

CORRECTIVE ACTION PLAN

Name of School: **Paterson Public School**
 Type of Audit: Annual Independent CPA Audit as of June 30, 2010
 Date of Board Meeting: December 1, 2010
 Contact Person: Frances Finkelstein, School Business Administrator (eff. 6/1/06)
 Telephone Number: 973-321-0896

County: Passaic

I/A FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>I. Administrative Practices and Procedures</p> <p>No findings or recommendations.</p> <p>II. Financial Planning, Accounting and Reporting</p> <p>1. Outstanding purchase orders be reviewed at year end to determine their accuracy, validity and classification. *Repeat</p>	<p>I.</p> <p>N/A</p> <p>II.</p> <p>1-A. Problem was in classifying open purchase orders as liability when services were not rendered. Orders will be reviewed periodically to test for services, appropriateness of closing.</p> <p>1.-B. Contributing to problem: orders late in fiscal year, with delivery timeframe unspecified leading to misclassification of liability vs. rollover. .</p>	<p>I.</p> <p>N/A</p> <p>II.</p> <p>1-A. Problem will be eliminated through expeditious receipt and closure of open orders. To that end, , Accounts Payable will send monthly reports of open POs over 60 days old to Asst. Supts. for their review with responsible administrators., s to engage initiators in follow-through and closure of open orders.</p> <p>1-B Purchasing process will be revised to require a “delivery or cancel” timeframe on all requisitions.</p> <p>1-C. Purchasing Supervisor will advise district staff and vendors of change noted in 1-B.</p> <p>1-D. Accounting Manager will provide training to selected staff (A/P, Facilities, Technology) in 2nd quarter, 2011, on determining liability vs. rollover encumbrance classification.</p> <p>1.-E. Monthly, Superintendent’s Cabinet will review status of 60+ days open orders and report status at subsequent Fiscal Committee meeting.</p>	<p>I.</p> <p>N/A</p> <p>II.</p> <p>1-A. Accounting Manager.</p> <p>1-B. Purchasing Supervisor</p> <p>1-C. Purchasing Supervisor</p> <p>1-D. Accounting Manager</p> <p>1.-E.Asst. Superintendent for Business Services</p>	<p>I.</p> <p>N/A</p> <p>II.</p> <p>1-A. January 7, 2011</p> <p>1-B. December 22, 2010</p> <p>1-C. December 22, 2010</p> <p>1-D. May 13, 2011</p> <p>1.-E. February 4, 2011</p>

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<p>II. Financial Planning, Accounting and Reporting</p> <p>2. Amounts reported on the monthly transfer worksheets be calculated properly and transfers reported be in agreement with the District's budget report.</p>	<p>II.</p> <p>2. Retrain accountants on transfer methodology; lock cells in software; establish procedures in the event budget modifications require revisions.</p>	<p>II.</p> <p>2-A. Accounting Manager will instruct accountants on formula to be used in establishing transfer report data.</p> <p>2-B. Once formula is established, software cells will be locked to prevent miscalculations.</p> <p>2-C. Accounting Manager establishes procedures that require management approval of any changes needed due to subsequent budget modifications.</p>	<p>II.</p> <p>2-A. Accounting Manager</p> <p>2-B. Accounting Manager</p> <p>2-C. Accounting Manager</p>	<p>II.</p> <p>2-A. November 23, 2010</p> <p>2-B. November 23, 2010</p> <p>2-C. November 23, 2010</p>

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<p>III. School Purchasing Program</p> <p>1. Notification be provided to the Office of the State Comptroller of contracts awarded by the District which exceed \$2 million in accordance with N.J.S.A. 52:15C-10.</p> <p>2. All contracts rescinded and amended be approved by formal action and be made part of the District minutes accordance with the Public School Contracts Law.</p> <p>3. Greater care be exercised when awarding contracts exempt from public advertising for bids to ensure compliance with the Public School Contracts Law.</p>	<p>III.</p> <p>1. Compliance with post-award notification requirements of NJSA 52:15C-10.</p> <p>2. Rescissions and amendments to board-approved contracts will be supported by board-approved resolutions.</p> <p>3. Awards of contracts exempt from advertising for bids receive legal confirmation that Purchasing’s approach conforms to Public School Contracts Law.</p>	<p>III.</p> <p>1. Revise contract compliance checklist to include requirement to advise OSC for contracts over \$2 million and over \$10 million consistent with NJSA 52:15C.</p> <p>2. Pro-forma resolutions will be developed and processed whenever a previously-approved board contract has to be rescinded or amended due to need for modifications subsequent to the original contract. .</p> <p>3. Purchasing checklist, process and standard operating procedures will be amended to require documented legal agreement on the appropriateness of exempting from public advertising for bids any anticipated purchase for which the exemption is raised for consideration in a Purchasing decision..</p>	<p>III.</p> <p>1. Purchasing Supervisor</p> <p>2. Purchasing Supervisor</p> <p>3. Purchasing Supervisor</p>	<p>III.</p> <p>1. November 30, 2010</p> <p>2. December 15, 2010</p> <p>3. December 15, 2010</p>

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<p>IV. School Food Services</p> <p>1. It is recommended that continued efforts be made to ensure food sales are deposited in a timely manner in accordance with Board policy. *Repeat</p>	<p>IV.</p> <p>1. Food Services will implement accurate and timely cash collection processes at the school level to ensure accountability of funds received in the course of business.</p>	<p>IV.</p> <p>1-A. Director of Food Services will meet with audit managers to understand methodology needed to measure timeliness of school cash collections.</p> <p>1-B. Director of Food Services will develop cash management measurement process and procedures to comply with audit recommendations and district policy.</p> <p>1-C... Director of Food Services will train all Cafeteria Food Service Managers on new process.</p> <p>1-D. Director of Food Services will assign Food Services' staff member oversight and reporting responsibility for ongoing weekly school-level measurements of compliance with new procedures.</p> <p>1.E. – Director of Food Services will document revised Standard Operating Procedure</p>	<p>IV.</p> <p>1-A. Director of Food Services</p> <p>1-B. Director of Food Services</p> <p>1-C. Director of Food Services</p> <p>1-D. Director of Food Services</p> <p>1.-E. – Director of Food Services</p>	<p>IV.</p> <p>1-A. September 30, 2010</p> <p>1-B. September 30, 2010</p> <p>1-C. September 30, 2010</p> <p>1-D. October 30, 2010</p> <p>1.-E. December 15, 2010</p>

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<p>IV. School Food Services (continued)</p>	<p>IV.</p>	<p>IV. 1-F. Food Service Managers failing to meet compliance requirements will receive documented additional training to facilitate positive performance, after which documented progressive disciplinary action consistent with contract will occur.</p>	<p>IV. 1-F.. Food Services Director</p>	<p>IV. 1-f. . January 7, 2011</p>
<p>V. Student Body Activities</p> <p>1. Internal controls over concert ticket sales and reporting in the Rosa Parks student activity account be reviewed and enhanced.</p>	<p>V.</p> <p>1. Rosa Parks’ must issue tickets and collect fees accordingly for all performance events.</p>	<p>V.</p> <p>\1. Rosa Parks’ student activity fund treasurer must obtain pre-numbered tickets when special events supporting the student activity fund are to take place. All tickets will be accounted for after the event and the activity fund deposits will equate to the tickets used unless full explanatory documentation supports otherwise.</p>	<p>V.</p> <p>1. Principal, Rosa Parks Academy</p>	<p>V.</p> <p>1. January 7, 2011</p>

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<p>V. Student Body Activities (cont'd.)</p> <p>2. Sports Business/Public Safety Academy made numerous payments to an individual from the SBA/PSA student activity account. Efforts be made to limit the number of reimbursements paid to individuals from the student activity accounts and greater efforts be made to pay vendors directly, . *Repeat</p>	<p>V.</p> <p>2. SBA/PSA must establish relationships with vendors who will accept student activity fund checks in payment for goods/ services and discontinue the practice of reimbursing employees for purchases.</p> <p>V.</p>	<p>V.</p> <p>2 –A. SBA/PSA activity fund treasurer will discontinue the practice of routine reimbursement to individuals from student activity funds that should be paid to a vendor by activity fund check. If there is difficulty identifying vendors who will accept activity fund checks, administration will contact peer school administrators, solicit information on their vendors and avoid further repeat audit comments.</p> <p>2.-B. SB/PSA activity fund treasurer will follow current Activity Fund procedures posted on web and distributed to district principals for dissemination.</p> <p>2.-C. Accounting’s monthly student activity fund’s review checklist will be expanded to identify incidences of employee reimbursement and will require explanatory documentation from school principals,</p> <p>2.-D. Repeat checklist t findings will be escalated to appropriate Assistant Superintendent for information and action as appropriate.</p>	<p>V.</p> <p>2.–A. Sports Business/Public Safety Principal</p> <p>2.-B. SBA/PS Principal</p> <p>2.-C. Accounting Supervisor</p> <p>2.-D. Accounting Manager</p>	<p>V.</p> <p>2. –A. December 8, 2010</p> <p>2.-B. January 7, 2011</p> <p>2.-C. January 31, 2011</p> <p>2.-D. January 31, 2011</p>

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<p>V. Student Body Activities (cont'd.)</p> <p>3. In all instances, documentation to support cash disbursements from student activity accounts be provided for audit.</p> <p>4-A. With respect to the athletic accounts All athletic account disbursements include two (2) authorization signatures on checks.</p> <p>4.-B. Game tickets be utilized and reports submitted to support receipts collected at all athletic events.</p>	<p>V.</p> <p>3. School principals and activity fund treasurers must become well-versed in the operational procedures governing implementation of these accounts, against which their compliance is audited.</p> <p>4-A. All athletic account disbursement checks will include two (2) authorization signatures.</p> <p>4.-B. All athletic events for which admission fees are charged are to use pre-numbered admission tickets that are to validate reports of gate collections.</p>	<p>V.</p> <p>3. Business Office will email all principals, as responsible overseers of their student activity accounts, the October 2010 edition of the Student Activity Accounting manual for their review and distribution to all involved with student funds. .</p> <p>4.-A. All disbursements are to be by check supported by no fewer than two (2) authorization signatures consistent with activity fund guidelines and board banking resolutions.</p> <p>4.-B. Schools will obtain pre-numbered tickets to be used for admission payments.</p> <p>4.-C. Unused tickets will be kept secured in the same manner as activity fund cash, to minimize misuse, with staff Athletic Treasurer maintaining . inventory of tickets to reconcile cash receipts, providing the report to the Principal, copying the Athletic Director. .</p>	<p>V.</p> <p>3. School Business Administrator</p> <p>4-A. Principals, JFK and Eastside High School</p> <p>4.-B. Athletic Directors for ES and JFK high schools</p> <p>4.-C. Athletic Directors for ES and JFK</p>	<p>V.</p> <p>3. November 30, 2010</p> <p>4.-A. December 8, 2010</p> <p>4.-B. January 7, 2011</p> <p>4.-C. January 31, 2011</p>

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<p>VI. Application for State School Aid No findings or recommendations.</p> <p>VII. Transportation No findings or recommendations.</p> <p>VIII. Facilities and Capital Assets No findings or recommendations.</p> <p>XI. Miscellaneous No findings or recommendations.</p> <p>X. Status of Prior Years' Audit Findings/Recommendations A review was performed on all prior years' recommendations and corrective action was taken on all prior year findings; however, further action is required for those recommendations denoted by an asterisk (*).</p>				

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