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Department of Education
State of New Jersey

This report presents the results of our performance audit (audit) of the Jersey City School District (the District). Our audit was conducted in accordance with the standards applicable to performance audits contained in *Generally Accepted Government Auditing Standards (GAGAS)*, issued by the Comptroller General of the United States.

- Audit Objectives** The objectives of the audit were to (1) identify and provide recommendations to potentially correct deficiencies in internal controls and (2) analyze historical expenditures to identify potential errors and irregularities in spending.
- Audit Scope** The business processes included in the scope of our audit related to the assessment of internal controls included payroll, human resources, financial management, facilities management, budget, accounts payable, food services, transportation, technology, inventory, student activities, risk management, grants management, and purchasing. In meeting the first objective, we considered the process and related internal controls in place at the time of our fieldwork. The scope of this audit did not include testing of internal controls. To achieve the second objective, we utilized automated tools to tabulate and summarize 100% of the salary and nonsalary expenditures of the District from the period July 1, 2004 through June 30, 2006. Using the results of these tabulations, we sampled transactions to further analyze the potential for irregularities. We also judgementally selected purchase orders from account codes identified by the Department to identify the nature of the purchases.
- Audit Methodology** The audit was accomplished through the completion of three phases. The three phases included Project Planning, Information Gathering and Analysis, and Validation and Reporting.
- Audit Observations** Observations related to internal controls were noted during our audit. The observations and related recommendations were presented to management by operational area. Irregularities were also noted in the analyses of historical expenditures and review of purchase orders.
- Management Response** A draft of this report was discussed at an exit conference with the New Jersey Department of Education (the Department) on November 30, 2006. No significant changes were made to the draft report as a result of the exit conference. In addition, the report has been shared with District management. The District's response is presented as an appendix.



Project Background

The audit entailed interviewing District personnel and administrators, as well as compiling and analyzing data from various sources. The scope included assessing internal controls over business processes as well as an analysis of historical expenditures. The business processes included in our audit were as follows:

- Payroll
- Human Resources
- Financial Management (including Accounts Payable and Budget)
- Facilities Management
- Food Services
- Pupil Transportation
- Technology
- Inventory and Fixed Assets
- Student Activities
- Risk Management
- Grant Management
- Purchasing

Approach

This project was conducted in an objective, confidential, and independent manner. Our results and analysis are documented in a clear, accurate, and credible fashion. The approach and methodology utilized throughout the course of the audit are explained below.

Project Planning

The objectives of project planning included meeting with representatives of the Department to kick off the project, validating our understanding of the audit, confirming key areas to be included in the audit, and developing a tailored audit plan and internal control questionnaire. To achieve the objectives of this phase, we executed the following tasks:

Conducted a Kickoff meeting with the Department – During the kickoff meeting, we covered the following:

- Introduced members of the KPMG team and the Department, and discussed other key stakeholders
- Discussed individual roles and responsibilities for each of the project team members
- Discussed the scope and purpose of the audit in detail and any specifics related to the District
- Confirmed the anticipated audit cycle

Developed an Audit Plan – The project team commenced initial planning efforts by developing an audit program in accordance with GAGAS that included the business processes to be evaluated.

Developed an Internal Control Questionnaire – The project team developed a specific internal control questionnaire (ICQ) covering each of the business processes included in our audit. The ICQ was tailored to guide our interviews of business process owners with regard to the policies and procedures and related internal controls of the District.

Information Gathering and Analysis

The objectives of this phase included meeting with representatives of the District to initiate the project and conduct fieldwork. To achieve the objectives of this phase, we executed the following tasks:

Project Background *(continued)*

District Entrance Conference – We conducted an entrance conference with the School Business Administrator (BA) and selected members of the District’s management group. This meeting set the tone for the audit and facilitated project schedules within the framework of management’s normal work routines. During this meeting we introduced members of the KPMG project team, reviewed the previously submitted request of documents for review and analysis, addressed district questions or concerns related to the audit, and confirmed timing of audit fieldwork and availability of pertinent District staff.

District Fieldwork – Our fieldwork was focused in two areas: internal controls and historical expenditures. In conducting fieldwork, we used an array of techniques to gather and analyze data. These included the following:

- **Document Review** – We requested and reviewed various documents to acquaint ourselves with the business processes included in the scope of the audit. The following is a list of the key documents reviewed:
 - Policies and Procedure Manuals
 - Organizational Charts
 - Employee Manual and Handbook
 - The Board of Education (the Board) Meeting Minutes
 - Audited Financial Statements
 - Consolidated Budget
 - Collective Bargaining Agreements
 - Personnel Contracts

Project Background *(continued)*

The key documents listed above are those that provided us with a high-level understanding of the District’s business operations.

- **Structured Interviews** – More than 20 interviews were conducted with District employees responsible for supervising the business processes included in the scope of our audit. The interviews followed a structured agenda and the ICQ, but also allowed for open-ended discussion to take place. We conducted interviews with the following key process owners:

List of Personnel Interviewed at Jersey City ¹	
Executive Controller	Budget Director
School Business Administrator	Transportation Coordinator
Supervisor Accountant – Accounts Payable	Associate Superintendent – School Division
Purchasing Agent	Associate Superintendent of Early Childhood
Facilities Director	Associate Superintendent Research Planning and Accountability
Assistant Supervisor of Payroll	Deputy Superintendent – Athletics
Associate Superintendent of Human Resources	Senior Accountant – Accounting
Director of Educational Technology	Insurance Consultant (External Contractor)
Payroll Supervisor	Director of Food Services
Inventory Consultant (External Contractor)	

- **Documentation of Processes and Key Controls** – At the completion of each interview, the processes and key internal controls, as described by the process “owner,” were summarized in a standard format. Observations related to potential internal control weaknesses (i.e., lack of controls) were also documented.
- **Walk-through of Key Controls** – We selected key controls identified in our documentation of the processes as described by the process owners and performed a walk-through to further understand the process and controls. Walk-throughs were performed by inquiry and observation or by review of sample transactions and related supporting documents. Potential weaknesses identified during the walk-throughs were documented as observations.

¹ This is not an all-inclusive list of interviewees.

Project Background *(continued)*

- **Communication of Preliminary Observations** – Facilitated several project management meetings, including periodic status meetings and communications with the Department and District Management.
- **Historical Expenditure Analyses** – Requested from the District electronic data encompassing 100% of payroll transactions and vendor disbursements for the period July 1, 2004 through June 30, 2006. Ran the data through a series of queries to identify outliers for focused follow-up.
- **Purchase Order Desk Review** – Judgmentally selected and requested a sample of purchase orders paid by the District during the audit period from account and object codes provided by the Department. We reviewed the selected purchase orders solely to document the nature of the purchases as indicated in the purchase order package provided by the District.

Validation and Reporting

The objectives of this phase included developing a draft report, facilitating an exit conference at the District, validating our findings, finalizing the audit report, and providing other support. To achieve the objectives of this phase, we executed the following tasks:

- **Validation** – We shared our summary of the processes and key controls with each process owner and management for validation to help ensure our understanding of the processes and key controls were valid.
- **Shared Observations** – We shared observations of potential control weaknesses with District management for validation. We also met with the Department to discuss preliminary observations and project status throughout the duration of the fieldwork.
- **Draft Report** – We prepared a preliminary report to communicate the results of the fieldwork performed and shared this with the District and the Department.
- **Final Report** – Based upon the agreed process, results, and outcome of discussions with the District and the Department, the project team finalized and issued the report to the Department.

Organization of the Report

This report represents the results of our performance audit of the District. Our audit was conducted in accordance with GAGAS. The remainder of this report is organized as follows:

- Executive Summary
- Individual Business Processes Reviewed
 - Overview and Background
 - Summary of Observations and Recommendations
 - Historical Expenditure Analyses (presented in the Payroll and Financial Management – Accounts Payable Sections of this report)
 - Desk Review of Purchase Orders (presented in the Financial Management – Accounts Payable section of this report)
- Process Activities, Key Controls, and Observations (Appendix)
- District Response (Appendix)

It is important that the report be considered in its entirety. Just as the various areas reviewed share functionality and overlap processes, the observations and recommendations provided in this report could impact more than the office and area from which they originated.



Executive Summary

It is important to note that the scope of this audit involved two parts: an assessment of the District's internal controls over key functions and a review of historical expenditures. In order to accomplish both tasks in the timeframe allotted, we began with evaluating key processes, including:

- Payroll
- Human Resources
- Financial Management (including Accounts Payable and Budget)
- Facilities Management
- Food Services
- Pupil Transportation
- Technology
- Inventory and Fixed Assets
- Student Activities
- Risk Management
- Grant Management
- Purchasing

Once an understanding of the processes and controls in place was established, we were able to identify gaps or control weaknesses and develop recommendations for improvement. Almost simultaneously, our data team was working to obtain and understand electronic data provided by the District encompassing payroll transactions and vendor disbursements. This information was then analyzed to identify specific instances that raised questions as to the legitimacy of payments made. Often, the analysis of historical expenditures and related follow-up confirmed and provided support to the internal control weaknesses identified. In some instances, additional internal control observations were noted.

This report presents the results of the internal controls assessment and incorporates the analysis of historical expenditures. The Executive Summary includes a high-level summary of our observations and related recommendations developed based on inquiry and observation, as well as data query and detailed transaction review.

Assessment of Internal Controls

The following table provides a listing of all internal control observations contained in the body of this report and presents our overall assessment of internal controls over the business processes included in the scope of our audit. Our assessment indicates the potential effect or unmitigated risk of the control weakness noted. We considered the likelihood of the weaknesses to result in errors in recording of financial transactions, whether there were other mitigating controls and whether those controls were also identified as having a weakness. The assessed potential effect of high, medium or low was based upon:

- Our understanding of the related business process and key internal controls identified in performing the audit;
- The potential impact of the weakness on financial records;
- Existence or lack of mitigating controls;
- Pervasiveness of control weaknesses across business functions; and
- Results of the Historical Expenditure Analyses and Purchase Order Desk Reviews.

We would suggest that the District consider first those recommendations that can be implemented in the short term (e.g., within six months) that would have the highest impact on unmitigated risk. Management should also consider, concurrently, those recommendations that require long-term planning, and begin the process of developing a strategy for implementation.

Executive Summary *(continued)*

The following chart summarizes 33 internal control observations identified in the 12 business processes reviewed. Specifically, we identified 30 observations that should be addressed in the short term. Of those 30 items, 5 issues could have a high potential unmitigated risk.

Section	Area	Timing		Potential Risk		
		Short Term	Long Term	High	Med	Low
Payroll	Efficiency of Class Room Coverages	√			√	
	Maintenance of Payroll Records	√			√	
	Processing of Voided Checks	√			√	
	Monitoring of Overtime payments	√		√		
Human Resources	Verification of Employee Status Changes	√		√		
	Manual Processing of Buy-back Requests for Unused Vacation and Sick Days	√		√		
	Maintenance of Human Resource Records	√			√	
	Inconsistency of Manual Employee Records Compared to System Data	√			√	
	Manual Process for Assigning Substitute Teachers		√		√	
Financial Management	Manual Account Reconciliations	√			√	
	Use of Petty Cash Funds	√			√	
	Standard Internal Control Practices for Printing Checks	√		√		
	Processing of Intercompany Transactions	√			√	
	Inconsistent or Lack of Documentation	√		√		
	Capital Expenditures		√		√	
Facilities Management	Formalization of Management Review	√				√
	Standard Internal Control Practices	√			√	

Executive Summary (continued)

Section	Area	Timing		Potential Risk		
		Short Term	Long Term	High	Med	Low
Food Services	Reliance on Manual Processes	√			√	
Pupil Transportation	Forms Authorizing Vouchers for Aid in Lieu of Rebates Are Presigned	√			√	
	Distribution and Monitoring of Bus Tickets	√			√	
	Resolution of Multiple Low Bids	√			√	
Technology	Absence of Documented Disaster Recovery (DR) System Restoration Hierarchy	√			√	
	Absence of Holistic DR Testing		√		√	
Inventory	Segregation of Duties – Food Inventory	√			√	
	Segregation of Duties – Maintenance of Fixed Assets	√			√	
	Physical Inventory of Janitorial Supplies at School Locations	√			√	
	Formalization of Management Review of Athletic Supplies	√			√	
Student Activities	Documentation of Standard Policies and Procedures	√			√	
Risk Management	Standard Internal Control Practices and Procedures	√			√	
Grants Management	Private Donations with Unspecified Purposes	√			√	
	Grant Writing Consultant	√				√
Purchasing	Standard Internal Control Practices	√			√	
	Request for Proposal (RFP) Documentation	√			√	

Discussion of Overall Results

The following pages summarize the overarching observations related to internal controls as well as some of the observations noted during the review of historical expenditures and purchase orders. The observations summarized below are those that are considered pervasive throughout the District and can have a significant impact on the District's ability to operate in an effective and appropriate manner. Additional observations are provided in further detail in the body of the report by business process.

Limited Internal Control Practices

Internal controls are an essential element in running the affairs of any organization including a school district. During the course of our engagement, we noted that the District does not have internal controls sufficiently documented in the areas of facilities management, inventory, transportation services, and purchasing. Additionally, throughout this report we noted numerous deficiencies in the District's policies and procedures as they relate to internal controls. More specifically, we noted the following:

- There is not sufficient evidence of some of the internal controls being executed for some of the critical processes such as facilities management, physical inventory counts, and human resources, payroll, transportation services, and purchasing.
- The disaster recovery testing protocols are tested at different times.
- For the pupil transportation services, the District does not have a formal program for monitoring internal controls over distributing bus tickets to the schools. Review of transactions or processes at the school level is lacking; for example, once bus tickets are disbursed to the schools, they are not required to periodically report the usage, etc.
- We also noted that the transportation department maintains presigned authorization forms for aid in lieu of reimbursement requests, which provides less reliable evidence that the required data was reviewed before the rebate was approved.
- Accounts Payable (AP) checks are sometimes printed before all the required documentation is obtained from the vendor.
- Physical inventory counts are not performed on all inventory items; for example there is no requirement to conduct a physical inventory of janitorial supplies at the school level.

Executive Summary *(continued)*

- For workers' compensation claims, there is not a formal process for obtaining the support for claims processed by the third-party vendor.

The absence of internal controls as summarized has caused irregularities to occur in the past. This lack of documented internal controls and shortcomings in internal controls represents a deficiency and exposes the District to the potential risk of irregularities, fraud, and errors going undetected. Incorporating internal controls should be considered when implementing any process.

Formal documentation and monitoring of internal controls is essential to maintaining an efficient control environment. We recommend that the District establish a formal plan for documenting and performing ongoing testing of the District's internal controls related to key functions. The District should establish a work group to develop:

- Documentation of the District's internal controls;
- A plan for a sustainable internal control monitoring process;
- Routine evaluation of the design and operating effectiveness of key controls established and documentation of the results of such evaluations;
- A process for establishing and following up on corrective action plans created as a result of this and other audits to address control deficiencies; and
- A means to hold supervisors accountable for implementing and enforcing, as well as strengthening where applicable, internal controls.

Lack of or Noncompliance with Standard Operating Procedures

As part of our initial documentation request, the District provided its Standard Operating Procedures (SOP) manual, and other departmental manuals (Business Office Manual, Facilities Management Manual, etc.). However, on multiple occasions, it became evident during interviews that some procedures contained in the manual were not applied in the course of District operations. Throughout the functional areas of facilities management and student activities, the policies and procedures being applied did not match those documented.

Executive Summary *(continued)*

We also noted instances where there was a lack of standard operating procedures documented for the review of childcare vendor payments; the execution of physical inventory counts; and the monitoring of bus tickets issued to schools.

Without clear documentation of the District's operations, holding individuals accountable for work performed is difficult as no standard is set. In addition, inconsistency becomes a significant concern in terms of how transactions are executed or processes are carried out.

The District should evaluate the existing SOP and update it to reflect appropriate policies and procedures (including internal controls). The SOP should then be utilized and enforced through a routine monitoring process executed by staff not involved in the daily functions of the department.

Segregation of Duties

The basic premise of segregating duties is to prevent situations where an employee has the ability to perpetrate an error or irregularity and to conceal it. Proper segregation of duties provides for a system of checks and balances such that the functions by one employee are subject to review through the performance of interrelated functions of another employee. In the course of our review, we noted several situations involving conflicting duties. For example:

- *Entering new and terminating existing employees* – The payroll staff enters the employee demographic information and also processes payroll transactions for new hires and terminations. The payroll staff also completes a review to assure that the employee data was properly entered in the CIMS system.
- *Tracking and monitoring employee attendance* – The foremen of the respective trades groups (approximately seven trades groups in the District) are responsible for communicating the employees present, and in some cases this is done by a less senior staff. This data is not verified by an independent source.
- *Recording, tracking, reconciling, and disposing of fixed assets* – In the course of our review of inventory/fixed assets, we noted the designee is the only individual responsible for tagging, recording the asset, and reconciling the inventory list to the inventory list of his or her respective school.

Each of these situations represents a deficiency and exposes the District to the potential risk of an unintentional error, fraud, or irregularities going undetected. We recommend conflicting responsibilities and sole authority be addressed appropriately and immediately.

Reliance on Manual Processes

In conducting the review, a number of issues arose indicating a need for enhanced systems and an integrated use of technology. The discussion below attempts to highlight some of these issues. As a result of the severity of the issues identified, the integrity of the data contained in the key systems at the District is questionable.

- Many of the functions within the District's food services department are paper-based and extremely labor-intensive. Often transactions require multi-part forms (e.g., purchase requisitions, purchases order forms) and physical passage of documents. Information is not recorded into the system until the end of the process, when it is entered in batches, or once multiple levels of data entry (of the same data elements) are completed. This practice is not efficient and may be an area for savings. The timing issue of recording transactions also interferes with managements ability to rely on the computer system for current financials.
- As a result of the paper-based, manual, and fragmented nature of the processes, errors often occur. For example, the food services department processes orders, receipts, and payments manually when there are existing automated functions in the CIMS system that can reduce manual efforts and increase accuracy. This is a very reactive and time-consuming approach.
- To compensate for the system shortcomings, manual shadow systems (processes) have been developed. For example, Excel spreadsheets that are not protected from formula manipulations are used to calculate the value of buy-back requests for unused vacation and sick days. However, the requisite payroll and HR data is maintained in the system. Automating transactions that can save time and increase accuracy are not being considered.

Executive Summary *(continued)*

As noted throughout this report, many errors and irregularities have occurred at the District that may have been prevented by having automated procedures in place. We recommend that the District work with the Technology department to implement certain automated controls to help mitigate the situations discussed above. Without system controls and data integrity, the District cannot effectively manage daily operations and the opportunity for inappropriate activities remains.

Poor Document Management

In conducting the historical expenditure analysis portion of our review, we requested documentation to support both vendor disbursements and payroll transactions, such as purchase order packages and personnel files. We noted a number of instances where demographic data such as employee date of birth, social security number (SSN) per the employee's application, W-4 form, etc. and were inconsistent with the data fields in the District's CIMS III system. The District was also unable to locate approximately 13 PO items and one human resources/payroll item requested. We also noted instances where documentation of the purpose of purchases was not sufficient to support the legitimacy of expenditure. Without proper document management, the District cannot appropriately capture its operations and support expenditures. Poor document management also provides an opportunity for potentially inappropriate activities.

The District should require as part of its SOP specific documentation to support expenditures. Vendor disbursements and payroll transactions should not be processed without required supporting documentation.

Organizational Structure and Resource Constraints

- *Processing of Paid Class Coverages* – At times, the classes of absent teachers are “covered” by other teachers in the school. The process used by the District to execute a class coverage allows for the covering teacher to perform the coverage during his/her own teaching period, which increases the strain on the teacher since the amount of children needing instruction has increased significantly.
- *Processing of Childcare Contractor Payments* – We noted that the early childhood department had numerous written guidelines for vendors regarding how to maintain financial records, allowable expenses, and other required administrative protocols. However, these guidelines did not provide procedures for early childhood department personnel to use in reviewing documentation and approving invoices submitted for payment.

Executive Summary *(continued)*

- *Process for Assigning Substitute Teachers* – The process for assigning substitutes could be made more efficient. This process entails a time-consuming coordination effort that increases the risk of the substitute teachers not being able to report to the school before the beginning of the first instructional period.
- *Payment of Intercompany Transactions* – We noted that the District issues checks to the transportation and food services department as payment for transportation and school food services. These payments are for a large number of small dollar amounts, which can be time-consuming to process.

Review of Additional Purchase Orders

At the direction of the Department, we conducted a “desk review” of a sample of purchase orders charged to particular program, function and object codes. Of the 304 transactions selected, 91 appear questionable based on the review of the purchase order packages provided. For the purposes of this report, “Questionable” means that the supporting documentation contained in the purchase order package did not provide sufficient documentation to justify whether the purchase was reasonable or educational in nature. Additional follow-up would be necessary to further understand the purchase (e.g., reason for the purchase, who benefited from the purchase, was it educational and/or essential, were the goods services actually received, is the item available for inspection, etc.). For example, out-of-state travel was identified as questionable, pending related approval documentation from the State Department of Education. Also, in-state travel for non-education related conference is considered questionable. These items total \$558,863.

It should be noted that any items that we did not consider questionable appear reasonable on the face of the purchase order; for example, a purchase order for textbooks for Mrs. Smith's eighth grade science class would not be considered questionable. However, the “desk review” does not consider if this was the fourth year in a row that textbooks had been purchased for Mrs. Smith's eighth grade science class.



Payroll

Overview and Background

The payroll department has 10 full-time employees including the assistant payroll supervisor and supervising accountant.

As part of our procedures, we developed a high-level understanding of the Payroll process. The following key sub-processes were identified as part of the Payroll department:

- Attendance
- Substitute Pay
- Overtime
- Fifths and Lunch Duty
- Employee Stipends
- Per Diem
- Sick/Vacation Days
- Payroll Processes
- Payroll Payment
- Tuition Reimbursement

We performed a walk-through of the appropriate sub-processes of the Payroll process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Class Coverages

At times, the classes of absent teachers are “covered” by other teachers in the school. The District refers to such coverages as “Fifths.” Teachers who perform the coverage for an absent teacher receive additional compensation for doing so. The process used by the District to execute a class coverage allows for the covering teacher to perform the coverage during his/her own teaching period. This may be accomplished by combining classes, resulting in a teacher having to instruct twice as many students. In effect, the covering teacher is paid twice for the same class. Furthermore, this practice decreases the effectiveness of the instruction and may lead to lower student performance.

Teachers should only be assigned to cover another teacher during their regularly scheduled preparation or free periods. We recommend that the District revise its policy regarding the assignment of class coverages to help ensure that coverages do not result in “doubling up” of classes. Furthermore, adequate documentation should be maintained to evidence the absence of the covered teacher during the period covered and the schedule of the covering teacher, indicating their availability (preparation or free period was used to perform coverage).

Results of the Historical Expenditure Analyses – Payroll Transactions

The Historical Expenditure Analyses related to payroll considered all payroll transactions processed during the period 2004 – 2005 through 2005 – 2006. Data for the District is maintained within a proprietary system called CIMS. To extract the necessary data elements for the Historical Expenditure Analysis, we received custom reports provided by Jersey City.

Once the necessary data elements were extracted from the system, we continued with a process to normalize and standardize the data. This included mapping and inserting the data into our proprietary system, identifying duplicate transactions, verifying the correctness of the data elements, “cleaning” any dirty data identified, etc. It is important to note that we did not perform tests to determine completeness and accuracy of the data. However, during our review nothing came to our attention indicating that the data was not complete and accurate.

For example, we compared Jersey City’s employee primary job title and salary as reported in the pay table and job titles and job code referenced within the payroll transaction file available from the CIMS system. This analysis was undertaken as job titles contained within the CIMS system were overly generic and because CIMS does not denote each employee’s primary job title; rather, each employee may have multiple job codes assigned to them. Furthermore, more detailed job title information was more often found in the payroll transaction file. Some other normalization procedures performed were as follows:

- The Purchase Order (PO) descriptions per line item on a PO were concatenated to form a more complete purchase order description in our PO tables. The purchase order file provided as a whole was consolidated to reflect one line per purchase order.
- The dates did not always have a century indicator (i.e., 1906 vs. 2006) for birthdates, termination dates, or dates of hire. A rule was applied to determine the most accurate date.
- Total check amounts were correlated to the corresponding accounts payable records.

Essentially, this process was done to extract all disbursements, as well as payroll transactions, in order for the team to analyze the payments made. For payroll disbursements, the following queries were run to identify potential anomalies or irregularities:

- *Possible Questionable Payments – Payments made to Ghost Employees* – Identified any payments made to an employee after the listed date of death in the Social Security Administration (SSA) death master file. A “Ghost” employee is identified as any employee with a social security number listed in the death master file provided by the Social Security Administration. This routine flags any payments made to an employee after the listed date of death in the death master file.
- *Possible Questionable Employees – Employee Age Less Than 18 or Greater than 65* – Identified employees who are younger than 18 or older than 65.
- *Possible Questionable Employees – Post Office Mail Drop Box Addresses* – Compared employee addresses against known PO mail drop box addresses, which are equivalent to PO Box addresses, but appear to be a legitimate address.
- *Possible Questionable Payments – Duplicate Employees or Social Security Numbers* – Identified employees with the same name and or same social security numbers to identify potential duplicate employee records and or payments.
- *Possible Questionable Employees – Employed for a Short Time Period and Payments made after Termination Date* – Identified employees terminated within 30 days of their hire date and who were paid after their termination date.
- *Possible Questionable Payroll Payments – No Benefits Deducted from Paycheck* – Identified any check where benefits were not deducted by comparing gross check amount and net check amount.
- *Possible Questionable Employees – Large Salary Increase* – Identified employees that received a large salary increase (e.g., more than \$7,500) for the period 2004 – 2005 through 2005 – 2006.
- *Payroll Payments Analysis– Anomalies in Number of Paychecks Received* – Identified employees who received greater than 52 checks within the period 2004 – 2005 through 2005 – 2006.

Payroll (continued)

- *Possible Questionable Employees – Employees Paid not in HR Master File* – Identified payroll payments made to employees not listed in the HR master file.
- *Possible Questionable Payments – Payments made to Employees after Termination Date* – Identified payments made to employees more than 30 days after their termination date as recorded in the District's system.
- *Possible Questionable Payments – Stipends and Overtime Payments* – Identified employees receiving stipends and overtime payments within the period 2004 – 2005 through 2005 – 2006.

The tables presented on the following pages provide the results of these queries and include discussion of the follow-up procedures, the related results, and any recommendations, as appropriate. It should be noted that 100% of payroll transactions processed from July 1, 2004 through June 30, 2006 were considered in this analysis. The table presents outliers or anomalies resulting from that analysis. In many instances, additional follow-up is recommended to further understand the anomalies and review of additional transactions.

Historical Expenditure Analysis – Payroll and Human Resources Disbursements

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
1	<p>Analyzed payroll records to identify incomplete or missing hire date, birth date, status, address information, and other key data elements.</p>	<p>We noted that seven deceased employees received compensation after their date of death totaling \$27,712.46 in net pay. The breakdown is as follows:</p> <ul style="list-style-type: none"> • Three of the seven employees were paid under \$300. • One of the seven employees was paid \$2,270.81 after death. • One of the seven employees was paid \$3,773.36 after death. • One of the seven employees was terminated two months after death and was paid \$4,139.87. • One of the seven employees was terminated one year after death and was paid \$17,047.34. 	<ul style="list-style-type: none"> • Conducted interviews of the HR and payroll personnel to ascertain why the anomalies would exist. • We requested the HR file for the employees that received \$220 and \$17,047.34, respectively. For the sample items selected, the engagement team: <ul style="list-style-type: none"> – Verified that the date of the termination agrees to supporting documentation per the personnel file. – Agreed the social security number per the system to the number listed on the copy of the social security card located in the personnel file. 	<p>For the employee that was terminated two months after death and was paid \$220, there was no HR file that documented when the employee was terminated. We only obtained a personal action form, which was used by the District to authorize employment. The role of this employee consisted of mediating between schools and parents regarding issues like truancy, etc. The job title of this employee was parent liaison. There was no additional data provided by the District, so we were unable to conclude as to whether the payments were for a reasonable business transaction.</p> <p>For the employee that was terminated one year after death and was paid \$17,047.34, the date of termination per the District's HR system was approximately one year later from the date of death documented per the Social Security Administration file. We reviewed a copy of the death certificate contained in the District's file and noted that the date of death per the Death Certificate was consistent with the date of termination in the District's HR system. It appears that the date included in the SSA file is incorrect. There were no checks paid after the termination date in the District's system.</p> <p>The District's procedure is to officially terminate an employee in the system only when the death certificate is received. District personnel also indicated that HR staff periodically follow up with the families to obtain the missing data needed to process a termination.</p> <p>The District should implement procedures regarding how the hiring and termination of all employees is documented to help ensure that all terminations are accurately and timely recorded. There should also be a protocol in place to hold payments until all the required documentation has been obtained, and beneficiaries identified, etc.</p>

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
2	Analyzed human resources data to identify employees that were either under 18 years old or over 65 years old.	<ul style="list-style-type: none"> • We noted 37 employees under 18 years of age and 1,945 employees over 65 years of age. • 14 employees were under the age of 10. • 23 employees were between the ages of 10 and 17. • 1,746 employees were between the ages of 66 and 84. • 152 employees were between the ages of 85 and 98. • 47 employees were over 99 years of age. 	<ul style="list-style-type: none"> • Conducted interviews of the HR and payroll personnel to ascertain if it is the District's practice to hire employees over the age of 65 and under the age of 18. • Selected a sample from the listing of two employees under the age of 18 and two employees over the age of 65. • For each sample item: <ul style="list-style-type: none"> – Verified whether the date of birth per the personnel file agrees with the date per the system. 	<p>For the four employees selected, we reviewed the supporting documentation including the employees' employment applications and other documents that contained demographic data. Based on our review of the employees' HR files, we noted that the data field per the CIMS system pertaining to the date of birth was entered incorrectly, as the date of birth per the system was not consistent with the employment application completed by the employee. We also noted that there was data on file to evidence that these employees are currently working for the District (i.e., performance evaluation forms, etc.), which supports that this is a data entry error.</p> <p>Per our internal controls review, it was communicated that when data is updated using a PAN, one payroll clerk enters the data into CIMS, and another clerk is supposed to verify the data and initials the PAN to evidence this review; however, this control did not identify these errors.</p> <p>See related recommendation in the Summary of Observations section of the HR process documented in this report entitled Verification of Employee Status Changes.</p>
3	Reviewed data to determine if any employees were paid at addresses listed as P.O. Box, commercial mail receiving agency, etc.	<ul style="list-style-type: none"> • We noted 36 employees that have alternate mail-drop box addresses or have P.O. addresses listed. 	<ul style="list-style-type: none"> • Reviewed the personnel files of two employees to further understand the reason for the mail drop. 	<p>We requested the employee file for the one employee with an alternative address that also had three different employee ID numbers, which were as follows: 9154, 9159, and 21800. We noted that this employee was on record as a work-study student. There are no HR files maintained for work-study employees; however, payroll maintains Personal Action Notices for work-study employees that document the type of service, pay rate, authorizing signature, etc. Per a review of the payroll data, there were two W-4 documents with different social security numbers (SSNs) with similar digits. Therefore, it appears that there might have been a transposition error when the SSN was first documented by the employee. This could explain why the individual has two employee numbers, but we did not identify any documentation in the files to explain why a third employee ID number was listed.</p> <p>We also noted that there was not any documentation approving the alternative address.</p> <p>Further analysis should be performed to understand why this individual (a work-study student) was receiving checks at known mail drops. Further analysis should also be performed to understand why the employee had three employee ID numbers.</p>

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
4	<p>Identified employees with the same SSN and different name or who have the same name and different SSN.</p>	<ul style="list-style-type: none"> We identified 214 employees that have the same first and last names and different employee numbers in the payroll transaction file. There were no duplicate SSNs in our results. 	<ul style="list-style-type: none"> We requested the HR files for five employee names that had at least two different employee numbers to determine whether the employee has two different employee records. This resulted in a total sample of 10 HR files. 	<p>For four sets of the five employee names selected, we noted that the data per the HR and Payroll files supported that there were two different individuals with the same name (different SS #s, job titles, addresses, performance evaluations, etc.)</p> <p>For one set of the employees selected (employee # 19024 and # 9810), we noted that the employee was a work study student that had the same SS#, and was classified as a work-study student. Per discussion with the Payroll Supervisor, the student was participating in a summer work-study program, and an assignment number (similar to a program code) was used as a placeholder. A separate profile that related to the summer work study was set up for the employee the following pay period, which created an additional employee profile.</p> <p>The District should review the roster of employees to identify any potential duplication in the employee profiles.</p>
5	<p>Analyzed payroll data to identify employees terminated within 30 days of their hire date who were paid after their termination date.</p> <p>Note: This assessment considers only those individuals hired and terminated in a 30-day period according to the District system. See assessment number 10 for employees paid after termination date for <i>all</i> employees.</p>	<ul style="list-style-type: none"> We noted 17 employees that were hired and terminated within a short time period or employees whose status has changed from active to retired back to active during the fiscal year 2004 – 2005 and 2005 – 2006. Of these 17 employees, 1 employee had the same hire and termination date. 	<ul style="list-style-type: none"> Reviewed personnel files for a sample of employees to further understand why they were hired and terminated in a short period of time and why they were paid after termination. We selected employees with ID numbers 919, 18080, and 7622. 	<p>For one of the three employees selected (#919), we noted that the date of termination in the Personal Action Notice matched the date in the CIMS system. The employee declined the position shortly after being hired. The employee file contained documentation that indicated that the employee should be paid for the four days.</p> <p>For one of the three employees selected (#7622), there was evidence of the former employee's application for employment, finger-printing, background check, and acceptance of a teaching position, but there was no evidence of the employee's resignation/termination maintained within the employee's HR file. As a result, we were unable to determine the appropriateness of the termination in the system, which was the same day as the hire date. The data file did not indicate that any payment had been made to this individual.</p> <p>For the third employee selected (# 18080), we obtained the HR file, and noted that the resignation letter and termination date per the PAN reconciled to the data in CIMS. The employee declined the position shortly after being hired. There was no documentation of outstanding salary amounts that need to be paid.</p> <p>Refer to recommendation documented in query 2 above.</p>

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
6	Analyzed payroll data to assess if there are any employees that do not have the applicable benefits deductions.	We noted 436 records where employees received payments that did not include payroll deductions totaling \$94,971.	<ul style="list-style-type: none"> Ascertained through interview of the payroll personnel, the reason for payroll disbursements without any deductions. Selected a sample of four records which impacted three employees. We noted instances where some employees received multiple payments. 	<p>We obtained supporting documentation from the assistant payroll supervisor that evidenced that the payments for two of the three employees selected were for noncontributory pension payments. These pension payments were mandated by the State's Division of Pensions and Benefits, Documentation of the amounts paid was also on file; however, the amount documented per the supporting documents was not consistent with the amounts paid out. For one of the two employee files received, the variance in the amount calculated per the HR file and the amount paid out was \$30 and for the other employee, the variance was approximately \$15.</p> <p>We did not obtain supporting documentation for one of the three employees selected so we could not determine the appropriateness of the transaction.</p>
7	Analyzed payroll data to identify employees whose total annual gross pay increased by greater than \$7,500 from '04 – '05 to '05 – '06.	<p>We identified 1,415 employees who received gross pay increases of over \$7,500. The range of increases was from approximately \$7,503 – \$197,114. The total amount of these increases was approximately \$21,682,000. The breakdown is as follows:</p> <ul style="list-style-type: none"> One employee (ID #13571) received a gross pay increase of approximately \$197,114 in fiscal year 05/06. 42 employees received a gross pay increase between \$40,000 – \$68,000 in fiscal year 05/06. 214 employees received a gross pay increase between \$20,000 – \$39,999 in fiscal year 05/06. 1,158 employees received a gross pay increase between \$7,500 – \$19,999 in fiscal year 05/06. 	<ul style="list-style-type: none"> Ascertained through interview of the payroll personnel the salary increases by job grade. Agreed the percentage increases to the Board Resolution. Selected a sample of four employees (ID #: 13571, 13585, 10761, and 7091) from a listing of employees who received a salary gross pay increase of over \$67,000. For each sample item we verified authorization for the gross pay deviations was appropriately documented in the personnel file. 	<p>Our analysis did not exclude new hires during the course of the '04 – '05 year; therefore, it is possible that the significant increases can be attributable to the fact that partial salaries were paid during the first year of employment, and a full year of salary payments were made in the subsequent year.</p> <p>For one of the four employees selected (ID #13571), we noted that there was evidence in the personnel file supporting the gross pay amounts downloaded from CIMS compared to the gross payouts in the employee's payroll check register.</p> <p>We noted that the gross payments per the CIMS queries did not reconcile to the employee's respective payroll check registers and personnel files for three of the four employees selected.</p> <p>For two of the four employees (employee #13571 and employee #13585) we did not find supporting documentation that reconciled back to the full amount of the increase.</p> <p>Per discussion with the HR staff, these employees were employed with the District for a significant amount of years, and accumulated a significant number of sick days and vacation days. They were in the process of retiring in FY 05 – 06, so they requested buy-backs of those days. For employee #13571, we only identified justification for approximately \$89,000 of the \$197,114 increase. For employee #13585, we only obtained justification for approximately 50% of the additional gross payments that were paid out. Although we found documentation for buy-backs and summer pay, these amounts did not account for the full amount of the gross pay increases.</p> <p>The District should implement a protocol where HR files are reviewed prior to a significant payout to verify that required documentation explicitly stated in the policies and procedures manual is included appropriately.</p>

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
				<p>For employee #10761, we noted that there was sufficient documentation in the respective employee file that documented the reason for the change in total gross pay.</p> <p>For employee #7091, we noted that there was sufficient documentation to evidence the change in total gross pay, but we noted that the salary level per the HR file, which was \$123,290, was not consistent with the total gross pay per CIMS, which was \$134,048.82. This could be due to the fact that extra compensation was earned. Documentation to confirm the amount of extra compensation was not provided. Follow up procedures should be performed to confirm the amount.</p>
8	<p>Analyzed payroll data to identify employees who received greater than 52 checks within the two-year period covering '04 – '05 and '05 – '06.</p>	<ul style="list-style-type: none"> We identified 158 employees that received over 52 checks within the two-year period covering '04 – '05 and '05 – '06. The range of the extra checks for these 158 employees was from 53 to 65 checks over the two-year period. 	<ul style="list-style-type: none"> Ascertained through interview of the payroll personnel why an employee may receive greater than 52 checks in given fiscal year. Selected a sample of four employees who received more than 54 checks in a given fiscal year (employee # 1756, 12231, 12350, and 12229). For each sample item the engagement team: <ul style="list-style-type: none"> Verified that supporting documentation exists for the additional disbursements Reviewed the payroll transaction history to assess why the additional payroll was processed. 	<p>Per our review of the payroll check registers and employee contracts, we were able to find supporting documentation to confirm the amount of checks received by the four employees were for an approved business purpose.</p> <p>Per our interview with payroll personnel, we also noted that two of the four employees sampled received the majority of those additional checks in one day (employee #12350 and 12229). This was due to the fact that they requested the District reissue pay checks that they did not cash in prior periods. We noted that the checks had to be voided and reissued.</p> <p>We noted that there was a noticeable time lag between the time the original checks were issued and the time the employee requested that the checks be reissued. The District should implement a more formal process whereby they identify checks that have been outstanding for an extended period of time, and consider voiding those checks, and a stop payment should be processed. Also, employees that request that checks be reissued should be charged the stop payment fee by reducing the amount of the reissued check.</p>

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
9	Analyzed payroll and Human Resources data to identify employees that were paid without a Human Resources record.	<p>We identified one employee that received three payments and was not found in the HR master file. The payments were as follows:</p> <ul style="list-style-type: none"> • One employee was paid \$5.03. • One employee was paid \$25.14. • One employee was paid \$30.17. 	<ul style="list-style-type: none"> • Obtained supporting documentation regarding the payroll transaction for the employee that received the \$30.17 payment. 	<p>We obtained report of payroll checks processed by the District. Per this report, it was noted that “No Employee Record” was stated next to the social security number documented in the report.</p> <p>The assistant payroll supervisor was able to obtain a Payroll Action Notice that documented that the \$30.17 payment was made to a work-study student. The employee # was documented as 125829830, which appears to be a SSN. However, the social security number per the Payroll Action Notice and employee’s W-4 was not consistent with the social security number per the CIMS system, specifically the eighth digit was documented as a “3” in CIMS as opposed to a “5”. This might be the cause of why an employee record cannot be found.</p> <p>Refer to recommendation documented in query 2 above.</p>
10	Analyzed payroll data to identify employees who were paid greater than 30 days after their termination date.	<ul style="list-style-type: none"> • We identified 2,741 payments were made to employees after their termination date, which totaled approximately \$9,185,000 in gross pay. <ul style="list-style-type: none"> – 1,875 gross payments totaling \$8,052,000 were made within 365 days of an employee’s termination date. – 70 gross payments totaling approximately \$117,000 more than 365 days but within 730 days of an employee’s termination date. – 92 payments totaling approximately \$84,000 more than 730 days but within 1,095 days of an employee’s termination date. – 713 payments totaling \$938,316.63 more than 1,095 days after their termination date. 	<ul style="list-style-type: none"> • Ascertained through interview of the payroll personnel potential reasons for payments to be made when employees are terminated and receive payments 30 days after termination date. • Reviewed a sample of two HR files (employee ID #s 14960 and 10769) to assess whether documentation exists for the termination. • Traced and agreed employee payroll disbursement to the approved timesheets and termination forms. 	<p>We noted that one of the employees selected was a retired parent liaison (#14960), and the payment related to a pension payment. Per discussion with District personnel, District employees were required to participate in the pension; however, the only personnel file provided for this employee was a Personal Action Form. As stated above there is not extensive HR information regarding parent liaisons.</p> <p>We noted that one employee (#10769) was currently working as a part-time lunch room staff member. We scanned the HR files and reviewed a current performance evaluation. There was not data in the file to support the termination date.</p> <p>Refer to the recommendation documented in query 2 above.</p>

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
11	<p>Analyzed a sample of employees receiving stipends/overtime pay during the two-year audit period.</p>	<p>We identified 8,732 records of employees that received extra compensation, stipends, fifths (paid class coverage), and overtime pay. Per discussion with the district personnel, overtime compensation is 1.5x the regular pay rate stipulated in a contract; stipends are a fixed amount that is approved on an as-needed basis; extra compensation (e.g., coaching) is a fixed hourly rate documented in the union contract; and fifths payments are also based on a fixed hourly rate.</p> <ul style="list-style-type: none"> • We selected two employees that had overtime compensation exceeding \$100,000 over the fiscal years included in the review. • We selected the employee that had the largest payout of fifths duty. 	<ul style="list-style-type: none"> • Requested the HR and payroll files for the employees and performed the following: <ul style="list-style-type: none"> – Traced and agreed the disbursement to supporting documentation (e.g., payroll check register, overtime authorization forms, fifths authorization forms). • Determined whether the extra service was approved in accordance with the District policies and procedures. 	<p>We selected three employees for follow-up. We noted that two of the employees were custodians.</p> <p>During our review, we noted that one of the three employee’s HR files did not include authorization for extra compensation after FY 2001. We obtained copies of the payroll registers (employee #8032) and obtained the overtime reports for three of the four pay periods where the overtime charged exceeded \$3,000. We noted that for two of the three pay periods, the overtime hours reported exceeded 100 hours. Also, there were four instances of 23 hours being reported during one work day. This appears excessive. However, we did note that the overtime reports were signed by the principal and the Director of Maintenance.</p> <p>One of the three employee files selected did not have documentation of extra compensation documented in the HR file. We obtained copies of the payroll registers (employee #11704) and obtained the overtime reports for two of the four pay periods where the overtime charged exceeded \$2,000. There were two instances of 23 hours being reported during one work day. This appears excessive. However, we did note that the overtime reports were signed by the principal and the Director of Maintenance.</p> <p>One of the three employees selected (employee # 20751), there was not documentation authorizing the fifths duty in the employee file provided by HR. We requested the Fifths authorization forms from the payroll department and noted that there was approximately 4-6 weeks of class coverage for Chemistry and Earth Science. We noted that the signature and date authorizing the Fifths activity appeared to be stamped.</p> <p>The Payroll department should only accept forms that contain a manual signature since this provides better evidence that the authorizer reviewed the transactions. The District should implement protocols where overtime hours of District employees are reviewed by District management other than the immediate supervisor for reasonableness.</p>



Human Resources

Overview and Background

The human resources (HR) department has 26 staff members. The HR subcomponents include the following: the medical department has five employees; the benefits department has three employees; the substitute teachers department has three employees; the non-instructional department has five employees; and the instructional department has ten employees. The HR department uses an information system, CIMSIII, for all of its automated processes. Employees are given usernames and passwords to access the CIMSIII system. They are only allowed access to the areas related to their job responsibilities.

As part of our procedures, we developed a high-level understanding of the HR process. The following key sub-processes were identified as part of the HR department:

- Instructional and Non-instructional Hire
- Fingerprinting
- Benefits
- Identification
- Buy-backs
- Training
- Evaluation
- Dispatching of Substitutes
- Termination of Instructional and Non-instructional

We performed a walk-through of the appropriate sub-processes of the HR process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Verification of Employee Status Changes

The District currently relies on the payroll department clerks to process employee status changes in the payroll master file. The data is changed based on information documented in the Personal Action Notice (PAN), which is approved by the department head/principal and the director of HR. However, currently only the payroll staff verifies that the data per the PAN is updated in the payroll master file, and there is no formal verification of the updated changes by personnel in the Human Resources department. There is a risk that the change processed in the payroll master file does not accurately reflect the employee status as intended by the HR department.

As the HR department is responsible for maintaining an employee's profile, a protocol should be implemented to include a review by an HR staff to confirm that the employee's status change is accurately recorded in the payroll master file after a PAN form has been processed. We recommend that the District implement a protocol whereby the employee status changes processed by the payroll department be formally submitted to the Human Resources department for verification.

Manual Processing of Buy-back Requests for Unused Vacation and Sick Days

HR clerks are responsible for entering the contracted pay rates, hours, and other data elements into unprotected Microsoft Excel (Excel) spreadsheets that are used to calculate the amount of an employee's buy-back of unused vacation and personal time. The use of unprotected Excel spreadsheets as well as the manual data entry of critical data elements increases the risk of human errors.

We noted that the cells in the Excel spreadsheet that execute the calculations were not protected, so inadvertent edits could occur such as a manual data entry in a cell that includes a formula. The data regarding the employee's pay rate and unused vacation and personal time is already documented within the District's CIMSIII system, which is the District's enterprise-wide information system. The system includes human resources, payroll, and accounting modules. The manual task of researching

contracted rates and verifying unused balances on the system before entering the data in the Excel spreadsheet is susceptible to data entry errors.

We recommend that the District implement a function in the CIMSIII system to calculate the buy-back amounts. The addition of this automated functionality reduces the risk of inaccurate data entry and inadvertent manipulation of Excel spreadsheets.

Maintenance of HR Records

During our review of sample transactions selected as part of our historical expenditure analysis, we noted numerous documents were missing from the files (i.e., documentation of buy-back calculations, termination/retirement notices, etc.). For example, we selected an employee that had a \$197,000 increase in the amount of gross pay, and part of that increase related to a buy-back of unused vacation and sick time. The District's protocol is to prepare a buy-back schedule that documents the calculation and approval by the associate superintendent of human resources. However, this was not identified in the file. We also noted that employees documented as terminated employees did not have documentation in their files that evidenced that the termination was processed.

There is no checklist to track documents that should be maintained in the file. This checklist could be utilized as part of a periodic review of the completeness of the employee HR files to help HR staff assess the data that is missing based on the status of the employee.

Inconsistency of Employee Human Resources Records Compared to System Data

During our review of sample transactions selected as part of our historical expenditure analysis, we noted numerous instances where the demographic data such as the employee's date of birth or SSN appeared to be entered in the HR module of the CIMS system inaccurately. For example, the last two digits in the SSN per one of the employee's personal action form and W-4 form appeared to be transposed when it was compared to the SSN documented in the system.

Refer to recommendation noted above regarding the Verification of Employee Status Changes, which indicates that the District should implement a protocol whereby the HR department verifies data entered into the system regarding new hires, terminations, and other employee status changes.

Manual Process for Assigning Substitute Teachers

The protocol in place at the District for assigning substitute teachers to open positions is susceptible to manipulation as the need for a substitute is not initiated by the District's central HR department. Furthermore, the process for assigning substitutes could be made more efficient. Currently, the substitute teacher calls into the central office by 7 a.m. each day to be added to a daily list of available substitute teachers. The principals also call into the District to communicate the number of substitutes needed each morning. The HR department manually selects the substitutes and communicates the assignments to each substitute. This process entails a time-consuming coordination effort that increases the risk of the substitute teachers not being able to report to the school before the beginning of the first instructional period.

We recommended that the District automate the process so as to save time in the coordination of identifying eligible substitute teachers. For example, the substitutes can access an electronic database where they can update their availability via telephone. The database will also track information such as location and instructional areas of knowledge. The District employee can execute a search that identifies the required location and level of expertise based on the principal's requests using an automated search function. Once identified, the system can automatically contact the substitute. Such automated systems are widely used in other public school districts across the Country. An automated database for substitute resources would also allow the District to implement other safety measures such as automated updating of the database from law-enforcement offices with regard to recent arrests of individuals registered as substitutes for the District. This is also a leading practice currently in place in other large urban school districts.



Financial Management (Including Budget and Accounts Payable)

Overview and Background

The finance department comprises four areas: accounting, budgeting, accounts payable, and payroll (see payroll department overview and background in a separate section of this report).

The accounts payable department has seven employees (one supervising accountant, one principal clerk, two senior clerks, and three clerks). These individuals are responsible for the payment of invoices and issuing checks.

The accounting department has four employees (one senior accountant and three accountants). One accountant is responsible for the accounting of petty cash and student activities transactions. Three accountants are assigned to perform the financial close and general ledger account reconciliations.

The budget department has five employees (one budget officer, one senior accountant, and three accountants) that are responsible for assisting in the development of the District's budget; maintaining the position inventory; grant accounting; and for overseeing all reimbursements.

As part of our procedures, we developed a high-level understanding of the Financial Management process. The following key sub-processes were identified as part of the Finance department:

- Payment of invoices and processing of checks
- Payment of expenses
- Bank and account reconciliation
- Petty cash
- Expenditure analysis
- Journal entries
- Investment accounts
- Capital assets
- Book closing
- Financial reporting
- Budgeting

We performed a walk-through of the appropriate sub-processes of the Financial Management process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Accounting Department

Manual Account Reconciliations

The accounting department is responsible for reconciling all the District's general ledger accounts. The accounting clerks manually download data from the CIMSIII system into Excel spreadsheets to perform the reconciliations.

In reviewing the process, we observed that reconciliations were performed using Excel spreadsheets without file protection. Also, the Excel spreadsheets contain formulas. We noted that the cells in the Excel spreadsheet that execute the calculations are not protected, so inadvertent edits could occur such as a manual data entry in a cell that is supposed to be calculating a formula. In addition, manual reconciliations create the potential for human errors.

We recommend that the reconciliation process be enhanced by having system-configured reconciliations. Also, better protections of formulas within Excel spreadsheets such as password protection should be executed to help eliminate unintended edits and errors. Protected cells within the Excel spreadsheets can prevent unauthorized personnel from changing formulas or improperly reconciling accounts.

Use of Petty Cash Funds

The accounting department is responsible for reviewing and reconciling the petty cash funds for the District. The accounting department also reviews petty cash receipts prior to reconciling the petty cash funds.

The District's SOP manual indicates that petty cash funds are only to be used for postage, delivery charges, office supplies, and miscellaneous purchases. Purchases cannot exceed \$75 (except for the district superintendent, the BA, and the legal department).

Financial Management *(continued)*

In our review of copies of receipts related to petty cash expenditures of one of the high schools, we noted that monies were used for other expenses not listed as allowable in the petty cash SOP manual and some expenses exceeded the \$75 limit. Petty cash funds are not being expended in accordance with the District's guidelines.

We recommend that the petty cash SOP manual be modified to update the definition of allowable expenses to explicitly describe acceptable miscellaneous expense. Also, the school personnel should be retrained regarding the authorized limits under the District's guidelines. The District should monitor the petty cash fund activities of each school on a periodic basis.

Accounts Payable

Standard Internal Control Practices for printing checks

The accounts payable department is responsible for payment of invoices and the printing of checks. The District's policies and procedures indicate that checks are to be printed only after all the documentation has been received and approved by authorized personnel, and reviewed by the accounts payable personnel. However, some checks are printed prior to receiving required vouchers from the vendors.

Furthermore, accounts payable clerks store checks that have been written prior to the receipt of all required documents on their desk during the day. These checks, which are already signed, could potentially be lost or stolen from the clerks' desks.

Proper controls should be implemented to prevent checks from being written prior to the receipt of all necessary documents from the vendor. Checks that are written and not mailed immediately should be stored in a secure area; e.g., locked safe. The accounts payable department can run a query of all the checks waiting to be printed and compare it with the outstanding documentation, prior to printing the checks. This will mitigate the risk of lost or stolen checks.

Results of the Historical Expenditure Analyses – Vendor Disbursements

The Historical Expenditure Analyses related to accounts payable considered all nonsalary disbursements for the period 2004 – 2005 through 2005 – 2006. As discussed previously in this report, data for the District is maintained within a proprietary system called CIMS. To extract the necessary data elements for the Historical Expenditure Analysis, we received custom reports provided by Jersey City.

Once the necessary data elements were extracted from the system, we continued with a process to normalize and standardize the data. This included mapping and inserting the data into our proprietary system, identifying duplicate transactions, verifying the correctness of the data elements, “cleaning” any dirty data identified, etc. It is important to note that we did not perform tests to determine the completeness and accuracy of the data. However, during our review nothing came to our attention indicating that the data was not complete and accurate.

For example, we compared Jersey City’s employee primary job title and salary as reported in the pay table and job titles and job code referenced within the payroll transaction file available from the CIMS system. This analysis was undertaken as job titles contained within CIMS system were overly generic and because CIMS does not denote each employee’s primary job title; rather, each employee may have multiple job codes assigned to them. Furthermore, more detailed job title information was more often found in the payroll transaction file. Some other normalization procedures performed were as follows:

- The PO descriptions per line item on a PO were concatenated to form a more complete purchase order description in our purchase order tables. The purchase order file provided as a whole was consolidated to reflect one line per purchase order.
- The dates did not always have a century indicator (i.e., 1906 vs. 2006) for birthdates, termination dates, and dates of hire. A rule was applied to determine the most accurate date.
- Total check amounts were correlated to the corresponding accounts payable records.

We did note instances where the PO amount per the hard copy document was not consistent with the amounts per the data file provided by the District.

Financial Management *(continued)*

Refer to the comments section of the table documented the review of Additional POs.

Essentially, this process was done to extract all disbursements as well as payroll transactions, in order for the team to analyze the payments made. For vendor disbursements, the following queries were run to identify potential anomalies or irregularities:

- *Potential Dummy Vendors* – Matches key employee information against the vendor master file to identify potential dummy vendors in the vendor file. The following data elements were compared:
 - Social Security and Tax ID (exact match)
 - Phone number (exact match)
 - Address (near match)
 - Name (near match)

It should be noted that payments vendors identified as potential employees may be legitimate as an employee may receive an expense reimbursement as a vendor of the school. However, it may be a control weakness as there is no indicator within the system to determine whether a vendor is a true vendor or an employee.

- *Possible Questionable Payments – Weekends or Holidays* – Compared dates from the check register file against the holiday schedule (when available) and weekends to flag any instances where checks were written outside normal business days.
- *Possible Questionable Payments – Gaps in Check Numbers* – Analyzed check numbers for the period 2004 – 2005 through 2005 – 2006 to identify any gaps in the check number sequence. Gaps in check sequence may indicate that a check has been voided. Further analysis may be completed by reconciling bank records to determine whether missing checks were cashed.
- *Possible Questionable Payments – Round Dollar Payments* – Analyzed check amounts to identify any round dollar payments (i.e., \$100 increments up to \$1,000 and \$1,000 increments thereafter) that may have been blanket payments as opposed to payments for specific goods or services.

Financial Management *(continued)*

- *Possible Questionable Vendors – Post Office Mail Drop Box Addresses* – Compared vendor addresses against known PO mail drop box addresses, which are equivalent to PO Box addresses, but appear to be a legitimate address.
- *Possible Questionable Vendors – Payments to Vendors not in the Vendor Master File* – Identified payments to vendors that are not included in the vendor master file.
- *Possible Questionable Payments – Invoices Paid in Excess of Purchase Order* – Identified payments against any PO where the total of payments made was greater than the original PO amount.
- *Vendor Payments Analysis – Number of Disbursements* – Provided summary information related to number of checks per vendor for the period 2004–2005 through 2005–2006.

The tables presented on the following pages provide the results of these queries and include discussion of the follow-up procedures, the related results, and any recommendations, as appropriate. It should be noted that 100% of payments made to vendors for the period July 1, 2004 through June 30, 2006 were considered in this analysis. The table presents the outliers or anomalies resulting from that analysis. In many instances, additional follow-up is recommended to further understand the anomalies and review of additional transactions.

Historical Expenditure Analysis – Vendor Disbursements

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
1	Analyzed the vendor master file and employee master file on various key fields (e.g., name, address, telephone) to identify potential dummy vendors.	<p>We identified 14,288 records where the vendor data matched the address, name, or SSN of a District employee. The breakdown is as follows:</p> <ul style="list-style-type: none"> • We noted 6,884 vendors with the same address as an employee. • 1,685 employees with the same name as a vendor. • 5,719 employees with the same SSN as a vendor. 	<ul style="list-style-type: none"> • Ascertained through interview of the payroll and accounts payable personnel why the overlap in vendor and employee information might occur. • Selected a sample of nine items from the listing vendors that matched the employee master file. • For each sample item we: <ul style="list-style-type: none"> – Verified that supporting documentation exists that supports the information in the vendor file as well as the personnel file. 	<p>Per discussion with the assistant payroll supervisor, tuition reimbursement is paid to employees in the same manner as any other vendor payment. Also, individuals/vendors entered to the vendor master list are not purged, so the vendor file remains indefinitely. Therefore, any employee who received tuition reimbursement in the past will continue to be in the vendor master list file.</p> <p>We noted that one of the nine items selected related to a tuition reimbursement payment. For the remaining items sampled there was no activity for the employees selected during the audit period. The items appeared in our sample due to the fact that the vendor files are not purged.</p>
2	Analyzed the payment data for all checks paid within '04 – '05 and '05 – '06 to identify payment or approval dates on weekends or holidays.	<ul style="list-style-type: none"> • We noted one payment totaling \$95,815.65 where the payment/work was done on a weekend. 	<ul style="list-style-type: none"> • Ascertained through interview of District personnel reasons for the disbursements on weekends, holidays, or last day of school. • Requested and reviewed documentation for the item identified. 	<p>Per discussion with the assistant payroll supervisor, the payment related to unemployment. The former payroll supervisor had access to process checks remotely, so it is possible that the check was processed by this individual.</p> <p>We were not able to obtain supporting documentation for the transaction, so we could not determine whether the business purpose appeared reasonable. Further analysis should be performed regarding this item.</p>

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
3	Analyzed the payment data for all checks paid within the audit period to identify gaps in check numbers.	<ul style="list-style-type: none"> We noted 1,195 checks with gaps in check numbers. 	<ul style="list-style-type: none"> Selected a sample of four checks that included gaps in sequence. For each sample item, we traced and agreed the number of the check to the voided check. 	<p>During our review, we noted that generally, the accounting files were organized in a consistent manner and checks were able to be traced.</p> <p>In one of the four items selected, we noted that there was a gap between check #44 and 301, and requested #300. Per discussion with management, the check #44 was the last check written from the bank account associated with the checks. It was subsequently closed so there would be no future checks in that sequence. This bank account was used to process unemployment checks. We were able to verify that subsequent checks were processed from a different bank account.</p> <p>Two of the four checks were out of sequence due to a printing jam. We noted that the checks that were jammed were subsequently voided. The checks that followed were reviewed and accounted for.</p> <p>For one of the four checks, we identified a gap between check numbers 116100 and 169953, and requested data to support the voiding of check number 1165001. Per discussion with District personnel, check number 1165001 did not appear to exist in the District’s records. They were not able to locate the check. Further analysis should be performed regarding this item.</p> <p>We recommend that the District perform additional follow-up procedures to identify the check numbers that would fall in the gap identified to assess whether there was a check issued for legitimate business purpose, appropriately voided, etc. The reason for the gap in sequence was not adequately explained. Additional follow-up should be performed to understand the gap in check numbers.</p>

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation												
4	Reviewed data to identify possible questionable payments (e.g., round dollar payments).	<ul style="list-style-type: none"> We identified 858 payments having round dollar amount of \$100 to \$900. 573 payments having round dollar amount from \$1,000 to \$99,000. 13 payments having round dollar amount from \$100,000 to \$587,000. One payment having round dollar amount of \$1,311,000. One payment having round dollar amount of \$1,490,000. One payment having round dollar amount of \$7,261,000. 	<ul style="list-style-type: none"> Ascertained through interview of the purchasing and accounts payable personnel why certain payments would be made in round dollar amounts. Selected a sample from the listing of payments that were made in round dollar amounts. For each sample item, we : <ul style="list-style-type: none"> Traced and agreed the disbursement to supporting documentation (e.g., contract, vendor invoice, purchase requisition, purchase order, etc.) to assess if the disbursement was properly approved and processed. 	<p>Our sample selection consisted of the following:</p> <table border="1"> <thead> <tr> <th><u>Vendor #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>296180</td> <td>\$103,000</td> </tr> <tr> <td>342418</td> <td>500 (multiple payments)</td> </tr> <tr> <td>237520</td> <td>570,000</td> </tr> <tr> <td>400944</td> <td>2,000</td> </tr> <tr> <td>427021</td> <td>4,000</td> </tr> </tbody> </table> <p>Our review of three vendor files (vendors #342418, 237520, and 296180) showed that the nature of the purchases appeared to agree with the nature of the contracts/purchase description.</p> <p>For example, we noted that one check amount, which was issued multiple times (vendor #427021), related to the processing or reimbursement to Jersey City students that signed up for a Princeton Review course that was cancelled, which appears to be a reasonable business transaction.</p> <p>One check (vendor #400944) was for E-Z pass payment for school buses, which appears to be a reasonable business transaction.</p>	<u>Vendor #</u>	<u>Amount</u>	296180	\$103,000	342418	500 (multiple payments)	237520	570,000	400944	2,000	427021	4,000
<u>Vendor #</u>	<u>Amount</u>															
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342418	500 (multiple payments)															
237520	570,000															
400944	2,000															
427021	4,000															

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
5	Reviewed data to determine if any vendors were paid at addresses listed as P.O. Box, commercial mail receiving agency, etc.	<ul style="list-style-type: none"> We identified 119 vendors that had payments sent to known mail-drop locations. 	<ul style="list-style-type: none"> Selected a sample of three vendors who received payment at mail-drop locations. Traced and agreed a disbursement to supporting documentation (e.g., contract, vendor invoice, etc.). 	<p>We selected three vendors with mail-drop addresses:</p> <ul style="list-style-type: none"> Vendor #594009- PMB #413, Jersey City Vendor #122820- 111 John St. #530 (business address is 111 John Street, Suite 1801) Vendor #447650- PMB#204, Midland <p>The mail-drop address for vendor #s 594009 and 447650 were the only addresses provided in the vendor’s current CIMS profile. Both addresses appeared to be valid remittance addresses.</p> <p>Vendor #122820 is a District attendance officer. The payment selected was for a reimbursement of travel expenses, which is reimbursable per the collective bargaining agreement. However, further analysis should be performed to confirm whether there was any authorization granted to utilize an alternative mail address.</p>
6	Analyzed payment data to identify payments made to vendors not in the vendor master file.	<ul style="list-style-type: none"> No anomalies noted 	<ul style="list-style-type: none"> Not Applicable 	

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation																								
7	Analyzed purchase orders where the payment amount exceeds the original purchase order amount by 5% or greater.	<ul style="list-style-type: none"> • We identified 245 vendors where the amount paid exceeded the original purchase order amount by more than 5%. The payments consisted of multiple invoice payments per vendor. The overpayments identified where as follows: <ul style="list-style-type: none"> – 216 vendors with overpayments of less than \$1,000 – 19 vendors with overpayments greater than \$1,000 and less than \$10,000 – four payments of greater than \$10,000 and less than \$20,000 – six payments of greater than \$20,000 and less than \$50,000 	<ul style="list-style-type: none"> • Ascertained through interview of the purchasing and accounts payable personnel why certain disbursements would be processed in excess of the PO. • Selected a sample of five payment transactions from the listing of disbursements which exceeded the original PO by at least \$10,000. • For each sample item, we: <ul style="list-style-type: none"> – Traced and agreed the disbursement to supporting documentation (e.g., contract, vendor invoice, purchase requisition, etc.) to assess if the disbursement was properly approved and processed. 	<p>We selected the following items:</p> <table border="1" data-bbox="1388 456 1986 656"> <thead> <tr> <th>PO #</th> <th>Vendor #</th> <th>PO Amount</th> <th>Amount Paid</th> </tr> </thead> <tbody> <tr> <td>21950</td> <td>196515</td> <td>\$ 0</td> <td>\$ 23,400</td> </tr> <tr> <td>37898</td> <td>107200</td> <td>125,699</td> <td>154,421</td> </tr> <tr> <td>38685</td> <td>79544</td> <td>13,020</td> <td>58,088</td> </tr> <tr> <td>27734</td> <td>303506</td> <td>40,900</td> <td>64,208</td> </tr> <tr> <td>23936</td> <td>133701</td> <td>702,777</td> <td>724,863</td> </tr> </tbody> </table> <p>Four of the five items in our sample consisted of vendor services for professional development of special education staff and tuition fees for special education students. One of the items selected related to a food service vendor.</p> <p>Per discussion with District personnel the PO amount paid field documents all invoices for which a check was cut against the vendor's PO during the fiscal year, regardless of whether a check was subsequently voided. There is a field in the purchase order lookup screen called "Total Voided" that documents checks voided. For two of the items selected (PO# 37898 and 38685) when the total voided amount is deducted from the amount paid, the amounts paid to the vendor in the fiscal year is less than the PO amount.</p> <p>For two of the items selected (PO# 27734 and PO# 23936), we obtained approved copies of change orders to increase the PO amounts in the subsequent fiscal year. The increase would be reflected in the PO line for the next fiscal year.</p> <p>For one of the items selected (PO# 21950) the purchase order lookup screen indicated that the PO line was actually \$23,400. The PO was created and invoiced in 2004 and the amount paid was in 2005. Per discussion with the District, this is why it appears that there was no PO in 2005, as the payment was made on a PO created in 2004.</p> <p>Therefore, the PO amounts do not appear to be exceeded.</p>	PO #	Vendor #	PO Amount	Amount Paid	21950	196515	\$ 0	\$ 23,400	37898	107200	125,699	154,421	38685	79544	13,020	58,088	27734	303506	40,900	64,208	23936	133701	702,777	724,863
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Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation												
8	Analyzed the number of disbursements by vendor in the two-year period covering '04 – '05 and '05 – '06.	<p>We identified 6,359 records of vendors with at least one disbursement during the audit period.</p> <ul style="list-style-type: none"> One vendor received 210 checks averaging \$8,306.93 where the lowest check was for \$56 and the highest was \$200,174.30. One vendor received 134 checks averaging \$31,630.41 where the lowest check was for \$75 and the highest check was for \$373,491.00 	<ul style="list-style-type: none"> Ascertained through interview of the purchasing and accounts payable personnel why certain vendors would receive more than 12 payments within a fiscal year. Selected a sample of three vendors with a significant number of disbursements and/or a significant amount of disbursements across the two-year period. For each vendor selected we: <ul style="list-style-type: none"> Traced and agreed the disbursement to supporting documentation (e.g., contract, vendor invoice, purchase requisition, etc.) to assess if the disbursement was properly approved and processed. Reviewed supporting documentation to assess if the disbursement is considered essential. 	<p>We selected the following items:</p> <table border="1" data-bbox="1381 446 1990 581"> <thead> <tr> <th><u>Vendor #</u></th> <th><u># of Disbursements</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>296180</td> <td>210</td> <td>\$ 1,744,456</td> </tr> <tr> <td>296153</td> <td>133</td> <td>698,531</td> </tr> <tr> <td>42830</td> <td>33</td> <td>4,267,559</td> </tr> </tbody> </table> <p>We also noted that a significant volume of small payments are being made to the transportation (#296153) and the food services (#296180) departments. The payee of the checks is the Jersey City School District; however, the vendor numbers identify the two different departments. These checks are processed to reimburse the departments for costs incurred transporting children using District buses, and providing school meals. The District is currently considering a protocol whereby these transactions will be journalized.</p> <p>We noted that several purchase orders were paid for very small amounts on the same day. The District should issue payments in a more efficient manner by making payments for multiple invoices in one check per day.</p> <p>Regarding the transportation costs, the District should analyze the capacity and frequency of the preplanned events in an effort to efficiently manage transportation costs, perhaps by combining various schools field trips to save on transportation costs.</p>	<u>Vendor #</u>	<u># of Disbursements</u>	<u>Amount</u>	296180	210	\$ 1,744,456	296153	133	698,531	42830	33	4,267,559
<u>Vendor #</u>	<u># of Disbursements</u>	<u>Amount</u>														
296180	210	\$ 1,744,456														
296153	133	698,531														
42830	33	4,267,559														

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
				<p>For vendor #42830, we noted that the vendor was a consulting company that was awarded services during the fiscal years 04 – 05 and 05 – 06 in the amount of \$3.8M. This contract was awarded through a competitive bidding process. This vendor specializes in training teachers in math and science. Our review of the contract and purchase orders indicated that the vendor supplied adequate documentation and payment was made in accordance with the contract.</p> <p>The payments to the consulting company were for services provided to various schools. The District should implement more efficient methods to deliver training to teachers. For example, coordinate the schedules so that all teachers for the same grade are scheduled for the same time, rather than have individual training per teacher or school.</p> <p>The District should also use a “turn-key” method to train selected teachers and have those teachers train the rest of the staff.</p>

Review of Additional Purchase Orders

At the direction of the Department, we conducted a “desk review” of a sample of purchase orders charged to particular program, function and object codes. Subgroups were identified as follows:

- Non-Instructional Miscellaneous Purchases – includes program code 000 with object codes 800 through 999.
- Non-Instructional Purchased Professional Educational, Technical and Other Services - includes program code 000 with object codes 300 through 599, excluding functions 100, 211, 213, 216, 217, 223, and 270; purchases for student support services for attendance/health related and extraordinary services and transportation are excluded.
- Non-Instructional Supplies and Materials - includes program code 000 with function codes 218, 219, 221, 222, 223, 230, 240, 251, 252, and 290 and object codes 600 through 699; purchases for student support services for attendance/health related and extraordinary services, maintenance and transportation are excluded.
- School Sponsored Athletic Supplies and Materials - includes program code 402 with object code 600.
- Textbooks - includes object code 640.
- Capital Outlay - includes Fund 12.

We extracted data from the District's accounts payable system to isolate expenditures charged to each of the various subgroups identified above. Based on a subjective review of the item description contained in the system, vendor names, and disbursement amounts, we selected a sample and requested purchase order packages to support the expenditures. The tables on the following pages provide the items selected and the results of our review. All columns presented in the tables, with the exception of the 'comments' column, reflect data exactly as it was pulled from the District's system. The 'comments' column was developed based on review of the purchase order package alone. Follow-up questions were not posed to any District employees nor was additional support requested.

Of the 304 transactions selected, 91 appear questionable based on the review of the purchase order packages provided. For the purposes of this report, "Questionable" means that the supporting documentation contained in the purchase order package did not provide sufficient documentation to justify whether the purchase was reasonable or educational in nature.

Financial Management *(continued)*

Additional follow-up would be necessary to further understand the purchase (e.g., reason for the purchase, who benefited from the purchase, was it educational and/or essential, were the goods services actually received, is the item available for inspection, etc.). For example, out-of-state travel was identified as questionable, pending related approval documentation from the State Department of Education. Also, in-state travel for non-education related conference is considered questionable. These items, which have been shaded in the tables, total \$558,863. Documentation was not made available for 11 of the transactions selected. As such, these items have also been classified as questionable, as further inquiry would be necessary.

It should be noted that any items not shaded appear reasonable on the face of the purchase order; for example, a purchase order for textbooks for Mrs. Smith's eighth grade science class would not be considered questionable. However, the "desk review" does not consider if this was the fourth year in a row that textbooks had been purchased for Mrs. Smith's eighth grade science class.

There were instances where multiple POs were processed for different schools requesting the same items (athletic equipment, school furniture, etc.). We also noted at least one instance where a purchase was authorized by the Superintendent's office without the knowledge of the Business office (PO # 39276).

We identified facilities expenditures such as refurbishments, architectural fees, etc. It is our understanding that the execution of capital projects for the District should be facilitated through the Schools Construction Corporation.

Review of Purchase Orders – Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0800	UND EXP-OTHER OBJECT	126040	04/27/05	00:00:00	BOUQUETS AND BASKETS	\$ 335.00	\$ 335.00	Flowers	Flowers for 8th Grade Graduation PS 27
0820	WORKMAN'S COMPENSATION	39998	02/09/06	00:00:00	OXFELD COHEN P C	\$ 37,494.66	\$ 37,494.66	2006 CHRYSLER Minivan Limited, 1 rascal chauffer scooter	Settlement of workers comp claim approved by Board of Education - Settlement specified the District would purchase vehicle and lift for former employee injured while working for the District.
0890	UNDIST.EXP.MISC.EXP.	26229	06/30/04	00:00:00	SHERATON ATLANTIC CITY	\$ 10,496.52	\$ 10,496.52	Accommodation, Expenses and Parking Charges	Board retreat attended by approximately 30 people (board members, Admin asst and spec asst to Dept. Superintendent, BA, General Counsel, and 7 Assoc Superintendents) most individuals stayed 2 nights - Atlantic City - Govt rate obtained. Breakfast, Lunch, Dinner and Reception. Page 8 of Hotel invoice missing. Retreat occurred June 4-6, 2004, bill was charged to subsequent fiscal year's budget.
0890	UNDIST.EXP.MISC.EXP.	23325	07/29/04	00:00:00	BARRETT TRAVEL SERVICE	\$ 2,682.40	\$ 2,682.40	Airfare and accommodations at Las Vegas, Nevada	2 Board members attendance at National Lang Conf July 18-22, 2004 in Las Vegas, NV, approved by Superintendent. No supporting documentation to evidence the individual charges making up the total of \$2,682.
0890	UNDIST.EXP.MISC.EXP.	40220	02/27/06	00:00:00	A S CHECK CASHING	\$ 464.72	\$ 464.72	Number being ripped off.	Payment to check cashing company as the District's bank would not cash the payroll check paid by the check cashing co due to the account number being torn off of original payroll check.
0890	UNDIST.EXP.MISC.EXP.	23610	08/04/04	00:00:00	MACK SUZANNE	\$ 3,206.18	\$ 3,206.18	Reimbursement of expenses by Board Member for Cube Conference in San Antonio, TX.	Reimbursement to Board member for various trips and items as follows: \$101.80 for tolls and mileage to Board Retreat in Atlantic City, \$168. for pizza and sodas for Chess Championship at Elementary school, \$59.95 for wireless card for "board" computer at Board Member's home, \$49.35 for tolls and Mileage to Statewide Adv Conf March 13, 2004, \$1,413.54 for trip to Cube conf in Baltimore MD (approved by Superintendent) this item included \$25 for a book for which no receipt was provided, and \$1,442.14 for National Reading Conf in San Antonio TX (approved by superintendent. Support for this item indicated \$442.14 NOT \$1,442.14 = overpayment of \$1,000. due to clerical error.
0890	UNDIST.EXP.MISC.EXP.	37754	09/12/05	00:00:00	SHERATON ATLANTIC CITY	\$ 14,238.60	\$ 14,238.60	Accommodation and Expenses for Board Retreat on June 10-12, 2005	Board Retreat Atlantic City June 10-12, 2005 attended by Board members and District staff -(29 people in total) Approved by Board of Education. No detailed invoice attached.
0890	UNDIST.EXP.MISC.EXP.	28664	04/29/05	00:00:00	SAM ASH MUSIC CORP	\$ 16,160.89	\$ 16,339.89	Various audio visual equipment	Professional audio-visual equipment for PS 11, including audio mixer for \$1,799.99, 30 microphones, cords and stands (totaling approx \$7,500, 4 wireless headsets (totaling \$2,639.96).
0890	UNDIST.EXP.MISC.EXP.	40511	00:00:00	00:00:00	TRUMP MARINA CASINO HOTEL	\$ 285.00	\$ 285.00	INCLUDES TOURISM AND STATE ROOM TAXES	Accommodations for the Director of the Transportation Dept. to attend the 41 st annual NJ Pupil Transportation Conference and Equipment show for 3/27-3/29/06.
0800	UND EXP-OTHER OBJECT	126201	00:00:00	00:00:00	SCHWARTZ KIRWAIN FAUSS	\$ 1,806.00	\$ 1,806.00	PER PAUL ROGERS	105 cap and gown packages @ \$17.20 each.

Review of Purchase Orders – Non-Instructional Miscellaneous Purchases, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0800	UND EXP-OTHER OBJECT	37836	00:00:00	00:00:00	ARORA RAJAN	\$ 1,300.00	\$ 1,300.00	COST OF THE EVALUATION.	Per mediation agreement, the district agreed to pay ½ the cost of an evaluation.
0800	S/V MISC EXP/ART	27142	00:00:00	00:00:00	BIGDRUM TOO INC	\$ 2,450.00	\$ 2,450.00	PER CAROL HAIGHT	Cost to frame 50 pieces of artwork for Jazz Bash collection.
0820	WORKMAN'S COMPENSATION	39038	00:00:00	00:00:00	BOFFA SHALJIAN CAMMARATA	\$ 23,900.00	\$ 23,900.00	C.P. NO. 1995-11583, PAYMENT FOR SERVICE	Payment for various legal services related to Janet Gaita v Jersey City Board of Education.
0820	WORKMAN'S COMPENSATION	38182	00:00:00	00:00:00	WATSON BARBARA	\$ 8,000.00	\$ 8,000.00	ASAP****	According to PO, the payment was made in accordance with the settlement agreement.
0800	UND EXP-OTHER OBJECT	126173	00:00:00	00:00:00	CROWN TROPHY	\$ 1,342.00	\$ 1,342.00	PER MICHAEL SKY	Payment for 6 marble and 20 clear paper weights; 9 marble plaques, 6 cherrywood plaques, 2 small plaques, and 8 piano picture frames.
0800	UND EXP-OTHER OBJECT	123197	00:00:00	00:00:00	CROWN TROPHY	\$ 1,570.00	\$ 1,570.00	PER MICHAEL SKY	10 custom plaques for graduation 6/20/05 (\$500); 500 18" lanyards in navy blue w/ white (\$995); and set-up fee of \$75.
0800	UND EXP-OTHER OBJECT	126180	00:00:00	00:00:00	CROWN TROPHY	\$ 6,970.00	\$ 6,970.00	PER MICHAEL SKY	2000 J.W Wakeman credit roll (\$4,580) and 1000 J.W. Wakeman Honor Roll (\$2,390). Follow-up to understand the business purpose is recommended.
0820	WORKMAN'S COMPENSATION	39034	00:00:00	00:00:00	GAITA JANET M	\$ 110,715.05	\$110,715.05	MEDICAL)	Various payments to petitioner regarding the Janet Gaita vs Jersey City Board of Education.
0820	UND EXP-JUDGE AGAINST SCH	28991	00:00:00	00:00:00	INSTITUTIONAL FINANCING	\$ 1,541.16	\$ 1,541.16	GINA VUCAK	Settlement of litigation regarding institutional financing services between the Jersey City Board of Education and Gina Vucak.
0800	UND EXP-OTHER OBJECT	40968	00:00:00	00:00:00	JERSEY CITY PUBLIC SCHOOLS	\$ 1,200.00	\$ 1,200.00	#05-06-187	Payment for food served at AIC Parent conference on 11/16/05.
0800	UND EXP-OTHER OBJECT	125928	00:00:00	00:00:00	JERSEY GRAPHICS	\$ 2,500.00	\$ 2,500.00	**PRICING AS PER MICKEY QUOTE # 5077**	100 embroidered shirts. Follow-up to understand the business purpose is recommended.
0890	UNDIST.EXP.MISC.EXP.	24086	00:00:00	00:00:00	URBAN SCHOOLS SUPT OF NJ	\$ 3,500.00	\$ 3,500.00	JERSEY CITY, NJ 07305	Payment of Dr. Epp's 2004-05 USSNJ comprehensive membership dues. Follow-up to understand the business purpose is recommended.
0820	WORKMAN'S COMPENSATION	39037	00:00:00	00:00:00	JOHN S ORTHOPEDICS	\$ 2,500.00	\$ 2,500.00	PAYABLE BY RESPONDENT.	Payment per court order regarding Janet Gaita vs Jersey City Board of Education
0820	WORKMAN'S COMPENSATION	25322	00:00:00	00:00:00	LAZAR JOSEPH	\$ 730.00	\$ 730.00	(5 WEEKS)	Court judgment to pay \$146 for 3 weekly payments for November 2004 to J. Lazar.
0820	WORKMAN'S COMPENSATION	22649	00:00:00	00:00:00	LAZAR JOSEPH	\$ 730.00	\$ 730.00	FOR THE MONTH OF AUGUST 2004, 5 WEEKS.	Court judgment to pay \$146 for 3 weekly payments for August 2004 to J. Lazar.
0820	WORKMAN'S COMPENSATION	25735	00:00:00	00:00:00	LAZAR JOSEPH	\$ 3,796.00	\$ 3,796.00	CP NO. 78-02781	Encumbrance for workers comp payments for the period of January-June 2005.
0820	WORKMAN'S COMPENSATION	35002	00:00:00	00:00:00	LAZAR JOSEPH	\$ 6,862.00	\$ 6,862.00	C.P. NO. 78-02781	Encumbrance for workers comp payments covering July 2005- June 2006. Payments to be made monthly.
0820	WORKMAN'S COMPENSATION	35001	00:00:00	00:00:00	O SHAUGHNESSY MARGARET	\$ 10,500.00	\$ 10,500.00	L-021829-83.	Encumbrance for workers comp payments covering July 2005- June 2006. Payments to be made monthly. Amount per PO is \$25,200.
0820	WORKMAN'S COMPENSATION	25736	00:00:00	00:00:00	O SHAUGHNESSY MARGARET	\$ 12,600.00	\$ 12,600.00	11/19/85	Encumbrance for workers comp payments covering January 2005- June 2005 per docket no. L-021829-83.
0820	WORKMAN'S COMPENSATION	39120	00:00:00	00:00:00	O SHAUGHNESSY MARGARET	\$ 65,000.00	\$ 65,000.00	OF AWARD.	Payment upon the end of 20 years of date of award. Docket no. L-021829-83.

Review of Purchase Orders – Non-Instructional Miscellaneous Purchases, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0800	UND EXP-OTHER OBJECT	126226	00:00:00	00:00:00	HERBERT L FARKAS COMPANY	\$ 5,814.00	\$ 5,814.00	PER ROBERT SCALABRINI	Eighteen computer tables for PS#6. PO includes a hand-written note – "Confirming"
0800	UND EXP-OTHER OBJECT	22262	00:00:00	00:00:00	SANCHEZ ABREU ALDO	\$ 2,315.00	\$ 2,315.00	AS PER ATTACHED PAID RECEIPT	Reimbursement for tuition paid for summer camp . Follow up to confirm the business purpose is recommended.
0890	UNDIST.EXP.MISC.EXP.	37819	00:00:00	00:00:00	EDUCATIONAL DEVELOPMENT CENTER	\$ 3,800.00	\$ 3,800.00	20573-001	Membership renewal for Urban Special Education Leadership Collaborative for the 2005-06 school year.
0890	UNDIST.EXP.MISC.EXP.	24812	00:00:00	00:00:00	EDUCATIONAL DEVELOPMENT CENTER	\$ 3,800.00	\$ 3,800.00	PER ATTACHED INVOICE	Membership fee for one year from 10/04 for medium size school district.
0890	UNDIST.EXP.MISC.EXP.	23221	00:00:00	00:00:00	HUDSON COUNTY	\$ 1,250.00	\$ 1,250.00	STATE DISTRICT SUPERINTENDENT	Chamber of Commerce membership dues for 8/04-7/05 for Dr. Epps jr.
0890	UNDIST.EXP.MISC.EXP.	35989	00:00:00	00:00:00	HUDSON COUNTY	\$ 1,250.00	\$ 1,250.00	STATE DISTRICT SUPERINTENDENT	Chamber of Commerce membership dues for 8/05-7/06 for Dr. Epps jr.
0890	UNDIST.EXP.MISC.EXP.	38057	00:00:00	00:00:00	JOHNSON STATIONERS INC	\$ 1,064.46	\$ 1,064.46	BLACK FLAIR PENS (2 BOXES)	Various office supplies including shredder and tape, legal pads, staples, pens, discs, tabs, file folders, etc.
0820	WORKMAN'S COMPENSATION	27922	00:00:00	00:00:00	CAMMARATA NULTY GARRIGAN	\$ 5,100.00	\$ 5,100.00	51 APPEARANCES @ \$100 PER.	Deborah Kalides v. JCBOE CP#93-52094. Payment for appearing on the districts behalf in workers compensation matter. 51 appearances at \$100 per appearance.
0800	UND EXP-OTHER OBJECT	3698	00:00:00	00:00:00	JERSEY GRAPHICS ONE LLC	\$ 4,640.00	\$ 4,640.00	***PRICING AS PER MICKEY QUOTE #22***	Cost of shelving, markers, and polo shirts. Business purpose is unclear
0800	UND EXP-OTHER OBJECT	125928	00:00:00	00:00:00	JERSEY GRAPHICS	\$ 2,500.00	\$ 2,500.00	**PRICING AS PER MICKEY QUOTE # 5077**	100 denim shirts with embroidery, PS #12.
0890	UNDIST.EXP.MISC.EXP.	38666	00:00:00	00:00:00	BERNECKER KEVIN C	\$ 586.50	\$ 586.50	NJSCPA - MEMBERSHIP #303574	AICPA and NJSCPA memberships, payment to Kevin Bernecker.
0890	UNDIST.EXP.MISC.EXP.	26436	00:00:00	00:00:00	BERNECKER KEVIN C	\$ 170.00	\$ 170.00	INSTITUTE - MEMBER 01601669	PO not provided.
0890	UNDIST.EXP.MISC.EXP.	26261	00:00:00	00:00:00	BERNECKER KEVIN C	\$ 270.00	\$ 270.00	INSTITUTE-MEMBER #01601669	AICPA membership, payment to Kevin Bernecker.
0895	BOE MEMBERSHIP DUES & FEE	27472	00:00:00	00:00:00	NATIONAL SCHOOL BOARDS ASSOC	\$ 10,500.00	\$ 10,500.00	MEMBERSHIP DUES 2005-2006	NBA National Affiliate Membership 2005-06.
0890	UNDIST.EXP.MISC.EXP.	28742	00:00:00	00:00:00	NJASA	\$ 1,400.00	\$ 1,400.00	DR. NICHOLAS A. DUVA, ASSOCIATE SUPT.	NJASA Membership for 2004-05 for Dr. Nicholas Duva.
0890	UNDIST.EXP.MISC.EXP.	41593	00:00:00	00:00:00	NJASA	\$ 1,425.00	\$ 1,425.00	RENEWAL OF MEMBERSHIP FOR 2006-07	Renewal of membership for 2006-07.
0890	UNDIST.EXP.MISC.EXP.	39049	00:00:00	00:00:00	NJASA	\$ 1,430.00	\$ 1,430.00	INVOICE ATTACHED	NJASA Membership for 2005-06 for Dr. Adel Macula.
0890	UNDIST.EXP.MISC.EXP.	37814	00:00:00	00:00:00	NJASA	\$ 1,430.00	\$ 1,430.00	DR. ADELE T. MACULA, ASSOCIATE SUPT.	NJASA Membership for 2005-06 for Dr. Adel Macula. Appears that membership for same year paid twice.
0890	UNDIST.EXP.MISC.EXP.	22647	00:00:00	00:00:00	NJASA	\$ 2,343.00	\$ 2,343.00	2004-2005	Membership renewals for Charlotte Kitler, General Counsel and Ken Iwama, Chief Labor Counsel. For 2004-05.
0890	UNDIST.EXP.MISC.EXP.	35018	00:00:00	00:00:00	NJASA	\$ 2,435.00	\$ 2,435.00	NJASA, 2005-2006 SCHOOL YEAR.	Membership renewals for Charlotte Kitler, General Counsel and Ken Iwama, Chief Labor Counsel. For 2005-06.
0890	UNDIST.EXP.MISC.EXP.	25922	00:00:00	00:00:00	NJASA	\$ 2,645.00	\$ 2,645.00	PATRICIA NOONAN, ASSOCIATE SUPT.	NJASA memberships for 2004-05 for Dr. Sharon Bartley, executive assistant and Patricia Noonan, associate superintendent.

Review of Purchase Orders – Non-Instructional Miscellaneous Purchases, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0890	UNDIST.EXP.MISC.EXP.	24665	00:00:00	00:00:00	NJASA	\$ 7,205.00	\$ 7,205.00	ELLEN P. ZADROGA, EXECUTIVE ASSISTANT	NJASA memberships for 2004-05 for Dr. Epps, Francis Dooley, Carolyn Nelson (affirmative action officer) Dr. William Ronzitti Ellen Zadroga, executive assistant.
0890	UNDIST.EXP.MISC.EXP.	37641	00:00:00	00:00:00	NJASA	\$ 10,260.00	\$ 10,260.00	ELLEN P. ZADROGA, EXECUTIVE ASSISTANT	NJASA memberships for 2005-06 for Dr. Epps, Francis Dooley, Sharon Bartley, Nicholas Duva, Carolyn Nelson (affirmative action officer) Dr. William Ronzitti Ellen Zadroga, executive assistant.
0890	UNDIST.EXP.MISC.EXP.	39371	00:00:00	00:00:00	NJASA	\$ 319.00	\$ 319.00	IN ATLANTIC CITY - JANUARY 26-27, 2006.	Registration fee, lunch and dinner at NJASA Techspo conference in Atlantic City for Dr. Epps.
0890	UNDIST.EXP.MISC.EXP.	23328	00:00:00	00:00:00	NEW JERSEY SCHOOL BOARDS	\$ 25,027.00	\$ 25,027.00	NEW JERSEY SCHOOL BOARDS ASSOCIATION	Membership dues for 2004-05 in the NJ School Boards Association. Individuals covered not identified in documentation.
0890	UNDIST.EXP.MISC.EXP.	29206	00:00:00	00:00:00	NJASA	\$ 1,320.00	\$ 1,320.00	RENEWAL OF MEMBERSHIP FOR 2005-06	NJASA Renewal of membership for 2005-06 employee not noted.
0890	UNDIST.EXP.MISC.EXP.	39474	00:00:00	00:00:00	NJASA	\$ 1,355.00	\$ 1,355.00	PATRICIA C. BRYANT, ASSOCIATE SUPT.	NJASA Renewal of membership for 2005-06 for Patricia Bryant.
0890	UNDIST.EXP.MISC.EXP.	23923	00:00:00	00:00:00	NJASA	\$ 1,370.00	\$ 1,370.00	JERSEY CITY PUBLIC SCHOOLS	NJASA Renewal of membership for 2004-05 for Dr. Macula.

Review of Purchase Orders – Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
320	UND EXP-PUR PROF SVCS	39126	00:00:00	00:00:00	GIARDELLA OLIVIO	\$ 23,006.25	\$ 24,975.00	Consultant to assist with State compliance	The total amount in the PO is for \$24,000.
330	UNDIST.EXP.PURCH. PROF.SER	36616	08/04/05	00:00:00	BON SECOURS AND CANTERBURY	\$ 30,410.68	\$ 30,410.68	Employee Assistant Services (Health Services)	PO documentation shows approved action form.
340	UNDIST.EXP.PURCH. TECH.SVS	22254	06/21/04	00:00:00	F E CHECK PROTECTOR SALES CO	\$ 3,980.00	\$ 1,990.00	Services contract for payroll checks, direct deposit folder & sealer machine.	PO documentation shows approved contract with vendor.
420	UNDIS.EXP.CLE.REP. MAIN.BL	101024	07/07/04	00:00:00	GUARINI PLUMBING	\$ 800,677.29	\$ 800,000.00	Plumbing Services but does not specify for which school site. Contractor awarded per bidding process- Extension of contract.	PO does not specify the schools where services were performed. Name on the PO (Varini) does not agree with records (Guarini). PO shows account balances from 5/24/05 to 2/04/06.
420	UNDIS.EXP.CLE.REP. MAIN.BL	101150	10/14/05	00:00:00	PENNETTA SON	\$ 1,019,984.17	\$ 1,019,984.17	Extension of Contract - Gas, oil, electric heating unit ventilator system services.	It not clear as to the necessity of the extended services. There is a time log between actual bid (6/24/2004), PO (10/14/05) and NJBOE memo (5/18/06). The amount in the PO is \$850,000.
585	BOE OTH PURCHASED SERVICE	38449	10/18/05	00:00:00	BORGATA HOTEL CASINO SPA	\$ 10,356.00	\$ 10,356.00	Room Charges for NJSB Convention in Atlantic City 10/26-10/28 of 2005.	Room charges for NJSB convention at \$179 per night - 4 nights (Dr. Peter J. Donnelly), 3 nights (for 7 board members and 13 staff), 2 nights (for Suzanne Mack) and 1 night (Kathleen Marsella and Constance Piatkowski).
585	BOE OTH PURCHASED SERVICE	26260	08/11/04	00:00:00	MILAM RAY	\$ 1,000.00	\$ 1,000.00	Consultant to assist at Board Retreat in Atlantic City June 4-6, 2004	Contract does not specify which type of services consultant will provide or what his specialty is. Consultant hired at the recommendation of Dr. Charles Epps, Jr.
585	BOE OTH PURCHASED SERVICE	38000	09/22/05	00:00:00	RENAISSANCE LAS VEGAS HOTEL	\$ 1,343.97	\$ 1,343.97	Accommodations for Annual Cube Conference- 9/28-10/2 of 2005, Las Vegas, NV.	Room charges for Cube Conference for 2 board members (Franklin Williams & Ron-Calvin Clark). No itemization of charges was found.
592	MISC. PURCHASE SERVICES	24758	09/24/04	00:00:00	TRUMP PLAZA HOTEL	\$ 3,380.00	\$ 7,280.00	Room Charges for NJSB Convention in Atlantic City 10/20-10/22 of 2004.	Room charges for NJSB convention at \$130 per night arriving on 10/19 leaving on 10/22 for 28 people (board members and staff)
0580	UND EXP-TRAVEL	29587	00:00:00	00:00:00	JOHNSTON EDWIN R	\$ 30,919.75	\$ 30,919.75	ISSUE SEPARATE CHECKS FOR EACH TRADESMEN	PO not provided.
0580	UND EXP-TRAVEL	29208	00:00:00	00:00:00	JOHNSON DR ROXANNE M	\$ 18,932.50	\$ 22,384.00	IN THE DEPARTMENT OF SPECIAL EDUCATION	To encumber funds for expected travel for child study teams and supervisors for the 04-05 school year.
0580	UND EXP-TRAVEL	29208	00:00:00	00:00:00	JOHNSON MATILTA	\$ 18,932.50	\$ 22,384.00	IN THE DEPARTMENT OF SPECIAL EDUCATION	Same as above
0580	UND EXP-TRAVEL-SCIENCE	28423	00:00:00	00:00:00	KLEINS FOUR SEASONS TRAVEL	\$ 905.70	\$ 905.70	ATTENTION: DONNA	Airline tickets one science supervisor and 2 science teachers to attend the INTEL International Science and Engineering Fair.
0332	UND EXP-AUDIT FEES	28615	00:00:00	00:00:00	LERCH VINCI HIGGINS	\$ 98,500.00	\$ 108,000.00	RATES. THE FEE FOR THIS SVCE SHOULD NOT	Professional services for 2004-05 audit services for \$98,500 and \$9,500 respectively.
0339	UNDIST.EXP.OTH.PROF. SERV.	17285	00:00:00	00:00:00	LERCH VINCI HIGGINS	\$ 118,098.50	\$ 120,500.00	INCREASE \$15,000 PER JA 3/8/05 LN	Professional services for 2003-04 audit services for \$96,000 and \$9,500 which sums to \$105,500. The increase of \$15,000 is not noted on the original PO.

Review of Purchase Orders – Non-Instructional Purchased Professional Educational, Technical and Other Services, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0585	BOE OTH PURCHASED SERVICE	39439	00:00:00	00:00:00	A J BARRINGTONS FLOWERS	\$ 1,000.00	\$ 1,000.00	\$50.00 PER PLANT	20 poinsetta plants for December 15, 2005 board meeting.
0585	BOE OTH PURCHASED SERVICE	28756	00:00:00	00:00:00	A PENZA MODERN MOVERS	\$ 14,290.00	\$ 14,290.00	@ PER INVOICE #18102	Delivery and pick-up of 2005 Board of Education voting machines, binders and bins related to the 4/19/05 election.
0590	UND EXP-MISC PURC SERVICE	41476	00:00:00	00:00:00	A PENZA MODERN MOVERS	\$ 14,401.60	\$ 14,401.60	BOARD OF ELECTIONS)	Delivery and pick-up of 2005 Board of Education voting machines, binders and bins related to the 4/10/05 to 4/25/06 election.
0590	UND EXP-MISC PURC SERVICE	39276	00:00:00	00:00:00	AB KOHLER COMPANY	\$ 8,388.00	\$ 8,388.00	INSIDE DELIVERY-SHIPPING & HANDLING INCL	1200 MS 11-unisex double ring watches with gift box. Delivery requested by 1/2/06. Business purpose was authorized by the Superintendent to provide watches to employees with 25+ years of service.
0420	UNDIS.EXP.CLE.REP.MAI N.BL	101128	00:00:00	00:00:00	ACKERSON DRAPERY DECORATOR	\$ 27,470.22	\$ 46,865.38	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	Partial payment of a \$100,000 PO related to the fabrication and installation of stage draperies for the entire district.
0420	UNDIS.EXP.CLE.REP.MAI N.BL	101128	00:00:00	00:00:00	ACKERSON DRAPERY DECORATOR	\$ 27,470.22	\$ 46,865.38	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	PO not provided
0320	UND EXP-PUR PROF SVCS	35071	00:00:00	00:00:00	AGRESTA EDMUND	\$ 1,000.00	\$ 1,000.00	LIBERTY HIGH SCHOOL. 1 HOUR PRESENTATION	Presentation related to Jumpstart 2009 orientation
0320	UND EXP-PUR PROF SVCS	123834	00:00:00	00:00:00	AMELIA ROBERTS ENTERPRISES	\$ 3,500.00	\$ 3,500.00	DAYS. CONTRACTS ARE ATTACHED	PO not provided
0490	UND EXP-PUR PROPERTY SVS	100123	00:00:00	00:00:00	ALLIED CAR CARE CENTERS INC	\$ 761.50	\$ 15,000.00	THIS PURCHASE ORDER IS CONTINGENT UPON	Partial payment on a \$15,000 PO related to car washing services for the entire district.
0490	UND EXP-PUR PROPERTY SVS	101100	00:00:00	00:00:00	ALLIED CAR CARE CENTERS INC	\$ 3,649.00	\$ 3,837.00	YOU SUBMITTED A BID WILL BE BINDING TO	PO related to car washing services. Total amount paid and PO amount doesn't appear to reconcile to hard copy of the PO.
0490	UND EXP-PUR PROPERTY SVS	101020	00:00:00	00:00:00	ALLIED CAR CARE CENTERS INC	\$ 5,325.50	\$ 5,325.50	ATTACHED TO THE SPECIFICATIONS ON WHICH	PO related to car washing services. Total amount paid and PO amount doesn't appear to reconcile to hard copy of the PO.
0420	UND EXP-CLEAN REPAIR MAIN	36923	00:00:00	00:00:00	AMQUIP CORPORATION	\$ 3,045.25	\$ 3,045.25	INVOICE 159555	Supplied all terrain crane to remove old chiller from rooftop and replace with new chiller.
0320	UND EXP-PUR PROF SVCS	23994	00:00:00	00:00:00	ALDRICH LOUISE	\$ 9,720.00	\$ 9,720.00	INCREASE \$1,900.00 AS PER VH 01/05/05 LN	Related to three workshops scheduled to be delivered on 10/4, 12/6 and 4/28-5/3. Amount per the PO is \$5,880.
0590	UND EXP-MISC PURC SERVICE	37750	00:00:00	00:00:00	BIVIANO LANE J	\$ 10,000.00	\$ 10,000.00	CITY BOARD OF EDUCATION	Payment of insurance deductible related to attorney fee (Lane Biviano) for the District vs. Florence Iapicca.
0420	UNDIS.EXP.CLE.REP.MAI N.BL	100103	00:00:00	00:00:00	D L PAVING CONTRACTORS	\$ 172,761.20	\$ 297,700.20	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	PO indicates an extension of a contract to perform bituminous concrete resurfacing. Amount per the hard copy version of the PO is not consistent with the data records. Further analysis should be performed to confirm the accurate PO amount.
0500	UND EXP-OTH PURCH SERVICE	22344	00:00:00	00:00:00	ARAMARK CORPORATION	\$ 15,750.00	\$ 15,750.00	MEADOWLANDS SPORTS COMPLEX.	Catering for approx. 3,500 for 2004-05 convocation.
0530	UND EXP-TELEPHONE	35899	00:00:00	00:00:00	ARCH WIRELESS	\$ 14,516.35	\$ 14,516.35	RELATED EMPLOYEES.	PO relates to \$30,000 encumbrance set up for payment of monthly bills for pagers assigned to custodial personnel in 2005. Follow up procedures should be performed to determine whether the full amount of the encumbrance was utilized.

Review of Purchase Orders – Non-Instructional Purchased Professional Educational, Technical and Other Services, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0530	UND EXP-TELEPHONE	22273	00:00:00	00:00:00	ARCH WIRELESS	\$ 16,670.31	\$ 16,000.00	PAGERS FOR THE ENTIRE DISTRICT	PO relates to \$30,000 encumbrance for pagers for entire district in 2004. No additional data regarding the business purpose was provided. Follow up procedures should be performed to determine whether the full amount of the encumbrance was utilized.
0580	UND EXP-TRAVEL	25687	00:00:00	00:00:00	BLANEY MARY JANE	\$ 1,550.80	\$ 1,550.80	2004-2005 SCHOOL YEAR.	Funds encumbered for travel reimbursement. During 04-05 as per JCEA contract. The total amount of the hard copy version of the PO was \$1,800. The employee is a psychologist.
0580	UND EXP-TRAVEL	38086	00:00:00	00:00:00	BLANEY MARY JANE	\$ 1,852.72	\$ 2,078.75	INCREASE PER T GRILLO \$450 4/11/06	Funds encumbered for travel reimbursement as per JCEA contract. During 05-06 for visiting schools outside of jersey city. The total amount of the hard copy version of the PO was \$1,800. The employee is a psychologist. Follow up should be performed to confirm whether an extension of the PO was executed.
0590	UND EXP-MISC PURC SERVICE	26728	00:00:00	00:00:00	ASSOCIATION FOR SUPERVISION	\$ 3,026.10	\$ 3,026.10	ISBN # 0-87120-269-7	200 copies of Enhancing Professional Practice- A Framework for Teaching.
0590	UND EXP-MISC PURC SERVICE	38342	00:00:00	00:00:00	ATLANTIC CITY CONVENTION	\$ 868.00	\$ 868.00	ELECTRICAL SERVICE FOR NJ SCHOOL BOARDS	PO indicates Electrical service for NJ School Boards.
0592	MISC. PURCHASE SERVICES	24741	00:00:00	00:00:00	ATLANTIC CITY CONVENTION	\$ 1,152.00	\$ 1,152.00	BOARDS CONVENTION	PO indicated power and lighting for booth at School Board Convention.
0420	UNDIS.EXP.CLE.REP. MAIN.BL	100106	00:00:00	00:00:00	ATLANTIC ELEVATOR CO INC	\$ 106,444.81	\$ 197,506.36	ATTACHED TO THE SPECIFICATIONS ON WHICH	PO is related to elevator maintenance services for the entire district.
0580	UND EXP-TRAVEL	28774	00:00:00	00:00:00	BALLYS PARK PLACE CASINO HOTEL	\$ 224.00	\$ 224.00	MAY 11-13, 2005	Hotel expense and parking for NJASBO conference for Executive Controller in May 05.
0580	UND EXP-TRAVEL	27452	00:00:00	00:00:00	BALLYS PARK PLACE CASINO HOTEL	\$ 330.00	\$ 342.00	MAY 11-13,2005	Hotel expense and parking for NJASBO conference for BA in May 05.
0580	UND EXP-TRAVEL	40332	00:00:00	00:00:00	BALLYS PARK PLACE CASINO HOTEL	\$ 345.00	\$ 345.00	HOTEL EXPENSE FOR NJASBO CONFERENCE	Hotel expense and parking for NJASBO conference for BA in March 06.
0580	UND EXP-TRAVEL-MUSIC	37801	00:00:00	00:00:00	BARRETT TRAVEL SERVICE	\$ 1,746.00	\$ 1,746.00	CULTURAL FESTIVAL FROM 9/23/05 - 10/4/05	2 round trip tickets to Germany for the supervisor of performing arts and music specialist at the Visual and Performing Arts High School to attend an international cultural festival.
0580	UND EXP-TRAVEL	22436	00:00:00	00:00:00	BARRETT TRAVEL SERVICE	\$ 2,385.00	\$ 2,385.00	BOARD APPROVED SEE ATTACHED.	1 round trip tickets to Germany for the Superintendent to attend the Oxford Roundtable in Oxford, England. Follow-up procedures have been performed by the District and the Department. Funds were remitted to the District by the Superintendent.
0580	UND EXP-TRAVEL	22435	00:00:00	00:00:00	BARRETT TRAVEL SERVICE	\$ 2,385.00	\$ 2,385.00	BOARD APPROVED SEE ATTACHED	1 round trip tickets to Germany for the head of Curriculum at the District to attend the Oxford Roundtable in Oxford, England
0590	UND EXP-MISC PURC SERVICE	41463	00:00:00	00:00:00	BELLAMY KAREN	\$ 892.00	\$ 892.00	ELECTION	Services provided by a member of the Office of the City Clerk regarding the 2006 Board of Education election.
0590	UND EXP-MISC PURC SERVICE	29543	00:00:00	00:00:00	BELLAMY KAREN	\$ 1,299.00	\$ 1,299.00	BOARD OF EDUCATION	Stipend for five members of the Office of the City Clerk regarding the 2006 Board of Education election.

Review of Purchase Orders – Non-Instructional Purchased Professional Educational, Technical and Other Services, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0330	UNDIST.EXP.PURCH.PR OF.SER	24429	00:00:00	00:00:00	BON SECOURS AND CANTERBURY	\$ 91,232.04	\$ 91,233.00	PAYMENT FOR EMPLOYEE ASSISTANCE SERVICES	PO does not specify the type of employee assistance provided. Per discussion with BA, this vendor provides health and wellness services to District employees as per their benefits contracts.
0580	UND EXP-TRAVEL-LIBRARY	29170	00:00:00	00:00:00	BEELER ROY	\$ 1,315.43	\$ 1,315.43	2004-2005.	Travel reimbursement related to assignment to the Joint activities program. The program is a cultural awareness program that involves field trips. The amount paid per the hard copy does not reconcile to the amount per the system
0580	UND EXP-TRAVEL-GIFTED/TAL	29170	00:00:00	00:00:00	BEELER ROY	\$ 1,315.43	\$ 1,315.43	2004-2005.	See above
0590	UND EXP-MISC PURC SERVICE	41463	00:00:00	00:00:00	BELLAMY KAREN	\$ 892.00	\$ 892.00	ELECTION	Support provided for Election of the school Board.
0590	UND EXP-MISC PURC SERVICE	29543	00:00:00	00:00:00	BELLAMY KAREN	\$ 1,299.00	\$ 1,299.00	BOARD OF EDUCATION	PO not provided
0420	UNDIS.EXP.CLE.REP.MAI N.BL	101125	00:00:00	00:00:00	BENCO INC	\$ 66,084.00	\$ 66,084.00	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	PO indicates that this is an extension of a contract to furnish and install toilet partitions. PO amount per the hard copy document doesn't reconcile.
0420	UNDIS.EXP.CLE.REP.MAI N.BL	101056	00:00:00	00:00:00	BENCO INC	\$ 116,853.46	\$ 117,000.00	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	PO indicates that this is an extension of a contract to furnish and install toilet partitions. PO amount per the hard copy document doesn't reconcile.
0580	UND EXP-TRAVEL	23683	00:00:00	00:00:00	BEST WESTERN CENTER CITY HOTEL	\$ 318.42	\$ 318.42	CONFIRMATION	Payment to cover hotel fees of parent who was visiting child for 3 nights at the end of August. Per the BA, this relates to a special ed child that is placed out of state. School policy allows for the district to cover visiting costs.
0580	UND EXP-TRAVEL	25547	00:00:00	00:00:00	BEST WESTERN CENTER CITY HOTEL	\$ 333.19	\$ 333.19	ROOM TAX PER NIGHT	Payment to cover hotel fees of parent of special education child at the end of November 2004.
0580	UND EXP-TRAVEL	26174	00:00:00	00:00:00	BEST WESTERN CENTER CITY HOTEL	\$ 348.58	\$ 348.58	CHARGE FOR REFRIGERATOR	Payment to cover hotel fees of parent of special education child during the Christmas holiday.
0580	UND EXP-TRAVEL	38879	00:00:00	00:00:00	BEST WESTERN CENTER CITY HOTEL	\$ 406.98	\$ 406.98	RESERVATION NUMBER: D36F16F7	Payment to cover hotel fees of parent of special education child during the Christmas holiday.
0580	UND EXP-TRAVEL	27935	00:00:00	00:00:00	BONILLA ALICIA	\$ 114.96	\$ 171.24	FOOD	Reimbursement for additional food costs due to being stranded at the end of a conference in Florida due to inclement weather.
0580	UND EXP-TRAVEL	27265	00:00:00	00:00:00	BONILLA ALICIA	\$ 1,035.70	\$ 1,117.68	AS PER ATTACHED RECEIPTS & ACTION FORM	Reimbursement for hotel, airfare and car rental to attend a workshop in Florida.
0585	BOE OTH PURCHASED SERVICE	40614	00:00:00	00:00:00	BORGATA HOTEL CASINO SPA	\$ 500.00	\$ 500.00	HELD IN ATLANTIC CITY 10/24-27/05	Downpayment to reserve 25 rooms for the annual NJ School Boards convention for FY 2005.
0580	UND EXP-TRAVEL	28062	00:00:00	00:00:00	BORGATA HOTEL CASINO SPA	\$ 500.00	\$ 500.00	HELD IN ATLANTIC CITY 10/25/05-10/28/06	Downpayment to reserve 25 rooms for the annual NJ School Boards convention for FY 2006.
0580	UND EXP-TRAVEL	38449	00:00:00	00:00:00	BORGATA HOTEL CASINO SPA	\$ 10,356.00	\$ 10,356.00	ROOM CHARGE FOR NJSB CONVENTION	Room charges for 3 days to attend the NJ School Boards convention in Atlantic City.

Review of Purchase Orders – Non-Instructional Purchased Professional Educational, Technical and Other Services, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0420	UND EXP-CLEAN REPAIR MAIN	40842	00:00:00	00:00:00	CLEVELAND AUTO TIRE CO	\$ 2,463.50	\$ 2,463.50	INVOICE #122435	Vehicle services provided (i.e. replacement of tires, change valves, etc.).
0420	UNDIS.EXP.CLE.REP. MAIN.BL	101117	00:00:00	00:00:00	D L PAVING CONTRACTORS	\$ 300,000.00	\$ 300,000.00	ON MAY 28, 2002.	PO indicates extension of a contract for bituminous concrete resurfacing of various school yards.
0580	UND EXP-TRAVEL	29587	00:00:00	00:00:00	JOHNSTON EDWIN R	\$ 30,919.75	\$ 30,919.75	ISSUE SEPARATE CHECKS FOR EACH TRADESMEN	Encumbrance of expected travel of tradesmen from January – June 2005.
0590	UND EXP-MISC PURC SERVICE	24827	00:00:00	00:00:00	CASINO IN THE PARK	\$ 2,637.50	\$ 2,637.50	ASPIRING ADMINISTRATORS.	Per PO, the transaction related to the kick-off of the Educational and Collaborative Leadership Institute for Principals and Supervisors Extraordinaire (ECLIPSE) program for 85 participants.
0500	UND EXP-OTH PURCH SERVICE	38320	00:00:00	00:00:00	DC TRAVEL BUREAU INC	\$ 881.85	\$ 881.85	HELD IN DALLAS, TX FROM OCT 11-14, 2005	Travel payment for an employee to travel to the Reading Recovery Institute
0580	UND EXP-TRAVEL	40627	00:00:00	00:00:00	DC TRAVEL BUREAU INC	\$ 986.00	\$ 986.00	THE DISTRICT - MARCH 15-17, 2006.	District provided accommodations to Dr. Yvonne Rodriguez. Per the BA, this might have related to a series of site visits being executed by a representative from the Federal Education Department, but this still needs to be confirmed.
0590	UND EXP-MISC PURC SERVICE	37219	00:00:00	00:00:00	EPPS CHARLES JR	\$ 355.00	\$ 355.00	AS PER ATTACHED RECEIPTS & ACTION FORMS	Reimbursement to the Superintendent for registration and travel expenses to attend the Urban Education Summit and NJ Annual Literacy Conference.
0580	UND EXP-TRAVEL	23620	00:00:00	00:00:00	EPPS CHARLES JR	\$ 5,179.47	\$ 5,179.47	THE WEEK OF JULY 15 THROUGH JULY 24	Reimbursement for meals and accommodations charged by the Superintendent.
0580	UND EXP-TRAVEL-ART	28108	00:00:00	00:00:00	HEALY NANCY S	\$ 1,200.00	\$ 1,241.24	PARKING, TOLLS, MEALS AND ACCOMMODATIONS	Reimbursement for attendance at the 2005 National Art Education Association in Boston from 3/3-3/8.
0580	UND EXP-TRAVEL	38350	00:00:00	00:00:00	HOTEL WINDSOR	\$ 372.78	\$ 372.78	HOTEL CONFIRMATION #104B1B55.	Payment to cover hotel fees of parent of special education child at the end of November 2005.
0580	UND EXP-TRAVEL	41496	00:00:00	00:00:00	HOTEL WINDSOR	\$ 406.98	\$ 406.98		Payment to cover hotel fees of parent of special education child from 7/1-7/2.
0580	UND EXP-TRAVEL	25658	00:00:00	00:00:00	MACULA ADELE T	\$ 370.40	\$ 370.40	ATTACHED, ALSO ACTION FORM AND RECEIPTS.	Reimbursement of the Associate Superintendent for travel and professional day forms related to the NJ School Boards Convention in 2004.
0580	UND EXP-TRAVEL	26017	00:00:00	00:00:00	MACULA ADELE T	\$ 1,200.00	\$ 1,200.00	REINSTATE POC04 26017 CLOSED IN ERROR	No additional information provided regarding business purpose. Further analysis is recommended.
0580	UND EXP-TRAVEL	27604	00:00:00	00:00:00	MACULA ADELE T	\$ 5,456.03	\$ 5,460.01		Travel reimbursement for Associate Superintendent to attend the Oxford Roundtable.
0585	BOE OTH PURCHASED SERVICE	25265	00:00:00	00:00:00	SHERATON ATLANTIC CITY	\$ 210.00	\$ 210.00	(\$179.00 + \$23.27 + \$1.00)	Hotel Room cost for Board Chairman for 3 rd night of attendance at NJ Board Convention.
0585	BOE OTH PURCHASED SERVICE	37754	00:00:00	00:00:00	SHERATON ATLANTIC CITY	\$ 14,238.60	\$ 14,238.60	SAME DESCRIPTION DIFFERENT ACCT	Accommodations and refreshments for Board retreat attend by board members and staff from 6/10-6/12/05.
0590	UND EXP-MISC PURC SERVICE	23937	00:00:00	00:00:00	TASTE OF CIN	\$ 2,800.00	\$ 2,800.00	MENU: COFFEE, TEA, MUFFINS (MINI)	Catering for 100 people for four days @ \$6 per persona at PS 17. Per the BA, this relates to teacher orientation.
0590	UND EXP-MISC PURC SERVICE	22662	00:00:00	00:00:00	TASTE OF CIN	\$ 5,200.00	\$ 5,200.00	DANISH (MINI), BAGELS (MINI)	Original order for breakfast for 4 days at PS 17.

Review of Purchase Orders – Non-Instructional Supplies and Materials

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0600	UND EXP-SUPPLIES & MAT.	101058	09/23/04	00:00:00	WASHINGTON PROFESSIONAL	\$ 63,604.50	\$ 63,604.50	Music equipment, music software, music furniture through bidding process.	PO documentation does not specify for which schools the items are for.
0600	UND EXP-SUPPLIES & MAT.	101057	09/22/04	00:00:00	WASHINGTON MUSIC CENTER INC	\$ 90,147.30	\$ 90,147.30	Music equipment, music supply, music furniture through bidding process.	PO documentation does not specify for which schools the items are for. PO shows large quantities of music equipment purchased i.e. 20 Yamaha Motif ES 8 Key Motif at \$2,189 each.
0600	UND EXP-SUPPLIES & MAT.	24840	10/04/04	00:00:00	AUTOGRAPH FILM SERVICE	\$ 1,969.99	\$ 1,969.99	Purchased TV, DVD, Video Cassette Recorders	PO documentation does not specify for which schools the items are for.
0600	UND EXP-SUPPLIES & MAT.	126363	05/20/05	00:00:00	HERBERT L FARKAS COMPANY	\$ 6,600.00	\$ 6,600.00	Store cabinets for PS #6	Purchased 6 storage cabinets at \$1,100 each.
0600	UND EXP-SUPPLIES & MAT.	27149	02/08/05	00:00:00	DIANE S BALLOON FIESTA	\$ 1,172.00	\$ 1,172.00	Decorations for 4 high schools for FACE OFF event.	Decorator hired for FACE OFF event.
0600	UND EXP-SUPPLIES & MAT.	40569	03/16/06	00:00:00	HERTZ FURNITURE	\$ 8,373.60	\$ 8,373.60	Furniture: doors, cabinets.	PO documentation does not specify for which schools the items are for.
0600	UND EXP-SUPPLIES & MAT.	7725	03/09/06	00:00:00	HERTZ FURNITURE	\$ 22,577.22	\$ 22,577.22	Furniture for PS#30: shelves, chairs, table.	Furniture include 50 wooden chairs at \$129 each, 8 high tables waterfall edge at \$528 each, etc.
0600	UND EXP-SUPPLIES & MAT.	26357	12/13/04	00:00:00	NEXTIRA	\$ 14,890.00	\$ 14,890.00	Labor for upgrading Octel 250.	PO documentation does not specify which school site labor was performed
0600	UND EXP-SUPPLIES & MAT.	24801	09/30/04	00:00:00	GUPTA DEBASIS	\$ 598.00	\$ 598.00	Reimbursement for software & service (Verisign Product).	PO documentation does not show approval for the reimbursement or why it was needed. Employee used personal credit card to purchase item.
0600	UND EXP-SUPPLIES & MAT.	20338	03/07/04	00:00:00	PROGRESSIVE BUSINESS	\$ 253.00	\$ 253.00	A/P Subscription for magazine "What's working in Credit & Collections".	It is not clear from the documentation whether all approvals for PO were received.
0600	UND EXP-SUPPLIES & MAT.	22423	00:00:00	00:00:00	DS WATERS CRYSTAL	\$ 29,986.84	\$ 40,000.00	"ENCUMBRANCE"	Annual PO for spring water 5 gallon bottles for various sites – schools, central office and additional sites (2004-2005)
0600	UND EXP-SUPPLIES & MAT.	36265	00:00:00	00:00:00	DS WATERS CRYSTAL	\$ 23,961.91	\$ 35,000.00	"ENCUMBRANCE"	Annual PO for spring water 5 gallon bottles for various sites – schools, central office and additional sites (2005-2006)
0600	UND EXP-SUPPLIES & MAT.	15849	00:00:00	00:00:00	DS WATERS CRYSTAL	\$ 4,094.66	\$ 40,000.00	"ENCUMBRANCE"	Annual PO for spring water 5 gallon bottles for various sites – schools, central office and additional sites (2003-2004).
0600	UND EXP-SUPPLIES & MAT.	120552	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 4,973.40	\$ 4,973.40	LEV WHITE (W) INDIVIDUAL CLASS BASKET	"Individual class baskets", "skill cards" and colored folders for PS #23.
0600	UND EXP-SUPPLIES & MAT.	125599	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 5,944.68	\$ 5,945.04	LEVEL RED (R)-INDIVIDUAL CLASSROOM	"Individual class baskets", "skill cards" and colored folders for PS #8.
0600	UND EXP-SUPPLIES & MAT.	124444	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 9,022.40	\$ 9,022.40	INTERMEDIATE	"Supplemental Materials Kits" for grades 1-5, PS #24.
0600	UND EXP-SUPPLIES & MAT.	8325	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 22,167.26	\$ 22,167.26	LEVEL BLUE (B) INDIVIDUAL CLASSROOM	"Individual class baskets", "skill cards" and colored folders for PS #8.
0600	UND EXP-SUP/MAT-MUSIC	37774	00:00:00	00:00:00	A CAPPELLA COM	\$ 1,335.44	\$ 1,664.62	#4137S KNICK KNACK/BOBBY MCFERRIN	Various music items, 35 copies of each purchased by Music Director – no school(s) specified.

Review of Purchase Orders – Non-Instructional Supplies and Materials, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0600	UND EXP-SUPPLIES & MAT.	38178	00:00:00	00:00:00	ACTION OFFICE SUPPLIES	\$ 513.39	\$ 513.39	MARKS ALOT JUMBO PERMANENT MARKER	PO not provided.
0600	UND EXP-SUPPLIES & MAT.	27657	00:00:00	00:00:00	ACTION OFFICE SUPPLIES	\$ 533.38	\$ 533.38	ELDON MESH TELEPHONE DESK STAND	Various office supplies including envelope moistener, folders, desk top accessories, post-it notes, felt tip pens, etc. for Special Education department. State contract #A59754.
0600	UND EXP-SUPPLIES & MAT.	4549	00:00:00	00:00:00	ACTION OFFICE SUPPLIES	\$ 1,325.12	\$ 1,325.12	QUOTE # Q20034-0	Shredder and in/out desk trays for Dickinson High School.
0600	UND EXP-SUPPLIES & MAT.	27851	00:00:00	00:00:00	ACTION OFFICE SUPPLIES	\$ 1,508.46	\$ 1,508.46	VERBATIM CD-R	Various office supplies including presentation covers, diskettes, CD sleeves, photo paper, markers. Post-it notes, etc.
0600	UND EXP-SUPPLIES & MAT.	126166	00:00:00	00:00:00	ACTION OFFICE SUPPLIES	\$ 1,725.61	\$ 1,725.61	(H)KLEEN BAGLESS HAND VACUUM	Various office items including folding table mover, platform truck, hand truck, electronic time recorder, ink cartridges, hand vacuum, industrial trimmers, etc.
0600	UND EXP-SUPPLIES & MAT.	121333	00:00:00	00:00:00	ACTION OFFICE SUPPLIES	\$ 1,986.62	\$ 1,986.62	PRICING PER ARIEL GEJO-REF QUOTE #3514-0	Cost of six desks with unit prices ranging from \$246-375.
0600	UND EXP-SUPPLIES & MAT.	38764	00:00:00	00:00:00	AGS PUBLISHING	\$ 8,897.92	\$ 8,897.92	10% SHIPPING & HANDLING	Vineland II Survey starter kit and record booklets purchased by Special Education Department.
0600	UND EXP-SUPPLIES & MAT.	37860	00:00:00	00:00:00	AGS PUBLISHING	\$ 9,393.01	\$ 9,393.01	10% SHIPPING & HANDLING	Form G easels and record forms, Form H easels and record forms for Special Education Department.
0600	UND EXP-SUPPLIES & MAT.	162032	00:00:00	00:00:00	ALL PRINTING INC	\$ 2,729.85	\$ 2,729.85	BID #.001.01.0060 FORM# L35	Various student and teacher standard records/forms for Lincoln High School.
0600	UND EXP-SUPPLIES & MAT.	162033	00:00:00	00:00:00	ALL PRINTING INC	\$ 2,772.48	\$ 2,772.48	DAILY HOMEROOM ATTENDANCE 2 SIDED	Various student and teacher standard records/forms for Snyder High School.
0611	COMPUTERS-ARTS	37108	00:00:00	00:00:00	APPLE COMPUTER INC	\$ 3,103.00	\$ 3,103.00	PER JOEL TAYLOR	Two Apple IBooks with 3 year protection plan and one projector. State contract #W14420740.
0600	UND EXP-SUPPLIES & MAT.	5295	00:00:00	00:00:00	APPLE COMPUTER INC	\$ 5,286.20	\$ 5,436.15	APPLE 8X DVD-R MEDIA KIT 925 DISC SPINDL	Only one page of PO provided, which listed "final cut studio media set, media kits, etc. for Snyder High School which does have a Media Arts program.
0600	UND EXP-SUP/MAT-ART	24094	00:00:00	00:00:00	AUTOGRAPH FILM SERVICE	\$ 5,293.72	\$ 5,293.72	V76PX SILVA-OXIDE BATTERY	Fuji film, Polaroid film, batteries, projector lamps, lens, cameras, tripods, etc for Visual and Performing Arts HS.
0600	UND EXP-SUPPLIES & MAT.	41028	00:00:00	00:00:00	AUTOGRAPH FILM SERVICE	\$ 16,219.39	\$ 16,219.39	(1 per unit)	Video equipment, corresponding accessories, and 2 year extended warranty contract delivered to the education technology department. Business purpose is not described.
0600	UND EXP-SUPPLIES & MAT.	6051	00:00:00	00:00:00	AUTOGRAPH FILM SERVICE	\$ 17,719.80	\$ 17,719.80	ENERGIZER "AAA" BATTERIES 144 EA CASE	Multiple cases of camera film, batteries, VHS cassettes. Business purpose is not described in detail. Further inquiry to understand the business purpose is recommended.
0600	UND EXP-SUPPLIES & MAT.	120096	00:00:00	00:00:00	BAKER AND TAYLOR BOOKS	\$ 3,712.50	\$ 4,920.53	SHIPPING & HANDLING INCLUDED	Various book listings of books documented in a separate listing not included in the audit package.
0600	UND EXP-SUPPLIES & MAT.	2231	00:00:00	00:00:00	BAKER AND TAYLOR BOOKS	\$ 5,072.89	\$ 5,072.89	SHIPPING & HANDLING INCLUDED	Various book listings of books documented in a separate listing not included in the audit package.
0600	UND EXP-SUPPLIES & MAT.	120093	00:00:00	00:00:00	BAKER AND TAYLOR BOOKS	\$ 7,223.33	\$ 7,291.96	SHIPPING & HANDLING INCLUDED	Various book listings of books documented in a separate listing not included in the audit package.
0600	UND EXP-SUPPLIES & MAT.	122683	00:00:00	00:00:00	BAKER TAYLOR	\$ 6,921.50	\$ 6,963.98	SEE ATTACHED QUOTES - 39 BOOKS	Purchase of approximately 296 books at various prices.

Review of Purchase Orders – Non-Instructional Supplies and Materials, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0600	UND EXP-SUPPLIES & MAT.	5380	00:00:00	00:00:00	BALBOA CHECK PROTECTOR	\$ 2,253.72	\$ 2,253.72	PER JACK FISHER	Coin Sorter for James F Murray High School. Further inquiry to understand the business purpose is recommended.
0600	UND EXP-SUPPLIES & MAT.	124444	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 9,022.40	\$ 9,022.40	INTERMEDIATE	Various textbooks. PO documented that text is from the approved textbook list for PS 24.
0600	UND EXP-SUPPLIES & MAT.	8325	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 22,167.26	\$ 22,167.26	LEVEL BLUE (B) INDIVIDUAL CLASSROOM	Various books for various classroom libraries. PO documented that text is from the approved textbook list for PS 8.
0600	UND EXP-SUPPLIES & MAT.	120300	00:00:00	00:00:00	ALPHASMART INC	\$ 7,050.00	\$ 7,050.00	LAB PACK OF GET IT!	Computerized education materials.
0600	UND EXP-SUP/MAT-SCIENCE	39157	00:00:00	00:00:00	BAYONNE PARTY CONNECTIONS	\$ 205.00	\$ 205.00		2 large mylar trees (red, white and blue) for 2005 tournament. Further inquiry to understand the business purpose is recommended.
0600	UND EXP-SUP/MAT-SCIENCE	39156	00:00:00	00:00:00	BAYONNE PARTY CONNECTIONS	\$ 275.00	\$ 275.00	DELIVERY FEE \$15.00	Small mylar trees (red, white and blue) for 2005 tournament. Further inquiry to understand the business purpose is recommended.
0600	UND EXP-SUP/MAT-SCIENCE	24863	00:00:00	00:00:00	BAYONNE PARTY CONNECTIONS	\$ 540.00	\$ 540.00	INSIDE DELIVERY-SHIPPING & HANDLING INCL	Large and Small mylar trees (red, white and blue) for Lego Tournament and Science Fair awards.
0600	UND EXP-SUPPLIES & MAT.	121500	00:00:00	00:00:00	BF HURLY MAT COMPANY	\$ 3,206.40	\$ 3,206.40	***PRICING AS PER QUOTE #73004-04***	3 Custom mats for PS 34. Further inquiry to understand the business purpose is recommended.
0600	UND EXP-SUPPLIES & MAT.	121907	00:00:00	00:00:00	BIGCHALK COM	\$ 8,050.00	\$ 8,050.00	NO SHIPPING AND HANDLING CHARGES	PO appears to represent electronic database of library and periodicals.
0600	UND EXP-SUPPLIES & MAT.	155127	00:00:00	00:00:00	BOISE CASCADE OFFICE PRODUCTS	\$ 5,641.55	\$ 5,641.55	#PAC2411	Various cartons of duplicator paper for PS 8.
0600	UND EXP-SUPPLIES & MAT.	124114	00:00:00	00:00:00	BRANDEDITEMS	\$ 3,058.19	\$ 3,195.74	PER JANINE	PO appears to indicate the price for 2500 bracelets and shipping and handling. Further inquiry to understand the purpose is recommended.
0600	UND EXP-SUPPLIES & MAT.	3800	00:00:00	00:00:00	C H DISTRIBUTORS INC	\$ 6,595.61	\$ 6,595.61	QUOTE #5255752	PO indicates the purchase of 10 oscillating fans, 3 tilt trucks, and 12 folding tables for Dickinson high school. Further inquiry to understand the purpose is recommended.
0611	COMPUTERS	27518	00:00:00	00:00:00	DELL MARKETING	\$ 5,294.76	\$ 5,294.76	MOUSE-DELL USB 2 BUTTON OPTICAL MOUSE	PO indicates cost of 4 Dell computers with corresponding peripherals and software to the attention of the Executive Controller. PO indicates that computers were purchased under State contract.
0600	UND EXP-SUPPLIES & MAT.	26014	00:00:00	00:00:00	CENTRAL LEWMAR	\$ 11,440.00	\$ 11,440.00	***PRICING AS PER COLLEEN***	13 skids of 8 ½ paper (40 cartons) PO references the State contract.
0600	UND EXP-SUPPLIES & MAT.	22692	00:00:00	00:00:00	COVINGTON COVE	\$ 2,040.00	\$ 2,040.00	AT WORKSHOP ON 8/30/04.	200 copies of curriculum materials.
0600	UND EXP-SUPPLIES & MAT.	24405	00:00:00	00:00:00	COVINGTON COVE	\$ 11,600.00	\$ 11,600.00	SHIPPING AND HANDLING PER BOOK	Cost to frame 50 posters across the district as part of an Art program.
0600	UND EXP-SUPPLIES & MAT.	24267	00:00:00	00:00:00	DECK THE WALLS	\$ 2,500.00	\$ 2,500.00	PER CAROL HAIGHT	PO not provided.
0611	COMPUTERS	40566	00:00:00	00:00:00	DELL MARKETING	\$ 5,700.00	\$ 5,700.00	Deliver To: Rodriguez, Marisol	PO references a state contract. Purchase is for 5 machines costing \$1,140 each.
0611	COMPUTERS	27525	00:00:00	00:00:00	DELL MARKETING	\$ 8,182.23	\$ 8,182.23	PER JASON YEHL	PO references a state contract . Purchase is for 7 machines costing \$1,161 each and related software.

Review of Purchase Orders – Non-Instructional Supplies and Materials, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0611	COMPUTERS	25979	00:00:00	00:00:00	DELL MARKETING	\$ 11,986.06	\$ 11,986.06	PER JUAN SHEPPERD	PO references a state contract. Purchase is for 10 machines costing \$1,094 each and related software.
0611	COMPUTERS	37925	00:00:00	00:00:00	DELL MARKETING	\$ 12,393.54	\$ 12,393.54	OFFICE PRO 2003 WIN32 ENG ACAD	PO references a state contract. Purchase is for 9 machines costing \$1,320 each and related software.
0600	UND EXP-SUPPLIES & MAT.	5309	00:00:00	00:00:00	DERBY APPLIANCES	\$ 3,779.95	\$ 3,779.95	HWD 17 1/4" X 26 1/2" X 25 3/8"	PO is for six air conditioners and one refrigerator.
0600	UND EXP-SUPPLIES & MAT.	3887	00:00:00	00:00:00	DERBY APPLIANCES	\$ 4,269.80	\$ 4,269.80	INSIDE DELIVERY -- S & H INCLUDED	PO is for 14 air conditioners.
0600	UND EXP-SUPPLIES & MAT.	25723	00:00:00	00:00:00	DREW ROGERS INC	\$ 1,734.00	\$ 1,734.00	***PRICING AS PER BRAD PAXSON***	PO indicates the purchase of 15 packages of 8.5x14 W-2 forms costing 106 each.
0600	UND EXP-SUPPLIES & MAT.	162087	00:00:00	00:00:00	DREW ROGERS INC	\$ 1,789.55	\$ 1,789.55	BID #:001.01.0168 FORM # 669	PO indicates orders for printing multiple forms. We noted that the some forms represent multi-colored pages.
0600	UND EXP-SUPPLIES & MAT.	162088	00:00:00	00:00:00	DREW ROGERS INC	\$ 1,820.91	\$ 1,820.91	JERSEY CITY PUBLIC SCHOOLS EMPLOYEE	PO indicates orders for printing multiple forms. We noted that the some forms represent multi-colored pages.
0600	UND EXP-SUPPLIES & MAT.	109913	00:00:00	00:00:00	ELLISON EDUCATIONAL EQUIP INC	\$ 1,947.75	\$ 1,947.75	SHIPPING AND HANDLING/INSIDE DELIVERY	PO from Ellison Die Set requiring a set for each season.
0600	UND EXP-SUPPLIES & MAT.	3604	00:00:00	00:00:00	ELLISON EDUCATIONAL EQUIP INC	\$ 3,384.05	\$ 3,503.15	ELLISON DIE SET - BASIC BEGINN HOLIDAY	PO not provided
0600	UND EXP-SUPPLIES & MAT.	124574	00:00:00	00:00:00	ESCALERA INC	\$ 2,093.36	\$ 2,093.36	621 17 AMP/HOUR SEALED GEL-CELL BATTERY	PO indicates request for janitorial equipment and supplies that included a handtruck, and rolling carriage for PS 30.
0600	UND EXP-SUPPLIES & MAT.	37702	00:00:00	00:00:00	EXECUTIVE BINDING SYSTEMS	\$ 4,003.59	\$ 4,003.59	SHIPPING CHARGE PO #16284	PO indicates binder support.
0600	UND EXP-SUPPLIES & MAT.	37699	00:00:00	00:00:00	EXECUTIVE BINDING SYSTEMS	\$ 6,926.37	\$ 6,926.37	INVOICE #17688	PO indicates binding tapes.
0600	UND EXP-SUPPLIES & MAT.	26252	00:00:00	00:00:00	EXECUTIVE BINDING SYSTEMS	\$ 7,995.00	\$ 7,995.00	FASTBACK TAPE 11" WIDE RED	PO amount and description does not match hard copy provided during the review. It describes that the PO is for processing the registration fee for 44 students across the district to attend summer camp.
0600	UND EXP-SUPPLIES & MAT.	108146	00:00:00	00:00:00	FLOWER PUFF FLORIST	\$ 314.00	\$ 314.00	MADE 2 WEEKS IN ADVANCE.	PO indicates flowers for graduation ceremonies at the James Murray School.
0600	UND EXP-SUPPLIES & MAT.	20512	00:00:00	00:00:00	FOLLET LIBRARY RESOURCES	\$ 15,894.76	\$ 15,895.24	**MUST BE DELIVERED BY JUNE 15, 2004**	PO indicates purchase of Follet library resources for McNair HS.
0600	UND EXP-SUPPLIES & MAT.	5705	00:00:00	00:00:00	FOLLET LIBRARY RESOURCES	\$ 20,997.40	\$ 20,998.03	SHIPPING AND HANDLING INCLUDED	PO indicates the purchase of various library titles for approximately \$17,500 and various audio visual titles for \$1,400 and cataloging services for PS 27.
0600	UND EXP-SUPPLIES & MAT.	2244	00:00:00	00:00:00	GUMDROP BOOKS	\$ 14,822.06	\$ 15,015.06	FREE SHIPPING	PO indicates the purchase of various library titles for approximately \$13,400 as well as supplies such as bar code labels due date cards, etc. for PS 17.
0600	UND EXP-SUPPLIES & MAT.	25989	00:00:00	00:00:00	HERBERT L FARKAS COMPANY	\$ 25,567.72	\$ 25,567.72	FLAGSHIP SERIES PEDESTAL "R" PULL MOBILE	PO appears to be for classroom furniture, etc. for McNair HS.
0600	UND EXP-SUPPLIES & MAT.	7725	00:00:00	00:00:00	HERTZ FURNITURE	\$ 22,577.22	\$ 22,577.22	ORDER # 545319-000 #A56341	PO appears to be for classroom furniture, etc. for PS 30.

Review of Purchase Orders – Non-Instructional Supplies and Materials, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0611	COMPUTERS	20292	00:00:00	00:00:00	HEWLETT PACKARD COMPANY	\$ 493,121.00	\$ 648,524.00	MONITORS - CRT V7550 17" FLAT DISPLAY	PO indicates the purchase of various kinds of computer equipment to the Education Technology dept. The quantity ordered was approximately 120 items for monitors, etc and 668 for peripheral items.
0600	UND EXP-SUPPLIES & MAT.	40180	00:00:00	00:00:00	JOSEPH S FLORIST	\$ 105.95	\$ 105.95	Deliver To: Williams, Arthur	PO indicates the cost of 100 Balloons and delivery charges; related to Black Awareness Day.
0600	UND EXP-SUPPLIES & MAT.	26575	00:00:00	00:00:00	JOSEPH S FLORIST	\$ 184.95	\$ 184.95	***PRICING AS PER NESTY***	PO indicates the cost of 12 centerpieces for AIC conference.
0600	UND EXP-SUPPLIES & MAT.	38547	00:00:00	00:00:00	JOSEPH S FLORIST	\$ 291.00	\$ 291.00	AT 10:00 A.M.	PO indicates the cost of 17 centerpieces and 2 balloon displays for Parent AIC conference.
0600	UND EXP-SUPPLIES & MAT.	39145	00:00:00	00:00:00	JOSEPH S FLORIST	\$ 950.00	\$ 950.00		PO indicates the cost of 15 pointsettia plants for Martin Luther King Jr School.
0600	UND EXP-SUPPLIES & MAT.	39983	00:00:00	00:00:00	SCENIC DESIGN CONSTRUCTION	\$ 9,600.00	\$ 9,600.00	CONSTRUCTED WITH 1'BY 2' ON EDGE WOOD	Po indicates cost of design, construction and painting of a 3-wall set, middle panel, and risers for Superintendent's show.
0600	UND EXP-SUPPLIES & MAT.	126438	00:00:00	00:00:00	TANNER FURNITURE INC	\$ 9,641.35	\$ 9,641.35	GLOBAL BOATSHAPE CONFERENCE TABLE	PO includes folding tables (10); Folding charts (50); conference table (1); and stack chairs (30) for PS 8.
0600	UND EXP-SUPPLIES & MAT.	121513	00:00:00	00:00:00	TANNER NORTH JERSEY	\$ 11,967.15	\$ 11,967.15	PER MARY ANN ENGLE	Purchase of 85 HON legal size 3- drawer file cabinets.
0600	UND EXP-SUP/MAT-MUSIC	26058	00:00:00	00:00:00	TUXEDO WHOLESALER	\$ 811.65	\$ 811.65	***PRICING AS PER QUOTE #131***	PO indicates the purchase of 3 tuxedos and 7 Holly dresses and related accessories to the Visual and Performing Arts School.
0600	UND EXP-SUPPLIES & MAT.	155896	00:00:00	00:00:00	VIDEO MARKETING SYSTEMS	\$ 13,374.45	\$ 13,374.45	#PV-DM2793 PANASONIC	PO indicates the purchase of 27 27" TV DVD VCR combos for the Lincoln HS Freshman Academy.

Review of Purchase Orders – School Sponsored Athletic Supplies and Materials

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0600	SCH SPON ATHL-SUPP/MATER	120913	08/19/04	00:00:00	AUTOGRAPH FILM SERVICE	\$ 12,975.80	\$ 12,975.80	Cases of Energizer Batteries, Panasonic VHSC video & cassette and Kodak film on 8/13/04	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S. but no explanation given to why so many cases were purchased. Items purchase included: 5 cases of Kodak royal gold 100, 6 cases of Energizer D batteries, etc. No clear for which school supplies were ordered.
0600	SCH SPON ATHL-SUPP/MATER	156947	08/13/04	00:00:00	MAIN LINE COMMERCIAL POOLS INC	\$ 35,655.00	\$ 35,655.00	Pool supplies (chlorine, bicarbonate, etc)	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S... Items purchased included: 5 aquamax B-turbo at \$3,900 each, 100 drums HTH chlorine at \$150 each, etc. Not clear for which school supplies were ordered.
0600	SCH SPON ATHL-SUPP/MATER	121120	08/26/04	00:00:00	FLAGHOUSE INC	\$ 2,324.84	\$ 2,324.84	4 E-Z up Instant shelters and 4 spike kit	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S... Documentation does not explain why this request was needed. No clear for which school supplies were ordered.
0600	SCH SPON ATHL-SUPP/MATER	121610	09/28/04	00:00:00	VALIANT INTERNATIONAL	\$ 1,613.95	\$ 1,613.95	Wireless amplivox, handled Mic, toner cartridge.	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S... Documentation does not explain why this request was needed. No clear for which school supplies were ordered.
0600	SCH SPON ATHL-SUPP/MATER	157462	10/29/04	00:00:00	LEVY BROTHERS	\$ 2,044.64	\$ 2,415.33	Athletic supplies winter 2004 shipped to Lincoln HS: caps, goggles, lap counter, sandals, etc.	Items purchased included: 40 sandals Speedo flex at \$9.74 each, 25 balls rawling wide seam men at \$28.89 each, etc.
0600	SCH SPON ATHL-SUPP/MATER	126528	05/13/05	00:00:00	GARTMAN ROBERT	\$ 222.00	\$ 1,332.00	4 sets of football videos with manuals for 4 H.S... at \$333 each.	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S.
0600	SCH SPON ATHL-SUPP/MATER	4038	09/12/05	00:00:00	COLLEGIATE PACIFIC INC	\$ 1,990.00	\$ 1,990.00	Scoreboard and Timer	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S... Not clear for which school supplies were ordered.
0600	SCH SPON ATHL-SUPP/MATER	161290	07/28/05	00:00:00	STAN S SPORT CENTER	\$ 24,275.36	\$ 24,275.36	Athletic supplies fall 2005 shipped to McNair Academic HS: mesh visors, turtlenecks, socks, t-shirts, etc.	PO Documentation does not specify whether supplies are for McNair Academic only or for any other school.
0600	SCH SPON ATHL-SUPP/MATER	3353	08/23/05	00:00:00	HUDSON CAMERA CORP	\$ 4,028.00	\$ 4,028.00	Print File - Archival Preservers - Photo supplies School Year 05/06.	Shipment was sent to Michael Venutolo, Supervisor Athletic Supplies. No description if prints were for Dickinson HS or any other school.
0600	SCH SPON ATHL-SUPP/MATER	3182	08/16/05	00:00:00	HUDSON CAMERA CORP	\$ 11,933.20	\$ 11,933.20	Cases of Energizer Batteries, Panasonic VHSC video & cassette and Kodak film on 8/16/05	Shipment was sent to Michael Venutolo, Supervisor Athletic Department of Dickinson H.S... but not explanation given to why so many cases were purchased. Items purchased included: 6 cases of Kodak Max 400 at \$675 a case, 6 cases of Kodak Royal Gold at \$510 a case, 6 cases of energizer D batteries at \$86.40 a case, etc.
0600	SCH SPON ATHL-SUPP/MATER	3506	00:00:00	00:00:00	CONSOLIDATED PLASTICS COMPANY	\$ 4,493.66	\$ 4,126.65	ESTIMATED FREIGHT	PO indicates the purchase of 25 multi draw file cabinets and storage totes for the Athletic dept. Further inquiry to determine the business purpose is recommended.

Review of Purchase Orders – School Sponsored Athletic Supplies and Materials, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0600	SCH SPON ATHL-SUPP/MATER	122173	00:00:00	00:00:00	HEWLETT PACKARD COMPANY	\$ 8,682.00	\$ 8,682.00	EXECUTIVE NYLON CARRYING CASE	Purchase of 6 PC Notebooks with corresponding carrying case, and battery for the athletic dept. Further inquiry to determine the business purpose is recommended.
0600	SCH SPON ATHL-SUPP/MATER	121603	00:00:00	00:00:00	JOHNSON STATIONERS INC	\$ 4,994.78	\$ 4,994.79	DRA-90135 - *QUOTE*	Various offices supplies and equipment (i.e. medical dictionary, anti-bacterial soap, calendars, post-it notes, file folders, etc.) for the Athletic dept..
0600	SCH SPON ATHL-SUPP/MATER	157038	00:00:00	00:00:00	LEVY BROTHERS	\$ 5,195.00	\$ 5,195.00	#NIC COACHCOMM PANASO	Purchase of a digital VCR costing approx. \$2550, remote controller costing \$795 and a portable projector for Lincoln HS.
0600	SCH SPON ATHL-SUPP/MATER	157037	00:00:00	00:00:00	LEVY BROTHERS	\$ 5,195.00	\$ 5,195.00	#NIC COACHCOMM PANASO	Purchase of a digital VCR costing approx. \$2550, remote controller costing \$795 and a portable projector for Ferris HS.
0600	SCH SPON ATHL-SUPP/MATER	107165	00:00:00	00:00:00	LOBEC INC	\$ 4,453.00	\$ 4,453.00	AT FHS	Installation of one basketball scoreboard at Ferris HS.
0600	SCH SPON ATHL-SUPP/MATER	161272	00:00:00	00:00:00	METUCHEN CENTER INC	\$ 9,129.48	\$ 9,136.96	STEPPED DOWN OVERLAPPING STYLE	Purchase of fall athletic supplies for Lincoln HS that included socks and scorecard. The first page of the PO was not provided, so additional information is needed.
0600	SCH SPON ATHL-SUPP/MATER	157042	00:00:00	00:00:00	METUCHEN CENTER INC	\$ 9,824.40	\$ 9,824.40	BID #:060.01.0116	Football and volleyball equipment including hip pads, rib pads, jerseys, etc. for Lincoln HS.
0600	SCH SPON ATHL-SUPP/MATER	157054	00:00:00	00:00:00	STAN S SPORT CENTER	\$ 45,965.40	\$ 45,965.40	ADIDAS CARLBAD GOALKEEPER JERSEY -	Purchase of fall athletic supplies for Lincoln HS that included football equipment including tackling dummy, etc; sneakers, uniforms, etc. for track and field; volleyball equipment including pads, etc.

Review of Purchase Orders – Textbooks

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0600	SCH SPON ATHL-SUPP/MATER	157051	00:00:00	00:00:00	STAN S SPORT CENTER	\$ 52,155.65	\$ 52,155.65	4IN 2 COLOR PROCESS LETTERING ON	Purchase of fall athletic supplies for Snyder HS that included football equipment including face guards, mouth pieces, etc; clothing such as sweatshirts, turtlenecks, etc; sneakers, uniforms, etc. for track and field; volleyball equipment including pads, etc
0640	REG PROG UN-TEXT-MUSIC	19254	03/12/04	00:00:00	PEARSON EDUCATION	\$ 16,645.47	\$ 16,539.64	Textbooks	Approved By field is blank although signed by Business Administrator; Request was for 8 different types of music instruction books, CDs, resource books, internet, etc. that was shipped to Public school 6.
0640	REG PROG UN-TEXTBOOK	30052	06/30/05	00:00:00	RED BRICK LEARNING	\$ 11,054.30	\$ 11,054.30	Textbooks	Approved By field is blank although signed by Business Administrator; Request was for 2 sets of text books with the Accompanying teacher's guide for PS 5; PO was submitted on 6/30/05
0640	REG PROG UN-TEXTBOOK	4200	09/29/05	00:00:00	ZANER BLOSER	\$ 1,633.3	\$ 1,633.37	Textbooks	Approved By field is blank although signed by Business Administrator; Request was for 50 GR 3 handwriting books with a \$135 teachers guide
0640	REG PROG UN-TEXT-SCIENCE	125033	03/10/05	00:00:00	HOLT RINEHART WINSTON INC	\$ 3,472.80	\$ 3,472.80	Textbooks	Approved By field is blank although signed by State Business Administrator; Request was for 2 sets of biology books
0640	REG PROG UN-TEXT-MATH	121778	10/08/04	00:00:00	HOUGHTON MIFFLIN	\$ 185.48	\$ 185.48	Textbooks -LRSN ALG1 C & S 04 T.E.	Unclear by the PO as to the subject matter of the book, etc.
0640	PS#3M TEXTBOOKS	4215	04/11/06	00:00:00	PERMA BOUND BOOKS INC	\$ 159,699.25	\$ 159,699.25	Textbooks	Approved By field is blank although signed by State Business Administrator; Request was for Classroom libraries (300 titles) Approx. \$10,000 per grade.
0640	TEXT BOOK NON PUBLIC	7298	03/01/06	00:00:00	BMI	\$ 138.60	\$ 138.60	35 Webster dictionaries	Approved By field is blank although signed by State Business Administrator; Request was for 35 booklet dictionaries @ \$4 each
0640	REG PROG UN-TEXTBOOK	29955	06/29/05	00:00:00	MCDUGAL LITTELL	\$ 5,645.04	\$ 5,645.25	Textbooks	Approved By field is blank although signed by State Business Administrator; Request was for various history books and accompanying teacher's manuals to PS 40
0640	REG PROG UN-TEXTBOOK	29949	06/29/05	00:00:00	MCDUGAL LITTELL	\$ 5,645.04	\$ 5,645.25	Textbooks	Approved By field is blank although signed by State Business Administrator; Request was for various history books and accompanying teacher's manuals to PS 15
0640	REG PROG UN-TEXT-ART	20613	05/11/04	00:00:00	DAVIS PUBLICATIONS INC	\$ 269.84	\$ 280.64	Textbooks	Approved By field is blank although signed by State Business Administrator; Request was for visual aids for Snyder HS; course unknown
0640	REG PROG UN-TEXTBOOK	22732	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 30,291.60	\$ 30,291.60	WT BASKETS	Various textbooks for PS #17 Grades 4&5 Literacy
0640	REG PROG UN-TEXTBOOK	22737	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 31,527.20	\$ 31,527.20	WT BASKETS	PO not provided
0640	REG PROG UN-TEXTBOOK	22739	00:00:00	00:00:00	100 BOOK CHALLENGE	\$ 32,516.40	\$ 32,516.40	WT BASKETS	Various textbooks for PS #28 Grades 4&5 Literacy
0640	REG PROG UN-TEXTBOOK	22507	00:00:00	00:00:00	BREAKTHROUGH TO LITERACY	\$ 15,450.00	\$ 15,450.00	MATERIALS)	PO not provided
0640	REG PROG UN-TEXTBOOK	23349	00:00:00	00:00:00	DELTA EDUCATION INC	\$ 3,056.13	\$ 3,056.13	EARTH MINERALS	Textbooks regarding Earth Science

Review of Purchase Orders – Textbooks, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
0640	REG PROG UN-TEXTBOOK	23348	00:00:00	00:00:00	DELTA EDUCATION INC	\$ 3,444.76	\$ 3,444.76	WW-040-7360 SCI DICTIONARY GR 5-6	Various books Grade 5 PS#17
0640	REG PROG UN-TEXTBOOK	23355	00:00:00	00:00:00	DELTA EDUCATION INC	\$ 3,475.78	\$ 3,475.78	WW-040-7360 SCI DICTIONARY GR 5-6	Science textbooks
0640	REG PROG UN-TEXTBOOK	23347	00:00:00	00:00:00	DELTA EDUCATION INC	\$ 3,875.36	\$ 3,875.36	EARTH MINERALS	Various books Grade 4 PS#17
0640	REG PROG UN-TEXTBOOK	2800	00:00:00	00:00:00	DEVELOPMENTAL STUDIES CENTER	\$ 5,464.17	\$ 5,758.68	SHIPPING & HANDLING	Educational materials Grades 1-5, PS #41
0640	REG PROG UN-TEXT-READING	4684	00:00:00	00:00:00	DEVELOPMENTAL STUDIES CENTER	\$ 7,342.24	\$ 7,342.24	CLASSROOM PACKAGE	Educational materials Grades 1-5, PS #11
0640	REG PROG UN-TEXTBOOK	2319	00:00:00	00:00:00	EVERBIND MARCO BOOK BINDERY	\$ 4,232.66	\$ 4,232.66	279378 I KNOW WHY THE CAGED BIRD SINGS	Various novels Ferris High School
0640	REG PROG UN-TEXT-ENGLISH	2563	00:00:00	00:00:00	EVERBIND MARCO BOOK BINDERY	\$ 8,343.06	\$ 8,343.06	INCREASE	Various novels for Dickinson High School including 300 copies of The Outsiders for which PO price per book was understated by \$.70 causing difference in amount paid compared to amount of PO. Unlike most textbook Purchase Orders freight in the amount of \$312.81 was paid.
0640	REG PROG UN-TEXT-ENGLISH	5281	00:00:00	00:00:00	FOLLET LIBRARY RESOURCES	\$ 6,133.25	\$ 6,419.90	MYTHOLOGY - TIMELESS TALES OF GODS AND	Various novels for Snyder High School.
0640	PS#3M TEXTBOOKS	5297	00:00:00	00:00:00	FOLLET LIBRARY RESOURCES	\$ 101,075.35	\$ 101,088.48	S/H CHARGES INCLUDED	PO indicates only "Assorted Titles as per attached" however, no details were attached to the copy of the PO provided. PO was for PS #3. Quantities and cost per item not included on the PO.
0640	REG PROG UN-TEXT-SCIENCE	2437	00:00:00	00:00:00	GLENCOE DIV MCGRAW HILL	\$ 11,428.78	\$ 11,749.54	APPROVED TEXTBOOK LIST	Various science texts and materials for Dickinson High School.
0640	REG PROG UN-TEXT-HEAL ED	17978	00:00:00	00:00:00	GLENCOE DIV MCGRAW HILL	\$ 27,568.68	\$ 30,047.61	BASIC DRIVING CONCEPTS VIDEO NO COST TO	Only one page of PO provided. Page provided indicated various classroom materials and text. PO provided sums to \$26,568.68. PO was for Snyder HS.
0640	BILINGUAL-TEXTBOOKS	38030	00:00:00	00:00:00	HARCOURT ACHIEVE RIGBY SAXON	\$ 11,726.97	\$ 12,110.04	COMPLETE NIVEL ANARANJADO PKG	PS #8, various Spanish texts (one copy of each).
0640	BILINGUAL-TEXTBOOKS	38029	00:00:00	00:00:00	HARCOURT ACHIEVE RIGBY SAXON	\$ 12,063.05	\$ 12,110.04	COMPLETE NIVEL ANARANJADO PKG	PS #5, various Spanish texts (one copy of each).
0640	BILINGUAL-TEXTBOOKS	38028	00:00:00	00:00:00	HARCOURT ACHIEVE RIGBY SAXON	\$ 12,063.49	\$ 12,110.04	COMPLETE NIVEL ANARANJADO PKG	PS #3, various Spanish texts (one copy of each).
0640	REG PROG UN-TEXT-SOC ST	2223	00:00:00	00:00:00	MCDUGAL LITTELL	\$ 43,475.15	\$ 43,475.15	APPROVED TEXTBOOK LIST	PO not provided.

Review of Purchase Orders – Capital Outlay

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
039	UND EXP-PURCH PROF & TECH S	39830	01/30/06	00:00:00	RULLO GLEESON ASSOCIATES INC	\$ 14,600.00	\$ 14,600	26 Training sections for Asbestos	Asbestos awareness training for Custodial staff as required by federal laws - 26 sessions, no additional documentation to evidence who attended or per participant costs, etc.
045	UND EXP-CONSTRUCTION SVS	40900	04/30/06	00:00:00	PENNONI ASSOCIATES INC	\$ 15,129.73	\$ 15,129.73	Groundwater professional environmental services	PS 40 Environmental Services as required by NJDEP - groundwater Gauging for 3 months. PO amount does not match amount paid. PO is for \$18,000, not supporting documents attached.
073	UND EXP-EQUIPMENT	27876	03/16/05	00:00:00	FLEMINGTON FORD	\$ 15,050.00	\$ 15,050	VAN:\$15,350 - TRADE-IN LESS \$300	Ford E250 Extended Cargo Van
073	UND EXP-EQUIPMENT	24487	09/15/04	00:00:00	MALOUF	\$ 18,024.00	\$ 18,024	2004 Ford Taurus station wage – Ford rebate \$4,000 - License plate fee for registration – Trade –in 1996 Jeep Cherokee \$100	2004 Ford Taurus Station Wagon
073	UND EXP-EQUIPMENT	24486	09/10/04	00:00:00	MOTORS FLEET	\$ 32,468.00	\$ 32,468	Vans	Purchase of 5 vehicles - 2- 2004 Ford Taurus Station Wagons, 1992 Ford Taurus Station Wagon, 1995 Ford Taurus and 1994 Ford Taurus, no supporting documents attached. State contract #A52985
073	UND EXP-EQUIPMENT	18884	03/09/04	00:00:00	TRANSNET CORPORATION	\$ 3,575.60	\$ 3,575.60	Office Pro license and computers	ThinkPad, applications, DVD player, warranty no supporting docs attached
073	EQUIP-GRD 9 - 12	6048	12/19/05	00:00:00	VARTO TECHNOLOGIES INC	\$ 12,063.00	\$ 12,063	Varket Live Production integrated system	Vartek Live Production Integrated System - Snyder High School.
073	UND EXP-EQUIPMENT	27820	03/15/05	00:00:00	FLEMINGTON FORD	\$ 22,671.26	\$ 22,671.26	F350 \$23,671.26 - TRADE-INS:\$1,000	Ford F350 truck
073	EQUIP-GRD 9 - 12	27312	02/14/05	00:00:00	G G TECHNOLOGIES	\$ 16,360.00	\$ 16,360	Panasonic camera packages	4 Panasonic professional video cameras at \$4,090. each for Snyder High School
073	UND EXP-EQUIPMENT	26885	01/21/05	00:00:00	FLEMINGTON FORD	\$ 20,095.00	\$ 20,095	2005 Ford Scape LESS TRADE-IN (3 VEHICLES)\$400.00	2005 Ford Escape, no other quotes attached, for Emergency Response Unit
039	UND EXP-PURCH PROF&TECH S	39579	00:00:00	00:00:00	CAM DESIGN GROUP ARCHITECTS PA	\$ 2,200.00	\$ 2,200.00	INVOICE 14	For architectural services – Floor plans additional site-invoice number 14. CAM project #C03-08, contract PD02-03-RFP 12-139. Liberty High School Annex. Follow-up procedures should be performed to confirm the business purpose since construction and related costs should be covered by the School Construction Corporation.
039	UND EXP-PURCH PROF&TECH S	29752	00:00:00	00:00:00	CAM DESIGN GROUP ARCHITECTS PA	\$ 10,800.00	\$ 10,800.00	PROJECT #C03-08 INVOICE 13	Architectural design service site and floor plan – additional sites -94 Broadway, Glenn Cunningham Center, and Summit Ave. Campus. Project #003-08, Invoice 12.
039	UND EXP-PURCH PROF&TECH S	27634	00:00:00	00:00:00	CLARKE CATON HINTZ	\$ 196,065.26	\$ 196,065.26	TO BE ENCUMBERED	Amount paid per system does not agree to PO which indicates Long Range Facilities Plan Professional Services - \$348,100; 3/17/05 \$58,631.29; Balance \$289,468.71.
039	UND EXP-PURCH PROF&TECH S	36388	00:00:00	00:00:00	CLARKE CATON HINTZ	\$ 223,145.45	\$ 223,145.45	INCREASE OK BY CB \$71,210.71	Amount paid per system does not agree to PO which indicates Long Range Facilities Plan Professional Services - \$152,034.74; Balance \$120,893.32. Follow-up procedures should be performed to confirm the business purpose and confirm the PO amount.

Review of Purchase Orders – Capital Outlay, continued

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
073	SCH SPON ATHL-EQUIPMENT	126592	00:00:00	00:00:00	DAKTRONICS INC	\$ 10,915.00	\$ 10,915.00	(1) CARRYING CASE	Installation of three LED Basketball scoreboards, school location not indicated on PO. Address on PO as ship to: was 50 Palisade Ave.
073	SCH SPON ATHL-EQUIPMENT	6354	00:00:00	00:00:00	DAKTRONICS INC	\$ 11,569.00	\$ 11,569.00	FOR AS-3100, AS-4100, AS-5010	Two scoreboards and installation charges, Lincoln High School.
039	UND EXP-PURCH PROF&TECH S	27114	00:00:00	00:00:00	EDWARDS AND KELCEY	\$ 7,000.00	\$ 7,000.00	LIGHTING,RECEPTACLES AND PITNEY BOWES	Architectural and engineering services for new mail room at administration building at 346 Claremont Ave.
039	UND EXP-PURCH PROF&TECH S	18054	00:00:00	00:00:00	EDWARDS AND KELCEY	\$ 9,292.13	\$ 16,995.00	TARGETING EXISTING NEW STAIRS AND	Professional services related to new corridors and related work at administration bldg 346 Claremont Ave.
039	UND EXP-PURCH PROF&TECH S	23942	00:00:00	00:00:00	GARDEN STATE LABORATORIES INC	\$ 15,960.00	\$ 15,960.00	QUOTES. JULY 1,2004 TO JUNE 30, 2005.	Annual PO for monitoring and chemical testing of 12 indoor pools from July 1, 2004 – June 30, 2005.
039	UND EXP-PURCH PROF&TECH S	36544	00:00:00	00:00:00	GARDEN STATE LABORATORIES INC	\$ 17,280.00	\$ 17,280.00	QUOTES. JULY 1,2005 TO JUNE 30,2006	Annual PO for monitoring and chemical testing of 12 indoor pools from July 1, 2005 – June 30, 2006.
073	UND EXP-EQUIPMENT	26039	00:00:00	00:00:00	IBM NORTH AMERICA SALES CENTER	\$ 436,621.30	\$ 436,621.30	HARDWARE & SERVICES	Hardware, software and installation, system or equipment not specified. PO indicates State contract #A81197.
045	UND EXP-CONSTRUCTION SVS	26066	00:00:00	00:00:00	PARQUET FLOOR SERVICE	\$ 20,650.40	\$ 20,650.40	FINISH TO 5,692 SQ.FT. @ \$2.00 SQ. FT.	Installation, repair, sand and seal maple floor of 2,808 sqft at \$34.30/sqft and sand, seal, and coat 5,692 sqft at \$2/sqft – PS# 39. Follow-up procedures should be performed to confirm the business purpose since construction and related costs should be covered by the School Construction Corporation.
045	UND EXP-CONSTRUCTION SVS	24658	00:00:00	00:00:00	SAL ELECTRIC COMPANY INC	\$ 393,778.00	\$ 393,778.00	THE VENDOR SIGNING A CONTRACT AND	Electrical system upgrade at 346 Claremont Ave. Amounts per PO do not agree to total amount paid per system. PO indicates total amount of \$309,499.
073	INST.EQUIP GRADE 1-5	22098	00:00:00	00:00:00	TRANSNET CORPORATION	\$ 270,660.00	\$ 270,660.00	CABLE INCLUDED- INCLUDES NORTH AMERICAN	PO not provided.
073	INST.EQUIP GRADE 1-5	26107	00:00:00	00:00:00	TRANSNET CORPORATION	\$ 443,480.00	\$ 443,480.00	REQUIRED PER 8006, 8010, OR 8010CO	Various technology hardware, software and installation charges. State contract #A81194.
073	UND EXP-EQUIPMENT	101064	00:00:00	00:00:00	WINNER FORD OF CHERRY HILL	\$ 51,636.00	\$ 51,636.00	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	Two 2005 Ford Escape Hybrid vehicles.
073	UND EXP-EQUIPMENT	27629	00:00:00	00:00:00	WINNER FORD OF CHERRY HILL	\$ 15,500.00	\$ 15,500.00	RACK AS PER QUOTE	2005 Ford E250 Van with bins and ladder rack.
073	UND EXP-EQUIPMENT	101060	00:00:00	00:00:00	SPACE SAVER SYSTEMS OF NJ INC	\$ 46,902.97	\$ 46,902.97	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	Two Hanel Rotomat machines. Purchased by Human Services.
073	UND EXP-EQUIPMENT	101080	00:00:00	00:00:00	PRINCETON S NASSAU CONOVER	\$ 35,903.00	\$ 35,903.00	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	2005 Ford F-450 2WD Super Duty Regular Cab and Chassis.
045	UND EXP-CONSTRUCTION SVS	27662	00:00:00	00:00:00	LONGO ASSOCIATES INC	\$ 17,670.00	\$ 17,670.00	INVOICE 15652	Dickinson High School – sanded and applied urethane coat to auditorium floor.



Facilities Management

Overview and Background

The Jersey City School District is responsible for maintaining 41 school buildings and 1 administrative building. The square footage of the smallest school building is 48,932 sq. ft. and the largest building is 309,142 sq. ft. Since 2000, the Jersey City School District has experienced enrollment growth at all grade levels. The District leases 12 buildings and 8 parking lots. For some leased buildings, the District is responsible for the maintenance activities, while for others repairs are handled by the landlords. However, the District is only responsible for custodian services maintenance for the areas of the building occupied by the District.

The Director of Facilities is responsible for supervising a staff of 312 people, which includes custodians, maintenance, construction, and specialized trade personnel. The District employs approximately 58 tradespeople including carpenters, mechanics, electricians, plumbers, plasterers, painters, and burglar alarm personnel. There are seven foremen in the District that oversee the activities of the specialized tradespeople. The District operates seven different trade shops. Per discussion with the BA and the director of facilities management, it was stated that the State of New Jersey requires that the District has one custodian for every 16,000 sq. ft. of building space owned.

The facilities department also has clerks dedicated to tracking the payroll of personnel, updating the work order system, processing rental requests for school buildings, processing utility expenses, fees collection, etc.

As part of our procedures, we developed a high-level understanding of the Facilities Management process. The following key sub-processes were identified as part of the Facilities department:

- Comprehensive Maintenance Plan
- State Checklist
- Attendance/Evaluation
- SchoolDude (automated work order system)
- Outside Vendors
- Projects/Improvements
- Emergency Funds
- Rentals

We performed a walk-through of the appropriate sub-processes of the Facilities Management process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Formalization of Management Reviews

The District's Facilities Director currently reviews work orders that are designated as "high priority" to help ensure that the high priority issues in the District's automated work order system are being resolved in a timely manner. However, there doesn't appear to be physical evidence to substantiate management's review of the work orders, nor is there documentation of the required follow-up actions. Also, there should be clear documentation as to the objective of the reviews, and the specific fields that need to be reviewed by the Director of Facilities Management.

Each building custodian and principal (if applicable) in the District is required to submit a comprehensive maintenance checklist each quarter that rates the condition of various building specifications such as the roof, HVAC, plumbing, etc. However, there is no formalized evidence of management's review of the quarterly maintenance reports and there is no documentation of the required follow-up actions. We noted that in some cases a work order is created if the condition of a particular area identified in the checklist is in need of repairs, but there is no clear documentation stating that based on management's review the resulting work order would appropriately resolve the issues identified.

A lack of documentation of management's review, as well as management's suggested follow-up actions based on those reviews, increases the risk that management's corrective actions are not communicated clearly and the resulting follow-up actions have effectively resolved the issue identified by management.

We recommend that the facilities department formally establish a protocol whereby management's review of worker orders and the comprehensive maintenance checklist are evidenced by the reviewer so that corrective actions can be assessed and verified.

Facilities Management *(continued)*

Standard Internal Control Practices

- **Quality Assurance Annual Report** – The District’s facilities department policies and procedures indicate that the signature of the County Administrator or the County Superintendent is required on the Quality Assurance Annual Report – Evaluation of School Building (Indicator 7.6), which is a checklist required by the New Jersey Department of Education. The required signatures of the County Administrator or the County Superintendent were not evidenced on the majority of Quality Assurance Annual Report – Evaluation of School Building forms that we reviewed.
- **Boiler Certifications** – The facilities department’s policies and procedures indicate that the director of facilities management is required to sign off on boiler certifications. However, we noted that there are instances where the maintenance supervisor, who is supposed to have the appropriate skills to execute a review of the boiler certifications, signs off on certifications as opposed to the director of facilities management. This is not consistent with the District’s policies and procedures.
- **Attendance of Trades People** – Individuals other than the foreman can call in the attendance for a group of trade employees. Per District policy, the only other individual that can call in the attendance of the team is the acting foreman; however, it is not clear whether the District’s payroll department accepts the attendance only from those designated individuals. **Completion of Work Orders** – Per the facilities department’s policies and procedures manual, principals are required to sign off on completed work orders. However, the custodians of the school buildings as opposed to the principals do not sign off on the work orders, which is inconsistent with the District’s policies. Per discussion with the BA, work orders are supposed to be approved by the building’s custodian.
- We recommend that the District revise its policies and procedures regarding the quality assurance annual report, boiler certifications, attendance reporting for tradesmen, and the completion of work orders to ensure that actual business practices are clearly documented. The policies and procedures are intended to provide clear guidance regarding the District employees’ roles and responsibilities.



Food Services

Overview and Background

The food services department consists of 13 employees: 1 executive director of cafeterias, 1 deputy director, 1 food service supervisor, one food service inspector, 1 principal purchasing assistant, 3 principal clerks, 1 administrative clerk and 4 delivery workers. At each school level, there are cafeteria managers, cooks, and lunch aides.

The District distributes approximately 22,000 lunches, 6,000 breakfasts, and 3,000 snacks daily. Students can get free, reduced, or paid meals (breakfast, lunch, and snacks).

The cafeteria operations department operates a warehouse where food inventory items, or commodities, are stored in freezers. Commodities are delivered to the warehouse two or three times a year. As of January 1, 2004, the District implemented new delivery procedures to stagger commodities purchased in order to better control their inventory. For noncommodities, the District has established contracts through a competitive bidding process. Noncommodities consist primarily of perishable food items and as such they are delivered directly to school locations by the vendors.

The District reviews students' eligibility for meal services and distributes meal cards of eligible students to school principals. Teachers distribute the meal cards to students daily.

Cafeteria personnel collect the meal cards from the students daily, at the registers. They count the number of meals served and determine how many meals served were free, reduced, and paid. The cashiers and the cafeteria manager count how much money was received for the day, and input the amount on a standard cash receipt log. They also review the cash register receipts for consistency with the receipts documented on the log. The cafeteria managers make the bank deposits daily (bank access is only for depositing). All the amounts must reconcile at the end of the day. The District receives from the schools all the documentation and receipts at the end of the week.

As part of our procedures, we developed a high-level understanding of the Food Services process. The following key sub-processes were identified as part of the Food Services department:

- Ordering food supplies
- Distributing lunch cards and IDs to students
- Collecting cash
- Conducting inventory of food supplies

We performed a walk-through of the appropriate sub-processes of the Food Services process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Reliance on Manual Processes

For noncommodity items, the District has established contracts through a competitive bidding process. The vendor name, prices, items ordered, and received are tracked in the District's CIMSIII system. Noncommodities consist primarily of perishable food items and as such they are delivered directly to school locations by the vendors. These items are ordered manually by food services personnel.

The food services clerk manually reconciles internal documents with the logs of number of meals served submitted by the schools, the bank receipts, and the vendors' vouchers. In addition, the food services clerk reconciles the vendors' vouchers with Department's hand-written item prices.

Food Services *(continued)*

Manual ordering, receipting, and reconciliations can increase the potential for human errors, and the manual reconciliation process is also time-consuming. We noted in our review that some of the manual transactions could be executed using some of the automated functions available in CIMSIII. For example, the CIMSIII system has the ability to match the number of items received against the PO and/or purchase requisition. This function reduces the time spent by the cafeteria staff to conduct a manual reconciliation.

We recommend that management determine which of the manual functions could be automated using the existing tools and functionality to avoid human error and reduce the amount of time spent by clerks to reconcile orders.



Pupil Transportation

Overview and Background

The transportation department coordinates transportation for Jersey City students to get to and from school, field trips, and athletic events. The District owns 37 buses. These buses are primarily used for transporting bilingual students (school to school) as well as transporting Jersey City students to field trips and athletic events. The District operates over 305 bus routes.

The transportation department also distributes bus tickets that allow students to utilize public transportation. They also process reimbursement payments for Jersey City students that meet the requirements of aid-in-lieu payments.

The transportation department consists of 24 full-time drivers, 21 per diem drivers, 74 school bus per diem attendants, and 12 full-time office staff.

As part of our procedures, we developed a high-level understanding of the Pupil Transportation process. The following key sub-processes were identified as part of the Pupil Transportation department:

- Transportation Costs
- Bus Tickets
- Aid in lieu of Transportation

We performed a walk-through of the appropriate sub-processes of the Pupil Transportation process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Forms Authorizing Vouchers for Aid in Lieu of Rebates Are Presigned

- The State of New Jersey provides rebates of transportation costs for parents of children that attend parochial school that exceeds a predefined distance from their residence. The District's transportation department created a form that documents evidence of their assessment and approval/denial of aid in lieu of rebates that are authorized by the State of New Jersey. The authorization or denial of the rebates is evidenced by signature of the director of the transportation department on the form. However, we noted that the signature of the director of the transportation department is presigned. Therefore, it would be difficult to verify whether the director of the transportation department actually approved the rebate.
- We recommend that the department implement a policy whereby authorization of the aid-in-lieu rebates be authorized using a manual signature by the director of transportation only after the completed form has been reviewed by the director. This mitigates the risk that the authorization would be on file without the appropriate review being conducted.

Distribution and Monitoring of Bus Tickets

- There are instances where a child's school is not within maximum walking distance making the child eligible for transportation services. Also, there are instances where Jersey City students are transported from residences not within the District, since students have a special need that is provided by a school in the Jersey City School District. As an alternative to providing "yellow" bus service to students meeting the aforementioned criteria, the District purchases bus tickets that can be used on public buses. These tickets are distributed to school personnel for distribution to the eligible students.
- The transportation department tracks the students that are eligible to receive bus tickets, the number of tickets issued to the students, and the school personnel that received the tickets. However, since these tickets are considered legal tender similar to cash, the District should implement more robust controls over the distribution and monitoring of the bus tickets. Currently, schools can distribute an entire year's worth of tickets to a student at one time. Also, the department of transportation is not aware of how the undistributed tickets are safeguarded at the various school locations. The department of transportation does not

Pupil Transportation *(continued)*

conduct reviews to assess whether the tickets are being distributed and used properly. A lack of standardized policies and procedures increases the risk of misappropriation of the tickets and potential inefficiencies in the use of the tickets might not be identified.

- We recommend that the department of transportation develop and issue policies to the schools regarding internal controls that should be in place at the school level to safeguard custody of undistributed bus tickets. Specifically, we recommend that the District implement formalized, written policies whereby the District establishes a protocol that mitigates the risk of loss (i.e., schools should not be allowed to distribute one year of bus tickets to a student at one time). The policies and procedures are intended to provide clear guidance regarding the District employees' roles and responsibilities. Training on these policies and procedures should also be provided to all school level employees responsible for executing the procedures.
- Also, when a student addresses change, there should be a protocol in place whereby the transportation department is notified, and a designated employee assesses whether the change impacts their eligibility for receiving the bus tickets. This will potentially mitigate the risk of providing bus tickets to students that are no longer eligible.

Resolution of Multiple Low Bids

- The transportation department facilitates the submission and review of price quotes for providing transportation for a student to or from an area that is currently not covered by the existing routes. There are instances where more than one vendor, with the appropriate certifications and a cleared background check, submits the same lowest price quote. The awarding of bid results with the same low bid needs to be more formalized so that the awarding of the service is based on clearly defined, objective qualitative criteria. Currently, each of the lowest bids are put in a white envelope and someone randomly picks one of the envelopes. The selected vendor is the vendor that the District will utilize to provide services.
- We recommend that the District implement standard procedures where objective, qualitative metrics are established (e.g., frequency of use, quality of service, etc.) and the selection of the vendors with the same low bid should be based against those metrics. This promotes objective and verifiable procurement practices.



Technology

Overview and Background

The education technology department has 24 employees to help facilitate the technology processes of the District.

The education technology department manages the District's Information Technology, which includes the IBM i-series operational center, the District Help Desk, the Wide Area Network (WAN), over 40 Local Area Networks (LAN), and the Hudson County Educational Technology Training Center (ETTC). Their responsibilities include but is not limited to providing technical and operational support to District users of CIMS, maintaining and developing internal proprietary software, dispatching technicians, managing a Help Desk Operation, preparing daily backup tapes, and scheduling technology staff development. The District's IT infrastructure hosts the following applications:

- *CIMS III* is an integrated software application by National Computer Systems (NCS) that has Student and Financial modules that include attendance, registration, general ledger, fixed assets, accounts payable/receivable, and payroll, warehousing, position inventory, and human resources.
- *SchoolDude* is the work order management system. This system allows staff to submit and approve various work orders of varied amounts. This system contains several different levels of access that align to different responsibilities of the staff that use this system.
- *Café Central* is an application used in high schools used to track the number of meals served by eligibility, i.e., free lunch, reduced lunch, etc. The information used in this system is derived and processed in the CIMS Student Management system and a nightly update is processed to the Café Central system. Each month the food services department compiles a report from data stored within this application on the number of lunches served and how much was charged for each. This report is submitted to the state board for monitoring purposes.
- *Myschoolbuilding* is an application that is used by school custodians to request work orders for their schools. This application is functionally part of the SchoolDude system.

Technology *(continued)*

- *ESchoolMall* is a purchasing system that is used for those supplies that schools would normally obtain quotes for. These are purchases that are smaller in value than those purchased through the InfoBid system.
- *InfoBid* is a system used for anything the District would go out for bid for as required by New Jersey state regulations. This is the system to typically record the purchases of classroom furniture.
- *TRIPS* is a system designed to track and record bus routes taken, miles driven, and number of children picked up. This system generates the DRTS (District Report of Transported Resident Students) reports that must be sent to the state each year. Four people in the transportation department have access to this system. This system is being replaced by Transfinder within the next couple months.

As part of our procedures, we developed a high-level understanding of the IT process. The following key sub-processes were identified as part of the IT department:

- System access
- Security roles
- Data warehouse access
- System upgrades
- Virus protection
- Software licensing protocols
- Disaster recovery
- Training protocols

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Absence of Documented DR System Restoration Hierarchy

- The District's DR plan is generally detailed relative to the procedures needed to restore critical HR and financial system functions. However, the plan does not contain a listing of the order in which the various critical systems should be restored. This could result in less critical systems being restored before the systems most important for core district financial and HR processing. This could ultimately lead to a delay in the restoration of critical functionality in the event of a disaster. We recommend that the District formally document the priority in which its systems should be restored in its DR plan.

Absence of Holistic DR Testing

- The District periodically tests the components of its proposed disaster recovery plan. However, the District has not performed a consolidated test of its entire disaster recovery plan. Although this approach does validate that components of the plan are viable, it does not test the integration of or dependencies between these various components. In the event of a disaster, integration problems between various recovery processes can cause challenges in restoring core services. Ultimately, a failure to holistically test coordination between steps in the comprehensive DR plan could cause delays or even the inability to restore operations in the event of a disaster. We recommend that the District holistically test its DR plan on a regular basis and formally document this requirement in its DR plan.



Inventory and Fixed Assets

Overview and Background

Inventory items at the District consist of fixed assets, athletic equipment, janitorial supplies, food supplies, and textbooks.

The individuals that oversee the inventory processes are part of the purchasing department (responsible for processing POs for fixed assets and athletic equipment) and the facilities department (responsible for warehouse items of janitorial supplies).

Each school has a fixed asset designee who is responsible for entering asset information into the CIMSIII system and for conducting annual physical inventory procedures.

Athletic equipment is only utilized in the District's five high schools. Each high school has a director of athletics. The director of athletics reports to the district athletics supervisor, who reports to the deputy superintendent.

The janitorial supplies unit consists of six employees: one warehouse manager (responsible for posting requests and printing pick list of requests); four operators (responsible for deliveries); and one principal store keeper (responsible for the warehouse and coordinating deliveries). Janitorial supplies are distributed by this unit to approximately 40 schools.

Textbook inventory is managed by each school. The District supplies schools with catalogues to order textbooks and orders must be placed from the catalogues. The District's associate superintendent approves all purchase orders for textbooks.

In addition, the District has hired a consultant to assist with inventory of fixed assets, and janitorial and food supplies. The consultant performs reconciliations of purchase requisitions and purchase orders to system data. The consultant also performs inventory counts on warehouse items.

As part of our procedures, we developed a high-level understanding of the Inventory and Fixed Asset process. The following key sub-processes were identified as part of Inventory and Fixed Assets:

Fixed Assets

- Athletic Supplies

Inventory and Fixed Assets *(continued)*

- Janitorial Supplies
- School Food
- Textbooks

We performed a walk-through of the appropriate sub-processes of the Inventory and Fixed Asset process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Segregation of Duties

An element of effective internal controls is the proper segregation of duties. The basic premise of segregating duties is to prevent situations where an employee has the ability to perpetrate an error or irregularity and to conceal it. Proper segregation of duties provides for a system of checks and balances such that the functions by one employee are subject to review through the performance of interrelated functions of another employee.

Food Inventory – Food inventory is entered into the CIMSIII system (warehouse module). Physical inventory is done twice a month by the delivery workers and the food services secretary, and a physical inventory and a perpetual inventory (once a year), and this inventory includes food services laborers who are responsible for stocking food items into the warehouse and for delivering those items to the schools.

There appears to be a segregation of duties issue regarding the food inventory since the laborers who stock and deliver the food participate in the inventory counts. There is a risk that personnel responsible for the delivery of items can manipulate physical count records to cover irregularities. Per the BA, two teams conduct the physical count and the inventory consultant hired by the District will recount inventory items where exceptions are noted; however, these recounts are not formally documented.

We recommend that the District organize the teams responsible for executing the physical inventory count in a manner that excludes individuals that have delivery functions. A detailed procedures document outlining the inventory count procedures would be a useful informational tool when new

Inventory and Fixed Assets *(continued)*

teams are being created. We also suggest that the individual's operating protocols as it relates to all types of inventory items (receipting, distribution, records maintenance, etc.) be documented in the form of a policies and procedures manual.

Maintenance of Fixed Assets – The schools are provided a fixed asset manual that documents procedures for recording the acquisition, disposal, and transfer of fixed assets. Fixed assets are recorded within a separate module within the CIMSIII system.

Each school has a fixed assets designee responsible for entering the asset information into the CIMSIII system, tagging the fixed assets, and conducting annual inventory on all fixed assets. The District distributes master copies of the inventory, and the designees must validate information.

There appears to be a segregation of duties issue regarding the maintenance of fixed assets records as the personnel who tag fixed assets also perform inventory counts, and manage the records regarding the fixed assets. There is a risk that fixed assets can be manipulated by designees to cover irregularities or errors.

We recommend that the District utilize the personnel assigned to the various schools to execute the fixed assets inventory counts at schools they are not assigned to. This would help to provide a more independent and objective verification of the fixed assets on hand at the schools.

Physical Inventory of Janitorial Supplies at School Locations

Janitorial supplies are recorded in the warehouse module of the CIMSIII system and are maintained by the District. Designated school personnel have access to the warehouse module of CIMSIII and used it to request supplies. In 2005, a physical inventory was executed to validate what was in the CIMSIII system.

A physical count of janitorial supplies inventory is conducted annually at the central warehouse located at the District office. This is done to ensure that inventory counts in the system match the physical count in the warehouse. This annual physical count is performed using outside personnel.

However, an inventory of janitorial supplies at school locations is not performed. Currently the custodial supervisor at the central warehouse walks through the warehouse to identify items at low levels. Based on the historical ordering patterns of the schools, the custodial supervisor would assess whether the current level of supplies is reasonable. Also, the inventory consultant performed a spot check of the inventory at a sampling

Inventory and Fixed Assets *(continued)*

of schools over the previous summer. However, these are high-level reviews and the District's protocols do not document the criteria for identifying items that will be randomly reviewed by the consultant.

We recommend that spot checks conducted by the third-party consultant be more formalized to identify the discrepancies as well as how these discrepancies were resolved. Also, an annual count at school locations would provide more accurate data regarding the items actually needed to meet the needs of the schools and the warehouse.

Formalization of Management Review of Athletic Supplies

The District has five high schools with an athletic equipment department. Athletic equipment is ordered three times a year and schools must place the orders through the District.

The athletic directors complete the athletic orders prior to opening season (spring, fall, and summer) using athletic booklets distributed by the District. Requests are then submitted to the supervisor of athletics for his review. He reviews and signs the booklets. The supervisor of athletics sends the signed booklets to the District's administrative analyst. The analyst reviews the booklets and verifies that there is sufficient funding in the budget before submitting them to the deputy superintendent for approval.

We noted that the supervisor of athletic equipment reviews the orders for reasonableness and makes notations on the order sheets obtained via Infobid. The deputy superintendent periodically scans the printout of the listing and makes manual notations regarding items that he is not in agreement with, but this review is not formally documented. Manual and informal intervention in the ordering process can potentially create errors in the ordering process. Also, an informal review increases the risk that management's corrective actions are not communicated clearly and the resulting follow-up actions may not be effectively resolved. Furthermore, we reviewed the POs processed for athletic supplies that contained purchases for film cameras, batteries, etc. that appeared excessive.

We recommend that management formalize the process so that the deputy superintendent has access to view the athletic inventory levels maintained in the athletics supplies inventory system, and formalize the review of those levels at the beginning and the end of each athletic season for reasonableness. Also, the athletic director's review of the inventory levels and his overall acceptance or request for follow-up should be formally documented.



Student Activities

Overview and Background

The usage of student activity funds is the responsibility of the school principals. They are allowed to utilize the assistance of various employees throughout the schools such as teachers and support staff. The accounting department at the District is responsible for monitoring the accounting records for student activities. They also provide technical guidance.

The schools are allowed to establish the following types of funds:

- Clubs and Organizations: The fund consists of those student activity programs that have student participation in the activity and student involvement in the management of the program.
- Athletics, Music, and Other Groups with Tangible Assets: The fund consists of those programs that have student participation in the activities but do not have student management of the programs. This would include athletic programs, but could also include band, cheerleading, flag corps, and other similar activities.

As part of our procedures, we developed a high-level understanding of the Student Activities process. The following key sub-processes were identified as part of Student Activities:

- Cash Receipts
- Use of Funds

We performed a walk-through of the appropriate sub-processes of the Student Activities process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Documentation of Standard Policies and Procedures

SOP Updates – The schools are restricted from having a significant amount of cash within their school accounts. This is done to limit the amount of purchases and cash collections at the school level. Per discussion with the accounting personnel at the District office, it was noted that the student activity funds SOP manual for both elementary and high schools does not reflect the current monetary limits for student activities funds.

- **Budget Review and Quarterly Review by District Office** – We noted that the SOP manual documents a requirement for the principal of the school to conduct budget reviews before the student activities occur. However, this does not occur. Rather, the principal reviews expenses to ensure that they do not exceed cash receipts. The District's business office manual also states that student activity accounts be reviewed quarterly. However, these reviews are only done twice a year.
- The existing policies and procedures are intended to provide clear guidance regarding authorized behavior, and the expected roles and responsibilities of personnel. The existence of inaccurate information in the SOP manual could potentially result in inaccurate practices by the schools.
- **Commingling of District and Personal Funds** – We noted that one of the school principals deposited personal funds in the school account. Although the District confirmed that the funds were used for school-related activities that are not covered under the petty-cash protocols, there should be no commingling of personal funds and student funds within a school bank account.
- We recommend that the SOP manual be updated. Also, budgets should be reviewed by school principals on a regular basis. Thresholds amounts should be reviewed by the District for compliance, and any required follow-up actions should be communicated timely. In addition, the accounting department should be performing quarterly reviews of student activity funds to identify potential issues in a timely manner. Training on these policies and procedures should be provided on an annual basis for school level personnel involved in conducting and reporting on student activities.



Risk Management

Overview and Background

The District has established a risk committee that consists of the risk manager, insurance consultant, legal representative, and associate superintendents. The risk committee reviews insurance claims, identifies prevention methods, and considers risk management options. They also review incidents reported by District employees.

The Workers' compensation department consists of three clerks, one nurse, and a risk manager. The District currently uses a third-party vendor, Cannon Cochran Management Services Inc., to handle all of the District's workers' compensation claims. The District is self-insured for \$500,000 of claims; an outside insurance agency is used to cover any additional workers' compensation claims. The District also utilizes an insurance consultant.

As part of our procedures, we developed a high-level understanding of the Risk Management process. The following key sub-processes were identified as part of the Risk Management department:

- Risk Committee
- Insurance Programs
- Processing of Claims
- Payment of Claims
- Insurance Company

We performed a walk-through of the appropriate sub-processes of the Risk Management process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Standard Internal Control Practices and Procedures

Since Jersey City uses a third-party vendor to initiate the processing of its Workers' comp claims, files are not kept at the district. There are claims still outstanding that the risk manager would like more information on ???. There is the risk that the risk manager has limited and incomplete information needed to make the appropriate decisions regarding the risk management issues.

We recommend that the District require the vendor to provide periodic status reports from the examiner on outstanding claims, as well as any relevant data regarding the nature of the claim so that the risk manager can perform a more complete review of the claims.



Grants Management

Overview and Background

Grants are managed by the budget department (which consists of a budget director, three staff accountants, and one senior accountant) and by the program services department (which consists of an assistant superintendent, 14 supervisors, and 6 secretaries). The budget department is responsible for the financial management and reporting aspects of the grants, while the program services department is responsible for grant development and administration.

In the fiscal year ended June 30, 2006 the District received a total of 38 grants. Thirteen grants were received from federal sources, 9 grants were from state sources, and 16 grants were from private contributions. Federal and state grants totaled approximately \$44 million. Private grants totaled approximately \$150,000.

As part of our procedures, we developed a high-level understanding of the Grants Management process. The following key sub-processes were identified as part of the Grants department:

- Applying for Grants
- Grants Accounting/Usage
- Grants Purchasing
- Private Grants

We performed a walk-through of the appropriate sub-processes of the Grants Management process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Private Donations with Unspecified Purposes

The budget department maintains policies and procedures regarding how contributions and grants should be processed so that the appropriate account codes would be applied in the CIMSIII system. In some cases, a committee is formed to help determine how funds should be spent on some entitlement funds. There appears to be a lack of formalized procedures regarding the use of unrestricted private donations. There is the potential that those funds might not be used in the most efficient way. We suggest that the District formalize a protocol using a similar method whereby the personnel and/or stakeholders impacted by the contribution meet to confirm how the contribution should be spent and measures of accountability should also be established.

We recommend that the District formally document how discretionary grants, with no direction regarding use of funds, should be managed. This will help mitigate the risk that funds are not spent inefficiently or inappropriately.

Grant Writing Consultant

The District contracted for grant-writing services with an external consultant. The consultant's fee was structured so that the amounts requested for payment in each fiscal year do not exceed \$31,000. The consultant is supposed to conduct research to identify potential grants that might be beneficial to the District as well as assist in completing grant applications. The invoices documenting the usage of time by the grant-writing consultant do not include information such as the purpose of meetings, attendees, etc.

We recommend that the consultant be required to provide more specific information such as the purpose of meetings, attendees, etc. so that the hours reported can be assessed for reasonableness and be more easily substantiated.



Purchasing

Overview and Background

The purchasing department has eight employees (one purchasing agent, one principal clerk, one principal buyer, one principal data control clerk, and four senior clerks) and those individuals are responsible for purchasing all goods and services for the District. The department processes the bid, contracts, and requests for proposals.

As part of our procedures, we developed a high-level understanding of the Purchasing process. The following key sub-processes were identified as part of the Purchasing department:

- Bid Process
- Contracts
- RFP Process

We performed a walk-through of the appropriate sub-processes of the Purchasing process to verify our understanding.

Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the sub-processes listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

Standard Internal Control Practices

- We noted that cumulative expenditures by vendor are only tracked for the fiscal year as opposed to from inception of the purchasing relationship. There is the potential that the cumulative expenditures exceed thresholds that would trigger additional contracting requirements based on an inception to date perspective.
- We recommend that the District assess the vendor's expenditure thresholds since the inception of the vendor's procurement activities with the District as opposed to by fiscal year.
- The District employees that review the requests for payment from Childcare vendors are reviewing the reports and supporting documentation for reasonableness, however there does not appear to be a documented uniformed method in place. This could result in inconsistencies in identifying and resolving potential issues with the requested payments. A documented policy promotes efficiency and consistency in executing reviews, and resolving issues.

RFP Documentation

- The District uses score cards to assess the requested vendor qualifications identified in the RFP. There is one score card for each vendor. We did note that there is no formal documentation in the procurement file that explicitly stated the awardee. Rather, an individual needs to go through the various score cards, which can be time-consuming.
- We recommend that the results could be enhanced by preparing a document that summarizes the results of the RFP scoring.



Appendix A

The following pages contain detailed descriptions of the various functions considered during this review. The matrices contain procedures, related controls and observations for various processes, including:

- Payroll
- Human Resources
- Financial Management (including Accounts Payable and Budget)
- Facilities Management
- Food Services
- Pupil Transportation
- Technology
- Inventory and Fixed Assets
- Student Activities
- Risk Management
- Grants Management
- Purchasing

Payroll		
Procedures	Key Controls	Weaknesses/Issues
<p>Attendance at School</p> <ol style="list-style-type: none"> Attendance tracking is assigned to a specific clerk located in the school or department. The CIMS III system is set-up so that the employee's contracted hours and rates are populated using the position tables. The clerk only needs to indicate the days that the employee was absent. All attendance entries are supposed to be put into the CIMSIII system before ten o'clock. The clerks print out the attendance sheets after it has been entered and signs the report. The principal or department head also signs off on the report. This process is done once every pay cycle. After ten o'clock, the Assistant Payroll Supervisor will run a report that will document the schools and departments that enter the payroll into CIMS system. If a school has not yet uploaded their attendance reports, the attendance clerk for that school is notified and advised to upload attendance. If any changes need to be made to the attendance records after the upload, a manual form must be submitted. The attendance clerk must manually fill out a Banked Days Correction Form, and it must be forwarded to the principal or department head for verification. After the approval has been obtained, the clerk can go back into the system and make the appropriate changes. School clerk makes corrections to prior pay period absences by entering negatives throughout the fiscal year. Clerks cannot correct prior fiscal years data. <p>Substitute Pay</p> <ol style="list-style-type: none"> Substitutes are used on an as needed basis. Substitute hours are logged by attendance clerk. When the payroll clerk processes the payroll he/she will enter their activity into the payroll system. The principal must sign off on attendance sheets for 	<ol style="list-style-type: none"> The principal or department head reviews the attendance sheets for reasonableness and signs off on the report. A report is run to check to see if attendance has been submitted by each location. Clerk must get the approval of the principal or department head before a change in the employee's attendance record can be processed. Clerk cannot go into prior pay periods and make corrections, they are locked out. <ol style="list-style-type: none"> The payroll clerk tracks the hours logged by the substitute teachers. Principal must sign off on substitute 	

Payroll		
Procedures	Key Controls	Weaknesses/Issues
<p>substitute teachers.</p> <p>Overtime</p> <ol style="list-style-type: none"> Employees who work overtime must fill out the proper overtime forms after completing the work. All overtime work hours must be approved by Principal or Supervisor. The employees must also forward the form to the principal/Department Head's Supervisor for further approvals. After approvals have been obtained, the designee of overtime will update the employee's hours in the CIMS Employee Management System. <p>Fifths and Lunch Duty</p> <ol style="list-style-type: none"> Fifths is the term used to describe payments to teachers and teacher's assistants for the coverage of another class in addition to their assigned class during the same period(s). Teachers and teacher's assistants are assigned on a daily basis for this coverage. Teachers receive payments for covering students' lunch period. The schedule for Lunch Duty is developed and assigned to the teacher in advance by the building administration. The process of filling out Fifths and Lunch Duty forms is as follows: <ol style="list-style-type: none"> Principal or designee prepares schedules for lunch duty and fifths. Schedule is given to payroll clerk. On a daily basis, the payroll clerk revises the schedule for teachers that are absent on the day that they are assigned duty. At the end of the day the teacher/teacher's aid/ teacher 	<p>attendance sheets.</p> <ol style="list-style-type: none"> Principal/Department Head's Supervisor must review and approve overtime forms. The Schedule is developed by the Principal to identify the reasonableness of assignments for Lunch Duty and Fifths. 	<ol style="list-style-type: none"> Teacher and Teacher's assistants should not be covering other classes while they have a scheduled class.

Payroll		
Procedures	Key Controls	Weaknesses/Issues
<p>assistant must complete the form for the fifths and/or lunch duty.</p> <p>e. On the lunch duty/fifth form, the employee must include the name of the person who was absent or not able to cover his/her class.</p> <p>f. Once the form is completed, it should be sent to the payroll clerk at the site.</p> <p>g. The payroll clerk must verify the accurate name; employee performing the fifth duty was marked present for the day(s) of the fifths/lunch duty coverage in the Employee Attendance System; and the employee for which the fifth duty coverage was being executed was marked absent for the day in the Employee Attendance System.</p> <p>h. Once the form is verified and approved by the Principal, the payroll clerk can enter the data into the "Employees Fifths and Lunches Duties" CIMS system.</p> <p>i. Fifths and Lunch Duty monies are paid out twice a year.</p> <p>NOTE: The teachers documented on the schedules can change daily due to the fact that teachers can be absent.</p> <p>Employee Stipends</p> <p>1. Employees may be eligible for yearly stipends if an employee decides to coach or supervise a school activity. For instance, in Jersey City School district the head coach of the football team will receive extra monetary compensation for the coaching position.</p> <p>2. Before being allowed to coach or supervise an activity they must fill out an application and be approved by the board. All</p>	<p>2. Payroll clerk must verify form and check attendance lists. The Principal must verify and approve form.</p> <p>1. The rate is based on the collective bargaining agreement. Stipends must</p>	

Payroll		
Procedures	Key Controls	Weaknesses/Issues
<p>3. The Assistant Payroll Supervisor regularly checks updated sick/vacation days in the system and focuses their review on those employees where special circumstances, such as workers compensation. The Assistant Payroll Clerk will check the system and determine if the classification of the personal days are appropriate.</p> <p>4. CIMSIII will automatically deducted employee pay when they exceed their allowable sick/vacation days. Reports that are generated each pay cycle concerning sick/vacation days are verified by the clerk. The principal will also approve every report.</p> <p>Garnishment of Wages</p> <p>1. All garnishments of wages must be court ordered.</p> <p>2. A designee in the payroll office is contacted by the State of New Jersey through a court order. The court order will specify who the employee is, what the garnishment is for i.e. delinquent taxes, child support, etc, and how much should be withheld from their paycheck.</p> <p>3. The clerk in the payroll department will go into the payroll system and make the correct changes to reflect what amounts should be with held from the employees paycheck.</p> <p>Payroll Processing at the Central Office</p> <p>1. Time reports are to be submitted every pay period to the appropriate Associate Superintendents for verification: School Aides, Teacher's Assistants, Instructional, Teacher's Aides, Non-Instructional, Extended Day/After School Program, and Substitute Teachers/ Substitute Teacher's Aides.</p> <p>2. The following information must be on the payroll time report: Name, Social Security, Total monies, Account Number, Dates Worked, Total Hours Worked, Department, School,</p>	<p>1. The Assistant Payroll Supervisor verifies whether the balances of the compensated absences are reasonable.</p> <p>2. System automatically deducts employee pay when they exceed their allowable sick/vacation days.</p> <p>1. All garnishments of wages are court ordered.</p>	

Payroll		
Procedures	Key Controls	Weaknesses/Issues
<p>Pay Date, Action Forms, and Timesheets.</p> <ol style="list-style-type: none"> 3. Time reports should be checked for accuracy prior to sending to the Payroll Department. The Principal must go into the CIMS system and approve their attendance clerk's time sheets. The system will not allow clerks to submit their sheets until approval from principal/department head. 4. Each activity in the system is automatically linked to a pay rate. Payroll does not input pay rates, only pay grades. The rate linked to the pay grade will be automatically applied. This is not only for substitutes, but all employees. 5. A preliminary payroll report is run from the CIMS system. The payroll clerk takes the amounts per the preliminary payroll reports and checks them against past pay cycle numbers for reasonableness. Once verified by clerk, the Assistant Payroll Supervisor will also verify the amounts and sign off on the report. 6. Another staff at the Central district office also performs a check of the preliminary reports and checks that employees are getting paid what they were paid last cycle. 7. An exception report, which documents employees with inaccurate job codes or new codes, is generated and reviewed by Assistant Payroll Supervisor and follows up with relevant attendance clerk to resolve the issue. 8. They also verify whether the data per the signed time sheets sent by the schools and the departments are consistent with the preliminary reports. The time sheets is a summary report of all employees time and attendance that the principal or department head reviews and signs off. A summary schedule is prepared and used by the District employee to document this analysis. Any discrepancies are communicated verbally to the staff members processing the payroll. This task is performed by a payroll designee. 	<ol style="list-style-type: none"> 1. Each report is signed by the principal, originator, and analyst. 2. System will only allow the authorized principal/ department head to submit time reporting. 3. Payroll clerk compares preliminary payroll reports past pay cycle numbers for reasonableness. Employee wages are checked against past wages for reasonableness. Assistant Payroll Supervisor signs off on all reports. 4. An exception report is generated to identify job coding issues which are followed up with the Assistant Payroll Supervisor. 	

Payroll		
Procedures	Key Controls	Weaknesses/Issues
<p>other handles non-instructional personnel.</p> <ol style="list-style-type: none"> Quarterly they must send a report documenting participants to the state which is used by the state to reconcile against what the state has on file for all employees. The financial risk burden is on the state because they are the ones responsible for payment. Any changes such as, termination, name change, hire, retirement, etc., is administered by HR department. All employees must contact HR and fill out the appropriate forms for changes to be made. HR will send payroll a Personal Action Notice (PAN) with the changes being made and the clerks will go into the system and make the appropriate changes. For employees to collect their full pension they must be 55 years of age and have 25 years of employment. Pension for employees is based on an average of your three highest paid years in the district. Employees are not entitled to their pension until they have been working with the district for three years and 3 months. After that time, funds can be distributed but they are only entitled to half of their balance. Payroll distributes the forms for Pension Disability and Pension Loans. These services are handled by the State. Pension Disability will only be paid out after verification of accident. Pension Disabilities and Pension Loans must be verified by the State. Pensions Loan forms are completed by employees and sent to one of the clerks responsible for pensions. Pension Loan forms are signed off and verified by Assistant Payroll Supervisor. Employees are only allowed to borrow against half of their pensions. Employees will specify how much they would like to borrow and the length of time of the loan. If an 	<ol style="list-style-type: none"> Reports must be sent quarterly to the state for reconciliation. HR will send Payroll and Personal Action Form with the approved changes. Pension Disability and Loan forms are verified and signed off by Assistant Payroll Supervisor. 	

Payroll		
Procedures	Key Controls	Weaknesses/Issues
employee fails to pay back a loan, the state will take whatever is owed to them out of the employee's pension.		

Human Resources		
Procedures	Key Controls	Weaknesses/Issues
<p>Instructional Hire</p> <ol style="list-style-type: none"> 1. Instructional positions are advertised in newspapers and other media devices. Human Resource must show sufficient evidence that they advertised for jobs which can include college fairs, newspapers, and Jersey City's Public Schools website. 2. Everyone applying for a position will get an interview. Applicants must first send their resume to the Human Resource. The District will send them a letter requesting an interview. Interviews are usually conducted from February to July. 3. For the interview, the applicants must bring transcripts and teaching certificate or license. 4. Interviews are conducted with a committee formed by HR staff, Superintendents, and District Administrators. After this initial screening, the Committee creates a list of highly recommended candidates. When a position becomes vacant the principal will refer to this list and only from this list selects candidates and performs 2nd round of interviews. 5. The 2nd round interviews are conducted by School Leadership Teams. The teams usually consist of 1 administrator, 3 teachers, 3 non-instructional personnel, and 1 parent. However, the team size depends on the size of the school. All members of the team are given a Personnel Interview Rating Sheet. 6. Applicants are rated on such standards as appearance, enthusiasm, Knowledge of Subject Matter, Preparation and/or experience etc. The standards are given a 1-5 ranking, one referring to poor and five referring to excellent. 7. Once the team selects a candidate, the information is sent to the HR Department. HR develops an Offer letter. 	<ol style="list-style-type: none"> 1. Applicants are evaluated based on an established criterion. 	

Human Resources		
Procedures	Key Controls	Weaknesses/Issues
<p>8. If an applicant accepts the offer, a New Employee Employment Package Documents form is given by HR and applicants must fill out all the necessary documents including a Personal Information Sheet, Form G, I-9 form, Pension Enrollment Application Form, W-4, Direct Deposit Application, Sagem Morpho, etc.</p> <p>9. The Position Inventory is a table that documents the employee's information for each school such as employee ID number and position. Principals refer to this table to identify vacancies. Principals can not make any changes in the system. It is read only file.</p> <p>10. If the HR needs to add a new position or change an old position in the Position Inventory System, HR will send an email to the Budget Department notifying them of the change. The Budget Department will go into the Position Inventory System and make sure the new position or changed position has the correct budget line item associated with it. Note: if the Budget Department does not have a budget line item for the new position, they must receive verification from the Superintendent before updating the Position Inventory System. Only Designees in HR and Budget Department have access to make changes in the Position Inventory System. Other Employees can look at the Position Inventory but as read-only files.</p> <p>11. It is HR's responsibility to make sure candidate has passed all checks and shows all appropriate certifications/documentations to become an employee. A Check List for New Hires document is completed for each employee and kept on record at the HR Department.</p> <p>12. All the necessary documentation must be in place before the candidate fully becomes an employee of the Jersey City School District. Also each candidate must be approved by</p>	<p>2. Superintendent must verify all new positions that are not in the budget.</p> <p>3. Budget Department reviews that salaries are being charged to the correct budget line item.</p> <p>4. HR clerk responsible for processing new hires must review the check list which evidences that proper certification and other documents have been obtained.</p> <p>5. The Board must approve all employees.</p>	

Human Resources		
Procedures	Key Controls	Weaknesses/Issues
<p>the School board.</p> <p>13. Personal Action Form which documents salary, employee name, etc. must be approved by Director of Human Resources.</p> <p>Non-Instructional Hire</p> <p>1. Non- Instructional jobs are not usually advertised. There is no need for advertisement due to the amount of applicants that are constantly being received. There are two types of positions: civil service positions that require applicants to pass a civil service exam, and positions where applicants can come on-site to the District office and fill out an application, such as clerks.</p> <p>2. For civil service jobs, the District administers a test. Everyone receives a grade on the exam and you are then put on a list which is ranked starting with the highest grades.</p> <p>3. When a position is available, the Department of Personnel sends a computer-generated list, which identifies the top three employees based on test scores to the Department Head that has the vacancy. The department Head conducts interviews to identify the appropriate candidate.</p> <p>4. Once selected they are put on the position inventory system. Refer to Bullet number 9 in the Instructional Hire Section.</p> <p>5. Often, these applicants start out as per diem working no more than 28 hours a week. When a full time position opens up, it is available to all per diem employees in The District. Also any full time employees in the District that would like to transfer are considered. The main requirement to apply for these jobs is that the applicant must be a Jersey City resident.</p> <p>6. A candidate cannot report to work until they have been cleared to work by the medical department of the District,</p>	<p>6. Personal Action Form must be approved by Director of Human Resources.</p> <p>1. The Department of Personnel sends a computer-generated list, which identifies the top three employees based on test scores to the Department Head that has the vacancy.</p> <p>2. Prospective employee must pass physical examination, complete</p>	

Human Resources		
Procedures	Key Controls	Weaknesses/Issues
<p>buildings.</p> <p>Buy-Backs</p> <ol style="list-style-type: none"> 1. An employee cannot sell more than one-half their personal illness bank days from the prior year. Attendance clerk will verify that employee is not asking for more than the authorized days. 2. A form for selling sick day(s) is filled out by the employee with the principals or department head's signature affixed and forwarded to the HR Department. 3. Additionally HR staff will go into the CIMS system to verify the employee's absence balance of personal illness bank days. 4. Rates used to buy back employee's sick days are specified in their contracts when they are hired. Clerks at the HR Department are responsible for manually inputting rates specified in the contract into an excel spreadsheet. 5. Excel spreadsheet originated by the HR clerk must be reviewed and signed off by the HR Director. 6. After verification from the HR Director it is sent to payroll for payment. <p>Training</p> <ol style="list-style-type: none"> 1. Orientation is held once a month, often the day after Board meetings. All Instructional new hires must attend a paid four day orientation. Anyone hired by the Special Education Department must attend and extra day. Non-Instructional hires must attend a first day seminar and will stay for more training if specified in their job description. 	<ol style="list-style-type: none"> 1. Attendance clerk verifies that the employee's buy back request does not exceed the authorized limit. 2. Principal or department head must sign off on Buy-Back form. 3. Personal illness bank days are verified by HR Clerk. 4. Payment sheet is signed by staff member and an HR Director. 	<ol style="list-style-type: none"> 1. Clerks in the HR Department manually enter rates related to buy-back pay into an excel file, which increases the risk of data entry errors.

Human Resources		
Procedures	Key Controls	Weaknesses/Issues
<p>Evaluation</p> <ol style="list-style-type: none"> Once a teacher starts working, they are on probation for three years. After that time, they will be eligible for tenure. Non-tenured teachers are required to be evaluated 3 times a year. The evaluation is conducted by a District Administrator. He/she will write a review on the teacher, discusses it with them and then they will both sign off on it and a record of it is kept in the main office. Tenured teachers must only be evaluated once a year. These evaluations are also conducted by a District Administrator. At the end of every school year, all teachers receive a Summative review. Non-instructional employees are required to be evaluated once a year. The HR department distributes a memo to the departments to remind them that the non-instructional employee's evaluation should be filed by June 1. <p>Dispatching Substitute</p> <ol style="list-style-type: none"> Substitute Teachers call in before 7am to request their names to be put on the substitute teacher list for that day. Principals or Clerks will call HR department to let them know how many substitute teachers they need that day. Substitute Teachers are contacted with their assignments. The Attendance clerk at school location, tracks substitute teachers on a daily basis by writing on the "white" attendance cards which school the Substitute Teacher reported to that day. The Principal will verify and sign off on all attendance cards. A designee in the HR Department will record the total amount of substitutes used that day on the Total Weekly Substitute Report that is submitted on a weekly basis to the 	<ol style="list-style-type: none"> Non-tenure teachers are evaluated three times a year. Tenure teachers are evaluated once a year. Non-instructional employees are evaluated once a year. Assignment of substitute teachers is done by District office only. The Principal will verify and review all attendance cards. 	<ol style="list-style-type: none"> The District could consider implementing an automated process for identifying substitute teachers that are eligible to teach in pre-defined areas/ subjects could become more efficient.

Human Resources		
Procedures	Key Controls	Weaknesses/Issues
<p>Preliminary Notice of Disciplinary Action should be typed and both signed by a hearing officer and sent out with all supporting documents, before the date of the hearing. Employee must be given at least 5 days notice before a hearing.</p> <p>3. If the charges are sustained and the employee is suspended or terminated, a Final Notice of Disciplinary Action, a DPF 739, and a Personnel Action Notice 4- part form must be typed and submitted along with the determination to the hearing officer for review and signature. If chargers are dismissed they must be recorded in the appropriate box on the DPF 31 B.</p> <p>4. Final Disciplinary Action and Civil Service Form DPF739, must be sent to the employee within five working days, unless otherwise agreed on a different time from by both parties.</p> <p>5. If employee has committed a criminal act, they are automatically suspended without pay. A hearing will follow and the employee with be brought up on charges.</p>	<p>Letter and the Preliminary Notice of Disciplinary Action should be typed and both signed by a hearing officer.</p> <p>2. Hearing officer reviews and signs off on documentation required to execute termination.</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Accounting</p> <ol style="list-style-type: none"> 1. The Accountants daily responsibilities include processing cash receipts (deposits to the banks) and recording these deposits in the CIMSIII system. The deposits include receipts for food services, transportation checks, refund checks, tuition reimbursement, rental income, wire transfers, etc. 2. Accountants' responsibilities are documented in the procedures manual. Because the procedures manual has bank account information, it is kept locked. Access to the manual is restricted to the Controller, the Administrative Secretary and the four accountants only. <p><i>Bank and Account Reconciliation</i></p> <ol style="list-style-type: none"> 3. On a monthly basis, the Accountants perform account reconciliations, bank reconciliations, revenue analysis, a cash projection report and book closing. Book closing is done by fund. 4. To perform bank reconciliations, the Accountants review the bank statement against cash receipts, accounts payable book transfer against the action forms and payroll book transfer against payroll certificates. The Senior Accountant does a second review of the bank reconciliations. Discrepancies are researched and resolved with the department that has the discrepancy. 5. The Accountants are responsible for reconciling all the District's accounts. Accounts are reconciled by fund. 6. The process for reconciling accounts starts with receiving a file from all the banks of all the cleared checks. The Senior Accountant then uploads the file into the CIMSIII system, which produces a report. 7. This report shows all the cleared checks, adjustments and transfers. The system also produces 3 reports: Reconciliation 	<ol style="list-style-type: none"> 1. Bank reconciliation is performed monthly and reviewed by senior personnel. 	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Edit Listing, Outstanding Checks Listing, Bank Reconciliation Summary and Error Report.</p> <p>8. The Accountants put the information from the reports on Excel spreadsheets and perform reconciliations. The Senior Accountant reviews and approves the spreadsheets.</p> <p>9. In addition, the Senior Accountant reconciles the deposits of each cash account.</p> <p>10. The Senior Accountant compiles a spreadsheet of deposits based on deposit tickets and compares the spreadsheet against bank statements to ensure they match.</p> <p>11. The District also maintains a bank account for Scholarships. The Senior Accountant maintains an Excel spreadsheet that tracks the balance of each scholarship fund. Bank interest received on the scholarship account is allocated to each scholarship fund. The Senior Accountant verifies that the balance per the detail schedule and the bank account is consistent. Another Accountant reviews the allocations and ending balances.</p> <p><i>Petty Cash</i></p> <p>12. Each school Principal is responsible for the school petty cash account. All request for petty cash funds, should be prepared by the school administrator on a purchase order.</p> <p>13. School Principals (except for four school Treasurers) are responsible for the petty cash fund. They must submit a disbursement slip quarterly, showing all expenditures, to the Business Administrator.</p> <p>14. Petty cash funds are only to be used for postage, delivery charges, office supplies, and miscellaneous purchases.</p> <p>15. No single purchase for petty cash can exceed \$75 except for the District Superintendent, the Business Administrator and</p>	<p>2. The Senior Accountant reviews all the reconciliations.</p> <p>3. The Senior Accountant updates the scholarship fund balances for accuracy.</p> <p>4. All petty cash purchases are properly authorized, supported (invoice, purchase order, receiving report, etc.), documented and reported in accordance with the law.</p>	<p>1. Reconciliations are done often-using Excel spreadsheets without file protection. Reconciliations process could be enhanced by having system automatic reconciliations or including better protections to the Excel spreadsheets.</p> <p>2. During our walkthrough, we noted that the school</p>

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>the legal department due to various fees associated with the State, such as vehicle registration.</p> <p>16. Each request of funds is made in writing signed by the requestor confirming papers attached.</p> <p>17. Although signature cards for all petty cash checking accounts have three signatures, only two signatures are required on the checks. At the school level, checks must have the school's Principal and the Vice/Assistant Principal signatures. Central office petty cash checks must have the signatures of the department's head and a senior level Clerk.</p> <p>18. There is one physical bank account at the school level, where funds for both petty cash and student activities are disbursed and deposited. For accounting purposes, the school maintains sub accounts on their accounting records to track the usage. Vouchers are required for petty cash and student activities disbursements.</p> <p>19. The schools must provide receipts. Receipts and bank statements are review by the Accounting Department. Unused funds must be returned to the District at the end of the school year.</p> <p>20. District Accountants do an audit of all schools twice a year and review expenses.</p> <p>21. The Accountants in the Accounting Department to replenish each school's petty cash account conduct wire transfers.</p> <p>22. All petty cash records must be retained for seven years.</p> <p><i>Expenditure Analysis</i></p> <p>23. Monthly, the Senior Accountant reviews all the expenses and creates a Detailed Summary Report, which is generated from CIMSIII system. This report shows the expenses for all departments. The Senior Accountant also projects</p>	<p>5. Proper segregation of duties exists among the personnel maintaining the petty cash fund and personnel approving the expenses.</p> <p>6. All petty cash expenditures are reviewed to determine if they have been recorded, receipted for the right amount or returned to the District.</p> <p>7. Expenses are maintained and reviewed properly by the Senior Accountant.</p>	<p>used petty cash monies for other expenses not listed in the petty cash SOP.</p> <p>3. During our walkthrough, we noted that petty cash receipts exceeded the \$75 limit.</p>

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>expenditures for the year.</p> <p>24. Most deficits are found on payroll and benefits. All deficits (negative balances) are researched and resolved by the finance departments and the Accountants respectively. The former and revised expenditure report is reviewed by the Controller (the Budget Director in the absence of the Controller).</p> <p>25. Monthly, the Accountants produce a revenue analysis and a cash projection report that are reviewed by the Senior Accountant.</p> <p>26. Revenue analysis is based on the transaction activity report of all revenue received for the month. The revised budget and transaction activity column must balance GL.</p> <p>27. The cash projection report is an estimate of disbursements (payroll, A/P) against the deposits (state aid, interest, tax levy).</p> <p><i>Journal Entries</i></p> <p>28. The Accounting Department is responsible for processing all journal entries except for budget entries, which are done by the Budget department.</p> <p>29. Accountants in the Accounting Department are the only staff authorized to create journal entries. For every journal entry created, the system creates a history. The system is password protected.</p> <p>30. Journal entries are created and entered in the system by the Accountants. All entries are reviewed and approved by the Controller (the Budget Director in the absence of the Controller) before entries are made. Journal entries descriptions and the related supporting documents are filed monthly. Note that the Executive Controller resigned in October 2006. Since her absence, the journal entries created</p>	<p>8. All expenditures items with a negative balance are researched and resolved. The Controller reviews the former and revised expenditure reports for reasonableness.</p> <p>9. The monthly revenue and cash projection reports are reviewed by the Senior Accountant.</p> <p>10. Journal entries are initiated only by authorized personnel and are properly authorized.</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>for one department (i.e. purchasing entries) must be reviewed and approved by the staff accountant that is assigned to work on entries for another department (i.e. budget department).</p> <p>31. Accountants can transfer monies from the General Account to the other bank accounts provided they get instructions and approval from the departments. However, any book transfer requires prior approvals from the Accounting Department's Supervisor and the Controller (Budget Director in the absence of the Controller).</p> <p>32. The bank requires that Accountants change their passwords every 45 days to get access to the bank account statements on the bank's website.</p> <p>33. A description of the transfer is annotated in the entry to explain why monies were moved.</p> <p>34. The Senior Accountant verifies that account transfer was successful by checking statement on-line.</p> <p>35. At month's end, a Management Report is printed from the CIMSIII system that shows all the transactions. Any negatives found in the report are researched. If adjustments need to be made regarding how the transaction was executed, the Accounting Department informs the finance departments with the issue and ask them to correct it (i.e. void checks, encumbrances, payroll miscodes). The Accountants verify that the adjustment was made by the department. Then, the Senior Accountant does the journal entry with the approval of the Controller (the Budget Director in the absence of the Controller).</p> <p>36. Daily, the Accountants run an updated Management Report to verify adjustments. The report is reviewed by the Senior Accountant and by the Controller (Budget Director in the absence of the Controller).</p>	<p>11. Money transfers are reviewed, approved and appropriately documented.</p> <p>12. Journal entries are reviewed for appropriateness. Questionable journal entries are investigated.</p> <p>13. Independent personnel review reports.</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p><i>Investment Accounts</i></p> <p>37. Any interest received from the bank accounts is categorized as interest income and journal entries are done to reflect this income as revenue.</p> <p>38. The Accounting Department is responsible for tracking the District's investment accounts: Parent Account, Unemployment Trust Fund, OK2 Pepsi Account (tuition for HS students to go to college), Scholarship Account, and the MBIA account.</p> <p>39. On a monthly basis, the Accountants reconcile these accounts on Excel spreadsheets. The Senior Accountant reviews the spreadsheets. The balance in these accounts must match the bank statements. Discrepancies are researched and resolved with the bank.</p> <p>40. Most bonds are presently managed by the New Jersey School Construction Corporation. However, the District receives funds from two bonds from City Hall for capital projects. These bonds are deductions from State aid. Quarterly, an Accountant does a reconciliation of the bond (Fund 30) funds. This reconciliation is reviewed by the Senior Accountant.</p> <p>41. City Hall sends the District Qualified Bond statements and that information is inserted onto an Excel spreadsheet by an Accountant. This spreadsheet has formulas that calculate the payment for debt interest on the qualify bonds. If the Accountant finds any discrepancies, the Department sends a letter to City Hall asking for reimbursement. The Controller (Budget Director in the absence of the Controller) reviews this letter.</p> <p><i>Capital Assets</i></p> <p>42. Approximately \$80M in capital assets are reviewed and</p>	<p>14. Investment accounts are reviewed and reconciled monthly.</p> <p>15. Excel spreadsheets are maintained manually to calculate interests in bonds.</p>	<p>4. We noted that Excel spreadsheets contain formulas and are not password protected.</p>

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Business Administrator, the District Superintendent and the Treasurer of School Monies. Checks are computer generated and pre-signed automatically in the system (AS400 APDS printer).</p> <p>3. Invoices can come from various departments.</p> <p>4. An A/P Clerk enters all invoices received by A/P into the Financial Management System of CIMSIII system (Accounts Payable Module).</p> <p>5. Once invoices are entered in the system, a second Clerk verifies that the information entered in the system is correct and posts the invoices.</p> <p>6. Once a P.O. is receipted, the system performs an automatic match of the quantity received compared to the items ordered. The system automatically calculates price vs. quantity and if the amount does not cause the P.O. limit to be exceeded, the system will automatically generate a check.</p> <p>7. The A/P Supervisor and the Principal Clerk are the only staff with access to the module (Cash Disbursement) in the CIMSIII system to create checks.</p> <p>8. The Principal Clerk creates checks. Another Clerk verifies that the information entered by the Principal Clerk is correct by comparing the data on the check to the invoices/supporting documentation.</p> <p>9. Checks are normally kept in a safety box in the Account Payable Supervisor's office. Only the Supervisor and the Principal Clerk have the combination to the box.</p> <p>10. However, Clerks keep checks that have outstanding vouchers (waiting for vendor to send voucher) on their desk locked overnight. The Supervisor has copies of the desk keys for each Clerk.</p> <p>11. Once printed, all checks are scanned and put on the system.</p>	<p>personnel.</p> <p>2. Invoices are manually entered into the CIMSIII system by the A/P clerk.</p> <p>3. Input and reviewing of invoices have proper separation of duties.</p> <p>4. There is an automatic match of quantity received compared to quantity ordered.</p> <p>5. System access to create checks is restricted to authorized personnel.</p> <p>6. Checks are kept on a safety box for security.</p>	<p>1. During our walkthrough, we noted that clerks sometimes keep checks on their desk while working on the files.</p> <p>2. During our walkthrough, we noted that checks are printed prior to obtaining required documentation from vendors.</p>

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>12. All checks run in sequence. The District prints approximately 2,000 checks bi-weekly.</p> <p>13. The Management Information Specialist (where the check-printing machine is located) prints the checks, which are evidenced by the Principal Clerk.</p> <p>14. Checks are printed from the AS400 APDS printer.</p> <p>15. A sheet with a counter (number of checks) and all the checks are given to the Principal Clerk. Check numbers are documented in the check counter booklet.</p> <p>16. Another A/P Clerk counts the checks and verifies that the amounts and the counter are correct.</p> <p>17. The Accounts Payable Supervisor and the Principal Clerk sign the counter and copy is kept on file.</p> <p>18. Any discrepancies in the counter are often due to system ripped checks. The ripped checks are voided, kept on file (signature area is ripped out) with the counter and new checks are reissued. To run those checks the process is the same and three signatures are needed (Business Administrator, the Superintendent and the Treasurer of School Monies).</p> <p>19. All voided checks (i.e. loss, stale dated, ripped by the system) are recorded in the Check Voided module of the CIMSIII system, which feeds into the GL. All voided checks get an action form (signed by the Accounts Payable Supervisor and the Controller (the Budget Director in her absence), so the Treasurer of School Monies can reconcile the accounts.</p> <p>20. For checks that require a stop payment, the A/P Supervisor contacts the bank and put a stop payment. The original check is voided. A new check is reissued. The department keeps all the documentation on file, including the stop payment notice from the bank.</p> <p>21. Once checks are ready, the Check Register is downloaded on</p>	<p>7. Creating and printing checks have proper separation of duties.</p> <p>8. The existences of the checks are reviewed by independent personnel.</p> <p>9. Records of voided checks are kept on file and recorded in the system. Checks are reissue with proper approval.</p> <p>10. Checks are properly authorized before</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>a PDF file. The Principal Clerk sends the Check Register by email to the City Treasurer for approval of payment. The Treasurer of School Monies has 48 hours to question any checks.</p> <p>22. The Treasurer of School Monies does not need to reply if there are no issues.</p> <p>23. The same email is sent to the Business Administrator, Board Members and the Accounts Payable Supervisor. The Check Register is also posted in the Jersey City Boarddocs website.</p> <p>24. Consultants' payments are processed in the same manner as payments processed via invoices. Payments are made after work is completed. This is evidenced by reviewing the contracts.</p> <p>25. Transportation expenses are also paid in the same manner than any other invoices. However, for transportation emergencies, an action form and a Purchase order are required.</p> <p>26. The Early Childhood Department has contracts with childcare providers, which are paid based on budget allocation, enrollment and cost per pupil. The financial status of these contracts is reviewed by the District's Associate Superintendent for Early Childhood and the Fiscal Specialist for Early Childhood.</p> <p>27. The Fiscal Specialist for Early Childhood reviews the details of the invoices. The department has initiated a review protocol whereby required documentation must be obtained, reviewed, etc. by the Early Childhood staff. A list is generated and forwarded to A/P that documents the contractors that should be paid.</p> <p>28. Early Childhood contract payments are paid in the same manner than any other invoice. The only difference is that the Early Childhood department sends a list monthly to Accounts</p>	<p>payment.</p> <p>11. Consultants are paid after evidence of completed services has been provided.</p> <p>12. Adequacy of the Early Childhood contract performance is reviewed before a payment is processed.</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Payable with the amounts that need to be paid for the month as opposed to the invoices sent by the contractors.</p> <p>29. Accounts Payables reviews the Early Childhood department backup documentation, verifies that the documents have been reviewed by the Fiscal Specialist for Early Childhood, and approved the Associate Superintendent before releasing payment to childcare providers.</p> <p>30. The only payments that are made in advance are for registration of workshops, for admissions fees for various venues used for fieldtrips, and for memberships.</p> <p>31. Requests for admission fees for fieldtrips require a P.O. Admission fees are paid in advance because vendors will not admit students to the events. If the fieldtrip is cancelled, the vendor is contacted to refund the payment.</p> <p><i>Travel Expenses</i></p> <p>32. Travel Reimbursement – Travel policy is approved by the Board and the Superintendent. Prior to 2005, the limit was \$1,200 and \$70 for meals a day. The State made changes in 2005.</p> <p>33. Travel expenses are now based on State Department's reimbursement rates and reimbursement is done upon completion of travel. Approval for travel reimbursement must come from senior staff.</p> <p>34. The Business Administrator must review and approve all reimbursement for the Superintendent, the Deputy Superintendent and the General Counsel. The Deputy Superintendent or Superintendent must review and approve all reimbursement for the Business Administrator and the Associate Superintendent.</p> <p>35. To obtain travel reimbursement, a staff needs to submit a Travel Authorization form, which needs to be approved by the</p>	<p>13. Accounts Payables review the backup documentation sent by the Early Childhood department prior to releasing payment to childcare providers.</p> <p>14. The travel reimbursement process is supported by adequate documentation,</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Principal and the Associate Superintendent before the trip occurs, a professional development form, a purchase order with approved signatures and original receipts.</p> <p>36. Travel reimbursement for District personnel requires Department's Head authorization and approval of the Controller (Budget Director in the absence of Controller) and the Associate Superintendent. The Clerk in charge of creating requisitions for each department initiates the requisition and creates a P.O. The P.O. must be approved by the Business Administrator.</p> <p>37. Once all required documents are submitted, the analyst makes sure all the documents and receipts match, and then the request is put into the system.</p> <p>38. Travel reimbursements for conferences have a cap of \$1,200, excluding registration fee. There is no cap on expenses for conferences or events which an individual is required by the State Superintendent to attend. All requests for travel expenses for attendance to conferences/events must have been budgeted in the appropriate fiscal year.</p> <p>39. All in-state travel that requires over night stay must be approved by the superintendent and the Board. Out of state travel requires approval of the Assistant Commissioner of Education.</p> <p>Financial Reporting</p> <p>1. The District has fund financial statements (government funds, proprietary funds, and fiduciary funds).</p> <p>2. Financial statements are compiled by fund and the financial statement line items are consistent with the line items documented in the State of New Jersey Dept. of Education chart of accounts. The Budget Manual has all the accounts used by the District.</p>	<p>reviews and approvals in accordance with District policy.</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>3. Each accountant is given the responsibility of reconciling specific account balances per the general ledger to draft management reports.</p> <p>4. Every month (1st to the 5th), the general ledger is closed using CIMSIII system. Once the general ledger is closed, the system generates a management report, as of closing period. The Management report shows all the transactions, original and actual budget, encumbrances, and balances by account.</p> <p>5. The A149 report is a summary of all cash receipts and disbursements. This report is prepared and signed by the Treasurer of School Monies at City Hall and sent to the District for review. The Senior Accounts reviews the report for accuracy.</p> <p>6. The Senior Accountant creates a Secretary Report (A148), which documents the fund balances as well as amounts budgeted, expended, encumbered, and available.</p> <p>7. The Management report is attached to a completed financial statement (A148) which consists of detail trial balances. The Executive Controller (the Budget Director in the absence of the Controller), reviews the financial statements and management report and initial the final A148 report.</p> <p>8. An action form created by the Accountants along with the final Management report, the A149 report, and the final A148 report are send to the BA and the District Superintendent for their review and approval. Expenditures for Funds 10, 15, 20 and 30 must go to the Board for their review.</p> <p>9. Financial statement audit begins in June with book closing; in August, a preliminary review is done; and by September, there is a final closing. Adjustments are posted in December via the general ledger.</p> <p>10. Any GAO changes come from the Department of Education</p>	<p>1. Financial reports are reviewed by senior management for reasonableness.</p>	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>(DOE) a year in advance. If the department is unclear of the communicated change, they will contact the State for clarification.</p> <p>Budgeting</p> <ol style="list-style-type: none"> Budget entries consist of salary and non-salary entries. The budget approval process starts in September, when the Business Administrator meets with each Principal to discuss educational priorities and activities intended for the new fiscal year. Principals are required to report their goals and objectives on the School Instructional Activity report. At this stage, it is not about the dollars but the instructional programs. Principals will meet with their schools' Budget Committees to finalize and approve their programs. Programs must meet curriculum, class, position inventory, etc. A reconciliation of the School Instruction Activity report with the Student Management system (identifies children, teachers, teachers' assistants, teachers' aids, etc) is done to ensure activities/program match budget. Principals will meet with the District to validate and discuss their planned budget and to request amendments if necessary. In September, position inventory is completed. The employee levels (authorized pay rates) are entered into the CIMSIII system by Budget Clerks using the projected position inventory. This electronic process was implemented for the 2005-2006 school year. By December, the Principals set the non-salary accounts 	<ol style="list-style-type: none"> Decisions regarding accounting principles, practices, and methods are appropriately authorized, documented and carry out. 	

Financial Management		
Procedures	Key Controls	Weaknesses/Issues
<p>(distributed by the Budget Director) in the budget module of the CIMSIII system. This module rolls into the General Ledger.</p> <p>9. Position inventory is locked from future edits (by central IT), often by December</p> <p>10. In December, the Budget Director matches the position inventory to the payroll (copies the payroll file into the budget file) and attaches benefits and salaries.</p> <p>11. In January or February, the Budget Director matches the positions dollars to the payroll. If salaries increased, budgeting will make the adjustments.</p> <p>12. In January, the proposed budget is submitted to the Budget Committee (representatives from Business, HR, Special Ed, Products and Services, Early Childhood and Education) for review and comments. The Budget Committee's recommendations are submitted to the Superintendent for review and approval. After approval, the budget is submitted to the Board for their vote.</p> <p>13. The Budget Accountants make sure that the beginning balances of the budget per CIMSIII reconcile with the budget sent to the State.</p> <p>14. If an adjustment needs to be made, it requires the approvals of the Budget Director and the BA. Once approved, a transfer is done (under 10%). Anything over 10% needs approval of the Department of Education.</p> <p>15. The Budget Director reviews all journal entries and makes sure there is backup documentation. There are approximately 300 to 400 accounts. The Budgeting department ensures that all the appropriate codes are associated with the appropriate budget and that the budget is in accordance with the Budget Manual.</p>	<p>1. Position inventory cannot be edited after specified period.</p> <p>2. The positions amount is verified with payroll by the Budget Department to ensure that it is sufficient to meet the proposed expenditure.</p> <p>3. The classification of the budget is reviewed to determine if the appropriate codes have been recorded in the appropriate fund, account, budget category, period, and amount.</p> <p>4. Opening balances of the budget per the financial system is compared to the budget sent to the state is reviewed for consistency.</p> <p>5. Adjustment calculations pertaining to the original and revised budgets are properly reviewed.</p> <p>6. Budget entries are reviewed to ensure that proper support is on file.</p>	

Facilities Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Comprehensive Maintenance Plan</p> <ol style="list-style-type: none"> 1. A Comprehensive Maintenance Checklist will be completed at the building level by the custodian and principal and submitted to the maintenance Department by January 15, 2006, April 15, 2006, June 15, 2006 and October 15, 2006. The checklist documents contain the following categories: general inspection, state of condition, repaired needed, date, and Work Order numbers if required. 2. The checklist will be reviewed by the Director of Facilities. Needs of the district will be assessed and prioritized in consultation with the Business Administrator and Superintendent. If problem areas arise from the checklists the proper work orders (WOs) will be submitted. 	<ol style="list-style-type: none"> 1. Comprehensive checklist will be submitted to the Facilities Department four times a year and signed off by custodian and principal. 2. Director of Facilities will review the checklist and consult the Business Administrator and Superintendent. 	
<p>State Checklist</p> <ol style="list-style-type: none"> 1. Each June the district submits the Quality Assurance Annual Report (QAAR) to the County Superintendent's office for the prior school year. As part of that report an Evaluation of School Building (Indicator 7.6) must be completed for each facility. 2. Once completed, the checklist is signed by the Director of Facilities. 3. The Chief School Administrator and County Superintendent also sign off on the check list. It is then submitted to the NJDOE. 4. Copies of the checklists are maintained by the Director of Facilities. This checklist is used to evaluate the repairs needed at each site. 	<ol style="list-style-type: none"> 1. QAAR is completed for each building site. Director of Facilities, Chief School Administrator, and County Superintendent all must sign the QAAR forms. 	<ol style="list-style-type: none"> 2. The QAAR reports did not include the signatures from the Chief School Administrator and County Superintendent.
<p>Attendance/Evaluation</p> <ol style="list-style-type: none"> 1. Custodial Staff members must follow the proper procedures when signing in and out: 	<ol style="list-style-type: none"> 1. A log of custodians hours are kept at each school. 	

Facilities Management		
Procedures	Key Controls	Weaknesses/Issues
<p>a. Sign in upon arrival for regular tour duty. b. Sign out for lunch c. Sign in upon return from lunch. d. Sign out upon completion of regular work.</p> <p>2. Attendance is maintained by the Attendance Clerk at that school which the Custodian works.</p> <p>3. If a custodian is going to be absent, they must personally call the Facilities Department and School.</p> <p>4. Attendance for District's tradespeople is handled by the Facilities Department. It is the responsibility of the Forman in charge to calls in the absences.</p> <p>5. Upon completion of work, custodians/tradespeople must ask the principal or another employee designated by the Head Custodian or Vice Principal or Principal to sign requisitions which verifies that work has been completed.</p> <p>6. A copy of this form should be sent to the Maintenance Department.</p> <p>7. Tradespeople are given a per diem of 5.00\$ per day. The per diem is based on their attendance records.</p> <p>SchoolDude</p> <p>1. SchoolDude is the web based information system used by all Principals, Head Custodians, and certain school clerks to submit work orders. SchoolDude is not on the CIMS system.</p> <p>2. To gain access to the SchoolDude system an employee must first contact the Technology Department to gain access to the internet. Once an employee has access to the internet they send an email to the Senior Clerk in the Facility Department who will input employees name into the system and grant them access.</p> <p>3. Designated Clerks, Principals, and Head Custodians have access to the SchoolDude system through a username and</p>	<p>2. Attendance of tradespeople is handled by Forman in charge.</p> <p>3. Upon completion of work, custodians/tradespeople must ask the Head Custodian or Vice Principal or Principal to sign the requisition verifying completion of work.</p> <p>1. Any personnel that have access to SchoolDude have unique username and password.</p>	<p>1. There are instances where an employee other than the Forman communicates the attendance of the tradespeople other than the Facilities Department Clerk.</p> <p>2. Per the Facilities manual, completed work orders must be signed off by the principals, however the Director of Facilities indicated that the Principal does not always sign off on the work order.</p> <p>3. The Facilities Manuals should be updated annually.</p> <p>1. The Facilities Director's review of work orders is not formally evidenced.</p>

Facilities Management		
Procedures	Key Controls	Weaknesses/Issues
<p>password.</p> <ol style="list-style-type: none"> The Facilities Director reviews and approves the Work Orders submitted by clerks, Principals, and Head Custodians. The appropriate tradesman/custodians will be sent out to perform the task. If the work requires a special skill that the maintenance staff does not possess, an outside contractor will be hired in accordance with the District's purchasing protocols. <p>Outside Contractors</p> <ol style="list-style-type: none"> Once a year, in April/May, bids go out for contracts for other services such as lawn maintenance, boiler maintenance, emergency repairs etc. The bidding process is the same as documented in the purchasing memo. All specialized tasks such as boiler repairs require certified tradesman. These certifications must be verified during the bidding process. After work is completed on a specialized area, the tradesman's insurance agent is required to inspect and sign off on the work. (Only Boiler Maintenance) Also, the Maintenance Supervisor and the District's Insurance Agent needs to inspect and sign off on work. (Only Boiler Maintenance) An outside firm was hired to conduct an Audit of the District's Telephone services. The outcome of this research resulted in savings for the District and money was refunded to them from the telephone company. Presently, they are conducting the same type of audit for gas, electric and water. Study is discussed at a Board Committee meeting. After that the contract will be bided out for. The lowest bidder will then be approved by the board. 	<ol style="list-style-type: none"> Facilities Director approves w/o before work is performed. Bids, RFPs, etc are prepared for services requiring special skills. <ol style="list-style-type: none"> Specialized tasks require the proper certification for bids to be accepted. After work is completed, tradesman insurance agent required to inspect work and sign off. The Maintenance Supervisor and the District's Insurance Agent must all review and sign off on the work performed by the specialists. 	<ol style="list-style-type: none"> There are instances where the Maintenance Supervisor signs off on certifications as opposed to the Director of Facilities Management

Facilities Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Procedures Manual.</p> <ol style="list-style-type: none"> 4. Groups that are renting school space must submit a deposit and send a certified check or money order made out to the Jersey City Public Schools. 5. Senior Clerk in the Facilities Department will receive the payments, make copies of the checks and forms, and sends the original payments to the Accounting department for deposit. All rental monies are recorded in a revenue account called Rental Income. 6. If a group goes over their contracted time, their deposit will be held until payment for additional time is received. 7. The schools supply custodial services and security. <p>Payments</p> <ol style="list-style-type: none"> 1. The processing of paying vendor invoices for Facilities is the same as process documented in the Accounts Payable section of Facilities Management process memo. 		

Pupil Transportation		
Procedures	Key Controls	Weaknesses/Issues
<p>Transportation Costs</p> <ol style="list-style-type: none"> 1. Many times the school will not be able to handle all of their transportation responsibilities. The District uses about 10 other vendors to help supplement their transportation needs. 2. The costs charged by the bus companies are primarily the cost of renting the vehicle and the service of an attendant, if needed. 3. The process for procuring these services is documented in the Purchasing process memo. 4. We did note, however, that there are some protocols that are unique to the Transportation process. For example, the Director of Transportation is responsible for recommending the award to the Purchasing Agent. The lowest quote is selected to provide emergency transportation services which are chosen by the Director of Transportation. 5. Also, to facilitate the transportation for field trips, the Transportation department uses the BUS system which is not part of the CIMS system. 6. A designated clerk in each school has access the BUS system which is password protected. The clerk at each school will enter the Field Trips information into the system after the Field Trip is approved by the Board and the Principal of the school. 7. A designee in the Transportation Department will receive the information by accessing the BUS system and they will make transportation arrangements for the Field Trip. The designee will try to use the District's buses first. If needed they will use and outside vendor. 8. There must be evidence that the route requested is authorized by Director of Transportation and the County. 9. The process of ensuring that transportation vendors used 	<ol style="list-style-type: none"> 1. The lowest quote is selected to provide emergency transportation services which are chosen by the Director of Transportation. 2. BUS system is password protected. 3. Field Trips must be approved by Board and Principals. 4. The Transportation Department will not 	<ol style="list-style-type: none"> 1. Due to the competitiveness of vendors, some vendors will submit the same low bid amount for a proposed route. The Director of Transportation will put each vendor into a separate, sealed envelope. The Executive Assistant will then pick an envelope out at random and that vendor will be awarded the route.

Pupil Transportation		
Procedures	Key Controls	Weaknesses/Issues
<p>have the requisite certifications is the responsibility of the Purchasing Department.</p> <p>10. Twice a year the Coordinator of Transportation will run license checks on all bus drivers in the district using the NJ Department of Motor vehicles website. Director of Transportation will review all of the bus drivers and then sends the report to the County.</p> <p>11. Random spot checks of buses are administered by Bus Inspectors that work for the District. Many of these checks will result in violations. Violations could be given to vendors for tardiness and other incidents. The fines given to the vendors are documented on invoices and taken off their bills for every month an incident happens.</p> <p>12. There is no limit on how many times the can renew a vendor's contract. The cost of the bus route is reasonable as long as the cost is within the CPI.</p> <p>Bus Tickets</p> <p>1. State Regulations state that any student who lives beyond 2.0 miles from their elementary school and 2.5 miles from their High School qualifies for transportation to and from school. Jersey City, as an urban district, fulfills its responsibility to provide transportation through "yellow bus" service and through use of public transportation via the issuance of bus tickets. The cost of bus tickets to the District was approximately \$660,000 for (FY06).</p> <p>2. The parent must submit a Bus Ticket Request form. The Transportation department verifies the distance using maps. This verification is executed by the Director of Transportation.</p> <p>3. A Bus Ticket Request Form must be submitted and sent to the principal. The application must include last name, first</p>	<p>accept any bids from vendors that do not have the proper certifications.</p> <p>5. Twice a year the Director of Transportation will run a license check on all bus drivers.</p> <p>6. Random spot checks of buses are administered by bus inspectors from the District.</p> <p>1. Eligibility is verified by the district.</p> <p>2. Principal must approve the Bus Ticket Request form.</p>	

Pupil Transportation		
Procedures	Key Controls	Weaknesses/Issues
<p>name, middle initial, pupils home address, application status, address status, and grade. This form is sent to the principal of the school for verification and than forwarded to the Transportation Department.</p> <ol style="list-style-type: none"> A person from each school will collect the bus tickets for all the pupils in the school from the Transportation Department. They will sign off for the tickets when they pick them up. The passes given to students are daily tickets. Transportation Department will give a school-year supply of tickets out at once for each individual. The principal has discretion in determining how to distribute the tickets. The Transportation department does not track the use of tickets. If a child leaves the district or drops out of school, it is the principals responsibility get the pass back. If a student loses their ticket he or she must provide documentation to the principal who will forward it to the transportation office to receive a new one. <p>AID-IN-LIEU-of Transportation</p> <ol style="list-style-type: none"> Students/parents must fill out the Application for Private School Transportation form and send it to the Principal. The Principal will then forward the form to the Transportation Department for verification and rejection/approval. In order for a student to be eligible for aid-in-lieu-of transportation, the student must be enrolled in elementary school or high school and must live beyond 2 ½ miles from their high school, or beyond 2 miles for elementary pupils. There is no limit for educationally handicapped pupils. All mileage is confirmed with a map. Students will receive a letter from the Transportation Department letting them know if they have been approved or rejected. The decision is based on the distance, which is 	<ol style="list-style-type: none"> Designees responsible for picking up pupil's bus tickets must evidence receipt by signing off on a designated document. Pupils must receive written documentation from principal for lost tickets to be replaced. <ol style="list-style-type: none"> All mileage is confirmed by Director of Transportation. 	<ol style="list-style-type: none"> There is no formalized frequency regarding when bus tickets can be obtained. Some Principals will hand out all bus passes for the year to a student at once. No one from the transportation office checks up to make sure that the school is tracking the usage of the tickets. <ol style="list-style-type: none"> During our walkthrough, we noted that acceptance letters for Aid-In-Lieu are pre-signed by Director of Transportation.

Pupil Transportation		
Procedures	Key Controls	Weaknesses/Issues
<p>verified by a clerk in the Transportation Department.</p> <p>4. If approved by Transportation Department the pupil is sent a letter of approval with two invoices attached. One invoice covers the period September 06 to January 07. The second invoice covers the period February 07 to June 07. Students/parents are paid at the end of these time periods.</p> <p>5. Reimbursements will be made to parents that do not exceed \$4.59 per day or \$826 per year provided they submit the two invoices, properly completed, and the pupil remains enrolled in school.</p> <p>6. For students that attend Non-Public Schools (NPS) the Administrator of the Private School the student attends will verify pupil's enrollment. Student will only receive payment if Administrator certifies attendance at the time the invoices are submitted.</p>	<p>2. Administrator of NPS must verify student's enrollment in school.</p>	

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>Systems Used</p> <ol style="list-style-type: none"> 1. TRIPS is a system designed to track and record bus routes taken, miles driven, and number of children picked up. This system generates the DRTS (District Report of Transported Resident Students) reports that must be sent to the state each year. Four people in the Transportation Department have access to this system. This system is being replaced by Transfinder within the next couple months. 2. InfoBid is a system used for anything the District would go out for bid for as legislated by New Jersey regulations. This is the system to typically record the purchases of classroom furniture. 3. ESchoolMall is a purchasing system that is used for those supplies that schools would normally obtain quotes for. These are purchase that are smaller in value than those purchased through the InfoBid system. 4. Myschoolbuilding is an application that is used by school custodians to request work orders for their schools. This application is functionally part of the SchoolDude system. 5. Café Central is an application used in High Schools used to track the number meals served by eligibility i.e. free lunch, reduced lunch etc. The information used in this system is derived and processed in the CIMS Student Management system and a nightly update is processed to the Café Central system. Each month the Food Services Department complies a report from data stored within this application on the number of lunches served and how much was charged for each. This report is submitted to the state board for monitoring purposes. 6. SchoolDude is the work order management system. This system allows staff to submit and approve various work orders of varied amounts. This system contains several different levels of access which align to different responsibilities of the 		

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>staff who use this system.</p> <p>7. CIMS III is an integrated software application by National Computer Systems (NCS) that has Student and Financial modules which include attendance, registration, general ledger, fixed assets, accounts payable/receivable, and Payroll, Warehousing, Position Inventory, Human Resources.</p> <p>3rd Party Vendors</p> <p>1. The applications InfoBid, EschoolMall, TRIPS, Schooldude and Café Central are all housed and maintained by third party application service providers. Jersey City School has contracts in place with each of the service providers that stipulate that all changes and development be performed in a controlled manner, that the service provider perform all backup and recovery functions and that they must provide all data to Jersey City if requested. To protect the internal Jersey City environment the Technology Department has put several firewalls and passwords in place to ensure vendors or other outsiders can not infiltrate their systems.</p> <p>Access to CIMSIII System</p> <p>1. The on-boarding process for new hires as well as the transfer of employees helps to facilitate the process for granting access to the various modules in the CIMSIII system.</p> <p>2. The employee must go to the Tech Coordinator assigned to their location or department and request access using a Connectivity Request Access form.</p> <p>3. The approved form is sent to the District's Director of Technology for his review and approval. There review entails making sure the form is filled out properly, checking with the</p>	<p>1. The Connectivity Request Access form is reviewed and Signed by Director of Technology and The Educational</p>	

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>Business Administrator, and a signature of approval. Once approved, it is sent to the Educational Technology Supervisor for review. Segregation of Duties is also checked out during this time. The Information System Analyst is responsible for providing access based on a standard access profile of a typical employee at their level. This is documented in a matrix. Employees are only given access to the areas specified in their request form. The Technology Department in conjunction with the business owners review the user access roles and members within, on a yearly basis.</p> <p>4. It is possible to request additional access rights or when a user changes profile; however this must be reviewed and approved by the head of department the individual works for.</p> <p>5. The employee is then given a username and password, which is system forced to be changed upon first use. As the permissions of users is maintained on a group basis, the user will only have access to the functions that have been assigned to the role they are enrolled in.</p> <p>7. Passwords are forced by the system to be a minimum of five characters in length and must be changed yearly in line with the school year. The CIMS system will not allow you to use the same password as used previously.</p> <p>8. Employees are never deleted from the CIMS system. Terminated users accounts are disabled to allow the system to retain an audit trail of the users access.</p> <p>System Audits</p> <p>1 The system will automatically lock out anyone that tries to</p>	<p>Technology Director.</p> <p>2. Connectivity Reports are kept at the District.</p> <p>3. Reviews of user access are done on a yearly basis.</p> <p>4. To receive additional access rights employees must receive written documentation form their Department Head/Supervisor.</p> <p>5. Each employee granted access to the system is granted a username and password.</p> <p>6. The system forces staff members to change their password the first time they use the system.</p> <p>7. CIMS system will not allow you to use the same password as used previously.</p> <p>1. System will automatically lock accounts</p>	

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>access the CIMSII system more than three times with a wrong username/password. The account is reactivated upon verification of identity with the staff in the Technology Department.</p> <p>2. A report, called the Audit Logged Report, is reviewed each week by the Technology Department to identify how often and at what times staff members are logging into the network. Any discernable trends are brought to the attention of the Director of Technology.</p> <p>3. The 400 Journal System which is part of the CIMS system, keeps tracks of who is accessing the system and what parts of the system they are accessing.</p> <p>System Upgrades/Program Changes</p> <p>1. AS400 i-series system upgrades are the responsibility of the Technology Department. A decision has been made by the Technology Department to take a conservative approach with respect the applying upgrades in this environment and as such they wait for a few weeks after the release of an upgrade so that the upgrade bugs may be identified and a more stable update may be released. Upgrades typically take place on the weekend or late at night when system activity is at a minimum.</p> <p>2. Any changes made to the data structures within the CIMS system must first get approval from the systems owner, i.e. accounting, purchasing, etc.</p> <p>3. For an employee to obtain data from the CIMS system, an Educational Technology Department Programming Request Form must be filled out and sent to the owner of the data, i.e.</p>	<p>if a user enters a wrong password three times.</p> <p>2. User accounts are only reactivated if an employee contacts Technology Department.</p> <p>3. The log of user entry is reviewed on a weekly basis.</p> <p>4. The 400 Journal System generates daily reports containing who has accessed the system and what actions took place.</p> <p>1. Employees requesting data must fill out an Educational Technology Department Programming Request form and have it</p>	

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>Payroll, Human Resources, etc. Once the owner of the data reviews the form who is usually the Department Head, they will send it to the Technology Department who will run a query for the requested data. The query is then sent back to the owner of the data to verify that correct information has been obtained and they will forward it to the person requesting the data.</p> <p>Software Licensing</p> <ol style="list-style-type: none"> 1. The majority of the software used at Jersey City is not done on a per user basis. Most of these are yearly contracts for an unspecified number of users. The exception to this is personal computer applications such as Microsoft Office and Adobe products. These are bought on an as needs basis. 2. All employees are advised in the acceptable computer use policy that they are not to install unauthorized software on their computers. 3. The District has a system called ZENworks that can run a check on all computers connected to their systems for unauthorized programs. 4. If unlicensed materials are found, the technology Coordinator at the school level will delete the software application and the staff member will be reminded that this activity is against the usage policy and that further infractions will result in the loss of computer access. 5. Technology professionals are prohibited from providing tech support to unlicensed software, once identified it is deleted and that they are told they are in violation of the SOP. 	<p>verified by owner of data.</p> <ol style="list-style-type: none"> 2. All data requests must be approved by the owner of the data before the data is mined. <ol style="list-style-type: none"> 1. IT has the ability to monitor the prevalence of unauthorized software if needed. 	

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>Disaster Recovery Plan – Methodology</p> <p>1. A team, composed of representatives from the district’s business departments responsible for the conduct of core business processes, was convened for the purpose of formulated a Disaster Recovery Plan for the district. The team analyzed the core business processes and supporting infrastructure to identify risks or threats to providing uninterrupted service to the district’s schools and students. This analysis resulted in the development of contingency plans for each of these key business functions to be implemented in the event of a disaster.</p> <p>Disaster Recovery Plan – Business Continuity Strategy</p> <p>1. The District has analyzed its core business processes to identify the risks or threats to providing uninterrupted service, and has devised plans to be activated should a failure occur. The risks and threats along with contingency planning measures are presented in section 4 of the Disaster Recovery Plan.</p> <p>Disaster Recovery Plan – Roles and Responsibilities</p> <p>1. The District’s Technology Director and Disaster-Recovery Committee have developed contingency plans for continuing the District’s business operations in the event of a disruption-related declared disaster. This team developed the Disaster Recovery Plan by identifying and defining the risks and threats within each core business process and designating the component(s) responsible for dealing with the contingency. It developed risk mitigation strategies and milestones and developed plans for return to normal operations.</p>	<p>1. The Disaster recovery plan has been developed with the stakeholders and has the support of the stakeholders.</p>	

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>Disaster Recovery Plan for Accounts Payable</p> <ol style="list-style-type: none"> 1. Processing APCK Payments; If Invoice Batch Accrual cannot be processed due to technological problems than payments to vendors would be suspended. 2. Processing MANCK Payments; processing invoices for payment to vendors does not take place due to failure of needed technology than payments to vendors would be suspended. If a specific check was needed, special permission would be needed to run off a manual check. 3. Maintain Fixed Assets Inventory; the fixed Assets System does not function because technology needed is unavailable. The inventory Tag Supplier cannot ship products. Information cannot be recorded due to lack of resources at C.O. and/or remote locations. Must depend on manual files and reports prior to system failure. Must manually track all purchases exceeding \$2000.00 that have not been charged to the equipment account. 4. Cash Receipts/Bank Deposit, Cannot enter cash receipts into system or make bank deposits due to failure of technology. Implement a manual process to log checks. 5. Account Reconciliation /Tuition, Cannot update reconciliation, or run reports. Implement a manual reconciliation process. 6. Bank Reconciliation, The finance department cannot do bank reconciliation through the automated bank reconciliation system due to technological problems. School should manually reconcile with bank. 7. Cash Management, The finance office cannot do cash flow projections, invest monies to outside banks, redeem funds, or track interest earned from investments due to technological problems. School should manually track all 		

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>fund transfers and redemptions.</p> <p>Disaster Recovery Plan – Contingency Plan Management</p> <p>1. The team initially developed the Disaster Recovery Plan comprises staff-level representation from each department component having responsibility for the District's core business processes. The team originally held weekly status meetings to discuss overall progress in developing and testing local plans; resolving issues that crosscut department plans; and discussing problems and solutions regarding department plans that are of interest to the team as a whole.</p> <p>Disaster Recovery Plan – Plan Updates and Testing</p> <p>1. The Disaster Recovery Plan is updated annually.</p> <p>2. The District only tests certain components of the IT infrastructure during the yearly testing rather than attempting to restore the who system in the one test.</p> <p>Power Outages</p> <p>1. If power outage occurs for less than four hours than once the power is turned back on all systems will automatically turn back on. If power is out for more than four hours than someone will have to physically come to the schools and IPL the systems.</p>	<p>1. The annual revisions reflect plan changes that have occurred as a result of changes in status of mitigation efforts, review of individual plans, and needed adjustments stemming from contingency plan testing.</p>	<p>1. The Disaster Recovery Plan does not contain a prioritized listing of the order in which the systems should be restored.</p> <p>2. Due to monetary constraints Jersey City cannot perform a complete test of their IT disaster recovery procedures each year and can only test certain components each year.</p>

Technology		
Procedures	Key Controls	Weaknesses/Issues
<p>Virus Protection/Web Blocks</p> <ol style="list-style-type: none"> 1. Virus protection is done automatically through an automatic live update. This automatic update is checked on a weekly basis to ensure that the updates have been successful. There have not been any problems with this in the past. 2. The District uses a system called Websense that is updated daily and will block any unauthorized websites on the internet. 3. GWGuardian is used by the District to block spam into the District and filter the content of inbound and outbound emails and their attachments. Each email is filtered for inappropriate material along with viruses. <p>Training</p> <ol style="list-style-type: none"> 1. Training can be executed via seminars or using online methods such as online videos, PDF files, hands on training, PowerPoint presentations and web casts. If a substantial number of employees needed to be trained, the technologies in-house group called ETTC would be used to facilitate the training. However, a person can also contact ETTC and take outside classes if they would like to master a certain software or program. 	<ol style="list-style-type: none"> 1. Technology Department can check computers connected to the server to see if they have the latest updates. If they find a computer that is not properly updated the computers owner is contacted and the updates will be downloaded. 2. District uses Websense to block restriction to unauthorized websites. 3. GWGuardian is used to block spam email and scan attachments in emails for viruses. 	

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>Fixed Assets</p> <ol style="list-style-type: none"> 1. The schools are given a fixed asset manual which explains all the procedures to follow for the acquisition, recording, maintenance, disposal and transfer of fixed assets. 2. There is a separate module within CIMSIII system to record fixed assets. This module is tied up to depreciation to account for construction, land, and improvements. Assets with unit cost of \$2,000 or more are also depreciated based on State requirements. 3. All fixed assets are sorted quarterly by function and by categories according to GASB34 financial reporting requirements. 4. Schools Fixed Asset Designees have access to the Fixed Asset Module of the CIMSIII system. They are given usernames and passwords. Designees are only allowed to view assets for their school site. 5. Designees only have access to input or transfer assets within the fixed asset module (in coordination with the Maintenance Department). Designees are not allowed to add, delete or adjust assets without written proof and explanation. The District has access to all sites. 6. The Designee is responsible for entering the asset information into the CIMSIII system: type, serial, location, building, room, model, quantity. 7. The District (Purchasing Department and Accounts Payable) verifies that the information entered into the system by the school Designee is correct. 8. The schools Fixed Assets Designees conduct inventory annually on all fixed assets. The District distributes master copies of the inventory and the Designees must validate information. 	<ol style="list-style-type: none"> 1. System access is restricted to authorized personnel 2. Additions, deletions and adjustments to fixed asset records need to have supported documentation. 3. The Purchasing and Accounts Payable departments compare their records to the fixed assets logs to determine whether the fixed assets are properly recorded, documented and authorized. 	<ol style="list-style-type: none"> 1. There is a lack of segregation of duties between the designee responsible for maintaining the fixed asset items and the individual performing the annual inventory count. Spot inventory checks

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>9. Designees will annotate changes, sign and dates in the Fixed Asset Module of CIMSIII system. Results are reported to the District. All deletions and retirements must be submitted to the District with supporting documentation and notes on the Fixed Assets Inventory Report.</p> <p>10. Retiring codes are used for fixed assets that are obsolete, unserviceable or missing and are recorded in the Fixed Asset Module of CIMSIII. Only the District can apply the retire codes to the fixed assets. No records can be retired without Board approval/posting.</p> <p>11. The consultant conducts a reconciliation of fixed assets 3 to 4 times a year to ensure all fixed assets have been accounted for (by reviewing purchase orders and invoices). The consultant reconciles the Fixed Assets Inventory Report by fund and by code with purchase orders. If transactions do not reconcile an investigation is conducted.</p> <p>12. Reconciliations are documented to not only support what is purchased and recorded or not recorded properly but to correct purchasing errors in use of object codes related to Fixed Assets.</p> <p>Athletic Supplies</p> <p>1. Two years ago, the District implemented the Jersey City Athletic system to control the athletics' ordering process. The Jersey City Athletic System is an Access database. The system is maintained by each school's Director of Athletics. The District has access to the entire system but each school has only access to their own inventory. The Jersey City Athletic System is not linked to the CIMSIII system. Prices of items are not on the system yet.</p> <p>2. Prior to having the Jersey City Athletic System, athletic supplies were counted manually. The school's Director of</p>	<p>4. Retired assets must be approved by the District</p> <p>5. Inventory is tracked at each site and independently reviewed for accuracy and compliance with basic requirements. Audits are conducted and discrepancies are explained.</p> <p>1. Access to the Athletic system is maintained and monitor by school personnel.</p>	<p>should also be conducted on a regular basis by independent personnel.</p> <p>1. The District relies on the schools to maintain the Athletic system. The District Athletic Supervisor and Deputy Superintendent should have a more formal review and active role on supervising the Athletic system.</p>

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>Athletic manually counted the supplies and submitted the list to the Athletic Supervisor, who then submitted it to the Deputy Superintendent.</p> <p>3. Only high schools have Athletic Supplies Departments. The District has 5 High Schools and each school has a Director of Athletics. The Director of Athletics reports to the Athletics Supervisor, who reports to the Deputy Superintendent.</p> <p>4. Each Athletic Department is given a budget for athletic equipment. All of the buying is done through the Purchasing Department.</p> <p>5. Athletics supplies are ordered 3 times a year (winter, fall, summer) using the InfoBid system. Items costing \$2000 and above are considered fixed assets.</p> <p>6. Athletic supplies are categorized in two ways: Consumable (T-shirts, socks, undergarment, unreturnable items) and Non-consumable (gear that is received by the coach and students need to return).</p> <p>7. Athletic Directors complete the athletic orders prior to opening season (spring, fall and summer) using athletic booklets distributed by the District. Athletic requests are then submitted to the Athletic Supervisor for his review. He reviews and signs the booklets.</p> <p>8. The Athletic Supervisor sends the signed booklets to the District's Administrative Analyst. The Analyst reviews the booklets and verifies that there is sufficient funding in the budget, before submitting them to the Deputy Superintendent for approval.</p> <p>9. Consumable athletic supplies (gloves, shoes, helmets, etc.) have a 5 year plan for replacement. After replacement, supplies are passed along to middle schools.</p> <p>10. Consumable athletic supplies are reconditioned at the end of</p>	<p>2. Schools must order all athletic supplies through the District.</p> <p>3. Athletic supplies are properly approved.</p> <p>4. Athletic supplies that are not servable are properly disposed.</p>	

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>each season. Through the bidding process, the District hires a company to do the reconditioning. The company determines if the items are servable or not and submits a report to the Athletic Supervisor. This company is only used for reconditioning supplies and for buying supplies.</p> <p>11. Physical inventory of athletic supplies is done by each school Director of Athletics once a year (February/May) and also at the time of purchasing. The Athletic Director is required to report any issues (damage goods, missing, etc) to the Superintendent.</p> <p>12. The District's Consultant assists with inventory by doing spot checks on the system and by comparing the invoices to the POs in the CIMSIII system. The Consultant works closely with the Supervisors of Athletics.</p> <p>13. The Purchasing Agent does the bidding process, verifies vendors and with the assistance of the Athletic Director approves the bid.</p> <p>14. The Executive Controller (the Budget Director in the absence of the Controller) and the Purchase Agent sign off on the bid. Upon approval, an action form is created and submitted to the Business Administrator and the Board for final review and approval.</p> <p>15. Once it is approved, a P.O. is created. The schools get a copy of the approved P.O. The schools record on-line what they received from the vendor.</p> <p>16. The CIMSIII system matches the P.O. to quantities received and issues a check to pay the vendor. The schools also are required to record the supplies they received from the vendor, in their Jersey City Athletic System.</p> <p>17. The Athletic Supervisor can review the inventory levels of each school, at anytime.</p>	<p>5. To safeguard athletic supplies, inventory is done yearly.</p> <p>6. Spot checks on inventory of athletic supplies are done by independent personnel.</p> <p>7. Purchase orders are properly approved and entered in the system.</p> <p>8. Quantities of goods received are automatically matched with the quantity ordered.</p> <p>9. Quantities of goods received can be independently verified.</p>	<p>2. There appears to be a segregation of duties issue between the individual initiating the ordering of athletic equipment and the person conducting the annual inventory.</p>

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>Janitorial Supplies</p> <ol style="list-style-type: none"> 1. There are approximately 40 schools in the District that request janitorial supplies. 2. Since 2003-2004, janitorial supplies are recorded in the CIMSIII system and are maintained by the District. Head Custodians at each site have access to the system and can submit orders on-line. POs are then created by the District using the InfoBid system. 3. The District conducts annual bids between February and March. The Facilities Director gets booklets of the supplies available. 4. The Purchasing Agent evaluates and processes the bids according to the Purchasing guidelines. Once bids are selected, they are submitted to the Executive Controller (Budget Director in the absence of the Controller) and the Business Administrator for their review and approval. 5. Once approved, the bids go to the Superintendent, the legal department and the board for final comments. 6. Designated school personnel, have access to the Warehouse Module of CIMSIII. Using the school location code, the system (Warehouse module of CIMSIII) automatically completes the school's name, address, date, name of person entering the request and assigns a requisition number. 7. School personnel then add quantities and stock item numbers. They can also make changes to requisitions prior to be delivered. 8. The District Warehouse Manager receives the on-line requests, reviews them, and picklists are generated. 9. The Delivery workers pick, load, and ship the supplies to the appropriate building site. 	<ol style="list-style-type: none"> 1. Purchase orders including supplier description, quantity and price are properly approved. 2. Access to the Warehousing module of CIMSIII system is appropriately restricted. 	

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>10. School personnel (Custodians) receive the shipment, check the shipment and signoff on the shipping list.</p> <p>11. Shipment list is kept by the schools and the District (original).</p> <p>12. The Warehouse module of the CIMSIII system recognizes the POs according to location codes and automatically route them to the appropriate department i.e. location where item is stored in the warehouse. As of 2006, the information in InfoBid is automatically loaded into the CIMSIII system. Prior to 2006, the Facilities Department's clerk entered the quantities received manually into the CIMSIII (warehouse module) system.</p> <p>13. Any over receipts, are captured by the system and produce an error. POs must have all the required information (location code, quantities, etc.) in order to be processed.</p> <p>14. To safeguard access, the District has floor alarms where the janitorial supplies are kept and only the store keepers have access to these areas.</p> <p>15. Stock adjustments with an explanation are made in the warehouse module of the CIMSIII system for damage or spoiled products.</p> <p>16. In 2005, a physical inventory was implemented to validate what was in the CIMSIII system. Bar codes were used to account for supplies.</p> <p>17. Once a year, usually during a weekend, a physical count of the inventory is done. Two teams are formed, comprised of about 3 to 4 people each, to do the count using scanners and palm pilots. After the two teams have counted the entire inventory, their numbers are compared. If there are any discrepancies between count numbers, a 3rd team will be formed using different people and another count will be conducted. This is done to ensure that inventory counts in</p>	<p>3. School personnel verify and sign off on the quantity of items received.</p> <p>4. To safeguard inventory, access to the warehouse is restricted to authorized personnel.</p> <p>5. Reconciliation of physical counts to actual inventory is performed by the District to ensure variances are reviewed and followed up on a timely basis.</p>	

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>the system match the physical count in the warehouse.</p> <p>18. The consultant does spot check inventory on the system regularly. The Consultant uses the Transaction Activity Report and match items to the POs to conduct inventory. Occasionally, the Consultant gives the Principal Store Keeper a couple of inventory items to check out and manually count to ensure the numbers match back to what is in the system.</p> <p>19. Schools are not required to do inventory of janitorial supplies.</p> <p>Food Supplies</p> <p>1. School Food Services are required to conform to the School Breakfast/Lunch Program mandated by the Federal government. Food inventory is funded by the Federal School Food Nutrition program.</p> <p>2. The District distributes approximately 22,000 lunches, 6,000 breakfast and 3,000 snacks daily. Students can get free, reduced or paid meals (breakfast, lunch and snacks).</p> <p>3. The District collects money from approximately 20 schools for students' meals. The District distributes free meals to approximately 25 schools.</p> <p>4. The Cafeteria Operations department has a warehouse where commodities food supplies are stored in 2 freezers. Supplies (commodities) are delivered to the warehouse two or three times a month. Since January 1, 2004, the District developed new delivery procedures for federal government food supplies to stagger items purchased in order to control their inventory.</p> <p>5. Vendors for non-commodities food supplies (milk, fresh</p>	<p>6. The Inventory consultant performs spot checks on inventory are conducted regularly.</p>	<p>1. Schools should be required to conduct janitorial supplies inventory to avoid oversight and over ordering of products.</p>

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>products, beverages, etc.) go through the bidding process and supply food to schools on a regular basis.</p> <p>6. School menus are generated from supplies available in the freezers. Menus are changed, when the District receives a memo from the State government informing them that a new product is going to be delivered.</p> <p>7. In high schools, the students use their ID cards to receive meals. The students swipe their ID cards and their personal information is transmitted to the cash register. However, no one in the cafeteria verifies that the person swiping the card is the person in the picture.</p> <p>8. When students swipe their ID cards, the cash registers transmit the students' information to the CIMSIII system. Every night, the District's clerk manually downloads the information from the CIMSIII system into the Café Central system (only for high school students). The CIMSII system is not associated to the Café Central system.</p> <p>9. Café Central system is used to report and keep track of the number of daily meals served in each school cafeteria.</p> <p>10. At the beginning of the year, Principals submit the approved students' applications for meals to the Food Services department. The Department verifies students eligibility and updates information in the CIMSIII system.</p> <p>11. Schools' Principals send new applications to the District, when students' status change and when new meal-eligible applicants enroll in the classrooms.</p> <p>12. The Food Services department updates students' eligibility status daily and sends updates to the schools' Principals.</p> <p>13. The Café Central system is the tool used to maintain high school students' meal eligibility status. It is also used by the District to communicate students' meal eligibility status daily</p>	<ol style="list-style-type: none"> 1. ID card is required to receive meals. 2. High school students' meal information is electronically transmitted in the CIMSIII system. 3. School Principals receive updates on students' meal eligibility status. 	

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>to High School Principals. Principals have read only access to Café Central system.</p> <p>14. Every two weeks, elementary schools Principals receive from the District, an updated print out of students eligible for meals. Elementary schools are not hard coded in the Café Central system, therefore, print outs are used to communicate with the schools. However, Principals can view the CIMSIII system to obtain students' meal eligibility status.</p> <p>15. Meal cards (without a picture) are used to receive meals for elementary schools students. These cards are distributed by the Food Services department and send to all elementary school Principals.</p> <p>16. Meal cards have each student's name and a number that identifies whether the meal is free, reduced or paid.</p> <p>17. The teachers distribute the cards every day to the students and collect them again from the cafeteria personnel in the evening. This is to prevent students from losing them.</p> <p>18. Cafeteria personnel collect the cards from the students, everyday at the registers. They count the number of meals served and determine how many meals were free, reduced and paid. The cashiers and the Cafeteria Manager count how much money was received for the day and review the cash register receipts.</p> <p>19. The Cafeteria Managers make the bank deposits daily (bank access is only for depositing). All bank deposits must be made within 48 hours. All the numbers must reconcile at the end of the day.</p> <p>20. Every week the school cafeteria manager must submit to the District records and receipts (including cash deposited at the bank) of all the meals distributed during the week.</p> <p>21. When computers are down or the registers do not work,</p>	<p>4. Proper meal records and cash reconciliation are maintained by schools.</p> <p>5. Schools food records are maintained by the District.</p>	

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>cafeteria personnel must contact the District immediately to get the registers repaired. In those instances, money is collected and manually tallied by cafeteria personnel.</p> <p>22. On a weekly basis, the Cafeteria Manager of each elementary school calls the District's Supervisor of Food Services to place the food order for the week. Cafeteria Managers do not have computers, so the orders are placed by telephone.</p> <p>23. Cafeteria Managers keep their own written records of food requests on the same order sheet form used by the District. At the end of each week that order sheet is sent to the District along with receipts and the bank deposit slips.</p> <p>24. Once the Food Services Clerk receives the weekly order sheets, receipts and bank deposit slips from the schools, she reconciles the school records with her own records to ensure they match.</p> <p>25. Using the Order Form giving by the Purchasing department, the Food Services Clerk chooses vendors and items to place orders of non-commodity items (milk, fruits, etc). The Order Form is the master list of approved vendors and items available from those vendors. However the form does not have prices. The Food Service Clerk has hand written prices next to each item (used to match prices against invoices).</p> <p>26. The District's Supervisor of Food Services inputs the food requests in the CIMSIII system and creates a requisition. This task allows them to keep inventory of food supply as well as decreases the food service warehouse quantity.</p> <p>27. The District's Supervisor of Food Services creates food requests and submits them to the Deputy of Food Services for approval. Once approved, the requisitions are faxed the suppliers (companies).</p> <p>28. Suppliers deliver the food to the schools. The invoices are</p>	<p>6. All food requests are managed by the District.</p> <p>7. School food records are reconciled with District's food records weekly by Food Services Clerk.</p> <p>8. Food requisitions are manually entered into the CIMSIII system by District personnel.</p> <p>9. Food requests are properly approved by the Deputy of Food Services.</p>	<p>1. Schools food orders should be placed electronically to avoid erroneous counts.</p> <p>2. Cafeteria Managers could be allowed to place their food requests in the system to avoid mistakes. The District should only be verifying and approving the requests.</p> <p>3. Some invoices are signed in pencil. All invoices should be signed in pen.</p>

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>reviewed and signed by school cafeteria personnel. The signed food requests, invoices and receipts are sent by the cafeteria personnel to the District's Supervisor of Food Services weekly.</p> <p>29. The District clerk reviews the invoices and the delivery tickets to ensure supplies requested match receipts. Receipts are reviewed before suppliers are paid.</p> <p>30. Food inventory is done by hand and manually entered into the CIMSIII system (warehouse module). The receipt of food items is entered manually into the food service warehouse system by district level personnel.</p> <p>31. Schools are required to do monthly physical inventory of food supplies and submit their inventory records to the District. The District does spot checks on their inventory on a regular basis.</p> <p>32. The District does a physical inventory and a perpetual inventory (once a year). Physical inventory is done twice a month by the delivery workers and the Food Services Secretary. However, spot checks on supplies are done often by the Cafeteria Operations department and the District's Consultant.</p> <p>33. Spot checks are also done once a year by the State government. They review school and warehouse inventories. Then, they do a physical count and compare. Their review is on file with the District.</p> <p>34. The government also does Nutritional analysis to ensure that students are given the right food portions.</p> <p>35. To safeguard access the warehouse freezers are alarmed and only the delivery workers, the Secretary and the Cafeteria Manager have access to them. Everyone has to go to security before access is granted.</p>	<p>10. Cafeteria personnel review deliveries to ensure invoices are correct.</p> <p>11. District reviews invoices to ensure food quantities delivered match invoices before suppliers are paid.</p> <p>12. Inventory of food supplies is kept and recorded in the CIMSIII system.</p> <p>13. Physical inventory of food supplies is conducted by the schools and records are kept by the District.</p> <p>14. To safeguard inventory, access to the warehouse is restricted to authorized personnel.</p> <p>15. Damaged goods and discrepancies are annotated, explained and properly</p>	<p>4. There appears to be a segregation of duties issue between laborers performing deliveries and personnel involved in the inventory counts.</p>

Inventory		
Procedures	Key Controls	Weaknesses/Issues
<p>and the District's Associate Superintendent.</p> <p>7. The District sends notices everyday to the Principals regarding the textbooks that should be used, so teachers can remain current with their materials that are supposed to be used. Teachers are required to write plans, objectives and to record the textbooks used and submit that information to the Principals.</p> <p>8. Each school keeps its own inventory (each book has a number). The District does not keep inventory of schools' textbooks because funds for textbooks come from each school's approved budget. The item is considered expensed once delivered to the school.</p> <p>9. In the last 2 years, the State requires that schools report their inventory. Textbooks that need to be disposed must be reported to the State. The Associate Superintendent and the Principals develop the textbook inventory lists and verify them, prior to reporting them to the State.</p> <p>10. In prior years, schools conducted auctions for textbooks that needed to be disposed at parents' meetings. No more than \$100 was collected at each auction and the monies went to the District.</p>	<p>3. Textbooks that need to be disposed are reported to the State.</p>	

Student Activities		
Procedures	Key Controls	Weaknesses/Issues
<p>General</p> <p>The following was summarized from Jersey City Public School's Standard Operating and Procedures manual.</p> <ol style="list-style-type: none"> All student Activity funds must be authorized by the Board of Education. Activities must also be approved by the school principal. The Treasurer is notified of the new student activity usually when a voucher is submitted for payment of the activity. Per the BA, this does not occur often. No new activities have been created in recent years. The District's Principals and/or Assistant Principals are also notified. If an activity fund is not properly handled in accordance with District Policy, the Principal are first given a warning letter. If the problem(s) are not remedied when the District follows up, the school bank account is suspended for 3 months. Since the petty cash account and the student activities are maintained in the same bank account, Principals will only lose access to their petty cash funds. If after the second violation, problem(s) are not fixed, funds will be taken away. Dissemination: All Principals, Vice-Principals, Assistant Principals, Building Administrators, Associate Superintendents, Directors, Department Heads. The Principal/Building Administrator shall distribute a copy of this SOP to each parent organization associated with the school. <p>Types of Funds</p> <ol style="list-style-type: none"> Regarding clubs and organizations, a policy statement should be on file at the schools which documents, purpose of club, structure, etc. <ol style="list-style-type: none"> Expenditures should be approved by the appropriate 	<ol style="list-style-type: none"> Activity Funds must be authorized by Board of Education and the Principal. The District monitors the use of funds and imposes penalties for non-compliance. 	<ol style="list-style-type: none"> The District needs to update student activity funds SOP for both Elementary and High Schools.
	<ol style="list-style-type: none"> Treasurer/Principal will sign off on 	

Student Activities		
Procedures	Key Controls	Weaknesses/Issues
<p>student activity group. This is evidenced by signatures of the Treasurer/Principal on a voucher. Another check is done by the Accounting department during their mid year review of student activity funds.</p> <p>b. Student activity money shall be expended in a manner that benefits those pupils who have contributed to the accumulation of money as well as the student body as a whole.</p> <p>c. Student Activity funds shall not be used for any purpose that represents an accommodation, loan or credit to Board Of Education employees or other persons. Post dated checks may not be accepted and checks may not be cashed for anyone. Mid Year Reviews and Year End Reviews conducted by the Accounting Department will verify this is not going on.</p> <p>d. Board of Education employees or others may not make purchases through a student body in order to take personal advantage of student body purchasing privilege.</p> <p>e. Fund balances shall not exceed certain limits. Elementary School, balances shall not exceed \$5,000 .00. High School balances shall not exceed \$35,000.00. During mid year reviews if an activity is found with a balance of over \$5,000, the Faculty Advisor responsible will be notified. The accounting department will monitor the funds closely if over threshold.</p> <p>f. No student body organization shall be obligated for purchases made by students, faculty and other unless authorized by the Principal.</p> <p>g. Prior to the performance of any financial transaction by an authorized student activity, a projected budget must</p>	<p>expenditures and Accounting Department will review all expenditures.</p> <p>2. Accounting Department performs a mid-year review to determine whether funds are being used appropriately.</p> <p>3. Mid year reviews will make sure that school activities are under certain thresholds.</p> <p>4. Funds exceeding thresholds are monitored closely by the District.</p> <p>5. Principal will verify projected budgets for</p>	<p>1. There is a formal process in place to inform schools when they are over threshold amounts, however the current the Process is not being formally enforced.</p> <p>2. During our walkthrough, Principals do not have to</p>

Student Activities		
Procedures	Key Controls	Weaknesses/Issues
<p>be submitted and approved for the current school year. Principals will verify this budget.</p> <p>h. Such budget and subsequent changes must be filed with the Principal. The budget must be filed no later than September 30th, each school year.</p> <p>i. All sources of revenue must be approved and shall be included in the student activity group's current year budget. Receipts must be deposited by the School Treasurer, timely; usually within 48 hours.</p> <p>j. A system of internal controls should be implemented in order to safeguard the monies of the student activity funds.</p> <p>2. Regarding athletic teams and other organizations, the following summarizes the protocols for establishing such a fund:</p> <p>k. The Board has authorized those student activity programs it wishes to be operational. This is done once a year in April.</p> <p>l. All expenditures must be in accordance with budget. The budget is established by the Faculty Advisor this is monitored by the Accounting Department.</p> <p>m. A system of internal controls should be implemented in order to safeguard the monies of the student activity funds. Funds must be budgeted and accounted for.</p> <p>n. High School Only, The athletic director may hire employees for safety purposes as may be required, however, proper Standard operating Procedures must be adhered to.</p>	<p>student activities.</p> <p>6. Board approves student activity funds for athletic teams and other organizations.</p> <p>7. Accounting Department verifies that all expenditures are in accordance with deposits.</p> <p>8. Funds must be budgeted and accounted for.</p>	<p>verify budgets. In most cases many student activities besides athletics do not even have budgets. Update SOP to reflect.</p>

Student Activities		
Procedures	Key Controls	Weaknesses/Issues
<p>Cash Receipts</p> <ol style="list-style-type: none"> 1. General: Receipts derived from any source, such as admissions, membership dues, sales and campaigns, donations, etc, should be substantiated by pre-numbered student activity group receipts, cash registers supplying cumulative reading, pre-numbered tickets or other auditable, checkable records. 2. All fund-raising activities which take place at a school must receive the prior approval for the Principal or Administrator of the school. 3. All funds raised by a school or a student organization, student class, or student group must be deposited promptly in the particular student activities account by the person in charge of the particular activity. 4. A Parent Council, PTA, or other organization engaging school students in fund-raising activities shall be responsible for the funds collected, including the accounting and safekeeping of the funds. The Parent Council, PTA, or other organization shall include notice, at the time it seeks approval to conduct the fund-raising activity, of the person in the organization who will be in charge of the funds. 5. All Principals/Building Administrators are responsible for maintenance of records relating to student fund raising activities at their schools. 6. In all cases where tickets are used, ticket reports and unsold tickets must be available for audit. 7. A Pre-numbered "Receipt for Money" form for dues payments is used. A copy of this form is kept as part of the dues receipt books. 8. All monies collected must be given to the Principal/Treasurer, who will issue a pre-numbered receipt. 	<ol style="list-style-type: none"> 1. Membership dues, donations, etc should be substantiated by pre-numbered student activity group receipts. 2. Fund-raising activities must receive approval from Principal/Administrator. 3. Any organization shall include notice at the time it seeks approval of who will be in charge of funds. 4. Principals/Building Administrator are responsible for maintenance of records relating to student fund raising activities. 5. Ticket reports and unsold tickets must be available for audit. 6. Pre-numbered "receipt for money" should be used for dues payments. 7. Principal/treasurer must be given all monies and they will issue a pre- 	

Student Activities		
Procedures	Key Controls	Weaknesses/Issues
<p>The Principal/Treasurer is to maintain a copy of the receipts and supporting documentation. Note: All checks should be endorsed "For Deposit only" immediately upon receipt.</p> <p>9. Bank Deposits: Only one numbered receipt, as described above, is to be covered by each deposit prepared by the Principal when funds are actually deposited in the bank.</p> <p>Monies received must be deposited promptly (daily if feasible, but no later than 48 hours) in the bank designated by the Board of Education. Upon written request, Board of Education drivers will pick up receipts and deposits them for the school.</p> <p>Receipts of funds after normal school hours or on weekends must be placed in a secure area.</p> <p>10. Recording the Receipt: Principal or Treasurer must record the receipt in each individual ledger indicating: date, receipt number, explanation of receipt, the resulting balance of the individual activity, and composition of check.</p> <p>Use of Funds</p> <p>1. Principal should issue a check and cancel invoice by indicating check# and date. Invoice number, if any, should be listed on the check.</p> <p>2. All documents are to be attached and centrally maintained by the Principal for audit.</p> <p>3. Records of receipts and expenditures kept by the Principal must be in sufficient detail to determine the results of each project undertaken by the activity.</p> <p>4. Accounting system must insure prompt and careful examination and review of both receipt and payment. Two signatures required on all checks.</p> <p>5. Financial Statements: Immediately after each project within</p>	<p>numbered receipt.</p> <p>8. Monies received must be deposited promptly in a bank designated by the Board.</p> <p>9. Receipts of funds after normal school hours or on weekends must be placed in a secure area.</p> <p>1. Two signatures are required on all checks.</p> <p>2. After each activity, the faculty advisor in charge must prepare a detailed report showing, receipts, sales, spoilage, etc.</p> <p>3. Bank reconciliations are performed</p>	

Student Activities		
Procedures	Key Controls	Weaknesses/Issues
<p>each activity is completed, the student faculty advisor in charge must prepare and retain a detailed summary report for reference verifying the receipt of funds deposited against the project showing receipt number, and in the case of sales and/or distribution, units remaining, spoilage, and units available for each sale must be in with a subsidiary report showing the amount assigned and sold by each student.</p> <p>6. Audits: At the end of each month, the Principal/Treasurer is responsible for preparing the bank reconciliation.</p> <p>7. Quarterly, bank reconciliations are to be submitted to the State Business Administrator. Also, accountants from the District office perform an audit on all Student Activity Fund accounts as part of the District-wide annual report.</p> <p>8. The Districts Accounting Department will compare the details of third-party documents such as bank statements to receipts and disbursements documentation maintained by the school for consistency.</p> <p>9. The District Accountants will also review the details of expenditures incurred on behalf of the activity (i.e. receipts, etc.) for reasonableness.</p>	<p>monthly.</p> <p>4. District Accountants will perform an annual audit on Student Activity funds.</p>	<p>1. Per the Business Office manual the review of student activity accounts is supposed to be performed quarterly. However per discussion with the District, this is done mid-year and year end review. The Accounting Department should be doing a quarterly review of student activity funds.</p>

Risk Management		
Procedures	Key Controls	Weaknesses/Issues
<p>coverage provided by New Jersey School Board Association Insurance Group (NJBAIG) the association proposals are much more competitive and comprehensive.</p> <p>5. Excess Worker Compensation Insurance in the amount of \$175,400.00 for the 2006-2007 school years was awarded to Polaris Galaxy Insurance Co.</p> <p>6. The District has hired a consultant to help facilitate the identification of cost effective Insurance programs. The consultant is paid a fixed amount of \$31,000 per year.</p> <p>7. The Insurance Consultant's duties consist of but are not limited to: Periodically evaluate the District's operations to determine if there are any major uninsured exposures to the financial loss which should be insured; establish specifications for coverage, services, etc; and obtain quotations and evaluate such quotations wherever this approach to insurance marketing is deemed to be desirable; review all of RFPs that go out to bid concerning insurance needs; monitor the loss Prevention Program; consult with District management on any insurance problems; provide liaison between the serving organization(s) and the Risk Committee, assist in the establishment of Loss Prevention Program; and evaluate possible areas of improvement and/or cost reduction; and review the insurance obligations or requirements of any lease or contract with the District.</p> <p>Process of Claims</p> <p>1. There are two different types of workers compensation claims; Lost Time Indemnity and Medical Claims. All injuries must be verified as a work-related incident to receive workers comp payments.</p> <p>2. If an employee is injured during work the nurse should be notified and Employee's Department</p>		

Risk Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Head/Supervisor/Principal must also be notified.</p> <p>3. Employee and Nurse must get in touch with the District's 3rd party vendor that handles workers comp claims, Cannon Cochran Management Services INC. (CCMSI). The employee is asked a series of questions to help find witnesses to confirm the claim and to determine where to be directed for medical treatment.</p> <p>4. If the injury is serious, employees should directly go to an emergency room.</p> <p>5. Employees must use the District's doctors to get examined. After an examination; medical evaluations and bills must be sent to CCMSI for documentation.</p> <p>6. CCMSI will evaluate doctor's medical evaluations and determine if claims should be paid out or not.</p> <p>7. An employee has two years from the date of the incident to file a claim.</p> <p>8. Employees are not allowed to come back to work from a work related injury until they have written documentation clearing them from one of the Districts approved Doctors.</p> <p>9. For the first year that an employee is on workers comp, that person is paid a 100% of their wages. If after one year an employee is still on workers comp, they are paid 70% of a NJ State wide maximum payout. The wages for employees are paid out of the workers comp fund created by the District.</p> <p>Payment Of Claims</p> <p>1. The District has designated a fund in the budget to handle workers comp claims.</p> <p>2. CCMSI has access to this fund and can pay claims under the \$10,000 threshold to employees. Employees who receive workers comp receive payment from CCMSI not the District.</p>	<p>1. Employees must use Districts approved doctors for medical examinations and evaluations</p> <p>2. CCMSI will evaluate doctor's medical evaluations to determine if claims should be paid out.</p> <p>3. Employees must receive documentation from a District approved doctor before being allowed back to work.</p> <p>1. There is a limit to the amount of claims that can be paid by CCMSI.</p>	

Risk Management		
Procedures	Key Controls	Weaknesses/Issues
<p>3. Every month CCMSI sends a report to the Risk Manager containing the following: the employee name, claim number, and the amounts paid out.</p> <p>4. Once the Risk Manager reviews the claims, foots the claims paid out, and signs off on the report; it is sent to payroll where it is reviewed and signed off. Payroll makes a payment to replenish the fund for the amounts paid out on the report for that month.</p> <p>5. If a payment is over \$15,000, the legal department from the District must get involved.</p>	<p>2. Risk Manager reviews the reports sent by CCMSI each month for reasonableness. The Payroll Designee will also sign off on the report.</p>	

Grant Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Applying for Grants (State and Federal)</p> <ol style="list-style-type: none"> 1. The State sends a list of entitlement grants available for the year to the District. The Associate Superintendent also checks on-line for potential grants. 2. The Associate Superintendent reviews the list of entitlement grants available and based on grant criteria, assigns district department supervisors with the responsibility for writing the grant application. Usually, the Department Head of the area that will be impacted by the grant is assigned the responsibility. 3. The Department Head/grantee prepares a detailed grant proposal, that specifies line by line, the activities and programs that will be funded by the grant. The grantee also fills out an action form and sends that and proposal to the Associate Superintendent for review and authorization. 4. During the application/approval process it is the grantees responsibility to keep a status report of their grant. 5. After review from the Associate Superintendent it is reviewed by Head of Budget Department and a budget is created. 6. Two more reviews and signatures are completed by the BA and by the School Superintendent. 7. Many grants, such as the No Child Left Behind specify how the grant award is required to be spent (i.e.5% to transportation and 10% to technology). 8. The Title 1 grant, the District's largest grant, distributions of the grant are based on a school committee which is facilitated by the District's Associate Superintendent. The committee reviews and approves programs to be developed from those funds. 9. Part of the funds for the Title 1 grant must go to fund the Supplemental Educational Services (SES). A minimum of 	<ol style="list-style-type: none"> 1. The grant application provides a detailed listing of the intended purpose of the funds, and this application is reviewed and signed by the Associate Superintendent. 2. Head of Budget Department will review proposal and create a budget. 3. BA and Superintendent both sign off on action form and proposal of grant. 	

Grant Management		
Procedures	Key Controls	Weaknesses/Issues
<p>10% to a maximum of 20% of the Title 1 funds must be set aside. SES is an after school program for students that have failing grades.</p> <p>10. The committee that will determine how to use funds consists of parents, teachers, principals, administrators and members of the Board. An attendance list is kept of all who attend these meetings.</p> <p>11. The Associate Superintendent also uses a system developed by NJDOE called the Entitlement Web-Enabled Grant (EWEG) Application to determine the District locations that will be impacted by the grant as well as how those funds will be used.</p> <p>12. The EWEG system takes into account such parameters as poverty, income, grade level, and location and splits up the funds per pupil. This system helps ensure that the grants are given to the right students and the right schools. Associate Superintendent will distribute funds based on the above criteria.</p> <p>13. Action form and grant proposal are then sent to the Board for their approval. If approved the grant proposal will be submitted to the grantor. (I.e. state, federal awarding entity).</p> <p>14. Upon approval from grantor, an approval letter and grant acceptance certification is sent back to grantee at this time the grantee sends out an action form with the approval letter and grant acceptance certificate attached.</p> <p>15. Once the approval letter is signed by the Superintendent and Board, an acceptance letter is sent to the grantee and the funds are made available. Refer to the section below for an expanded discussion regarding the receipt of funds.</p> <p>16. Certain funds are expended on behalf of the grant, if in approvable form, prior to receiving the funds from the awarding agency because the District has a written</p>	<p>4. A committee is formed and EWEG is used to help the District determine how Title 1 funds should be spent.</p> <p>5. The Board must approve grant proposal.</p> <p>6. Approval letter is signed by Superintendent and submitted to the Board for approval.</p> <p>7. There is written approval by the grantor to use funds for the purpose of the grant before receiving the actual award.</p>	

Grant Management		
Procedures	Key Controls	Weaknesses/Issues
<p>commitment letter from the grantor (often NCLB and IDEA) approving the funds. Payroll is one area where these pre approved funds are used for.</p> <p>17. Grants are usually never rejected. If information is missing in their proposal, the grantors usually ask them to make modifications and resubmit the proposal.</p> <p>Grants Consultant</p> <ol style="list-style-type: none"> 1. The District employees a part time consultant to research potential grants opportunities and write grants. This individual is part of a third party vendor called Grant Writing Plus. 2. The consultant was selected during the bidding process, which is documented in detail in the Purchasing Memo. 3. The consultant is paid an hourly rate of \$75 per hour; however the contract indicates that annual payments are not to exceed \$30,000 a year. 4. Payment for the consultant's services is done on a quarterly basis. The consultant will submit a detailed bill that itemizes the amount of time spent each day providing services. 5. Associate Superintendent will review and sign off on the bill. Associate Superintendent will also seek verification from other Department Heads to make sure bills submitted by consultant are accurate. 6. There is not a set monetary amount designated by the District of approval for seeking grants. 7. Not all grants applied for by the consultant results in application. 8. In the future the District may hire a full time employee to research and apply for grants or leverage the existing staff to execute the functions being performed by the consultant. 	<ol style="list-style-type: none"> 1. Associate Superintendent will review sign off on consultant's bill. 	<ol style="list-style-type: none"> 1. During our walkthrough, we noted that the bill sent by the Grant Consultant, it appears that it is not very detailed. All that is documented is what days and how many hours worked. Bills should contain specific details on what tasks were worked on during billable hours.

Grant Management		
Procedures	Key Controls	Weaknesses/Issues
<p>Applying for Grants (Private Grants)</p> <ol style="list-style-type: none"> 1. Most private grants contain specific guidelines by the grantor on how the funds are to be disbursed. 2. Any donation that is given to the school must be deposited in the District's Parent Bank Account. Quarterly a report is sent by the CIMS system to the District. The accountants reconcile these reports to bank statements in an effort to reconcile deposits made by schools with receipts. 3. The Department Head responsible for the area impacted by the donation is contacted. The Department Head will write up a proposal and an action form for the grant. The only difference between the processing of a government-funded grant and a privately funded grant is that once approved by the Board the grantee of the private funds is allowed to start using the funds. A grant acceptance certificate is not required. 4. Also, the district is not necessarily required to submit reports, unlike Federal and State grants. Reports are only generated if the private grantor requests them. 5. Documentation of the Grant is kept by the District. At any point in time, a private grantor can request to see documentation to ensure funds were used in accordance with their guidelines. 6. All Private Funds are given project numbers and follow the same accounting processes, and modification procedures as Federal and State funds, which are discussed in greater detail below. <p>Grants Accounting/Usage</p> <ol style="list-style-type: none"> 1. The grantee is responsible for distributing the funds to the designated parties and for executing the activities already outlined in the approved grant proposal. 	<ol style="list-style-type: none"> 1. Grantor will specify where funds are to be allocated. 2. Quarterly reports are sent by the CIMS system to the District's accountants, who Reconcile deposits made by the school. 3. Private grant proposals must go through same approval process as Federal and State. 	<ol style="list-style-type: none"> 1. Although private grants are small in nature, there should be a formalized process to identify how the amounts will be allocated. There is also no defined threshold that documents which private grants are submitted to the committee for review. 2. During our walkthrough we witnessed that there was no formal documentation of the committee's allocation of where to spend private donations.

Grant Management		
Procedures	Key Controls	Weaknesses/Issues
<p>2. The Senior Accountant in the Budget department is responsible for creating a project number for the account in the General Ledger. All grant funds start with a "20" in the general ledger.</p> <p>3. The Senior Accountant is also responsible for sending reports to the grantees, to verify the funds used to date, the funds that are still available, and for what programs or activities the funds have been used so far.</p> <p>4. Some grants require quarterly reports to be sent to the state. The Program Report is made and sent by the grantees and the Fiscal Report is sent by the Senior Accountant. Both Reports must be signed off by the Business Administrator before submitting them to the State. The Business Administrator also receives the general ledger to check against the reports. Some grants only require one report a year. The grantor decides how many reports they want to see a year and it is stated in the proposal.</p> <p>5. Examples of modifications to grants could be transfer of funds, additional activities expected that require a change in the budget, etc. These requests for modifications can be made up to 90 days before the termination date of a grant. Federal Grants usually end on the 31st of August and State grants usually end on the 30th of June.</p> <p>6. The reports from the Budget Department are useful to grantees because they can see what the funds are used for as well as the modifications that need to be made. The modification process is the same as the approval process in that it must go through all the same parties for reviews and approval signatures.</p> <p>7. If the grant expires, and there are still funds remaining, the district must send the excess funds to the grantor. The only exception is if they have a written letter from the grantor</p>	<p>1. Business Administrators reviews and signs off on reports.</p> <p>2. Modifications must go through the same process of approvals (i.e. action form, management sign-off, etc.).</p> <p>3. Written documentation must be on file to evidence that grant surpluses are not required to be remitted to the grantor.</p>	

Grant Management		
Procedures	Key Controls	Weaknesses/Issues
<p>saying they are allowed to roll over the excess funds to the next year. If there is no written documentation, funds must be sent back. Verbal consent is not acceptable.</p> <p>8. Some grants that are renewed on a yearly basis, for example Food Services; a budget is created based on prior year's budget. If Food Service's budget is projected to be insufficient, the extra money is taken out of retained earnings.</p> <p>Grants Purchasing</p> <p>1. Any activity or program not listed on the approved grant proposal will not be paid for by the grant. The grantee of the grant must be notified and verify any activity or program that will use the grants funds.</p> <p>2. The grantee of the grant must sign off on all purchase orders (POs) that are going to be funded for by the grant.</p> <p>3. If funds are not available the grantee is notified and either the PO is cancelled or a modification to the grant must take place.</p> <p>4. Even if a PO was put through that did not have enough funds allocated for it, the CIMS system will not allow the PO to be processed.</p> <p>5. If funds are available the PO will go to the Purchasing Department who will Bid out for the contract. This process for bidding is the same as in the procurement process memo.</p> <p>6. Upon delivery the shipment is checked, accounted for, and signed off on by a designee under supervision by the grantee. The signed receipt of shipment by designee and grantee is sent to Accounts Payable. Once they have this evidence of shipment they will pay the vendor(s).</p>	<p>1. Grantee must verify any activity or program that will use the grants funds.</p> <p>2. Grantee must sign off on all POs concerning the grant.</p> <p>3. POs are reviewed and approved by the grantee before the PO is submitted for processing.</p> <p>4. If a PO was put through that did not have enough funds, the CIMS system will not allow it to be processed.</p> <p>5. Shipments receipts are signed by the grantee. Also, payment is only made to vendors with evidence of delivery.</p>	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>Bid Process</p> <ol style="list-style-type: none"> 1. The majority of the vendors are identified using the bidding process. Bids can be for goods (automatic requisitions coded in the CIMSIII system as Vendor 30), for services (mainly printing), for apparel, RFPs (for services), and for contractors/consultants (over \$29,000). The Purchasing Department is responsible for ensuring that items exceeding \$29,000 become part of the bid process (a contract is required). 2. The bidding thresholds are as follows: Orders under \$4,350 require 1 quote. Orders over \$4,350 to \$29,000 require 3 quotes. Orders over \$29,000 need a public bid or RFP. No orders are allowed to be submitted for under \$25. Request for bids must be submitted to the Division Administrative Analyst and copies must be maintained by the Purchasing Department. 3. Anyone can call and ask to be included on the vendors list. The District will send the vendor the New Vendor Registration Form, the EQuote Vendor Registration Form, as well as the list of required documentation needed to be on the list. 4. Each vendor is given a number in the system and a vendors' master list is created. Vendors stay on this list indefinitely, even if they are inactive. 5. Once a vendor is created in the system, the information cannot be deleted from the system. When vendor's information changes (i.e. new address) the Purchasing clerks updates the information in the system. If a vendor changes names, a new vendor's number is assigned by the system. The system flags the old vendor's information and refers to the new updated vendor's information. 6. Vendors that have State contract approval are not required 	<ol style="list-style-type: none"> 1. The District uses a competitive procurement process. 2. A master vendor list is maintained by the District to identify eligible vendors. 3. The ability to create and maintain vendor files is limited to appropriate users. 	<ol style="list-style-type: none"> 1 We noted that the District tracks the bidding thresholds based on year to date expenditures for a fiscal year as opposed to since inception to date of the procurement relationship.

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>to be verified by the District because all the required documentation has been filed with the State.</p> <p>7. Vendors are required to provide several documents before they can be eligible to bid on a contract (certificate of registration, Employee Information report, insurance, bond, consent of surety, statement of affirmative action program, non-collusion affidavit, business registration certificate, etc). Once the vendors provide the documents, there is no further investigation regarding the existence of the vendor (i.e. vendor went out business, etc.)</p> <p>8. The Purchasing Department has a new program (Financial Management (FMS) module of CISMIII system) to track vendors' thresholds limits.</p> <p>9. This system automatically flags the vendor after thresholds are met. The system produces a vendors' report every night with vendor's limits and flags them for missing documents as well. The system flags vendors if the services are exceeding \$4,350 (must provide copy of business registration), \$17,500 (Pay-to-Play law - disclosure of political campaign contribution) and anything over \$29,000 (needs an action form and needs to be bid).</p> <p>10. When vendors are flagged by the system, the Purchasing Department clerks contact the vendors to request the necessary documentation. Vendors are not allowed to proceed with the work or get paid unless the documents are in place.</p> <p>11. If the requisition is new, no P.O. is released by the system if documents are missing.</p> <p>12. The Purchasing Department clerks also monitor which vendors are getting too much volume and might not be able to fulfill the purchase orders.</p> <p>13. The Purchasing Department clerks are continuously updating</p>	<p>4. Vendor qualification documents are required prior to being eligible to bid on contracts.</p> <p>5. Automated system report of vendors reaching thresholds requires action.</p> <p>6. The Purchasing Department monitors vendors to ensure timely delivery of services or acquisition of materials.</p>	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>the vendor's list. Any new vendors are added to the list.</p> <p>14. All State vendors flagged by the system for missing documents are manually updated by the clerks because those vendors had been pre-approved by the State. Therefore, they do not require additional information.</p> <p>15. Based on the yearly budget, the Principals decide what needs to be purchased. The Purchasing Agent reviews and approves the purchase orders.</p> <p>16. Procurement uses two systems to process requisitions: InfoBid (used to request supplies for education, athletic, janitorial, health, food services, printer and classroom furniture) and ESchoolMall (a new website used by the Purchasing Department to obtain and process requisitions and to obtain quotes).</p> <p>17. InfoBid is used for annual bidding. InfoBid is a third party application supported by the District's Technology Department. All bids are tabulated and a report is produced. The total in InfoBid must match the report.</p> <p>18. The InfoBid process starts with a memo sent by the Purchasing Department to all the schools informing them of the bid season. The Purchasing Department sends schools bids with estimated pricing and schools must send desired quantities.</p> <p>19. The Purchasing Agent reviews and approves the quantities and submits requests from approved vendors. The vendors submit their bids to the Purchasing Department. The Purchasing Analyst enters all bids into InfoBid. InfoBid then generates a report with the lowest bidder.</p> <p>20. The Purchasing clerk contacts the school's Department head about the award and also sends a memo to the schools advising that the bid is available in InfoBid. At that time, schools are allowed to make quantity changes, if necessary.</p>	<p>7. Only authorized personal can create and approve purchase orders.</p>	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>The schools send a complete Site Commitment Report via fax to the Purchasing Department with correct account numbers and Principal's signature.</p> <p>21. The Purchasing Clerk prints all final bid requests and sends them to the School Administrative Analyst to confirm that purchase is meeting the original intention of the bid request. Final approval is obtained by the Associate Superintendent. Action forms are created and submitted to the Board of Education for approval. Once approved by the Board, purchase orders are issued to be awarded to vendors.</p> <p>22. ESchoolMall system is used for purchase orders and requisitions. It is a web-based application owned and maintained by a third party provider. Principals and Principals' designees have access to the ESchoolMall system. This system also allows vendors to submit their quotes electronically. The Purchasing Agent then determines which vendor submitted the lowest bid. All approvals are done electronically.</p> <p>23. The ESchoolMall process starts when the school Clerk of each school prepares the requests. The Clerk publishes the request out of the vendor list. If the Clerk wants to recommend a vendor that is not on the list, the Clerk must contact the Purchasing Department, so the vendor can be registered on the ESchoolMall system.</p> <p>24. Based on the schools request for supplies, the ESchoolMall system sends an automatic email to the vendors informing them to bid on the requisition.</p> <p>25. Vendors are given 3 to 5 days to submit quotes. The quotes come directly to the Purchasing Department not the schools. The Purchasing Department reviews and awards the contract to the lowest bidder and then runs and prints a report on ESchoolMall system. This report is given to the</p>	<p>8. All purchases are properly authorized, documented, reviewed (purchase order, bid quotes, etc. are consistent and reasonable), within budget, and made in accordance with the law.</p> <p>9. The ability to approve purchase requisitions is appropriately restricted.</p> <p>10. The Purchasing Agent reviews quotes submitted from ESchoolMall for the lowest bidder before submitting the award to the vendor.</p>	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>Purchasing Agent for approval.</p> <p>26. Once approved, the Purchasing Agent publishes the award to the vendor. The Purchasing Clerk converts the quote into a requisition which then goes to the Associate Superintendent for approval. A purchase order is created and submitted to pre-encumber the funds to ensure funds will be available to cover the order.</p> <p>27. A purchase order is then released by the Purchasing Department, signed by the Business Administrator and send to the vendor.</p> <p>28. Vendor 30 is being phased out and replaced with ESchoolMall system.</p> <p>29. Vendor 30 is the code used by the schools in the CIMSIII system to create requisitions that are automatically routed to the Purchasing Department. The Purchasing Department then seeks out vendors to fill the requisition by requesting quotes. Schools can suggest vendors with their requisitions as well.</p> <p>30. Once a requisition is created by the school, it is printed and submitted with the proper documentation and approvals to the Purchasing Department. Although the requisition is automatically forwarded to the Purchasing Department the requisition will not be processed without proper approval and supporting documentation.</p> <p>31. The Purchasing Department Clerk and Purchasing Agent review prices and vendors in the system and award the order to the lowest bidder. Approval of the P.O. is done by the Business Administrator.</p> <p>32. Purchase orders for general school supplies (art, library, teaching, Early Childhood vendors) and office supplies have pre-established vendors.</p>	<p>11. Vendor 30 (automatic) requisitions cannot be processed without proper approval and supported documentation.</p>	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>33. Straight purchase orders are done for items that do not require a bid or quote. This is usually the case for items purchased under state contracts. State contracts (vendors pre-qualified by the State) are often used for textbooks, professional services and food. However, items over \$29,000 must go to the Board for approval.</p> <p>34. Consulting services are processed through the CIMSIII system as well. Consultant services exceeding \$4,350 require 2 quotes. If a consultant's contract exceeds \$29,000, on a district level, an RFP is required. Bids and proposals related to a RFP can only be approved in the CIMSIII system, if they have Board approval.</p> <p>35. The District also purchases certain transportation services. Although the District owns school buses, they rent buses to fulfill their transportation needs, primarily for special education students.</p> <p>36. The District also purchases services for fieldtrips and school sporting events. (Refer to the Transportation Memo which documents how this is executed).</p> <p>37. The District uses approximately 10 vendors. If the request is not an emergency, the District requests bids from the pre-approved list of vendors (approximately 25) as well as from advertisements in the newspapers. The bid packages that are sent to the vendors have all the bid specifications pre-approved by the County. These vendors have all their certificates and licenses on file. The lowest bid wins the contract.</p> <p>38. For transportation emergencies, the District faxes a bid proposal to approximately 10 vendors (without the use of InfoBid or ESchoolMall). Usually within 4-5 hours bids are submitted back to the District and the lowest bidder receives the contract. However, if the emergency route is going to be</p>	<p>12. Consultant Services must be approved by the Board.</p>	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>a permanent route, a formal bidding process must take place within 90 days of the emergency.</p> <p>39. There is no limit on how many times the District can renew a bus route as long as the vendors keep prices within the CPI guidelines.</p> <p>Contracts</p> <ol style="list-style-type: none"> 1. State Contracts (vendors pre-qualified by the State) are part of the master list. 2. Amendments to a contract are not allowed. When a vendor's contract is renewed, the District allows for an increase of the base amount that includes cost of living. 3. For emergency repairs, on services (boiler, electrical, etc.) that need to be provided, a list of pre-established vendors is used. This is done at the beginning of the school year. Those vendors are given a contract that can be renewed for 2 or 3 years. At the end of the 3 years, the vendor needs to reapply and submit all the required documents. The District Purchasing Department monitors the budget for those contracts. 4. Issues and discrepancies with the vendors are researched by the Purchasing Agent, if the error is from the District. 5. A vendor contract cannot be cancelled based only on complaints from the schools. The school Principal must put the complaint in writing and the complaint is researched by the Purchasing and Legal Departments. 6. Approved purchase orders cannot be modified. When purchase orders need to be modified, another request for purchase order need to be completed. 7. Contracts for specialty services (i.e. art teacher) do not go to the lowest bidder. A committee comprised of the Department 	<ol style="list-style-type: none"> 1. Contract disputes are documented to ensure that the appropriate action is taken regarding the dispute. 2. Specialty services are approved by a committee using pre-established criteria. 	

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>Head and staff reviews the bids. Committee members rate each proposal based on qualifications, experience, effectiveness and cost. The vendor with the overall highest score is awarded the contract.</p> <p>8. The Early Childhood department manages the contracts for 53 childcare providers. The department gives childcare providers training and guidelines. However, no formal procedures manual exists.</p> <p>9. Childcare providers must be approved by the State and the District to obtain contract.</p> <p>10. Childcare providers must sign a contract and must meet specific requirements including have a license, have a minimum of 6 classrooms, be in business for at least year, etc.</p> <p>11. The District has a monthly meeting with all the Directors of Childcare facilities.</p> <p>12. Childcare providers must submit a quarterly expenditure report (Quarterly Expense Report) to the District.</p> <p>13. The District gives the Childcare providers a checklist all the documents required. Expenses are reviewed and approved by the Associate Superintendent of Early Childhood and the Fiscal Specialist of Early Childhood.</p> <p>RFP</p> <p>1. When an RFP needs to be created, the Department's Head creates the specifications and sends it to the Purchasing Agent.</p> <p>2. The RFP is then advertised in the newspaper requesting bids.</p> <p>3. All vendors on the InfoBid list as well as the vendors from the web and from the ad get a bid package, which is also known</p>	<p>3. Training and guidelines are given to childcare providers by the District's Early Childhood department.</p> <p>4. Childcare providers need to be approved by the State and the District to obtain contract.</p> <p>5. Expenses are reviewed and approved by District's personnel.</p>	<p>1. During our walkthrough, we noted that the Early Childhood department's review procedures are not formally documented.</p>

Purchasing		
Procedures	Key Controls	Weaknesses/Issues
<p>as a Request for Proposal (RFP). The comprehensive package includes the job description and the required documentation that the vendor must supply if the job is awarded.</p> <ol style="list-style-type: none"> The Purchasing Agent reviews all the RFPs to ensure all the required documentation is in place. A committee comprised of the Department Head and staff reviews the bids. Each committee member rates each proposal based on qualifications, experience, effectiveness and cost. There is no formal form for the committee to submit their decision. However, the sheets with the scores and total scores are sent to the Purchasing Department. The vendor with the highest score gets awarded the contract. 	<ol style="list-style-type: none"> The RFPs packages submitted by vendors are reviewed for completeness. The committee awards the RFP to the vendor with the highest score, which is based on pre-established criteria. 	<ol style="list-style-type: none"> No formal document exists for the committee to submit their decision on recommended vendor.

District Response

The content of this report was shared with the District on January 4, 2007. District officials had an opportunity to respond to the report in writing by January 18, 2007. That response is included in this Appendix as it was provided to KPMG. No modifications were made to the report as a result of the District's response.



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Office of the State District Superintendent

Charles T. Epps, Jr., Ed. D.
State District Superintendent

January 17, 2007

Meghan Watson
KPMG, LLP
345 Park Avenue, 39th Fl
New York, NY 10154

Dear Ms. Watson:

The district has received the audit report issued as a result of KPMG's recent review of the district's internal controls and historic expenditures. The district appreciates the opportunity for the response to be included in the final version of the report.

KPMG's review of the district's internal controls was thorough. The district appreciates the need for an independent party to review and analyze the day-to-day procedures employed with a critical eye toward improvement. Working collaboratively with the district, KPMG interviewed staff, raised questions, resolved discrepancies and made their finding based on facts developed during these exchanges. We will be developing plans and timelines to implement these recommendations.

However, there was no such collaboration between KPMG and the district for the expenditure testing portion of the review. It is disturbing to the district that issues are raised, and comments made concerning expenditures without the district being given the opportunity to explain documentation or answer questions that arose. For instance, the report noted seven deceased employees received compensation after their date of death and identified them as potential problems. However, only two were investigated. To highlight seven potential problems and test only two makes it look like the other five are still a problem. Further, the district has not been provided the information necessary to investigate.

The following comments are offered for specific areas of the report:

Payroll

The auditors clearly did not understand the delineation of duties among Payroll, Human Resources and reporting departments therefore resulting in a misunderstanding of responsibility for maintenance of supporting documents. For instance, the audit report indicates that Human Resources files did not contain supporting documentation to support payments of extra compensation. The district currently does not involve Human Resources in documentation of various forms of extra compensation. Those payments are department generated with

documentation being maintained in the department which generates the payments and/or in the Payroll Department and in many cases is pre-approved by district action form. The report raises concern that employees use P.O. Boxes as mailing addresses. In an urban area it is common for residents to have P.O. Boxes as an address of record to prevent theft of mail

Financial Management

In the attached table the district has attempted to clarify the 91 purchase orders identified as questionable. Again, the communication between the district and the audit team during the expenditure analysis of the report would have resulted in a significant decrease in the number of items identified as questionable.

Facilities

The district takes this opportunity to indicate that many of the findings in the report in the area of facilities had previously been identified. The district has already developed a corrective action plan and taken steps to put personnel in place which will work to address the issues raised.

Risk Management

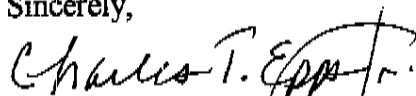
The report indicates that because the district utilizes a third party vendor to initiate the processing of its workers' compensation claims, this results in files not being kept in the district and that the risk manager has limited and incomplete information for decision making. It is necessary to note that even though a third party vendor is employed there is unfettered, real time access to district files via the internet.

The report questions the district's ability to access all worker compensation claims. The district has direct and up to the minute access to all claims due to electronic communications with our third party advisors.

The report also questions the ability to access the old New Jersey School Board claims; however, the district's Chief Counsel maintains control of these long standing records as well as current liability clauses. Therefore, internal litigation reports are not necessary.

A significant amount of the district's resources were utilized in preparing this response to the draft of the audit report. These resources would not have needed to be expended if there had been interaction between the audit team and district personnel on the expenditure testing portion of the review. This written response is an attempt to address the inadequacies but is a poor substitute for direct interactions.

Sincerely,



Dr. Charles T. Epps, Jr.
State District Superintendent



Joann Gilman
Business Administrator/Board Secretary

C: Gordon MacInnes
Katie Atwood

CE/JG/ml

c:/kpmg

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	DISTRICT COMMENTS
800	UND EXP-OTHER OBJECT	126040	BOUQUETS AND BASKETS	\$335.00	\$335.00	FLOWERS	Flowers for 8th Grade Graduation PS 27	Flowers used for stage decorations and student position markers at graduation exercises.
800	UND EXP-OTHER OBJECT	23325	BARRETT TRAVEL SERVICE	\$2,682.40	\$2,682.40	Airfare and accommodations at Las Vegas, Nevada	2 Board members attendance at National Lang Conf July 18-22, 2004 in Las Vegas, NV approved by Superintendent. No supporting documentation to evidence the individual charges making up the total of \$2,682.	Supporting documentation included. See attached.
890	UND EXP-OTHER OBJECT	23610	MACK, SUZANNE	\$3,206.16	\$3,206.16	Reimbursement of expenses by Board Member for Cube Conference in San Antonio, TX.	Reimbursement to Board Member for various trips and items as follows, \$101.80 for tolls and mileage to Board Retreat in Atlantic City, \$168 for pizza and sodas for Chess Championship at elementary school, \$59.95 for wireless card for "board" at Board Members home, \$49.35 for tolls and mileage to Skatwide ADV Conf March 13, 2004, \$1413.54 for trip to Cube conf in Baltimore MD (approved by Superintendent) this item included \$25 for a book for which no receipt was provided, and \$1442.14 for National reading Conf in San Antonio TX (approved by superintendent). Support for this item indicated \$442.14 NOT \$1442.14=overpayment of \$1,000 due to clerical error.	A clerical error resulted in a overpayment based on the documentation attached. Additional investigation of this situation has revealed that the individual who received reimbursement is in fact due the amount paid plus an additional amount because of meal and lodging expense documentation not processed at that time.
800	UND EXP-OTHER OBJECT	28564	SAM ASH CORP	\$16,160.89	\$16,339.89	Various audio visual equipment	Professional audio visual equipment for PS 11 including audio mixer for \$1,799.99, 30 microphones, cords and stands (totaling \$2,639.96)	The equipment was purchased by the district and delivered to PS#11. PS#11 a centrally located school and is the site of the monthly board meeting and other public meetings. These meetings are broadcast on local public access television. The equipment is portable and can be utilized at other district sites as needed.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	DISTRICT COMMENTS
800	S/W MISC EXP/ART	27142	BIGDRUM TOO INC	\$2,450.00	\$2,450.00	PER CAROL HAIGHT	Cost to frame 50 pieces of artwork for Jazz Bash collection.	Visual and Performing Arts Department - Adjudicated artwork created by students needs to be framed for exhibits which tour New Jersey and New York at sites which require only framed work, i.e. Gallery at Lincoln Center. Framing safeguards artwork and preserves its longevity. Educationally, exhibiting of student artwork is intrinsic to implementation of the district curricula and the NJ Core Curriculum Content Standards (NJCCCS 1.1).
800	UND EXP-OTHER OBJECT	126173	CROWN TROPHY	\$1,342.00	\$1,342.00		Payment 6 marble and 20 clear paper weights, 9 marble plaques, 6 cherry wood plaques, 2 small plaques, and 8 piano picture frames.	The purchase order was for purchase of the end of year awards for students.
800	UND EXP-OTHER OBJECT	123197	CROWN TROPHY	\$1,570.00	\$1,570.00	PER MICHAEL SKY	10 custom plaques for graduation 6/20/05(\$350); 500 18" lanyards navy blue w/ white (\$995); and set-up fee of \$75.	Lanyards for student identification cards. Plaques for graduation awards.
800	UND EXP-OTHER OBJECT	126180	CROWN TROPHY	\$6,970.00	\$6,970.00	PER MICHAEL SKY	2000 JW Wakeman credit roll (\$4,580) and 1000 JW Wakeman Honor Roll (\$2,390). Follow-up to understand the business purpose is recommended.	Purchase of \$3,000 achievement medals presented to honor roll and credit roll students at award ceremonies at the end of each marking period. Students are then encouraged to wear their medals to school.
800	UND EXP-OTHER OBJECT	40968	JERSEY CITY PUBLIC SCHOOLS	\$1,200.00	\$1,200.00	05-06-187	Payment for food served at AIC Parent conference on 11/16/05.	Food provided to parents attending the Advocacy for Independence Conference (AIC). The conference is an annual event to assist parents in transition of post secondary students with low significant and severe disabilities. The socio-economic level of parents does not allow for parents to leave the center.
800	UND EXP-OTHER OBJECT	125928	JERSEY GRAPHICS	\$2,500.00	\$2,500.00	**PRICING AS PER MICKEY QUOTE #5077***	10 embroidered shirts. Follow-up understand the business purpose is recommended.	The purchase was 100 not 10 denim shirts for staff members to promote compliance of uniform policy within the school community.
800	UND EXP-OTHER OBJECT	126226	HERBERT L FARKAS COMPANY	\$5,814.00	\$5,814.00	PER ROBERT SCALABRINI	Eighteen computer tables for PS# 6. PO includes a hand written note - "Confirming"	This is not a confirming order. PO was created on May 11, 2005. Delivery was made in August 2005 and vendor signed voucher for payment September 1, 2005. Purchase is for 18 computer tables to replace old tables that were in poor condition. The prior tables were not able to sustain weight of computers.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
0800	UND EXP-OTHER OBJECT	22262	SANCHEZ ABREU ALDO	\$2,315.00	\$2,315.00	AS PER ATTACHED PAID RECEIPT	Reimbursement for tuition paid for summer camp. Follow up to confirm the business purpose is recommended.	Reimbursement is to a parent of a district student for attendance at summer camp per the student's IEP. The expenditure was approved by Board action prior to attendance by the student.
890	UNDIST.EXP.MISC.EXP.	23221	HUDSON COUNTY	\$1,250.00	\$1,250.00	STATE DISTRICT SUPERINTENDENT	Chamber of Commerce membership dues for 8/04-7/05 for Dr. Epps Jr.	Membership in the Chamber of Commerce Superintendent's membership is important to cultivate business partnerships with the Business Community and to develop mentorships for our students through the Educational Business Alliance Department.
890	UNDIST.EXP.MISC.EXP.	35909	HUDSON COUNTY	\$1,250.00	\$1,250.00	STATE DISTRICT SUPERINTENDENT	Chamber of Commerce membership dues for 8/05-7/06 for Dr. Epps Jr.	Membership in the Chamber of Commerce Superintendent's membership is important to cultivate business partnerships with the Business Community and to develop mentorship's for our students through the Educational Business Alliance Department.
800	UND EXP-OTHER OBJECT	3698	JERSEY GRAPHICS ONE LLC	\$4,640.00	\$4,640.00	"PRICING AS PER MICKEY QUOTE 1,205	Cost of shelving, markers, and polo shirts. Business purpose is unclear.	Purchase of 187 white school uniform shirts for 8th grade student achievement awards and 387 black shirts for achievement awards for other grades.
800	UND EXP-OTHER OBJECT	125928	JERSEY GRAPHICS	\$2,500.00	\$2,500.00	"PRICING AS PER MICKEY QUOTE It 5077	100 denim shirts with embroidery, PS #12.	The purchase was 100 denim shirts for staff members to promote compliance of uniform policy within the school community. This is a duplicate item from page 50.
890	UNDIST.EXP.MISC.EXP.	28438	BERNECKER KEVIN C	\$170.00	\$170.00	INSTITUTE MEMBER 01601669	PO not provided.	Dues for Membership for the AICPA(American Institute for Certified Public Accountants) Institute. Purchase Order attached.
890	UNDIST.EXP.MISC.EXP.	37814	NJASA	\$1,430.00	\$1,430.00	DR. ADELE T. MACULA ASSOCIATE SUPT.	NJASA Membership for 2005-2006 for Dr. Adele Macula. Appears that membership for	This membership was not paid. Check was never released. During reconciliation the check was voided.

NO QUESTIONABLE EXPENSES

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
585	BOE OTH PURCHASED SERVICE	26260	MILLAM RAY	\$1,000.00	\$1,000.00	Consultant to assist at Board Retreat in Atlantic City June 4-6, 2004	Contract does not specify which type of services consultant will provide or what his specialty is. Consultant hired at the recommendation of Dr. Charles Epps, Jr.	Mr. Millam was NJSBA urban representative assigned to Jersey City. Mr. Millam facilitated the Board Retreat.
585	BOE OTH PURCHASED SERVICE	38000	RENAISSANCE LAS VEGAS HOTEL	\$1,343.97	\$1,343.97	Accommodations Annual Cube Conference- 928902 of 2005, Las Vegas, NV.	Room charges for Cube Conference for 2 board members (Franklin Williams & Ron-Calvin Clark). No itemization of charges was found.	Board members attended the conference of the Council of Urban Education (CUBE) to share and obtain information on best practices and procedures. See Attached.
580	UND EXP-TRAVEL	29587	JOHNSTON EDWIN R	\$30,919.75	\$30,919.75	ISSUE SEPARATE CHECKS FOR EACH TRADESMEN	PO not provided.	This PO is payment of reimbursement made to employees in the facilities department for use of vehicles. Payment made pursuant made to collective bargaining agreement. Mr. Johnston is one of the individuals paid through this po. Mr. Johnston's payment was \$600 based on days present. Attached is the purchase order and Mr. Johnston's voucher.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	DISTRICT COMMENTS
0585	BOEOTH PURCHASED SERVICE	39439	AJ BARRINGTONS FLOWERS	\$1,000.03	\$1,000.03	\$50.00 PER PLANT	20 poinsetta plants for December 15, 2005 board meeting.	Purchase of 20 large poinsettas for annual holiday student concert to decorate the stage for PS# 11 students.
390	UNO EXP-WTISC PURC SERVICE	39276	AB KOHLER COMPANY	\$8,388.00	\$8,388.00	INSIDE DELIVERY-SHIPPING & HANDLING INCL	1200 MS 11- unisex double ring watches with gift box. Delivery requested by 1/2/06. Business purpose was authorized by the Superintendent to provide watches to employees with 25. years of service.	Superintendent uses this award to recognize staff and students for extraordinary service to the District.
420	UNDIS. EXP. CLE. RE P. MAIN. BIL	101128	ACKERSON DRAPERY DECORATOR	\$27,470.22	\$46,885.38	IT IS UNDERSTOOD THAT ALL THE CONDITIONS	PO not provided	Encumbrance of funds for fabrication and installation of stage draperies in district facilities. See attached purchase order.
320	UNO EXP-PUR PROF SVCS	35071	AGRESTA EDMUND	\$1,000.00	\$1,000.00	LIBERTY HIGH SCHOOL. 1 HOUR PRESENTATION	Presentation related to Jumpstart 2009 orientation	Mr. Agresta is a motivational speaker hired to provide an auditorium activity to ninth grade students at Liberty High School for the "Jumpstart" activities. "Jumpstart" is a district initiative to transition middle school students to high school.
320	UNO EXP-PUR PROF SVGS	123834	AMELIA ROBERTS ENTERPRISES	\$3,500.00	\$3,500.00	DAYS. CONTRACTS ARE ATTACHED	PO not provided	See attached purchase order. Contractor conducted 42 classes over a day period to 3rd & 4th grade students in the area of writing and poem prompts-skills which are heavily weighted in the NJASK 3 and 4 test.
490	UNO EXP-PUR PROPERTY SVS	101100	ALLIED CAR CARE CENTERS INC	\$3,649.00	\$3,637.00	YOU SUBMITTED A BID WILL BE BINDING TO	PO related to car washing services. Total amount paid and PO amount doesn't appear to reconcile to hard copy of the PO.	Encumbrance was \$12,000. At year end the remaining balance of the purchase order was disencumbered. The total amount invoiced and paid was \$3,837.
490	UNO EXP-PUR PROPERTY SVS	101020	ALLIED CAR CARE CENTERS INC	\$5,325.50	\$5,325.50	ATTACHED TO THE SPECIFICATIONS ON WHICH	PO related to car washing services. Total amount paid and PO amount doesn't appear to reconcile to hard copy of the PO.	Encumbrance was \$15,000. At year end the remaining balance of the purchase order was disencumbered. The total amount invoiced and paid was \$5,325.50.
320	UNO EXP-PUR PROF SVCS	23994	ALDRICH LOUISE	\$9,720.00	\$5,880.00	INCREASE \$1,900.1/0 AS PER WILDLIFE/05 MEADOWLANDS SPORTS COMPLEX.	Related to three workshops scheduled to be delivered on 10/4, 12/6 and 4/28-5/3. Amount per the PO is \$5,880.	See attached original purchase and excess-credit memorandum authorizing change order.
500	UNO BE-OTH PURCH SERVICE	22344	AAAMARK CORPORATION	\$15,750.00	\$15,750.00	MEADOWLANDS SPORTS COMPLEX.	Catering for approx. 3,500 for 2004-05 convocation.	This service was provided to staff who attended District Staff Professional Development at the Superintendent's Convocation at Continental Arena to start the school year 2004-05.
530	VND EXP- TELEPHONE	35899	ARCH WIRELESS	\$14,516.35	\$14,516.35	RELATED EMPLOYEES.	PO relates to \$30,000 encumbrance set up for payment of monthly bills for pagers assigned to custodial personnel in 2005. Follow up procedures should be performed to determine whether the full amount of the encumbrance was utilized.	Moving forward the District will continue to review purchase orders on a monthly basis to disencumber funds based on actual expenses.
530	UNO EXP- TELEPHONE	2293	ARCH WIRELESS	\$16,670.31	\$16,000.00	PAGERS FOR THE ENTIRE DISTRICT	PO relates to \$30,000 encumbrance set up for payment of monthly bills for pagers assigned to custodial personnel in 2004. Follow up procedures should be performed to determine whether the full amount of the encumbrance was utilized.	Moving forward the District will continue to review purchase orders on a monthly basis to disencumber funds based on actual expenses.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
580	UND EXP-TRAVEL-MUSIC	37801	BAARETT TRAVEL SERVICE	\$1,746.8	\$1,746.0	CULTURAL FESTIVAL FROM 912105. 1014105	2 round trip tickets to Germany for the supervisor of performing arts and music specialist at the Visual and Performing Arts High School to attend an international cultural festival.	All costs for this expense was paid through student/chaperone fundraising and contributions. NJ Core Curriculum Content Standard 1.5 (Visual and Performing Arts): All students will understand and analyze the role, development, and continuing influence of the arts in relation to world cultures, history, and society. Students were invited to an International Youth Culture Festival in Oberhavel, Germany. NJCCCS 1.2 Performance. Students represented the USA and joined other students from Taiwan, Poland, Czech Republic and Germany. Mr. Radulich, Performing Arts Supervisor, and Mr. Grey, VPAHS Teacher, chaperoned these students. All food and lodging paid by host (Oberhavel, Germany).
500	DNB EXP-TRAVEL	22435	BARRETT TRAVEL SERVICE	\$2,3850	\$2,3050	BOARD APPROVED SEE ATTACHED	1 round trip tickets to Germany for the head of Curriculum at the District to attend the Oxford Roundtable in Oxford, England.	Dr. Macaula's destination was Oxford, England not Germany. PO 24435 was listed as travel to London, England. Dr. Macaula's supporting documentation (Action Form and Request for Travel Authorization) provide district approvals by the Deputy Superintendent and State District Superintendent on 6/11/04 and approval by the BOE at the June 2006 BOE meeting prior to travel.
580	UND EXP-TRAVEL-LIBRARY	29170	BEELER ROY	\$1,315.43	\$1,315.43	2004-2005	Travel reimbursement related to assignment to the joint activities program. The program is a cultural awareness program that involves field trips. The amount paid per the hard copy does not reconcile to the amount per the system.	The amount reflected in the system is \$1,315.43. At this time, a system error occurred only on the screen. No accounts were affected by the duplicate "accrued to date" number.
580	UND EXP-TRAVEL-	29170	BEELER ROY	\$1,315.43	\$1,315.43	2004-2005.	See above	See above. (Duplicate)

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
590	UND EXP-MISC PURC SERVICE	29593	BELLAMY KAREN	\$1,299.00	\$1,299.00	BOARD OF EDUCATION	PO not Provided	Money was encumbered to pay the City of Jersey City for stipends for election workers. Ms. Bellamy was one of the election workers who received \$500 of the total encumbered amount. Purchase order and vouchers attached.
580	UND EXP-TRAVEL	27285	BONILLA ALICIA	\$1,035.70	\$1,035.70	AS PER ATTACHED RECEIPTS & ACTION FORM	Reimbursement for hotel, airfare and car rental to attend a workshop in Florida	Ms. Bonilla is the Assistive Technology Specialist who attended the Assistive Technology Industry Association Conference. Prior approval was received from NJDOE. Reimbursements substantiated per the SOP. Information obtained was shared with inclusion specialists and child study teams. Potential exists to improve educational experience of 2/3 of the districts population.
580	UND EXP-TRAVEL	29597	JOHNSTON EDWIN R	\$30,919.75	\$30,919.75	ISSUE SEPARATE CHECKS FOR EACH TRADESMEN	Encumbrance of expected travel of tradesmen from January - June 2005	Duplicate. See information provided on page 53.
590	UND EXP-MISC PURC SERVICE	26821	CASINO IN THE PARK	\$2,637.50	\$2,637.50	ASPIRING ADMINISTRATORS	Per PO, the transaction related to the kickoff of the Educational and Collaborative Leadership Institute for Principals and Supervisors(ECLIPSE) program for 85 participants	This event was supported through a contribution from a private corporation, which is not a district vendor. The JCPS Accounting Department processed a check for \$2500 from United Water, Inc. to defray the cost of this event.
500	UND EXP-OTH PURCH SERVICE	30320	DC TRAVEL BUREAU INC	\$881.85	\$881.85	FIELD IN DALLAS, TX FROM OCT 11-14, 2005	Travel payment for an employee to travel to the Reading Recovery Institute participants	The employee attended this conference in order to enhance her ability to serve as the first DLL (Descubriendo la Lectura) teacher leader for the Jersey City School District. Since she is functioning in a leadership role to implement Reading Recovery in self-contained bilingual/Spanish classes, a new initiative in the district attendance at this conference will allow her to share and obtain ideas from colleagues throughout the nation.
580	UND ME-TRAVEL	40627	DC TRAVEL BUREAU INC	\$986.00	\$986.00	THE DISTRICT. MARCH 15- 17.2006.	District provided accommodations to Dr. Yvonne Rodriguez. Per the SBA, this might have related to a series of visits being executed by a representative from the Federal Education department, but this still needs to be confirmed.	See attached action form authorizing payment of travel and accommodations.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
580	UND EXP-TRAVEL	23620	EPDS CHARLES JR	\$5,179.47	\$5,179.47	THE WEEK OF JULY 15 THROUGH JULY24	Reimbursement for meals and accommodations charged by the Superintendent.	All charges incurred by the Superintendent have been reimbursed to the District. See Attached.
580	UND EXP-TRAVEL-ART	28108	HEALY NANCY S	\$1,200.00	\$1,241.24	PARKING, TOLLS, MEALS AND ACCOMMODATIONS	Reimbursement for attendance at the 2005 National Art Education Association in Boston from 3/3-3/8.	Check was issued for \$1,122.44 not for \$1,200. Professional development in content area of supervision is required to maintain, improve and expand skills. This professional development has a direct impact on the quality of programs, teacher effectiveness, delivery of curriculum and student achievement.
580	UND EXP-TRAVEL	26017	MACULA ADELE T	\$1,200.00	\$1,200.00	REINSTATE POC04 26017 CLOSED IN ERROR	No additional information provided regarding business purpose. Further analysis is recommended.	As part of the development of the District's 3- year Operational plan, 3 Senior Staff Members worked with Connect, Inc. Data and Support Staff members at their headquarters offices (where there staff is located) in Cambridge, Mass. To design, develop and electronically test 31- rubrics to match the 31 indicators on the plan. Dr. Macula's supporting documentation (Action Form and Request for Travel Authorization) provide district approvals by the Deputy Superintendent and State District Superintendent on 6/7/04 and approval by the BOE at the June 17, 2006 BOE meeting prior to travel.
580	UND EXP-TRAVEL	27604	MACULA ADELE T	\$5,456.03	\$5,456.03		Travel reimbursement for Associate Superintendent to attend the Oxford Roundtable.	All charges incurred by the Associate Superintendent for this purchase order have been reimbursed to the District. See Attached.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	UND EXP-SUPPLIES & MAT.	27149	DIANE'S BALLOON FIESTA	\$1,172.00	\$1,172.00	Decorations for 4 high schools for FACE OFF event.	Decorator hired for FACE OFF event.	FACE OFF is a district initiative to provide professional development activities to staff.
600	UND EXP-SUPPLIES & MAT.	24801	GUPTA DEBASIS	\$598.00	\$598.00	Reimbursement for software & service (Verisign Product.)	PO documentation does not show approval for the reimbursement or why it was needed. Employee used personal credit card to purchase item.	This was an emergency purchase by Mr. Gupta for Verisign security software and was approved by the Executive Controller and the Technology Director prior to the purchase. The software was purchased to comply with FERPA and other security issues.
600	UND EXP-SUPPLIES & MAT.	20338	PROGRESSIVE BUSINESS	\$253.00	\$253.00	A/P Subscription for magazine "What's working in Credit and Collections."	It is not clear from the documentation whether all approvals for PO were received.	Purchase order was approved by the Executive Controller prior to the purchase. See Attached.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	UND EXP- SUPPLIES & MAT.	38178	ACTION OFFICE SUPPLIES	\$513.39	\$513.39	MARKS ALOT JUMBO PERMANENT MARKER	PO not provided.	See Attached.
600	UND EXP- SUPPLIES & MAT.	126166	ACTION OFFICE SUPPLIES	\$1,725.61	\$1,725.61	(H)KLEEN BAGLESS HAND VACUUM	Various office items including folding table mover, platform truck, hand truck, electronic time recorder, ink cartridges, hand vacuum, industrial trimmers, etc.	Time recorder used to stamp the date/time of requisitions, payroll and other documents received. Other equipment purchased used for moving of equipment to various school sites.
600	UND EXP- SUPPLIES & MAT.	24094	AUTOGRAPH FILM SERVICE	\$5,293.72	\$5,293.72	V76PX SILVA-OXIDE BATTERY	Fuji film, Polaroid film, batteries, projector lamps, lens, cameras, tripods, etc for Visual and Performing Arts HS.	Supplies purchased from Autograph Photo Services are used for District and school related athletic activities for boys and girls on all levels, Freshman, Junior Varsity and Varsity. Film and videos are used to record and document athletic contests and are distributed to coaches, student-athletes, press and yearbook.
600	UND EXP- SUPPLIES & MAT.	41028	AUTOGRAPH FILM SERVICE	\$16,219.39	\$16,219.39	(1 per unit)	Video equipment, corresponding accessories, and 2 year extended warranty contract delivered to the education technology department. Business purpose is not described.	Visual and Performing Arts Department - Items were ordered for students enrolled in accelerated art program in which students develop portfolios of authentic student work are submitted for various purposes, including scholarships and competition. Multiple slide sets were sent to art colleges and universities and are not returned as part of the entrance process.
600	UND EXP- SUPPLIES & MAT.	6051	AUTOGRAPH FILM SERVICE	\$17,719.80	\$17,719.80	ENERGIZER 'AAA' BATTERIES 144 EA CASE	Multiple cases of camera film, batteries, VHS cassettes. Business purpose is not described in detail. Further inquiry to understand the business purpose is recommended.	Supplies purchased from Autograph Photo Services are used for District and school related athletic activities for boys and girls on all levels, Freshman, Junior Varsity and Varsity. Film and videos are used to record and document athletic contests and are distributed to coaches, student-athletes, press and yearbook.
600	UND EXP- SUPPLIES & MAT.	5380	BALBOA CHECK PROTECTOR	\$2,253.72	\$2,253.72	PER JACK FISHER	Coin Sorter for James F Murray High School. Further inquiry to understand the business purpose is recommended.	Coin sorter purchased to help with collections and sorting and counting of lunch monies collected daily.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	UND EXP-SUP/MAT SCIENCE	39157	BAYONNE PARTY CONNECTIONS	\$205.00	\$205.00	2 large mylar trees (red, white and blue) for 2005 tournament. Further inquiry to understand the business purpose is recommended.		Elementary and middle school students from throughout the district participate in the NJ FIRST Lego Robotics League through the Science Department. This program extends student knowledge in the NJ Core Curriculum Content Standards in Science, Mathematics and Educational Technology. Students, parents, community members attend this event, held once a year. These 2 balloon groupings are used to create an "awards area" for photos of student and school team winners as part of the competition.
600	UND EXP-SUP/MAT SCIENCE	39156	BAYONNE PARTY CONNECTIONS	\$275.00	\$275.00	DELIVERY FEE \$15.00	Small mylar trees (red, white and blue) for 2005 tournament. Further inquiry to understand the business purpose is recommended.	More than 300 elementary, middle and high school students from throughout all schools in the district participate in school level and district level Science Fairs culminating in a districtwide "Award Ceremony" in anticipation of the Hudson County Science Fair which sends winners to the International Science Fair. Through the Science Department, and the district's science curriculum which mandates the development of science fair projects for a grade, this performance-based activity extends student knowledge in the all of the 9 NJ Core Curriculum Content Standards areas. Students, parents, and community members attend this event, held once a year. These 2 balloon groupings are used to create an "awards area" for photos of student and school team winners as part of the competition and published in district communications and documents.
600	UND EXP-SUP/MAT SCIENCE	24863	BAYONNE PARTY CONNECTIONS	\$540.00	\$540.00	INSIDE DELIVERY-SHIPPING & HANDLING INCL.	Large and Small mylar trees (red, white and blue) for Lego Tournament and Science Fair awards.	Elementary and middle school students participate in the district's FIRST Lego Robotics League and elementary, middle and high school students from throughout all schools in the district participate in school level and district level Science Fairs culminating in a districtwide "Award Ceremony" for each of the 2 events. Through the Science Department, and the district's science curriculum mandates the development of science fair projects for a grade, and supports the FIRST Lego Robotics tournament, these performance-based activities extend student knowledge in the all of the 9 NJ Core Curriculum Content Standards areas. Students, parents, and community members attend these events, held once a year. These balloon groupings are used to create an "awards area" for photos of student and school team winners as part of the competitions and published in district communications and documents.
600	UND EXP-SUPPLIES & MAT.	121500	BF HURLY MAT COMPANY	\$3,206.40	\$3,206.40	"PRICING AS PER QUOTE #73004-04"	3 Custom mats for PS 34. Further inquiry to understand the business purpose is recommended.	Purchase was for 8 (not 3) custom mats for 8 entrances at PS # 34. These mats are specifically designed to collect water and snow from feet upon entry to the building.
600	UND EXP-SUPPLIES & MAT.	124114	BRANDED ITEMS	\$3,058.19	\$3,195.74	PER MARINE	PO appears to indicate the price for 2500 bracelets and shipping and handling. Further inquiry to understand the purpose is recommended.	2,500 bracelets were purchased to support a school wide positive behavior support program and the district attendance policy. Cost was \$1.05 per bracelet plus mail making fee.
600	UND EXP-SUPPLIES & MAT.	3880	C-H DISTRIBUTORS INC	\$6,595.61	\$6,595.61	QUOTE #5255792	PO indicates the purchase of 10 oscillating fans, 3 tilt trucks, and 12 folding tables for Dickinson high school. Further inquiry to understand the purpose is recommended.	Tilt trucks purchased to assist in clean up activities after each student lunch. Oscillating fans used to minimize overheating due to crowded sites for various areas of the school. Folding tables purchased for use at extra curricular activities, staff activities, parent visitation nights and multi-cultural celebrations.
600	UND EXP-SUPPLIES & MAT.	24405	CONINGTON COVE	\$11,600.00	\$11,600.00	SHIPPING AND HANDLING PER BOOK	Cost to frame 50 posters across the district as part of an Art program.	Visual and Performing Arts Department - Adjuncted artwork created by students needs to be framed for exhibits which tour New Jersey and New York at sites which require only framed work, i.e. Gallery at Lincoln Center. Framing safeguards artwork and preserves its longevity. Educationally, exhibiting of student artwork is intrinsic to implementation of the district curricula and the NJ Core Curriculum Content Standards NJCCRS 1.1.1.
600	UND EXP-SUPPLIES & MAT.	24367	DECK THE WALLS	\$2,500.00	\$2,500.00	PER CAROL HAIGHT	PO not provided.	See Attached Purchase Order. NJ core Curriculum Content Standards 1.1 Aesthetics and 1.2 Creation of Work. Archival preservation of historical educational sites in Jersey City, i.e., elementary and high schools. This promotes art appreciation in and around the greater community. Used by Commercial Art Technology students as reference in creating digital imagery used in district publications, at district events, etc.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	UND EXP- SUPPLIES & MAT.	5309	DERBY APPLIANCES	\$3,779.95	\$3,779.95	HMS IT 1/4"X 26.12" X 25 3/8	PO is for six air conditioners and one refrigerator.	Four air conditioners purchased to replace broken units. Two purchased to supply air conditioning to ITV room and computer lab. Refrigerators purchased to replace broken unit in faculty lounge. Per collective bargaining agreement, refrigerators must be supplied in Faculty Lounges.
600	UND EXP- SUPPLIES & MAT.	3887	DERBY APPLIANCES	\$4,269.80	\$4,269.80	INSIDE DELIVERY - S&H INCLUDED	PO is for 14 air conditioners.	14 air conditioners purchased to replace some existing units and provide air conditioning in additional areas. Five units placed in library, other units placed in nurses office, guidance office, CIT office, facilitators office, faculty lounges and male office.
600	UND EXP- SUPPLIES & MAT.	109913	ELLISON EDUCATIONAL EQUIP. INC.	\$1,947.75	\$1,947.75	SHIPPING AND HANDLING/INSIDE DELIVERY	PO Irons Ellison Die Set requiring a set for each season.	Die cutter system with starter set and storage rack for use in art program.
600	UND EXP- SUPPLIES & MAT.	3604	ELLISON EDUCATIONAL EQUIP. INC.	\$3,384.05	\$3,503.15	ELLISON DIE SET - BASIC BEGINN HOLIDAY SHIPPING CHARGE PC 016284	Po not provided	Items are used as Library Resource supplies. See attached purchase order.
600	UND EXP- SUPPLIES & MAT.	37702	EXECUTIVE BINDING SYSTEMS	\$4,003.59	\$4,003.59	EXECUTIVE BINDING SYSTEMS	PO indicates binder support.	Supplies were purchased from executive binding for the binding machine in the district reproduction room. Supplies consist of plastic cover and pre-glued binding for publications reproduced.
600	UND EXP- SUPPLIES & MAT.	37699	EXECUTIVE BINDING SYSTEMS	\$6,926.37	\$6,926.37	EXECUTIVE BINDING SYSTEMS	PO indicates binding tapes.	Supplies were purchased from executive binding for the binding machine in the district reproduction room. Supplies consist of plastic cover and pre-glued binding for publications reproduced.
600	UND EXP- SUPPLIES & MAT.	26252	EXECUTIVE BINDING SYSTEMS	\$7,995.00	\$7,995.00	FASTBACK TAPE II WIDE RED	PO amount and description does not match hard copy provided during the review. It describes that the PO is for processing the registration fee for 44 students across the district to attend summer camp	See attached purchase order. The purchase order attached is the same as the purchase order requested for review.
600	UND EXP- SUPPLIES & MAT.	105146	FLOWER PUFF FLORIST	\$314.00	\$314.00	MADE 2 WEEKS IN ADVANCE.	PO indicates flowers for graduation ceremonies at the James Murray School.	Flowers used for stage decorations and student position markers at graduation exercises.
600	UND EXP- SUPPLIES & MAT.	40180	JOSEPH S FLORIST	\$105.95	\$10,595.00	Deliver To: Williams, Arber	PO Indicates the cost of 100 Balloons and delivery charges; related to Black Awareness Day.	Purchase order is in the amount of \$105.95 (\$10,595). Balloons for black history month observance student celebration. Mr. Williams is a supervisor in programs and services.
600	UND EXP- SUPPLIES & MAT.	26575	JOSEPH S FLORIST	\$184.95	\$184.95	"PRICING AS PER NESTY"	PO indicates the cost of 12 centerpieces for AIC conference.	Centerpieces for advocacy for independence (AIC) sponsored by Special Education department. AIC is an annual event assisting parents in transitioning post-secondary students with low significant and severe disabilities.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	UND EXP-SUPPLIES & MAT.	38547	JOSEPH'S FLORIST	\$291.00	\$291.00	AT 10:00 A.M.	PO indicates the cost of 17 centerpieces and 2 balloon displays for Parent AIC conference.	Centerpieces for advocacy for Independence (AIC) sponsored by Special Education department. AIC is an annual event assisting parents in transitioning post-secondary students with low significant and sever disabilities.
600	UND EXP-SUPPLIES & MAT.	39145	JOSEPH'S FLORIST	\$950.00	\$950.00		PO indicates the cost of 15 poinsettias plants for Martin Luther King Jr School.	Purchase of 15 large poinsettias for annual holiday student concert to decorate the stage for PS#11 students.
600	UND EXP-SUPPLIES & MAT.	39983	SCENIC DESIGN CONSTRUCTION	\$9,600.00	\$9,600.00	CONSTRUCTED WITH 1" BY 2" ON EDGE WOOD	PO indicates cost of design, construction and painting of a 3-wall set, middle panel, and risers for Superintendent's show.	Construction of a three wall set and risers for the Media Arts High Tech Program at Synder High School. The high school magnet program tapes television shows for broadcast on local cable channels.
600	UND EXP-SUPPLIES & MAT.	26058	TUXEDO WHOLESALER	\$811.65	\$811.65	***PRICING AS PER QUOTE #131***	PO indicates the purchase of 3 tuxedos and 7 Holly dresses and related accessories to the Visual and Performing Arts School.	Visual and Performing Arts High School Program students for appropriate performance attire in alignment with objectives of district advanced music program and the NJ Core Curriculum Content Standards 1.2 (Performance). Uniform attire allows to be undistracted by varied appearances. Proper attire is also required at major competitions in which these students would participate as a component of the program in which they are enrolled.
600	UND EXP-SUPPLIES & MAT.	155896	VIDEO MARKETING SYSTEMS	\$13,374.45	\$13,374.45	#PV-DM2793 PANASONIC	PO indicates the purchase of 27 27" TV DVD VCR combos for the Lincoln HS Freshman Academy.	Purchase made in connection with opening of the new Freshman Academy. These televisions were for classroom instruction that SCC did not purchase for the new Lincoln HS Freshman Academy.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	SCH SPON ATHL-SUPP/MATER	120913	AUTOGRAPH FILM SERVICE	\$12,975.80	\$12,975.80	Cases of Energizer Batteries, 8/13/2004	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson Kodak royal gold 100, 6 cases of Energizer D batteries. etc. No clear for which school supplies were ordered.	Supervisor purchased and distributed batteries for athletic program in each of the high schools and his office to power up equipment used at athletic events. Batteries are used for video equipment to film games for coaches, radio head sets, walkie talkies used from sit to site, hand held mega phones etc. Film is used to record athletic events for distribution to coaches students the press, yearbooks, etc.
600	SCH SPON ATHL-SUPP/MATER	126528	GARTMAN ROBERT	\$222.00	\$1,332.00	4 sets of football videos with manuals for 4 H.S.. at \$333 each.	Shipment was sent to Michael Venutolo, Supervisor Athletic Department at Dickinson H.S.	Four (4) sets of Football Videos with manuals were purchased from Robert Gartner. These videos are utilized as a learning tool for the improvement of the football program.
600	SCH SPON ATHL-SUPP/MATER	3353	HUDSON CAMERA CORP	\$4,028.00	\$4,028.00	Print File • Archival Preservers - Photo supplies School Year 05/06.	Shipment was sent to Michael Venutolo, Supervisor Athletic Supplies. No description if prints were for Dickinson HS or any other school.	Photo supplies were ordered to record athletic events for the sports program at the 5 high schools. Photographs are distributed to student athletes, yearbook staff and coaches.
600	SCH SPON ATHL-SUPP/MATER	3182	HUDSON CAMERA CORP	\$11,933.20	\$11,933.20	Cases of Energizer Batteries, Panasonic VHS video & cassette and Kodak film on 8/16/05.	Shipment was sent to Michael Athletic Department of Dickinson H.S... but not explanation given to why so many cases were purchased. Items purchased included: 6 cases of Kodak Max 400 at \$675 a case, 6 cases of Kodak Royal Gold at \$510 a case, 6 cases of energizer D batteries at \$86.40 a case, etc.	One case of each item for the athletic programs at the 5 high schools. The sixth case of supplies is for the Supervisors' central office to supplement the needs of each high school program when they run out. Also use in the centrally located equipment located in the Supervisors' office as spares when equipment in the schools breakdown.
600	SCH SPON ATHL-SUPP/MATER	3506	CONSOLIDATED PLASTICS COMPANY	\$4,493.66	\$4,126.65	ESTIMATED FREIGHT	PO indicates the purchase of 25 multi draw file cabinets and storage totes for the Athletic dept. Further inquiry to determine the business purpose is recommended.	Storage bins were to be used for Athletic inventory due to limited storage space in some the High Schools.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
600	SCH SPON ATHL-SUPP/MATER	122173	HEWLETT PACKARD COMPANY	\$8,682.00	\$8,682.00	EXECUTIVE NYLON CARRYING CASE	Purchase of 16 PC Notebooks with corresponding carrying cases, and battery for the athletic dept. Further inquiry to determine the business purpose is recommended.	6 Notebooks (not 16) were purchased for 5 Athletics Directors and the Supervisor to be used to monitor and input the athletic inventory in each school.
600	SCH SPON ATHL-SUPP/MATER	157038	LEVY BROTHERS	\$5,195.00	\$5,195.00	#NIC COACHCOMM PANASO	Purchase of a digital VCR costing approx. \$2550, remote controller costing \$795 and a portable projector for Lincoln HS.	Purchase is for a replacement digital VCR for the athletic program at LHS. The VCR is a coaching tool to instruct and demonstrate during practice sessions and game situations. The equipment is used in boys and girls sports and is not limited to one season. The VCR is used for scouting opposing teams before game day. The previous equipment was worn out.
600	SCH SPON ATHL-SUPP/MATER	157037	LEVY BROTHERS	\$5,195.00	\$5,195.00	#NIC COACH COMM PANASO	Purchase of a digital VCR costing approx \$2550, remote controller costing \$795 and a portable projector for Ferris HS.	Purchase is for a replacement digital VCR for the athletic program at FHS. The VCR is a coaching tool to instruct and demonstrate during practice sessions and game situations. The equipment is used in boys and girls sports and is not limited to one season. The VCR is used for scouting opposing teams before game day. The previous equipment was worn out.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
640	REG PROG UN-TEXTBOOK	22737	100 BOOK CHALLENGE	\$31,527.20	\$31,527.20	WT BASKETS	PO not provided.	Books for PS# 25 to participate in the 100 Book Challenge. See attached purchase order.
640	REG PROG UN-TEXTBOOK	22507	BREAKTHROUGH TO LITERACY	\$15,450.00	\$15,450.00	MATERIAL(S)	PO not provided.	Software materials for PS#5 to participate in the Breakthrough to Literacy program. See attached purchase order.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
640	REG PROD UN- TEXT- SOC ST	2223	MCDUGAL LITTELL	\$43,475.15	\$43,475.15	APPROVED TEXTBOOK LIST	PO not provided.	Purchase of history textbooks and materials for DHS. See attached purchase order.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
73	EQUIP-GRD 9-12	6048	VARTO TECHNOLOGIES	\$12,063.00	\$12,063.00	Varket Live Production	Vartet Live Production Intergrated Systems-Snyder High School	Snyder has a media arts high tech program with a TV production center which produces programming for the Jersey City local access cable channel.
73	EQUIP-GRD 9-12	27312	G G TECHNOLOGIES	\$16,360.00	\$16,360.00	Panasonic camera packages	4 Panasonic professional video cameras at \$4,000 each for Snyder.	Snyder has a media arts high tech program with a TV production center which produces programming for the Jersey City local access cable channel.

Financial Management (continued)

Non-Instructional Purchased Professional Educational, Technical and Other Services

Object Code	Account Name	PO Number	Vendor Name	Total Paid Against PO	Original PO Amount	Brief Description	Comments(Based on Review of Purchase Orders)	DISTRICT COMMENTS
73	INST EQUIP GRADE 6	22098	TRANSNET CORPORATION	\$270,660.00	\$270,660.00	CABLE INCLUDED- INCLUDES NORTH AMERICAN	PO not provided.	See attached purchase order.

Note:

Supporting documentation (i.e. invoices, canceled checks, etc.) provided with the District's response has been excluded from this report as it contained confidential information. This documentation has been supplied to the Department of Education for their consideration.