

VIEWPOINT

The time has come for a school audit, not inaction

By WILLIAM C. MUDGE III

At this past Monday night's town council meeting (Oct. 24), I observed that Council President [Anthony] Miccolis and his fellow colleagues, Mr. [James] Patterson and Mr. [Mark] Zaccaria were continuing to side step the recommendations made by members of the public to undertake a compliance audit of the school budget. After many months of inaction, such basic questions are still asked: what kind of an audit do we need, forensic, compliance, etc.; how do we pay for it, and a new diversionary question is offered – should we supplement grant programs? Obviously, the slow role is on, because our elected Republican councilors do not want 10 years of poor and inept fiscal management exposed. Make no mistake, it is these same individuals who have ignored their responsibilities and instead, pout “it’s a school committee problem,” that are equally responsible for the closure of Wickford Elementary School and our over crowded class rooms, as the dysfunctional school committee who has not and will not demand fiscal accountability of the superintendent of schools.

Lets cut to the chase: Three years ago I identified what I believed was the inappropriate and wasteful expenditure of taxpayer's money and the obvious violations of our town charter, yet these three officials did nothing; nothing to investigate and pursue the accuracy or inaccuracy of my accusations. Today, they not only continue to dismiss my allegations of wrong doing, but silently collude to slow role the attempts and demands of the non-partisan North Kingstown Taxpayer's Organization and others to audit the school department's books. Will

next week's, indifference and excuse for inaction be “its Thanksgiving” and the week after, “it's Christmas.” For months, I have charged the town council with violating local and state laws by unilaterally taking money from school fund account -\$682,000 in FY04. Why do they refuse to address this matter? Could it be that they fear the exposure and repercussions of the truth?

On Monday night because the council was again struggling (?) to determine what should be audited, I presented copies of School Department Purchase Orders, amounting to \$365,000, that were issued on June 30, 2005, the last day of Fiscal Year 2005. These P/O's included training courses and travel scheduled to take place in following fiscal year (FY06), \$50,0000 of computer related purchases apparently required for the FY06 School year, and materials and supplies to be consumed in FY06 (not FY05), etc, etc. I submit that the expenditure of this FY05 money for FY06 purposes is an illegal transaction which diverted FY05 surplus revenues that could have been applied to keeping Wickford Elementary School open, retaining local elementary schools, eliminating over crowded class rooms and the unacceptable late elementary school starting times. I say, AUDIT this to find the truth.

The aforementioned \$365,000 dollars of FY05 surplus, coupled with \$300,000 of taxpayers money which was unnecessarily diverted/spent to supplement various state and federal FY05 Grant Programs, and the \$530,000 of FY06 pension savings, clearly shows that there was sufficient funds (\$1.2M) available to support seven elementary schools. Is this of no concern to any elected official? Who then will come forward and defend why the FY05 Grant Budget (\$3M),

which was not even reviewed or a penny authorized for expenditure by the School Committee, ended the fiscal year with \$625,000 of unexpended money? Dr Halley said the School Committee approved the FY05 and FY06 Grants. He lied to the School Committee and they did nothing to validate the truth. I say, AUDIT this to find the truth.

In a rather covert FY04 audit letter, which was not made readably available to the school committee and public, it was revealed that an adjustment (expenditure) of \$77,471 had to be made to the school department expenditures in the from as an encumbrance. What was not revealed is the fact that the School Department had improperly used \$77,471 of FY05 funds to pay for FY04 School expenditure obligations and the auditor (with a little help) uncovered these transactions. Also, not exposed, was the fact that the \$77,471 of contracts just happened to cancel on the last day of the fiscal year and therefore these obligations did not contractually exist? I say, AUDIT this to find the truth.

Additionally, the FY04 audit did not revealed that many other FY04 contracts obligations had also been cancelled with a face value of about \$161,000, nor did the audit uncover the fact that the material and services had been received after FY04 ended and FY05 funds were subsequently and improperly used to pay for these expenditures. I say, AUDIT this to find the truth.

Also, not revealed to the public were my attempts that were ignored to bring these types of issues to School Committee and Town Council President Miccolis's attention and the fact that they refused set up a meeting with the auditor to resolve my concerns. So much for

their concern with regard to the honest expenditure of the taxpayers hard earned dollar.

We begin the FY05 school budget process not having sufficient funds to provide a Middle School sports program, a strings program, or to eliminate a problematic three bell elementary school start time; yet at the same time the administration was unethically using FY05 funds in an attempt to pay for FY04 obligations. I ask why was this happening, because the school committee ends up with a \$682,000 FY04 budget surplus! I say, AUDIT this to find the truth.

Similarly at the end of FY05, the administration was again unethically spending \$365,000 of FY05 monies, but this time it was for FY06 obligations. I say, AUDIT this to find the truth.

I have addressed the excess of School Fund money available at the beginning and ending of FY05. Is it not strange at the half way mark of FY05 (Dec. 2004), Dr Halley reported to the State Auditor General that the school department was facing a \$500,000 budget deficit at the end of FY05. We finished with a surplus \$365,000, which shows he reduced FY05 expenditures by \$865,000? Such saving should not go unnoticed and unrewarded. I say, AUDIT this to find the truth.

Finally and again I say, it's time to AUDIT school spending practices, put politics aside, exercise fiduciary responsibility to protect the public's interest, find and exposed the truth, and last, fired those that have conspired and lied to the community.

Mr. Mudge is a member of the North Kingstown School Committee.