

**STATE OF NEW JERSEY**  
**DEPARTMENT OF EDUCATION**

**PATERSON INTERNAL AUDIT UNIT**  
**POSITION CONTROL REVIEW REPORT**

**NOVEMBER 2008**

**NEW JERSEY DEPARTMENT OF EDUCATION  
PATERSON INTERNAL AUDIT UNIT  
POSITION CONTROL REVIEW REPORT**

**Distribution List of Final Audit Report**

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Paterson Public Schools

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Paterson Public Schools

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**REVIEW SUMMARY**

At the request of the State Monitor and Business Administrator, the Paterson Internal Audit Unit has conducted a review of position control for a sample of locations and departments within the Paterson Public School District as of May 2008. This review was conducted in order to assess whether or not the position control database contains accurate information while efficiently tracking all personnel in the Paterson Public Schools.

**SCOPE**

The auditors obtained a detailed position control report from the district database which includes every position control number currently active in the district. This report also includes the position title, the social security number of the employee currently assigned to that position, the type of position, the position status, its location, and its full time equivalent (F.T.E). From this report, the auditors sampled one high school and three elementary schools with a combined total of 469 employees. In addition, the auditors sampled the personnel files pertaining to the Technology and Human Resources Departments with a combined total of 56 employees. In total, the auditors reviewed the employee files of 525 district employees, which represent approximately 9% of the total employee population.

The Paterson Public School District is comprised of 47 academic and administrative departments, 39 elementary and middle schools, 14 high schools, and two adult continuing education schools employing approximately 6,000 employees.

District personnel files are assembled and maintained by the Department of Human Resources. The hiring process for every employee is initiated via a Personnel Action Form that is approved and signed by the State Monitor and by the State District Superintendent. Once the action form is approved, the potential hire is contacted and extended a job offer. Upon accepting the job offer, the new hire receives a list of documents that the district requires to be submitted to the Department of Human Resources before the person reports to his/her first day of work. It is the responsibility of the Department of Human Resources to verify every document that is submitted and to properly file all required documents in the appropriate employee file.

Personnel files as well as information contained in the district database were reviewed to determine whether or not:

- The information contained in the district database (Edumet) is current and accurate;
- Each employee file contained a properly completed employment application, an action form, a copy of applicable certification (s), school transcripts and diplomas, and a resume and/or verification of experience;

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- Each employee is currently in the appropriate step on the salary guide based on prior experience, employment history, and education credentials;
- Each employee is assigned a unique position control number;
- Each employee is reporting to the same location where their position control number is being budgeted.

The review included a review of compliance with applicable Paterson Education Association (PEA) and Paterson Administrators Association (PAA) contract terms. In addition, interviews and discussions were conducted with the Director of Human Resources and the Position Control Coordinator in an effort to gain a full understanding of the entire position control process.

**FINDINGS**

With the exception of the deficiencies noted below, the auditors have concluded that the personnel files were found to be substantially complete. However, the auditors noted that some items were misfiled and most of the files were difficult to navigate. In addition, the auditors review revealed that the district does not document the management discretions nor the district policies considered when determining the step that an employee is hired under or promoted into. The auditors noted no material irregularities in the review of the district database (Edumet). The personnel file deficiencies noted below are related to employees hired between 1955 and 2000.

The deficiencies noted during the review include the following:

- Required support for equivalency pay, such as school transcripts and in-service certificates, was missing in seven (7) employee files.
- The district extended a significant salary increase to one (1) individual when being promoted from teacher to administrator and granted him a \$19,000 salary increase off the PAA salary guide. According to the Department of Human Resources, this person's salary was calculated considering what his future salary would have been if he were to remain employed under the teacher's guide until the following contract year. In other words, the HR Department exercised an administrative prerogative in order to be able to hire this person as an administrator while keeping his salary in alignment with his current position. This practice results in employees having to be placed off guide until their salaries catch up to the guide in which they are being hired under.
- The district placed a new hire on step 5 of the Instructional Assistant salary guide by accepting his prior experience as a self employed golf professional.
- The auditors could not find the appropriate support for an MA degree in one (1) employee file.
- There was no resume on file for two (2) employees within the Human Resources Department and one (1) from the Technology Department. The HR Department

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had originally indicated to the auditors that resumes were not required; however, copies were subsequently provided.

- The auditors observed that Edumet does not have the capability to assign more than one (1) position control number to an employee. This becomes a system flaw in the case where an employee holds more than one position. An example of this would be when a full time employee works for an evening program within the district.
- The auditors observed several instances where documents were placed in the wrong employee file. The auditors brought it to the attention of the file room clerk and the documents were re-filed correctly.


**RECOMMENDATION**

The auditors recommend that the district ensure that employee information is properly collected and verified by a supervisor within the Department of Human Resources. The auditors also recommend that the district overhauls the process of assembling new employee files, thereby facilitating their review and understanding in the future. The following are detailed recommendations:


- The district should clearly document the criteria used for determining the initial step each employee is hired under and /or promoted into. The district should institute procedures to clearly define the reasoning used for calculating the steps, and clearly specify the supervisor making the step calculations, extending job offers and making approvals.
- The district should institute procedures in order to ensure that employee files contain all relevant and required information. The files should be periodically reviewed and updated in order to keep them organized with easy to track information.
- The district should review the auditors' findings in detail and correct all deficiencies. The auditors should be provided with all outstanding support and management explanations accordingly.
- The district should verify the current capabilities within the Edumet system to ensure that the position control function is adequately serving the needs of the district.
- Although the auditors noted no material irregularities, the district should ensure they are in compliance with N.J.A.C. 6A:23A-6.8 Personnel tracking and accounting which became effective July 1, 2008.

**Auditors**  
Jessenia Kan  
Nahid Nipa

**Submitted by:**

  
**Daniel Sackner**  
Supervising Auditor

**Approved by:**

  
**Steven Hoffmann**  
Coordinating Auditor

CORRECTIVE ACTION PLAN

Name of School: **Paterson Public School** County: Passaic  
 Type of Audit: **Paterson Internal Audit Unit Position Control Review Report**  
 Date of Board Meeting: **December 3, 2008**  
 Contact Person: **Luis M. Rojas Jr., Director of Human Resources**  
 Telephone Number: **973-321-0829**

I/A FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Recommendation # 1</u>                      The district should clearly document the criteria used for determining the initial step each employee is hired under/or promoted into. The district should institute procedures to clearly define the reasoning used for calculating the steps, and clearly specify the supervisors making the step calculations, extending job offers and making approvals</p>	<p>Detailed step by step description and explanations of the actions taken in the decision making process when hiring, promoting, adjustments to salaries or setting salaries employees will be implemented.</p>	<p>Memorandum attached to the Personnel Transaction form detailing the rational used in determining salary when salaries are higher than step 1 or adjustment are made to a salary. A form document will be created and attached as a back-up document to the personnel transaction form executing said promotion/hire</p>	<p>Director of Human Resources</p>	<p>December 15, 2008</p>
<p><u>Recommendation # 2</u>                      The District should institute procedures in order to ensure that employee files contain all relevant and required information. The files should be periodically reviewed and updated in order to keep them organized with easy to track information.</p>	<p>Supervisors will sign off on all personnel folders to ensure that all the necessary documents are collected at the time of hire. Additionally, 40 personnel files will be randomly spot checked monthly to ensure files are accurate and up to date.</p>	<p>Implement signoff procedures                      Random internal audits</p>	<p>Director of Human Resources                      Director of Human Resources</p>	<p>December 15, 2008                      December 15, 2008</p>

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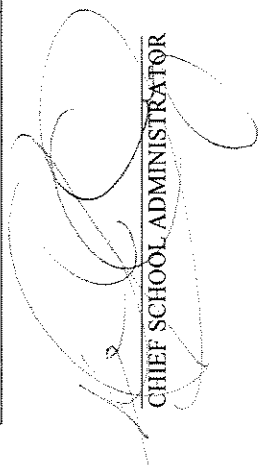
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<p><u>Recommendation # 3</u>                      The District should review the auditors' findings in detail and correct all deficiencies. The auditors should be provided with all outstanding support and management explanations accordingly. Findings that require closure are as follows:</p> <ul style="list-style-type: none"> <li>a. Transcripts and in-service certificates are missing out of seven (7) employee files</li> <li>b. The MA degree missing in one (1) employee file</li> </ul>	<p>Continue to reach out to those employees hired between 1955 and 2000 and who were highlighted by the audit and who did not have completed files in accordance with the auditor's report.</p>	<p>Via phone and necessary documenting and maintaining each communication.</p>	<p>Director of Human Resources</p>	<p>December 15, 2008</p>
<p><u>Recommendation # 4</u>                      The district should verify the current capabilities within the EDUMET system to ensure that the position function is adequately serving the needs of the district.</p>	<p>The district is currently investigating the possibility of expanding EDUMET's capabilities and currently marketing for a new software provider.</p>	<p>Communicate with EDUMET to investigate the feasibility of software upgrade to allow for multiple PC #s.                      Continue with the process for soliciting a new software package.</p>	<p>Business Administrator/                      Director of Human Resources</p>	<p>December 15, 2008                       June 30, 2009</p>

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 Paterson Internal Audit Unit Position Control Review Report  
 December 3, 2008  
 Frances Finkelstein, Business Administrator  
 973-321-0896

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I/A FINDING AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><u>Recommendation # 5</u></p> <p>Although the auditors noted no material irregularities, the district should ensure they are in compliance with NJAC 6A:23A-6.8, Personnel tracking and accounting, which became effective July 1, 2008.</p>	<p>Employees responsible for maintenance of an accurate, complete and up-to-date automated position control roster have been provided with the new rules and have updated the system to accommodate the changes required.</p>	<p>Employees working with Position Control system have received copies of 6A:23A adopted July 1, 2008, and have implemented system revisions to include categories required under 6A:23A-6.8. The fields have been populated as required based on data from human resources and payroll sources.</p>	<p>Business Administrator</p>	<p>November 14, 2008</p>

  
 CHIEF SCHOOL ADMINISTRATOR

12/3/08  
 DATE

  
 SCHOOL BUSINESS ADMINISTRATOR