

CORRECTIVE ACTION PLAN 2020

District: Edgewater	County: Bergen
Date of Board Meeting: February 25, 2021	
Contact Person: Angelo DeSimone, State Monitor	Telephone Number:

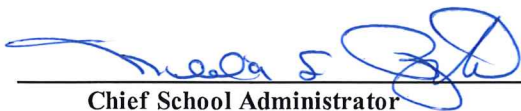
Recommendation #	Conditions that caused the repeat recommendation(s);	Corrective actions taken or to be taken and the dates or projected dates of such actions	The administrator directly responsible for implementing the actions and controls	Internal controls put in place or to be put in place to prevent another repeat of the recommendation and the dates or projected dates of implementation of such controls
II-1	In all instances properly executed purchase orders be approved and issued for purchases and contract awards and they be issued prior to the purchase of goods or the rendering of services. <i>This is a repeat comment from a prior year audit.</i>	The interim BA has established procedures to ensure that all expenditures are supported by purchase orders that have been approved and issued prior to initiating the purchase and subsequent payment.	Business Administrator and State Monitor	In addition to verbally instructing staff as to proper purchasing procedures, the BA and SM will hold a purchasing seminar for the administrative and clerical staffs to ensure understanding of and adherence to the public school purchasing laws. The seminar will be conducted by an expert in the public school purchasing laws. The seminar will be conducted upon the arrival of the permanent superintendent, on or about May 1, 2021.
II-2	Supporting documentation for vendor payments be obtained and attached to purchased orders prior to processing payments.	The interim BA has established procedures to ensure that all expenditures are supported by properly executed vouchers and receiving documents.	Business Administrator, State Monitor, and appropriate district administrator	The Accounts Payable Clerk ensures that the triple match procedure is followed for all payments. This procedure was implemented in time for the July 2020 Board Meeting.
II-3	All payments to vendors, either by check or electronic funds transfers as well as semi-monthly payrolls be included on the bills lists submitted to the Board for approval and be made part of the official minutes prior payment. In addition, the District adopt formal policies and procedures for the electronic payment of claims.	The interim BA has established procedures to ensure that all expenditures are included in the bill lists presented to Board for approval, including electronic payments. The interim BA has contacted NJSBA for an electronic payment procedure.	Business Administrator, State Monitor, payroll clerk and accounts payable clerk.	These procedures were implemented during FY1920 school year. It is anticipated that an electronic payment procedure will be on the March 2021 Agenda.
II-4	Payroll registers be certified by the Superintendent, Board President, and Board Secretary in accordance with N.J.A.C. 6A:23A-6.8	Payroll registers have been properly certified since the arrival of the interim BA in January 2020.	Business Administrator, State Monitor	These procedures were implemented during FY1920 school year.

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II-5	The District implement and maintain an integrated position control roster with its budget and payroll accounting systems in accordance with N.J.A.C. 6A:23A-6.8.	The Asbury Park Financial System automated position control roster has been implemented during the FY2021 School Year.	Business Administrator, State Monitor, Payroll Clerk	The interim BA and the payroll clerk maintain the PCR as personnel are added or deleted. These procedures were implemented during FY1920 school year.
II-6	Federal and State tax deposits be made in a timely manner.	The interim BA has instituted a review and reconciliation of the payroll agency account that tracks all debits and credits to the account.	Business Administrator, State Monitor, Payroll Clerk	The payroll clerk performs a monthly reconciliation of the agency account which is presented to the Treasurer for review. These procedures were implemented during FY1920 school year.
II-7	The district implement and maintain a payroll deduction ledger by individual deduction category.	The payroll clerk is working with Asbury Park to establish the payroll deduction ledger.	Business Administrator, State Monitor, Payroll Clerk	The ledger will be implemented as soon as possible, but no later than June 30, 2021.
II-8	Certain purchase orders were not reviewed at year end for validity and proper classification as accounts payable or reserve for encumbrance. Numerous encumbrances were deemed invalid or accounts payable at year end. <i>This is a repeat comment from a prior year audit.</i>	Each purchase open at year end will be reviewed by the interim BA and, if necessary, the State Monitor to determine if purchase orders have been satisfied (accounts payable) or if any items are still to be delivered (encumbrance).	Business Administrator and State Monitor	Adherence to the criteria established in the corrective action is a satisfactory internal control. The BA and the SM agree on the criteria. Implementation will occur during the year end closing process.
II-9	Procedures be enhanced to ensure expenditures are charged to the proper budget line accounts in accordance with the Uniform Chart of Accounts for New Jersey Public Schools.	The interim BA and the State Monitor review and approve every Purchase Order for adherence to the Uniform Chart of Accounts.	Business Administrator, State Monitor, A/P Clerk	Was implemented upon the arrival of the interim BA and the State Monitor.

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II-10	<p>Budgeting procedures be developed and implemented to ensure documentation and information utilized in the preparation of the annual budget maintained, retained, and available to support amounts appropriated in the District's approved budget. In addition, budgeting procedures be reviewed and revised to ensure sufficient appropriations are provided for in the adopted budget for District expenditures of the respective budget year.</p>	<p>The interim BA has implemented a series of processes that includes gathering input from administrators and teaching staff in order to develop an accurate line item budget. A PCR will be used to ensure accurate budgeting of salary and fringe benefits. Out of district tuition costs will be developed on a per student basis.</p>	<p>Business Administrator, State Monitor, Administrators, Superintendent</p>	<p>The interim BA will maintain detailed backup for the budgeted line items. This is an ongoing process that is being implemented during budget development.</p>
II-11	<p>Formal bank reconciliations were not performed monthly for the Food Service and Preschool Program accounts.</p> <p>Invalid reconciling items and insufficient detail of outstanding items for the general operating and payroll agency accounts.</p> <p>Bank reconciliation balance did not agree to the district's general ledger cash account balance for the preschool program.</p> <p>Cash report balances (Treasurer's Report) were not in agreement with bank account reconciliation balances for the General Operating Account and Food Service Fund.</p> <p>Monthly Cash Report did not include the activity of the summer savings account and capital project fund lease purchase account.</p> <p><i>This is a repeat comment from a prior year audit.</i></p>	<p>The previous BA and Treasurer have been replaced. A State Monitor has been appointed by the DOE.</p> <p>The interim BA has been training business office personnel to perform account reconciliations and to work with the Treasurer to ensure reconciliations for all bank accounts tie to the general ledger and all bank accounts are reconciled monthly and in a timely manner.</p> <p>The State Monitor supports the business office staff on an as needed basis. The interim BA has added the summer savings account and lease purchase account to the Treasurer's Report template.</p>	<p>Business Administrator, Treasurer, and State Monitor</p>	<p>Prior to submitting the Secretary's and Treasurer's Report to the Board of Education for approval, the reconciliations and financial reports will be reviewed by the BA for accuracy and completeness. This procedure is in place now.</p>

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II-12	Executive County Superintendent's or State Monitor's approval be sought as required for all transfers that exceed 10% of the original advertised budget appropriation amount in accordance with N.J.A.C. 6A:23A-13.3(g)	The interim BA will submit transfers that exceed 10% of the original advertised budget to the State Monitor for approval.	Business Administrator and State Monitor	As of July 1, 2020, the BA informs State Monitor of all transfers. In the event a transfer exceeds 10%, the State Monitor will inform the ECS.
II-13	The District review the prior year grant receivable balances in the Special Revenue and Capital Project Fund and appropriate action be taken to clear them of record.	The interim BA will conduct the required reviews and initiate the appropriate action(s).	Business Administrator and State Monitor	A/R's will be reviewed and a determination will be made as to write off or to follow up with DOE to determine collectability of balances. To be completed by June 30, 2021 as part of year end procedures.
II-14	Travel expense reimbursements be supported by a post travel purpose and relevance report.	The interim BA has informed all employees as to the reporting requirement.	Business Administrator, State Monitor, A/P Clerk	This procedure was implemented January 1, 2021.
III-1	Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid or quote thresholds are procured and approved in accordance with the requirements of the Public School Contracts Law. In addition, documentation be maintained on file and made available for audit to support the District's compliance with the procedures required under the Public School Contracts Law (N.J.S.A. 18A:18A)	The interim BA has instructed the A/P Clerk to question any purchase order that exceeds either the bid or quote threshold. Also, a procedure has been established to ensure that least two quotes are attached to POs when applicable. Bid documents will be properly stored when bids are required.	Business Administrator, State Monitor, A/P Clerk	This procedure was implemented as of July 1, 2020.
III-2	Procedures be enhanced to ensure business registration certificates and political contribution disclosure forms are obtained and maintained on file as required.	The interim BA has instructed the A/P Clerk to ensure that new vendors have submitted required paperwork prior to issuing Pos.	Business Administrator, State Monitor, A/P Clerk	This procedure was implemented as of July 1, 2020.


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IV-1	It is recommended that appropriate action be taken to ensure net cash resources do not exceed the three month average of expenditures.	The interim BA will monitor Food Service reconciliations to ensure cash resources are within required guidelines.	Business Administrator, State Monitor, A/P Clerk	This procedure was implemented as of July 1, 2020.
V-1	Formal bank account reconciliation be completed monthly for the Student Activity school accounts.	The interim BA has instructed the school principals to perform monthly reconciliations and to submit them to the Business Office for review and approval.	Business Administrator, State Monitor, School Principals	This procedure was implemented January 1, 2021.
V-2	Prenumbered receipt tickets be issued for monies collected in the Student Activity school accounts.	The interim BA has instructed the school principals to utilize prenumbered cash receipts and to keep them on file for audit purposes.	Business Administrator, State Monitor, School Principals	This procedure was implemented January 1, 2021.
V-3	A formal cash receipts and disbursements journal be maintained by the Eleanor Van Gelder Student Activity school account.	Currently the EVG and GW school secretaries use Quicken to track receipts and disbursements.	Business Administrator, State Monitor, School Principals	This procedure is currently in place. The BA has reinforced this procedure with the school principals and secretaries.
VII-1	It is recommended that the documentation to support eligibility of students reported on the ASSA be maintained on file in the District and be available for audit.	The interim BA and the Secretary to the BA have developed an auditable filing system.	Business Administrator, State Monitor, Secretary to BA	This procedure was implemented in time for the ASSA reporting of November 2020.



Chief School Administrator



State Monitor



Board Secretary/ School Business Administrator

2-26-2021

Date