



Commonwealth of Massachusetts
Office of the State Auditor
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Making government work better

Official Audit Report-Issued December 17, 2012

Braintree Public School District's Use of Certain American Recovery and Reinvestment Act Funds

For the period August 10, 2010 through June 30, 2011



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INTRODUCTION AND SUMMARY

The Braintree Public School District (BPSD) was established pursuant to the provisions of Chapter 71 of the Massachusetts General Laws. BPSD is considered a department of the Town of Braintree and is governed by the local school committee, which is composed of five elected members. The school committee, under the guidance of the Massachusetts Board of Education, is responsible for the general management and control of BPSD's financial and educational affairs. The Superintendent of Schools is the Chief Executive Officer of BPSD and is responsible, along with other administrative staff, for the day-to-day management of BPSD under the direction of the committee. During our audit period, in addition to other grant awards, BPSD received American Recovery and Reinvestment Act of 2009 (ARRA) grants from the Massachusetts Department of Elementary and Secondary Education (DESE) under the Race to the Top (RTT) and Education Jobs programs.

In accordance with Chapter 11, Section 12, of the General Laws, we have conducted an audit of certain activities of BPSD for the period August 10, 2010¹ through June 30, 2011. The objectives of our audit were to determine whether ARRA funds awarded to BPSD for its RTT and Education Jobs programs were used for their intended purposes and in compliance with program requirements, and to evaluate whether BPSD was complying with ARRA accounting and reporting requirements. Based on our audit we have concluded that BPSD maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

¹ The audit period start date was determined to be the beginning project date established by DESE for BPSD's Education Jobs program.

OVERVIEW OF AUDITED AGENCY

The Braintree Public School District (BPSD) was established pursuant to the provisions of Chapter 71 of the Massachusetts General Laws. BPSD is considered a department of the Town of Braintree and is governed by the local school committee, which is composed of seven elected members. The school committee, under the guidance of the Massachusetts Board of Education, is responsible for the general management and control of BPSD's financial and educational affairs. The Superintendent of Schools is the Chief Executive Officer of BPSD and is responsible, along with other administrative staff, for the day-to-day management of BPSD under the direction of the committee.

BPSD consists of nine schools hosting pre-kindergarten through twelfth grades: the high school, two middle schools, and six elementary schools. There are 5,467 students enrolled, and BPSD employs a team of 634 administrators, teachers, and staff. As a learning resource for elementary and secondary education, BPSD's primary mission is to "prepare all students to become responsible and contributing members of a diverse and global society."

During our audit period, in addition to other grant awards, BPSD received American Recovery and Reinvestment Act of 2009 (ARRA) grants from the Massachusetts Department of Elementary and Secondary Education under the Race to the Top (RTT) and Education Jobs programs. RTT is a four-year U.S. Department of Education (USDOE) grant provided to certain states and used by local educational agencies, such as BPSD, committed to implementing the following set of education reforms: improving teacher and principal effectiveness based on performance; ensuring effective teachers and leaders in every school and classroom; using data to inform instruction; improving college and career readiness; developing and implementing a statewide teaching and learning system; and turning around the lowest-achieving schools. The Education Jobs program is a one-time appropriation, which may be used through September 30, 2012, that USDOE awarded to save or create education jobs that provide educational and related services for early childhood, elementary, and secondary education.

In order to comply with ARRA requirements and provide transparency on stimulus projects for which Commonwealth agencies distribute funds, the Massachusetts Recovery and Reinvestment Office (MRRO) gathers summary information and reports on what stimulus projects are funded and how stimulus funds are being spent. MRRO reported that the Town of Braintree was awarded

\$993,989 to fund these ARRA programs operated by BPSD. MRRO also reported award expenditures totaling \$260,425 as of June 30, 2011. The following table, which includes data on BPSD's first-year allocation based on its approved budget, summarizes awards and expenditures² reported by MRRO.

Braintree Public School District
Summary of ARRA Awards, Allocations, and Expenditures
As of June 30, 2011

Program	Award	Year 1 Allocation	Expenditures
Race to the Top	\$212,507	\$ 17,720	\$ 4,103
Education Jobs	<u>781,482</u>	<u>273,289</u>	<u>256,322</u>
Total	<u>\$993,989</u>	<u>\$291,009</u>	<u>\$260,425</u>

RTT funds were budgeted to pay for instructors' attendance at seminars addressing the RTT educational framework. Education Jobs funds were budgeted to pay the salaries of instructors who may have otherwise been terminated. Budgeted amounts were for allowable expenses under the terms of the ARRA program awards.

A requirement of ARRA funding is the submission of quarterly reports that help identify the impact of ARRA funds received and expended, including statistics on the creation and/or retention of personnel or full-time equivalent (FTE) positions. In addition to reporting the uses of program funds, information reported to MRRO indicated that seven FTE positions were created or retained with Education Jobs funds as of June 30, 2011.

² Expenditures reported by MRRO could include funds advanced by the state to BPSD through the budgeting process.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Braintree Public School District (BPSD) for the period August 10, 2010³ through June 30, 2011. The objectives of our audit were to determine whether American Recovery and Reinvestment Act of 2009 (ARRA) funds awarded to BPSD for Race to the Top (RTT) and Education Jobs programs were used for their intended purposes and in compliance with program requirements, and to evaluate whether BPSD was complying with ARRA accounting and reporting requirements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To achieve our audit objectives, we reviewed the following:

- U.S. Department of Education, Massachusetts Department of Elementary and Secondary Education (DESE), and Massachusetts Recovery and Reinvestment Office rules, regulations, and directives to determine compliance with any ARRA-specific guidelines.
- Internal control plans to determine whether BPSD has controls in place to ensure that federal stimulus funds are safeguarded against loss, theft, and misuse.
- Budgets prepared by BPSD to ensure that ARRA funds were expended for their intended purposes.
- Expenditures of ARRA funds to determine whether they were reasonable, allowable, and allocable under the terms of the program awards. A nonstatistical sampling approach based on the auditors' professional judgment was used to test ARRA expenditure compliance.
- Recordkeeping procedures to determine whether ARRA expenditures were properly authorized, supported by adequate documentation, and accounted for separately within the accounting records.
- The adequacy and timeliness of BPSD's federal stimulus reports to determine whether they were in compliance with reporting requirements.

³ The audit period start date was determined to be the beginning project date established by DESE for BPSD's Education Jobs program.

- Cash management practices to ensure that BPSD limited the time between its request for and use of federal stimulus funds.

We obtained grant award, allocation, and expenditure information from systems maintained by the federal government, the Commonwealth, the Town of Braintree, and the local school district. We compared this information with other source documents and interviewed knowledgeable BPSD officials about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Based on our audit we have concluded that for the period August 10, 2010 through June 30, 2011, BPSD maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.