

CORRECTIVE ACTION PLAN (FINDING # 1)

Name of School: Hoboken Public Schools
 Type of Audit: Comprehensive Annual Financial Report
 Date of Board Meeting: January 21, 2014
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610

County: HUDSON

Email: wmoffitt@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND RE- PORTING	CORRECTIVE AC- TION APPROVED BY THE BOARD	METHOD OF IMPE- MENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTA- TION
During [our] tests of transac- tions, it was noted that the salaries of the payroll clerks were being charges to Im- provement of Instruction Ser- vices rather than Central Ser- vices.	That all administrative salaries be properly charged to administrative budget functions in ac- cordance with New Jer- sey Administrative Code.	The Business Office will en- sure that all administrative salaries are properly charged to appropriate budget func- tions. The Senior Accountant and Assistant to the Business Ad- ministrator will ensure appro- priate budget account codes are used when charging sala- ries to the district budget through regular review of the position control roster and monthly salary projections.	Payroll Clerks Senior Accountant Assistant to the Business Ad- ministrator Business Administrator Superintendent of Schools	Completed. On Going.

MANAGEMENT RESPONSE: The business office identified the above coding error and made appropriate corrections for the two subject positions in December 2012.


CHIEF SCHOOL ADMINISTRATOR

2-7-14
DATE


BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 2)**

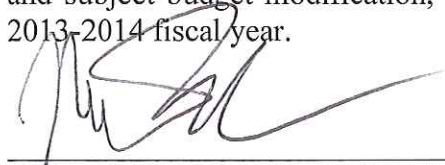
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Our audit revealed that certain budget appropriation lines in the General Fund of the District's internal accounting budget reports were not in agreement with the adopted budget. In addition, the General Fun budget was erroneously modified by \$ 154,705 without Board approval.	That the adopted budget be properly entered into the District's internal accounting budget reports and that all modifications be approved by the Board.	<p>The Business Office will ensure budget modifications that alter the original budget be presented to the Board for approval.</p> <p>The Senior Accountant and Assistant to the Business Administrator will identify and document any budget modifications that will alter the original budget for approval by the Business Administrator. The Business Administrator will present respective budget modifications to the Board for final approval.</p>	<p>Senior Accountant</p> <p>Assistant to the Business Administrator</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	On Going

MANAGEMENT RESPONSE: The business office adjusted the original budget for a prior year accounts payable. The subject accounts payable, and subject budget modification, was made and the resulting action was communicated to the District's external auditors at the beginning of the 2013-2014 fiscal year.


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**CORRECTIVE ACTION PLAN
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SCHOOL PURCHASING PROGRAMS	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit revealed numerous instances where goods were ordered prior to the issuance of a purchase order.	That purchase orders be issued prior to the purchase of goods and or rendering of services.	<p>The District will ensure that the initiating units secure properly authorized purchase orders prior to goods being received or services being provided.</p> <p>The administration will provide the district's purchasing manual to all employees and discuss the penalties of confirming orders at a district-wide assembly at the beginning of each school year.</p>	<p>District Employees</p> <p>Account Payable Clerk</p> <p>Assistant to the Business Administrator</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	On Going

MANAGEMENT RESPONSE: The administration reissued a purchasing manual that addresses the need for a properly approved purchase order prior to goods being received or services being provided at the beginning of the 2013-2014 school year.


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SCHOOL PURCHASING PROGRAMS	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
A contract in excess of the bid threshold indicated by management to be awarded pursuant to cooperative purchase was not approved by Board resolution. In addition, documentation supporting the use of cooperative purchasing was no maintained on file.	That purchases entered into pursuant to cooperative purchasing, which exceeds the bid threshold, be submitted for approval by the Board. In addition, vendor files be maintained, supporting and documenting information related to the applicable cooperative program used.	<p>The Business Office will maintain appropriate documentation in supporting files for contracts in excess of the bid threshold and when contracted through cooperative purchasing arrangements.</p> <p>The Accounts Payable Clerk will maintain support files are for all vendors contracted through cooperative purchasing arrangements. The Assistant to the Business Administrator will monitor and ensure maintenance of an appropriate filing system.</p>	<p>Initiating Units</p> <p>Account Payable Clerk</p> <p>Assistant to the Business Administrator</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	On Going


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SCHOOL PURCHASING PROGRAMS	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit indicates several instances where political contribution forms were not on file for vendors paid in excess of \$ 17,500.	That political contribution forms be obtained and retained on file for vendors paid in excess of \$17,500.	<p>The Business Office will maintain appropriate documentation in supporting files for contracts in excess of \$17,500.</p> <p>The Accounts Payable Clerk will maintain support files for vendors paid in excess of \$17,500. The Assistant to the Business Administrator will monitor and ensure the maintenance of an appropriate filing system.</p>	<p>Initiating Units</p> <p>Account Payable Clerk</p> <p>Assistant to the Business Administrator</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	On Going



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FOOD SERVICE FUND	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit revealed a year end deficit of \$ 1,071,173 in unrestricted net position of the Food Service Fund.	That efforts continue to be made to eliminate the deficit in the Food Service Fund.	The Board of Education will continue to take actions to eliminate the deficit in the Food Service Fund. These actions will include, but are not limited to, returning to profitable food service operations and the transfer of available surplus.	Food Service Management Company Director of Facilities Business Administrator Superintendent of Schools Board of Education	On Going

NOTE: Reoccurring item.

MANAGEMENT RESPONSE: The Board of Education is pursuing a multi-year approach to eliminating the accumulated food service deficit. The first phase was to change to a new food service management company and improve operations. Once the operations are turned around and profitable, the Board will determine how to pay down the deficit over a number of years. June 30, 2013, marks the end of the first year for the new food service management company. Hurricane Sandy did have a major impact on operations and was partially responsible for the increase in the deficit position.


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FOOD SERVICE FUND	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit revealed certain instances where collections were not always deposited in a timely manner.	That all food service collections be deposited in a timely manner.	<p>The Food Service Management Company will make daily bank deposits ensuring that collections are deposited in a timely manner.</p> <p>The Senior Accountant will ensure that the Food Service Management Company makes timely deposits by monitoring deposits dates.</p>	<p>Food Service Management Company</p> <p>Senior Accountant</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	On Going



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FACILITIES AND CAPITAL ASSETS	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit revealed that governmental activities' capital assets destroyed or impaired due to damage caused by Hurricane Sandy were not properly accounted for on the Capital Asset Report.	That capital assets destroyed or impaired by Hurricane Sandy be reviewed and proper adjustments be made to the District's Capital Asset Report.	<p>The Business Office will review and make the necessary changes to remove all capital assets destroyed by Hurricane Sandy from the Capital Asset Report.</p> <p>The Director of Facilities will work with the Assistant to the Business Administrator to identify all destroyed capital assets. Assistant to the Business Administrator will ensure that all destroyed capital assets are not found on the Capital Asset Report.</p>	<p>Director of Facilities</p> <p>Assistant to the Business Administrator</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	<p>March 31, 2013</p> <p>On Going</p>


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