

# PATERSON PUBLIC SCHOOL DISTRICT ACTION FORM

1. Curricular recommendations must include, if appropriate, school, student initials, tuition rate and/or other needed information.
2. Fiscal recommendations must include all appropriate fiscal information.
3. This Action Form must be in the State District Superintendent's office according to cutoff date before the meeting of the Board of Education.

Recommendation/Resolution:

WHEREAS, The Paterson Public Schools District caused an annual audit of the district's accounts and financial transactions to be conducted by a public school accountant for the 2015-2016 fiscal year pursuant to NJSA18A: 23: and,

WHEREAS, said "Comprehensive Annual Financial Report" and "Auditor's Management Report" for the fiscal year ended June 30, 2016, were filed in duplicate with the Office of the Commissioner on November 23, 2016, pursuant to NJSA 18A: 23-3: and

WHEREAS, a presentation of the audit with discussion of the district's fiscal status, audit findings and recommendations was made to the Board and public by members of the audit firm of Lerch, Vinci & Higgins, LLP, at the board meeting of November 30, 2016, and

WHEREAS, the presentation included a public discussion of the audit results including the district's overall financial position, reserved, unreserved and excess surplus fund balances, funding of worker's compensation and compensated absences, food services' operations and the three (3) audit findings and three (3) recommendations, that are addressed in the Corrective Action Plan and Specific Correction Action Plan; and

WHEREAS, that the annual audit for the year ended 2016 be accepted and placed on file. The audit report is included in section 2, the financial section, of the Comprehensive Annual Financial Report, and that the following corrective action plan be implemented:

NOW, THEREFORE, BE IT RESOLVED, that the Paterson Public Schools Board of Education accepts and approved the "Corrective Action Plan" for the fiscal year ended June 30, 2016, and,

BE IT FURTHER RESOLVED, that the School Business Administrator be directed to forward to the County Superintendent the minutes together with two copies of the CAFR Synopsis, two copies of the Corrective Action Plan, and certified board minutes adopting the above items; and,

BE IT FURTHER RESOLVED, that this resolution shall take effect upon its adoption.

### APPROVALS REQUIRED

1. Submitted by Daisy Ayala, School Business Administrator December 13, 2016  
(Name, Title) Date
2. Approval by Divisional Administrator \_\_\_\_\_  
State District Superintendent, Assistant Superintendent or Business Administrator Date
3. Account No. N/A

### Certification of Funds

	Signature	Date
Funds Available /	<input type="checkbox"/>	Funds Not Needed <input type="checkbox"/>
Funds Not Available	<input type="checkbox"/>	Non-Budget Item <input checked="" type="checkbox"/>

4. Verification by Legal Department, if required \_\_\_\_\_  
Date
5. Approval - State District Superintendent [Signature] 12/13/16  
Date

6. Board Adoption Date December 14, 2016 Resolution Number F-2

**CORRECTIVE ACTION PLAN**

Name of School: **Paterson Public School**  
 Type of Audit: **Financial, Compliance and Performance Reporting**  
 Date of Board Meeting: **December 14, 2016**  
 Contact Person: **Daisy Ayala, School Business Administrator**  
 Telephone Number: **973-321-0772**

County: Passaic

AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><b>V. STUDENT BODY ACTIVITIES</b></p> <p><b>Finding:</b> Audit of the International High School activity account indicated that a payment to a District employee for cash refunds paid to students for a cancelled class trip had no documentation to the students who received payment.</p> <p><b>Recommendation:</b> Disbursements for refunds to students be supported by documentation reflecting the amount paid and individuals receiving payment.</p> <p><b>Finding:</b> Audit of various student activity accounts indicated the following:</p> <p><b>Garrett Morgan High School</b>                      Pre-number are not utilized for funds collected.                      Cancelled checks for disbursements were not provided for audit</p> <p><b>School 8</b>                      Pre-number receipts are not utilized for funds collected.</p> <p><b>School 11</b>                      Certain instances noted where checks contained only one authorization signature                      Certain instances noted where a vendor invoice supporting payments made were not able to be provided for audit</p> <p><b>Recommendation:</b> Internal controls over student activity account receipts and disbursement be reviewed and enhanced.</p>	<p>The district will ensure that pre-number receipts are utilized, two (2) authorized signatures appear on each check, and all checks are properly supported with invoices, etc. Checks payable to employee are closely monitored as noted in the Student Activity Guideline manual.</p>	<p>Generate a quarterly report with internal audit findings</p> <p>Quarterly and update of findings will be provided to each Assistant Supt. Checks payable to staff over \$75 shall require additional approval from the Asst. Supt. All refunds to student shall require documentation supporting amount distributed.</p> <p>Additional training will be provided to the schools with the findings.</p>	<p>Accounting Supervisor</p> <p>Asst. Supt.</p> <p>SBA/Accounting Supt.</p>	<p>Jan. 5, 2017</p> <p>Jan. 5, 2017</p> <p>Jan. 15, 2017</p>

  
 CHIEF SCHOOL ADMINISTRATOR

12/13/16  
 DATE

  
 SCHOOL BUSINESS ADMINISTRATOR /DATE

12/12/16

AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><b>VI. APPLICATION FOR STATE SCHOOLS AID</b></p> <p><b>Finding:</b> Audit indicated that that the number of students reported on the ASSA as low income on ASSA was not in agreement with the District's supporting workpapers</p> <p><b>Recommendation:</b> Internal controls over the preparation of the ASSA be reviewed and enhanced to ensure that low income students reported on the application are properly supported by district workpapers.</p> <p><b>Finding:</b> Audit of low income students reported on the ASSA indicated certain instances where a valid household information survey could not be provided for audit.</p> <p><b>Recommendation:</b> In all instances, household information surveys for students reported as low income on the ASSA be retained and made available for audit.</p>	<p>District will ensure that the appropriate internal controls are in place to ensure that the low income students reported on the ASSA are properly supported.</p>	<p>MIS will ensure that internal controls are in place to verify that low income students reported on the application are valid</p> <p>MIS will prepare procedures to secure that the low income students report on the ASSA is valid and secure the workpapers to make available for audit.</p>	<p>Dr. J. Campbell</p>	<p>Immediately</p>

  
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<p><b>VII. PUPIL TRANSPORTATION</b></p> <p><b>Finding:</b> Audit indicated that transportation applications for individuals attending choice schools were not able to be provided for audit</p> <p><b>Recommendation:</b> Transportation applications for individuals attending choice schools be retained and made available for audit.</p> <p><b>Finding:</b> Audit indicated Aid-in-Lieu of transportation payments were made to individuals who were not eligible for payment in accordance with the approved application for transportation (B6T).</p> <p><b>Recommendation:</b> Payments for aid-in-lieu of transportation be made only to those individuals who are eligible in accordance with the approved application for transportation</p>	<p>District will ensure that an application is collected and secure for each students attending choice school and provide during auditing.</p> <p>District will collect and verify each B6T to ensure only eligible student receive aid-in-lieu.</p>	<p>To ensure that this does not become a repeated finding the Transportation has come back in house.</p> <p>Transportation has purchased Transfinder. The Transfinder system will determine eligibility based on mileage, thus the application will denied or approve the application request.</p>	<p>Director of Transportation, SBA</p>	<p>Nov. 1, 2016</p>

  
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