



WHISMAN GIORDANO  
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

Management Letter

**THOMAS A. EDISON CHARTER SCHOOL**  
[A Component Unit of the State of Delaware]  
Wilmington, Delaware

Year Ended June 30, 2017



WHISMAN GIORDANO  
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

### Management Letter

To Members of the School Board  
**Thomas A. Edison Charter School**  
Wilmington, Delaware

In planning and performing our audit of the financial statements of Thomas A. Edison Charter School [a component unit of the State of Delaware] for year ended June 30, 2017, we considered the School's internal control to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control.

However, during our audit we may become aware of certain matters that are opportunities for strengthening internal control and/or enhancing operating efficiency. The memorandum that accompanies this letter summarizes our results regarding such matters. A separate report dated August 29, 2017 contains our report on reportable deficiencies in the School's internal control. This letter does not affect our report on the School's financial statements, dated August 29, 2017.

The matters noted are only those that came to our attention and, had our procedures for internal control related matters been more extensive, other matters might have been noted. Also, the functioning of the internal control was assessed at a point in time, and no assurances can be drawn that the internal control is functioning or will continue to function beyond the point in time at which it was assessed. No opinion is being expressed regarding the internal controls taken as a whole.

We will review the status of outstanding findings during our next audit engagement. The findings and recommendations have already been discussed with School personnel, and we are pleased to discuss in further detail at your convenience or to perform additional studies.

This report is intended solely for the information and use of the finance committee, the School Board, management, others within the entity, the Department of Education, Office of the Governor, Office of Controller General, Office of Attorney General, Office of Management and Budget, Secretary of Finance, Office of Auditor of Accounts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public record and its distribution is not limited.

*Whisman Giordano & Associates, LLC.*  
Certified Public Accountants

August 29, 2017  
Newark, Delaware

**LIST OF FINDINGS FOLLOWS:**

Current Findings	Description
------------------	-------------

None noted.

Status of Prior Years' Findings
---------------------------------

**June 30, 2016:**

- |   |                             |
|---|-----------------------------|
| 1 | Conflict of Interest Policy |
| 2 | Advance Payments to Vendors |

**June 30, 2013:**

- |   |                           |
|---|---------------------------|
| 2 | Accounts Payable Function |
|---|---------------------------|

**STATUS OF PRIOR YEARS' FINDINGS**

**June 30, 2016:**

**Finding 1 - Conflict of Interest Policy**

Our review of the *Conflict of Interest Policy* revealed that the Board did not comply with its Conflict of Interest Policy as stipulated by "Article Vi, Annual Statements" which states "*Each director, principal officer, employee and member of a committee shall annually sign a statement which affirms...*".

Recommendation

We recommended the Board complete the annual statements as required by the policy.

Status of Finding

**The finding is considered resolved.**

**Finding 2 - Advance Payments to Vendors**

Our procedures regarding cash disbursements function revealed that an advance payment was made to a vendor. As stipulated in Chapter 7, section 17, part 4 of the State of Delaware, Office of Management and Budget, *Budget and Accounting Policy Manual*: Payments to vendors are to be made only after goods or services are received. The only exceptions to this policy are where:

- Advance payments are standard business practices [e.g., maintenance contracts, subscriptions, registration fees, airline reservations].
- Advance payment is in the State's best interest. However, requests for such advance payments must be in writing to the OMB Director, and require the concurrent approval of the OMB Director and Secretary of Finance.

Recommendation

We recommended the School acquaint itself with the manual and request proper authorization for any future advance payments.

Status of Finding

No new occurrences noted; therefore, **the finding is considered resolved.**

**June 30, 2013:**

**Finding 2 - Accounts Payable Function**

Our procedures regarding the accounts payable function revealed that a significant number of payables are not paid within a 30-day cycle. As a result of late payment, the School is incurring late fees and risks damaging its reputation with vendors.

Recommendation

We recommended that the School make every effort to pay its vendors within the normal 30-day cycle.

Status of Finding

**The finding is substantially resolved.**