

CORRECTIVE ACTION PLAN

Name of School: **Paterson Public School**  
 Type of Audit: **Financial, Compliance and Performance Reporting** County: **Passaic**  
 Date of Board Meeting: **December 19, 2012.**  
 Contact Person: **Daisy Ayala, Interim Business Administrator**  
 Telephone Number: **973-321-0772**

AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p><b>II. Financial Planning, Accounting and Reporting</b></p> <p><b>Finding 1:</b> District's employee health benefit bills indicate several individuals who remained covered under the District's employee health and dental benefit programs after termination from the District.</p> <p><b>Recommendation:</b> Employee medical benefit bills be reviewed on a monthly basis to ensure that only active employees are receiving coverage.</p>	<p>District is using a monthly review process to reconcile all health and dental bills to ensure the District is only paying for entitled employees.</p>	<p>Accountant was hired to complete internal audit and begin a monthly reconciliation process for the District's health and dental benefits' bills. The first reconciliation revealed the same findings as this audit and the District was able to have 100% of overpayment for health benefits refunded and a portion of dental benefits refunded. Moving forward from February 1, 2012, the review and reconciliation is being done on a monthly basis in order to ensure the District is only charged for entitled employees.</p>	<p>HRS Accountant</p>	<p>Began implementation February 1, 2012.</p>

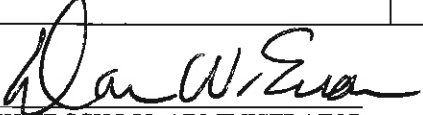
  
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<p><b>Finding 2:</b> Employees on leaves of absence did not contribute toward their health benefits as required by Chapter 78 of Public Laws of 2011. Additionally, certain instances were noted where employee health benefits were not calculated in accordance with Chapter 78 of the Public Laws of 2011.</p> <p><b>Recommendation:</b> Employee contributions toward health benefits be calculated and remitted in accordance with Chapter 78 of Public Laws of 2011.</p>	<p>District will collect employee portion of contribution for Health Benefits coverage the employee is entitled to during their period of unpaid leave.</p>	<p>Employee will notify district at least 30 days prior to their unpaid leave if they intend to continue their health benefits. If so, the district will calculate employee contribution, employee will be notified of amount due, and will prepay the amount. If the amount is not paid the employee's benefits will be stopped.</p>	<p>HRS Accountant and Staff Attendance and Benefits Staff.</p>	<p>Began implementation of Standard Operating Procedure, December 1, 2012 with implementation retroactive to July 1, 2012.</p>

  
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<p><b>Finding 3:</b> Time reports for substitute teachers were not approved and certified by supervisory personnel</p> <p><b>Recommendation:</b> Timesheets for services performed by substitute teachers be signed for approval by appropriate supervisory personnel.</p>	<p>Substitute Supervisor will sign off approval on verification reports.</p>	<p>When information is received from the schools including signatures from substitutes that worked, their attendance will be verified by the Substitute office staff and then signed for approval by the substitute supervisor.</p>	<p>Rhonda Williams, Supervisor of Substitute Office</p>	<p>December 1, 2012</p>

  
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<p><b>Finding 4:</b> Certain salaries of Assistant Superintendents were allocated to Improvement of Instructional Services rather than to the appropriate General or School Administration salary budget line accounts</p> <p><b>Recommendation:</b> The District reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition, and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f)</p>	<p>The District will reference:                      -The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition;                      -The Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f)</p>	<p>Job descriptions and titles will be changed to reflect charge to Function 221 Improvement of Instruction per Uniform Chart of Accounts.</p>	<p>HR to initiate PTF Business Office to change title – Daisy Ayala, ABA</p>	<p>January 21, 2013</p>

  
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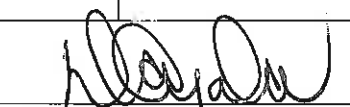
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<p><b>Finding 5:</b> Audit of the federal No Child Left Behind (NCLB) Programs revealed that final grant report expenditures filed on the EWEG system were not in agreement with the District's accounting records.</p> <p><b>Recommendation:</b> Internal controls over federal grant reporting be reviewed and enhanced to ensure that final grant report expenditures and the District's accounting records are in agreement for the respective program year.</p>	<p>The allocation of the grant program year expended in the budget report will reflect expenditures reported in the EWEG system.</p> <p>The district has updated its input into the EWEG system.</p>	<p>Ensure that the grant program year reflected in the budget report agrees with the program year expenditures reported in the final report in EWEG.</p>	<p>Betty Speights Jane VanSplinter</p>	<p>3/1/2013</p>

  
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<p><b>Finding 6:</b> Audit of the Federal IDEA grant program indicated that individuals and their perspective salaries charged to the grant program are not approved in the minutes as grant funded salaries.</p> <p><b>Recommendation:</b> In all instances, individuals and their perspective salaries charged to federal grant programs be approved in the minutes as grant funded expenditures.</p>	<p>Individuals and their perspective salaries charged to federal grant programs will be approved in the minutes as grant funded expenditures.</p>	<p>The district in all instances will create a Personnel Transaction Form (PTF) to identify and report all individuals and their respective salaries charged to federal grant programs as grant funded expenditures. This form will then be submitted to Board of Education for approval and acknowledgment. The PTF will appear in Board minutes.</p>	<p>Susana Peron, Assistant Superintendent</p>	<p>December 19, 2012</p>

  
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<p><b>III. School Purchasing Program</b></p> <p><b>Finding:</b> Audit revealed certain instances where duplicate vendor names, addresses and accounts for the same vendor are present in the District's vendor master files.</p> <p><b>Recommendation:</b> The District review its vendor master files on a periodic basis to determine the validity of vendor information and all inactive and duplicate vendors be removed accordingly. In addition, procedures are implemented to ensure unnecessary vendor accounts are not created when purchase orders are issued.</p>	<p>Procedures will be put in place to determine the validity of vendor information and vendors with duplicate accounts will be removed.</p>	<p>Will deactivate duplicate vendors from the current financial system.</p> <p>On a monthly basis we will generate a report of possible duplicate vendors, if any we will deactivate immediately.</p> <p>The new FAS will have the capability of merging vendors. As well as the capability of having multiple mailing address for one vendor. Requesting that the new FAS create a warning indicator to capture a unique identifier in the vendor information.</p> <p>Vendor creation and modification will only be done by the Supervisor of Purchasing and new vendor will be verified by the Accounting Manager.</p>	<p>Supervisor of Purchasing</p> <p>Supervisor of Purchasing Accounting Manager</p>	<p>12/01/12</p> <p>7/1/2012</p> <p>Ongoing</p>

  
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<p><b>V. Student Body Activities</b></p> <p><b>Finding:</b>                      Audit of School #13 revealed pre-numbered receipts did not always denote composition, Sponsor's signature was not obtained on payment approval form, certain checks included only one authorized signature, payments were made for purchase of music equipment, receipts were collected and payments were made for staff holiday party.</p> <p><b>Recommendation:</b>                      Internal controls over the maintenance of the School #13 student activity account be reviewed and enhanced to ensure compliance with District policy.</p>	<p>School #13 will follow Student Activity fund procedures in manual as posted on District website.</p>	<p>School #13 Principal will follow current Student Activity procedures posted on the web.</p> <p>Compliance for School #13 will be checked by Accounting through monthly review of student funds. As well inform the Assistant Superintendent monthly.</p> <p>First noncompliance will be reported to the Assistant Superintendent.</p>	<p>School Principal</p> <p>Accounting Staff</p> <p>Assistant Superintendent</p>	<p>December 2012 and-Ongoing</p> <p>December 2012 and-Ongoing</p> <p>December 2012 and-Ongoing</p>

  
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<p><b>VII. Transportation</b></p> <p><b>Finding:</b> Transportation #1: Audit indicated that the amounts reported on the DRTRS report did not always agree with the supporting work papers and/or documentation to support student eligibility.</p> <p><b>Recommendation:</b> Amounts reported in the DRTRS reflect amounts included on the respective supporting work papers and documentation to support student eligibility.</p>	<p>Amounts reported in the DRTRS will reflect the amounts included on the respective supporting work papers and documentation to support student eligibility.</p>	<p>The Department of Special Services will review and confirm the accuracy of the information being submitted to the Department of Transportation for inclusion in the DRTRS.</p> <p>This review needs to be completed prior to receipt by the Department of Transportation.</p>	<p>Special Education</p> <p>Transportation Manager- Sonia Figueroa</p>	<p>June 30, 2013</p>

  
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