federal Awards

Internal Control over Major Programs:

- Material Weakness(es) Identified?
- Significant Deficiency(ies) Identified?

_____ Yes X No
_____ Yes X No

Type of Auditors' Report Issued on Compliance for Major Programs:

Unmodified Opinion

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section 510(a) of OMB Circular A-133?

_____ Yes X No

Identification of Major Programs:

CFDA No.	Name of Federal Program or Cluster
10.553 & 10.555	School Nutrition Programs
84.027 & 84.173	Special Education Cluster

Dollar Threshold used to Distinguish Between Type A and Type B Programs:

\$ 300,000

Auditee Qualified as Low-Risk Auditee?

_____ Yes X No

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT – NONE.

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2013-001 – Special Education Cluster – CFDA No.’s 84.027 & 84.173; Grant period: Year Ended June 30, 2013

Criteria:

Massachusetts Department of Education and Secondary Education Requires:

- Final expenditure reports are required to be filed within 60 days of the grant period ending date.

Condition: During our test of controls over compliance it was noted that the Early Childhood Special Education Program Improvement (84.173) final expense report was not filed within 60 days of the grant period ending as required by Massachusetts Department of Education and Secondary Education.

Questioned Costs: None

Context: During our test of the Final Expenditure Reports it was noted that the Early Childhood Special Education Program (84.173) final expense report was not filed within 60 days of the grant period ending as required by Massachusetts Department of Education and Secondary Education. This appears to be an isolated situation and the information reported on the Final Expenditure Report was accurate, but was filed late.

Effect: Stoughton School Department was not in compliance with the Final Expenditure Reporting requirement date as set forth by the Massachusetts Department of Education and Secondary Education.

Cause: The District did not have a Business Manager on staff when the Early Childhood Grant report was due. Due to the change in personnel there may have been a lapse in management oversight of this compliance requirement.

Recommendation: We recommend the Stoughton School Department follow procedures to ensure that the Final Expenditure Report is filed within the 60 days of the grant period ending date as required by the Massachusetts Department of Education and Secondary Education.

Management’s Response: The School Department will follow the recommendation to ensure that the new Business Manager will complete the Final Expenditure Report within the 60 days of the grant period ending date as required by the Massachusetts Department of Education and Secondary Education.

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

C. CURRENT YEAR FINDINGS & QUESTIONED COSTS –

Finding 2013-002 – Special Education Cluster – CFDA No.’s 84.027, & 84.173; Grant period: Year Ended June 30, 2013

Criteria:

OMB Circular A-87 requires the following:

- Where employees work solely or partially on a single Federal award or cost objective, their salaries or wages must be supported by periodic certification that the employee worked solely on that program for the period covered by the program. The certifications should be prepared at least semi-annually, and should be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee

Condition: During our test of controls over compliance with time and effort certifications the school department was not able to provide evidence that required semi-annual certifications of time and effort for those employees whose salaries or wages were solely funded by these program funds had been completed by the affected employees and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees as required by OMB Circular A-87.

Questioned Costs: None

Context: During our test of payroll transaction of the SPED PL 94-142 grant it was noted that multiple time and effort certifications were not completed for employees whose compensation was funded through the grant.

Effect: Stoughton Public Schools was not in compliance with the time and effort certification requirements as specified in OMB Circular A-87.

Cause: The *former* Business Manager in error submitted to the Special Education Department incorrect employee names that were required to complete the time and effort paperwork for the SPED 94-142 grant.

Recommendation: We recommend the School Department follow procedures to ensure that semi-annual certifications are prepared and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees in order to comply with the time and effort certification requirement.

Management’s Response: The School Department will follow the recommendation to ensure that the Special Education Department will complete the appropriate certifications in a timely manner in order to meet this compliance requirement. The process is already underway, and the procedure is now in place to ensure that the certifications are completed on time.

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS –

Finding 2012-1 – Special Education (IDEA) Cluster – CFDA No.’s 84.027, 84.027A, 84.173, 84.391, & 84.392; Grant period: Year Ended June 30, 2012

Condition:

During our test of controls over compliance with time and effort certifications the school department was not able to provide evidence that required semi-annual certifications of time and effort for those employees whose salaries or wages were solely funded by these program funds had been completed by the affected employees and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees as required by OMB Circular A-87.

Criteria:

OMB Circular A-87 requires the following:

- Where employees work solely or partially on a single Federal award or cost objective, their salaries or wages must be supported by periodic certification that the employee worked solely on that program for the period covered by the program. The certifications should be prepared at least semi-annually, and should be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Effect: Stoughton Public Schools was not in compliance with the time and effort certification requirements as specified in OMB Circular A-87.

Questioned Costs: None

Cause: There are special education office procedures that are in the process of being re-evaluated due to personnel issues. Although a process was in place during the time period of the audit and the information was collected, it could not be located at the time of the audit.

Recommendation: We recommend the School Department follow procedures to ensure that semi-annual certifications are prepared and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees in order to comply with the time and effort certification requirement.

Management’s Response: Moving forward, as the office procedures are being amended for efficiency and efficacy, the department is establishing a process to include document management that will prevent the above finding from happening in the future.

Current Status: The recommendations have been adopted for Fiscal Year 2014.

**TOWN OF STOUGHTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS –

Finding 2012-2 – Title 1 – CFDA No.’s 84.010; Grant period: Year Ended June 30, 2012

Condition:

During our test of controls over compliance it was noted that the Title I (84.010) final expense reports were not filed within 60 days of the grant period ending as required by Massachusetts Department of Education and Secondary Education.

Criteria:

Massachusetts Department of Education and Secondary Education Requires:

- Final expenditure reports are required to be filed within 60 days of the grant period ending.

Effect: Stoughton Public Schools was not in compliance with the Final Expenditure Reporting requirement set forth by the Massachusetts Department of Education and Secondary Education Requirements.

Questioned Costs: None

Cause: The final report for the FY12 Title I report was originally submitted on 10/17/2012. However, the expenditures for ‘contractual services’ exceeded the budgeted amount by more than allowed, requiring a budget amendment. Once the budget was amended, it was not reflected on DESE’s grant management payment center. On 03/22/2013, Susan Yee was contacted at the help desk and discovered that the amendment had not been uploaded into the system. Once that was accomplished, the final expense report was submitted on 03/26/2013.

Recommendation: We recommend the School Department follow procedures to ensure that the Final Expenditure Report is filed within the 60 days of the grant period ending as required by the Massachusetts Department of Education and Secondary Education.

Management’s Response: The School Department does have procedures in place to ensure that the Final Expenditure Reports are filed timely. The above circumstance thwarted those procedures, but will not be an ongoing problem.

Current Status: The recommendation has been adopted during Fiscal 2013.