

CERTIFIED RESOLUTION

10. ACTION - FINANCE

Subject 10.16 Acknowledgement of Receipt of Comprehensive Annual Financial Report ("CAFR") for Financial Year 2017 and Approval of the Financial Year 2017 Corrective Action Plan ("CAP") for the Hoboken Board of Education

Meeting Jan 16, 2018 - AGENDA

Type Action (Consent)

Recommended Action WHEREAS, New Jersey Statute, N.J.S.A. Title 18A, Education, requires that each board of education cause an audit to be performed each year by an outside, independent auditor; and

WHEREAS said statutes and administrative codes require that a synopsis of the audit be presented to the public; that the recommendations of the auditor be read and discussed by said board; and that the board approve a corrective action plan to remediate said recommendations; and

WHEREAS said documents must be forwarded to the New Jersey Department of Education through the Hudson County Superintendent of Schools;

NOW THEREFORE BE IT RESOLVED that the Hoboken Board of Education hereby acknowledges receipt of the Comprehensive Annual Financial Report for Financial Year 2017, the Auditor's Management Letter for Financial Year 2017 and the Synopsis of Audit for Financial Year 2017; and

BE IT FURTHER RESOLVED that, upon the recommendation of the Superintendent, the Hoboken Board of Education directs the School Business Administrator and other appropriate administrators to oversee the implementation of the corrective action plan created by the School Business Administrator for the recommendations made in the District's Comprehensive Annual Financial Report for Financial Year 2017; and

BE IT FINALLY RESOLVED that the School Business Administrator is directed to forward the required documents to the respective state and county offices.

Motion & Voting

RESOLVED, that the Board of Education approves a Consent Agenda.

Motion by Thomas Kluepfel, second by Sharyn Angley.

Final Resolution: Motion Carries

Yes: Sharyn Angley, Sheillah Dallara, Jennifer Evans, Chetali Khanna, Irene Sobolov, Melanie Tekirian, Thomas Kluepfel

The above is a true copy of a resolution approved by the Hoboken Board of Education at its Public Meeting held on January 16, 2018.




(Signature)
William P. Moffitt, Business Administrator / Board Secretary

**CORRECTIVE ACTION PLAN
(FINDING # 1)**

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit payroll noted instances where employees were paid incorrect amounts on base salary as well as overtime. In addition, an instance was noted where an employee was paid for training that they did not attend.	It is recommended that the internal controls over processing of payroll be enhanced to ensure employees are paid at correct rates and only for hours actually worked.	The District will enhance internal controls over payroll processing and pay at correct rates and for hours worked. Payroll clerks will develop enhanced existing payroll processing procedures. The Assistant to the Business Administrator and Business Administrator will ensure that the subject enhanced procedures are implemented.	Payroll Clerks Assistant to the Business Administrator Business Administrator Superintendent of Schools	March 31, 2018 Ongoing

NOTE: N/A


 CHIEF SCHOOL ADMINISTRATOR

1/22/18
 DATE


 BOARD SECRETARY / BUSINESS ADMINISTRATOR

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

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit of payroll taxes noted certain instances where remittances were not being made in a timely manner.	It is recommended that tax remittances be made in a timely manner in accordance with IRS and State taxation requirements.	District will make tax remittances in a timely manner. Payroll Clerks will take the appropriate steps to make timely tax remittances. The Assistant to the Business Administrator will monitor subject remittances.	Payroll Clerks Assistant to the Business Administrator Business Administrator Superintendent of Schools	March 31, 2018 Ongoing

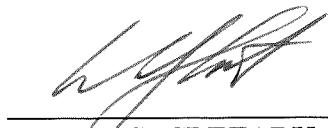
NOTE: N/A



 CHIEF SCHOOL ADMINISTRATOR

1/27/18

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 3)**

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit of outstanding purchase orders in the Capital Projects Fund revealed that certain purchase orders as encumbrance was deemed invalid.	It is recommended that outstanding purchase orders be reviewed at year-end to be properly classified or otherwise be cancelled.	<p>The District will classify purchase orders appropriately and review existing year-end closing procedures.</p> <p>The Purchasing Analyst and Internal Auditor will review existing procedures to ensure that purchase orders are classified appropriately and take appropriate cancelling actions when necessary at fiscal year-end.</p>	Purchasing Analyst Internal Auditor Assistant to the Business Administrator Business Administrator Superintendent of Schools	March 31, 2018 Ongoing

NOTE: N/A



 CHIEF SCHOOL ADMINISTRATOR

1/29/18

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 4)**


Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

SCHOOL PURCHASING PROGRAM	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit indicated several instances where political contribution forms were not on file for vendors paid in excess of \$17,500.	In all instances, political contribution forms be obtained and retained on file for vendors where required by Statue.	<p>The Business Office will secure political contributions when required by State regulations.</p> <p>The Purchasing Analyst will ensure that political contributions are received and retained in district files. These files will be made available upon request.</p> <p>The Assistant to the Business Administrator and the Business Administrator will monitor the subject vendor files.</p>	<p>Purchasing Analyst</p> <p>Assistant to the Business Administrator</p> <p>Business Administrator</p> <p>Superintendent of Schools</p>	March 31, 2018

NOTE: N/A


 CHIEF SCHOOL ADMINISTRATOR

1/29/18
 DATE


 BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 5)**

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

AFTER SCHOOL PROGRAM	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit of the After School Program revealed that no formal cash receipt ledger or log is being maintained for collections. In addition, registration forms be retained and made available for audit.	It is recommended that a formal cash receipt ledger be maintained for After School Program collections and that registration forms be made available for audit.	After School Supervisor and Business Office will maintain formal cash ledger information and ensure that related reports are available for inspection.	After School Supervisor Assistant to the Business Administrator Business Administrator Superintendent of Schools	March 31, 2018

NOTE: NA



 CHIEF SCHOOL ADMINISTRATOR

1/29/18

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 6)**

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

STUDENT ACTIVITY ACCOUNTS	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
Our audit of the high school student activity records revealed instances where excessive recurring reimbursements were made to a certain individual.	Efforts be made to limit the reimbursements paid to individuals from the high school student activity accounts.	High School student activities/club advisors and appropriate high school staff will continue to make efforts to limit reimbursements paid to individuals from respective accounts. The Activities Fund Trustee and High School Principal will monitor subject efforts.	Club Advisors Activities Fund Trustee High School Principal Assistant to the Business Administrator Business Administrator Superintendent of Schools	March 31, 2018 Ongoing

NOTE: RECURRING FINDING


 CHIEF SCHOOL ADMINISTRATOR

1/29/18
 DATE


 BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 7)**

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

PUPIL TRANSPORTATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>Our audit of the District Report of Transported Resident Students (DRTRS) revealed that in certain instances special education transportation needs were not specified in students' Individual Education Plan (IEP). In addition, instances were noted where students who no longer reside in the district were included in the count. We also noted one student that was reported as Special Education however, that student was no longer classified.</p>	<p>It is recommended that internal controls be enhanced over the preparation of the DRTRS reporting.</p>	<p>Child Study Team and Transportation Consultant will review existing student record keeping procedures in order to identify enhancements to transportation procedures and reporting requirements.</p> <p>The Director of Special Education and Facilities Director will monitor and ensure implementation of subject student record keeping enhancements.</p>	<p>Child Study Team Director of Special Education Facilities Analyst / Clerk Transportation Consultant Facilities Director Business Administrator Superintendent of Schools</p>	<p>March 31, 2018 Ongoing</p>

NOTE: N/A


 CHIEF SCHOOL ADMINISTRATOR

1/29/18
 DATE


 BOARD SECRETARY / BUSINESS ADMINISTRATOR

**CORRECTIVE ACTION PLAN
(FINDING # 8)**

Name of School: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
 Date of Board Meeting: January 16, 2018
 Contact Person: William P. Moffitt – Board Secretary / Business Administrator
 Telephone Number: (201) 356-3610 Email: wmoffitt@hoboken.k12.nj.us

FACILITIES AND CAPITAL ASSETS	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>Our audit of capital assets revealed current year additions of \$854,789 were not added to the capital asset inventory report. The financial statements have been adjusted to reflect the unrecorded additions.</p>	<p>All additions be properly reflected in the District's capital asset inventory.</p>	<p>Purchasing Analyst will ensure that purchase orders acquiring capital assets are appropriately identified and recorded in district records. The Internal Auditor and Assistant to the Business Administrator will monitor process.</p> <p>The Internal Auditor and the Assistant to the Business Administrator will secure an appropriate comprehensive capital asset inventory update. Subject inventory update is to be entered into district records.</p>	<p>Purchasing Analyst Internal Auditor Assistant to the Business Administrator Business Administrator Superintendent of Schools</p>	<p>June 30, 2018</p>


NOTE: N/A



 CHIEF SCHOOL ADMINISTRATOR

1/29/18

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR