

CERTIFIED RESOLUTION

10. ACTION - FINANCE

Subject **10.08 Acknowledgement of Receipt of Comprehensive Annual Financial Report ("CAFR") for Financial Year 2018 and Approval of the Financial Year 2018 Corrective Action Plan ("CAP") for the Hoboken Board of Education**

Meeting Mar 12, 2019 - 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 2018, the Auditor's Management Letter for Financial Year 2018 and the Synopsis of Audit for Financial Year 2018; 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 2018; 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 Chetali Khanna, second by Ailene McGuirk.

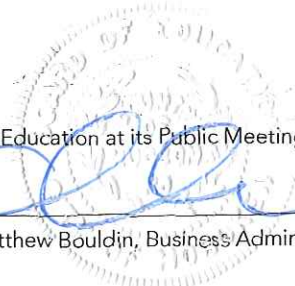
Final Resolution: Motion Carries

Yes: Malani Cademartori, Sheillah Dallara, Alex De La Torre, Jennifer Evans, Ailene McGuirk, Chetali Khanna, Thomas Kluepfel, Melanie Tekirian, Sharyn Angley

The above is a true copy of a resolution approved by the Hoboken Board of Education at its Public Meeting held on March 12, 2019.



(Signature)
Matthew Bouldin, Business Administrator / Board Secretary



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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
Our audit of payroll revealed the following: 1) An instance where an employee's health benefit contribution was not withheld for the entire year 2) A certain employee was not enrolled in the pension system	It is recommended that internal controls be enhanced to ensure health benefit contributions be properly withheld from employees receiving health benefits and all eligible employees are enrolled in the applicable pension system.	The single incident had an extenuating circumstance; however, the district will formally implement monthly reconciliation of health benefits and pension enrollments.	Payroll Clerks Assistant to the Business Administrator Business Administrator Superintendent of Schools	February 28, 2019 Ongoing

NOTE:



 CHIEF SCHOOL ADMINISTRATOR

 DATE

3/20/19



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

 DATE

3/20/19

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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
Our audit noted that all expenditures in the Capital Projects Fund, with the exception of legal services, were charged to construction services; however, some of the expenditures were for purchased technical services, equipment and supplies.	It is recommended that expenditures in the Capital Projects Fund be charged in the subsidiary budget reports to the correct appropriation object area in accordance <u>The Uniform Minimum Chart of Accounts.</u>	The Business Office will properly code purchase orders in accordance with <u>The Uniform Minimum Chart of Accounts.</u>	Accountant/Internal Auditor Assistant to the Business Administrator Business Administrator Superintendent of Schools	June 30, 2019 Ongoing

NOTE:



 CHIEF SCHOOL ADMINISTRATOR

3/20/19

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

3/21/19

 DATE

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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
There were certain over-expenditures noted due to the result of audit adjustments made for the accrual of certain retro payments and disputed sewer bills. Since the over-expenditures were due to audit adjustments, no recommendation is warranted.	NONE			

NOTE:



 CHIEF SCHOOL ADMINISTRATOR 3/20/19
DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR 3/20/19
DATE

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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
<p>Our audit of the District's Extraordinary Aid Application noted numerous instances where the intensive service indicated in the Application did not agree to what was in the student's Individualized Education Program (IEP) and District workpapers. In addition, one instance was noted where a full year of tuition was claimed; however, student did not attend the full year.</p>	<p>Greater care be exercised over the preparation of the Extraordinary Aid Application to ensure intensive services claimed agree to services documented in the District's supporting workpapers and students' Individualized Education Program (IEP).</p>	<p>The Business Office will assist the Special Education Department in the preparation and submission of the Annual Extraordinary Aid Application.</p>	<p>Director of Special Services Business Administrator Superintendent of Schools</p>	<p>May 31, 2019 (Approximate Due Date of Ex-Aid Application)</p>

NOTE:


 CHIEF SCHOOL ADMINISTRATOR

3/20/19
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 BOARD SECRETARY / BUSINESS ADMINISTRATOR

3/20/19
 DATE

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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

FINANCIAL PLANNING, ACCOUNTING AND REPORTING	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
Fiscal Year 2017 IDEA carryovers were not approved by Board resolution.	All IDEA carryovers be submitted to the Board of Education for their approval by formal resolution.	The District will be more diligent in ensuring that proper grant resolutions are approved by the Board	Grants Manager Assistant to the Business Administrator Business Administrator Superintendent of Schools	June 30, 2019 Ongoing

NOTE:



 CHIEF SCHOOL ADMINISTRATOR 3/20/19
 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR 3/21/19
 DATE

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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

FOOD SERVICE FUND	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
<p>The State conducted an Administrative Review and Procurement Review of the National School Lunch Program sponsored by the Board. Violations were found during each review; however, the Board properly submitted a corrective action plan. Therefore, no recommendation is warranted.</p>	<p>NONE</p>			

NOTE:

 3/20/19
 CHIEF SCHOOL ADMINISTRATOR DATE

 3/20/19
 BOARD SECRETARY / BUSINESS ADMINISTRATOR DATE

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

School District: Hoboken Public Schools

County: Hudson

Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018

Date of Board Meeting: March 12, 2019

Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator

Telephone Number: (201) 356-3610

Email: mbouldin@hoboken.k12.nj.us

STUDENT ACTIVITY ACCOUNTS	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
Our audit of the High School student activity account found numerous instances noted where deposits were not made in a timely manner.	It is recommended that deposits for the High School activity account be made in a timely manner.	Business Office. in coordination with the High School Principal, will engage in closer oversight of the Activities Fund Trustee and ensure that proper procedures and timelines are followed.	Activities Fund Trustee High School Principal Assistant to the Business Administrator Business Administrator Superintendent of Schools	June 30, 2019 Ongoing

NOTE:


 _____ 3/20/19
 CHIEF SCHOOL ADMINISTRATOR DATE


 _____ 3/21/19
 BOARD SECRETARY / BUSINESS ADMINISTRATOR DATE

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

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

STUDENT ACTIVITY ACCOUNTS	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
Our audit of disbursements from the High School account noted numerous instances where payments were made based off estimates or vendor's billings statements and not actual invoices.	It is recommended that disbursements from the High School account be made only after an actual invoice is received.	Business Office, in coordination with the High School Principal, will engage in closer oversight of the Activities Fund Trustee and ensure that proper procedures and timelines are followed.	Activities Fund Trustee High School Principal Assistant to the Business Administrator Business Administrator Superintendent of Schools	June 30, 2019 Ongoing

NOTE:



 CHIEF SCHOOL ADMINISTRATOR

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

 DATE

**CORRECTIVE ACTION PLAN
(FINDING # 9)**

School District: Hoboken Public Schools County: Hudson
 Type of Audit: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
 Date of Board Meeting: March 12, 2019
 Contact Person: Matthew Bouldin – Board Secretary / School Business Administrator
 Telephone Number: (201) 356-3610 Email: mbouldin@hoboken.k12.nj.us

STUDENT ACTIVITY ACCOUNTS	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
It was noted that numerous cancelled checks from the high school student activity account only contained one authorized signature.	Checks from the High School activity account contain two authorized signatures.	Business Office, in coordination with the High School Principal, will engage in closer oversight of the Activities Fund Trustee and ensure that proper procedures and timelines are followed.	Activities Fund Trustee High School Principal Assistant to the Business Administrator Business Administrator Superintendent of Schools	June 30, 2019 Ongoing

NOTE:



 CHIEF SCHOOL ADMINISTRATOR

3/20/19

 DATE



 BOARD SECRETARY / BUSINESS ADMINISTRATOR

3/21/19

 DATE