

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

MANAGEMENT LETTER

JUNE 30, 2022

To the Honorable School Committee
Hamilton-Wenham Regional School District
Wenham, Massachusetts 01984

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton-Wenham Regional School District (District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The District's written responses to the matters identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management of the District and is not intended to be and should not be used by anyone other than these specified parties.



October 11, 2022

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

MANAGEMENT LETTER

JUNE 30, 2022

TABLE OF CONTENTS

PAGE

COMMENTS AND RECOMMENDATIONS	1
Compliance with Cash and Investment Policy	2
Procurement – Documentation of Written Quotes	2

COMMENTS AND RECOMMENDATIONS

COMPLIANCE WITH CASH AND INVESTMENT POLICY

Comment

The School Committee adopted a cash and investment policy on November 2, 2016. For custodial credit risk related to investments, the policy requires review of the financial institution's financial statements and the background of the brokerage house and broker/dealer (Advisor). Further, all securities not held directly by the District, will be held in the District's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

It is our understanding that a third-party custodian is employed to hold the District's scholarship assets, which is a financial industry standard for efficiency and cost effectiveness.

We recommended that the individual securities be held in the District's name and tax identification number or that the School Committee policy be revised if deemed necessary.

Current Status

The District is considering updating its cash and investment policy to address this matter.

PROCUREMENT – DOCUMENTATION OF WRITTEN QUOTES

Comment

Massachusetts General Laws for procurement, such as Chapter 30B for the procurement of supplies and services, require written quotations from no fewer than three vendors for purchases between \$10,000 and \$50,000. Currently, this supporting documentation is maintained at the individual school locations and is not centralized in the Business Office.

It is our understanding that it is possible to document the quotations electronically in the current accounting system and to upload supporting documentation to substantiate the quotations. Implementing this process would centralize the quotations electronically within the accounting system and would streamline the purchase requisition process by making the data available to the individuals that are responsible for approving the requisitions and ensuring compliance with procurement laws.

We recommended that the District consider utilizing the accounting system to document compliance with procurement laws and to streamline the requisition approval process.

Current Status

This recommendation was implemented in fiscal 2022.