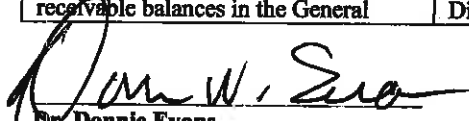


CORRECTIVE ACTION PLAN

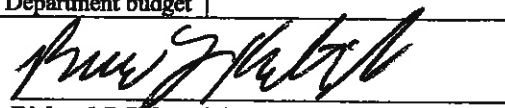
Name of District: **Paterson Public Schools**
 Type of Audit: **Financial Compliance and Performance Reporting**
 Date of Board Meeting: **December 18, 2013**
 Contact Person: **Richard J. Kilpatrick, SBA**
 Telephone Number: **973.321.0703**

County: Passaic

FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>FINANCIAL PLANNING, ACCOUNTING AND REPORTING</p> <p>1. Finding: Audit indicated there appears to be excess balances in the payroll agency, teacher salary and summer payment accounts as June 30, 2013.</p> <p>Recommendation: A review be made of the various payroll accounts and any excess balances be appropriately cleared of record.</p>	<p>The Accounting department will develop a review process to reconcile all outstanding balances in the payroll agency, teacher salary and summer payment accounts and this review process will occur quarterly. This review will identify items that need to be corrected and/or removed from the excess balances.</p>	<p>The Accounting Department will document their procedures for the Department's operating manual.</p> <p>Items identified in the FY 2013 Audit will be addressed in the review performed in January 2014.</p> <p>A review process and reconciliation of any outstanding balances will be performed quarterly and any excess balances will be cleared or duly noted with justification of its existence and when the adjustment will take place. Payments in agency will clear July once reconciliation is performed.</p>	<p>Accounting and Payroll Supervisors</p>	<p>January 2014</p>
<p>2. Finding: Audit revealed certain old account receivable balances from prior years appear uncollectible in the General Fund and Capital Project Fund at June 30, 2013.</p> <p>Recommendation: Prior year accounts receivable balances in the General</p>	<p>The Capital Project Fund's Accounts Receivables will be pursued with the SDA for payment in full by the Facilities Department providing the SDA with appropriate documentation necessary to release payment to the District. The Legal Department</p>	<p>Facilities will be responsible for providing the SDA with appropriate invoices for completed projects allowing the SDA to release payments or deny the expenditure. If any SDA AR is denied, the district will write off the receivable and the Facilities Department Budget</p>	<p>Assistant Business Administrator Accounting Supervisor</p> <p>Accounting Supervisor Executive Director of Facilities</p> <p>District's General Counsel</p>	<p>January 2014</p>


 By: **Donnie Evans**
 CHIEF SCHOOL ADMINISTRATOR

12/20/13
 DATE


 Richard J. Kilpatrick
 SCHOOL BUSINESS ADMINISTRATOR

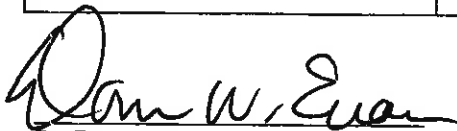
12/20/2013
 DATE

CORRECTIVE ACTION PLAN

Name of District: **Paterson Public Schools**
 Type of Audit: **Financial Compliance and Performance Reporting**
 Date of Board Meeting: **December 18, 2013**
 Contact Person: **Richard J. Kilpatrick, SBA**
 Telephone Number: **973.321.0703**

County: Passaic

FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>Fund and Capital Projects Fund be reviewed and efforts be made to seek collection or otherwise be cancelled.</p>	<p>will be given the list of AR to process through legal collection procedures.</p>	<p>will absorb the expenditure. Semi-annually the Accounting Department prepares an Accounts Receivable list and give it to the Legal department to pursue the legal collection process. Legal will maintain status of any collection activity for audit purposes.</p>		
<p>SCHOOL PURCHASING PROGRAMS</p> <p>3. Finding: Audit of District expenditures indicated that certain payments were made for school supplies which exceeded the quote threshold for which quotes were not solicited in accordance with the Public Schools Contracts Law.</p> <p>Recommendation: The District solicits quotes for purchases of school supplies which exceed the statutory threshold in accordance with the Public Schools Contracts Law.</p>	<p>Purchasing Department will solicit quotations for like items above the threshold of \$5,400 and not exempt from bidding</p>	<p>The Purchasing Department has turned on the warning messages in the alio system to alert the approver of the quote limit. Also, the District has purchased a programming upgrade in the alio system to put a hard stop on any contract exceeding the quote, bid, and contract limits put in place by the Purchasing Department for each vendor. During review of requisitions in alio (our online purchasing system), purchases above the quote threshold will only be approved when quotations have been solicited and are attached to the requisition.</p>	<p>Supervisor of Purchasing</p>	<p>December 2013</p>


 Dr. Donnie Evans
 CHIEF SCHOOL ADMINISTRATOR

12/20/13
 DATE


 Richard J. Kilpatrick
 SCHOOL BUSINESS ADMINISTRATOR

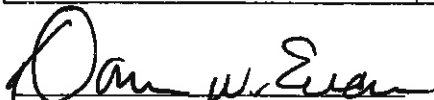
12/20/2013
 DATE

CORRECTIVE ACTION PLAN

Name of District: **Paterson Public Schools**
 Type of Audit: **Financial Compliance and Performance Reporting**
 Date of Board Meeting: **December 18, 2013**
 Contact Person: **Richard J. Kilpatrick, SBA**
 Telephone Number: **973.321.0703**

County: Passaic

FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>4. Finding: Audit revealed a contract entered into with an out of state university in the amount of \$414,700 for professional development services was not approved in the official District minutes as required by the Public Schools Contracts Law.</p> <p>Recommendation: In all instances, contracts awarded by the District be approved in the official minutes as required by the Public Schools Contracts Law.</p>	<p>In all instances, contracts awarded by the District be approved in the official minutes as required by the Public Schools Contracts Law.</p>	<p>On review of requisitions, the Purchasing Department will determine the need for a contract (based on the quote limit) and/or resolution. Thereafter, Purchasing will contact the User Department to ensure a contract has been signed and resolution has been submitted before the board, prior to approving the requisition.</p> <p>District will purchase component in alio system to put hard stop on any requisitions that would exceed the contract amount.</p>	<p align="center">Supervisor of Purchasing</p>	<p align="center">December 2013</p>
<p>STUDENT BODY ACTIVITIES</p> <p>5. Finding: Audit of School No. 13 Student Activity Account revealed certain check signatures did not appear to be consistent with the authorized signers.</p> <p>Recommendation: Authorization signatures on checks issued from School #13 student activity account be reviewed to ensure compliance with appropriate authorized signers.</p>	<p>The Principal of School 13 will be meeting with the Accounting Department staff to review the student activity account. The oversight for monitoring the student's account will be assigned to the school's Vice Principal.</p> <p>In addition, the Accounting Department staff will continue to perform their quarterly reviews of the students accounts report any findings to the school's Assistant Superintendent.</p>	<p>The School is reviewing whether or not it is convenient to close the Wells Fargo account and open a new account with TD bank because of the outdated signature cards on file at the branch.</p>	<p align="center">Principal and Assistant Superintendent</p> <p align="center">Accounting Supervisor</p>	<p align="center">March 2013</p>


 Dr. Donnie Evans
 CHIEF SCHOOL ADMINISTRATOR

12/20/13
 DATE


 Richard J. Kilpatrick
 SCHOOL BUSINESS ADMINISTRATOR

12/20/2013
 DATE

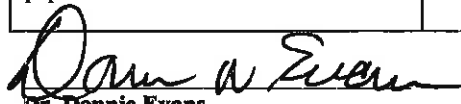
CORRECTIVE ACTION PLAN

Name of District: **Paterson Public Schools**
 Type of Audit: **Financial Compliance and Performance Reporting**
 Date of Board Meeting: **December 18, 2013**
 Contact Person: **Richard J. Kilpatrick, SBA**
 Telephone Number: **973.321.0703**

County: Passaic

FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>6. Finding: Out audit indicated instances where disbursements were made from certain student activity account for items which do not appear to be student related type activities.</p> <p>Recommendation: Disbursements from Student Activity accounts be continually monitored to ensure funds are utilized only for student related type activities of the District.</p>	<p>The Assistant Superintendents will be given notice of any findings during the Accounting Department's quarterly reviews. Additional training will be given to the principals on the process and procedures for managing student activity accounts.</p> <p>In addition, the Accounting Department staff will continue to perform their quarterly reviews of the students account activities.</p>	<p>School NRC. There is new leadership at School NRC and we will ensure that they understand the process and procedures.</p> <p>School 15 The principal understands the error and we will provide additional training to her regarding student activity accounts.</p>	<p>Principal and Assistant Superintendent School New Robert Clemente</p>	<p>March 2013</p>

<p>APPLICATION FOR STATE SCHOOLS AID</p> <p>7. Finding: Audit indicated that certain students reflected on the District work-papers were not reported on the ASSA. Furthermore, it was noted certain schools' grades reported on the work-papers were not reported on the ASSA.</p> <p>Recommendation: Internal controls over the preparation of the ASSA be reviewed and enhanced to ensure that students reported on the ASSA reflect enrollments in the supporting work-papers.</p>	<p>The District will improve its ASSA reporting procedures to ensure that accurate student enrollment data is recorded on the ASSA system and that the enrollments counts recorded are supported by the District's enrollment work papers.</p>	<p>The Interim Director of Information Management will establish the controls necessary to ensure the appropriate data is recorded in the ASSA reporting system.</p>	<p>Dr. L. Newell</p>	<p>November 2013</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------	----------------------


 Dr. Donnie Evans
 CHIEF SCHOOL ADMINISTRATOR

12/20/13
 DATE


 Richard J. Kilpatrick
 SCHOOL BUSINESS ADMINISTRATOR

12/20/13
 DATE

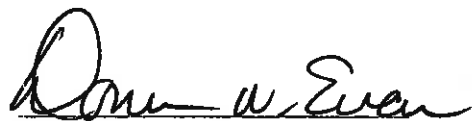
CORRECTIVE ACTION PLAN

Name of District: **Paterson Public Schools**
 Type of Audit: **Financial Compliance and Performance Reporting**
 Date of Board Meeting: **December 18, 2013**
 Contact Person: **Richard J. Kilpatrick, SBA**
 Telephone Number: **973.321.0703**

County: Passaic

FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
-----------------------------	-----------------------------------------	--------------------------	---------------------------------------	-----------------------------------

<p><i>FACILITIES AND CAPITAL ASSETS</i></p> <p>8. Finding: Audit revealed that a contract has been awarded for a capital project at School No. 21 for which sufficient funds were not made available.</p> <p>Recommendation: District seek to transfer funds into Capital Projects Fund to fully fund a previously awarded contract for improvements at School No. 21</p>	<p>SDA grants receivables and expenditures will only be recorded in the financial statements as indicated in the SDA award letter.</p> <p>The district will make a determination to either fund the School # 21 project at the level currently recorded on the district's financial statements or reverse the recorded Accounts Receivable amount above the SDA's commitment.</p>	<p>Facilities must provide the Accounting Department with a copy of all awarded SDA grants. The Accounting Department will only recognize Account Receivables and Expenditures with appropriate supporting documentation. The District will pursue obtaining full support for the School # 21 project as documented in the financial statements. If the district is unable to obtain the additional SDA funding, the District Facilities Budget will absorb the additional capital costs for the School # 21 project.</p>	<p>Accounting Supervisor and the Executive Director of Facilities</p>	<p>March 2013</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------	-------------------


 Dr. Donnie Evans
 CHIEF SCHOOL ADMINISTRATOR

12/20/13
 DATE


 Richard J. Kilpatrick
 SCHOOL BUSINESS ADMINISTRATOR

1/7/2015
 DATE