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Department of Education
State of New Jersey

This report presents the results of our performance audit (audit) of the Newark 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 were budget, accounts payable, payroll, human resources, financial management, purchasing, facilities management, grants management, student activity funds, technology, inventory, risk management, and pupil transportation. 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 judgmentally 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:

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

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 Superintendent and School Business Administrator (BA) by telephone. This meeting was followed up with an entrance meeting with the BA and select members of the District’s management group. These meetings 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

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:

District Personnel Interviewed ¹	
Assistant School Business Administrator – Office of Financial Services	Assistant School Business Administrator – Office of Operations
Executive Controller, Office of Accounting	Executive Director Facilities Management
Budget Director	Supervisor of the Office of Gifted and Talented/Home Instruction
Accounts Payable Supervisor	Director of Offices of Grants Development and Implementation
Payroll Director	Executive Director of Human Resources Services
Purchasing Director	Head of Investigations
Fixed Assets Supervisor	Network Director
Chief Information Officer	Systems Engineer
Special Assistant Planning and Finance	Risk Manager
Director of Office of Instructional Technology	Project Manager
Director of Extended School Day Programs	Director of Facilities Support
Director of Pupil Transportation	

- **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.
- **Communication of Preliminary Observations** – Facilitated several project management meetings, including periodic status meetings and communications with the Department and District Management.

¹ This is not an all-inclusive list of interviewees

Project Background *(continued)*

- **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 Accounts Payable and Payroll sections of this report)
 - Desk Review of Purchase Orders (presented in the 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:

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

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.

Executive Summary *(continued)*

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.

In reviewing our observations and recommendations, it should be noted that the District has used PeopleSoft for the Payroll and Human Resources since 1998. The Payroll Department is adapting a new system to monitor employees' attendance with a fingerprint system (Kronos), which the District plans to have in all locations by the end of the current school year.

In addition, the District is implementing PeopleSoft Financials this school year and is in the process of training all departments and schools on the system. The departments within the District, specifically, Budget, Accounts Payable, Office of Accounting, Purchasing, Student School Activity, and Inventory, within the Financial Services Division began using PeopleSoft Financials on July 1, 2006. The District plans to have PeopleSoft Financials fully implemented within the District by the end of the current school year. Prior to that, the departments listed above within Financial Services Division were using Systems 3000.

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.

Executive Summary *(continued)*

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.

The following chart summarizes 21 internal control observations identified in the 9 business processes reviewed. Specifically, we identified 21 observations that should be addressed in the short term. Of those 21 items, 18 issues could have a high potential unmitigated risk.

Section	Area	Timing		Potential Risk		
		Long Term	Short Term	High	Med	Low
General Observation	Lack of Updated Policies and Procedures within the Financial Services Division		√	√		
Budget	Budget Transfer Lack Proper Approvals		√	√		
	Budget Transfer Forms Not Dated		√		√	
Accounts Payable	Mechanic Carfare Invoices Lack Supporting Documentation		√	√		
	Duplicate Payments and Use of Open Purchase Orders		√	√		
Payroll	Lack of Updated Policies and Procedures		√	√		
	Lack of Controls to Prevent Duplicate Entries		√		√	
	Lack of Controls to Avoid Overpayment		√	√		
	Issuing of Multiple Pay Checks Per Pay Period		√	√		
Human Resources	Lack of Policies and Procedures		√	√		
	Lack of Review of Data Entries		√	√		
Financial Management	Lack of Management Review and Approvals		√	√		
Purchasing	Segregation of Duties		√	√		
Facilities Management	Lack Documentation for Reimbursements of Tradeworkers		√	√		

Executive Summary *(continued)*

Section	Area	Timing		Potential Risk		
		Long Term	Short Term	High	Med	Low
Student Activity	Not All Checking Accounts Established For Deposit Are Interest Bearing		√	√		
	Not All Athletic Funds Collected Are Deposited Into Student Activity Checking Account		√		√	
	Overall District IT Leadership and Authority Should Be Defined In the Disaster Recovery Plan		√	√		
	The District Does Not Retain Evidence of Its Quarterly Disaster Recovery Testing Process		√	√		
	Administrative Server Backups Are Not Consistently Performed or Monitored at the Local School Level		√	√		
	Lack of Management Review and Approvals		√	√		
Inventory	Lack of Documentation of Random Spot Checks		√	√		

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.

Lack of Updated Policies and Procedures

Written policies and procedures codify management's criteria for executing an organization's operations. They document business processes, personnel responsibilities, departmental operations, and promote uniformity in executing and recording transactions. Thorough policies and procedures can also serve as an effective training tool for employees.

The District's policies, procedures, and internal controls should be updated to meet the needs of the Financial Services Division and should provide an accurate reflection of the current system of accounting and processes. An up-to-date policies, procedures, and internal controls manual provides a tool for training District employees, increases standardization of the accounting effort, clarifies accounting responsibilities, and helps ensure consistent application of management's policies, procedures, and internal controls.

The Financial Services Division policies and procedures, created in 2003, specifically, (1) Budget, (2) Accounts Payable, (3) Payroll, (4) Financial Management, (5) Purchasing, (6) Student School Activity, and (7) Inventory are outdated and are written based on the District's previous financial system, Systems 3000 with the exception of Payroll. The Office of Payroll has been using PeopleSoft since 1998. The District is implementing and using PeopleSoft Financials since the beginning of the current school year. While it is not fully implemented, the District plans to achieve full implementation by the end of the current school year.

HR also does not have comprehensive policies and procedures. HR Personnel from two HR functions provided written procedures and HR personnel from third functional area stated that procedures had been drafted. Written policies and procedures codify management's criteria for executing an organization's operations. They document business processes, personnel responsibilities, departmental operations, and promote uniformity in executing and recording transactions.

Without policies and procedures in place, errors and irregularities can occur. As noted throughout this report, many errors and irregularities have occurred at the District that may have been prevented by having update policies and procedures in place.

We recommend that the Financial Services Division begin developing or revising policies, procedures, and internal controls to provide all departments and schools with the appropriate policies and procedures for use in daily operations and in executing their responsibilities. The District should train all employees on the updated policies and procedures on a regular basis.

We recommend that Human Resources develop a comprehensive set of policies and procedures that incorporates the District's current policies and procedures as well as internal controls. These policies and procedures should document all significant business practices, processes, and policies.

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 Payroll department and Human Resources (HR) are very prone to data entry errors with all the manual processes that are completed daily. In the discussion below, we have highlighted 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.

- The Processing of Supplemental Time and Overtime Reports is manual, labor-intensive, and susceptible to errors in the process. The information from these reports is transferred to batch control sheets, which are manually entered into PeopleSoft. Employees can appear more than once on these reports if timekeepers enter the same employee more than once. The system does not flag such duplicate entries. So the potential exists that an employee can be paid more than once. During our historical expenditure analysis, we found out that the Director of Payroll was not aware of District employee's receiving multiple pay checks on payday. There is a potential if District employees are receiving multiple paychecks without the Director of Payroll being aware of this, that they are being paid for duplicate hours. We recommend that PeopleSoft be programmed to run exception reports for: (1) employees who possibly have duplicate hours entered multiple times in a given pay period and (2) employees are receiving multiple checks in a given pay period.
- During our historical expenditure analyses review, we reviewed overtime supporting documentation for four employees. We found that two of the four employees were overpaid a total of 17 hours of overtime. We recommend that the overtime entered into PeopleSoft along with the supporting documentation that supports what was entered into the system be verified by a supervisor within the Payroll department prior to it being processed. Due to the errors identified in a small sample of payments, we recommend that the Payroll department should review and request supporting documentation to verify if the correct amount of overtime was paid to each employee for the last two school years.
- The data entry input of employee information into PeopleSoft is a key process within the District. We found the review of data entry

Executive Summary *(continued)*

information into PeopleSoft within the District is to be done by the very same person who input the information into the systems. The lack of adequate reviews by another person within the department, preferably this person should be a supervisor or manager, could result in errors being overlooked, which could result in misstatements that could affect financial, as well as the payroll information within the District.

- We found during our historical review analysis, that employee's social security numbers were input incorrectly into the system, dates of birth were input incorrectly into the system, and overtime was input incorrectly into the system. Many of these data entry errors still existed during our fieldwork. Without the data being properly captured, the District cannot ensure that it is appropriately capturing its financial and budget information of the District. In addition, as no other mitigating control is in place, the risk that an unauthorized employee may be added to the payroll is high. We recommend that the employee information that is entered into PeopleSoft be reviewed by a supervisor to ensure that it is accurate and complete. We also recommend the use of a system-generated management report of all new employees added to PeopleSoft to verify that any new employees added to the system have all required approvals on file.

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.

Adequate Documentation for Transactions

During our review of the internal control process within A/P, we noted that A/P did not have proper supporting documentation to reimburse employees for all reimbursements. In the discussion below, we attempt to highlight some of these issues:

- For mechanic carfare reimbursements, A/P would receive a spreadsheet that listed each employee eligible to receive reimbursement from Facilities but no further documentation for A/P to verify that the employee did work two weeks during the month to be eligible for the reimbursement. In addition, at times, an employee may have been reimbursed for multiple months, but A/P did not have anything other than the spreadsheet for the approval. The Trade

Executive Summary *(continued)*

Council Agreement (union contract) specifies the terms of reimbursement.

- During our 16 point review, we found that an additional employee was reimbursed for expenses, but the supporting documentation did not match what was being paid to the employee. We recommend that the Accounts Payable department require supporting documentation to support all payments. We further recommend that Accounts Payable ensure that the supporting documentation matches to what the employee is requesting to be reimbursed for prior to reimbursing the employee.
- During our historical expenditure analysis, we found that two employees were being reimbursed for items that they purchased, in which they also approved the receiving of the item, and A/P reimbursed them for these items. We believe that some of these purchases might be questionable, such as shipping 25 federal express packages at one time, purchasing a pocket executive leather open wallet for \$55, and purchasing donuts, muffins, and coffee numerous times for an average of \$40 each time, and a full size jukebox. Without anyone reviewing or questioning their purchases, the District is providing an opportunity for potentially inappropriate activity to occur.

In addition, due to these types of reimbursements, the District is susceptible to reimbursing an employee for receipts multiple times. We found that these two employees were reimbursed for the same receipts in two different months. One employee was overpaid \$225 and the other employee was overpaid \$91.28. We recommend that these two employees reimburse the District for the overpayments, if this has not already occurred. We also recommend that the District immediately discontinue the use of these types of “open” purchase orders. For all employee expense reimbursement requests, we recommend that someone review and approve the expenditures prior to reimbursement and that only original receipts should be accepted for reimbursement requests to prevent duplicate payment.

Lack of Management Reviews and Approvals

When a process is performed within a department, there should always be another level of review and approval performed by a knowledgeable individual independent of the process. The approval should be documented to verify that a review was done. Review and approval are controls that help management gauge whether operational and personnel goals and objectives are being met. In the discussion below, we attempt to highlight some of these issues:

- The Accounting Office has an accounting system that measures business activities, processes that information into reports, and communicates these findings to decision makers. Two major controls of an accounting system are accurate posting of transactions and adequate account review and reconciliation. The Executive Controller and the Senior Accountants within the District's Office of Accounting process and record transactions and journal entries, as well as reconcile reports and the general ledger trial balances without a review or approval by a supervisor level prior to recording or processing the transactions and journal entries within the system. We recommend that the Assistant School Business Administrator of the Financial Services Division review and approve the work of the Executive Controller and the Executive Controller review and approve the work of the Senior Accountants.
- The School-based Budget Account Transfer Forms we reviewed were not approved by the Deputy Superintendent and were not dated by the Superintendent when these forms should be reviewed, approved, and dated by each approval level. We recommend that the Budget department adhere to its own policies and procedures; the Deputy Superintendent should review and approve all school based budget account transfers. In addition, all approvers need to date the budget transfer forms as provided for in the District's policies.
- The District's policy of payment for overtime and other additional pay is to include such payments in the payday paycheck of the employee. In rare instances, the Payroll Director authorizes off-cycle pay checks for overtime and other additional pay. Results of our Historical Expenditure Analysis showed that 13 employees received more than 69 checks during the two year period of our review, and 311 employees received between 60 and 69 checks. The person who received the highest amount of checks, 96 checks, works in the Payroll department as a Principal Payroll Clerk. The Principal Payroll Clerk requested multiple checks from the payroll employee who processes Extra Curricular Time Reports without the Director of Payroll's knowledge. We recommend

Executive Summary *(continued)*

that the issuance of multiple checks on payday be more closely analyzed and controls be put in place to prevent this from occurring without the Director of Payroll's authorization. We recommend that the Payroll department create an exception report for each pay period that would list all employees that are receiving more than one payroll check.

- An element of effective internal control is the proper segregation of duties. The SBA is the approver of all purchase orders. The SBA is one of the approvers for all requisitions that are between \$15,000.00 and \$29,999.99. In addition, the SBA is one of the three electronic signatures on the A/P checks. The purchase order serves as the approval to pay all invoices. We recommend such conflicting responsibilities be separated to the extent possible. The District should consider involving other supervisory personnel in the approval process to more adequately segregate responsibilities. For example, requisitions between \$15,000 and \$29,999.99 originating from the School Business Office could be reviewed by a supervisor from Financial Services; e.g., the Assistant School Business Administrator of Financial Services.

We recommend that the District establish policies and procedures to review and approve the work of individuals and schools within the District. The evidence of the review and approval should be documented (e.g., signed or initialed and dated by the review/approver prior to the recording of the transaction in the system).

Technology

The District's Technology department is responsible for implementing, maintaining, and supporting the IT needs of its instructional and administrative operations. The Technology department supports the hardware, software, and network infrastructure for over 15,000 computers. Additionally, the Department supports the District's core administrative applications, including:

- **Systems 3000** – The District's legacy Financial Management system which is currently being replaced by a PeopleSoft solution.
- **PeopleSoft** – The District's current Human Resources and Financial Management System.
- **Sub Finder** – The District's current teacher attendance application which interfaces with PeopleSoft Payroll and HR modules.

Executive Summary *(continued)*

We noted the following:

- **PeopleSoft System Change and Migration Processes need to more clearly define stages and approvers** – Though the system development lifecycle (SDLC) and change control request process are generally well defined in the Newark Public Schools PeopleSoft Application Systems Development Procedures, the entry and exit stages for each phase of the cycles are not explicitly defined. In the absence of this detail, the District risks that functionality could be transitioned accidentally or purposefully from one SDLC stage to another without the completion of required activities and permissions.

We recommend that the District update its document to specifically describe entry and exit stages for each SDLC stage. Additionally, the specific approvals and approvers required to exit or enter each stage should be specifically defined.

- **Overall District IT leadership and authority should be defined in the Disaster Recovery (DR) Plan** – Newark's DR plan is very detailed relative to the procedures needed to restore critical HR and Financial system functions. However, the District's Disaster Recovery Plan should explicitly state who has the organizational authority to declare a disaster from an IT perspective. Industry standards require that a DR plan specifically define this authority.

We recommend that the District's DR plan specifically address the issues of IT organizational authority and control in the event of a disaster. To the extent possible, the DR plan should align organizationally and procedurally with any District-wide Business Continuity Plan that may be in place.

- **The District does not retain evidence of its quarterly disaster recovery testing process** – The District tests its PeopleSoft and Subfinder DR processes on a quarterly basis. Results and lessons learned from this testing are not retained. The District runs the risk that its DR audit trail and ability to track patterns and issues relative to its DR process will be lost.

We recommend that the District retain evidence of its District's Disaster Recovery testing and responses (e.g., 12 or 24 month retention periods are sample industry standards).

Executive Summary *(continued)*

- **Administrative server backups are not consistently performed or monitored at the local school level** – Each school is responsible for its own administrative server backups. There is no central monitoring of this backup process at the District level to help ensure these backups regularly take place. Additionally, local school backup tapes are stored in the schools themselves. Without regular monitoring and enforcement of the local school backup process and the offsite storage of backup tapes, the District risks that key administrative data may not be able to be restored in the event of a disaster at a local school.

We recommend that the District perform periodic spot checks at schools to assess the degree to which school-level backups are performed as scheduled. This should help ensure that these backups are performed more regularly as well.

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 333 transactions selected, 166 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 \$446,117.

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.



General Observations

Written policies and procedures codify management's criteria for executing an organization's operations. They document business processes, personnel responsibilities, departmental operations, and promote uniformity in executing and recording transactions. Thorough policies and procedures can also serve as an effective training tool for employees. If written policies and procedures are inaccurate, incomplete, or simply not current, the following could result:

- Inaccurate and unreliable financial records due to inappropriate recording of transactions
- Inconsistent practices among employees and/or departments
- Processing errors due to a lack of knowledge.

The District's policies, procedures, and internal controls should be updated to meet the needs of the Financial Services Division and should provide an accurate reflection of the current system of accounting. The District last updated its policies and procedures in 2002/2003. An up-to-date policies, procedures, and internal controls manual provides a tool for training District employees, increases standardization of the accounting effort, clarifies accounting responsibilities, and helps ensure consistent application of management's policies, procedures, and internal controls.

The Financial Services Division policies and procedures, specifically, (1) Budget, (2) Accounts Payable, (3) Payroll, (4) Financial Management, (5) Purchasing, (6) Student School Activity, and (7) Inventory are outdated and are written based on the District's previous automated financial system, Systems 3000. The District is planning to finalize its implementation of PeopleSoft Financials during the current year. The District is in the process of training all departments and schools on PeopleSoft Financials. We understand once all department and school employees are trained and the system is operational, the Financial Services Division will be drafting new policies and procedures.

We recommend that the Financial Services Division begin developing or revising policies and procedures so all departments and schools will have the policies and procedures for use in daily operations and in executing their responsibilities. These policies and procedures should reinforce and support the training that has been provided to the employee's of the District.



Budget

Overview and Background

The Budget department consists of a Budget Director, one Management Assistant, one Principal Fiscal Assistant, and two Senior Fiscal Assistants. The Budget department creates the overall annual budget, prepares and distributes documents for budget development, and provides training and technical support to people at various District locations in charge of establishing and monitoring the annual budget. Responsibilities also include consolidating the school and department budgets into the District-wide Budget, reviewing, loading, and maintaining all grant budgets, and providing technical support during the budget process.

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

- Annual Budget
- Budget Transfers
- Monitoring the Budget

We performed a walk-through of the appropriate sub-processes of the Budget 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.

Budget Transfers Lack Proper Approvals

In the course of our review, we compared the approvals needed for School-Based budget account transfers to six corresponding School-based Budget Transfer Forms. The flowchart provided to us by the Budget department for such transfers indicates that the Deputy Superintendent is to review and approve the School-based Budget Transfer Form. However, the Deputy Superintendent did not sign one of the six Budget Transfer Forms we reviewed. By not reviewing such transfers lowers the Deputy Superintendent's understanding of the schools' budget needs. In addition, the District does not comply with its own policies and procedures.

We recommend that the Financial Services Division adhere to its own policies and procedures, the Deputy Superintendent should review and approve all school based budget account transfers.

Budget Transfer Forms Not Dated

While reviewing 12 Budget Transfer Forms (including six School-Based Budget Transfer Forms and six District-wide Budget Transfer Forms), we noted that the Superintendent did not date six of the 12 forms reviewed, although the forms clearly indicated that a date is required for each approval level. Information about when a transfer was approved is an important aspect of approvals for budget transfers so the correct order of the approval process and timeliness can be verified.

We recommend that all approvers sign as well as date all Budget Transfer Forms when they approve the transfers.



Accounts Payable

Overview and Background

Accounts Payable (A/P) consists of an A/P Supervisor, eight A/P Technical Assistant III, and four Clerks. A/P produces checks once each week on Friday. The A/P office is responsible for making payments for all District purchases of goods and services with the exception of payroll. Responsibilities of the A/P office include the issuing of checks, liquidation of encumbrances in the A/P system, and the processing of travel reimbursements. A/P Technical Assistant IIIs are assigned vendors and school employees based on the alphabet.

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

- Payment of Invoices
- Payment of TR-2, Aide in Lieu, Mechanic Carfare, and Athletic/High School Officials
- Express Pay Checks
- Report Reviews.

We performed a walk-through of the appropriate sub-processes of the A/P 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.

Mechanic Carfare Invoices Lack Supporting Documentation

Reimbursement of Mechanic Carfare is provided for in the Trade Council Agreement (union contract). We noted the A/P department lacks documentation to support the payment of reimbursement to mechanics for use of their personal vehicle for travel. Invoices should be supported with source documentation, such as written documentation that a mechanic worked at least two weeks during the given month and written documentation as to why a mechanic is getting paid for more than one month, if applicable.

Without proper documentation to support the payment, the District could be allowing for potentially improper or questionable payments. The District must pay all mechanics that work at least two weeks a month \$80 for the month to reimburse for use of their personal vehicle. The mechanics are currently paid through A/P once a month. A/P receives from the Facilities Department a Form 419 (Receiving Report), which totals how much to pay all mechanics for a particular month and a spreadsheet that lists all mechanics to be reimbursed that month. The Facilities Department does not provide to A/P the documentation that will support the mechanic getting paid for that particular month or why payment for previous month(s) is required. Without proper supporting documentation, A/P could be paying a mechanic that did not work 10 days in that month or overpaying a mechanic.

We were informed during our preliminary discussion with the District that Mechanic Carfare reimbursements are going to be processed through payroll for the current school year. In addition, we were told that no mechanic carfare reimbursements have been processed for the current school year.

We recommend that the Accounts Payable department require supporting documentation to support payments requested. In addition, we recommend that when the Payroll department begins to process the Mechanic Carfare reimbursements that they ensure that they have supporting documentation from the Facilities department to support the payment to the employee, especially if they are reimbursing an employee for more than one month. Please see Reimbursements for Trade Workers observations in Facilities Management for further details.

Accounts Payable *(continued)*

Duplicate Payments and Use of Open Purchase Orders

During our Historical Expenditure Analysis, we found that two District employees were reimbursed for items that they purchased, for which they also approved the receipt of the item(s) purchased. One of the employees used a “blanket” type purchase order to purchase these items. The other employee was reimbursed after the expenses were incurred. We discovered during our review of the invoice packages for these two employees some questionable expenses, such as the purchase of a pocket executive leather open wallet for \$55, shipping of 25 federal express packages at one time, donuts, muffins, and coffee being purchased multiple times for an average of \$40 a time, and a full size jukebox. Both employees were also reimbursed twice for invoices that they resubmitted in two different months. One employee was overpaid \$225 and the other employee was overpaid \$91.28.

We recommend that prior to reimbursing employees for expenses that Accounts Payable ensure that the reimbursement is for allowable District purchases. We also recommend that the District request reimbursement for the overpayment that these two employees received, if this has not been done. We also recommend that Accounts Payable review payments to District employees that have blanket purchase orders, for the last two school years.

We also recommend that the District immediately discontinue the use of these types of “open” purchase orders. For all employee expense reimbursement requests, we recommend that someone review and approve the expenditures prior to reimbursement and that only original receipts should be accepted for reimbursement requests to prevent duplicate payment.

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. Data for the District is maintained within a platform called Systems 3000. To extract the necessary data elements for the Historical Expenditure Analysis, we received reports from Newark’s process owners from Systems 3000 and tables from the Systems 3000 vendor.

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.

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.

Accounts Payable *(continued)*

- *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.
- *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	<p>Analyzed the vendor master file and employee master file on various key fields (e.g., name, address, telephone) to identify potential dummy vendors.</p>	<p>We noted 1,234 vendors that matched the employee master file on some level. The breakdown is as follows:</p> <ul style="list-style-type: none"> ● 961 vendors were also District employees (it is common that employees are set up as vendors for reimbursement purposes) ● 131 vendors matched on name ● 142 vendors matched on social security number 	<ul style="list-style-type: none"> ● Ascertained through interview of the payroll and accounts payable personnel why the overlap in vendor and employee information. ● Selected a sample of five from the vendor master file that matched the employee master file on some level. ● For each sample item, we verified that supporting documentation exists that supports the information in the vendor file. <p>For our review, we requested the following five vendor files:</p> <ul style="list-style-type: none"> ● 18859 ● 10944 ● 5119 ● 12505 ● 10253 	<p>The District's Accounts Payable Supervisor indicated that District employees cannot serve as both, District employees and District vendors, during any given school year. Vendor files are set up for District employees who are reimbursed for expenses through accounts payable. Such vendor files have an associated vendor number although the employees are not considered actual vendors.</p> <p>Four of the five items reviewed showed that the employees did not receive payments through the Accounts Payable Department for the period July 1, 2004 through June 30, 2006. No physical vendor files were available for review since physical vendor files are only created if a transaction occurs. The District provided screen prints from Systems 3000 which show the employee name, vendor number, and respective dates associated with the vendor file. The screen prints clearly show that no transactions took place during the time period under review.</p> <p>One of the five employees reviewed did receive payments during both school years (#5119). The employee received special education mileage reimbursements in both years. The documentation in the vendor file supported the payments made to the employee.</p>

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
2	<p>Analyzed the payment data for all checks paid within '04-'05 and '05-'06 to identify payment or approval dates that are weekends, holidays, or the last day of school.</p>	<p>We noted 209 check dates that were for weekends, holidays, or the last day of school. The breakdown is as follows:</p> <ul style="list-style-type: none"> ● 170 payments were made on weekends ● 39 payments were made on holidays 	<ul style="list-style-type: none"> ● Ascertained through interview of the accounts payable personnel reasons for the disbursements on weekends, holidays, or last day of school. ● Selected a sample of 10 checks with check dates on weekends, or holidays. ● For each sample item, we verified that supporting documentation (e.g., purchase order, invoice, receiving report). <p>For our review, we requested a copy of the checks and the supporting documentation for the following 10 checks:</p> <ul style="list-style-type: none"> ● 26575 ● 393588 ● 393587 ● 27562 ● 402665 ● 410139 ● 413330 ● 413343 ● 419061 ● 419057 	<p>The District's Accounts Payable Supervisor indicated that checks are always printed on business days. During the period July 1, 2004 through June 30, 2006 the Accounts Payable Department used Systems 3000 as their financial system. Aforementioned system did not allow checks to be printed until the Office of Accounting closed out a given month. If checks had to be printed in the beginning of a month and the Office of Accounting had not yet closed out the previous month, the only option to print checks was to change the check date to the last day of the previous month. The Accounts Payable Supervisor was not aware of any reasons why checks were printed on holidays or weekends during the month and suggested that these dates may have been data entry errors.</p> <p>All checks with six digit check numbers are printed in the Accounts Payable Department. Checks with less than six digit check numbers are printed in the Office of Accounting. One of the two Senior Accountants in the Office of Accounting is responsible for printing and mailing checks (less than six digit check numbers) for payroll deductions (i.e., garnishments, pension contributions) to the receiving entities.</p> <p>The following checks were printed a holiday or weekend on the last day of a given month:</p> <ul style="list-style-type: none"> ● 393588 ● 393587 ● 402665 ● 410139 ● 419061 ● 419057 <p>Checks included in the following list were printed on a holiday or weekend during a given month:</p> <ul style="list-style-type: none"> ● 26575 ● 27562 ● 413330 ● 413343 <p>The District provided valid supporting documentation for all selected checks.</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 '04-'05 and '05-'06 to identify gaps in check sequences.	<ul style="list-style-type: none"> We noted 634 instances where there is a gap in check numbers. 	We did not perform the test work on this analysis as we focused our resources on higher priority areas of our review.	The majority of the gaps noted may represent voided checks. We recommend that NPS follow up on this assessment using tabulations we have developed looking specifically at gaps of two or more numbers in sequence.
4	Reviewed data to identify possible questionable payments (e.g., round dollar payments)	<p>We noted 2,409 potentially questionable payments made to 965 unique vendors ranging from \$100 to \$1,500,000. The breakdown is as follows:</p> <ul style="list-style-type: none"> 2,196 of the 2,409 potentially questionable payments for less than \$10,000 made to 820 of the 965 unique vendors 255 of the 2,409 potentially questionable payments for more than \$10,000 and less than \$100,000 made to 129 of the 965 unique vendors 28 of the 2,409 potentially questionable payments for more than \$100,000 made to 16 of the 965 unique vendors 	<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 of five from the listing of payments that were made in round dollar amounts. For each sample item, we traced and agreed the disbursement to supporting documentation (e.g., vendor invoice, purchase requisition, purchase order, etc.) to assess if the disbursement was properly processed. <p>For our review, we requested the following five vendor files:</p> <ul style="list-style-type: none"> 6021 19688 22945 2530 24822 	<p>Based on our conversation with the purchasing and accounts payable personnel, some contracts and payments are for set dollar amounts, which could be round dollar amounts. In addition, some requisitions, purchase orders, and invoices are contracted for round dollar amounts.</p> <p>For the five disbursement packages we reviewed, we were able to verify that the payments were properly processed in accordance with the District's policies and procedures and underlying purchase orders or contracts.</p>
5	Analyzed payment data to identify payments made to vendors not in the vendor master file	No exceptions noted.	Not Applicable	Not Applicable
6	Analyzed purchase orders where the payment amount exceeds the original purchase order amount	<p>We noted 450 payments totaling \$91,036.56 in excess of the original purchase order amount. The breakdown is as follows:</p> <ul style="list-style-type: none"> 379 of the 450 purchases made where the payment amount exceeded the original purchase order amount by less than 10% totaling \$57,288.49 in excess 	<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 six from the listing of disbursements which exceeded the PO amount. 	Based upon our interviews with purchasing and accounts payable, we were informed that within Systems 3000, a vendor could be overpaid in the accounts payable system. However, accounts payable and purchasing both stated that when the invoice exceeds the purchase order, the reason for the overage is determined before the invoice is paid. Accounts payable indicated that they do not pay an invoice that exceeds the purchase order without first communicating with purchasing.

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
		<ul style="list-style-type: none"> ● 61 of the 450 purchases made where the payment amount exceeded the original purchase order amount by greater than 10% but less than 50% totaling \$27,564.16 in excess ● 10 of the 450 purchases made where the payment amount exceeded the original purchase order amount by greater than 50% totaling \$6,183.91 in excess 	<ul style="list-style-type: none"> ● For each sample item, we traced and agreed the disbursement to supporting documentation (e.g., vendor invoice, purchase order, purchase requisition, etc.) to assess if the disbursement was properly processed. <p>For our review, we requested the following six purchase order vendor packages:</p> <ul style="list-style-type: none"> ● 05-03356 ● 05-23743 ● 05-21441 ● 05-19501 ● 05-15781 ● 05-19916 	<p>For the six disbursement packages we reviewed, we verified that all payment amounts exceeded the original purchase order amount.</p> <ul style="list-style-type: none"> ● For one of the six disbursement packages (PO# 05-03356), it appeared that accounts payable paid the incorrect amount on the invoice. The invoice indicated that there was a list total and sale total. On the voucher, accounts payable paid crossed out the list total and put the sale total in, but ultimately paid the list total. Accounts payable also indicated on the invoice that there were not enough funds available in the budget (encumbrance) to cover the payment. The original purchase order amount was \$5,037.00 and accounts payable paid \$6,671.55. ● For one of the six disbursement packages (PO# 05-23743), it appeared, based on reviewing the package, that accounts payable paid for an additional nine items received and the screen charge was incorrect. The original purchase order amount was \$245.15 and accounts payable paid \$278.48. ● For one of the six disbursement packages (PO# 05-21441), it appeared, based on reviewing the package, that accounts payable paid for an additional 10 items received and paid a unit price of \$2.79 for each of these items versus the \$1.79 on the purchase order. The purchase order also did not include \$29.95 for the logo charge, plate charge of \$12.95, and \$5.00 customer paper proof. The original purchase order amount was \$358 and accounts payable paid \$674.92. ● For one of the six disbursement packages (PO# 05-19501), it was a registration fee for four employees to attend a workshop. However, the purchase order only encumbered the registration fee for three employees, but accounts payable paid the registration fee for four employees. The original purchase order amount was \$345.00 and accounts payable paid \$540.00. ● For one of the six disbursement packages (PO# 05-15781), it appeared that the quantity had been incorrectly calculated. The purchase order calculated two items as three quantities ordered but it should have been 75 quantities ordered. There is a note on the purchase order indicating that changes were per the vendor. In addition, accounts payable indicated on the invoice that there are not enough funds available in the budget (encumbrance) to cover the payment. The original purchase order amount was \$183.40 and accounts payable paid \$389.50.

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
				<ul style="list-style-type: none"> One of the six disbursement packages (PO# 05-19916) was to reimburse an employee for expenses incurred while attending a conference. The employee was reimbursed for meals for the four days and mileage. The original purchase order amount was \$200 and accounts payable paid \$318.92. <p>We made an additional observation while reviewing this employee's vendor file. This employee was given a blanket type purchase order for \$1,000 in school years 2004-2005 and 2005-2006. This was to cover programmatic expenses related to implementation to 21st CCLC, specifically for unexpected office expenses and staff expenses for office equipment, in school year 2004-2005. In school year 2005-2006, it was to cover expenses that would normally be covered by petty cash and items that are not provided by vendors that take purchase orders, such as: specialty folders, paper, project materials from Home Depot and Staples, and breakfast from Dunkin Donuts for workshops. These items were purchased by this employee, approved for payment by the same employee, the employee signed the receiving documents indicating that he received the items, and the employee then received a check to reimburse him for these purchases. We discovered some questionable expenses, such as shipping 25 federal express packages at one time, purchasing a printer at Staples for \$199.98, purchasing a pocket executive leather cc open wallet for \$55.00, donuts, muffins, and coffee purchased at an average of \$40 on 3/25/06, 4/1/06, 4/8/06, 4/29/06, and 5/6/06. This employee received reimbursement twice for the same purchases to Dollar Tree Stores, Inc. for \$12.72 and Shop Rite for \$74.97. He was reimbursed the first time for this purchase on check number 379051 dated 10/15/04 and again on check number 381014 dated 11/11/04. He also was overpaid an additional \$10.79 on check number 379051 dated 10/15/04 as well as underpaid on this same check by \$7.20. We recommend that this employee reimburse the District for the overpayments, which total \$91.28. We also recommend that the District discontinue the use of these types of "open" purchase orders. If the District continues to issue these types of purchase orders, we recommend that someone review and approve expenditures prior to reimbursement.</p>

Historical Expenditure Analysis – Vendor Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
7	Analyzed the number of disbursements in the two-year period covering '04-'05 and '05'-'06.	<p>We noted that 2,069 vendors received numerous disbursements during the two-year period. The breakdown is as follows:</p> <ul style="list-style-type: none"> ● 93 of the 5,556 vendors received more than 48 checks ● 232 of the 5,556 vendors received between 24 and 48 checks ● 5231 of the 5,556 vendors received less than 24 checks 	<ul style="list-style-type: none"> ● Ascertained through interview of the purchasing and accounts payable personnel why certain vendors would receive more than 48 payments within the Audit period. ● Selected a sample of five items from the listing of disbursements. ● For each sample item, we traced and agreed the disbursement to supporting documentation (e.g., purchase order, vendor invoice, purchase requisition, etc.) to assess if the disbursement was properly processed. <p>For our review, we requested the following five vendor files:</p> <ul style="list-style-type: none"> ● 17686 ● 7034 ● 9385 ● 23676 ● 5014 	<p>Based upon our interviews, we noted it is uncommon for a vendor to receive more than 48 payments in a fiscal year. The District processes payments weekly. Usually if a vendor has more than one invoice in a given pay period, the invoices are batched and one check is produced. However, there are certain situations where a vendor requires separate payments for the invoices. In addition, the carfare reimbursements, high school official reimbursements, and pupil transportation are reimbursements to multiple employees, officials hired for athletic events, and parents being reimbursed for pupil transportation for their child going to school outside of Newark, these are all done under one purchase order.</p> <p>For the five disbursement packages we reviewed, we were able to verify that the payments were properly processed in accordance with the District's policies and procedures.</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 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 Miscellaneous Purchases - includes program code 000 with object codes 800 through 999.
- 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.
- Regular Instructional Purchased Professional Educational Services - includes program code 190 with object code 320.
- School Sponsored Athletic Supplies and Materials - includes program code 402 with object code 600.
- Textbooks - includes object code 640.
- Capital Outlay - includes Fund 12.
- Purchased Professional, Technical and Other Services for Instructional Staff Training - includes program code 000 with object codes 300 through 599 and function code 223.

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

Accounts Payable *(continued)*

of the purchase order package alone. Follow-up questions were not posed to any District employees nor was additional support requested.

Of the 333 transactions selected, 166 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, which have been shaded in the tables, total \$446,117.

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.

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

OBJ. Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
300	LIB/MEDIA PURCH TECH SER	06-13679	NULL	2006/03/31	THOMSON GALE	\$ 4,470.00	\$ 4,470.00	NULL	Student Resource Center Gold one-year subscription for Science High School.
320	GEN ADM PURC PROF ED	05-04105	NULL	2005/06/14	JOANNE HARZ	\$ 24,500.00	\$ 28,000.00	NULL	Professional services rendered to the Office of the Superintendent at a rate of \$350 per day.
320	GEN ADM PURC PROF ED	05-12472	NULL	2004/12/22	NICOLE NAYLOR	\$ 5,000.00	\$ 5,000.00	NULL	Consultant in the area of music production for 20 days at a rate of \$250 per day.
330	BUS OFF PURCH PROF SERV	05-04380	NULL	2004/12/22	MICHAEL PECKLERS	\$ 1,500.00	\$ 1,500.00	NULL	Fee for cancellation (\$750) of hearing at the Board Offices because of short notice and cost (\$750) of hearing, opinion, and award in the Bellinger case.
339	GEN ADM PURCH PROF SERV	05-14595	NULL	2005/06/30	ANTHONY JACKSON	\$ 2,719.00	\$ 2,470.00	NULL	Services of Mr. Anthony Jackson to serve as the guest speaker for Newark Public Schools Middle Level Conference Scheduled for 04/16/05. PO was overpaid by \$249.
340	BUS OFF PURCH TECH SERV	05-13930	NULL	2005/03/24	RUDOLPH MARTIN	\$ 3,000.00	\$ 6,000.00	NULL	Provide Technical Consultant Services 3 days per week \$200 per day.
390	OPER OTH PURCH SERV	05-24554	2005/06/28	2005/08/26	GERALD BLAND	\$ 224.70	\$ 224.70	NET 30 DAYS	Encumber funds for the reimbursement of personal expenses (mileage) while attending the NJ Building and Grounds Assn Annual Conference in Atlantic City, NJ on April 5 and April 6, 2005.
390	SUP SVC SPEC PURCH PROF	05-04305	NULL	2005/04/14	ELEK MICHELE	\$ 3,500.00	\$ 17,500.00	NULL	Consultant service for the Office of Special Education.
390	IMPROV INST PUR PROF/TEC	05-22499	NULL	2005/06/17	CLASSIC CATERERS	\$ 1,600.00	\$ 1,600.00	NULL	Perfect Attendance Poster Contest Awards Banquet for 6/2/05 at Arts High School for 105 people.
420	MAINT REPAIR SERV	04- 13956A	NULL	2005/01/26	BINSKY SNYDER	\$ 44,600.71	\$ 75,000.00	NULL	Encumber funds for HVAC Service as per District contract 6414.
440	IMPROV INST RENTAL	06-17081	NULL	2006/05/12	HODGES PARTY RENTALS	\$ 2,273.50	\$ 2,273.50	NULL	30' * 100' Party Tent on 4/28/06 for the District Annual Science Exhibition.
441	OPER RENTAL EQUIP	05-02819	NULL	2005/05/09	AMERICAN AIRLINES	\$ 91,091.23	\$ 151,000.00	NULL	Lease/rental of Aerospace Center: July 2004 - June 2005 at \$12,583.33 per month.
580	BUS OFF TRAVEL	05-21183	2005/05/02	2005/06/07	PAUL MAILLOUX	\$ 1,099.69	\$ 1,500.00	NULL	Encumber funds to reimburse travel and meal expenses for CIO Paul Mailloux to attend the Great City Schools Conference (i.e., Management Information Systems Conference) held 5/31/05 through 6/3/05 in Chicago, IL.
580	BUS OFF TRAVEL	05-06434	NULL	2004/10/15	PAUL MAILLOUX	\$ 898.67	\$ 1,200.00	NULL	Encumber funds for travel to the Great City Schools FO A Director's Meeting (i.e., Meeting of E-Rate Directors) in Washington, DC held 10/5/04 - 10/6/04.
580	BUS OFF TRAVEL	06-06245	NULL	2005/10/11	PAUL MAILLOUX	\$ 2,107.64	\$ 2,460.00	NULL	Encumber funds for travel to the Oracle Open World Conference held in San Francisco, CA on 9/17/05 - 9/22/05.
320	IMPROV INST PURC PROF ED	05-08496	NULL	2005/02/24	DR ROBERT NOONAN	\$ -	\$ -	NULL	Documentation Not Provided as of 11/22/06
330	OPER PURCH PROF SERV	04-08942	NULL	2004/07/30	BRESLIN SUSAN	\$ -	\$ -	NULL	Documentation Not Provided as of 11/22/06
500	LIB/MEDIA OTH PURCH SERV	05-02752	NULL	2004/07/16	NY MARRIOT MARQUIS	\$ 139.18	\$ -	NULL	Lodging for two people for the NAF summer conference in NYC on 07/17/04 - 07/20/04. NPS did not provide the remittance advice or any documents for the \$139.18 payment.
330	BUS OFF PURCH PROF SERV	04-23282	NULL	2004/07/23	SHELLY KUSENTZ	\$ 2,000.00	\$ -	NULL	Paid photographer for services during the end of year celebrations. Remittance advice and receipt were not provided by NPS.
330	BUS OFF PURCH PROF SERV	05-01804	NULL	2004/07/23	MORALES PEDRO I	\$ 470.00	\$ -	NULL	Reimbursement of membership dues for P. Morales for the American Payroll Assoc \$200 and NJ Society of Certified Public Accountants \$270.

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

OBJ. Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
500	OTH PURC SVCS	04-16312	NULL	2004/07/23	JONES HOWELL LANDSCAPI	\$ 2,000.00	\$ -	NULL	Ground maintenance at New Jersey Regional Day School for June 2004.
580	GEN ADM TRAVEL	04-17178	NULL	2004/07/30	WILLIE FREEMAN	\$ 1,303.64	\$ -	NULL	Travel expenses while attending the June Volunteer Leadership conference on 06/22/04-06/25/04 in South Beach, FL. The PO was overpaid by @153.64. Remittance advice and receipts were not provided by NPS.
580	SUPP SERV REG TRAVEL	04-19246	NULL	2004/07/30	GRUNDY SHIRLEY	\$ 275.41	\$ -	NULL	Reimbursement for personal expenses (travel, lodging, and meals) while attending the 2004 ASCA conference in Reno, NV, on 06/26/04 - 06/30/04. Receipts and remittance advice was not provided by NPS.
580	SUPP SERV SPEC TRAVEL	05-03224	2004/07/16	2004/07/30	SPECIAL ED TRAVEL REIMBU	\$ 1,838.43	\$ 1,925.00	NET	Reimbursement for work related travels for the 2003-2004 school year. The PO was printed on 07/16/04. NPS provided a confirming order, which was signed by the Deputy Superintendent. The employee was reimbursed during the 2004-2005 school year because there were no funds left during the 2003-2004 school year. Receipts or detailed description of expenses were not included in the PO package. (Remittance advice missing).
580	GEN ADM TRAVEL	04-22734	NULL	2004/08/02	ESSEX TRAVEL AGENCY	\$ 2,894.84	\$ -	NULL	Encumbered funds to reimburse the Superintendent and the Deputy Superintendent for travel related expenses. Purpose: Executive Committee of the Council of the Great Schools in Anchorage, AK on 07/15/04 - 07/18/04.
580	GEN ADM TRAVEL	04-22736	NULL	2004/08/17	NELMS ANZELLA	\$ 189.48	\$ -	NULL	Encumbered funds for reimbursement of personal expenses incurred while attending the Executive Committee of the Council of the Great City Schools in Anchorage, AK on 07/15/04 - 07/18/04.
580	SUPP SERV REG TRAVEL	05-02713	NULL	2004/08/17	TOM GIORGIO	\$ 299.25	\$ -	NULL	Mileage reimbursement for football camp visits and inspections on 07/01/04, 07/02/04, and 07/06/04. (Remittance advice missing).
580	SUPP SERV SPEC TRAVEL	05-02967	NULL	2004/08/17	WHITE ANTHONY	\$ 227.61	\$ -	NULL	Reimbursement for personal expenses (mileage, parking, lodging, and meals) incurred while attending the International Parent to Parent Conference on 04/03/02 - 04/07/02.the check date was 8/17/2004. Confirming order was provided (signed by Deputy Superintendent).
590	GEN ADM TRAVEL	05-04727	NULL	2004/08/18	HILTON CASINO RESORT	\$ 1,000.43	\$ -	NULL	SLT 4 retreat on 08/20/04 at Atlantic City Hilton Casino Resort. Expenses included meals, one room rental, and tripod screen and A/V service charges. (Remittance advice missing).
320	IMPROV INST PURC PROF ED	05-03370	NULL	2004/09/03	VERONICA TAYLOR	\$ 2,100.04	\$ -	NULL	Payment for consultant services for the Department of Teaching and Learning. The payment includes two days of consultant services (\$1,000), travel expenses (\$623.04), per diem meals (\$150) and lodging (\$327).
580	GEN ADM TRAVEL	05-02265	NULL	2004/09/10	QUINONES MANUEL	\$ 1,634.00	\$ -	NULL	Encumbered funds for personal expenses incurred while attending the 19th Annual Training Conference and Technology Exhibition in Austin, TX on 07/10/04 - 07/16/04.
330	OPER PURCH PROF SERV	04-16713	2004/03/18	2004/09/16	FREEMAN GEORGE A	\$ 5,114.00	\$ 6,600.00		Design and supervision of the installation of an emergency generator and automatic transfer switch for computer room back-up emergency power system for the NPS Central Office.
420	SECURITY REPAIR SERV	04-01883A	2003/07/01	2004/09/17	HIGH TECH CAR WASH	\$ 110.00	\$ 2,400.00	NET 30 DAYS	21 full service car washes at \$5 each for the month of June 2004 under a blanket PO for car washes at this vendor for the period of July 2003 - June 2004.
441	OPER RENTAL EQUIP	05-06368	NULL	2004/09/27	CENTRAL PARKING	\$ 358.00	\$ -	NULL	Reimbursed ASBA (Financial Services) for two months parking at 180 Washington Street Garage, Newark, NJ.

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

OBJ. Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
580	SUPP SERV REG TRAVEL	05-02712	2004/07/01	2004/09/30	MARBELLA BARRERA	\$ 1,145.64	\$ 1,387.75	NET	Encumbered funds for personal expenses incurred while attending the Great City Schools: curriculum, research, and assessment joint meeting in Baltimore, MD on 07/13/04 - 07/17/04.
390	SUP SVC SPEC PURCH PROF	05-03525	2004/07/23	2004/10/08	THOMAS J DUGAN	\$ 27,280.50	\$ 37,773.00	NET	For performance of services as Interim Director Special Education at \$419.70 per day.
530	BUS OFF TRAVEL (STAFF)	05-06258	NULL	2004/10/15	KELLY WILBERT	\$ 321.46	\$ -	NULL	Reimbursement for a PeopleSoft Connect Conference held in San Francisco, CA, on 09/20/04 - 09/24/04. The PO was overpaid by \$ 21.46. NPS did not provide receipts and remittance advice for this reimbursement.
530	BUS OFF TRAVEL (STAFF)	05-06247	NULL	2004/10/22	DIYANIDH KAMAL	\$ 235.64	\$ -	NULL	Travel and Meal expenses for People Soft conference in San Francisco, CA from 9/19/04 - 9/24/04. (No requisition provided).
320	IMPROV INST PURC PROF ED	05-03369	NULL	2004/10/29	PATRICIA HURT	\$ 2500	\$ -	NULL	Payment for consultant services for the Department of Teaching and Learning.Capa training, lodging, travel, and meals. No further explanation or receipts provided.
320	IMPROV INST PURC PROF ED	05-04035	NULL	2004/10/29	MARION A MULLARKEY	\$ 3,325.00	\$ -	NULL	Encumbered funds for consultant service to assist with the health career curriculum, occupational health programs, and liaison with the NJDOE with regard to activities and programs conducted by STCCI. The consultant was paid @ \$350 per day for 9.5 days. The service was provided to the Office of School to Career.
320	SUPP SERV REG PUR PROF	05-06840	NULL	2004/10/29	WAYLA	\$ 4,500.00	\$ -	NULL	Encumbered funds for consulting fees for the facilitation of various alternative education programs for the month of September, 2004.
590	SECURITY OTH PURCH SERV	05-03569	NULL	2004/10/29	WILLIE FREEMAN	\$ 1,291.49	\$ -	NULL	Encumbered funds for an employee to attend a work shop (ASIS International 50th Annual Seminar) held on 09/26/04 - 10/1/04 in Dallas, TX. Expenses included meals, lodging, airfare, and shuttle.
580	BUS OFF TRAVEL	05-08475	NULL	2004/11/05	ESSEX TRAVEL AGENCY	\$ 3,080.37	\$ -	NULL	Encumbered funds for reimbursement of travel fees for employees to attend The Puerto Rico Teaching Job Fair held on 11/14/04 - 11/18/04. Expenses included airfare and lodging.
320	PURCHASED PROFESSIONAL A	05-07812	NULL	2004/11/09	PAUL D ASCENSIO	\$ 10,500.00	\$ -	NULL	Payment to Paul D'Ascensio for providing services as Chairperson of the Athletic Dept of Malcolm X Shabazz HS. 30 days from August 2004 - October 2004 at \$350 per day. No contract number listed on documents. Documentation included sign-in sheets completed by Paul D'Ascensio.
320	GEN ADM PURC PROF ED	05-05048	NULL	2004/11/11	SUSU STEWART	\$ 15,000.00	\$ -	NULL	Professional services provided by consultant in the area of music production at rate of \$250 per day on 08/23/04 - 11/23/04.
580	BUS OFF TRAVEL	05-06036	2004/09/13	2004/12/02	MICHELLE BALDWIN	\$ 557.30	\$ 900.00	NET	Reimbursement for travel, parking and meals during New Jersey Work Shop and Exhibition on 10/20/04-10/22/04.
390	SUP SVC SPEC PURCH PROF	05-07521	NULL	2004/12/03	DR MAE J BALABAN ASS	\$ 950.00	\$ -	NULL	Paid physician for independent speech-language evaluation for a special education student. The evaluation was performed on 6/29/04 and 6/30/04.
390	GUIDANCE PUR PROF & TECH	05-07831	NULL	2004/12/03	MONTGOMERY ACADEMY HIGH	\$ 725.00	\$ -	NULL	Printing of Science High School Pamphlets on glossy paper - QTY 500. (Remittance advice missing).
420	MAINT REPAIR SERV	04-02901	NULL	2004/12/03	MAJOR MECHANICAL SERVICE	\$ 17,892.66	\$ -	NULL	For HVAC service as per District contract.
420	MAINT REPAIR SERV	04-10795A	NULL	2004/12/03	MAJOR MECHANICAL SERVICE	\$ 13,582.45	\$ -	NULL	For boiler service as per District contract.

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

OBJ. Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
450	FACIL ACQU CONSTRUCTION	04-23847	NULL	2004/12/03	ROCKAWAY MUSIC	\$ 9,590.00	\$ -	NULL	Two Rosewood Yamaha Clavinovas Series #208 for Belmont-Runyon School.
420	MAINT REPAIR SERV	05-04041	NULL	2004/12/21	HEYRICH FRED	\$ 589.00	\$ -	NULL	Encumbered funds for inspection of the interior of four roof drains at Valisburg Middle School, including videotaping the interior of the pipe and a written report.
420	MAINT REPAIR SERV	05-04483	NULL	2004/12/21	HEYRICH FRED	\$ 898.00	\$ -	NULL	Cleaning roof drain at Valisburg Middle School.
420	MAINT REPAIR SERV	05-04486	NULL	2004/12/21	HEYRICH FRED	\$ 498.00	\$ -	NULL	CCTV of roof drain at Camden Middle School.
580	BUS OFF TRAVEL	05-08102	NULL	2005/01/07	JOYCE LEE	\$ 947.01	\$ -	NULL	Payment for attendance and related expenses for the ASBO Conference in Cincinnati OH Oct 14-19, 2004. \$845 for registration, \$87.51 for meals and \$282.70 for transportation. No receipt provided for the transportation.
580	SUPP SERV REG TRAVEL	05-14070	NULL	2005/03/10	DILLARD CHARLES	\$ 264.54	\$ -	NULL	Encumbered funds for mileage reimbursement.
500	SCHL ADM OTH PURCH SERV	05-12068	NULL	2005/03/24	EMBASSY SUITES	\$ 636.00	\$ -	NULL	Four nights stay at Embassy Sweets for Ken Amparbrin at ASCD Conference in Orlando FL from April 1-4, 2004.
580	BUS OFF TRAVEL	05-15917	NULL	2005/03/24	AMERICAN PAYROLL ASSOCIA	\$ 2,658.00	\$ -	NULL	Registration fee to attend the American Payroll Association 23rd Annual Congress held in San Diego, CA on 04/30/05 - 05/06/05.
580	IMPROV INST TRAVEL	05-18082	NULL	2005/03/31	TOM GIORGIO	\$ 822.81	\$ -	NULL	Reimbursement for travel expenses, meals, and registration fees incurred while attending the NIAA Annual Workshop in New Orleans, LA on 12/10/04 - 12/12/04.
580	GEN ADM TRAVEL	05-18895	NULL	2005/03/31	GLENDA GREEN JOHNSON	\$ 208.36	\$ -	NULL	Reimbursement for expenses incurred while attending the NABSE Conference held in Dallas, TX on 11/16/04 - 11/21/04.
320	IMPROV INST PURC PROF ED	05-05439	NULL	2005/04/14	JILL WATKINS	\$ 7,000.00	\$ -	NULL	For consulting services of Jill Watkins for the Dept of Teaching and Learning for 20 days at \$350 per day. Support indicated 20 dates of service, one of which 1/8/05 was a Saturday.
330	BUS OFF PURCH PROF SERV	05-15320	NULL	2005/04/14	DR GLORIA HARPER DICKIN	\$ 500.00	\$ -	NULL	Speaking fee for Gloria Dickinson, Ph.D. for speaking at February 8, 2005 Black History Month Event - Teaching Slavery brown bag lunch sponsored by the Dept of Teaching and Learning.
330	BUS OFF PURCH PROF SERV	05-16043	NULL	2005/04/14	DR RITA KOMBOZ	\$ 300.00	\$ -	NULL	Fee for independent medical exam.
580	BUS OFF TRAVEL	05-10813	NULL	2005/04/14	CAMPANA LUIGGII	\$ 181.38	\$ -	NULL	Reimbursement for meals while attending the American Society for Public Administrators 66th annual Conference in Milwaukee, WI on 04/03/05-04/06/05.
580	BUS OFF TRAVEL	05-17313	NULL	2005/04/14	WILSON VALERIE	\$ 189.40	\$ -	NULL	Reimbursement for a District related trip on 04/05/2005-04/9/2005. The reimbursement included travel and meals.
590	GEN ADM OTH PURCH SERV	05-14458	NULL	2005/04/14	NELMS ANZELLA	\$ 261.41	\$ -	NULL	Encumbered funds for a reimbursement for a District related trip to the AASA 2005 Conference and Exposition held in San Antonio, TX on 02/16/05 - 02/20/05.
580	BUS OFF TRAVEL	05-20861	NULL	2005/05/05	RONALD LEE	\$ 179.17	\$ -	NULL	To reimburse SBA for expenses incurred while attending the Chief Operating Officer's Conference in San Diego, CA held on 04/05/05 - 04/09/05 and the conference held on Charlotte, NC for the Wachovia Government Advisory Group Meeting held on 04/19/05 - 04/20/05.
580	BUS OFF TRAVEL	05-20943	NULL	2005/05/05	BALLY S ATLANTIC CITY	\$ 391.94	\$ -	NULL	Lodging for Executive Controller while attending the NJSBO 43rd Annual Conference in Atlantic City, NJ on 05/11/05-05/13/05. (Remittance advice missing).

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

OBJ. Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
420	BUS OFF REPAIR	05-06375	2004/09/16	2005/05/10	WAYNE DODGE	\$ 1,217.28	\$ 2,000.00	NET 30	Items such as one mirror, one lamp tail and oil for the Motor Transportation division. The remittance advices and invoices provided by NPS only add up to \$955.72.
580	IMPROV INST TRAVEL	05-20932	NULL	2005/05/13	GAYLE GRIFFIN	\$ 333.09	\$ -	NULL	Encumbered funds to reimburse vendor for monies expensed while representing Newark Public Schools at the North American Reading Recovery Institute in Arlington, VA. Expenses included lodging and registration fees.
580	SUPP SERV SPEC TRAVEL	05-02888	2004/07/01	2005/05/13	SPECIAL ED TRAVEL REIMBU	\$ 9,985.07	\$ 10,000.00	NET	NTU contract item - reimbursement for work related travel for special education employees.
590	OTHER PURCH SERVICES (40	05-04184	NULL	2005/05/13	MARVIN JEFFERSON	\$ 21,000.00	\$ -	NULL	Four bi-monthly payments of \$5,250 to Marvin Jefferson "for services rendered as the Paul Robeson Chautauquan. Each payment was made prior to the end of the service period - for example payment for the months of February and March 2005 was paid on March 10, 2005. No documentation/evidence that services were performed and no contract number listed on any documents in PO packages.
580	BUS OFF TRAVEL	05-15919	NULL	2005/05/31	DOROTHY HATCHER	\$ 99.00	\$ -	NULL	To reimburse payroll employee for out-of-pocket expenses while attending the American Payroll Association 23rd Annual Congress in San Diego, CA. Event happened 04/30/05 - 05/06/05.
580	BUS OFF TRAVEL	05-16271	NULL	2005/05/31	COMPUMASTER	\$ 895.00	\$ -	NULL	Registration fee for "installing, configuring and troubleshooting Microsoft SQL Server".
580	GEN ADM TRAVEL	05-16925	NULL	2005/05/31	RONALD KARSEN	\$ 96.50	\$ -	NULL	\$96.51 paid to Ron Karsen for meals incurred at ASCO Conference in Orlando from 4/1/05 - 4/5/05.
420	BUS OFF REPAIR	05-09323	2004/11/09	2005/06/30	PAT S AUTO REPAIRS	\$ 2,903.63	\$ 3,000.00	NET 30	Repairs and maintenance of all NPS vehicles, including labor and parts. Also for inspection of all NPS' trucks and vans during 10/1/2004 - 06/30/2005.
580	BUS OFF TRAVEL	05-23907	NULL	2005/06/30	JOYCE LEE	\$ 670.50	\$ -	NULL	Payment for 5 hotel rooms in Detroit Michigan for PeopleSoft visit- three room receipts from Marriott Courtyard in the name of Joyce Lee as "guest" other two receipts list Ronald Lee and Clarence Joffrion as "guests". Expense statement includes hotel charges in column 5. For 6 room charges at \$97.95 each however only 5 receipts are attached. Other charges are for parking and meals. One meal for \$19 indicated that receipt was lost.
320	GEN ADM PURC PROF ED	06-06105	NULL	2005/09/01	KEVIN POWELL	\$ 3,000.00	\$ -	NULL	Guest speaker at the Teachers' Convocation on September 7, 2005.
580	BUS OFF TRAVEL	06-04979	NULL	2005/12/20	WILSON VALERIE	\$ 523.06	\$ -	NULL	Reimbursed ASBA (Operations) for expenses incurred, including lodging (\$350.62), Meals (\$166.44), and travel (\$6), during a trip to Boston, Ma for ASBO. The PO was overpaid by \$123.06.
420	MAINT REPAIR SERV	06-11786	NULL	2006/04/26	BJ M AUTO INC	\$ 9,999.21	\$ -	NULL	District vehicle repairs per NJ State contract.
420	MAINT REPAIR SERV	06-03310	NULL	2006/04/26	BJ M AUTO INC	\$ 9,999.14	\$ -	NULL	District vehicle repairs per NJ State contract.

Review of Purchase Order – Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
890	GEN ADMIN MISC EXP	04-13396	NULL	2004/12/03	MEDITERRANEAN MANOR	\$ -	\$ -	NULL	Documentation Not Provided as of 11/22/06
800	IMPROV OF INSTR MISC EXP	06-18506	NULL	2006/06/16	SHERATON NEWARK AIRPORT	\$ -	\$ -	NULL	Documentation Not Provided as of 11/22/06
800	IMPROV OF INSTR MISC EXP	05-24051	2005/06/16	2005/11/23	HAMILTON PARK HOTEL	\$ 5,702.04	\$ 5,474.00	NET	Faculty Retreat for 22 staff members held on June 3 - June 4, 2005 at Hamilton Park Hotel in Florham Park, NJ. PO appears to have been processed after retreat. PO was overpaid by \$228.04.
800	ATTEND MISC EXP	04-22542	NULL	2005/06/30	BRANCH BROOK MANOR	\$ 2,470.00	\$ 2,470.00	NULL	Senior Class Banquet on 06/23/04 for Class of 2004 Graduation, Science High School.
800	SCHL ADM MISC EXP	05-10772	NULL	2005/01/04	CUSTODI S CATERERS	\$ 554.25	\$ 540.00	NULL	Provided catering services for 12/2/04 Parent Conference Night at Avenue High School. PO was overpaid by \$14.25, which was the delivery charge.
800	SCHL ADM MISC EXP	06-09770	NULL	2006/02/28	NEW JERSEY NETS	\$ 450.00	\$ 450.00	NULL	Admission for 30 students from Sussex Avenue School to Attend the New Jersey Nets game held on Saturday, 12/10/06.
800	IMPROV OF INSTR MISC EXP	06-17394	NULL	2006/03/10	NEW JERSEY NETS	\$ 1,010.00	\$ 1,010.00	NULL	Admission for 50 from Technology High School for a New Jersey Nets game held on 3/15/06.
800	IMPROV OF INSTR MISC EXP	05-09768	NULL	2004/12/02	NEW JERSEY NETS	\$ 510.00	\$ 510.00	NULL	Admission for 25 from Sussex Avenue School of Arts for a New Jersey Nets game held on 12/4/04.
800	GUIDANCE MISC EXP	05-21827	NULL	2005/05/11	THEATRE DIRECT	\$ 1,350.00	\$ 1,350.00	NULL	Admission for 30 to see "Sweet Charity" on Wed., 5/18/05 for Science High School.
800	IMPROV OF INSTR MISC EXP	05-23558	NULL	2005/06/09	THEATRE DIRECT	\$ 1,692.50	\$ 1,692.50	NULL	Admission for 55 (54 tickets bought and 1 comp) to see "The Producers" on Wed., 6/22/05 for Science High School.
800	GUIDANCE MISC EXP	05-03973	2004/09/20	2004/12/16	KING S FAMILY RESTAURANT	\$ 505.00	\$ 505.00	NET 30 DAYS	Catering services – school fair, college fair and related school activities for University High School. This occurs once per month from October through May.
800	IMPROV OF INSTR MISC EXP	05-05529	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 316.25	\$ 1,251.25	NULL	Continental breakfast and assorted sandwiches for 50 people for Staff Development Day on 9/8/04.
890	IMPROV INST-MISC EXP	06-03479	NULL	2005/07/21	CIRCLE LINE	\$ 1,832.00	\$ 1,832.00	NULL	Class trip 08/08/05 for 136 students and staff members. 3 buses rented with an additional fee of \$10 per bus.
890	BUS OFF MISC EXP	05-11344	NULL	2004/12/23	BATTLE ANTHONY	\$ 209.65	\$ 209.65	NULL	Door prizes purchased for NJ Transit meeting.
890	RD-SCH ADM MIS EXP	05-08924	NULL	2004/12/16	KING S FAMILY RESTAURANT	\$ 580.00	\$ 580.00	NULL	Continental breakfast and lunch to be provided for staff development day on 10/21/03 for 55 staff members.
890	RD-SCH ADM MIS EXP	05-09874	NULL	2004/12/16	KING S FAMILY RESTAURANT	\$ 2,080.00	\$ 2,080.00	NULL	Thanksgiving luncheon for NJ Regional Day School on 11/23/04 for 24 staff and students. The cost per person was \$86.67.
890	IMPROV INST-MISC EXP	05-06726	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 123.75	\$ 495.00	NULL	Continental breakfast for Staff Development.

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

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
890	GEN ADMIN MISC EXP	05-23993	NULL	2005/06/22	MARION BOLDEN	\$ 5,011.78	\$ 5,011.78	NULL	To reimburse employee for out of pocket expenses. These reimbursements are for items, dinners, and lunches. In addition, the supporting documentation did not add up to what was reimbursed. The supporting documentation included an American Express bill and some individual bills for items and meals. Some items being reimbursed were: (1) 2 - Five Jazz Musicians, Figurines costing \$59.95 each; (2) 3 - Double Countertop Dispensers costing \$49.99 each; (3) 1 - Crosley CR12 10 CD Full Size Jukebox cost \$1,795; (4) Dinner with the Science High School Basketball team on 5/2/05; (5) Dinner with the Girls Malcolm X Shabazz Basketball team on 5/26/05; (6) Luncheon meeting with Executive Director of Newark Public Library; (7) Disability Income Insurance of \$231.60; and (8) Limited Accident Insurance of \$87.60. In addition, there were two dinners with no explanation of attendees or business purpose. All items that were ordered were shipped to 2 Cedar Street.
890	GEN ADMIN MISC EXP	06-06763	NULL	2005/09/20	MARION BOLDEN	\$ 1,822.38	\$ 1,822.38	NULL	To reimburse employee for out of pocket expenses incurred for various events. The supporting documentation did match each payment. Some items and dinners being reimbursed were: (1) Dinner with Ray Baraka; (2) Dinner with William May and Dr. Norma Fair Brown; (3) Dinner meeting with Krystal Whitlock and Ashlee Johnson; (4) 20 Built to Last: Successful Habits of Visionary Companies (Harper Business Essentials); (5) 25 - Who's Gonna Take the Weight: Manhood, Race, and Power in America; (6) 100 Superintendents Gold Medal; (7) 100 Teal Medal/Ribbon box with insert; (8) 100 Red/White/Blue Neck Ribbon; (9) GPS Tracker for a vehicle; and (10) various items from Staples.
890	GEN ADMIN MISC EXP	05-19586	NULL	2005/04/07	MARION BOLDEN	\$ 3,109.44	\$ 3,046.44	NULL	Reimbursement to employee for out of pocket expenses. These reimbursements were for items, dinners, and lunches. In addition, the supporting documentation did not add up to what was reimbursed. The PO was overpaid by \$63. Some items, dinners, and lunches being reimbursed were: (1) Dinner meeting with Anibal Ramos and Samuel Gonzalez; (2) Dinner meeting with Dr. Anna Maat; (3) Dinner meeting with Dr. Griffin, B. White, and Dr. Lindgren; (4) Dinner meeting with Mr. Wheeler and Mr. Coucit; (5) Dinner meeting with Dana Rove; (6) Professional books purchased while attending AASA Conference (totaling \$149 and \$63); (7) George McKenna Story; (8) 2 - 8*10 Color Prints of Amos Crudup, Weequahic Published 11/16/04; and (9) 2 -wall hanging, Jazz Band Metal @ \$59.95 each.

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

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
890	GEN ADMIN MISC EXP	05-07805	NULL	2004/10/29	MARION BOLDEN	\$ 3,049.43	\$ 3,049.43	NULL	Reimbursement to employee for out-of-pocket expenses. These reimbursements were for items, dinners, and lunches. The supporting documentation did match the payment. In addition, a couple items appeared to be shipped directly to her home address versus 2 Cedar Street. Some items, dinners, and lunches being reimbursed were: (1) Luncheon meeting with Connie Richard and Rosa Ramos; (2) Dinner meeting with Anton Wheeler; (3) Dinner meeting with Sue Stewart, Nicholl Naylor and Gayle Chaneyfield; (4) Dinner meeting with Dr. Russell Garns; (5) 1 - Jazz Time Picture (set of 2 @ \$129); (6) 1 - Saxophone Player Sculpture, Bronze @ \$45.75; (7) 3 - 36" posable skeleton and 1 - terra cotta pumpkin set @ \$34.90; (8) Dinner meeting with Irma Stamp; (9) 5 - Performance Appraisal of School Management; (10) 1- Fall Leave Tree @ \$29.95; (11) 10 - Candela Rechargeable Lamps - Terra @ \$69.99 each; (12) 1 - Square Pedestal 42" H Oak @ \$99; (13) 1 - Square Pedestal 42" H Cherry @ \$99; (14) Square Pedestal 30" H Oak @ \$79; (15) Square Pedestal 30" H Cherry @ \$79; (16) 1 - Jazz Trumpet Player @ \$49.99; (17) 1 - Jazz Sax Player @ \$49.99; (18) 1 - Mardi Gras Horn Entrance @ \$149.99; (19) 2 - Street Lamps @ \$66.99 each; (20) 6 - Jazzin Quintet @ \$14.99 each; (21) 8 - Jazzy Magazine Tables @ \$14.99 each; (22) 1 - Jazz Quintet Tapestry @ \$79.75; (23) 1 - Abstract Music Wall art @ \$149; (24) 1 - Jazz Musicians Set @ \$129; (25) 1 - Clarinet Player @ \$28.55; (26) 1 - Sax Player @ \$28.55; (27) 1 - String Bass Player @ \$43.37; and (28) 1- Trumpet Player @ \$28.53.
890	IMPROV INST-MISC EXP	05-03188	NULL	2004/07/30	TRUPPO GUSTAVE	\$ 1,200.00	\$ -	NULL	Payment to Gustave Truppo as advance payment for meals (\$750) and ground transportation including tip s and fees (\$450) for three guests attending the AVID Summer Institute 2004 in San Diego CA 8/1-6/04. Attendees: Phyllis Gillette, Charlene Baskerville, and Jean Giamis. Expense statements from 3 guests and one from Gustave Truppo totaled \$1,222.08
800	IMPROV OF INSTR MISC EXP	04-10162	2003/12/03	2004/08/20	NICKY S CAFE GRILLE	\$ 1,014.75	\$ 1,492.50	NET 30 DAYS	Catering for Sussex avenue Annex School on 06/11/04 (50 people @ \$9.95 per person and \$49.75 delivery) and 06/19/04 (50 people @ \$8.50 per person and \$42.50 delivery). (Admittance advice missing).
800	2003 2004 BUDGET	04-05305	2003/09/15	2004/08/20	NICKY S CAFE GRILLE	\$ 115.50	\$ 1,000.00	NET 30 DAYS	Continental breakfast for Quitmen St. School on 02/03/04. 20 people @ 5.25 per person and \$10.50 delivery charge. (Remittance advice missing).
820	GEN ADM JUDGEMENTS	05-03785	NULL	2004/08/20	THOMAS M MURPHY ESQ	\$ 732.15	\$ -	NULL	Payment of legal fees for representation of Esther Elliot.
890	IMPROV INST MISC EXP	04-13772	NULL	2004/08/20	NICKY S CAFE GRILLE	\$ 1,567.50	\$ -	NULL	Encumbered funds for the catering needs for the Annual Gifted and Talented Problem Solving Convocation on 05/11/04 - 05/13/04 breakfast and lunch for 85 students. Breakfast and lunch on 05/13/04 for 100 people (breakfast @ \$5.75 per person and lunch @ \$8.50 per person, \$ 145.50 delivery charge). (Remittance advice missing).
890	IMPROV INST-MISC EXP	04-13554A	2004/02/06	2004/08/20	NICKY S CAFE GRILLE	\$ 2,088.36	\$ 4,000.00	NET 30 DAYS	Light refreshments at various workshops during the 2003/2004 school year. Shipped to Language Arts Library. (Remittance advice missing).

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

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
890	GEN ADMIN MISC EXP	05-05221	NULL	2004/08/26	OCEAN PLACE CONFERENCE R	\$ 18,607.80	\$ -	NULL	Balance of expenses incurred at the Executive Staff Retreat from July 25-27, 2004 at the Ocean Place Hilton in Long Branch NJ. No list of attendees or costs per attendee. Total amount paid to hotel also included a \$6,500 deposit.
890	PEPSI SCHOLARSHIP AWARDS	03-21719	2003/06/20	2004/09/03	RAZIA KHAWADA	\$ 4,000.00	\$ 16,000.00	NET 30 DAYS	2003 Newark Future Teacher Scholarship award. NPS provided two remittance advices (check dates 6/20/03 and 09/03/04). NPS did not provide the PO - only the PO preview.
800	SCHL ADM MISC EXP	05-04974	NULL	2004/09/08	FRADE S CATERERS	\$ 263.70	\$ -	NULL	Lunch for Technology High School. NPS did not provide the receipt or the remittance advice.
890	PEPSI SCHOLARSHIP AWARDS	03-21720	2003/06/20	2004/09/10	SAMIRAH PARRISH	\$ 4,000.00	\$ 16,000.00	NET 30 DAYS	2003 Newark Future Teacher Scholarship award (check date 9/10/04). NPS did not provide the PO - only the PO preview.
890	PEPSI SCHOLARSHIP AWARDS	03-21721	2003/06/20	2004/09/10	SHANIQUE PACE	\$ 4,000.00	\$ 16,000.00	NET 30 DAYS	2003 Newark Future Teacher Scholarship award (check date 9/10/04). NPS did not provide the PO - only the PO preview.
890	GEN ADMIN MISC EXP	05-04210	NULL	2004/09/17	HAROLD S DELI RESTAURANT	\$ 375.55	\$ -	NULL	Catering services for opening day administrators (lunch).
890	GEN ADMIN MISC EXP	04-12601	NULL	2004/09/24	NICKY S CAFE GRILLE	\$ 2,000.41	\$ -	NULL	Catering for School Leadership Team 5 administrative meetings. (Admittance advice missing).
890	IMPROV INST-MISC EXP	05-03203	NULL	2004/09/24	MICHAEL JOHN VALENTINO	\$ 408.66	\$ -	NULL	Encumbered funds for reimbursement of personal expenses incurred while attending the Avid Summer Institute 2004 in San Diego, CA on 08/01/04 - 08/06/04. The PO was overpaid by \$8.66.
800	IMPROV OF INSTR MISC EXP	05-07272	NULL	2004/10/22	SANDWICHES UNLIMITED	\$ 720.00	\$ -	NULL	Catering service for continental breakfasts on 10/06/04 and 10/07/04 at Barringer High School. 80 people 4.50 \$9 per person.
800	IMPROV OF INSTR MISC EXP	05-07273	NULL	2004/10/22	SANDWICHES UNLIMITED	\$ 720.00	\$ -	NULL	Catering service for full breakfast on 10/05/04 at Barringer High School. 80 people @ \$9 per person.
890	SUPP SERV SPEC MISC EXP	05-05741	NULL	2004/10/22	LOUIS DELI	\$ 988.63	\$ -	NULL	Encumbered funds for the Office of Special Education for the school opening. The expenses included four continental breakfasts and one lost stainless steal plate.
890	GEN ADMIN MISC EXP	05-04288	2004/08/09	2004/10/22	SANDWICHES UNLIMITED	\$ 1,182.8	\$ 1,206.30	NET	Food for various School Leadership Team II meetings on 8/13/04 for 35 people and 8/20/04 for 90 people.
800	GUIDANCE MISC EXP	05-05711	NULL	2004/11/22	WHITE ELAINE	\$ 606.01	\$ -	NULL	Meals for peer leaders from 09/15/04 - 09/17/04.
800	SCHL ADM MISC EXP	05-05805	NULL	2004/11/22	F B FINE CATERING	\$ 816.00	\$ -	NULL	Opening day breakfast for faculty and staff (80 people) @ \$10.20 per person held on 9/7/04.
800	IMPROV OF INSTR MISC EXP	05-05451	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 1,122.00	\$ -	NULL	Catering for Chancellor Avenue School on 09/07/04 and 09/08/04. Luncheons for 60 people each day @ \$8.50 per person. Delivery charge totaled \$102.00.
800	SCHL ADM MISC EXP	05-05452	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 673.20	\$ -	NULL	Catering for Chancellor Avenue School on 09/07/04 and 09/08/04. Luncheons for 36 people each day @ \$8.50 per person. Delivery charge totaled \$61.20.
800	IMPROV OF INSTR MISC EXP	05-05529	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 1,251.25	\$ -	NULL	One breakfast (50 people @ 5.75 per person) and two dinners (50 people @ 8.50 per person) for Clinton Avenue School on 09/07/04 and 09/08/04.
800	SCHL ADM MISC EXP	05-05565	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 649.82	\$ -	NULL	Opening day breakfast at Maple Avenue School (85 people) @ \$6.95 per person held on 9/7/04. \$59.07 delivery charge.

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

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
800	SCHL ADM MISC EXP	05-05693	NULL	2004/12/03	F B FINE CATERING	\$ 1,020.00	\$ -	NULL	Hot and cold breakfast, complete coffee and tea service for 100 people @ 10.20 per person for Luis Munoz Martin School.
800	SCHL ADM MISC EXP	05-06545	NULL	2004/12/03	FYI	\$ 984.50	\$ -	NULL	Catering services for teachers welcome back breakfast (110 employees)
800	IMPROV OF INSTR MISC EXP	05-11214	NULL	2004/12/15	NEWARK SCREENS	\$ 2,170.00	\$ -	NULL	Theater tickets (\$4.00) and snacks (\$3.00) for 310 students from Clinton Avenue School.
890	SUPP SERV SPEC MISC EXP	04-20839	NULL	2004/12/22	VALLEY REGENCY CATERERS	\$ 1,296.00	\$ -	NULL	Catering service for Special Education year-end meeting on 06/17/04. Meal for 162 people @ \$8 per person.
890	GEN ADMIN MISC EXP	05-08027	NULL	2004/12/22	PLAZA PASTRY SHOP	\$ 5,600.00	\$ -	NULL	Continental breakfast (400 people @ \$6 per person) and lunch (\$400 people @ \$8 per person) for a School Leadership Team 4 parent conference held on 10/23/04.
890	GEN ADMIN MISC EXP	05-08351	NULL	2005/01/14	SANTO S FLORIST EXCLUSIVE	\$ 330.00	\$ -	NULL	Plants and roses for School Leadership Team 4 at Technology High School.
800	IMPROV OF INSTR MISC EXP	05-11221	NULL	2005/01/21	FIRST	\$ 5,000.00	\$ -	NULL	Registration fee for the Robotics Team #1367 to participate in the Championship Competition on 04/21/05 - 04/23/05 at the Georgia Dome in Atlanta, GA. PO overpaid by \$1.
800	IMPROV OF INSTR MISC EXP	05-11444	NULL	2005/01/21	LUIGI S RESTAURANT	\$ 250.00	\$ -	NULL	Encumbered funds to Luigi's Restaurant for School Leadership Council "Holiday Celebration".
800	IMPROV OF INSTR MISC EXP	05-14761	NULL	2005/01/28	DOMINO S PIZZA	\$ 318.00	\$ -	NULL	13th Ave School- catering services for incentive awards for students' involvement and creativity in the holiday decoration contest 1/28/05. 37 pizzas and 26 bottles of soda.
800	IMPROV OF INSTR MISC EXP	05-08741	NULL	2005/02/04	JW PEPPER	\$ 731.97	\$ -	NULL	Various books (25 each) and corresponding P/A (play along?) CDs. Mostly Christmas titles. Books ranged from \$1.50-\$1.70 each and CD from \$14.98-\$35 each. For Brawgaw Ave School
890	IMPROV INST-MISC EXP	05-15382	NULL	2005/02/08	DELOIS DAWSON	\$ 3,002.25	\$ -	NULL	Payment for 15 airlines tickets at \$200.15 each to Houston TX appears to be for travel on February 11th, no indication of who the tickets were for.
800	IMPROV OF INSTR MISC EXP	04-22426	NULL	2005/02/11	JUNIORS PIZZA	\$ 700.00	\$ -	NULL	Roasted chicken roasted potatoes, and string beans, tossed salads and Italian rolls for speedway avenue school. No further description, receipts, and remittance advice provided by NPS.
800	2003 2004 BUDGET	05-10477	NULL	2005/02/11	WARREN CYNTHIA	\$ 332.43	\$ -	NULL	Reimbursement for N.J.P.T.A. Convention in Atlantic City, NJ, on 11/29/04 - 12/01/04. Reimbursement included meals and lodging. The PO was overpaid by \$34.43. NPS did not provide receipts or the remittance advice.
800	IMPROV OF INSTR MISC EXP	05-13795	NULL	2005/03/10	THE MANOR RESTAURANT	\$ 3,635.25	\$ -	NULL	Room rental charge and breakfast/lunch for 75 District employees for an off-site workshop held on 2/25/05.
800	IMPROV OF INSTR MISC EXP	05-15400	NULL	2005/03/10	MADEAR S SOUTHERN CUISIN	\$ 700.00	\$ -	NULL	Family Night dinner for 150 people on 03/03/05.
800	IMPROV OF INSTR MISC EXP	05-15720	NULL	2005/03/10	F B FINE CATERING	\$ 434.40	\$ -	NULL	Complete Corporate package (three entrees) for 17 people @ 14.95/person and hot and cold breakfast for 20 people (including complete coffee and tea service) @ \$10.20/person for Luis Munoz Martin School.
800	IMPROV OF INSTR MISC EXP	05-15259	NULL	2005/03/17	AMC MOHICAN OUTDOOR CENT	\$ 527.00	\$ -	NULL	Lodging at AMC/Mohican Outdoor Center for training on 03/27/05 for 27 peer leaders and four advisors. NPS did not provide the receipt or the remittance advice.

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

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
890	BUS OFF MISC EXP	05-15319	NULL	2005/03/17	WBGO RADIO	\$ 1,699.00	\$ -	NULL	Advertisement - Black History Month Program. Aired 12 spots on WBGO 88.3 FM.
890	GEN ADMIN MISC EXP	05-02874	2004/07/01	2005/03/17	ARCADIA FLORIST	\$ 3,784.00	\$ 4,000.00	NET 30 DAYS	Encumbered funds to purchase floral arrangements/gift baskets (various occasions) as requested by the Superintendent for the 2004-2005 school year. Bills/remittance advices missing to support the payment of \$3,784.
890	STAFF DEV MISC EXP	05-12337	NULL	2005/03/21	SANDWICHES UNLIMITED	\$ 1,008.00	\$ -	NULL	Twelve six-foot subs delivered to NJIT for the First Lego League Robotics Competition on 1/15/05 intended as lunch for projected number of attendees of 350.
890	GEN ADMIN MISC EXP	05-09418	NULL	2005/03/24	ALEX LOPEZ	\$ 580.02	\$ -	NULL	Reimbursement for out-of-pocket expenses for organizing the 9th Annual Parent Conference held on 10/22/04.
800	IMPROV OF INSTR MISC EXP	05-15003	NULL	2005/04/04	WHITE ELAINE	\$ 479.57	\$ -	NULL	Food and supplies for follow-up training retreat for transition project student facilitators on 03/10/11 and 03/11/05.
890	IMPROV INST-MISC EXP	05-14960	NULL	2005/04/04	NICKY S CAFE GRILLE	\$ 1,956.24	\$ -	NULL	Food for various locations including the NPS Central Office, School Leadership Teams 1, 3, and 5, and North end library. (Remittance advice missing).
890	SUPP SERV REG MISC EXP	05-17565	NULL	2005/04/04	GOURMET DINING SERVICES	\$ 1,500.00	\$ -	NULL	Lunch for 225 people @ \$7.95 per person catered to the Office of Guidance. Total price on receipt was \$1,987.50, PO and check amount were \$1,500.00.
890	SUPP SERV REG MISC EXP	05-17565	NULL	2005/04/04	GOURMET DINING SERVICES	\$ 1,000.00	\$ -	NULL	Breakfast for 225 people @ \$3.85 per person catered to the Office of Guidance. Total price on receipt was \$962.50 - PO and check amount were \$1,000.00.
890	GEN ADMIN MISC EXP	05-19710	NULL	2005/04/13	NEWARK CLUB	\$ 1,210.26	\$ -	NULL	Secondary Principals retreat for 23 staff members on 04/14/05. Meals cost \$43.85 person and 20% service charge. (Remittance advice not included).
800	SCHL ADM MISC EXP	05-20255	NULL	2005/04/21	HILLSIDE INN	\$ 2,217.08	\$ -	NULL	Encumbered funds for lodging for a parent retreat for John F. Kennedy High School.
800	SCHL ADM MISC EXP	05-16870	NULL	2005/04/22	F B FINE CATERING	\$ 1,825.80	\$ -	NULL	Catering for 4th and 8th grade initiatives held on 03/07/05 (88 people) and on 03/14/05 (116 people).
800	GUIDANCE MISC EXP	05-15757	NULL	2005/04/25	NEWARK BEARS BASEBALL CL	\$ 903.00	\$ -	NULL	Admission fees for 140 students and ten adults @ \$6 each and handling charges of \$3 for a Newark Bears baseball game. Belmont-Runyon students and teachers attended the game.
890	SUPP SERV REG MISC EXP	05-18289	NULL	2005/04/29	LAURIE NEWELL	\$ 898.55	\$ -	NULL	Encumbered funds for travel related expenses related to a workshop (Introduction to Multilevel analysis Methods) including mileage, meals, parking, and registration fee.
800	IMPROV OF INSTR MISC EXP	05-16422	2005/03/01	2005/05/09	COOPER LIQUOR DELI	\$ 668.82	\$ 2,000.00	NET 30 DAYS	Encumbered funds for parent teacher conferences, parent meetings, and workshops. All expenses were meals.
890	GEN ADMIN MISC EXP	05-08973	NULL	2005/05/09	PELICAN SKI SHOP	\$ 2,000.00	\$ -	NULL	Rental of 40 sets of x-country skis, poles, boots @ \$50 per set from December 2004 through February 2005. Invoice addressed to John F Kennedy School. Description on PO indicated that the skis were for participation in the NJ Special Olympic winter games.
800	SCHL ADM MISC EXP	05-22136	NULL	2005/06/03	MS PATRICIA BALDWIN	\$ 617.39	\$ -	NULL	Reimbursement for AIRA conference in San Antonio, TX on 04/30/05-05/06/05. Expenses included lodging and meals.
890	MISC EXPENSE	02-25921	NULL	2005/06/07	PAULA LOPES	\$ 4,000.00	\$ -	NULL	Installment payment for Newark Future Teacher Scholarship Award.

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

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)
800	IMPROV OF INSTR MISC EXP	05-05539	NULL	2005/06/14	CHATEAU OF SPAIN	\$ 219.14	\$ -	NULL	Encumbered funds for end-of-school SLC retreat.
800	N/A	05-15147	NULL	2005/06/30	ALADEN ATHLETIC WEAR	\$ 1,000.00	\$ -	NULL	189 white T-Shirts with logo for Thirteenth Avenue School.
800	GUIDANCE MISC EXP	05-23676	NULL	2005/06/30	BLONDIE S FLOAT	\$ 1,200.00	\$ -	NULL	Big float for NPS parade on 06/21/05 for Dr. William H. Horton School.
800	GUIDANCE MISC EXP	06-19827	NULL	2006/06/30	HARMAR ASSOCIATES	\$ 998.00	\$ -	NULL	Check number 425363 in the amount of \$23,522. was paid to Hamar Associates, payment included several purchase orders including PO 06-19827 which was for T-shirts for School Spirit Day-Maple Avenue School.
800	IMPROV OF INSTR MISC EXP	05-09254	NULL	2005/01/26	FASTENAL COMPANY	\$ 997.9	\$ -	NULL	Two space heaters and two wall/ceiling brackets shipped to the NPS Central Office.
890	GEN ADMIN MISC EXP	04-02933A	2003/07/31	2004/09/08	STAR LEDGER	\$ 997.00	\$ 5,000.00	NET 30 DAYS	PO is for \$5000 for advertising in Star-Ledger, one invoice for \$188 was reviewed and was for advertisement of capital projects control board meeting. Support for additional payments totaling \$997. not included in the package.
890	GEN ADMIN MISC EXP	05-20655	NULL	2005/06/29	BELLA CASA CATERERS	\$ 998.8	\$ -	NULL	Encumbered funds to cater Principals meetings during the months of April and May.
890	GEN ADMIN MISC EXP	06-05358	NULL	2006/03/24	NELSON PEREZ	\$ 236.63	\$ -	NULL	Mileage reimbursement for Advisory Board Member who drove to Atlantic City to attend NJSBA training on 10/25/05, returned to Newark to attend for a scheduled Advisory Board Meeting, then drove back to Atlantic City for NJSBA/NJASBO workshops, 10/26-28/2005.

Review of Purchase Order – Non-Instructional Supplies and Materials

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
600	SCHL ADM GEN SUPPLIES	04-20626	NULL	2004/11/11	A M McCLAIN	\$ -	\$ -	NULL	Documentation Not Provided as of 11/22/06
610	IMPROV INST-SUPPLIES	05-05435	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 632.50	\$ 632.50	NULL	Continental breakfast for Instructional Technology on 9/23/04 Room 914 at 2 Cedar Street for 100 people.
600	BUS OFF SUPPLIES	05-02731	NULL	2004/11/11	SOFTMART	\$ 525.00	\$ 525.00	NULL	5 acrobat v6.0 standard - W32 - on CD Part 23738.
600	GUIDANCE GEN SUPPLIES	05-09240	2004/11/08	2005/11/03	FRADE S CATERERS	\$ 800.00	\$ 801.16	NET 30 DAYS	Lunch for 50 students and parents for Beta Club Induction Reception in November 2004 and meals for 50 presenters and Beta Club members on Career Day May 2005.
600	SCHL ADM GEN SUPPLIES	05-06528	NULL	2005/01/13	CONSOLIDATED PLASTICS CO	\$ 2,390.70	\$ 2,380.20	NULL	Mats for Alexander Street School. PO was overpaid by \$10.50, which is due to the District paying a higher price on the items originally contracted with the vendor for.
600	LIB/MEDIA GEN SUPPLIES	05-06521	NULL	2004/10/29	ASCD	\$ 393.96	\$ 390.20	NULL	Encumbered funds for 8 The School Law Handbook: What Every Leader Needs To Know and 8 The Principal's Fieldbook: Strategies For Success. PO was overpaid by \$3.76, which was shipping and handling.
600	LIB/MEDIA GEN SUPPLIES	04-23971RPL	NULL	2005/05/10	ACADEMY FLORIST	\$ 498.00	\$ 498.00	NULL	Flowers for 8th grade promotional exercise for Newton Street School.
600	SCHL ADM GEN SUPPLIES	05-05104	NULL	2005/05/31	MORRIS COSTUMES	\$ 2,195.45	\$ 2,195.45	NULL	Cat In The Hat Adult Costume, 375 Cat In The Hat hats, and RAA Certificate, and Readers Certificate for Sussex Avenue School.
600	LIB/MEDIA GEN SUPPLIES	05-02486	NULL	2005/01/27	LIBRARY VIDEO COMPANY	\$ 217.09	\$ 217.08	NULL	DVD's for Malcolm X Shabazz High School. The Patriot, Raisin In The Sun, Remember The Titans, Amistad, Glory, Lord Of The Rings: Fellowship of the Ring, Pearl Harbor, The Middle Passage, and Titanic.
610	GEN ADM SUPPLIES	04-23598	NULL	2004/07/23	GARCIA BRUNILDA	\$ 31.79	\$ -	NULL	Cartridge for School Leadership Team 4.
610	SUPPLIES AND MATERIALS	05-01095	NULL	2004/08/02	ERIC ARMIN INC	\$ 427.90	\$ -	NULL	Two ST TI-108 classroom set of 30 and five KT TI-108 teachers kits (10PK) shipped to Renaissance Ovrgr Prg.
610	GEN ADM SUPPLIES	04-18424A	NULL	2004/08/20	NICKY S CAFE GRILLE	\$ 1,836.95	\$ -	NULL	Encumbered funds (\$2,000) for catering during meetings for School Leadership Team 3 through 06/30/04. (Remittance advice missing).
600	SCHL ADM GEN SUPPLIES	04-16984	NULL	2004/09/03	MICHAEL V S CATERING	\$ 1,501.25	\$ -	NULL	Encumbered funds to provide dinner for teaching staff for parent/teacher conference for the Rafael Hernandez Elementary School. The admittance advice is missing but the system indicates that the PO was overpaid by \$1.25.
600	SCHL ADM GEN SUPPLIES	04-16793	NULL	2004/10/22	NATIONAL SPORTWEAR	\$ 848.00	\$ -	NULL	15 basketball uniforms (jersey and shorts), six Marron staff shirts, and screen setup charge for Rafael Hernandez Elementary School.
600	SCHL ADM GEN SUPPLIES	04-18927	NULL	2004/11/11	SIGN A RAMA	\$ 2,925.00	\$ -	NULL	Letter panels for Samuel L. Berliner School. PO does not contain description and invoice is hand written - not readable.
600	SCHL ADM GEN SUPPLIES	04-20110	NULL	2004/11/11	SHOPPERS PLAZA USA INC	\$ 831.08	\$ -	NULL	Hot Dog Steamer for \$389.65 and Anvil Fryer with 3 baskets for \$404.75 plus \$36.68 shipping. University High School.
600	SCHL ADM GEN SUPPLIES	04-20626	NULL	2004/11/11	A M McCLAIN	\$ 2,734.00	\$ -	NULL	Items such as one digital camera, one digital media card, one heavy duty laminator, and one hand free barcode laser scanner for Newark Vocational High School. (Remittance advice missing).
600	SCHL ADM GEN SUPPLIES	04-20886	NULL	2004/11/11	TANNER NORTH JERSEY INC	\$ 131.00	\$ -	NULL	Payment for a 2-drawer file cabinet with lock for Abington Ave School
600	SCHL ADM GEN SUPPLIES	04-21988	NULL	2004/11/11	CENTRAL RESTAURANT	\$ 150.00	\$ -	NULL	Encumbered funds for continental breakfast (40 people). Purpose: Sister Friends & Boys to Men.

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

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
600	LIB/MEDIA GEN SUPPLIES	05-01210	NULL	2004/11/11	EXPRESS MAGAZINE	\$ 79.00	\$ -	NULL	Subscription for magazine ("Les Cles De L'Actualite") for Weequahic High School.
600	GUIDANCE GEN SUPPLIES	05-01318	NULL	2004/11/11	MINDWARE	\$ 123.30	\$ -	NULL	Games-Tangoes,Letter Getters, Theater game, Airplane kit: one each of 4 games ranging from \$14.50 to \$44.95 each.
600	LIB/MEDIA GEN SUPPLIES	05-01391	NULL	2004/11/11	ISLAND MAGAZINE SERVICE	\$ 2,712.90	\$ -	NULL	74 issues of different magazines/journals for Malcolm X. Shabazz High School.
600	STAFF DEV GEN SUPPLIES	05-02597	NULL	2004/11/11	JOURNALS UNLIMITED INC	\$ 625.45	\$ -	NULL	60 teacher journals ("Write It Down") for Eighteenth Avenue School.
610	GEN ADM SUPPLIES	05-03617	NULL	2004/11/12	WARD COFFEE CO	\$ 792.20	\$ -	NULL	Coffee and tea supplies for the District Superintendent (office?). PO does not provide sufficient explanation.
610	GEN ADM SUPPLIES	05-04680	NULL	2004/11/12	WARD COFFEE CO	\$ 348.65	\$ -	NULL	Coffee and tea supplies for the District Superintendent (office?). PO does not provide sufficient explanation.
600	BUS OFF SUPPLIES	04-02465	NULL	2004/12/03	CELESTIAL SPRINGS WATER	\$ 148.05	\$ -	NULL	The file contains the admittance advice and a lot of invoices; none of which match the payment of \$148.05.
610	SUPP SERV REG SUPPLIES	04-02154	NULL	2004/12/03	CELESTIAL SPRINGS WATER	\$ 148.05	\$ -	NULL	The file contains the admittance advice and a lot of invoices none of which match the payment of \$148.05.
610	IMPROV INST-SUPPLIES	05-05435	NULL	2004/12/03	NICKY S CAFE GRILLE	\$ 632.50	\$ -	NULL	Breakfast for Instructional Technology. NPS did not provide a receipt for this PO.
610	LIB/MEDIA SUPPLIES	05-04091	2004/08/23	2004/12/03	GABOWITZ RADIO INC	\$ 4,466.00	\$ 5,104.00	NET 30 DAYS	Seven air conditioners (Frigidaire 25000 BTU A/C) for Barringer High School.
600	SCHL ADM GEN SUPPLIES	05-01500	NULL	2004/12/22	RADIO SHACK DIRECT SALES	\$ 263.80	\$ -	NULL	Compaq scroll keyboard for Louise a. Spencer School. (Remittance advice missing).
600	LIB/MEDIA GEN SUPPLIES	05-01757	NULL	2004/12/22	RADIO SHACK DIRECT SALES	\$ 543.80	\$ -	NULL	Twenty computer mice and 20 keyboards for Chancellor Avenue Annex School. (Remittance advice missing).
600	LIB/MEDIA GEN SUPPLIES	05-01370	NULL	2005/01/13	ISLAND MAGAZINE SERVICE	\$ 1,909.35	\$ -	NULL	56 issues of different magazines/journals for West Side High School.
600	SCHL ADM GEN SUPPLIES	05-11078	NULL	2005/01/13	HAPPY CHEF THE	\$ 678.40	\$ -	NULL	37 polo jerseys and 37 embroidered for Technology High School.
600	LIB/MEDIA GEN SUPPLIES	04-22341	NULL	2005/01/14	MARSHALL CAVENDISH CO	\$ 1,623.35	\$ -	NULL	Paid for six items such as "Dinosaurs of the World", "Kids Express Set", and "Superchef Set". The items ranged from \$83.80 to \$459.95. (Remittance advice is missing).
600	SCHL ADM GEN SUPPLIES	05-05742	NULL	2005/01/14	PLAZA PASTRY SHOP	\$ 500.00	\$ -	NULL	Encumbered funds for refreshments (125 people @ \$4 per person) at school opening for McKinley School.
600	IMPROV OF INSTR GEN SUPP	05-10286	NULL	2005/01/14	JUNIOR POLICE ACADEMY	\$ 209.28	\$ -	NULL	George Washington Carver School, 25 t-shirts for Newark Junior Police Academy at \$8 each plus \$9.28 shipping.
600	GUIDANCE GEN SUPPLIES	05-11721	NULL	2005/01/14	PASSON S SPORTS INC	\$ 37.34	\$ -	NULL	Exercise mat and water cooler for University High School.
600	GUIDANCE GEN SUPPLIES	05-05907	NULL	2005/01/26	HERTZ FURNITURE	\$ 2,385.50	\$ -	NULL	Four Executive L-Desks W/Hutch, one Executive Desk Odessa Pine for Thirteenth Avenue School. (Remittance advice missing).
600	SCHL ADM GEN SUPPLIES	05-06589	NULL	2005/01/26	HERTZ FURNITURE	\$ 1,024.00	\$ -	NULL	Two FSP3 free panel stones for Weequahic High School. (Remittance advice missing).
600	SCHL ADM GEN SUPPLIES	05-07393	NULL	2005/01/26	ADIRONDACK DIRECT	\$ 1,802.00	\$ -	NULL	50 stacking chairs for Samuel L. Berliner High School.
600	LIB/MEDIA GEN SUPPLIES	05-09476	NULL	2005/02/10	TOM CAINE ASSOCIATES	\$ 2,998.90	\$ -	NULL	Payment to Tom Caine Assoc for the following: One Picture Power Pack at \$1,500. And other items ranging from \$79.95-\$229 per item. For John F.Kennedy School.
600	SCHL ADM GEN SUPPLIES	05-10008	NULL	2005/02/10	TAP SPACE PUBLICATIONS	\$ 106.00	\$ -	NULL	Virtual Drumline (Marching battery Percussion Sample Library) for East Side High School.

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

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
600	SCHL ADM GEN SUPPLIES	05-10369	NULL	2005/02/10	UNIVERSAL STAMP STATIO	\$ 396.14	\$ -	NULL	Fax paper and transfer film for Lafayette Street School.
600	IMPROV OF INSTR GEN SUPP	05-10657	NULL	2005/02/24	NICKY S CAFE GRILLE	\$ 1,003.20	\$ -	NULL	Lunch for parent/teacher conference on 12/02/04. Meal included 114 people @ \$8 per person and \$91.20 delivery charge. (Remittance advice missing).
600	SCHL ADM GEN SUPPLIES	05-10716	NULL	2005/02/24	ACCURATE LABEL DESIGN	\$ 352.95	\$ -	NULL	3,000 visitor passes, 1,000 substitute passes, 1,000 volunteer passes, 1,000 field trip passes, and 1,000 chaperone passes for Cleveland School.
610	GEN ADM SUPPLIES	05-15616	NULL	2005/02/24	GARCIA BRUNILDA	\$ 46.45	\$ -	NULL	To reimburse Administrative Secretary for out-of-pocket purchase for office supplies.
600	2003 2004 BUDGET	04-23668	NULL	2005/03/04	CAROLINA BIOLOGICAL SUPP	\$ 1,346.80	\$ -	NULL	Purchase included: properties of matter refurbishment kit, organisms - from macro to micro refurbishment kit, and organisms - from macro to micro refurbishment set for living materials for Peshine Avenue University Prep. (Remittance advice missing).
600	SCHL ADM GEN SUPPLIES	05-15391	2005/02/07	2005/03/04	CATALUCCI S	\$ 1,000.00	\$ 1,200.00	NET 30 DAYS	Encumbered funds for refreshments at SLC meeting for 100 people.
610	SUPP SERV SPEC SUPPLIES	05-13558	NULL	2005/03/04	JANELLE PUBLICATIONS	\$ 222.20	\$ -	NULL	One copy each of nine books (not textbooks) ranging from \$10 each to \$45 each.
600	IMPROV OF INSTR GEN SUPP	05-08980	NULL	2005/03/17	NASCO ARTS AND CRAFTS	\$ 199.48	\$ -	NULL	Two laminating films for George Washington Carver School.
600	INPROV OF INSTR SUPPLIES	05-12649	NULL	2005/03/17	SAX ARTS CRAFTS	\$ 1,533.45	\$ -	NULL	Art Supplies for Barringer High School. PO was overpaid by \$2.50.
600	SCHL ADM GEN SUPPLIES	05-10791	NULL	2005/03/21	SANDWICHES UNLIMITED	\$ 448.95	\$ -	NULL	Dinner for fall outreach for the community on 12/2/04. (Remittance advice missing).
610	GEN ADM SUPPLIES	05-14714	NULL	2005/03/31	STUDY ISLAND	\$ 2,943.62	\$ -	NULL	4th grade Math NJASK Preparation packages and 8th grade Math GEPA preparation packages for School Leadership Team 5. (Remittance advice missing).
610	SUPP SERV SPEC SUPPLIES	05-15738	NULL	2005/03/31	SMILE MAKERS	\$ 63.90	\$ -	NULL	Small Try Me Sampler for \$55.95 plus \$7.95 shipping to James Dimeke, Special Education.
610	BUS OFF SUPPLIES	05-04804	NULL	2005/04/08	PC NATION	\$ 934.06	\$ -	NULL	One Windows Web Design software package for \$934.06 for Community Development Dept.
610	GEN SUPPLIES SCH ADM	05-15424	NULL	2005/04/08	EVERLAST	\$ 278.10	\$ -	NULL	Cleaning supplies - NJ Regional Day School
600	GUIDANCE GEN SUPPLIES	05-07901	NULL	2005/04/14	IT S ELEMENTARY	\$ 348.20	\$ -	NULL	Encumbered funds for 75 full color navy blue caps. PO was overpaid by \$22.32. \$8.32 was due to shipping, \$14.00 was due to an original design charge not included on the PO.
600	BUS OFF SUPPLIES	05-08264	NULL	2005/04/14	PRESENTATION MEDIA	\$ 1,118.00	\$ -	NULL	Presentation projector for Human Resources.
600	LIB/MEDIA GEN SUPPLIES	05-08301	NULL	2005/04/14	SCANTRON COMPANY	\$ 4,243.70	\$ -	NULL	80 packs of scantron test forms for Barringer High School.
600	GUIDANCE GEN SUPPLIES	05-14963	NULL	2005/04/14	STUDY ISLAND	\$ 783.00	\$ -	NULL	GEPA complete 8th grade product for Maple Avenue High School.
600	SCHL ADM GEN SUPPLIES	05-15818	NULL	2005/04/14	BORDERS BOOKS	\$ 1,454.50	\$ -	NULL	Kaplan New Sat 2005 with CD ROM.
600	GUIDANCE GEN SUPPLIES	05-17758	NULL	2005/05/20	BELLA CASA CATERERS	\$ 250.00	\$ -	NULL	Encumbered funds for parent recognition day luncheon in the amount of \$250.
600	LIB/MEDIA GEN SUPPLIES	05-22201	NULL	2005/05/20	AMERICAN MULTI CULTURAL	\$ 449.90	\$ -	NULL	Reference Library for Black America (five volumes) and Reference Library for American Women (four volumes) for Newton Street Elementary School.

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

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
600	SCHL ADM GEN SUPPLIES	04-09350	NULL	2005/05/23	NORTHERN N H	\$ 1,280.51	\$ --	NULL	One high pressure water heater at \$949., one 1200 lb HD Appliance at \$123 and \$180.53 for shipping to Miller Street School.
600	BUS OFF SUPPLIES	05-21381	NULL	2005/06/30	B H PHOTO VIDEO INC	\$ 253.30	\$ --	NULL	Three Epson prem.Luster PHO.Paper (Letter), two Hewlett-Packard black cartridges, and two Hewlett-Packard color cartridges for NPS Central Office.
600	GUIDANCE GEN SUPPLIES	05-24206	NULL	2005/06/30	BLONDIE S FLOAT	\$ 1,200.00	\$ --	NULL	Float for Newark Parade on 06/21/05 for Vailsburg Middle School.
600	BUS OFF SUPPLIES	05-02303	2005/06/14	2005/06/30	NESTLE WATERS NORTH AMER	\$ 585.39	\$ 28,106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.
600	BUS OFF SUPPLIES	05-02303	2005/06/14	2005/06/30	NESTLE WATERS NORTH AMER	\$ 716.60	\$ 28,106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.
600	BUS OFF SUPPLIES	05-02303	2005/06/14	2005/06/30	NESTLE WATERS NORTH AMER	\$ 229.74	\$ 28,106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.
600	SCHL ADM GEN SUPPLIES	05-02303	2005/06/14	2005/06/30	NESTLE WATERS NORTH AMER	\$ 605.66	\$ 28,106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.
600	SCHL ADM GEN SUPPLIES	05-02303	2005/06/14	2005/06/30	NESTLE WATERS NORTH AMER	\$ 1,065.30	\$ 28,106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.
610	IMPROV INST-SUPPLIES	05-20213	NULL	2005/06/30	WARD COFFEE CO	\$ 140.00	\$ --	NULL	Coffee and tea supplies for Language Arts/Literacy.
610	GEN ADM SUPPLIES	05-20624	NULL	2005/06/30	SUCCESSORIES	\$ 1,881.90	\$ --	NULL	60 Winning with Teamwork Sculptures @ \$29.99 each and \$82.50 shipping charge. Items were shipped to School Leadership Team 1.
600	LIB/MEDIA GEN SUPPLIES	06-08276	NULL	2005/12/02	DR SHARON WILLIAMS	\$ 381.00	\$ --	NULL	Reimbursement for expenses including travel, lodging, and meals during the Annual Conference for School Library Media Specialists held 10/27/05 - 10/29/05.
600	BUS OFF SUPPLIES	06-07048	NULL	2005/12/09	CARD DATA SYSTEMS	\$ 1,487.50	\$ --	NULL	Encumbered funds for HR supply - photo ID camera.
610	LIB/MEDIA SUPPLIES	05-04076	NULL	2004/12/17	TRANSNET CORPORATION	\$ 9,797.84	\$ --	NULL	Electronic equipment including eight HP laser printers @ \$498.76 each, eight toners @ 79.45 each, 28 power surge outlets @ 10 each, four port switches @ 79.68 each, 40 headphones w/mics @ 18 each, 56 chords ranging from \$3.22 to \$6.93, and 36 installation set ups for work stations @ \$100 each. The items were shipped and installed at Weequahic High School. (Remittance advice missing).
610	LIB/MEDIA SUPPLIES	05-04077	NULL	2005/01/25	TRANSNET CORPORATION	\$ 9,797.84	\$ --	NULL	Electronic equipment including eight HP laser printers @ \$498.76 each, eight toners @ 79.45 each, 28 power surge outlets @ 10 each, four port switches @ 79.68 each, 40 headphones w/mics @ 18 each, 56 chords ranging from \$3.22 to \$6.93, and 36 installation set ups for work stations @ \$100 each. The items were shipped and installed at Barringer High School. (Remittance advice missing).
610	LIB/MEDIA SUPPLIES	05-04078	NULL	2005/01/25	TRANSNET CORPORATION	\$ 9,797.84	\$ --	NULL	Electronic equipment including eight HP laser printers @ \$498.76 each, eight toners @ 79.45 each, 28 power surge outlets @ 10 each, four port switches @ 79.68 each, 40 headphones w/mics @ 18 each, 56 chords ranging from \$3.22 to \$6.93, and 36 installation set ups for work stations @ \$100 each. The items were shipped to Malcolm X. Shabazz High School. (Remittance advice missing).
600	LIB/MEDIA GEN SUPPLIES	05-14216	NULL	2005/06/02	CHELSEA HOUSE	\$ 975.81	\$ --	NULL	36 different books, including titles such as "Queen Latifah", "Bob Marley", and "Policing the Internet", were purchased for Malcolm X Shabazz High School.

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

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
610	SUPP SERV SPEC SUPPLIES	06-16952	NULL	2006/06/16	SUPER DUPER INC	\$ 96.79	\$ -	NULL	Items included: Time to sing CD, auditory memory for quick stories, thinking skills, auditory memory for riddles, and comparative fund deck for Bruce Street School.
600	IMPROV OF INSTR GEN SUPP	05-14048	NULL	2005/03/17	SCHOOL SPECIALTY	\$ 999.70	\$ -	NULL	Traditional mobile AV equipment cart/2 shelves, electronic unit included shipped to Sussex Avenue School. (QTY 10)
600	SCHL ADM GEN SUPPLIES	05-13711	NULL	2005/02/24	CALLOWAY HOUSE INC	\$ 999.50	\$ -	NULL	Ten cozy corner seating sets for Burnet Street School.
600	SCHL ADM GEN SUPPLIES	05-12146	NULL	2005/05/31	PAPER CLIPS INC	\$ 998.80	\$ -	NULL	Five heavy duty round folding tables and one round table truck for Wilson Avenue School.

Review of Purchase Order – Regular Instructional Purchased Professional Educational Services

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
320	NULL	04-15974	NULL	2004/08/17	PUSHCART PLAYERS	\$ 2,500.00	\$ –	NULL	Two performances of "Cuentos Del Arbol" at the Elliott Street School on May 27, 2004.
320	REG PURCH PROF EDUCATION	05-03715	NULL	2004/07/29	PAYMENT FOR VARIOUS COACH	\$ 15,970.00	\$ –	NULL	Payment to coaches who are non-District employees.
320	WSR PURCH PROF ED	05-07172	NULL	2004/11/22	DIAMOND NAVARRO	\$ 700.00.00	\$ –	NULL	Two days (08/11/04 & 08/18/04) of consulting services including transition support to Boylan early Childhood Center in preparation for the 2004 - 2005 school year.
320	REG PURCH PROF EDUCATION	05-07668	NULL	2005/02/04	CALDWELL FLIGHT ACADEMY	\$ 14,790.00	\$ –	NULL	Flight instruction and aircraft rental for Barringer High School students enrolled in flight program. Rental was 145 hrs (\$72/hr) and flight instruction was 145 hrs (\$30/hr).
320	STUDENT ASSOCIATED CONTR	04-09274	NULL	2005/02/09	NEW JERSEY SYMPHONY ORCH	\$ 6,290.00	\$ –	NULL	Violin program instructions for Quitman School 2nd grade October through June, private violin lessons scholarships, June coaching sessions and School Fiddlefests (three visits) - all for school year 2003-2004. (Remittance advice missing).
320	REG PURCH PROF EDUCATION	05-13210	2005/01/07	2005/03/21	SANDWICHES UNLIMITED	\$ 901.00	\$ 903.50	NET 30 DAYS	Attached to the PO are two invoices for food delivered to Madison Elementary School: one dated 2/24/05 for 3 six-foot subs totaling \$221; the second dated 1/27/05 for \$472. Details of second invoice include 1 sausage and peppers at \$25 and 2 large coleslaw at \$9 each for total of \$18; however PO lists 11 sausage and pepper at \$25 each for \$275 and 21 coleslaws at \$9.50 each for a total of \$199.50. No invoice for remaining amount of PO (\$210) is included in the PO Package.
320	REG PURCH PROF EDUCATION	05-17970	2005/03/16	2005/06/30	SANDWICHES UNLIMITED	\$ 1,260.00	\$ 1,311.00	NET 30 DAYS	Catering for Madison School. Check amount related to this PO was \$603.50.

Review of Purchase Order – Regular Instructional Purchased Professional Educational Services, continued

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
320	REG PURCH PROF EDUCATION	06-08421	NULL	2005/11/14	STREET WARRIORS	\$ 6,000.00	\$ –	NULL	5 weeks of Life Skills Management Program "Positive Thinking" provided October 3, 2005 - November 18, 2005 for William H Brown Academy. Mondays, Wednesdays and Fridays from 1:40-2:40pm.
320	REG PURCH PROF EDUCATION	06-08231	NULL	2005/11/23	DR JAWANZA KUNJUFU	\$ 1,125.00	\$ –	NULL	Staff development speaker for instructional staff - parents. Two sessions were held on 10/18/05 (1:00 pm - 3:00 pm and 5:00 pm - 6:30 pm). The speaker was paid \$7,500 for the two sessions.
320	REG PURCH PROF EDUCATION	04-22218	NULL	2004/07/30	WILLIAM H OLIVER	\$ 500.00	\$ –	NULL	Presentation consultant for staff/parent training conference on 6/19/04. (Remittance advice missing).

Review of Purchase Order – School Sponsored Athletic Supplies and Materials

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
600	ATHLETICS GEN SUPPLIES	05-24665	2005/06/30	2005/09/12	BFS BIGGER FASTER STRO	\$ 2,097.00	\$ 2,097.00	NET 30 DAYS	Olympic military bench, seat cover, plate rack, alumni lite set, and combo hex bar.
600	ATHLETIC SUPPLIES	05-11406	NULL	2005/02/24	B S N CORPORATION	\$ 250.79	\$ 219.99	NULL	Super 18 ball cart gray/silver w/ Technology on one side logo on the other. PO was overpaid by \$30.80, which was for shipping and handling.
600	ATHLETIC SUPPLIES	05-23470	NULL	2005/06/30	DINN BROTHERS	\$ 381.37	\$ 395.95	NULL	Technology High School ordered awards.
600	ATHLETICS GEN SUPPLIES	05-19190	NULL	2005/05/31	FLAGHOUSE INC	\$ 1,675.60	\$ 1,675.60	NULL	Athletic supplies, such as hockey/soccer indoor goal, plastic golf balls, composite football, and jump and reach board for Barringer High School.
600	ATHLETICS GEN SUPPLIES	05-23447	NULL	2005/06/23	PHILLIPS SEAFOOD RESTAURANT	\$ 664.65	\$ 854.55	NULL	RSPA Class Trip Buffet (6/24/05) for Weequahic High School.
600	ATHLETICS GEN SUPPLIES	06-06591	NULL	2005/11/03	MAGNATAG PRODUCTS	\$ 249.59	\$ 242.29	NULL	Cardholders and Cardholder box for Barringer High School. PO was overpaid by \$7.30. Unit price the District paid was \$21.38 versus the unit price on the PO of \$22.35 but shipping and handling was \$25.00 versus \$8.00.
600	ATHLETICS GEN SUPPLIES	05-20638	2005/05/03	2005/08/19	KORNEY BOARD AIDS	\$ 531.85	\$ 531.85	NET 30 DAYS	Athletic equipment, such as medicine ball, trainer ball, heavy trainers, heavy rope, and golf balls for Barringer High School.
600	ATHLETICS GEN SUPPLIES	06-10309	NULL	2006/06/30	PORTA PHONE	\$ 3,574.50	\$ 3,575.00	NULL	Digicom HCX-500 - 5 Digicom Radios, including 1 HC switching unit, 2 double and 3 single max headsets with rechargeable batteries, and wall chargers for Malcolm X Shabazz High School.
600	ATHLETICS GEN SUPPLIES	06-15050	NULL	2006/04/26	NORTHERN TOOL EQUIPMENT	\$ 1,157.92	\$ 1,157.92	NULL	Coleman 5500W Prem PI, 6-CIR/20 AMP Trans SW, and 40 Foot Generator Cord for Weequahic High School.
600	ATHLETIC SUPPLIES	06-17036	NULL	2006/06/30	NIXON CO INC	\$ 1,575.00	\$ 1,575.00	NULL	500 Award Pens (25 per sports) 12 sports and 150 Senior Plaques for Technology High School.
600	ATHLETICS GEN SUPPLIES	06-21526	NULL	2006/06/30	NIXON CO INC	\$ 338.50	\$ 338.50	NULL	West Side High School Boys Basketball Northern Hills Conference Champs 2005 - 2006 and West Side High School Boys Wrestling City Champs 2005 - 2006 Banners.

Review of Purchase Order – Textbooks

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
640	REG TEXTBOOKS	05-01118	NULL	2004/07/23	SCOTT FORESMAN	\$ --	\$ --	NULL	Documentation Not Provided as of 11/22/06
640	REG TEXTBOOKS	04-11634	NULL	2004/10/22	BUDGETEXT	\$ 680.42	\$ 701.63	NULL	Ordered various books, such as Who's Afraid Of The Virginia Wolf, Early African-American Classics, Three Musketeers, and Of Mice and Men.
640	REG TEXTBOOKS	05-00853	NULL	2004/10/22	CENTER FOR CIVIC EDUCATION	\$ 2,417.80	\$ 2,417.80	NULL	Books - Elementary Teacher's Edition, Elementary Student Books, Middle School Teachers Guide, and Middle School Student Books.
640	WSR TEXTBOOKS	05-01312	NULL	2004/12/03	GOODHEART WILCOX	\$ 1,073.81	\$ 1,053.00	NULL	Encumbered funds for 20 Modern Automotive Technology Student Text. PO was overpaid by \$20.80. The net price per text on PO was \$48.75 but the District paid \$50.97 per text.
640	REG TEXTBOOKS	05-05808	NULL	2004/12/21	HAL LEONARD CORP MUSIC E	\$ 475.00	\$ 475.00	NULL	Subscriptions for magazines - Basic Classroom Set (Music Express) and Student Magazines.
640	REG TEXTBOOKS	05-01845	NULL	2004/09/30	BARNES NOBLE BOOKSTORE	\$ 1,961.00	\$ 1,961.00	NULL	Encumbered funds for 30 Barron's AP Statistics, Barron's AP Computer Science 2nd Edition Aug 03, and 80 Kaplan SAT 2004.
640	NJ NONPUB TXTBKS 05/06	05-03615	NULL	2004/12/21	LOYOLA UNIVERSITY PRESS	\$ 123.20	\$ 123.20	NULL	14 Voyages In English Workbook - Grade 8 - Saint Lucy Philippine Academy.
640	NJ NONPUB TXTBKS 05/06	05-03598	NULL	2004/12/21	ZANER BLOSER INC	\$ 982.59	\$ 982.59	NULL	Textbooks for Handwriting - grade kind and grades 1 through 4.
640	REG TEXTBOOKS	05-02186	NULL	2004/12/16	QUEUE INC	\$ 3,219.92	\$ 3,219.91	NULL	Textbooks (Reading, LAL, and Math) for Hawkins Street School.
640	REG TEXTBOOKS	05-00556	NULL	2004/10/08	HOLT RINEHART WINSTON	\$ 569.69	\$ 607.50	NULL	10 Level 3 French Textbooks for Science High School.
640	REG TEXTBOOKS	05-00869	NULL	2005/03/09	HOLT RINEHART WINSTON	\$ 81.56	\$ 96.98	NULL	Listening Activities for Communication, Activities for Communication, and Native Speaker Activity for Hawkins Street School.
640	REG TEXTBOOKS	05-01047	NULL	2005/02/10	HOLT RINEHART WINSTON	\$ 4,006.78	\$ 4,338.25	NULL	Science Textbooks for Weequeah High School.
640	REG TEXTBOOKS	05-00525	NULL	2004/09/21	SCOTT FORESMAN	\$ 1,079.89	\$ --	NULL	Textbooks for Weequeah High School. (Remittance advice missing).
640	REG TEXTBOOKS	05-00526	NULL	2004/09/21	SCOTT FORESMAN	\$ 859.40	\$ --	NULL	Textbooks for West Side High School. (Remittance advice missing).
640	ESL TEXTBOOKS	04-23343	NULL	2004/09/30	BARNES AND NOBLE BOOKSTO	\$ 240.00	\$ --	NULL	Three "Teaching the Qualities of Writing" for Valisburg Middle School.
640	REG TEXTBOOKS	05-01845	NULL	2004/09/30	BARNES NOBLE BOOKSTORE	\$ 1,961.00	\$ --	NULL	Textbooks for University High School including Barron's AP Statistics, Barron's Computer Science 2nd Edition, and Kaplan Sat 2004.
640	NJ NONPUB TXTBKS 05/06	05-03937	NULL	2004/12/21	ZANER BLOSER INC	\$ 1,358.29	\$ --	NULL	126 items called "Handwriting" @ \$9.89 each and \$112.15 for shipping and handling. Items were shipped to St. Phillip's Academy.
640	NJ NONPUB TXTBKS 05/06	05-04024	NULL	2004/12/21	GIBBS SMITH PUBLISHER	\$ 42.26	\$ --	NULL	Encumbered funds for to book "The New Jersey Adventure" for the Newark Christian School. PO was overpaid by \$3.43, which was shipping and handling.
640	NJ NONPUB TXTBKS 05/06	05-04026	NULL	2004/12/21	ZANER BLOSER INC	\$ 1,241.77	\$ --	NULL	76 Spelling Connections for grades 4-8 @ 14.99 each and \$102.53 for shipping and handling. Items were shipped to Newark Boys Chorus School.
640	NJ NONPUB TXTBKS 05/06	05-04073	NULL	2004/12/21	UNIVERSAL PUBLISHING	\$ 313.88	\$ --	NULL	Textbooks for St. Benedict High School.
640	REG TEXTBOOKS	05-08126	NULL	2005/02/11	SCHOOL AGE NOTES INC	\$ 1,262.85	\$ --	NULL	A variety of books (i.e., "The Game Finder", "Adventures in Art") for Quitman Street School.

Review of Purchase Order – Textbooks, continued

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
640	REG TEXTBOOKS	05-08252	NULL	2005/03/04	CAROLINA BIOLOGICAL SUPP	\$ 639.60	\$ –	NULL	Eight organisms - from macro to micro students for Ann Street School. (Remittance advice missing)
640	REG TEXTBOOKS	05-11634	NULL	2005/03/04	CAROLINA BIOLOGICAL SUPP	\$ 79.90	\$ –	NULL	Teacher's Guide Weather for Roseville Avenue School. (Remittance advice missing).
640	REG TEXTBOOKS	05-04444	NULL	2005/04/08	NEW JERSEY RESTAURANT AS	\$ 2,788.95	\$ –	NULL	Paid for textbooks and videos relating to lodging management. The items were shipped to Central High School.
640	REG TEXTBOOKS	04-22573	NULL	2005/01/13	SOURCE OF KNOWLEDGE	\$ 696.50	\$ –	NULL	70 copies of "Tony Martin" shipped to Vailsburg Middle School.

Review of Purchase Order – Capital Outlay

Account Name	PO #	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments
EQUIPMENT	05-23982	2005/06/15	2005/07/28	AUTO PARTS WAREHOUSE	\$ 2,785.00	\$ 2,785.00	NET	Coats Model 4050A, Center Post Tire Changer.
EQUIPMENT NON-INSTRUCTIO	05-24623	NULL	2005/06/29	AUTOLAND	\$ 29,995.00	\$ 29,995.00	NULL	2005 Grand Cherokee Jeep 4*4 SUV Rocky Mountain, Color Silver, leather interior, 8 cylinder, touch screen, DVD, navigation screen. VIN # 1J4HR48N25C713482. Delivery to: District Superintendent, 2 Cedar Street, Newark NJ.
FACIL ACQU CONSTRUCTION	05-13119	NULL	2005/04/25	RAY ANGELINI	\$ -	\$ -	NULL	Documentation Not Provided as of 11/22/06
EQUIPMENT NON-INSTRUCTIO	04-16822	NULL	2004/08/26	PNC FLM LLC	\$ -	\$ -	NULL	Documentation Not Provide as of 11/22/06
FACIL ACQU PURCH SERV	04-23124	NULL	2004/07/23	STUDIO PEDRO E CAMPOS A	\$ 21,424.94	\$ 21,424.94	NULL	Professional Architectural Services provided to - alterations/renovations to the ITV room at University High, alterations/renovations to the attendance suite at Weequahic High, and started the design for the alteration/renovations of various Science Labs at University High School.
FACIL ACQU CONSTRUCTION	04-23588	NULL	2005/01/13	SHEFFIELD POTTERY INC	\$ 2,316.25	\$ 2,316.25	NULL	LandL Brick Easy Fire Kiln, Furniture kit, and stand for Belmont - Runyon School - Art Department.
FACIL ACQU CONSTRUCTION	04-23847	NULL	2004/12/03	ROCKAWAY MUSIC	\$ 9,590.00	\$ 9,590.00	NULL	2 Rosewood Yamaha Clavinovas Series #208 for Belmont - Runyon School.
FACIL ACQU CONSTRUCTION	04-23846	NULL	2004/12/16	ALTENBERG PIANO HOUSE	\$ 9,000.00	\$ 9,000.00	NULL	1 Altenburg National Upright Piano and Bench, Model 247, EP# IJMH00333 (Cost \$3,000) and 1 Altenburg Black Grand Piano and Bench, Mode 52, EP# IJNAG0259 (Cost \$6,000) for Belmont-Runyon School.
FACIL ACQU CONSTRUCTION	04-24428	NULL	2005/01/21	HUMANSKALE CORP	\$ 12,870.00	\$ 12,870.00	NULL	65 Keyboard Trays for Belmont Runyon Replacement School. The price of \$198 for each tray includes delivery and installation.
FACIL ACQU CONSTRUCTION	05-15113	2005/02/07	2006/03/02	ALLAN FEID	\$ 25,000.00	\$ 17,640.22	NET 30 DAYS	Belmont Runyon Contract: 6076 Plumbing Prime.
FACIL ACQU CONSTRUCTION	04-24572	NULL	2005/01/26	GREG LARSON SPORTS	\$ 5,424.06	\$ -	NULL	Physical Education equipment and supplies for Belmont-Runyon School
EQUIPMENT	05-24066	2005/06/16	2005/10/07	PRINCETON NASSAU CONOVER	\$ 14134	\$ 14,134.00	NET 30 DAY	2006 Ford truck for the Motor Transportation Division.

Review of Purchase Order – Capital Outlay, continued

Account Name	PO #	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments
OPER NON INST EQUIP	05-24539	2005/06/28	2005/12/02	WARNOCK FLEET AND LEASIN	\$ 22,659.84	\$ 22,659.00	NET 30 DAYS	2005 Dodge Durango - Four door four wheel drive, 4.7L V8 engine. The item was shipped to Facilities Support.
OPER NON INST EQUIP	05-24540	2005/06/28	2005/12/02	WARNOCK FLEET AND LEASIN	\$ 27,511.84	\$ 27,511.00	NET 30 DAYS	2006 Dodge Durango - Four door four wheel drive, 4.7L V8 engine with snow plow option package. The item was shipped to Facilities Support.
OPER NON INST EQUIP	05-24613	2005/06/29	2006/05/18	LINCOLN SERVICE EQUIPM	\$ 71,967.00	\$ 77,100.00	NET 30 DAYS	Three PS 300 Diesel Mad Vacs @ \$23,989 each. Items were shipped to Facilities Support.

Review of Purchase Order – Purchased Professional, Technical and Other Services for Instructional Staff Training

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
320	NULL	04-24240	NULL	2004/07/23	JILL WATKINS	\$ 3,000.00	\$ -	NULL	Professional Services and technical assistance in implementing core content standard in 15 elementary schools. Daily rate \$300.
320	STAFF DEV PURCH PROF ED	05-15345	2005/02/08	2005/09/02	PROJECT USE	\$ 5,000.00	\$ 5,000.00.00	NET 30 DAYS	Three day staff development focusing on team building, problem solving, conflict resolution and leadership development for the 9th, 10th, and 11th grade teachers in May 2005.
580	STAFF DEV TRAVEL	04-18713	2004/04/15	2004/07/30	JOYLETTE MILLS RANSOME	\$ 188.55	\$ 700	NET	Reimbursement for personal expenses (meals and transportation) incurred while attending the National Academy for Science and Mathematics Education Leadership in Tucson, Arizona on 05/19/04 - 05/25/04.
580	STAFF DEV TRAVEL NTU	05-05076	2004/08/20	2005/07/27	PROF IMPROVE FUND NTU	\$ 15,164.14	\$ 70,000.00	NET	Encumbered funds for reimbursement for conferences and workshops for the 2004-2005 school year. Members of the Newark Teachers Union (NTU) were reimbursed for conferences and trainings. The reimbursement amount is approved by the Newark Teachers Union Professional Committee prior to the conferences or workshops.
320	STAFF DEV PURCH PROF ED	04-14442	NULL	2004/07/30	HELEN D BLANK	\$ 8,000.00	\$ -	NULL	Paid consultant for trainings to develop strategies to promote a positive school and classroom climate as well as teaching skills held at Central High School during the 2003-2004 school year @ \$1,000 per day.
320	STAFF DEV PURCH PROF ED	05-05636	NULL	2004/09/10	SHIRLEY MCGILL	\$ 1,625.00	\$ -	NULL	For services as facilitator for staff development on 9/7-8/04 at Bragaw Street School.
320	STAFF DEV PURCH PROF ED	05-04363	NULL	2004/09/24	AMY HENDRIX	\$ 5,120.00	\$ -	NULL	Professional development training three days in August 2004 in Mathematics for District teachers. (Remittance advice missing).
320	STAFF DEV PURCH PROF ED	05-06120	NULL	2004/10/15	SMITH MARSHA L	\$ 5,147.5	\$ -	NULL	Paid consultant for five day training session for Mathematics teachers grades 4 and 5 held in September 2004. (Remittance advice missing).
320	STAFF DEV PURCH PROF ED	05-05099	NULL	2004/11/22	CLARENCE L JAMES SR	\$ 1,500.00	\$ -	NULL	Training session for parents and staff on 09/09/04 at Quitman Street School.
320	STAFF DEV PURCH PROF ED	05-08672	NULL	2004/12/16	AMY HENDRIX	\$ 7,250.00	\$ -	NULL	Professional Consultant Services to provide training and in class support for Newark District teachers for grades three-five throughout the 2004 - 2005 school year for School Leadership Team 4 schools. (Remittance advice missing).
320	PURCHASED PROFESSIONAL -	05-06864	NULL	2005/01/04	DR GWEN PARKER AMES	\$ 14,456.00	\$ -	NULL	To pay consultant fees for the Youth Education & Education (YES) program model for Twilight programs. (Remittance advices are missing).
320	STAFF DEV PURCH PROF ED	05-06584	NULL	2005/01/14	RUTGERS UNIVERSITY SATUR	\$ 10,500.00	\$ -	NULL	Training of grades 5-9 Mathematics teachers during the 2004-2005 school year. 30 participants @ \$350 per teacher.
320	STAFF DEV PURCH PROF ED	05-07664	NULL	2005/01/21	PERINI FLORY	\$ 3,000.00	\$ -	NULL	Six staff development sessions @ \$500 per session for Ridge Street School.
320	STAFF DEV PURCH PROF ED	05-08349	NULL	2005/01/21	PERINI FLORY	\$ 2,500.00	\$ -	NULL	Five staff development sessions @ \$500 per session for Roberto Clemente High School.
320	STAFF DEV PURCH PROF ED	05-13563	NULL	2005/02/24	DIAMOND NAVARRO	\$ 2,450.00	\$ -	NULL	Encumbered funds to pay consultant for professional services for the School Leadership Team 5 @ \$350 per day for seven days.

Review of Purchase Order – Purchased Professional, Technical and Other Services for Instructional Staff Training, continued

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
320	STAFF DEV PURCH PROF ED	04-06105	NULL	2005/04/25	NEW JERSEY SYMPHONY ORCH	\$ 300.00	\$ -	NULL	Staff development session for string training techniques for teachers on 09/05/03. (Remittance advice missing).
320	STAFF DEV PURCH PROF ED	05-20849	NULL	2005/04/28	THOMAS TALENT AGENCY	\$ 3,000.00	\$ -	NULL	Payment to Thomas Talent Agency for assembly program held on 4/29/05 at Newton Street School. Magician, Rapper, Dancers, singers, DJ and production.
500	STAFF DEV OTH PURCH SERV	05-16560	2005/03/01	2005/05/10	SANDWICHES UNLIMITED	\$ 1,967.46	\$ 2,000.00	NET 30 DAYS	Continental breakfasts for staff development for Saturday HSPA classes (2004 - 2005 school year). (All remittance advices missing).
320	STAFF DEV PURCH PROF ED	05-21356	NULL	2005/06/28	SCHETELICK RYAN	\$ 10,000.00	\$ -	NULL	Professional services for on-site literacy professional development to teachers at McKinley School. 20 days of service \$500 per day.
320	STAFF DEV PURCH PROF ED	05-09166	2004/11/05	2005/08/19	NEWARK MUSEUM	\$ 4,800.00	\$ 4,800.00	NET 30 DAYS	The PO states admission fee to the Newark museum for 120 people @ \$40 for staff development on 11/04/04. The invoice from the museum states total amount due was \$4,000 (for 100 teachers @ \$40 person). The check amount was \$4,800 for PO# 05-09166! (check #402370)
500	STAFF DEV OTH PURCH SERV	06-07852	NULL	2005/10/07	SHERATON ATLANTIC CITY C	\$ 436.00	\$ -	NULL	Lodging for NPS seven staff members to attend conference (S.D.E. for Educators) on 10/13/05-10/14/05.
320	PURCHASED PROFESSIONAL -	06-09704	NULL	2006/01/27	DR GWEN PARKER AMER	\$ 14,456.00	\$ -	NULL	To pay consultant fees for the Youth Education & Education (YES) program model for Twilight programs. Services from 11/1/05 - 01/31/06
320	STAFF DEV PURCH PROF ED	06-10392	NULL	2006/02/03	BEST FRIENDS OF NJ	\$ 5,000.00	\$ -	NULL	Payment to Best Friends of NJ for consultant services for the 2005-2006 school year.
320	STAFF DEV PURCH PROF ED	06-09412	NULL	2006/05/12	SCHETELICK RYAN	\$ 10,000.00	\$ -	NULL	Paid consultant \$1,000 for two staff development days (literacy consulting with 6th, 7th, and 9th grade teachers).
320	STAFF DEV PURCH PROF ED	06-15884	NULL	2006/05/12	SCHETELICK RYAN	\$ 5,000.00	\$ -	NULL	Professional services for on-site literacy professional development for teachers at McKinley School. Ten days during the 2005-2006 school year. (Remittance advice missing).
320	STAFF DEV PURCH PROF ED	06-06477	NULL	2006/05/12	SCHETELICK RYAN	\$ 1,500.00	\$ -	NULL	Professional services for on-site literacy professional development for teachers at Dr. W. H. Horton School. Only one invoice in PO package which was for one day of service (03/02/05) @ \$500 per day. (Remittance advice missing).

Review of Purchase Order – Purchased Professional, Technical and Other Services for Instructional Staff Training, continued

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original Po Amount	Brief Description	Comments
320	STAFF DEV PURCH PROF ED	06-06478	NULL	2006/05/12	SCHETELICK RYAN	\$ 1,1000.00	\$ -	NULL	Professional services for on-site literacy professional development for teachers at Dr. W. H. Horton School. Only one invoice in PO package which was for 3 days of services (2/2, 2/9 and 2/23 2006) @ \$500 per day.
320	STAFF DEV PURCH PROF ED	05-07662	NULL	2005/03/04	SCHETELICK RYAN	\$ 2,500.00	\$ -	NULL	Cognitive consulting for 5 days during the 2004-2005 school year. NPS only provided the PO - admittance advice and invoice missing.
320	STAFF DEV PURCH PROF ED	05-07204	NULL	2004/12/03	MARILIN TROW	\$ 7,000.00	\$ -	NULL	Encumbered funds for the services of a consultant to provide professional development for grades 3-4 teachers. A two day workshop in Mathematics to be held in October and January of the 2004-2005 school year.



Payroll

Overview and Background

The Payroll department consists of a Payroll Director, one Assistant Payroll Supervisor, two Technical Assistants, two Supervising Payroll Clerks, and 11 Payroll Clerks. Payroll is processed on a bimonthly basis. About 9,000 employees are on the District's payroll, which is paid every other Friday. The District's Payroll expense totaled \$568 million during the 2005/2006 school year, which was approximately 42% of the District's total expenditures for that period.

The Payroll department's responsibilities include processing District payroll, processing all District time and attendance records, and maintaining all payment and deduction information associated with the District payroll. The payroll staff verifies that the payroll data has been submitted and approved by the Principals and Department Heads. They also verify that the time and attendance authorized by the Principals and Department Heads reconciles to time and attendance per the payroll system. The department has used PeopleSoft since 1998 to process the District's Payroll.

The District uses sign-in books to track employees' hours at all locations. In addition to the sign-in books at the Central Office, Kronos swipe cards are used to track the arrival, lunch, and departure times of employees. The use of sign-in books is time consuming, manual, and susceptible to error.

The Payroll department does not review the sign-in books and also does not receive verification that sign-in books are reviewed daily at the various locations. Therefore, the District relies on Principals and Department Heads for providing accurate information related to employees hours worked.

The District uses Subfinder to capture all employees' absences and substitutes' hours. Subfinder also automatically calls substitute teachers when one is needed. This information is approved by Principals and Department Heads. However, the Payroll department does not require explanation to be entered into Subfinder on why employees' absences or substitutes' hours are disapproved.

The District is currently implementing an updated version of the automated time tracking system called Kronos, which will track all District employees' hours and improve the District's ability to accurately track employees' time. The updated version will require each employee to place their finger on an imprint that will verify that the employee placing the imprint is who they say they are, which will electronically record the employee coming to work, going to lunch, coming back from lunch, and leaving for the day..

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:

- Timekeeping
- Payroll Processing
- Distribution of Checks
- Employees on Leave
- Buybacks.

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.

Lack of Updated Policies and Procedures

As noted in the General Observation section, the Financial Services Division's policies and procedures are outdated. The Financial Services Division's procedural manual was created in 2003 and does not include certain key processes and controls of the Payroll process (i.e., electronic Payroll Notification Form).

We recommend that the Financial Services Division begin developing or revising policies and procedures so all departments and schools will have the policies and procedures for use in daily operations and in executing their responsibilities.

Lack of Controls to Prevent Duplicate Entries

The processing of Supplemental Time and Overtime Reports is manual, labor-intensive, and susceptible to errors in the process. The Payroll department hand writes this information on batch control sheets to enter total number of hours worked and corresponding dollar amounts of each employee for each pay period. These batch control sheets are provided to Data Entry to be input into PeopleSoft. After entering the information, Data Entry verifies that the total amounts agree with the batch control sheets provided by the Payroll department. However, if employees appear more than once on the Supplemental Time and Overtime Reports, the employee is entered into the automated payroll system more than once. This can happen if the timekeeper enters employees more than once on the Supplemental Time Reports or Overtime Reports. The system does not flag such duplicate entries.

The current payroll system and processes could be manipulated to cover irregularities or errors. Additionally, the current process and procedures are prone to human error because the effort necessary to process the payroll is time consuming, manual, and inefficient.

We recommend that PeopleSoft be programmed so that employees entered more than once in the same pay period are automatically flagged by the system. We recommend that an exception report be created to list any District employee who may potentially be reimbursed for the same amount of hours and dollars in the pay period.

Lack of Controls to Avoid Overpayment

The processing of Supplemental Time and Overtime Reports is manual, labor-intensive, and susceptible to errors in the process. During our historical expenditure analysis, we reviewed eight overtime reports that were paid out in the two school years covering '04-'05 and '05-'06. We compared the hours given on the supporting documentation by the employee and by the department to the Payroll department for overtime received by Payroll to what the employees were actually paid for. Two of the four employees that we sampled were overpaid due to data entry errors. For one of the four employees who had their total amount of overtime for the given period it was calculated incorrectly. The hours the employees were overpaid totaled 17 hours. Refer to the Results of the Historical Expenditure Analysis for additional information.

We recommend that the overtime entered into PeopleSoft along with the supporting documentation that supports what was entered into the system be verified by a supervisor within the Payroll department prior to being processed. We also recommend that the Payroll department review the calculation of total overtime for a given pay period more thoroughly for accuracy and correctness.

We further recommend that the District request reimbursement for the overpayment of overtime that these two employees received, if this has not been done. Due to the errors identified in a small sample of payments, we recommend that the Payroll department should review and request supporting documentation to verify if the correct amount of overtime was paid to each employee for the last two school years.

Issuing of Multiple Pay Checks per Pay Period

The District's policy of payment for overtime and other additional pay is to include such payments in the payday paycheck. In rare instances, the Payroll Director authorizes off-cycle pay checks for overtime and other additional pay. Results of our Historical Expenditure Analysis indicated that 13 employees received more than 69 checks during the two-year period of our review, and 311 employees received between 60 and 69 checks. The person receiving the greatest amount of checks, 96 checks, works in the Payroll department as a Principal Payroll Clerk. The Principal Payroll Clerk requested multiple checks from the payroll employee who processes Extra Curricular Time Reports without the Payroll Director's knowledge.

Based upon our interviews with the Payroll department, we noted it is not uncommon for an employee to receive approximately 28 checks in a given year. In rare cases the Payroll Director authorizes off-cycle checks for overtime and/or supplemental pay. In all other cases, additional pay is to be added to employees' pay date payroll checks. The Payroll Director was not aware of reasons why employees would receive more than 60 checks in two fiscal years.

We requested payroll earnings reports of the three District employees with the highest amounts of checks. We determined that District employees received separate checks on payday for differential pay, overtime pay, and extracurricular activities such as extended school day programs and adult education, bonuses, and retroactive pay, which we were informed by the Director of Payroll that these types of pay should be on the employee's regular pay check, not on a separate one.

The employee who received 96 checks in two years that we reviewed was a Payroll Department employee (Principal Payroll Clerk, employee# 13116). Two other employees working in payroll (employee# 18033 and employee # 19245) received more than 63 checks in the two year period. We verified that the employee who received 82 checks worked as a Substance Awareness Coordinator (Employee# 13120), the other employee who received 87 checks worked as a home instructional teacher (Employee # 30213).

The Payroll Director discussed with the employee who is responsible for processing Extra Curricular Time Reports why employees received multiple checks in one pay period. Aforementioned employee admitted that she entered separate pay period checks for the Principal Payroll Clerk upon her (Principal Payroll Clerk's) request into the payroll system; even though the employee entering the information for the Principal Payroll Clerk knew that she was not following the District's payroll procedures.

Ten out of ten supporting documentations for additional disbursements we reviewed showed that the additional payments were valid but should have been part of the employee's regular pay check, not a separate payroll check.

We recommend a prompt and thorough review of the issuance of multiple pay checks per pay period. We also recommend that the issuance of multiple checks on payday be more closely analyzed and controls be put in place to prevent this from occurring without the Director of Payroll's authorization. In addition, we recommend levels of authorization for employees within Payroll who are inputting something that is of a rare occurrence, such as an employee being issued more than one pay check on payday, require the Director of Payroll's approval prior to processing of the transaction. We recommend that the Payroll department create an exception report for each pay period that would list all employees that are receiving more than one payroll check.

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. As discussed previously in this report, data for the District is currently maintained within a platform called Systems 3000. To extract the necessary data elements for the Historical Expenditure Analysis, we utilized custom reports for payroll and HR data from People Soft.

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.

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 Potential 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 SSA. 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 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 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.
- *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 – Gross Compensation Greater than Base Compensation* – Identified employees whose actual gross compensation was greater than their base compensation.
- *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.
- *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.

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, and other key data elements.</p>	<ul style="list-style-type: none"> • Four employees had termination dates after their date of death as recorded in the Social Security Administration’s death master file. • 28 deceased employees received compensation after their date of death totaling \$310,041.01. Of the \$310,041.01, \$260,193.62 was paid to seven of the 28 employees whose social security numbers matched an individual on the death master list. In addition, \$40,586.33 was paid to 21 of the 28 employees within 6 months of their death. • 36 employees had a missing date of birth, date of hire, and date of termination despite having a date of death recorded in the Social Security Administration’s death master file. • 13 employees were only missing the date of termination despite a date of death recorded in the Social Security Administration’s death master file. • Seven employees have social security numbers in the payroll system that matched individuals on the death master list. 	<ul style="list-style-type: none"> • Conducted interviews with the HR personnel to ascertain why the anomalies would exist. • Selected a sample from the listing of employees noted in the results column. • For each sample item, we: <ul style="list-style-type: none"> – Attempted to verify that the date of the termination agreed to the supporting documentation per the personnel file. – Compared the social security number per the system to the number listed on the copy of the social security card or other supporting documentation in the personnel file if HR did not have a copy of the social security card. <p>For our review, we requested the following seven employee personnel files:</p> <ul style="list-style-type: none"> • 14140 • 18470 • 19371 • 30671 • 37183 • 38065 • 39342 	<p>As per our interview with HR personnel, we noted that a formal process for terminating a deceased employee in the system does not exist. HR usually receives notification through e-mail that an employee has passed away. Usually someone the employee worked with sends out a global e-mail letting the District know that the employee passed away. The Administrative Services then makes calls to verify that the employee did pass away and then inputs a termination date into the system for the employee with the reason for termination as deceased.</p> <p>During our review, we noted that the HR files were not organized in a consistent manner. We noted numerous documents were missing from the files (i.e., employment application form, document pay increase form, etc.). Also, there was no checklist as to what is maintained in a personnel file so it was not possible to determine the completeness of the HR file. There was no order to the documents that were placed into the file.</p> <p>We were not able to determine why two of the four employees had termination dates after their date of death as recorded in the Social Security’s death master file. We requested the HR personnel files but were not able to obtain them prior to November 22, 2006. We were able to verify that one employee had an incorrect termination date entered into the system; however, the termination date was correct in the system as of November 17, 2006 when we verified the termination date. The other employee had the incorrect social security number in the system. Once this is corrected, the employee will not match an individual on the death master list.</p> <p>We requested the HR personnel files for all seven employees whose social security numbers matched the death master list. However, we only received six of the seven HR personnel files.</p> <ul style="list-style-type: none"> • Three of the seven employees (employee# 14140, employee # 19371, and employee# 39342) had the social security number in the system that matched another person on the death master list. • All three of these employees had multiple (two to three) social security numbers on various hand written documents completed by the employee, in their personnel file, so we could not determine which social security number was correct. The personnel files did not have copies of the social security cards for two of these three employees (employee# 14140 and employee# 19371). One of these two employees (employee# 14140) had requested that his social security number be corrected in the system back in 1976.

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
				<ul style="list-style-type: none"> ● One of the employees (employee# 39342) who had multiple social security numbers in their personnel file had a copy of his social security card, so we were able to determine that the incorrect social security number is in PeopleSoft. Once the social security number is corrected in PeopleSoft, this employee will no longer match the person on the death master list. ● Another two of the seven employees (employee# 30671 and employee# 37183) currently have the correct social security number of the employee in PeopleSoft. We verified the social security number of the employee through their personnel file, by obtaining a copy of their social security card. Their social security number no longer matches the person on the death master list. ● One employee's (employee# 18470) social security number that is in PeopleSoft does not match the social security number that is in the employee's personnel file. However, we did not obtain a copy of their social security card. ● The one employee (employee# 38065) that we did not obtain their personnel file, we did request a printout from PeopleSoft of the social security number in the system for this employee. Currently, the social security number, in PeopleSoft, does not match what information Forensic has. Since we could not obtain the personnel file, we could not verify the correct social security number for this employee. <p>NPS should follow-up on incorrect social security numbers, request and obtain the correct numbers, and input the correct information in PeopleSoft.</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.	<p>We noted 182 employees under the age of 18 and 661 employees over the age of 65.</p> <ul style="list-style-type: none"> • We noted that 311 employees are included in the analysis for both years of the review. • We noted 20 of the 182 employees with birthdates that would have made them under the age of 14 during the time of our review. • We noted 162 of the 182 employees with birthdates that would have made them between the ages of 15 and 17 during the time of our review. • We noted 21 of the 661 employees with birthdates that would have made them over the age of 79 during the time of our review. 	<ul style="list-style-type: none"> • Conducted interviews of the HR 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 of 15 from the listing of employees under the age of 18 and over the age of 65 • For each sample item, we: <ul style="list-style-type: none"> – Verified that the date of birth per the personnel file agreed with the date of birth in the system. – Re-verified the date of birth in the system as of November 17, 2006. <p>For our review, we requested the following fifteen employee personnel files:</p> <ul style="list-style-type: none"> • 10857 • 11146 • 11541 • 11783 • 11872 • 11959 • 13231 • 14673 • 15650 • 16730 • 18438 • 19983 • 34846 • 34043 • 39016 	<p>HR informed us that they are non-discrimatory, so they will hire individuals under the age of 18 and over the age of 65, if they are qualified. The individuals under the age of 18 that the District hires are classified as Future Business Leaders and must be at least 16 years of age. These individuals are hired to work for the District after school and during the summer.</p> <p>Based on our review of HR personnel files of the 15 employees and the verification of the date of birth of these employees on the system, we found that all 15 employees had an incorrect date of birth in the system. We provided HR personnel with the files for these employees who had incorrect dates of birth in PeopleSoft so they could review and correct the dates of birth.</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
3	Reviewed data to determine if any employees are paid at addresses listed as P.O. Box, commercial mail receiving agency, etc.	No exceptions noted.	Not applicable	Not applicable
4	Analyzed payroll data to identify employees terminated within 30 days of their hire date who were paid after their termination date.	<ul style="list-style-type: none"> • We noted six employees that were terminated within 90 days of their hire date and received pay after their termination date. 	<ul style="list-style-type: none"> • Ascertained through interview of HR personnel examples of when employees are terminated within 90 days of their hire date and are paid after their termination date. • For employees on the listing of employees hired and terminated within a short period of time and paid after their termination date, we: <ul style="list-style-type: none"> - Reviewed six HR personnel files to confirm the actual termination dates, hire dates, and rehire dates where applicable. - Reverified termination dates, hire dates and rehire dates, where applicable, for all six employees in the system. <p>For our review, we requested the following six employee personnel files:</p> <ul style="list-style-type: none"> • 25514 • 31867 • 34248 • 35232 • 35448 • 35995 	<p>Per our interviews with HR personnel and based on reviewing HR personnel files on the system, employees being hired and terminated within a short period of time could occur for multiple reasons. The most common include:</p> <ol style="list-style-type: none"> 1. Substitute teachers must provide recertification documents to HR. Such certifications are valid for only three years. If an employee does not do so on time, he/she will be terminated until he/she provides the necessary documents. 2. Employees who are promoted or switch jobs within NPS (i.e., from teacher aid to substitute teacher), the system shows a termination and a hire date. 3. The system also shows termination and hire dates for teachers who are temporarily terminated (i.e., pending disciplinary actions). <p>Of the six HR personnel files we reviewed, only two files contained termination documents. However, after reviewing the employees' termination and hire dates on the system, we found that all six employees were rehired after being terminated for one of the reasons mentioned 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
5	Analyzed payroll data to identify Employees Whose Gross Pay Increased by Greater Than \$7,500 from '04-'05 to '05-'06.	<p>We noted 183 employees that received changes in annual salary greater than \$7,500. The range of the change in annual salary stretched from \$7,625.00 to \$35,894.00. The total change in annual salary from 2004/2005 to 2005/2006 for the 183 employees was \$3,241,975.00. The breakdown is as follows:</p> <ul style="list-style-type: none"> • 63 of the 183 employees received a gross change in salary between \$7,501 and \$12,500, which totaled \$611,960.00. • 103 of the 183 employees received a gross change in salary increase between \$12,501 and \$25,000, which totaled \$2,087,280.00. • 17 of the 183 employees received a gross change in salary increase greater than \$25,001, which totaled \$542,735.00. 	<ul style="list-style-type: none"> • Determined through interviews of the HR personnel that the change in annual salary increases by job grade agreed with the eight union contracts • Selected a sample of 10 employees who received a salary increase greater than \$7,500. • For each sample item, we verified authorization for the change in annual salary was appropriately documented in the employees personnel file and could be verified through the union contracts. <p>For our review, we requested the following 10 employee personnel files:</p> <ul style="list-style-type: none"> • 10158 • 11874 • 15331 • 28284 • 31076 • 31157 • 31811 • 32025 • 32092 • 38114 	<ul style="list-style-type: none"> • For the 10 employees we sampled, we were able to verify that each employee's change in annual salary was documented in their HR personnel file and we verified the salary to the union agreements.
6	Analyzed payroll data to assess if there are any employees that do not have the applicable benefits deductions.	No exceptions noted.	Not applicable	Not applicable

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
7	<p>Analyzed payroll records to identify all individuals whose actual gross compensation was greater than their base compensation.</p>	<p>Over the two-year period under study, we noted 9,519 employees whose actual gross compensation was greater than their base compensation. The dollar amount by which gross compensation exceeded base compensation ranged from \$0.01 to \$242,943.28 for the two year period. The total amount of actual gross compensation in excess of base compensation for these employees was \$199,131,177.86.</p> <ul style="list-style-type: none"> ● 2,653 of the 9,519 employees received gross compensation totaling \$65,075,235.65 despite having no listed base compensation ● 3,074 of the 9,519 employees received gross compensation that was less than 5% greater than their base compensation totaling \$7,455,314.13 above base ● 2,175 of the 9,519 employees received gross compensation that was more than 5% and less than 25% greater than their base compensation totaling \$28,299,582.11 above base ● 622 out the 9,519 employees received gross compensation that was more than 25% and less than 100% greater than their base compensation totaling \$22,342,646.67 above base ● 995 out the 9,519 employees received gross compensation that was more than 100% greater than their base compensation totaling \$75,958,399.60 above base (Note that a number of the 995 employees had a zero base for one of the two years). 	<ul style="list-style-type: none"> ● Ascertained through interview of the payroll personnel why an employee may receive compensation in excess of their base salary ● Selected a sample of four employees from the listing of employees whose actual gross compensation was greater than their base compensation due to overtime payments. ● For each sample item, we: <ul style="list-style-type: none"> – Attempted to verify that supporting documentation exists in the personnel file which supports the compensation – Reviewed the payroll disbursements to asses the amount is reasonable. <p>For the sample of employees who were paid overtime during the two-year period, we compared overtime reports that the employee submitted to what the department submitted to Payroll to the actual overtime hours input into PeopleSoft, which was the amount hours the employee was paid for each respective pay period.</p> <p>For our review, we requested the following four employee's supporting documentation:</p> <ul style="list-style-type: none"> ● 14586 ● 11475 ● 32049 ● 34927 	<p>Based upon our interviews, we noted that District employees can work overtime and/or engage in extracurricular activities, such as working at athletic events. There is no maximum limit for overtime or extracurricular activity worked.</p> <p>For the four employee's overtime reports we sampled by comparing eight supporting documentation sets that the Payroll department received to actual hours on which overtime pay was based, we noted the following:</p> <ul style="list-style-type: none"> ● For one employee (employee# 34927) the actual hours entered into the system were greater than the hours on the supporting documentation. The overpayment totaled 3.5 hours of overtime. We also noted the overtime for one given period was miscalculated on the supporting documentation. The employee was overpaid 13 hours of overtime for that period. We calculated that this employee was overpaid a total of 16.5 hours of overtime. ● For another employee (employee# 14586) the overtime hours entered into the system were greater than the hours on the supporting documentation by .5 hours. <p>We did not note exceptions for the two other employees selected.</p> <p>We strongly recommend that the overtime calculations on the overtime reports that are input into PeopleSoft be reviewed by at least one employee other than the employee who entered the overtime.</p> <p>In addition, the Payroll department should review the calculation of total overtime for a given period more thoroughly for accuracy and correctness.</p> <p>It should be noted that per diem employees and certain other types of employees do not have base compensation. It also appeared that some base compensations were either missing or in error. NPS should review base compensation data to insure it is accurate and complete.</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
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>	<p>We noted 3,023 employees that received greater than 52 checks in the two-year period covering '04-'05 and '05-'06 totaling \$385,334,927.44 in gross pay. The breakdown is as follows:</p> <ul style="list-style-type: none"> ● 2,699 of the 3,023 employees received between 53 and 59 checks totaling \$340,981,706.35 in gross pay ● 311 of the 3,023 employees received between 60 and 69 checks totaling \$41,953,073.23 in gross pay ● 13 of the 3,023 employees received greater than 69 checks totaling \$2,405,147.86 in gross 	<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. ● We selected a sample of 10 paychecks from the listing of employees who received more than 69 checks during the two-year period. ● For each sample item, we verified that the supporting documentation exists for the additional disbursements <p>For our review, we requested he following paychecks:</p> <ul style="list-style-type: none"> ● 7982604 ● 7764730 ● 7966295 ● 7888850 ● 7682390 ● 7776164 ● 1469422 ● 1538692 ● 7884270 ● 7833633 <p>In addition, we reviewed the payroll earnings reports for the three employees with the greatest amount of paychecks to assess why the additional payroll was processed.</p> <p>For our review, we requested following employees:</p> <ul style="list-style-type: none"> ● 13120 ● 13116 ● 30213 	<p>Based upon our interviews, we noted it is not uncommon for an employee to receive approximately 28 checks in a given year. In rare cases, the Payroll Director authorizes off-cycle checks for overtime and/or supplemental pay. In all other cases, additional pay is to be added to employees' pay date payroll checks. Management was not aware of reasons why employees would receive more than 60 checks in two fiscal years.</p> <p>After requesting earnings reports of the three District employees with the highest number of checks, it turned out that the employee who received 96 checks in the two years reviewed was a Payroll Department employee (Principal Payroll Clerk ; ID# 13116). Two other employees working in payroll (ID# 18033 and ID# 19245) received more than 63 checks in the two-year period.</p> <p>The Payroll Director asked the employee who is responsible for processing Extra Curricular Time Reports why employees received multiple checks in one pay period. Aforementioned employee admitted that she entered separate checks for the Principal Payroll Clerk upon her (Principal Payroll Clerk's) request into the payroll system knowing that she was not following payroll procedures.</p> <p>Ten of the ten supporting documentation packages for additional disbursements we reviewed showed that the additional payments were valid but these payments should have been on the employee's regular pay check, not a separate pay check.</p> <p>We recommend that the issuance of multiple checks on payday be more closely analyzed and controls be put in place to prevent this without the authorization of the Director of Payroll.</p> <p>We also recommend levels of authorization for employees within payroll who are inputting something that is out of the ordinary, such as an employee getting more than one check on payday, require the Director of Payroll's approval prior to it being done.</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 but not in Human Resources record/file.	We noted 1,099 employees that were paid but not in the Human Resources record. These employees were paid out \$14,271,937.95.	<ul style="list-style-type: none"> ● We conducted interviews with the Payroll Director and the HR Director as to how an employee could be paid without being in PeopleSoft. ● We selected a sample of five employees from the listing of employees who were paid without being in PeopleSoft. ● For each sample item, we: <ul style="list-style-type: none"> – Verified the employment history of the employee in PeopleSoft. – Obtained the employees HR personnel file to verify the information PeopleSoft was correct in terms of date of hire and salary. <p>For our review, we requested the following five employee personnel files:</p> <ul style="list-style-type: none"> ● 34359 ● 36157 ● 36246 ● 32285 ● 36115 	<ul style="list-style-type: none"> ● The Payroll Director and the HR Director stated that no District employee can be paid through payroll without being in PeopleSoft. If payroll tried to pay an employee that was not in PeopleSoft, the employee would show up on an exception report and would have to be input into PeopleSoft prior to being paid. ● For the five employees we sampled, we were able to verify that the employees were in PeopleSoft and had been in PeopleSoft since the date they were hired by the District. However, there may have been gaps based on substitute teachers not providing re-certification documentation on time, for employees who were promoted or switched jobs, and the teachers who are temporarily terminated (i.e., pending disciplinary actions.) So the employees, may have hire, termination, and rehire dates in the system.

Historical Expenditure Analysis – Payroll and Human Resources Disbursements, continued

No.	Analysis Performed	Results of Analysis	Follow-Up Procedures	Results from Follow-up and Recommendation
10	Analyzed payroll data to identify employees who were paid more than 30 days after their termination date	We noted 636 employees that were paid more than 30 days after their termination date totaling \$9,785,556.14 in gross pay. A total of 5,446 checks were received by these employees after their termination date.	<ul style="list-style-type: none"> ● Ascertained through interview of the HR personnel examples of when employees are paid 30 days after their termination date. ● Selected a sample of eight employees from the listing of employees paid 30 days after termination date. ● For each sample item, we: <ul style="list-style-type: none"> – Reviewed personnel files to confirm the actual termination dates. – Reverified termination dates and rehire dates in the system. <p>For our review, we requested the following employee personnel files:</p> <ul style="list-style-type: none"> ● 35488 ● 35995 ● 10110 ● 10639 ● 11221 ● 11330 ● 20591 ● 23773 	<p>As per our interviews with HR personnel and reviewing HR personnel files on the system, the following are reasons why an employee may be paid 30 days after their termination:</p> <ol style="list-style-type: none"> 1. Substitute teachers must provide recertification documents to HR. Such certifications are valid for only three years. If an employee does not do so on time he/she will be terminated until he/she provides the necessary documents. The employees are rehired once he/she provides the documentation. 2. For employees who are promoted or switch jobs within NPS (i.e., from teacher aid to substitute teacher), the system shows a termination and a hire date. 3. The systems also shows termination and hire dates for teachers who are temporarily terminated (i.e., pending disciplinary actions). <p>Of the eight HR personnel files reviewed, only two personnel files contained termination documents.</p> <p>Reviewing the employees' termination and rehire dates on the system, we found that all eight employees were rehired after termination due to one of the reasons listed above.</p>



Human Resources (including Risk Management)

Overview and Background

Human Resources (HR) consists of 54 District employees, including the Executive Director of HR and the Director of Employment Services. HR is the department that is responsible for coordinating all employee-related processes and functions. HR's main functions include recruiting and hiring instructional, non-instructional full-time employees and per diem employees, training and development, employee and labor relations, licensing and certifications, employee benefits, and risk management.

Non-instructional positions include school aides, custodians, clerical staff, support staff, and food service staff. Non-instructional Civil Service Employment also includes certified employees such as nurses, public safety officers, and some competitive position support staff. Certified employees include teachers, principals, administrators, doctors, and therapists.

HR has been using PeopleSoft and Subfinder for all automated processes since 1998. PeopleSoft automatically uploads all per diem hires into Subfinder. Subfinder automatically calls qualified per-diem employees as needed and records their hours worked.

As part of HR, the Office of Risk Management consists of a Risk Manager, a Senior Claims Investigator, a Claims Investigator, and a Senior Clerk Typist. The main functions performed include workers' compensation, student injuries, processing of claims, and insurance.

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:

- Hiring
- Separations
- Benefits
- Training and Development
- Risk Management

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.

Lack of Policies and Procedures

HR does not have comprehensive policies and procedures. Personnel of two areas in HR provided written procedures, Per Diem Hiring and Risk Management. HR personnel stated that policies and procedures for Benefits Services had been drafted.

Written policies and procedures codify management's criteria for executing an organization's operations. They document business processes, personnel responsibilities, departmental operations, and promote uniformity in executing and recording transactions. Thorough policies and procedures serve as effective training tools for employees. If written policies and procedures do not exist, the following could result: (1) inconsistent practices among employees and/or departments and/or (2) processing errors due to lack of knowledge.

We recommend that the Human Resources develop a comprehensive set of policies and procedures that incorporates the District's current policies and procedures as well as internal controls. These policies and procedures should document all significant business practices, processes, and policies.

Lack of Review of Data Entries

One business day after data entry, PeopleSoft provides a report containing all data entered the previous day for Benefits Services. Benefits Services employees review the data they input the day before. Review of data entry is done by the same employees who input the data, which reduces the chance of the data entry errors being detected.

Human Resources *(continued)*

In Newark, the Senior Personnel Assistant or the Technical Assistant enter new hire and termination information into PeopleSoft and then complete a review of their own information entered into PeopleSoft for accuracy and existence. By the employee reviewing their own work that they entered into PeopleSoft, it could result in an intentional or unintentional error or irregularity going undetected. During our historical expenditure analysis, we found that all 15 employees we sampled had incorrect dates of birth in PeopleSoft. We also found that four employees had incorrect social security numbers in the system. Refer to the Results of the Historical Expenditure Analysis for more detail.

When a process is performed within a department, there should always be another level of review performed by a knowledgeable individual independent of the data entry process to verify the accuracy and correctness of the information. The lack of an adequate review could result in errors being overlooked resulting in misstatements that could affect financial, as well as payroll information. In addition, as no other mitigating control is in place, the risk that an unauthorized employee may be added to the payroll is high.

We recommend that data entered into PeopleSoft be reviewed by employees that did not enter the information the previous day to verify the accuracy and completeness of the data that was entered. We also recommend the use of a system-generated management report of all new employees added to PeopleSoft to verify that any new employees added have all required approvals on file.



Financial Management

Overview and Background

The Financial Management processes at the District are performed in the Office of Accounting, which consists of one Executive Controller, two Senior Accountants, two Accountants, and one Secretarial Assistant Typing. The Office of Accounting is responsible for maintaining the records and accounts of the District. The Office of Accounting interacts with the other offices, management, and agencies to implement financial policies and procedures.

New Jersey school districts follow the modified accrual basis of accounting, except for proprietary funds, which follow the accrual basis of accounting.

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 Office of Accounting:

- Revenue Recognition
- Cash Receipts Processing
- Actual Deposits of Checks/Cash
- Accounting Coding For Daily Deposit Slips
- Monthly – Accounting Coding For Wires and Credit Memos
- Cash Receipts Reports
- Estimated Revenues
- Contributions To Whole School Reforms
- Monthly Review of Accounting Records
- Review of Scholarship Funds
- Payroll Expenditure Projections
- Assessment of Fund Balance Accounts
- Payroll Related Functions
- Payroll Agency Account
- Tax Levy Revenues
- Self-Insurance Fund
- Unemployment Trust Fund
- Tuition – General Fund
- Regional Day School Oversight
- Tuition – Regional Day School
- Grant Programs
- Drawdown of Federal Grants
- Monitoring of Revenues and Cash Balances
- Year-end Duties
- Treasurer of School Moneys
- Other Responsibilities

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.

Lack of Management Reviews and Approvals

The Accounting Office has an accounting system that measures business activities, processes that information into reports, and communicates these findings to decision makers. Two major controls of an accounting system are accurate posting of transactions and adequate account review and reconciliation.

When a process is performed within a department, there should always be another level of review and approval performed by a knowledgeable individual independent of the process. The approval should be documented to verify that a review was done. Review and approval are controls that help management gauge whether operational and personnel goals and objectives are being met.

The lack of or inadequate review and approval could result in the following:

- Errors may be overlooked resulting in misstatements that affect financial, as well as, operational decisions
- Inaccurate or incomplete information in accounts and/or reports
- The inability to detect irregularities.

The Executive Controller and the Senior Accountants within the District's Office of Accounting process and record transactions and journal entries, as well as reconcile reports and the general ledger trial balances without a review or approval by a supervisor level prior to recording or processing the transactions and journal entries within the system.

We recommend that the Assistant School Business Administrator of the Financial Services Division review and approve the work of the Executive Controller and the Executive Controller review and approve the work of the Senior Accountants regarding the processing and recording of transactions, journal entries, and reports for accuracy, completeness, and timeliness. The evidence of the review and approval should be documented (e.g., signed or initialed and dated by the review/approver prior to recording of the transaction in the system).



Purchasing

Overview and Background

The Purchasing department consists of one Director, two Principal Buyers, one Principal Purchasing Assistant, one Supervising Procurement Specialist, one Senior Buyer, two Buyers, one Assistant Buyer, four Purchasing Assistants, one Principal Clerk Typist, one Senior Clerk Agency Aide, one Senior Clerk, two Senior Clerk Typists, and one Clerk Typist.

The Purchasing department is the procurement agent for all schools and departments of the District. The Purchasing department attempts to service all students and District staff by procuring suitable, quality products, materials, supplies, and services in the most cost-effective manner possible. The Purchasing department is responsible for assisting all District employees in the proper purchasing practices and procedures to help ensure full compliance with New Jersey Public School Contract Laws (N.J.S.A. 18A:18A) and Newark Public School Policy. All District personnel involved in the requisition process attend a mandatory annual training session concerning proper purchasing procedures according to department management.

The District has a group of Buyers who are supervised by two Principal Buyers. Each of the individual buyers is responsible for requisitions based on the type of item or service, i.e., supplies, textbooks, etc.

All requests for purchases of materials, supplies, and services must be made through a purchase requisition. Once the requisition is successfully entered into the automated accounting software system (budget account code is correct and the funds are available) and approved by the SBA, it becomes a purchase order (PO).

Confirming orders are purchases of goods and services that have been ordered prior to the requestor having an authorized PO. These orders are a violation of New Jersey State Statutes and District purchasing policy as goods or services have been ordered prior to ensuring that the funds are available. District policy states that, any District employee who orders and receives goods without going through the proper PO process, at the discretion of the District, may be held personally responsible for payment of the order.

The District provides a Requisition Submission Schedule to all locations and departments each fiscal year with deadline dates to acquire specific categories of supplies, materials, and services. Requisitions submitted after the last day for submission to the Purchasing department may be returned to the originator with a Requisition Notification Form, indicating that the requisition will not be accepted due to the originator not adhering to the Requisition Submission Schedule.

The District's account codes consist of 18 digits and are at a greater level of detail than required by the State of New Jersey's minimum chart of accounts. Presented below is the structure of the District's account codes (with X's representing budget account code numbers):

XX	XXX	XXX	XXX	XXX	XXX	X
Fund	Program	Function	Object	Location	Strategy/Year	SLT

District policy indicates that the following criteria should be used to determine whether a particular item should be coded as supplies or equipment:

- Equipment – Tangible item that costs MORE than \$2,000 AND has a useful life in excess of one year.
- Supplies – Items costing less than \$2,000 (regardless of useful life)

The bid process, Request for Proposal (RFP) process, vendor contracts, and approving and entering vendors into the Vendor Master file are overseen by the Purchasing Director. The New Jersey Public School Contract Law restricts the District as to how much money can be spent in a Fiscal Year (FY) on materials, supplies, and services without bidding. The bid threshold is \$29,000, and anything greater than that amount must go through the RFB/P process. This means that any specific item, class of items, and/or services of a similar nature, purchased by the entire District (all locations and departments) totaling more than \$29,000 for the FY must be competitively bid. This is cumulative and district wide. All bids are logged on the Bid List.

The minimum order for State Contract vendors is \$100. A sample of items commonly purchased by the District through State contracts includes: (1) schools and office supplies, (2) computers, and (3) copiers. However, if purchasing a copier, this must be pre-approved by the Purchasing Agent.

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:

- Purchase Requisitions
- Warehouse Stock Requisition
- Recording of Disposed, Damaged, and Donated Stock Inventory
- Confirming Orders
- Annual Bids
- Contract File Maintenance for Bids and RFPs
- Professional Services/Professional Consultants
- Minority Set-Aside Requirements
- Registration of New Vendors for Bids
- End-of-Year Closing Procedures.

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.

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. In the course of our review of the Purchasing department, we noted the following conflicting duties.

The SBA is the approver of all purchase orders. The SBA is one of the approvers for all requisitions that are between \$15,000.00 and \$29,999.99. In addition, the SBA is one of the three electronic signatures on the A/P checks. The purchase order serves as the approval to pay all invoices.

We recommend such conflicting responsibilities be separated to the extent possible. The District should consider involving other supervisory personnel in the approval process to more adequately segregate responsibilities. For example, requisitions between \$15,000.00 and \$29,999.99 originating from the School Business Office could be reviewed by a supervisor from Financial Services; e.g., the Assistant School Business Administrator of Financial Services.

Authorization on Vendor Invoices

During our Historical Expenditure Analysis, we found that two District employees are being reimbursed for items that they are purchasing, in which they are also the approving the receiving of the item that they purchased and A/P is reimbursing them for these items. One of the employees has a blanket type "open" purchase order to purchase these items. The other employee is being reimbursed after the expenses have occurred.

We found during our review of the invoices packages for these two employees that there are some questionable expenses, such as a purchasing a pocket executive leather open wallet for \$55, shipping of 25 federal express packages at one time, purchasing donuts, muffins, and coffee numerous times for an average of \$40 each purchase, and a full-size jukebox.

Due to these types of reimbursements, the District is susceptible to reimbursing an employee for receipts multiple times. Both employees were also reimbursed twice for invoices that they resubmitted in two different months. One employee was overpaid \$225 and the other employee was overpaid \$91.28.

We recommend that these two employees reimburse the District for the overpayments, if this has not already occurred. We also recommend that the District discontinue the use of these types of "open" purchase orders. If the District continues to issue these types of purchase orders, we recommend that someone review and approve the expenditures prior to reimbursement.



Facilities Management

Overview and Background

The department of Facilities Management consists of four subdepartments including Project Control, Design and Construction, Facilities Support, and Facilities Management which oversees the other three subdepartments. The School Leadership Teams (SLTs) also monitor and approve certain activities of Facilities Management. The District is divided into five SLTs. The department of Facilities Management is responsible for maintaining 107 buildings. The District owns 77 school buildings and two warehouses and leases 18 facilities including the Central Office space.

Facilities Support, which conducts all the repairs and maintenance, consists 90 District employees, including 12 office staff members, five masons, six sheet metal workers, nine electricians, five plumbers, six carpenters, five glaziers, one roofer, one painter, 16 maintenance repairers, four truck drivers, 12 laborers, and eight custodial workers and custodians. In addition, each SLT has its own workforce of 13 to 15 trade workers. Facility Support staff is rotated between SLTs on a weekly basis. Although District employees perform the majority of the work, contractors are utilized for tasks outside District employees' expertise and for seasonal repairs and maintenance tasks (i.e., landscaping, boilers) if the District's workforce is unable to complete the work.

The maintenance division is responsible for the upkeep and maintenance on all of the District's buildings and facilities. The custodial and maintenance staff performs minor and routine repairs as well as preventive maintenance to the District's buildings and grounds. School dude is the automated system the District uses for work orders to perform minor and routine repairs and preventive maintenance.

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

- Repair and Maintenance
- Procurement and Distribution of Materials, Services, and Supplies
- Permit Use of School Facilities
- Reimbursements.

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.

Lack Documentation for Reimbursements of Trade Workers

The District reimburses all trade workers who are members of the Trade Union and who use their own car for more than two weeks in a given month. The flat monthly reimbursement rates were \$60 and \$70 for 2004 and 2005, respectively, and \$80 for 2006. SLTs notify Facilities Support of any trade workers that did not work two weeks or more in a given month. Facilities Support forwards a list of trade workers eligible for reimbursement to A/P. We identified the following issues concerning the District's reimbursement process:

- SLTs do not confirm how many days a month workers use their own car.
- Facilities Support relies on SLTs to provide accurate information about eligibility for reimbursement.
- If Facilities Support does not receive notification from SLTs that all employees within an SLT worked more than two weeks during a given month, they assume that they did and pay them for using their car on work assignments.
- Facilities Support does not retain supporting documentation that they receive from SLT on who is qualified for reimbursement.
- Facilities Support does not provide supporting documentation to the Accounts Payable Department for any trades worker being paid or explanation of why someone is to be paid more than the flat monthly rate. (See related observation under Accounts Payable.)

Facilities Management *(continued)*

The Facilities Management department initiated new procedures during the course of our internal control process review. The procedure includes a reimbursement form to be completed and approved by each SLT at the end of each month. The SLT will indicate for each trades worker how many days he/she worked in a given month, sign and approve the reimbursement form, and send it to Facilities Support for processing. Furthermore, the reimbursement forms will be submitted and processed by the Payroll department rather than the Accounts Payable department for this school year. The flat rate will be added to the employees' pay checks rather than in an A/P check.

We recommend the Facilities Management department initiate the procedures and provide the Payroll department with the supporting documentation that supports the payment to the employee since the procedures to pay the employees out of A/P did not demonstrate appropriate controls to prevent employees ineligible for reimbursements from being paid the flat rate. Please see Mechanic Carfare Lack Supporting Documentation observation in Accounts Payable for further cross reference to this observation.



Grants Management

Overview and Background

The department of Grants Development and Implementation consists of the Director of Grants Development and Implementation, the Coordinator of Federal and State Aid, one Senior Accountant, one Accountant, one Secretarial Assistant, and one Clerk Typist. Grant revenue totaled approximately \$203 million in the 2005/2006 school year. The District returned \$170,000 in grant monies to the sponsoring agency (or agencies) at the end of the aforementioned school year. Roughly \$16 million of the \$203 million was revenue from competitive grants. During the 2005/2006 school year, the department applied for nine competitive grants and was awarded four. Two other departments in the District, including Special Education and Title 1, apply for, implement, and monitor entitlement grants. The remainder of this section focuses on the competitive grants process.

The Grants department works with the following units in the implementation of competitive grants:

- With the Budget department in uploading grants in appropriate District GAAP codes
- With the Purchasing department in requisitioning goods and services
- With Accounts Payable in expediting payments to vendors for goods and services received
- With Office of Accounting to prepare all grant journal entries for Grant accountants, set up new grants (revenues), set up reallocated grants, set up carryover grants, close out expired grants, and final payments or billing to grantors.

Grants Management *(continued)*

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 department of Grants Development:

Grants Development for Competitive Grants

- Grants Implementation
- Tracking Revenue.

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

Summary of Observations and Recommendations

We have no observations or recommendations for the Grants processes.



Student Activities

Overview and Background

The Student Activities processes at the District use a standardized, automated system of accounting, Peachtree, to help ensure that student activity programs are properly accounted for. All student activity programs must function within the framework of the educational and organizational policies of the District. The District provides rules, regulations, and procedures for uniform accounting of student activity funds.

The District authorizes and formally approves each student organization fund within the District. The purpose of the organization's fund is to act as a central depository for all student monies.

The State District Superintendent adopts policies to govern the establishment and administration of the school funds. The Executive Controller of the District is responsible for the accounting of school funds, including the institution and enforcement of accounting and internal control procedures. The Principal is responsible for carrying out the directives of the Executive Controller for accounting for school monies and any other duties as assigned by the State District Superintendent. The Principal is charged with the responsibility of seeing that any and all applicable funds handled by such schools are documented and accounted for in accordance with the procedures and record-keeping requirements. In the case of athletic funds, joint responsibility rests with the Athletic Director, the Principal, and Treasurer for handling of such funds.

Student Activities *(continued)*

The following categories of funds are considered to be internal school funds of the District:

- **Designated Funds** – postage, home economics grocery fund, and teacher discretionary funds.
- **Revenue Funds** – funds generated by charges for applications and transcript fees, lost or damaged books, lost ID cards, lost report cards, laboratory breakage, lost locker keys, and sales of books or supplies. At the end of the year, excess revenue funds are returned to the District.
- **Athletic Funds** – held specifically for school athletic programs. Principals are advanced funds for costs to be incurred for school athletic activities. Funds are deposited into this account from selling game tickets at athletic events. At the end of the year, excess athletic funds are returned to the District.
- **Deposit Funds** – funds held on deposit from students for items such as books, lockers, equipment, etc. These funds remain in the school's student activity account at the end of the year.
- **Memorial or Trust Funds** – held for the purpose of awarding scholarships. These funds remain in the school's student activity account at the end of the year.
- **School Activity Funds** – student council, school club or society, cheerleader, choir, band, school newspaper, yearbook, class funds, commissions from soda machines, the general student body Fund Raising Account, and all funds derived from school or student activities other than those already mentioned. These funds remain in the school's student activity account at the end of the year.

Student Activities *(continued)*

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:

- Designation of Responsible Officials
- Contracts
- Authorized Bank Accounts
- Preservation and Disposal of Records
- Applicable Funds
- Athletic Funds
- Memorial/Trust Funds
- Student Activity Account Receipts and Disbursements
- Teacher's Discretionary Funds
- Financial Reporting.

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.

Not All Checking Accounts Established For Deposit Are Interest Bearing

The Financial Services Division policy states that interest-bearing checking accounts are to be established for the deposits of all student activity fund receipts. Currently, the majority of the schools do not have interest-bearing checking accounts. The schools are allowed to select the bank with which they want to establish the student activity account. The majority of these accounts have small balances so the banks will not offer interest-bearing checking accounts to the schools at no cost.

Student Activities *(continued)*

We recommend that the Purchasing department bid out the services to the banks in Newark to create interest-bearing checking accounts at no cost to all schools within the District. Further, a leading practice would be to identify, through competitive bid, a financial institution that could serve all schools within the District. This may also improve control over the establishment of bank accounts, as all schools would be required to use the same institution. Additionally, savings may be achieved and the District may obtain better banking services at a lower cost.

Not All Athletic Funds Collected Are Deposited Into the Student Activity Checking Account

The Financial Services Division policy states that athletic funds are to be deposited into student activity checking accounts with each school's transaction recorded in their own individual student activity accounts. However, the Office of Accounting provides tickets for the football games on a weekly basis and after the football game the Athletic Director or designee brings the tickets back along with monies collected. The Office of Accounting deposits the money collected for the football games into the General Fund checking account maintained at the Central Office. The Office of Accounting performs a reconciliation when the money comes in for the football games to ensure that the proper allocation of tickets sold agrees with the money collected.

We recommend that the Athletic Director provide the tickets and collect the money after each football game and deposit the money into the student activity checking account. We further recommend that the Financial Services Division ensure that the related policies and procedures are accurate, complete, and current.



Technology

Overview and Background

The District's Technology department is responsible for implementing, maintaining, and supporting the IT needs of its instructional and administrative operations. The Technology department supports the hardware, software, and network infrastructure for over 15,000 computers. Additionally, the Department supports the District's core administrative applications, including:

- **Systems 3000** – The District's legacy Financial Management system which is currently being replaced by a PeopleSoft solution
- **PeopleSoft** – The District's current Human Resources and Financial Management System
- **Sub Finder** – The District's current teacher attendance application which interfaces with PeopleSoft Payroll and HR modules.
- The District's IT processes relative to PeopleSoft System Access and Application Change Management are generally appropriately documented. District Disaster Recovery (DR) and backup processes are also documented.

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
- Terminations
- System Upgrades
- Disaster Recovery Plan
- Backups
- System Security
- Training
- Monitoring Interfaces.

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.

PeopleSoft System Change and Migration Processes need to more clearly define stages and approvers

Though the system development lifecycle (SDLC) and change control request process are generally well defined in the Newark Public Schools PeopleSoft Application Systems Development Procedures, the entry and exit stages for each phase of the cycles are not explicitly defined. The procedures describe, in sequential order, the steps that need to occur to develop and implement new functionality or system changes into production, but they do not describe specifically enough:

- The activities that must occur to move from one stage to another
- The specific approving entity(s) where the need for sign off is explicitly or implicitly defined

In the absence of this detail, the District risks that functionality could be transitioned accidentally or purposefully from one SDLC stage to another without the completion of required activities and permissions.

We recommend that the District update its document to specifically describe entry and exit stages for each SDLC stage. Additionally, the specific approvals and approvers required to exit or enter each stage should be specifically defined.

Overall District IT leadership and authority should be defined in the DR Plan

Newark's DR plan is very detailed relative to the procedures needed to restore critical HR and Financial system functions. However, the District's Disaster Recovery Plan should explicitly state who has the organizational authority to declare a disaster from an IT perspective. Industry standards require that a DR plan specifically define this authority. The District risks organizational confusion and the potential delay of its ability to respond to a disaster affecting IT systems if it does not define who may declare a disaster, who provides leadership during a disaster, and who declares the end of a disaster.

We recommend that the District's DR plan specifically address the issues of IT organizational authority and control in the event of a disaster. To the extent possible, the DR plan should align organizationally and procedurally with any District-wide Business Continuity Plan that may be in place.

The District does not retain evidence of its quarterly disaster recovery testing process

The District tests its PeopleSoft and Subfinder DR processes on a quarterly basis. Results and lessons learned from this testing are not retained. The District runs the risk that its DR audit trail and ability to track patterns and issues relative to its DR process will be lost.

We recommend that the District retain evidence of its District's Disaster Recovery testing and responses (e.g., 12 or 24 month retention periods are sample industry standards).

Administrative server backups are not consistently performed or monitored at the local school level

Each school is responsible for its own administrative server backups. There is no central monitoring of this backup process at the District level to help ensure these backups regularly take place. Additionally, local school backup tapes are stored in the schools themselves. Without regular monitoring and enforcement of the local school backup process and the offsite storage of backup tapes, the District risks that key administrative data may not be able to be restored in the event of a disaster at a local school.

We recommend that the District perform periodic spot checks at schools to assess the degree to which school-level backups are performed as scheduled. This should help ensure that these backups are performed more regularly as well.



Inventory and Fixed Assets

Overview and Background

The Inventory Processes at the District cover both the Fixed Assets department and the Warehouse. The Fixed Assets department consists of three people, the Senior Accounting Procedures Analyst/Fixed Assets Supervisor, Fixed Assets Coordinator/Fiscal Operations Specialist, and Secretary Assist Typing. The Warehouse department consists of the Assistant Warehouse Supervisor, Data Entry Machine Operator, Stock Handler, Fork Lift Operator, Senior Stock Clerk, Stock Clerk, Senior Clerk Typist, and Inventory Control Clerk.

The Fixed Assets department was established to provide control and accountability over the District's fixed assets and to operate as the custodian of all the District's fixed asset records and reports directly to the Financial Services department.

All fixed assets are owned by the District and not by a specific individual, department, or other operating unit. All District employees are personally responsible for protecting District property entrusted to them. All Fixed Assets and Equipment items within an acquisition cost of \$2,000 or greater and all computers, laptops, digital cameras, computer projectors, and related equipment, regardless of cost, are labeled with a District identification tag.

In January 2001, the NJDOE issued a memorandum that required New Jersey school Districts to increase their fixed assets capitalization threshold from \$500 to \$2,000 for budgetary and financial reporting purposes. With this increase in the threshold, Districts were required to revise the manner in which they budgeted in the capital outlay fund to include only those items that exceeded \$2,000 and meet the criteria for an item to be classified as equipment.

On June 30, 1999, the Governmental Accounting Standards Board (GASB) approved GASB #34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB #34), which represented a significant change in the reporting requirements relating to fixed assets/capital assets. GASB 34 placed additional emphasis on capital asset accountability and introduced the concept of depreciation of capital assets in the financial reporting process within school Districts. The District implemented the requirements of GASB 34 in fiscal year (FY) 2002.

Inventory and Fixed Assets *(continued)*

The District contracted with VRM-Maximus Appraisals to perform a physical inventory of the District's land, buildings, construction sites, machinery, furniture, and equipment maintained within the District, including its 82 schools and other facilities owned by the District. The physical inventory included all fixed assets owned as of June 30, 1999, and became the starting point for the establishment of a formal internal fixed assets tracking system to be maintained by the District.

The District orders and expends funds during the year for the purchase of fixed assets. As the process occurs, various departments, including Purchasing, A/P, Financial Services, and Fixed Assets, are involved. In order for the District to properly track and report its fixed assets, it is critical for all departments to perform the necessary custodial and financial accounting tasks.

The Purchasing department is responsible for ensuring that fixed assets are flagged in the system. Purchasing department communicates with the Financial Services Division and the Fixed Assets department concerning questions relating to classification or budgetary account coding. Without the Purchasing department entering information into the Fixed Assets tab, it is possible that the fixed assets will not be properly recorded as a fixed asset until the Fixed Assets department performs a manual reconciliation of fixed assets purchased from the District's budgetary expenditure accounts to the general ledger/subsidiary system on a monthly basis.

Fixed assets are reported at historical cost and include the invoice price and any incidental costs, such as cost of freight, site preparation, architect, and engineering fees, etc. The exception to this rule includes interest expenses associated with deferred payments and real estate taxes paid, if any, in the acquisition of property. Donated fixed assets are recorded at fair market value.

Land is capitalized but not depreciated. It is recorded at historical cost and remains at that cost until disposal. If there is a gain or loss on the sale of land, it is reported as a special item in the statement of activities.

The District has separate tagging and accounting for fixed assets purchased with federal and/or state funds because they need to be in compliance with federal and state guidelines.

Inventory and Fixed Assets *(continued)*

The Financial Services Division is primarily responsible for obtaining and reviewing the fixed assets information needed for inclusion in the District's Comprehensive Annual Financial Report (CAFR), oversight of the Fixed Assets department, and providing support for fixed assets related issues.

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 the Inventory and Fixed Asset department:

- Purchasing department Responsibilities
- A/P Responsibilities
- Fixed Assets department Responsibilities
- Reconciliation with Budgetary Accounts
- Annual Reporting
- Office of Accounting Responsibilities
- Fixed Assets Inventory Procedures
- Displaced Fixed Assets
- Fixed Assets Tagging
- Disposal of Fixed Assets
- Sale of Fixed Assets
- Obsolete Assets
- Obsolete Textbooks
- Lost or Stolen Assets
- Donated Assets
- Depository Warehouse – Receiving New Materials
- Preparing Receiving Reports
- Inventory
- Ordering Supplies for Warehouse Stock
- Receiving, Processing, and Shipping Orders From Schools and Administrative Offices
- Account Reimbursement
- Non-stock Items
- Transit Items.

We performed a walk-through of the appropriate sub-processes of the Inventory 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.

Lack of Management Review and Approvals

When a process is performed within a department, there should be another level of review and approval performed by a knowledgeable individual independent of the process. The approval should be documented to verify that a review was performed without exception. Review and approval are controls that help management gauge whether operational and personnel goals and objectives are being met.

The lack of or inadequate review and approval could result in the following:

- Errors may be overlooked resulting in misstatements that affect financial, as well as, operational decisions
- Inaccurate or incomplete information in accounts and/or reports.

Proper inventory accountability requires that detailed records of fixed assets inventory be maintained, and that this inventory be properly reported in the entity's financial management records and reports.

The Fixed Assets department deletes fixed asset records from PeopleSoft without a review or approval by a supervisor. Without any review in place, there is potential for fixed assets to be removed erroneously.

We recommend that Assistant School Business Administrator of the Financial Services Division review and approve all requests for fixed assets to be removed from the financial system prior to them being removed from PeopleSoft. Also, the evidence of the review and approval should be documented (e.g., signed or initialed and dated by the review/approver).

Lack of Documentation of Random Spot Checks

Producing and maintaining accurate inventory is a multifaceted issue. The ability to accurately count physical inventories is only one factor that must be considered in improving the reliability of inventory records. One of the key factors in developing and implementing an accurate physical count process is to establish accountability.

Inventory and Fixed Assets *(continued)*

The District conducts an annual Fixed Asset inventory, which is performed by District personnel. Lists of the District's Fixed Assets are sent to each location with each location responsible for conducting the physical count and sending the results back to the Fixed Assets department. Therefore, it is important that the Fixed Asset department perform random spot check physical counts to help ensure that the fixed assets recorded exist and are in the appropriate locations.

In order to count an appropriate amount of the total inventory, management must decide which inventory items to count and how frequently those items should be counted. Management should exert the highest degree of control on the most important items, and the least control on less important items. When determining what fixed assets to spot check, management should consider the dollar amount, criticality to operations, and susceptibility to theft or fraud when segmenting the inventory and determining the frequency of counts.

We recommend that the Fixed Assets department create a schedule of the random spot checks to be performed during the year, which would include location, date, and specific items the spot check will be conducted on to verify the item exists in the location indicated on the Fixed Asset inventory. We recommend that the Fixed Assets department create a spreadsheet of the location, date, and specific items that will be verified as to existence and location. These spreadsheets should be stored in the Fixed Assets department.



Pupil Transportation

Overview and Background

The Pupil Transportation department consists of a Pupil Transportation Director, Communication Operator, Senior Data Machine Operator, Secretarial Assistant Typist, Data Control Clerk Typist, Clerk Typist, and 17 Omnibus Operators. The department coordinates transportation for NPS students to get to and from school, shuttling students to other schools within the District due to overcrowding at one school versus another school, aide in lieu, field trips, and athletic events.

The Director of Pupil Transportation works with the Purchasing department to prepare requests for proposals and evaluates the proposals received. The District contracts the bus services for special education, field trips, and athletic events. The Pupil Transportation department's budget for FY 2006 – 2007 is approximately \$30 million. The Pupil Transportation department provides bus tickets to approximately 4,358 students.

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

Summary of Observations and Recommendations

We have no observations or recommendations for this process.



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 process, including:

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

Budget		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. District receives budget instructions from the State of New Jersey Department of Education (NJDOE) 2. The District holds budget training sessions with the schools and departments to distribute budget forms/templates. 3. Budget Director assigns a Budget Analyst to work with a specific school based on the grouping of schools by the School Leadership Teams (SLT). 4. Budget instructions and timelines are provided to all schools and departments within the District. Any capital outlay requests (i.e. capital improvements) are submitted by the schools to the Facilities Department. Any technology requests (i.e. computers, printers, projectors, etc.) must be submitted to the Instructional Technology Department for inclusion in the schools' respective budgets. 5. The Budget Department creates a foundation budget for the following year for each school based upon the prior year's budget 6. Principals and Schools Leadership Councils (SLC) [creators] review the foundation budget and further develop the budget based upon their instructional priorities and needs assessment. 7. Upon completing the budget, the school forwards it to their respective SLTs [reviewers]. The SLT then has a face-to-face meeting with their respective schools to review their educational instructional priorities and budgets for consistency and compliance with district priorities. If rejected at this stage, Step 7 is repeated. If accepted, moves on to Step 8. 8. SLTs [approvers] receive and review the budget for approval. If rejected at this stage it goes back to Step 7. If accepted, moves on to Step 9. 9. Budget Department receives the budget file from the schools and the designated Budget Analyst performs a review of the budgets. 10. Deputy Superintendent and the School Business Administrator (SBA) receive and review their respective budgets. If rejected at 	<ol style="list-style-type: none"> 1. District provides budget instructions to all schools and departments. 2. SLT approves budget before it is forwarded to the Budget Department. 3. Budget Analyst approves budget before it is forwarded to the Deputy Superintendent and the SBA. 4. Deputy Superintendent and SBA review their respective budgets. 	

Budget		
Procedures	Key Controls	Observations
<p>this stage goes back to Step 7. If accepted, moves on to Step 11.</p> <p>11. During a budget meeting, attended by the Deputy Superintendent, the SBA, the Assistant Superintendents, and the Budget Office, budget issues are discussed.</p> <p>12. Superintendent, Deputy Superintendent, and SBA review and approve the budget. If rejected at this stage goes back to Step 7. If approved, moves on to step 13.</p> <p>13. Designated Budget Analyst makes appropriate changes based on comments from the Superintendent and processes the budget.</p> <p>14. The Budget Department consolidates the departments' and schools' budgets to create the District Budget, which is submitted to the NJDOE.</p> <p>15. Once approved, the Budget Analyst distributes the budgets back to the departments and schools.</p>	<p>5. Budget issues are discussed by the Deputy Superintendent, the SBA, Assistant Superintendents, and the Budget Office.</p> <p>6. Superintendent, Deputy Superintendent, and SBA approve their respective budgets.</p> <p>7. NJDOE approves budget.</p>	

Budget		
Procedures	Key Controls	Observations
<i>School-Based Budget Account Transfers:</i>		
<ol style="list-style-type: none"> 1. Budget Director assigns Budget Analysts to schools based on SLTs. 2. Schools complete the standard Budget Account Transfer Form which includes the justification for the need. 3. Principals [creators] develop the Budget Transfer and send it to the SLTs [approvers]. 4. SLTs review and approve the transfer. If rejected at this stage goes back to Step 3. If approved moves on to Step 5. 5. Budget Analysts [approvers] reviews the transfers and verifies the availability of funds. If rejected at this stage goes back to Step 3. If approved, moves on to Step 6. 6. SBA [approver] reviews and approves the transfers. If rejected at this stage goes back to Step 5. If approved, moves on to Step 7. 7. Deputy Superintendent [approver] reviews and approves the transfers. If rejected at this stage goes to Step 5. If approved, moves on to Step 8. 8. Superintendent [approver] reviews and approves the transfers. If rejected at this stage goes to Step 5. If approved, moves on to Step 9. 9. State Internal Auditor reviews [approver] reviews and approves the transfers. If rejected at this stage goes to Step 5. If approved, moves on to Step 10. 10. Budget Analyst processes the transfer. 	<ol style="list-style-type: none"> 1. Schools complete the Standard Budget Account Transfer Form. 2. SLTs approve budget transfer. 3. Budget Analysts verifies the availability of funds and approves transfer. 4. SBA approves transfer. 5. Deputy Superintendent approves transfer. 6. Superintendent approves transfer. 7. State Internal Auditor approves transfer. 	<ol style="list-style-type: none"> 1. During our walk-through we noticed that the Deputy Superintendent did not sign any of the six Budget Transfer Forms (for school-based budget account transfers) KPMG reviewed. 2. During our walk-through we observed that the Superintendent did not date three of the six Budget Transfer Forms (for school-based budget account transfers) KPMG reviewed.
<i>Budget Account Transfers for the District-Level, DEPA/ECPA, Federal Grants, and Other Grants:</i>		
<ol style="list-style-type: none"> 11. Budget Director assigns Budget Analysts to schools based on Departments/Grants Programs. 12. Department Heads complete the Standard Budget Account 	<ol style="list-style-type: none"> 8. Department Heads complete the Standard Budget Account Transfer Form. 	

Budget		
Procedures	Key Controls	Observations
<p>Transfer Form which includes the justification for the need. .</p> <p>13. Department Head [creator] develops the Budget Transfer and sends it to the Budget Analyst.</p> <p>14. Budget Analysts [approvers] reviews the transfers and verifies the availability of funds. If rejected at this stage goes back to Step 13. If approved, moves on to Step 15.</p> <p>15. SBA [approver] reviews and approves the transfer. If rejected at this stage goes back to Step 14. If approved, moves on to Step 16.</p> <p>16. Superintendent [approver] reviews and approves the transfer. If rejected at this stage goes back to Step 14. If approved, moves to Step 17.</p> <p>17. Budget Analyst processes the transfer and forwards it to the Budget Director [reviewer].</p> <p>18. Budget Director reviews the transfer, initials the document for completeness and asks the Budget Analyst to provide explanations where needed.</p>	<p>9. Budget Analyst verifies the availability of funds and approves budget transfer.</p> <p>10. SBA approves transfer.</p> <p>11. Superintendent approves transfer.</p> <p>12. Budget Director initials for completeness.</p>	<p>3. During our walk-through we noticed that the Superintendent did not date three of the six Budget Transfer Forms (for District-level) KPMG reviewed.</p>

Budget		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. District monitoring and control procedures utilize spending tolerances on some accounts through the use of the financial accounting software. 2. Based upon tolerance levels set, the financial system assures that schools and departments do not over expend the tolerance % set for the budgeted amount (i.e. 50%). If a school or department needs to spend more than the set tolerance of the total budgeted amount, the school or department submits a justification as to why they need more than the set tolerance and submits it for approval either to the Budget Director (if request is less than 70%) or the SBA (if request is for 70% or more). 3. The actual vs. budget analyses are created by the financial system and are reviewed by the Budget Director and the Executive Controller at least quarterly. 4. Reports that are categorized by revenue and expenditure items are prepared by the Accounting Department and reviewed by the Budget Director on a monthly basis. 5. Significant variances are analyzed by the Budget Director and the Budget Analyst. Determination of whether a variance is significant or not is based on a case-by-case basis. 6. If budget deficits, cash shortages and/or encumbrances/expenditures in excess of appropriations are projected, the Budget Director notifies the SBA and the Executive Controller. 7. A Principal or Department Head may complete and submit a requisition for goods or services in an amount up to \$4,999 to the purchasing department. 8. If Principals or Department Head needs to spend more than \$4,999 on a single good or service, they need to seek approval from the Assistant Superintendent of the respective SLT or department. For expenditures over \$14,999, the SBA or Deputy Superintendent approval is needed. All amounts over \$29,999 need Superintendent approval. 9. The Budget Director ensures that the Budget Analysts are regularly reviewing the status of the accounts for the schools and 	<ol style="list-style-type: none"> 1. Automated system does not allow schools/departments to spend more than the tolerance levels set of the total budgeted amount. 2. Budget Director approves spending up to 70% of total budgets. 3. Amounts over 70% are approved by SBA. 4. Budget Director and Executive Controller review actual vs. budget analyses at least quarterly. 5. Budget Director reviews revenue and expenditure reports monthly. 6. Budget Director and Budget Analyst analyze significant variances in the budgets. 7. Budget Director notifies the SBA and the Executive Controller of any deficits, cash shortages or encumbrances/expenditures in excess of appropriations. 8. Specific policies exist with regards to spending and approvals needed for various dollar amount thresholds. 9. Budget Director ensures regular review of accounts by Budget Analysts. 	

Budget		
Procedures	Key Controls	Observations
<p>departments assigned to them.</p> <p>10. On a semi-monthly basis, each Budget Analyst reviews the status of accounts for all schools and departments under their supervision.</p> <p>11. The Budget Analyst brings unresolved budget issues to the attention of the Budget Director.</p> <p>12. Budget Transfers Reports are submitted to the Advisory Board for approval during monthly meetings.</p>	<p>10. Budget Analysts reviews status of accounts semi-monthly.</p> <p>11. The Budget Director is informed of any unresolved budget issues.</p> <p>12. Advisory Board approves Budget Transfer Reports monthly.</p>	

Accounts Payable		
Procedures	Key Controls	Observations
<p>1. Vendor invoices, vouchers, receiving reports, and intra-district mail is received and is date stamped upon arrival in the Accounts Payable Department (A/P) by a Clerk.</p> <p><i>Review of Vendor Invoices</i></p> <p>2. Invoices, vouchers, receiving reports, and intra-district mail is forwarded to the A/P Technical Assistant III assigned to that vendor. These voucher components are filed in "Open Vendor Files" until the voucher packages are complete. An "Open Vendor File" is maintained for each vendor.</p> <p>3. Open Vendor Folders are reviewed on a semi-monthly basis by the A/P Supervisor to verify age of vendor invoices not processed.</p> <p>4. Invoices are input into PeopleSoft Financial System (PeopleSoft) by the A/P Technical Assistant III. Invoice information entered is the invoice number, amount of the invoice, and invoice date.</p> <p>5. If a PO is not referenced on the invoice, an A/P Technical Assistant III will review the open PO's for the vendor to determine if the invoice can be matched with an existing open PO based on the specific items being invoiced. If there is a match, an A/P Technical Assistant III will enter the invoice into PeopleSoft against the applicable PO. If there is no match, the A/P Technical Assistant III will contact the vendor to obtain the PO number.</p> <p>6. If the PO does not exist in PeopleSoft, A/P Technical Assistant III contacts the Purchasing Department, who investigates why the PO does not exist in PeopleSoft and whether a PO was properly processed for the order.</p> <p>7. The locations that receive the merchandise indicate on the receiving report if the order is complete or partial fulfillment. The A/P Technical Assistant III inputs into PeopleSoft the information from the receiving report if it is a complete or partial fulfillment of the order based on the items checked off as being received on the receiving report.</p> <p>8. Voucher packages (invoice, voucher, and receiving report) are put together by the assigned A/P Technical Assistant III.</p> <p>9. Completed voucher packages require a 3-way match in PeopleSoft to process payment. The A/P Technical Assistant III</p>	<p>1. Vendor invoices, vouchers, receiving reports, and intra-district mail date stamped upon arrival into A/P.</p> <p>2. A/P Supervisor reviews Open Vendor Folders to verify age of vendor invoices not processed.</p> <p>3. A/P Technical Assistant III matches open POs of the vendor to the invoice.</p> <p>4. If PO does not exist, the A/P Technical Assistant III contacts the Purchasing Department.</p> <p>5. A/P Technical Assistant III verifies through the receiving report or the Form 419 that the order received was complete or a partial fulfillment.</p>	

Accounts Payable		
Procedures	Key Controls	Observations
<p>reviews the complete voucher packages for accuracy ensuring all three items match (invoice, receiving report, and approved PO) and to verify details (vendor name, address, invoice number, items ordered, invoiced, and received) to determine if all of these components are in agreement. The A/P Technical Assistant III will prepare the invoice for payment.</p> <p>10. If the voucher package is complete, the A/P Clerk will then insure that all components are entered into PeopleSoft in and assigned to a specific pay group given by the A/P Supervisor.</p> <p>11. If the invoice amount exceeds the approved PO amount by more than 10% or less for other than shipping, the A/P Technical Assistant III contacts the Purchasing Department to have PO amended so the invoice can be processed.</p> <p>12. If funds do not exist in the budget account line, the invoice cannot be processed and the A/P Technical Assistant III contacts the Purchasing Department. If funds do exist in the budget account line, then the invoice is finalized for payment.</p> <p>13. Once invoice is prepared for payment in their assigned pay groups, the A/P Supervisor will run a trial register (disbursement journal) for each pay group every Thursday of the week.</p> <p>14. All documents and the trial register are then given to one of the two A/P Technical Assistant/Auditor III's for their review. They determine if documents were prepared properly by the A/P Technical Assistant III's assigned to their pay group.</p> <p>15. If there are no errors with the documents reviewed by the A/P Technical Assistant/Auditor III's, the trial register is initialed and given to the A/P Supervisor for check printing.</p> <p>16. A/P Supervisor verifies with the Executive Controller of the Office of Accounting if there is sufficient money in the bank account to pay the invoices prepared to be paid that week.</p> <p>17. Once the A/P Supervisor receives verification from the Executive Controller that there are sufficient funds, checks are printed, which usually occurs on Friday by the A/P Supervisor based on the invoices prepared to be paid for that week.</p>	<p>6. A/P Technical Assistant III reviews voucher packages for completeness and accuracy, and ensures the 3-way match in PeopleSoft. If 3-way match, the A/P Technical Assistant III prepares the invoice for payment.</p> <p>7. A/P Clerk verifies voucher package components are in PeopleSoft and assigned a specific pay group.</p> <p>8. Invoices are processed only if funds are available in the budget.</p> <p>9. A/P Technical Assistant/Auditor III reviews voucher packages, per pay group to the trial register for completeness and accuracy.</p> <p>10. A/P Supervisor verifies with the Executive Controller of the Office of Accounting if sufficient money to process invoices.</p>	

Accounts Payable		
Procedures	Key Controls	Observations
<p>18. Checks are printed with three electronic signatures on them (the Treasurer, School Business Administrator, and the State District Superintendent.) The check numbers are automatically assigned and printed on the checks by PeopleSoft.</p> <p>19. A/P Technical Assistant/Auditor III reviews checks to ensure that there are no mistakes.</p> <p>20. Voucher packages are stamped "Paid" and dated.</p> <p>21. Check register (details check numbers, amounts, vendors, budget account numbers, and descriptions) is printed and reviewed by A/P Technical Assistant/Auditor III.</p> <p>22. Printed checks are posted to PeopleSoft and updated to the general ledger (G/L).</p> <p>23. Clerks file the voucher packages in the "Closed Vendor" file.</p> <p>24. Checks are mailed.</p> <p><i>TR-2, Aide-in-Lieu, Mechanics Carfare, and Athletic/High School Officials</i></p> <p>25. For TR-2, an approved PO is issued prior to travel for reimbursement to individual employees for travel expenses. Expenses are reimbursed according to NPS travel policy. Employees must submit a completed and approved TR-2 form along with all receipts to A/P for reimbursement. The A/P Technical Assistant III will review the approved TR-2 form to ensure amount and reimbursement details are correct and the original receipts for all expenses are attached and agree to the amounts submitted on the approved TR-2 form and NPS travel policy.</p> <p>26. For Mechanic Carfare, an approved PO is issued prior to reimbursement to NPS mechanics. Mechanic Carfare is reimbursed to NPS mechanics who utilize their own personal vehicles for official NPS business more than 10 days during a given month. Reimbursement packages are submitted directly to the A/P Technical Assistant III who would be responsible for reimbursing the NPS employee. Mechanic Carfare reimbursements are submitted and paid once a month at a rate of \$80 per month. A/P receives a form 419 and attached is a</p>	<p>11. Checks are printed with three electronic signatures.</p> <p>12. Voucher packages are stamped "Paid" and dated.</p> <p>13. A/P Technical Assistant/Auditor reviews check register against the checks to verify vendor, vendor address, and amount being paid.</p> <p>14. A/P Technical Assistant III reviews TR-2 packages for completeness, accuracy and approves and prepares for payment.</p> <p>15. A/P Technical Assistant III reviews Mechanic Carfare package for completeness, accuracy and approves and prepares for payment.</p>	<p>1. A/P checks are printed with electronic signatures. One of the electronic signatures is the SBA who approves requisitions between \$15,000 and \$29,999.99. The SBA is the approver of all POs.</p> <p>2. During the walk-through we discovered, the Mechanic Carfare package that A/P receives does not provide documentation to support if a NPS mechanic is paid more than the \$80 for the given month. There is no documentation with the package that the A/P Technical Assistant III verified that the NPS mechanic was due more than the \$80. A/P does not receive any support that the NPS mechanics being paid did work more than two weeks in a given month.</p>

Accounts Payable		
Procedures	Key Controls	Observations
<p>spreadsheet that lists the mechanics to be reimbursed. The A/P Technical Assistant III will review the approved Mechanic Carfare package to ensure amounts and reimbursement details are correct.</p> <p>27. For Aide in Lieu, an approved PO is processed to reimburse individual parents for approved transportation for their children to private schools outside of Newark. Children who go to private schools within Newark are issued bus tickets. Approved Aide in Lieu applications are submitted to A/P twice a year from the Department of Pupil Transportation, in February and July for payment to the parents. The A/P Technical Assistant III will review the Aide in Lieu form (Request for Payment of Transportation Aid Pupil Enrolled in a Remote Nonprofit Private School) to ensure amount and reimbursement details are correct.</p> <p>28. For high school athletic/officials, an approved PO is processed prior to the scheduled events. These are payments to individuals who perform work at District's athletic events. A sign in sheet is utilized at every District athletic event. Individual must sign in with the Athletic Directors. These individuals are not NPS employees. Packages are submitted directly to the A/P Technical Assistant III who would be responsible for reimbursing the official. The packages include a copy of the approved PO, the 419 form, the official sign in sheet (NPS Direct Payments), which lists individuals to be paid and the amount of payment.</p> <p>29. If funds do not exist in the budget account line, the TR-2, Aide in Lieu, Mechanic Carfare, and Athletic/High School Official invoices cannot be processed and the A/P Technical Assistant III contacts the Purchasing Department. If funds do exist in the budget account line, then the package is finalized for payment.</p> <p>30. Once invoices are prepared for payment in their assigned pay groups, the A/P Supervisor will run a trial register (disbursement journals) for each pay group every Thursday of the week.</p> <p>31. All documents and the trial registers are then given to the A/P Technical Assistant/Auditor III for review. The A/P Technical Assistant/Auditor III will determine if documents were prepared properly by the A/P Technical Assistant III assigned to the pay group.</p> <p>32. If there are no errors with the documents reviewed by the A/P</p>	<p>16. A/P Technical Assistant III reviews Aide in Lieu package for completeness, accuracy and approves and prepares for payment.</p> <p>17. A/P Technical Assistant III reviews the high school athletic/official's package for completeness, accuracy and approves and prepares for payment.</p> <p>18. Invoices are processed for TR-2, Aide in Lieu, Mechanic Carfare, and Athletic/High School Official only if funds are available in the budget.</p> <p>19. A/P Technical Assistant/Auditor III reviews voucher packages, per pay group to the trial register for completeness and accuracy.</p>	

Accounts Payable		
Procedures	Key Controls	Observations
<p>Technical Assistant III, then the trial register is initialed and given to the A/P Supervisor for check printing.</p> <p>33. A/P Supervisor verifies with the Executive Controller of the Office of Accounting if there is enough money in the bank account to pay the TR-2, Aide in Lieu, Mechanic Carfare, and Athletic/High School Official packages prepared to be paid that week.</p> <p>34. Once the A/P Supervisor receives verification from the Executive Controller that there are sufficient funds, checks are printed, which usually occurs on Friday by the A/P Supervisor based on the invoices prepared to be paid for that week.</p> <p>35. A/P Technical Assistant/Auditor III reviews the checks to ensure that there are no mistakes.</p> <p>36. TR-2, Aide-in-Lieu, Mechanic Carfare, and Athletic/High School Official packages are stamped "Paid" and dated.</p> <p>37. Check register (details check numbers, amounts, vendors, budget account numbers, and descriptions) is printed for review by AP Technical Assistant/Auditor III.</p> <p>38. Printed checks are posted to PeopleSoft and updated to the G/L.</p> <p>39. Clerks file the TR-2, Aide in Lieu, Mechanic Carfare, and Athletic/High School Official packages in the "Closed Vendor" file.</p> <p>40. Checks are mailed.</p> <p><i>Express Pay Checks</i></p> <p>41. Express checks can only be requested by an Administrator. If a check is needed on an emergency basis, A/P can issue an Express Check.</p> <p>42. The Administrator submits a requisition to the Purchasing Department requesting an emergency check or express check.</p> <p>43. Purchasing Department prepares and approves the PO.</p> <p>44. Purchasing Department faxes the voucher and receiving report to the Administrator requesting the emergency check.</p>	<p>20. A/P Supervisor verifies with the Executive Controller of the Office of Accounting if sufficient money to process invoices.</p> <p>21. Voucher packages are stamped "Paid" and dated.</p> <p>22. A/P Technical Assistant/Auditor reviews check register against the checks to verify vendor, vendor address, and amount being paid.</p> <p>23. Purchasing Department prepares and approves a PO.</p> <p>24. Administrator approves documentation for</p>	

Accounts Payable		
Procedures	Key Controls	Observations
<p>45. The Administrator will immediately complete and forward all necessary paper work such as voucher, and completed and signed receiving and invoice to A/P for check processing.</p> <p><i>Report Reviews</i></p> <p>46. A/P Supervisor reviews Open POs quarterly. However, the ultimate decision to cancel a PO is with the Assistant School Business Administer, Financial Services and Executive Controller.</p> <p>47. A/P Supervisor reviews aged invoice report monthly.</p>	<p>A/P to process express check.</p> <p>25. Open POs are reviewed quarterly by A/P Supervisor.</p> <p>26. Aged Invoice report is reviewed monthly.</p>	

Payroll		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> Employees sign a sign-in book upon arrival and departure from the location. In addition, swipe cards are used at the Central Office to track arrival and departure time of employees. The designated timekeepers at the locations review the sign-in book daily to determine absences and tardiness. The District uses Subfinder, a system that captures all District employees' absences automatically. Employees call a special Subfinder number if they are sick or have a school field day. The system automatically starts calling substitutes that meet the required criteria until an available person is found and notified of the situation. Subfinder also captures all employees' and substitutes' hours. When payroll reviews the employees' and substitutes' hours, they see a screen which indicates whether the substitute was verified (approved), verified (disapproved), or unverified. It is the Principals' responsibility to verify all substitutes in Subfinder. If unverified, the Principal is notified and has to select one of the two verified options mentioned above in order for employees and substitutes to get paid. In case of vacation or personal days (for all employees other than Newark Teacher Union members), employees need prior approval from their Principals or Department Heads. The timekeepers at the location input the vacation or personal days into Subfinder after approval is received. <p><i>The Payroll Department receives a variety of reports:</i></p> <p><u>Supplementary Time Reports</u></p> <p><i>A. Class Coverage Supplemental Time Reports</i></p> <ol style="list-style-type: none"> Employees must notify the timekeeper of any time that is worked to cover another employee's responsibilities. This time must be approved by the Principal or Department Head prior to being worked. If the time is not approved, the information is not entered on the report and the employee does not receive 	<ol style="list-style-type: none"> Employees sign a sign-in book. Swipe cards track time in the Central Office. Timekeepers review sign-in book daily. Subfinder captures absences automatically. The Subfinder System records employees calling in sick or have employees having a special field day and calls substitutes automatically. Subfinder captures substitutes' hours and employees' absences. Payroll reviews employees and substitutes' hours are verified by Principal or Department Head. Principals must approve/ disapprove all employees' absences substitutes' hours before the Payroll Assistant Supervisor runs payroll. Principals or Department Heads approve vacation and personal days before timekeepers input the data into Subfinder. Employees notify timekeeper. Principals or Department Heads approve the time to be worked prior to work being performed. 	

Payroll		
Procedures	Key Controls	Observations
<p>pay for the time he/she worked.</p> <p>9. The timekeeper enters approved time onto the Class Coverage Supplemental Time Report along with the social security number, employee ID number, employee name, absent employee's name, date(s) served, and hours worked. The timekeeper signs and submits the report to the Principal or Department Head for approval.</p> <p>10. Once approval has been obtained, the report is sent to the Payroll Department in accordance with the Supplemental Pay/Overtime Time Reporting Schedule.</p> <p><i>B. Extra Activities Supplemental Time Report</i></p> <p>11. All employees working extra activities must have their time and position approved by the Principal or Department Head and SLT to be paid. Approval may be in the form of a contract for a specified period of time or in letter form.</p> <p>12. The timekeeper enters approved time onto the Extra Activities Supplemental Time Report along with the social security number, employee ID number, employee name, date(s) served, and hours worked.</p> <p>13. After signing the report and getting approval from the Principal or Department Head, and SLT, the timekeeper sends the report to Human Resources (HR) for review and approval. HR approves the report and submits it to the Payroll Department.</p> <p>14. The report is due to the Payroll Department two working days after the scheduled date reflected on the Supplemental/Overtime Time Schedule since some reports, depending on activity, require multiple signatures.</p> <p><u>Corrected Time Report Form</u></p> <p>15. The Corrected Time Report Form is used by locations to add and correct time data previously submitted to the Payroll Department.</p> <p>16. Payroll Department finds problems by reviewing supplemental time and overtime reports or by reviewing error reports generated</p>	<p>12. Timekeepers enter approved time on the Class Coverage Supplemental Time Report.</p> <p>13. Principals or Department Heads approve the Class Coverage Supplemental Time Report before the report is sent to the Payroll Department.</p> <p>14. Principals or Department Heads approve the time and the position for employees' extra activities work before the timekeepers complete the report.</p> <p>15. Timekeepers sign the Extra Activities Supplemental Time Report.</p> <p>16. Principals or Department Heads, SLT, and HR review and approve the Extra Activities Supplemental Time Report before it is sent to the Payroll Department.</p> <p>17. Payroll Department reviews supplemental</p>	

Payroll		
Procedures	Key Controls	Observations
<p>by PeopleSoft.</p> <p>17. Payroll Department notifies the work location that a Corrected Time Report Form needs to be completed.</p> <p>18. The location timekeeper is then responsible for obtaining the correct information, completing the form and sending the approved form back to the Payroll Department with any supporting documentation as needed. If this is not done in a timely manner, the employee's paycheck may be delayed.</p> <p>19. If the timekeeper captures a mistake prior to the Payroll Department, the correction is made in Subfinder or on the time report before submitting it to the Payroll Department.</p> <p><u>Overtime Report</u></p> <p>20. There are three forms utilized for the reporting of overtime:</p> <ul style="list-style-type: none"> • Straight Time Rate Overtime Report • Salaried Food Service Workers-Breakfast Program Overtime Report • Time and Half Rate Overtime Report <p>21. The timekeeper determines what earnings codes are reflected on the Overtime Report for the employee. This is determined by the type of overtime worked and the employee's position within the Newark Public School (NPS) system.</p> <p>22. The timekeeper enters the employee's social security number, employee ID number, employee's name, purpose for the overtime, the date, and the hours worked on the overtime report.</p> <p>23. Any employee tardiness during the pay period is deducted directly from overtime worked to arrive at the total hours due.</p> <p>24. The timekeeper signs the form and forwards it to the Principal or Department Head, who verifies that the employees listed on the form were previously approved to work overtime and signs the form.</p> <p>25. The report is submitted to the Payroll Department along with</p>	<p>time reports, overtime reports, and error reports generated by PeopleSoft.</p> <p>18. The Payroll Department notifies the locations if problems are found.</p> <p>19. Employees are not paid if the Corrected Time Report Form is not submitted on time.</p> <p>20. Overtime is determined based on earning codes.</p> <p>21. Employee tardiness is directly deducted from overtime.</p> <p>22. Timekeepers sign the Overtime Report.</p> <p>23. Principals or Department Heads verify the Overtime Report and sign it.</p> <p>24. Overtime Reports are approved by Administrators in certain cases.</p>	<p>.</p>

Payroll		
Procedures	Key Controls	Observations
<p>Supplemental Time Reports. In certain cases, Overtime Reports are approved by other Administrators prior to being submitted to the Payroll Department. For example, overtime for cafeteria workers is submitted to the Food Services Director for approval prior to submitting the overtime report to HR.</p>		

Payroll		
Procedures	Key Controls	Observations
<p>Supplemental Time Reports and Overtime Reports Processing</p> <ol style="list-style-type: none"> Supplemental Time Reports and Overtime Reports are received by the Payroll Department on pay day. Each Supervising Payroll Clerk is assigned specific locations. When the reports arrive at the Payroll Department, they are stamped in and sorted by specific locations for each Clerk. The Clerk verifies that all the required information is completed by the timekeepers. If any information is missing or incorrect, the timekeeper of that location is notified to make the necessary corrections using the Corrected Time Report (go to Step 23). The Clerk assigns a batch number to the Supplemental Time Report Sheet and Overtime Reports. Batch numbers are determined by the payroll employees' work codes to identify individuals both on the automated payroll system and any time sheets that are processed by the payroll employee. If an employee's work code is 600, this is the starting point for batch numbers. Each sheet that is processed receives a sequential number (e.g. 601,602, etc). Employees don't start over at 600 for a new pay cycle - the numbering continues until it reaches 699 and then begins again with 600. The Supervising Payroll Clerk totals the number of hours and dollar amounts for each batch. A batch control sheet is completed for each batch and submitted to Data Entry. The Supervising Payroll Clerk writes the batch numbers in the batch book, which also contains the payroll number and the type of report being processed. Supervising Payroll Clerk signs the batch book. The Supervising Payroll Clerk submits all reports and batch control sheets to the Data Entry Clerk who completes a Batch Control Sheet from his/her log book, which is very similar to the Supervising Payroll Clerks batch book. The Supervising Payroll Clerk signs the log book. 	<ol style="list-style-type: none"> Reports are stamped in and sorted based on locations. The Clerk verifies completeness and accuracy of the report and notifies timekeepers if incomplete. Batch numbers are determined by the payroll employees' work codes. Batch control sheet is used to enter total number of hours worked and dollar amount. Supervising Payroll Clerk records batch numbers and signs the batch book. Supervising Payroll Clerk verifies that Data Entry Clerk's log book is complete and signs the log book. 	<ol style="list-style-type: none"> During the Historical Expenditure Analysis we noted that on one out of eight Overtime Reports, the number of hours was added incorrectly.

Payroll		
Procedures	Key Controls	Observations
<p>10. Data Entry verifies that all batches listed on the Data Entry Clerk's log book are complete and signs the Supervising Payroll Clerk's sheet.</p> <p>11. Data Entry keys in all the information. If an employee has not been set up in the automated payroll system or the SSN written on the time sheet is incorrect, the Data Entry Clerk will not be able to enter information. These employees are printed out on an exception report that is given to the Payroll Department along with the report showing all employees that were successfully input.</p> <p>12. The Data Entry Clerk saves the data on a disk. If correct he/she gives the disk to the Senior Data Control Clerk. If the numbers don't agree the Data Entry Clerk checks his/her input. If there is a mistake on the Batch Control Sheet, the Payroll Department is notified and asked for corrective action.</p> <p>13. The Senior Data Control Clerk checks if batches are in balance based on the Batch Control Sheet and the Exception Reports. If in balance, the data is uploaded into PeopleSoft.</p> <p>14. The batches are given back to the Supervising Payroll Clerk assigned who verifies that all reports submitted have been received from data control and notes this in his/her batch book. If any reports are missing, the Supervising Payroll Clerk contacts the Data Entry Clerk.</p> <p>15. The Supervising Payroll Clerk notifies locations of any corrections and if corrected Time Reports need to be completed.</p> <p>16. The Supplemental Time Reports and Overtime Reports are bound in the respective binders of the Supervising Payroll Clerk.</p> <p><u>Payroll Notification Form</u></p> <p>17. The Payroll Notification Form is used to process payments of employees that are in addition to the regular bi-weekly salary. All such forms are completed by HR. Employees hired after payday and retro moneys (i.e. employee recently got a Master Degree) are the most common reasons for Payroll Notification Forms. The form is also used to notify the Payroll Department of any</p>	<p>7. Data Entry verifies completeness of his/her log book and signs the Supervising Payroll Clerk's sheet.</p> <p>8. Automated system disallows entry of employees with incorrect SSNs or employees that have not been set up.</p> <p>9. System generates an exception report including all employees that could not be entered into the system.</p> <p>10. Data Entry Clerk checks if total batch numbers agree with the total on the Supervising Payroll Clerks batch control sheet.</p> <p>11. Balance check performed by Senior Data Control Clerk.</p> <p>12. Supervising Payroll Clerk verifies that all reports submitted have been received.</p>	<p>2. During our walk-through we were told that the automated payroll system does not flag employees entered into the system more than once.</p> <p>3. During the Historical Expenditure Analysis we noted that total hours of overtime were entered incorrectly for two out of eight employees.</p>

Payroll		
Procedures	Key Controls	Observations
<p>terminations and/or employees retiring.</p> <p>18. HR clerk completes the Payroll Notification Form.</p> <p>19. The HR Project Manager approves the form and forwards it to the Payroll Department by email.</p> <p>20. A specific Supervising Payroll Clerk signs receipt on the form when received from the HR. If the Supervising Payroll Clerk is absent, the Payroll Assistant Supervisor signs receipt on the form.</p> <p>21. The Filing Clerk logs the forms by the number reflected on the Payroll Notification Forms.</p> <p>22. The forms are forwarded to the Supervising Payroll Clerk assigned to file the forms. The Filing Clerk makes a copy of each form and the original is returned to the appropriate Supervising Payroll Clerk.</p> <p>23. If a duplicate Payroll Notification Form is received from the HR, the Filing Clerk immediately notifies the Supervising Payroll Clerk and the original is returned to HR.</p> <p>24. The copy made from the returned form is marked as "Duplicate" and filed accordingly.</p> <p>25. If it is concluded that the employee will be paid, it is up to the discretion of the Payroll Assistant Supervisor if the amount is added to the employee's next paycheck or if an off cycle check is to be mailed to the employee's home address.</p> <p>26. Payroll Clerk completes Off Cycle Request Form.</p> <p>27. Payroll Assistant Supervisor or the Director of Payroll sign Off Cycle Request Form off cycle request is sent to the third party vendor, who then prints the check and delivers it to the Payroll Department.</p> <p>Payroll Closing Process and Check Preparation</p> <p>28. The Payroll Assistant Supervisor runs error reports from</p>	<p>13. HR Project Manager approves Payroll Notification Form.</p> <p>14. Supervising Payroll Clerk signs receipt of the Payroll Notification Form.</p> <p>15. Forms are logged based on Payroll Notification Numbers.</p> <p>16. Filing Clerk checks for duplicates of the form and returns original to HR.</p> <p>17. Payroll Assistant Supervisor or the Director of Payroll sign Off Cycle Request Form</p>	

Payroll		
Procedures	Key Controls	Observations
<p>PeopleSoft. If more than 90% of employees are approved by the system, a Ciber employee (outside vendor for check preparation) is notified. Employees that were not approved for payment are reviewed and errors are corrected by contacting locations and/or PeopleSoft consultants. Payroll is confirmed after all errors are corrected.</p> <p>29. Employees are deleted from the PeopleSoft corrected payroll list for further review if the issue cannot be resolved in a timely manner and paid off cycle or at a later date.</p> <p>30. A Ciber employee runs checks listed on the Quality Control Checklist.</p> <p>31. If the system's error reports are complete and no exceptions found, the checks and direct deposit stubs are ready to be printed.</p> <p>32. Ciber employee uses a touchpad for accessing the print room, which is located in the NPS Central Office.</p> <p>33. Ciber employees use a key to access the room the payment check paper and direct deposit stub paper is stored. Ciber employees are the only individuals with access to the storage room.</p> <p>34. Ciber employee uses a computer within the print room to print. A floppy disk with electronic signature must be loaded into the software prior to checks being printed.</p> <p>35. A Ciber employee delivers checks and direct deposit stubs to the Payroll Department.</p> <p>36. Any checks that need to be reversed after they have been printed are provided to the Financial Services Department. The Payroll Department manually reverses checks within the automated payroll system and keeps the reversed checks in their records.</p>	<p>18. PeopleSoft provides error report and automatically approves employees with no errors.</p> <p>19. Payroll Assistant Supervisor reviews errors.</p> <p>20. Employees are manually deleted from PeopleSoft payroll list if error cannot be resolved.</p> <p>21. Third party vendor runs error reports.</p> <p>22. Touchpad is used to access print room.</p> <p>23. Key access to the check paper and direct deposit stub paper storage room.</p> <p>24. Electronic signature is needed to print checks.</p> <p>25. Financial Services Department receives all checks that need to be reversed.</p> <p>26. The Payroll Department manually reverses checks within the automated system.</p>	<p>4. During the Historical Expenditure Analysis we noted that employees received multiple checks on payday without the Payroll Assistant Supervisor's or the Payroll Director's knowledge.</p>

Payroll		
Procedures	Key Controls	Observations
Distribution of Paychecks		
1. The check distribution team in the Payroll Department reviews necessary documents included in the Extended Absence Form, which could include jury duty and medical approvals (discussed below) to ascertain which paychecks should be held by the Payroll Department and which ones need to be mailed to employees' homes instead of being distributed to the locations.	1. Payroll Department reviews documents included in the Extended Absence Form.	
2. The Payroll Department sorts checks by location.		
3. The Payroll Department prints a check distribution register for each location for employees to sign when they receive their checks.	2. Employees sign distribution register upon receiving their checks.	
4. Paychecks are distributed on payday by courier for all locations outside of 2 Cedar Street. The courier delivers the checks and the distribution register to the locations.		
5. The Principal or Department Head signs for checks and direct deposit stubs receipts at the location.	3. Principals or Department Heads sign for checks and direct deposit stubs.	
Returned Checks		
6. If a location cannot distribute a check or Advise Form, they complete a Paycheck Return Form and send the check(s), direct deposit stub(s), and the Paycheck Return Form(s) back to the Payroll Department by courier.	4. Paycheck Return Form is used to document checks that were not distributed and returned to the Payroll Department by courier.	
7. The courier opens the envelope in front of the Supervising Payroll Clerk and verifies that all checks listed on the Return Form are present and accounted for. If there are any checks missing, it is the courier's responsibility to resolve the issue.	5. Courier verifies that all checks listed on the Return Form are present and accounted for.	
8. The Supervising Payroll Clerk decides, based upon the information provided on the return form, whether the check(s) should be held in the office (employee absent for longer than five consecutive days with no approved medical certificate), mailed to the employee (approved leave), or reversed (employee quit, terminated, retired, or otherwise not entitled).	6. Supervising Payroll Clerks review the Return Form and determine how to distribute returned checks for each employee.	
9. The Supervising Payroll Clerk states action to be taken on the		

Payroll		
Procedures	Key Controls	Observations
<p>Check Pull Sheet.</p> <p>10. If a check is reversed, a copy of the form is submitted to the Financial Services Department.</p> <p>11. The Check Pull Sheet is reviewed and approved by the Payroll Assistant Supervisor prior to being released to the distribution team. The Supervising Payroll Clerk sends a letter to the employee which details why their check is not being released.</p> <p>12. Based on information received from the Check Return Form, the Payroll Department notifies the HR using the Extended Absence Form.</p> <p>Direct Deposit</p> <p>13. Direct Deposit Authorization Forms are distributed to the locations at the beginning of each year and are available from the Payroll Department upon request.</p> <p>14. Employees complete the form including their bank information, staple one of their voided checks/deposit slips to the form, and return it to the Payroll Department.</p> <p>15. The Supervising Payroll Clerk reviews the form for completion. If the form is incomplete or incorrect, the Payroll Department sends a Direct Deposit Form Letter to the employee stating why their request could not be processed. The employee completes a new form and submits it to the Payroll Department.</p> <p>16. The Supervising Payroll Clerk enters the information into the direct deposit screen in the automated payroll system and requests approval from the employee's bank.</p> <p>17. After receiving approval from the bank (either by mail or email), the Supervising Payroll Clerk enters the information into the payroll system and the employee stops receiving paper checks.</p> <p>18. Direct deposit takes at least one pay cycle from the time the information is submitted by the employee.</p>	<p>7. Copy of the Check Pull Sheet is reviewed and approved by the Payroll Assistant Supervisor.</p> <p>8. Payroll Department notifies HR of returned checks using the Extended Absence Form.</p> <p>9. Supervising Payroll Clerk reviews Direct Deposit Authorization Form.</p> <p>10. Direct deposit information is entered into the automated payroll system.</p> <p>11. Employees bank approves direct deposit request.</p>	

Payroll		
Procedures	Key Controls	Observations
<i>Medical Leave</i>		
<ol style="list-style-type: none"> Employees need approval from the Health Department for absences of six or more consecutive work days due to illness. Employees must complete a Medical Certification Form and submit it to the Health Department. The Health Department reviews the form and approves or disapproves the medical leave request. The Payroll Department receives an email indicating the Health Department's decision and reasoning. The Payroll Department also receives a spreadsheet from the Health Department by email that lists all current employees approved for medical leave. The spreadsheet is signed by the Health Department and the Payroll Department upon receipt. If an employee is approved for the time off, the Supervising Payroll Clerk adds the employee's name to the extended absence list and will release the paycheck to the employee. If the leave is not approved, the employee will not be paid for the time off and the Supervising Payroll Clerk reverses the check or Direct Deposit if it was processed. 	<ol style="list-style-type: none"> Health Department reviews Medical Certification Form and approves or disapproves medical leave and notifies the Payroll Department of decision and reasoning. Health Department and Payroll Department sign a spreadsheet that lists all employees on medical leave. Approved employees are added to the extended absence list. Supervising Payroll Clerks reverses check or direct deposit if a leave is not approved and payroll was processed. 	
<i>Job Related Injuries</i>		
<ol style="list-style-type: none"> Employee must complete a form and provide evidence required by the Payroll Department and send the documents to the Worker's Compensation Department for approval. The Worker's Compensation Department sends a Worker's Compensation Authorization Letter to the Payroll Department for each employee that has applied for workers compensation. This letter will state whether or not the employee has been approved and the dates they are approved for. The Payroll Department decides based on the letter if they pay the employee. If a check or direct deposit has been processed already, the payroll check is released or voided based on the letter. The Supervising Payroll Clerk adds all absences due to job injuries to the Attendance Exception Form and the Worker's Compensation Log. Payroll checks are mailed or direct deposit is made to all 	<ol style="list-style-type: none"> Worker's Compensation Department approves employees who apply for workers compensation. Supervising Payroll Clerks add absences due to job injuries to the Attendance Exception Form and Worker's Compensation Log. 	

Payroll		
Procedures	Key Controls	Observations
<p>employees with approved absences.</p> <p><i>Jury Duty</i></p> <p>9. Employees alert the Principal or Department Head of expected dates that they will be absent. The timekeeper records the dates on the Attendance Exception Form.</p> <p>10. Employees complete the Court Appearance Attachment Form, attach proof from the Court of the days they were on jury duty, and submit it to the Labor Relations Department.</p> <p>11. The Labor Relations Department reviews the form and sends it to the Payroll Department indicating whether the time is approved or not.</p> <p>12. The Supervising Payroll Clerk lists employees on the Court Absence Log.</p> <p>13. Since there is usually a delay between when the employee performs the jury duty and when they submit the evidence, the employee will be paid for the time taken off prior to approval being received.</p> <p>14. The Payroll Department determines if any employees were paid for jury duty that was not approved. If yes, the employee must reimburse NPS through payroll deductions.</p>	<p>7. Timekeeper's record dates of employees' absences on the Attendance Exception Form.</p> <p>8. Labor Relations Department reviews and approves jury duty absences.</p> <p>9. Supervising Payroll Clerk lists employees on the Court Absence Log.</p> <p>10. Payroll Department reviews Absence Log and determines if employees were paid for jury duty that was not approved.</p>	

Payroll		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. Timekeeper completes the Conversion of Sick and/or Personal Days Report at the work location based on requests received from employees, signs the report, and submits it to the Principal or Department Head for approval. 2. If approved, the report is submitted to the Payroll Department for processing. 3. The Payroll Department reviews the form and verifies the amount of days listed for buyback to ensure that the employee is eligible to be paid for these days. 4. The Payroll Department reviews the form to verify the amount of days that are to be converted and the salary of the employee requesting the buyback. 5. The Payroll Department enters the data into the automated payroll system which calculates the amount due based on the conversion and deducts the sick days from the employee's records. 6. Employees that are retiring have the option of requesting the buyback prior to retirement or writing a letter to the Payroll Department after they have retired. 7. The Supervising Payroll Clerk enters the buyback conversion into the automated payroll system and completes the Conversion of Sick and/or Personal Days Form. 8. The employee is paid the amount in the next regular pay cycle. A payroll check is mailed to the employee if they are already retired. 	<ol style="list-style-type: none"> 1 Timekeeper completes and signs the report. 2 Reports are approved by Principal or Department Head before they are sent to the Payroll Department. 3 Payroll Department verifies that employees are eligible to be paid for days listed on the report by checking the employees' accrued vacation balances. 4 Automated system calculates the amount due and deducts sick days from employees' records. 	

Human Resources		
Procedures	Key Controls	Observations
<p>Full Time Employees (Instructional)</p> <ol style="list-style-type: none"> School Leadership Team (SLT) sends Personnel Request Form (PRF) to Human Resources Services (HR). PRF is logged in and then forwarded to the Budget Department and HR Administration for approval. The PRF may include the name of a specific candidate recommended by the Principal or the SLT. Information about previously interviewed individuals can be found on the HR database. HR invites candidates based on the specific requirements listed by the Principal or the SLT on the PRF in case no candidate recommendation was provided on the PRF. Interview panels usually consist of 3 or 4 people, including one HR employee, one content area specialist, and School/SLT Administrators. A Standard Evaluation Sheet is used to evaluate candidates. Interview panel decides whether or not to extend an offer for a specific vacancy or if the candidate should be considered for future vacancies. After offer extended, candidate comes to HR and provides his/her teaching certificate. If the candidate is not certified, HR assists him/her in obtaining the teaching certificate. Since this could take several months, the individual could be hired to serve in the position on an interim basis pending receipt of certification. HR sends candidate an offer package including an Offer Letter, an Application Form, On-Boarding Forms, Employee Survey, Oath of Allegiance Form, Applicant Authorization Form, Employment Eligibility Verification Form, Tax and Allowance Forms, I-9, Criminal Background Check Form, and Direct Deposit Authorization Form. The offer package informs the candidate where to obtain fingerprints and to have background check done. The candidate sets up an appointment with Sagem Morpho, Inc. to have fingerprints taken and to do the criminal background check. Sagem Morpho Inc. provides the candidate with a receipt confirmation that their fingerprints were scanned. The receipt is returned with the other documents in the completed offer 	<ol style="list-style-type: none"> Budget Department and HR Administration approve PRF. Standard Evaluation Sheet is used to evaluate candidates. Candidate must provide his/her teaching certificate. HR sends out offer package to candidate. Background check is performed on every 	

Human Resources		
Procedures	Key Controls	Observations
<p>package.</p> <p>9. Candidate brings the completed offer package to HR. One of the two Senior Personnel Assistants reviews the package for completeness and correctness. The candidate provides additional documentation such as evidence of prior teaching experience, official college transcripts and other evidence that the candidate is highly qualified.</p> <p>10. Senior Personnel Assistant discusses salary with candidate. Salaries are determined based on union contracts.</p> <p>11. Candidate signs contract. The contract has to be signed by one of the following District employees: Executive Director of HR, Director of Employee and Labor Relations, Director of Employment Services, or Project Manager.</p> <p>12. Senior Personnel Assistant enters the employee's information into PeopleSoft.</p> <p>13. Employee is sent to Benefits Services to sign up for benefits.</p> <p>14. Employee is provided with a photo ID.</p> <p>15. Employee goes to the Health Services for a physical exam conducted by an authorized physician. 19 of the 80 schools have onsite doctors who also conduct physical exams.</p> <p>16. Employee attends new employee orientation.</p> <p>Full Time Employees (Non-Instructional)</p> <p>17. Department Head or (SLT) sends Personnel Request Form (PRF) to Human Resources Services (HR).</p> <p>18. Staff Coordinator logs in PRFs and forwards PRFs to Support Services, a division within HR.</p> <p>19. Staffing Coordinator posts the position online for seven to ten days.</p>	<p>new hire by Sagem Morpho Inc. prior to the candidate becoming a District employee.</p> <p>6. Senior Personnel Assistant reviews offer package for completeness and accuracy.</p> <p>7. Candidate provides evidence of prior teaching experience, official college transcripts and other evidence that the candidate is highly qualified.</p> <p>8. Contract signed by candidate and either the Executive Director of HR, the Director of Employee and Labor Relations, the Director of Employment Services, or the Project Manager</p> <p>9. All District employees must complete a physical exam.</p> <p>10. Staff Coordinator logs in PRFs.</p>	<p>1. During the Historical Expenditure Analysis we noted data entry errors causing false employee information in the HR system as a result of inefficient review of data entry.</p>

Human Resources		
Procedures	Key Controls	Observations
20. Applications are received and screened by Support Services.		
21. Potential candidates are invited for interviews. Interview panels consist of one HR employee and three Administrators of the Department that completed the PRF. A standard Evaluation Form is used.	11. Applications are screened by Support Services.	
22. Support Services sends offer letter and hiring package (similar to instructional hires) to best qualified candidate.	12. See Key Control No. 2.	
23. Employee sets up appointment with Sagem Morpho, Inc. (see Step 8).	13. See Key Control No. 4.	
24. Candidate comes to HR. Support Services employee checks offer package for completeness and accuracy.	14. See Key Control No. 5.	
25. Employee is entered into PeopleSoft.	15. Support Services employee checks offer package for completeness and accuracy.	
26. Employee signs up for benefits and receives his/her photo ID.		
27. Employee is sent to the Health Services for physical exam, which is performed by a District doctor.		2. See Observation No. 1.
28. Employee attends new employee orientation.	16. See Key Control No. 9.	
Per-Diem Hiring		
29. Candidate is given an application.		
30. Candidate fills out the application and returns it to the HR.		
31. Application is logged on an Excel spreadsheet.		
32. An Acknowledgement Letter is sent to candidate		
33. Interviews are scheduled and potential candidates are contacted when positions become available. This step may not apply to candidates with recommendation letters from Principals.	17. All applications are logged on an Excel spreadsheet.	
34. Based on recommendations, HR extends an offer.		

Human Resources		
Procedures	Key Controls	Observations
<p>35. HR sends hiring package to candidate. Hiring package consists of health statements, Criminal Background Check Form (see Step 7), tax forms, I-9 Form, and an Employment Survey Form.</p> <p>36. Based on the various types of per diem employment, the hiring package needs to be accompanied by various certifications, verifications, and licenses.</p> <p>37. If a substitute teacher does not have a substitute teacher certificate, the HR assists the candidate in obtaining one.</p> <p>38. A folder is created for each applicant and filed in incomplete files.</p> <p>39. Candidate completes the hiring package and sends it back to HR.</p> <p>40. Per-Diem employees must visit a doctor (not a District) to do a physical exam and provide the results of the exam to HR.</p> <p>41. Instructional candidates come to HR for the staff development orientation. All candidates must sign in.</p> <p>42. Sign-in sheet is forwarded to HR. HR employee reviews hiring packages of candidates who attend the orientation. If the forms are complete and accurate, the candidate is entered into PeopleSoft.</p> <p>43. After the orientation, candidates go to HR where a photo ID is produced.</p>	<p>18. See Key Control No. 4.</p> <p>19. Hiring package needs to be accompanied by certifications, verifications, and licenses.</p> <p>20. All applicants are filed in incomplete files.</p> <p>21. Sign-in sheet verifies candidates' attendance at orientation.</p> <p>22. HR reviews hiring package.</p>	<p>3. See Observation No. 1.</p>

Human Resource Service		
Procedures	Key Controls	Observations
Voluntary Separations		
1. HR receives a notice of resignation or retirement from employee, Principal, or Department Head.	1. HR receives notice of resignation.	
2. Administrative Operation Services employee enters information (retirement/resignation and effective date) into PeopleSoft.	2. Information is entered into PeopleSoft.	
3. HR sends an acknowledgement letter to the employee.	3. Acknowledgement letter is sent to the employee.	
4. The Director of HR, the employee's Principal/Department Head as well as the employee's union are notified of the separation.	4. Director of HR, the employee's Principal/Department Head and the employee's union are notified of the separation.	
Involuntary Separations		
<i>Instructional Employees</i>		
5. During hearings, the Legal Office decides upon terminations of tenured District employees. For non-tenured employees, the Labor Relations Department and/or the Legal Office decide upon termination.	5. Legal Office and/or Labor Relations Department decide upon termination.	
6. The Legal Office sends a letter including reasons for termination to HR, which enters the termination into PeopleSoft.	6. Legal Office sends a letter including reasons for termination to HR.	
7. The Legal Office sends an acknowledgement letter to the terminated District employee and his/her Principal/Department Head.	7. Legal Office sends acknowledgement letter to the terminated District employee and his/her Principal/Department Head.	
<i>Non-Instructional Employees</i>		
8. Same as for instructional employees but the Labor Relations Department conducts the hearings and sends the acknowledgement letter to the District employee and his/her Principal/Department Head and notifies HR.	8. Labor Relations sends acknowledgement letter to the District employee and his/her Department Head and notifies HR.	
<i>Per-Diem Workers</i>		
9. Principal/Department Head sends letter to the Executive Director of HR, documenting reasons why a substitute teacher/per-diem	9. Principal/Department Head sends a letter documenting reason why a substitute	

Human Resource Service		
Procedures	Key Controls	Observations
<p>worker should be terminated.</p> <p>10. Executive Director of HR reviews the letter and accompanying documentation and determines if the employee is to be terminated.</p> <p>11. If employee is to be terminated, Executive Director of HR notifies Administrative Operation Services.</p> <p>12. Administrative Operation Services enters termination information into PeopleSoft.</p> <p>13. HR sends acknowledgement letter to terminated substitute teacher/per-diem worker.</p>	<p>teacher/per-diem worker should be terminated to the Executive Director of HR.</p> <p>10. Executive Director of HR reviews letter sent by Principal/Department Head.</p> <p>11. Executive Director of HR notifies Administrative Services of termination.</p> <p>12. HR sends acknowledgement letter to terminated substitute teacher/per-diem worker.</p>	

Human Resource Service		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. Benefits Services gives three orientations each day, providing information on how to complete the benefits forms and which benefits are available based on labor unions. 2. It depends on the employees' unions what kinds of insurances are available for them. 3. For medical insurance, employees can decide to enroll in the NJ+ Plan, which covers all costs of treatments, or in the Traditional Plan. The Traditional Plan covers all but 20% of treatment costs if there are five HMOs and after a deductible is paid. 4. Employees complete benefits forms. 5. Health Benefits Clerk reviews the forms for vision, dental, medical, and prescription drug insurance for accuracy and completes the employer section. 6. Senior Employee Benefits Clerk reviews the forms for pensions and annuity funds for accuracy and completes the employer section. 7. All forms are forwarded to the Benefits Administrator for review and approval. 8. Once approved, Health Benefits Clerk enrolls employees in their respective insurance plans (enters data into PeopleSoft). 9. The medical portion of the plan is forwarded to the New Jersey State Health Benefits Program (SHBP). 10. Health Benefits Clerks enter prescription and dental coverage in the Horizon Data Base. 11. Health Insurance Portability and Accountability Act (HIPAA) file is created for each employee and stored in the office for protection of private health information. 12. If an employee decided to be covered by an insurance company other than Horizon Blue Cross Blue Shield of New Jersey, NJDOE forwards the application to the insurance company 	<ol style="list-style-type: none"> 1. Forms for vision, dental, medical, and prescription drug insurance are reviewed by Health Benefits Clerk. 2. Forms for pensions and annuity funds are reviewed by Senior Employee Benefits Clerk. 3. Benefits Administrator approves forms. 4. HIPAA file is created for each employee. 	

Human Resource Service		
Procedures	Key Controls	Observations
<p>preferred by the employee.</p> <p>13. Senior Employee Benefits Clerk sends pension application to the NJ Division of Pensions and Benefits (NJDOPB).</p> <p>14. NJDOPB sends insurance confirmation and certification for payroll deduction to HR.</p> <p>15. HR employees enter the data received from NJDOPB into PeopleSoft.</p> <p>16. One business day after data entry, PeopleSoft provides a report containing all data entered the previous day. Benefits Services employees review their respective entries.</p>	<p>5. HR receives insurance confirmation and certification for payroll deduction from NJDOPB.</p> <p>6. HR employees review their respective entries one day after data was entered.</p>	<p>4. During our walk-through we noticed that information entered is reviewed by the same person who entered it.</p>

Human Resource Service		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. HR Training and Development (HR TandD) designs, develops and delivers training programs for all non-instructional staff. 2. HR TandD conducts assessment surveys to determine departmental training requirements. 3. HR TandD develops customized training programs for departments. 4. HR TandD develops and publishes a Learning handbook outlining the strategic direction for the District. 5. HR TandD provides supervisory training for managers and supervisors through the Supervisor's Institute. 6. HR TandD develops and executes annual orientation for District employees in various labor unions. 7. HR TandD conducts orientations for newly hired full time employees. 8. HR TandD provides specialized training in health and safety such as exposure control. 	<ol style="list-style-type: none"> 1. HR TandD determines department training requirements based on surveys. 	

Human Resource Service		
Procedures	Key Controls	Observations
<i>Worker's Compensation</i>		
1 Employee must report injury immediately to the school nurse.	1. Employees must report injuries immediately to the school nurse.	
2 If injured employee is physically able, the nurse has the employee complete Part 1 of the Accident Investigation Report. The nurse sends the Report immediately to the Principal/Supervisor.	2. Accident Investigation Form is sent to Principal for his/her records.	
3 Nurse completes Concentra's medical authorization form and makes a copy for his/her records. Concentra Medical Center is the District's current vendor handling worker's compensation medical services.		
4 Upon completion of the form, the nurse gives the original to the injured employee to take with them to Concentra Medical Center, located at 560 Broad Street, Newark, New Jersey.		
5 The Principal (or his/her designee) or the immediate Supervisor of the injured employee complete Part 2 of the Accident Investigation Report.	3. Part 2 of the Accident Investigation Form is completed by the Principal (his/her designee) or the immediate supervisor of the injured employee.	
6 The report is then faxed to the Office of Risk Management.		
7 Concentra sends a report concerning the employee's injury and whether the employee will or will not be able to work to the Office of Risk Management. The Payroll Department is notified in case the employee is absent due to injury.		
8 Only accidents that happen during the course of employees' employment are considered for workers compensation.		
9 Employees are required to see a doctor at least every two weeks at Concentra Medical Center. If the employee misses two appointments, the workers compensation claim will be closed by the District's third party administrator for non-compliance.	4. Employees must see a doctor at least every two weeks and if not, are taken off the workers compensation list and are no longer paid if they miss two appointments.	
10 A log of all employees on workers compensation is completed on a biweekly basis. The logs are used for meetings as mentioned in Step 11.	5. A log of all employees on workers compensation is completed on a biweekly basis.	
11 During a monthly meeting, the Third Party Administrator and the	6. Third Party Administrator, Medical Administrator, and Risk Management staff	

Human Resource Service		
Procedures	Key Controls	Observations
<p>District Medical Administrator along with Risk Management staff discuss all employees on the workers compensation log and decide upon actions to be taken.</p> <p><i>Evening Employees</i></p> <p>12 If an evening employee is injured on the job, the employee must contact his/her Supervisor. If immediate attention is needed, the employee must go or be taken to the nearest hospital. In case of emergencies, Supervisors can contact the Risk Management Director on his cell phone.</p> <p>13 The next morning, the employee must call the Office of Risk Management regarding their injury and must be seen by a District Workers Compensation doctor at Concentra Medical Center. The Accident Investigation Report is completed.</p> <p><i>Student Injury</i></p> <p>14 Nurse determines the medical response needed to treat the injured student (i.e. call an ambulance, treat in his/her office).</p> <p>15 Nurse completes the Incident Report. A copy of the form is sent to the Principal and the Office of Risk Management.</p> <p>16 Nurse gives the student a Bollinger Claim Form, which must be completed by the student's parent or guardian, who has to indicate whether they have health insurance.</p> <p>17 Upon completion, the form is mailed to Bollinger Insurance Company. A copy is forwarded to the Office of Risk Management.</p> <p>18 Bollinger Insurance Company provides excess student accident insurance. If the parent or guardian has health insurance, their insurance policy is primary and Bollinger's insurance is excess over any portion of the medical treatment not covered under the primary policy. If the parent or guardian does not have health insurance, Bollinger's student accident coverage is primary.</p> <p>19 Every year Bollinger mails a letter on the District's letterhead (signed by the Superintendent) directly to all schools explaining</p>	<p>discuss all employees on the workers compensation log and decide upon actions to be taken, on a monthly basis.</p> <p>7. Employee contacts his/her Supervisor if injured on the job.</p> <p>8. Employee calls the Office of Risk Management regarding their injury the next morning.</p> <p>9. Employee must see a District Workers Compensation doctor at Concentra Medical Center.</p> <p>10. Nurse determines the medical response needed to treat the injured student.</p> <p>11. Incident Report is completed by nurse.</p> <p>12. Student's parent or guardian completes Bollinger Claim Form.</p> <p>13. A copy of the Bollinger Claim Form is forwarded to the Office of Risk Management.</p>	

Human Resource Service		
Procedures	Key Controls	Observations
<p>how their insurance works. The letter is translated into six different languages.</p> <p><i>Process of Claims</i></p> <p>20 There are two different types of workers compensation claims; Lost Time Indemnity and Medical Claims. All injuries must be a verified work related incident to receive workers comp payments.</p> <p>21 All claims are administrated by the District's third party administrator Cannon Cochran Management Services INC. (CCMSI).</p> <p>22 After examination by one of the District's doctors, medical evaluations and bills are sent to CCMSI for documentation.</p> <p>23 CCMSI determines if claims are paid based on medical evaluations.</p> <p>24 Employees must file claims within two years of the date of the incident in order to receive workers compensation.</p> <p>25 Employees are paid 100% of their wages for one year after the incident. Thereafter, employees are paid 70% of their wages up to \$630 which is mandated by the State workers compensation law.</p> <p>26 CCMSI pays claims out of the Districts imprest account.</p> <p>27 CCMSI emails workers compensation fund balances to the Risk Manager on a weekly basis.</p> <p><i>Insurance</i></p> <p>28 District has the option to renew insurance contracts after one year for no more than two years.</p> <p>29 Risk Manager writes RFP and forwards it to the Purchasing Department.</p>	<p>14. Only verified work related incidents qualify for workers compensation.</p> <p>15. Third party administrator administers all claims.</p> <p>16. CCMSI determines if claims are paid based on medical evaluations.</p> <p>17. Claims must be filed within two years of the date of the incident.</p> <p>18. Third party administrator emails workers compensation fund balances to the Risk Manager weekly.</p> <p>19. Purchasing Department holds pre-proposal meeting.</p> <p>20. Evaluation Committee decides upon insurance contract to engage in.</p>	

Human Resource Service		
Procedures	Key Controls	Observations
30 Purchasing Department advertises the RFP.		
31 Pre-proposal meeting is held by the Purchasing Department.		
32 An Evaluation Committee, formed by the Purchasing Department, decides upon the insurance contract to engage in.		

Financial Management		
Procedures	Key Controls	Observations
<p>1. There are two main types of revenues that are recorded at July 1 of each fiscal year (FY) with an offsetting receivable: taxes and New Jersey State Aid received in accordance with the Comprehensive Educational Improvement and Financing Act (CEIFA).</p> <p>2. Taxes due from the City of Newark are required to be received during the FY in accordance with N.J.S.A. 54:4-75, and should be recorded at July 1. An offsetting receivable is established in the general ledger (G/L).</p> <p>3. A schedule of payments from Newark is established whereby periodic payments of the taxes are made to the District.</p> <p>4. As payments are received, they are posted against the Taxes Receivable account in the G/L.</p> <p>5. New Jersey State Aid (CEIFA) is required to be received during the FY in accordance with statute and is recorded at July 1 of each FY.</p> <p>6. State establishes a payment schedule for State Aid-CEIFAPAY Form that commences in September of each FY, payments are made on the 8th and 22nd of each month for this state aid.</p> <p>7. Receipts are posted against, and reduce, the State Aid Receivable account.</p> <p>8. Certain Special Revenue Aids are received as part of the State Aid payments (i.e., Early Childhood Program Aid and Instructional Supplement Aid) per the CEIFAPAY form. This aid is recorded as revenue as the cash is received and adjusted at year-end in accordance with State guidelines.</p> <p>9. The District ensures that all cash received agrees to the CEIFA Debt Service State Aid Payments form, which documents aid payments relating to debt service.</p> <p>10. The District records all other revenues when the cash is received throughout the year, and/or accrued at year-end.</p> <p><i>Cash Receipts Processing</i></p> <p>11. The mailroom receives checks and forwards them to the Office of Accounting.</p>	<p>1. A schedule of payments is established to monitor and verify that of taxes and revenues are received.</p> <p>2. A schedule of payments is established to ensure payments are received the 8th¹ and 22nd of each month.</p>	

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Procedures	Key Controls	Observations
<p>12. Secretarial Assistant Typing within the Accounting Department receives the mail.</p> <p>13. If any mail includes cash or checks, the Secretarial Assistant Typing records each item on the Documentation of Checks Received Form.</p> <p>14. The Documentation of Checks Received Form is completed by the Secretarial Assistant Typing and forwarded to the Accountant for review and coding.</p> <p>15. Executive Controller determines the bank account each deposit should be made to.</p> <p><i>Actual Deposit of Checks/Cash</i></p> <p>16. Secretarial Assistant Typing prepares a deposit slip for every applicable bank account and copies are made of all checks relevant support received for each deposit.</p> <p>17. Secretarial Assistant Typing completes and signs the Form FT-3 (daily cash receipts journal) for District general bank account deposits each day.</p> <p>18. Secretarial Assistant Typing assembles the cash receipts package, which includes the FT-3, the deposit slip, and the copies of all checks and relevant support.</p> <p>19. For deposits to accounts other than the District's general maintenance account, a copy of the actual deposit slip is forwarded to the Accountant for account coding and system entry.</p> <p>20. The Accountant reviews and approves the entire cash receipt package daily.</p> <p>21. Accountant files the daily cash receipt packages.</p> <p><i>Account Coding For Daily Deposit Slips</i></p> <p>22. Accountant records cash receipts by preparing a daily Cash Receipts Input Sheet that accumulates the information from the daily deposits and FT-3 Form's.</p> <p>23. Accountant enters appropriate account number into the input</p>	<p>3. Cash or checks received are recorded on the Documentation of Checks Received Form.</p> <p>4. Accountant reviews and codes Checks Received Form completed by the Secretarial Assistant Typing.</p> <p>5. Form FT-3 completed and signed for District deposits made daily.</p> <p>6. Accountant approves cash receipt package daily that is prepared by the Secretarial Assistant Typing.</p>	

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Procedures	Key Controls	Observations
<p>sheet.</p> <p>24. Accountant forwards the input sheet to the Executive Controller.</p> <p>25. Executive Controller reviews and approves the input sheets, which is returned to the Accountant.</p> <p>26. Accountant enters the receipt information into the automated accounting software system, PeopleSoft.</p> <p>27. After receipts are entered, they are posted to the G/L by the Accountant.</p> <p><i>Monthly – Account Coding For Wires and Credit Memos</i></p> <p>28. For all cash receipts received by wire transfer, the District obtains the bank statement, which includes the amount, date, and description of the wire transfers received to record the deposit.</p> <p>29. Accountant utilizes a copy of the bank statement and writes the applicable account number on the statement for entry into the cash receipt system, including wires for grants.</p> <p>30. Accountant reconciles all deposits on the bank statements to the Cash Receipt Input Sheet to ensure all deposits were properly recorded and appear on the bank statement.</p> <p><i>Cash Receipts Reports</i></p> <p>31. A Cash Receipts Report is generated for all cash receipts posted in the month.</p> <p>32. Accountant prints this report by fund and by date.</p> <p>33. Receipt Reports for grants (all special revenue – fund 20) are provided to the Grants Director and to the appropriate Senior Accountant in the Accounting Department.</p> <p>34. The Cash Receipts Report is reconciled to the Cash Receipt Input Sheet and the bank statements each month.</p> <p>35. Information is forwarded to the Assistant Treasurer who is responsible for reconciling bank accounts.</p> <p>36. Reconciliations are reviewed and approved every month by the Treasurer.</p>	<p>7. Executive Controller approves Cash Receipts Input Sheet for completeness and accuracy.</p> <p>8. All deposits on the bank statement are verified to the Cash Receipt Input Sheet to ensure all deposits were properly recorded and appear on the bank statement.</p> <p>9. Treasurer reviews and approves reconciliations monthly.</p>	

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Procedures	Key Controls	Observations
<p><i>Estimated Revenues</i></p> <p>37. The Executive Controller ensures that the estimated revenues are recorded in PeopleSoft agree to the amount in the State approved budget and any approved adjustments.</p> <p>38. The Executive Controller performs a budget to actual review to ensure the District's budgeted revenue estimates are reasonable and that no significant budget shortfalls are expected.</p> <p>39. The Executive Controller ensures revenue amounts appearing on the balance sheet portion of the Board Secretary's report agree to the detail amounts recorded on all subsequent pages.</p> <p><i>Contributions To Whole School Reforms</i></p> <p>40. The Executive Controller is responsible for ensuring that appropriations equal revenues in Fund 15. Fund 15 is a Blended Resource Fund, a sub-fund of the General Fund. The fund is to allow budgeting and record keeping of individual school appropriations and expenditures. As an Abbott District, NPS is responsible for the implementation of Whole School Reform (WSR). WSR is a complete restructuring of an entire school, based on the 1998 Abbott v. Burke Supreme Court decision. The District is required to submit school-based budgets for their schools in WSR, in addition to their district-wide budget for all other appropriations.</p> <p>41. On a monthly basis, during the period of January through June, the Executive Controller prints Fund 15 budget reports by school and performs the following procedures: (1) reviews any unusual items to identify appropriation accounts that have limited or no expenditures, (2) verifies salaries are being charged to the correct budgetary accounts, (3) verifies employment benefits are charged to the individual schools in Fund 15, and (4) meets with the Budget Director to project spending by each school through the end of the year.</p> <p><i>Monthly Review of Accounting Records</i></p> <p>42. The Senior Accountant and Executive Controller reviews the Report of the Board Secretary prior to each month-end close to identify any of the following: (1) negative asset accounts, (2) negative liability accounts, (3) unusually high balances, (4) appropriation accounts not included in report, (5) appropriation accounts with little or no expenditures, (6) significant balances in prior year (PY) reserve for encumbrances and accounts payable</p>	<p>10. Executive Controller performs a budget to actual review.</p> <p>11. Executive Controller reviews Fund 15 budget reports by school and performs procedures and meets with the Budget Director to project spending by each school through the end of the year.</p>	<p>1. The Executive Controller does not review or approve all journal entries for accuracy and completeness prior to being input into PeopleSoft. Therefore, Executive Controller cannot verify that all transactions are posted accurately into PeopleSoft.</p>

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<p>(A/P) after 9/30 of any given year, and (7) verify the completeness of the WSR accounting.</p> <p>43. At month-end, the Executive Controller verifies that all transactions have been posted to PeopleSoft and prints out the monthly Report of the Board Secretary for review and Board Approval.</p> <p>44. The Executive Controller performs a reconciliation of all interfund receivable and payable balances. Senior Accountant uses a balance sheet report from PeopleSoft for all funds to complete.</p> <p>45. At month-end, the Executive Controller reconciles the A/P general ledger balances included in the Report of the Board Secretary to the detail accounts payable listing included as part of the open PO report.</p> <p>46. The Office of Accounts Payable reviews the invoice aging report and if it is deemed that an account payable is no longer valid, the Executive Controller will recommend that the balance be cancelled.</p> <p>47. On a monthly basis, the Executive Controller reviews the 10-770 G/L account and reclassifies entries accordingly. If an accounts payable is cancelled, PeopleSoft reclassifies the payable to miscellaneous revenue. Reclassifications are done online by the Executive Controller, if needed.</p> <p><i>Review of Scholarship Funds</i></p> <p>48. The District currently maintains three scholarships: (1) Pepsi funds, (2) the Applebaum scholarship, and (3) Jane E. Johnson scholarship fund. The Executive Controller is responsible for ensuring that funds are deposited into the proper bank account and the recordkeeping of the scholarship funds. A copy of each scholarship agreement should be maintained on file to ensure funds are distributed in accordance with each agreement.</p> <p><i>Payroll Expenditure Projections</i></p> <p>49. On a monthly basis, the Executive Controller reviews the payroll budgetary accounts for appropriateness.</p> <p>50. Executive Controller projects the remaining payroll expenditures for the year and encumbers the appropriate amounts in the automated accounting software system, PeopleSoft. This sets aside funds to meet the estimated payroll requirements.</p>	<p>12. Executive Controller verifies all transactions have been posted to PeopleSoft and prints the monthly Report of the Board Secretary for review and Board Approval.</p> <p>13. Executive Controller reconciles all interfund receivable and payable balances.</p>	<p>2. The reconciliation of all interfund receivable and payable balances completed by the Executive Controller are not reviewed and approved for completeness and accuracy.</p> <p>3. There is no formal policy in place on additional approval for a cancellation of an accounts payable. However, the Executive Controller stated that sometimes the SBA reviews them.</p> <p>4. These reclassifications are not reviewed and approved by anyone for completeness and accuracy prior to being posted in PeopleSoft.</p>

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Procedures	Key Controls	Observations
<p>51. Executive Controller meets with the Payroll Department to determine the proper appropriation line items to charge the salaries and wages of the District's employees. Budgetary encumbrances are established in the appropriation line items to fund the estimated costs of salaries and wages for the entire year.</p> <p><i>Assessment of Fund Balance Accounts</i></p> <p>52. The unreserved fund balance consists of the undesignated fund balance included in the latest FY audit report and the designated for subsequent years' expenditures amount included within the current year budget. The undesignated fund balance amount should not change until the books and records are closed at the end of each FY. If the undesignated fund balance is different from the audit report balance, the Executive Controller investigates and resolves the difference by reviewing a G/L analysis of the account.</p> <p>53. Quarterly, the Executive Controller reviews the budgeted fund balance account to ensure that no entries were posted to budgeted fund balance.</p> <p>54. On a monthly basis, the Executive Controller reviews the recapitalization of fund balance. The recapitulation provides the District with a snapshot of its financial position at the end of each month and is used as a guide in determining fund balances throughout the year.</p> <p>55. The School Business Administrator and Budget Department ensure the balances in the Unreserved Fund Balance account will be appropriated in the succeeding year's budget. The Unreserved Fund Balance consists of the undesignated fund balance included in the latest fiscal year audit report and the designated for subsequent years' expenditures amount included within the current year budget.</p> <p>56. The Executive Controller oversees the monthly and annual close-out process. The process includes: (1) ensuring the Treasurer's Report reconciles to the Report of the Board of Secretary, (2) reviewing appropriation transfer report for reasonableness and clerical accuracy, (3) reviewing the Treasurer's Report and the Report of the Board of Secretary for unusual or unexpected items, (4) preparing package for the Finance Committee monthly meetings, and (5) verifying that any adjustments to the District's</p>	<p>14. The Payroll Department and the Executive Controller meet and determine the proper appropriation line items to charge the salaries and wages of the District's employees.</p> <p>15. If the undesignated fund balance is different from the audit report balance this is investigated and differences are resolved by reviewing the G/L.</p>	

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<p>books of record that result from the annual audit are properly recorded.</p> <p>57. The Executive Controller is the chief coordinator responsible for obtaining the required information necessary for the preparation of a complete and accurate Comprehensive Annual Financial Report (CAFR), which is prepared by the District's external auditors.</p> <p>58. On a quarterly basis, the Executive Controller meets with the Risk Manager to ensure funds are adequate to meet future claims in the Self-Insurance Fund.</p> <p>59. If funds are not sufficient to meet the current liabilities and reserve requirements, information is presented to the School Business Administrator (SBA) to determine and implement a course of action to fund the requirements.</p> <p>60. The Budget Department is responsible for maintaining the budgetary account codes for the PeopleSoft payroll automated accounting system and the Executive Controller verifies that the PeopleSoft account codes properly translate into the automated budgetary accounting system.</p> <p>61. The Office of Accounting is responsible for generating any special reports from the PeopleSoft payroll automated accounting system as requested by the various Department Heads of the District.</p> <p><i>Payroll Related Functions</i></p> <p>62. The Office of Accounting has the responsibility of performing bookkeeping and accounting activities related to the District's bi-weekly payroll.</p> <p>63. On Wednesday of each pay week, a calculation is prepared by the Payroll Department to estimate the net pay of the entire District payroll. The Senior Accountant sends instructions (approved by SBA or ASBA) through facsimile to MBIA to wire transfer funds to the Net Payroll checking account to cover the upcoming payroll. The SBA reviews and approves prior to the facsimile going to MBIA.</p> <p>64. On Thursday of each pay week, the PeopleSoft payroll reports "Pay018" and "Tax001" are forwarded to the Senior Accountant. These reports contain the final payroll amounts for the respective</p>	<p>16. If funds are not sufficient to meet the current liabilities and reserve requirements, information is presented to the SBA to determine and implement a course of action to fund the requirements.</p> <p>17. SBA approves MBIA wire transfer of funds to the Net Payroll checking account to cover the payroll.</p> <p>18. The "Pay018" and "Tax001" reports are approved by the ASBA and by the</p>	

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<p>cycle, which is evidenced by approval signatures of the Assistant School Business Administrator (ASBA) and the responsible Assistant State District Superintendent. The difference between the estimated wire and the actual net payroll is then wired from MBIA to the Net Payroll checking account through facsimile instruction. The SBA reviews and approves prior to the facsimile going to MBIA.</p> <p>65. The Senior Accountant also uses the “Pay018” report on Thursday of each pay cycle, to determine the amounts needed to pay various agencies (e.g., payroll taxes, 403(b) contributions, garnishments, etc.) for employee and employer withholdings. The amounts needed to fund these withholdings are then wired from the applicable District bank/investment account to the Payroll Agency checking account through facsimile instruction. The SBA or ASBA reviews and approves prior to the facsimile going to the bank.</p> <p>66. On Friday of each pay week, an electronic transfer is sent to the Internal Revenue Service by 7 pm for the remittance of the employer and employee share of federal income tax and FICA withholdings. The Senior Accountant performs this by using the EFTPS website. The SBA reviews and approves prior to this being completed.</p> <p>67. On Wednesday after each payday, the Senior Accountant remits the New Jersey Gross Income Tax through an electronic funds transfer. The SBA or ASBA reviews and approves the transfer prior to the transfer being sent.</p> <p>68. The Senior Accountant pays the Pennsylvania Income Tax bi-monthly through a manual check. The SBA or ASBA reviews and signs the manual check.</p> <p>69. The Senior Accountant receives the final PeopleSoft payroll reports related to the Payroll Agency withholdings. The Senior Accountant prepares a spreadsheet summarizing the salary withholding amounts and posts the information into the automated system, PeopleSoft through a journal entry.</p> <p>70. Senior Accountant posts the payroll transfers.</p> <p>71. Senior Accountant is responsible for reviewing the W-2’s that have been prepared by the Payroll Department. The W-3 (cover sheet for the W-2’s which summarizes all of the information</p>	<p>responsible Assistant State District Superintendent.</p> <p>19. The SBA approves MBIA wire transfer of funds to the Net Payroll checking account to cover the payroll.</p> <p>20. The SBA approves the wire from the applicable District bank/investment account to the Payroll Agency checking account.</p> <p>21. The SBA approves the remittance of the employer and employee share of federal income tax and FICA withholdings.</p> <p>22. The SBA approves the New Jersey Gross Income Tax electronic transfer funds.</p> <p>23. The SBA approves and signs the manual check to pay the Pennsylvania Income Tax.</p> <p>24. The Executive Controller approves the W-3.</p>	<p>5. Prior to the Senior Accountant entering the information created on a spreadsheet regarding Payroll Agency withholding into PeopleSoft this is not reviewed and approved for completeness and accuracy.</p>

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<p>contained in the W-2's) is compared to the Form 941's that have been submitted to the government. Any difference in dollar amounts is reported to the Payroll Department for further investigation. The W-2's are not mailed until all differences are resolved and the W-3 is approved by the Executive Controller.</p> <p>72. Senior Accountant is responsible for filing the payroll tax forms with the applicable agencies on a timely basis. Pennsylvania tax vouchers are completed every two weeks. New Jersey Form 927 and Federal Form 941 are completed and filed quarterly. These tax forms are reviewed and approved by the Executive Controller.</p> <p>73. The Senior Accountant completes the DOENET using FICA Online Reporting Option 1 and submits the reimbursement request. Payment is remitted to the District through a wire. The SBA reviews and approves the payment prior to it being completed through a wire.</p> <p>74. After payroll is posted in PeopleSoft, the Senior Accountant records the intergovernmental receivable from the State of New Jersey for the TPAF/FICA reimbursement.</p> <p>75. When the State of New Jersey wires the requested reimbursement to the District, the receipt is recorded in PeopleSoft as an Accounts Receivable (A/R) receipt.</p> <p>76. The Senior Accountant ensures that TPAF/FICA reimbursement requests are prepared and submitted to the state on a timely basis in order to receive the appropriate reimbursement.</p> <p>77. At the end of December and June, the Senior Accountant verifies proper accounting of the transactions by printing the TPAF/FICA schedule from the DOENET. This is reconciled to the FICA receivable in the G/L. The schedule also provides a confirmation of unreimbursed funds, which is utilized June 30 of each year in verifying the proper recording of A/R.</p> <p><i>Payroll Agency Account</i></p> <p>78. Senior Accountant reviews automatic posting from PeopleSoft HR to PeopleSoft Financial by analyzing accounts.</p> <p>79. At month end, the Senior Accountant records the information contained in the check requests for the Federal 941 and NJ SWT taxes.</p>	<p>25. The SBA approves the wire.</p>	<p>6. Prior to Senior Accountant posting the intergovernmental receivable from the State of New Jersey for the TPAF/FICA reimbursement it is not reviewed and approved for completeness and accuracy.</p> <p>7. Prior to the recording of A/R receipt in PeopleSoft it is not reviewed and approved for completeness and accuracy.</p> <p>8. Prior to the Senior Accountant recording the information in the check requests for the Federal 941</p>

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<p>80. The Senior Accountant contacts TEPS program and authorizes the necessary payments over the phone. These are the TPAF and PERS pension payments. Payment requests are made by HR and are reviewed by the Office of Accounting.</p> <p>81. On a monthly basis, the Senior Accountant reconciles the Deferred Compensation 403(B) amounts on the employee withholding "Pay 018" report to the various program Administrators analysis reports.</p> <p><i>Tax Levy Revenues</i></p> <p>82. Executive Controller records the tax levy receivable and local tax levy revenue at the beginning of each FY, in PeopleSoft. This is done in both Fund 10 (General Fund) and Fund 40 (Debt Service Fund).</p> <p>83. The Executive Controller calls the City Treasurer to request payments based on the schedule set by the City.</p> <p>84. Executive Controller follows up on all payments not received from the City of Newark on a timely basis.</p> <p>85. The Executive Controller, as part of the monthly close-out process, reviews the tax levy receivable balance to verify that the proper balance at month end equals the total tax levy less cash received to date.</p> <p><i>Self-Insurance Fund</i></p> <p>86. The Executive Controller monitors and reviews the financial transactions of the District's Internal Service Fund (fund 52), which is the District's self-insured workers' compensation and general liability claims. The resources related to the self-insurance fund originate in the general fund (fund 10) by budgeting the anticipated amounts necessary to fund current year operating liabilities, actuarially calculated reserve liabilities, salaries and benefits and other miscellaneous expenses.</p> <p>87. The Executive Controller ensures that the budgetary accounts in fund 10 agree to the Risk Management funding plan and verify that the appropriations are not duplicated in fund 52.</p> <p>88. The Executive Controller verifies that the District obtains a third party actuarial calculation of the required reserve as of June 30</p>	<p>26. Executive Controller follows up on payments not received from the City of Newark on a timely basis.</p> <p>27. Executive Controller reviews the tax levy receivable balance to verify that the proper balance at month end equals the total tax levy less cash received to date.</p>	<p>and NJ SWT taxes it is not reviewed and approved for completeness and accuracy.</p>

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<p>each year.</p> <p>89. The Executive Controller obtains from Risk Management the amount of cash being held by the Administrator on its behalf at June 30 each year. This balance is recorded in the financial records as cash held with fiscal agents.</p> <p>90. The Senior Accountant verifies that no cash transfers were made during the year into the self-insurance investment account.</p> <p>91. At the end of each year, the Senior Accountant analyzes the General Fund expenditure accounts related to the self-insurance fund and transfer the transactions to fund 52 for financial statement presentation.</p> <p><i>Unemployment Trust Fund</i></p> <p>92. The District funds its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Each pay-cycle, the District withholds the appropriate unemployment insurance payroll deductions from its employees and deposits the bi-monthly unemployment withholdings into the payroll agency account.</p> <p>93. The Senior Accountant remits quarterly from the District account to the New Jersey Department of Labor the State's share of Worker Unemployment and Worker Workforce that is reviewed by the Executive Controller and the check is signed by the SBA.</p> <p>94. The Senior Accountant remits monthly, from the District account to the Unemployment Trust Fund bank account the Trust Account Share of Worker Unemployment.</p> <p>95. The Senior Accountant remits quarterly, from the District account to the New Jersey Department of Labor the Worker Workforce reviewed by the Executive Controller and the check signed by the SBA.</p> <p>96. On a monthly basis, the Senior Accountant summarizes the payroll deduction transfers in, the interest earned and any disbursements when the bank reconciliation is performed.</p> <p><i>Tuition – General Fund</i></p> <p>97. NPS receives students from other Districts throughout the State for enrollment in Special Education programs within the District. Tuition contracts are prepared and executed by the Office of</p>	<p>28. Executive Controller verifies that the District obtains a third party actuarial calculation of the required reserve as of June 30 each year.</p> <p>29. Senior Accountant verifies that no cash transfers were made during year into the self-insurance investment account.</p> <p>30. Verifying payroll deduction transfers in, interest earned, and any disbursements with the bank statement.</p>	<p>9. Prior to the Senior Accountant remitting the Trust Account Share of Workers Unemployment it is not reviewed and approved for completeness and accuracy.</p>

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<p>Special Education, who forwards fully executed and approved copies to the Office of Accounting. The Office of Accounting receives attendance list from all schools and billings are done on a monthly basis to the District that the student is coming from.</p> <p>98. The Accountant is responsible for: (1) preparing and sending all bills to the respective school Districts, (2) recording the appropriate information into the billing module within PeopleSoft, (3) recording and receiving cash collections, (4) collection of delinquent receivable balances, and (5) reconciling the receivable balance between the general ledger and the billing module.</p> <p>99. After receiving the executed tuition contracts, the Accountant prepares the bills and sends them to each applicable District. This is based on the student's attendance records each month.</p> <p>100. The Accountant verifies the billings for: (1) the date, (2) District, (3) account number, (4) rate per student, and (5) number of students. This information is input into the billing module within PeopleSoft.</p> <p>101. The Accountant reconciles the billing report to the G/L (10-153) each month.</p> <p>102. Quarterly, the Accountant reviews the tuition receivables to determine delinquent accounts and follow-ups with applicable Districts to obtain timely payments.</p> <p>103. At year-end, the Accountant ensures all billings have been recorded and that all receivable balances are valid.</p> <p><i>Regional Day School Oversight</i></p> <p>104. A Senior Accountant provides oversight and performing general overview of the financial transactions relating to the Regional Day School.</p> <p>105. The Senior Accountant, of the Office of Accounting, meets on a monthly basis with the Senior Accountant of the Regional Day School to review operating results, such as: (1) reviewing the budget and revenue reports to ensure operating results are in accordance with budget, (2) reviewing appropriation and estimated revenue accounts for inactivity, (3) verifying all salaries and wages and employee benefits are being properly recorded, and (4) assisting the Regional Day School Senior Accountant in</p>	<p>31. Special Education approves Tuition contracts.</p> <p>32. Accountant reconciles the billing report to the G/L (10-153) each month.</p> <p>33. Accountant reviews tuition receivables on a quarterly basis to determine delinquent accounts and completes follow-up where applicable.</p> <p>34. Senior Accounting, of the Office of Accounting, meets on a monthly basis with the Senior Accountant of the Regional Day School to review operating results for the Regional Day School.</p>	

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<p>determining the subsequent years budget and determining tuition rates to be charged for students.</p> <p>106. At year-end, the Senior Accountant performs the following: (1) reviews and determines proper disclosure for budget report for fund 53, (2) prepares an analysis of salaries and wages relating to the Regional Day School and verifies that they are recorded in the proper fund, (3) ensures all year-end accruals for A/P and salaries are recorded in the proper accounting period, (4) ensures fixed assets recorded in the Fixed Assets Report for the Regional Day School are correct, and (5) prepares a year-end balance sheet and operating statement for appropriate financial statement preparation.</p> <p><i>Tuition – Regional Day School</i></p> <p>107. NPS, in accordance with an agreement with the State of New Jersey, operates a Regional Day School. The Regional Day School receives students from other Districts throughout the state who are enrolled in educational programs within NPS District schools. The Regional Day School receive attendance reports from the schools and based on those attendance reports send the billings.</p> <p>108. The Regional Day School Senior Accountant is responsible for: (1) preparing and sending all bills to Districts, (2) inputting the appropriate information into the billing module within PeopleSoft, (3) following up on receivables, and (4) monitoring and reconciliation of the receivable balance between the G/L and the billing module.</p> <p>109. On a quarterly basis, the Senior Accountant within the Office of Accounting meets with the Regional Day School Senior Accountant to discuss delinquent accounts and to follow-up with applicable Districts to receive timely payments.</p> <p><i>Grant Programs</i></p> <p>110. Senior Accountant receives copies of all grants awarded and grants carryover approvals from the Budget Department or Grants Department. A file is setup for each grant program that includes a copy of the contract, grant acceptance certificate, Board resolution to apply for and acceptance of the grant and budget.</p> <p>111. The Budget Department enters the grant appropriation into PeopleSoft prior to forwarding the grant documentation to the</p>	<p>35. The Senior Accountant within the Office of Accounting meets with the Regional Day School Senior Accountant to discuss delinquent accounts and the follow-up with the applicable Districts to receive timely payments.</p> <p>36. All grants are approved by Board prior to budget upload.</p>	

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<p>Office of Accounting.</p> <p>112. Senior Accountant assigns a revenue code to the grant program in PeopleSoft in the Special Revenue Fund (20). The code is assigned to the grant in accordance with the approved chart of accounts and 2R2 program listings and an estimated revenue adjustment is posted into PeopleSoft to reflect the grant award.</p> <p>113. Senior Accountant reviews the budgetary appropriations to ensure that they agree, on the function and object level, to the grant application/awards. Discrepancies are communicated with the Budget Department and with the respective grant program director for timely resolution.</p> <p>114. The Senior Accountant generates Special Revenue Fund (20) Revenue and Expenditure Comparison Report, a Budget Report, and a Revenue Report to review the report on a program-by-program basis to verify the estimated revenues and appropriations are in balance and to assist in the completion of the other grant maintenance activities.</p> <p>115. The Senior Accountant ensures that all grant programs are included in the District's books of record. The Senior Accountant maintains a summary grant program control sheet, which will detail each grant program that is currently approved for the District to expend funds. The control sheet contains: (1) program name, (2) approved award amount, (3) revenue account code number, (4) grant period, (5) grant contract number, (6) source of the program funds, and (7) program director.</p> <p>116. On a monthly basis, the Senior Accountant reviews the budget appropriation reports for unusual items.</p> <p>117. The Senior Accountant monitors the appropriation accounts for negative or inactive balances. If a negative available balance appears in the Special Revenue Fund Budget Report, the respective program director is notified. This may occur because of a delay in obtaining the new grant contract from the Budget Department or an expenditure has been charged to the wrong program or object.</p> <p>118. Senior Accountant makes any appropriate revisions to the District's books or records.</p> <p>119. The Senior Accountant verifies salaries and wages and the</p>	<p>37. Senior Accountant ensures all grants are included on the District's books of record.</p>	

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<p>related employees health benefits are properly recorded in each grant program.</p> <p>120. The Senior Accountant records any required general journal entries. A review of the Special Revenue Fund trial balance is performed monthly and any journal entries that are required to accurately reflect the current balances should be entered into PeopleSoft.</p> <p>121. The Senior Accountant analyzes the Deferred Revenue account to ensure that the opening balance of the Deferred Revenue balance sheet account is in agreement with the annual audit and that the Deferred Revenues are properly realized in a complete and timely manner.</p> <p>122. The Senior Accountant ensures that the District transfers the excess receipts over the expenditures to the deferred revenue balance sheet account (20-481).</p> <p>123. The Senior Accountant ensures the rollover of purchase orders at year end. This is a unique situation that exists in the Special Revenue Fund whereby PY purchase orders (POs), which are included in Deferred Revenue at year-end, roll over into a P2 appropriation account. The encumbrances are liquidated directly from the P2 appropriation account and when a PO is considered complete, any difference between the original PO and the amount paid is recorded in PeopleSoft against the Deferred Revenue G/L account.</p> <p>124. The Senior Accountant analyzes the Deferred Revenue account on a monthly basis to identify the entries that have been posted to the account as a result of invoices being paid for more or less than the original PO.</p> <p>125. The Senior Accountant calculates Fund 15 calculation of the salary amounts paid, which is the implementation of WSR, and the blending of federal, state, and local funds in the school-based budget.</p> <p>126. The Senior Accountant calculates the TPAF pension and Employer Share of Social Security and Medicare charged to Federal Programs in WSR schools by: (1) obtaining a payroll report that details the teachers at each school and teacher's contracted salaries paid during the year, which does not include stipends or extra-curricular activity, (2) determining the Title I</p>		<p>10. Prior to the Senior Accountant making any appropriate revisions to the District's books or records these revisions are not reviewed or approved for completeness and accuracy.</p> <p>11. Prior to the Senior Accountant entering journal entries into PeopleSoft they are not reviewed and approved for completeness and accuracy.</p> <p>12. Prior to the Senior Accountant transferring the excess receipts over the expenditures to the deferred revenue balance sheet account they are not reviewed and approved for completeness and accuracy.</p> <p>13. Prior to the Senior Accountant ensures the rollover of purchase orders at year end they are not reviewed and approved for completeness and accuracy.</p>

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<p>percentage calculated on the current year Statement of Expenditures Allocated by Resource Type by using the above salaries, and (3) calculating the reimbursement amounts at the school level to enable the reimbursements to be recorded in the individual school's Fund 15. For step 3, the amounts determined need to be accumulated and multiplied by the "all other federal programs" rate to determine the all other federal programs proportionate share of salaries. For step 4, the social security, Medicare, and TPAF rates are then applied to the salary amounts to calculate the social security, Medicare, and TPAF reimbursements due to the Department of Education for each WSR school.</p> <p>127. The Senior Accountant prepares a WSR Reimbursement Calculation to Comply with NJSA 18A:66-90 worksheet, which lists federal program salaries for the teachers, which is reviewed by the Executive Controller.</p> <p>128. The Senior Accountant retains this worksheet and the individual school calculations as supporting documentation of the WSR salaries.</p> <p>129. The Senior Accountant completes the "Reimbursement to State of New Jersey – NJSA 18A:66-90" form for review by the ASBA. The form must be approved by the required District Administrators and reviewed by external auditors prior to remittance to the State Department of Education within 90 days after the close of the FY. NJSA 18A:66-90 requires each school District to reimburse the State for the amount of Teachers Pension and Annuity Fund (TPAF) pension and social security contributions paid by the State on behalf of the District for contractual salaries of TPAF employees charged to federally funded programs. This is reviewed by the Executive Controller and signed by the SBA.</p> <p><i>Drawdown of Federal Grants</i></p> <p>130. Senior Accountant is responsible for the coordination of cash collections for all of the federal grant programs and for the establishment of procedures for the timely processing of the federal grant program expenditure drawdown reports.</p> <p>131. The Grant Department sends Action Forms to Senior Accountant detailing the amount requested.</p> <p>132. Senior Accountant reviews the Action Forms and then logs them</p>	<p>38. The "Reimbursement to State of New Jersey – NJSA 18A:66-90" form is approved by District Administrators and reviewed by external auditors.</p>	

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<p>onto E-Grants to process the requisition of the grant funds.</p> <p>133. Upon the completion of the requisition processes and procedures the U.S. Department of Education, the funds are wired into the District's bank account.</p> <p>134. Each year, as a result of the audit of external auditors, the District makes payments to the applicable state and federal agencies based upon liabilities identified within the CAFR. The amounts are presented on the Schedule of Expenditures of Federal and State Awards (K-3 and K-4) in the "Due to Grantor" column. These are reimbursements due to the applicable grantor agency for funds not expended within time imposed grant limitations. Senior Accountant processes the reimbursements due to the grantor.</p> <p><i>Monitoring of Revenues and Cash Balances</i></p> <p>135. On a monthly basis, Executive Controller and Senior Accountant reviews all of the estimated revenue line items in PeopleSoft to ensure the District has properly accrued any receivables/revenues and to ensure that cash is being received from the various agencies, which is due to the District.</p> <p>136. On a daily basis, Executive Controller monitors the District's available cash balance to ensure that the balances are adequate to meet the monthly payroll requirements and operating needs of the District.</p> <p><i>Year-End Duties</i></p> <p>137. The Executive Controller is responsible for ensuring the following information is complete, accurate, and available for audit: (1) trial balance for each fund, (2) budget report for each fund subtotaled by fund, function, program, and object, (3) budget report, by school, for all schools included in WSR, (4) revenue report for each fund subtotaled by fund and program, (5) open purchase order/invoice report, sorted by budgetary account, as of year end, (6) board approved Report of the Board Secretary, (7) Board approved Report of the Treasurer, (8) analysis/schedule of appropriation transfers, additions, and deletions, and (9) approved DOE budget, CEIFAPAY and SA-1a schedules and all related State Aid entitlement worksheets.</p> <p><i>Treasurer of School Moneys</i></p>	<p>39. Senior Accountant reviews the Action Forms from the Grants Department to ensure adequate support for the drawdown amount.</p> <p>40. Monthly analysis is performed to ensure that the District has properly accrued any receivables/revenues and to monitor timely collection.</p>	<p>14. External auditors calculate all grants during their audit and based on these calculations the District reimburses the Grantor the "Due to Grantor" amount on the CAFR.</p>

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<p>138. In accordance with 18A: 17-36 the Treasurer of School Moneys prepares a monthly report that summarizes the entire District's cash transactions. The report must reconcile to the corresponding monthly Report of the Board Secretary. An Accountant assists the Treasurer of School Moneys in completing the Monthly Treasurer's Report by compiling copies of the following documents: (1) all of the monthly bank reconciliations, bank statements, and cancelled checks, (2) Report of the Board Secretary, (3) monthly check register that reconciles to the approved bills list, (4) monthly trial balance that agrees to the Report of the Board Secretary, (5) detail of any manual journal entries posted to the cash general ledger accounts, and (6) detail of any wire transfers.</p> <p>139. The Executive Controller reviews the report and verifies that the report agrees with the respective Report of the Board of Secretary.</p> <p><i>Other Responsibilities</i></p> <p>140. Accountant gathers information to prepare the various bank reconciliations for the District and forwards this information to the Treasurer of School Moneys.</p> <p>141. Executive Controller records any journal entries needed per the bank reconciliations performed by the Assistant Treasurer of School Moneys.</p> <p>142. Accountant ensures that replacement checks and the related voided checks are properly recorded in PeopleSoft. Senior Accountant reviews prior to input into PeopleSoft.</p> <p>143. Accountant reviews all outstanding checks in excess of six months old, in which the Executive Controller reviews.</p> <p>144. Accountant prepares the Net Payroll bank reconciliation, in which the Senior Accountant reviews.</p> <p>145. Accountant ensures that all cash transactions are recorded each month, in which the Senior Accountant reviews.</p> <p>146. Senior Accountant prepares a monthly interfund schedule ensuring that receivable and payable balances are in agreement.</p>	<p>41. Executive Controller verifies that the report agrees with the respective Report of the Board of Secretary.</p> <p>42. Senior Accountant reviews journal entry prior to the Accountant recording the replacement checks and voided checks into PeopleSoft.</p> <p>43. Executive Controller reviews list of all outstanding checks in excess of six months old after they are compiled by the Accountant.</p> <p>44. Senior Accountant reviews the Net Payroll bank reconciliation completed by the Accountant.</p> <p>45. Senior Accountant reviews the cash</p>	<p>15. Prior to Executive Controller recording journal entries in PeopleSoft they are not reviewed and approved for completeness and accuracy.</p> <p>16. Prior to the Senior Accountant preparing the monthly</p>

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	transactions prior to them being recorded into PeopleSoft by the Accountant.	interfund schedule it is not reviewed and approved for completeness and accuracy.

Purchasing		
Procedures	Key Controls	Observations
<p>1. When an order for supplies, equipment, and services is needed at a school or in a department a manual purchase requisition form is completed. The initiator is to ensure the following before seeking the approval of the originator: (1) fund verification – determine if funds are available in the budget account before submitting a requisition, (2) budget year determination – budget year date of the requisition must match the requisition year date, (3) budget account code – ensure the budget account number is accurate based on the type of items being purchased, (4) description of items and services are to be described clearly and completely with correct and up-to-date catalog numbers, make, model, number, and costs, (5) all requisition orders must include “shipping and handling costs,” if not sure, contact the vendor by phone, (6) enter school/department location code and address and contact at the location, if possible, (7) total costs of all items being requisitioned, (8) when ordering through state contractor vendors include the (a) state contract number and (b) phrase “Shipping and Handling Included”, (9) if a bid is required, provide the Purchasing Department with all specification information for the item to be bid, and (10) if quotations are to be obtained, send the quote package to the Purchasing Office, including item specification and a list of potential vendors (if known).</p> <p>2. The initiator must obtain the proper approvals. The authorized signers (originator) for requisition dollar amounts are: (1) \$1 to \$4,999.99 is either the Principal or Department Head, (2) \$5,000 to \$14,999.99 is either the Associated Superintendent/ Assistant Superintendent, or Executive Controller, (3) \$15,000 to \$29,999.99 is either the Deputy Superintendent or SBA, and (4) \$30,000 and above is the State District Superintendent.</p> <p>3. The originator must ensure the following steps are complete before the requisition is sent to the Purchasing Department: (1) verify items 1 – 10 noted as responsibilities for the initiator in step 1 have been properly completed, and sign off as originator once satisfied. Use checklist on back of the requisition to ensure that they have been completed, (2) verify that the school Principal has co-signed all requisitions charged to their school’s budget accounts, (3) ensure that all computer related purchases (hardware or software) are approved by the Information Services Department (non-classroom use) or the Instructional Technology Department (classroom use) to ensure that purchases are</p>	<p>1. Initiator creates a requisition, verifies funds are available, and ensures that requisition is accurate and complete.</p> <p>2. Requisition is approved and depending on the cost of the requisition will determine how many approvals are needed.</p> <p>3. Approver must ensure requisition is completed and depending on what is being purchased ensure that additional approvals are obtained.</p>	<p>1. SBA is the approver of all POs. There is not proper segregation of duty if the SBA also approves requisitions that are between \$15,000 to \$29,999.99. We would like to recommend that the Assistant SBA of Operations or Assistant SBA of Financial Services be the reviewer and approver of requisitions between \$15,000 to \$29,999.99.</p>

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<p>compatible with the District WAN (wide area network), (4) if necessary, the originator must complete a Budget Transfer Request Form and ensure that the State District Superintendent approves it, and (5) once satisfied that the requisition package is complete, the originator will sign and approve, retain the originator's copy of the requisition form and forward the original requisition form and any back-up to the Purchasing Department..</p> <p>4. Purchasing Department receives the requisition and it is date stamped by the Purchasing Clerk.</p> <p>5. Purchasing Clerk provides the requisitions to Supervisor Procurement Specialist.</p> <p>6. Supervising Procurement Specialist assigns a buyer to the requisition. If the Supervising Procurement Specialist assigns herself then she keeps the requisition and inputs the encumbrance into PeopleSoft. All other requisitions go back to the Purchasing Clerk to input the encumbrance into PeopleSoft.</p> <p>7. Purchasing Clerk performs a cursory review of all requisitions prior to entering them into PeopleSoft to ensure the following: (1) requisition is signed, (2) shipping charges are included, (3) appropriate requisition form is used, (4) information on the requisition is correct, complete, and legible, and (5) if requisition is marked or identified as a "confirming order," it should be given directly to the Supervising Procurement Specialist. If problems are encountered during the Purchasing Clerk's cursory review, the requisition is given, with an Interdepartmental Review Form to the Supervising Procurement Specialist.</p> <p>8. Purchasing Clerk enters the requisition into PeopleSoft, which reserves the funds. The Clerk may encounter the following problems when entering the requisition: (1) insufficient available funds or exceeds spending tolerance, and (2) invalid budget codes. If either of these two circumstances occur, the requisition is given, with an Interdepartmental Review Form indicating why it was rejected to the Supervising Procurement Specialist.</p> <p>9. Requisition is forwarded to the applicable Buyers supervisor.</p> <p>10. Supervisor buyer forwards the requisition to the Buyers. All requisitions are reviewed and scrutinized by the assigned Buyer,</p>	<p>4. Requisition is date stamped.</p> <p>5. Supervising Procurement Specialist assigns a Buyer to the requisition. If assigns the requisition to herself keeps them. If not, requisitions go back to Purchasing Clerk.</p> <p>6. Purchasing Clerk performs cursory review of requisition to ensure that it is completed properly.</p> <p>7. Purchasing Clerk enters the requisition into PeopleSoft to reserve the funds.</p> <p>8. Supervisor forwards the requisition to the Buyer.</p>	

Purchasing		
Procedures	Key Controls	Observations
<p>with special attention being given to: (1) technical aspects of the requisition to ensure compliance with State law, Advisory Board policy and, when appropriate state contract numbers or bid numbers, (2) ensuring that the aggregate cost of any type of item does not exceed the bid or quote thresholds, (3) checks the cost of each item and determines if the item can be purchased from another vendor at a savings, and (4) verifies the account number to ensure that the items being requisitioned are proper for the specific account code.</p> <p>11. If the requisition is for equipment, the budget account code is changed because the actual cost is less than \$2,000 to the originator's applicable supply account or is split between equipment and supply accounts by the Buyer, and there are sufficient funds in the budget accounts, the Buyer will complete the requisition in the system and make a copy of the requisition to give to the Budget Department along with a Request for Transfer of Funds – Supply/Equipment Account Form for the amount needed to replenish the supply account from the equipment account. The requisition should continue to be processed. The transfer form, once returned from Budget is attached to the requisition.</p> <p>12. If the requisition's budget account code is changed to the originator's applicable supply account or is split between equipment and supply accounts by the buyer, and there are not sufficient funds in the budget accounts Buyer will send the original requisition to the Budget Department along with a Transfer of Funds – Supply/Equipment Account Form for the amount needed to fund the supplies identified on the requisition. The order cannot be processed until the original requisition and approved transfer form have been returned to the Buyer from the Budget Department.</p> <p>13. For requisitions requiring competitive bidding or quotations, the Buyer will ensure that the bid/quote process is appropriate and necessary for the item or service being requisitioned. The Districts bid and quotation thresholds are listed below: (1) \$1 - \$3,000 requires 1 oral quote, (2) \$3,001 - \$4,350 requires 3 oral quotes, (3) \$4,351 - \$29,000 requires 2 written quotes, and (4) \$29,001 – over requires a formal bid.</p> <p>14. If purchase order is over \$29,001 Advisory Board action is required before services can begin. Advisory Board action can</p>	<p>9. Buyer reviews requisition for technical aspects, verifies the aggregate cost, checks the cost to other possible vendors to ensure receiving lowest possible price, and verifies the account number on the requisition.</p> <p>10. Buyer makes sure requisition is properly encoded into PeopleSoft if it is for equipment that is over \$2,000 because it is a fixed asset.</p> <p>11. Requisition requires a bid or quote the Buyer ensures that receives and documents the required bids or quotes.</p> <p>12. If requisition and PO is over \$29,001 Board action is required.</p>	

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Procedures	Key Controls	Observations
<p>take anywhere between 60 to 90 days .</p> <p>15. Oral quotes are processed within seven days. Locations making the requisition may obtain oral quotes. If they do the quotes must be properly documented and attached to the requisition.</p> <p>16. Written quotes are processed within two weeks. Locations obtaining written quotes must attach the quotation to the requisition.</p> <p>17. Purchasing Department will review the quotation specification to determine if more information is required.</p> <p>18. Purchasing Department will review the bid specification and advertise the bid. The formal bid process takes eight to twelve weeks from start to finish.</p> <p>19. Bid awards are approved by the Superintendent and Advisory Board.</p> <p>20. Some exceptions to formal bidding are for: (1) professional services, (2) textbooks and library copyrighted materials, (3) food, (4) travel.. However, the Advisory Board must approve such items for purchase over the bid threshold before POs can be issued. Requests to purchase such items must be submitted to the Superintendent/Advisory Board in the form of an Action Form.</p> <p>21. Requisitions that exceed the initial requisition amount by 15% or more will require that the Buyer fill out a Requisition Approval Notification Form and fax it to the originator for approval. If approval is given by the originator the requisition approval notification form is attached to the PO and processing continues. If approval is not given by the originator, attach the requisition approval notification form to the requisition, cancel the preliminary PO in the system and give the requisition form and Requisition Approval Notificaton Form to the Supervising Procurement Specialist.</p> <p>22. If requisition is proper and complete, the Buyer will finalize and commit the order on PeopleSoft by creating a preliminary PO (it is only preliminary until it has the School Business Administrator's signature of approval.)</p>	<p>13. Requisitions requiring oral quotes are processed within seven days.</p> <p>14. Requisitions requiring written quotes are processed within two weeks.</p> <p>15. Requisition requiring bids can take eight to twelve weeks.</p> <p>16. Requisitions requiring bids approved by the Superintendent and Advisory Board.</p> <p>17. Exceptions to formal bidding must be submitted in the form of an Action Form and approved by the Superintendent and Advisory Board.</p> <p>18. Requisitions that exceed the initial requisition amount by 15% require additional approval by the originator.</p> <p>19. Buyer commits the order in PeopleSoft by creating a preliminary PO.</p>	

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Procedures	Key Controls	Observations
23. SBA reviews and approves all POs electronically.	20. SBA approves all POs electronically.	
24. Preliminary POs are printed in batches daily by the Purchasing Clerk.		
25. Preliminary PO is reviewed and proof-read by the applicable Buyer , who attaches supporting information (documented quotes and any other requisition support) and initial denoting their approval in the PO number box on the form.	21. Preliminary POs are approved by Buyers by initialing the PO in the PO number box.	
26. Purchasing Clerk receives the approved PO and separates and distributes the PO copies. Top PO copy and voucher are mailed to the vendor and the receiving copy is sent to the requisition originator.	22. Purchasing Clerk distributes the PO copies.	
<i>Warehouse Stock Requisition</i>		
27. Initiator completes a Warehouse Supply Order Form (WSO) to order warehoused supplies.	23. Initiator completes WSO.	
28. The initiator forwards the WSO to the Depository Warehouse for processing.	24. WSO is forwarded to the Depository Warehouse for processing.	
29. Warehouse Order Form is maintained at the Warehouse.		
30. Inventory Control Clerk processes the Warehouse Order form by inputting the WSO into the PeopleSoft system to encumber the funds.	25. Inventory Control Clerk inputs the WSO into PeopleSoft to encumber the funds.	
31. Warehouse Order Form is given to the Data Entry Clerk to enter into the Inventory System.	26. Data Entry Clerk enters the Warehouse Order into the Inventory System.	
<i>Replenish Warehouse Stock</i>		
32. Inventory Control Clerk completes a requisition online to replenish warehouse stock (currently processing in PeopleSoft).	27. Inventory Control Clerk completes a requisition to replenish warehouse stock.	

Purchasing		
Procedures	Key Controls	Observations
<p>33. District Warehouse personnel must ensure that inventory stock levels are adequately maintained, safeguarded, and items are ordered from suppliers when inventory levels warrant such purchases.</p> <p>34. A copy of the requisition is maintained at the Warehouse in the Warehouse order Form notebook.</p> <p>35. After the requisition is electronically approved, the requisition is routed to the appropriate Buyer.</p> <p>36. Buyer processes the order (within two business days of receipt) and creates a PO.</p> <p>37. SBA receives and approves the PO electronically.</p> <p>38. Mail Clerk prints and mails the vendor copy of the PO and voucher to the vendor.</p> <p><i>Recording of Disposed, Damaged, and Donated Stock Inventory</i></p> <p>39. Inventory stock that is disposed of, sold for less than what it was purchased for, donated or damaged has a negative financial impact on the Warehouse and must be accounted for as part of the Warehouse's annual audit.</p> <p>40. Stock not sold at warehouse catalog price, disposed of, donated or damaged is required to be recorded on the Material Disposition Form.</p> <p>41. All inventory stock that is purchased with Warehouse funds must be accounted for. Annual Inventory count sheets and results approved by Warehouse Manager along with all forms and supporting documentation will be submitted to the auditors at the time of the annual audit.</p> <p><i>Confirming Orders</i></p> <p>42. Confirming orders are processed only in emergency circumstances. Confirming orders are accompanied by an</p>	<p>28. Requisition routed to Buyer.</p> <p>29. Buyer creates PO.</p> <p>30. SBA approves PO electronically.</p> <p>31. Mail Clerk mails PO and voucher to vendor.</p> <p>32. Material Disposition Form completed if stock not sold at warehouse catalog price, donated, or damaged.</p> <p>33. Annual Inventory completed to ensure of the inventory in the Warehouse.</p> <p>34. Confirming Orders processed have an</p>	<p>2. See Observation Number 1</p>

Purchasing		
Procedures	Key Controls	Observations
<p>Authorization Form To Process A Confirming Order.</p> <p>43. If proper authorization form is not attached when a confirming order requisition is received by the Purchasing Department, the Purchasing Department will forward the requisition back to the originator along with a blank Authorization Form To Process A Confirming Order.</p> <p>44. Purchasing Department provides the confirming order and documentation to the Deputy Superintendent or SBA.</p> <p>45. When the Purchasing Department receives authorization from Deputy Superintendent or SBA, the confirming order requisition is processed.</p> <p><i>Annual Bids</i></p> <p>46. Purchasing Department notifies the various departments of annual bid due dates. The District requires that Central Office Administrators, Department Heads, Supervisors, and Principals plan and prepare for annual bids.</p> <p>47. Applicable Administrators prepare technical specifications to be reviewed and incorporated in the bid by the Purchasing Department.</p> <p>48. Purchasing Department prepares final bid documents in a manner to encourage free, open and competitive bidding. The bids are advertised for a minimum of 10 days.</p> <p>49. Purchasing Department notifies applicable Administrators of bid opening date.</p> <p>50. Annual bids are received and opened by the Bid Opening Team. Mandatory personnel for each bid opening shall be: (1) bid opening supervisor, (2) bid opening clerk, and (3) bid opening recorder.</p> <p>51. All bids are logged on the Bid List.</p> <p>52. Bid Resolutions are prepared by the Purchasing Department for</p>	<p>Authorization Form to Process a Confirming Order.</p> <p>35. Deputy Superintendent or SBA approves Confirming Orders.</p> <p>36. Confirming Order requisition processed.</p> <p>37. Purchasing Department prepares and sends an Annual Bid Schedule to Central Office Administrators, Department Heads, Supervisors, and Principals.</p> <p>38. Bids are advertised for a minimum of 10 days.</p> <p>39. Administrators are notified of bid opening dates.</p> <p>40. Annual bids are opened by a Bid Opening Team.</p> <p>41. Bids are logged on the Bid List.</p>	

Purchasing		
Procedures	Key Controls	Observations
<p>Advisory Board approval.</p> <p>53. Purchasing Department notifies vendors and Administration of award.</p> <p>54. Purchasing Department develops or formulates the contract, if necessary, and forwards to vendor.</p> <p>55. Requisition orders are then generated by Administrators, Supervisors, and Department Heads for bid items.</p> <p><i>Contract File Maintenance for Bids and RFPs</i></p> <p>56. Principal Purchasing Assistant is responsible for ensuring that Buyers are initially provided with a contract file with all listed documents on the Pre-Award form.</p> <p>57. Upon advertisement of a formal bid/RFP, the Principal Purchasing Assistant ensures that the clerical unit initiates the preparation of a contract file.</p> <p>58. Clerical unit is to provide all listed documents on the Pre-Award Form in Section I of the contract file before it is given to the appropriate Buyer.</p> <p>59. Buyer is to check off and sign that all documents on the Pre-Award Form are included in the contract file before it is accepted from the clerical unit.</p> <p>60. Each buyer is responsible for ensuring that each of their contract files is continuously maintained during the procurement cycle. For Section II following documents are filed, if applicable: (1) action form, (2) tabulation sheet, (3) unsuccessful bids that were not awarded, and (4) correspondence. For Section III following documents are filed, if applicable: (1) affirmative action information, (2) bond information, (3) insurance certificates, (4) sole source information, and (5) POs.</p> <p>61. Purchasing Director reviews each folder before it is retired and filed away.</p>	<p>42. Bid Resolutions prepared for Advisory Board approval.</p> <p>43. Vendors and Administrators are notified of award.</p> <p>44. Principal Purchasing Assistant ensures that the Buyers are provided with a list of all documents that are to be in the contract file.</p> <p>45. Principal Purchasing Assistant ensures that the clerical unit prepares the contract file.</p> <p>46. Clerical unit provides all listed documents on Pre-Award Form in Section 1 prior to giving the file to the Buyer.</p> <p>47. Buyer is to check off and sign all documents on Pre-Award Form prior to receiving contract file from the clerical unit.</p> <p>48. Buyers are responsible for continuously maintaining their contract files.</p> <p>49. Purchasing Director reviews each folder</p>	

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<i>Professional Services/Professional Consultants</i>		
62. Initiator completes a requisition form 447 which is accompanied by a District Form to Request Professional Services.	50. Initiator completes requisition.	
63. If proposals for services are to be obtained, they are to be sealed proposals and may be scheduled to be opened publicly by the Purchasing Department.	51. Proposals are to be sealed and opened publicly by the Purchasing Department.	
64. If services are over the bid threshold. They require a written contract approved by the District.	52. Service over bid threshold a written contract is required.	
65. An appropriate resolution is written and placed on the Board of Education meeting agenda for services.	53. Resolution for service is placed on Board of Education meeting agenda.	
66. Resolutions are to be sent to the State District Superintendent's Office. Resolution are a written proposal from the consultant and/or vendor outlining the following: (1) name and address of consultant/vendor, (2) description of services to be provided, (3) starting date of service, (4) ending date of service, and (5) cost of the service/terms of payment.	54. Resolutions require Superintendent approval.	
67. Written contract is to be reviewed and approved by the Advisory Board Attorney.	55. Contract is to be approved by Advisory Board Attorney.	
68. Services being performed must have a properly executed PO and contract.		
69. Providers of service to the District who will be working in school buildings or have any possible contact with students must first have a fingerprint and background check on file in the Personnel Office.	56. Provider working in a school must be fingerprinted and have a background check completed.	
<i>Minority Set-Aside Requirements</i>		
70. NPS may designate contracts that are totally or paritally reserved for "minority contractors."		
71. Purchasing Department contracts that are "set aside for minority" must meet the following definitions and be able to show proof of		

Purchasing		
Procedures	Key Controls	Observations
<p>their certification.</p> <ul style="list-style-type: none"> • Small business enterprise – business that is independently owned and operated and which is a sole proprietorship, partnership or corporation which is of a size and type defined by Commissioner of Commerce and Economic Development. • Minority business enterprise – business that is independently owned and operated and is either a sole proprietorship owned and controlled by a minority, a partnership or joint venture owned and controlled by minorities who have at least a 51 percent ownership and who control the management and daily operations, or a corporation or other entity whose management and business operations are controlled by minorities with at least 51 percent ownership, or if stock is issued, own at least 51 percent of the stock. • Woman’s business enterprise – means a business that is independently owned and operated and is either a sole proprietorship owned and controlled by women who have at least a 51 percent ownership and who control the management and daily operations, or a corporation or other entity whose management and daily business operations are controlled by women with at least 51 percent ownership, or if stock is issued, own at least 51 percent of the stock. <p>72. Certification that vendor is a “set aside for minority” is made by one of the following, but not limited to: (1) New Jersey Department of Commerce and Economic Development, (2) New Jersey Department of Transportation, (3) The Port Authority of New York/New Jersey, and (4) U.S. Small Business Administration.</p> <p><i>Registration of New Vendors for Bids</i></p> <p>73. Receptionist manually logs into a database the vendor information from the Bidders Mailing List Application. The Bidders Mailing List Application includes information identifying the status, class, and other basic business information, such as address, remit and pricing locations, payment options, and contacts of the vendor.</p>	<p>57. New vendors are logged into a database from the application.</p>	

Purchasing		
Procedures	Key Controls	Observations
<i>End of Year Closing Procedures</i>		
<p>74. The Open Requisition Report is sent to each school or administrative department/location in September, January, and May of each year. Open requisitions must be regularly reviewed to ensure the order is still valid and necessary, and should remain open.</p> <p>75. The open requisition report is sent in May of each year. It is critical that the schools and administrative departments/locations review this report to ascertain if the applicable goods and services are still needed for the current FY. If the applicable goods and services are needed the school and administrative department/locations need to follow-up immediately to ensure that the requisition is made into a PO. If the applicable goods and services are not needed, the requisition is deleted.</p> <p>76. Schools and administrative department/locations send signed and dated Open Requisition Report back to the Purchasing Department. If the Buyer does not receive any responses, they assume the requisitions are to be deleted.</p> <p>77. Schools and administrative department/locations send signed and dated Open PO report back to the A/P Department and the receiving copies of the PO, if PO is to be canceled.</p> <p>78. A/P notifies the Purchasing Department to cancel the POs marked "Cancel" on the Open PO report.</p>	<p>58. Open Requisition Reports are reviewed by each school or department in September, January, and May.</p> <p>59. Schools and departments send signed and dated Open Requisition Reports back to the Purchasing Department. If Purchasing Department does not receive responses they requisition is deleted.</p> <p>60. A/P notifies the Purchasing Department of POs needing to be cancelled based on the Open PO Report review.</p>	

Facilities Management		
Procedures	Key Controls	Observations
<p>A. <u>Inspections and Work Coordination</u></p> <ol style="list-style-type: none"> Every District employee must report all items that need repair or maintenance. Head Custodians inspect schools on a daily basis. Supervisors of Building Services and Supervisors of Custodians visit every school in their respective School Leadership Team (SLT) at a minimum of once a week and perform detailed inspection for cleanliness, safety hazards, and tripping hazards. They provide written weekly inspection reports to the Office of Facilities Management and the Principal of the particular school based on their detailed inspection. Head Custodians maintain all logs (i.e. boiler room, custodial, attendance) and are responsible for providing a detailed work schedules, which are posted on each floor and/or in the office area and signed off in agreement with the Principal. <p>B. <u>Work Orders</u></p> <p><i>Scheduled Work:</i></p> <ol style="list-style-type: none"> The majority of scheduled Work Order Requests for support trades emanate from the respective SLT. All work order requests are entered into Maintenance Direct (service provided by School dude), a system the District utilizes to track all work orders, requested materials, supplies, and services. Head Custodians or Custodians submit work orders to the SLTs. All District employees (i.e. teachers, custodial workers etc.) are encouraged to notify Principals and Head Custodians of repairs and maintenance needed. The SLT reviews and approves all work orders. In many cases the Supervisor of Trades (SOT) inspects the school to get a better picture of work that needs to be performed and materials needed. Facilities Support receives the work order. Either the SOT at Facilities Support or one of the Trades Foremen review work 	<ol style="list-style-type: none"> Head Custodian inspects school on a daily basis. Supervisors of Building Services and Supervisors of Custodians perform detailed inspections of schools on a weekly basis and provide inspection reports to the Office of Facilities Management and the Principal of the particular school. Head Custodians maintain logs and provide detailed work schedules. System tracks work orders, requested materials, supplies, and services. SLT approves all work orders. SOT inspects schools for work that needs to be performed and supplies needed. SOT or Trades Foreman reviews work orders. 	

Facilities Management		
Procedures	Key Controls	Observations
<p>orders and schedule work based on importance.</p> <p>9. An estimated week's worth of work is listed on the Facilities Support Scheduling Sheet for each support trade a week prior to the scheduled rotation (see Rotation section below) into the respective SLT. The SLT SOT meets with the Facilities Support SOT and conveys the objectives and priorities for the scheduled week. If there is a deviation from the schedule (i.e. emergencies), the emergency work order number and/or description is listed on the reverse side of the schedule.</p> <p><i>Emergencies:</i></p> <p>a. Regular Business Hours</p> <p>10. Head Custodian calls SLT or sends an electronic work order request.</p> <p>11. A work order is generated immediately by SLT.</p> <p>b. Evening Business Hours</p> <p>12. After 3:30 pm, the Head Custodian calls the Trades Shop for all emergency work order requests.</p> <p>13. Dispatcher routes the request to the applicable Trade's Supervisor and/or Facilities Support's evening SOT who calls the school's Head Custodian to verify and determine the specifics of the emergency request.</p> <p>14. Work order is immediately generated by Head Custodian or evening Trade Supervisor. If the Head Custodian does not have access to the Internet and the Trade Supervisor cannot be reached, the work is completed and a work order is completed the following day.</p> <p>c. Off Hour Requests</p> <p>15. After 10:30 pm and on weekends/holidays the security dispatcher pages the applicable trade's personnel and the Evening Engineer in charge if there is an emergency that requires immediate attention. The trade workers on call are rotated on a weekly</p>	<p>8. Facilities Support Scheduling Sheet lists an estimated week's worth of work.</p> <p>9. Deviations from the work schedule are listed on the reverse side of the schedule.</p> <p>10. SOT calls Head Custodian to verify the emergency.</p>	

Facilities Management		
Procedures	Key Controls	Observations
<p>basis.</p> <p>16. Trade's person contacts security dispatcher upon arrival to access the facility. Once job is completed, trade's personnel contact the security dispatcher and confirm time of departure.</p> <p>17. Trades' personnel complete Emergency Call Out Payment Request Form the following day.</p> <p>18. Corresponding SLT fills out the work order and has it signed by the Trades Foreman.</p> <p>19. Electricians called out for fire alarm re-sets must submit a Fire Alarm Re-set Report to the Electrical Foreman.</p> <p>C. <u>Support Trade Rotation</u></p> <p>20. Glaziers, Masons, Roofers and Sheet Metal workers are to be on a weekly rotation throughout the varying SLT Facility Management Teams. The SOT coordinates the rotations, which are outlined in the Work Order Scheduling Form.</p> <p>21. Senior Maintenance Repairmen are rotated on a bi-weekly basis.</p> <p>D. <u>Preventive Maintenance</u></p> <p>22. School dude PM (Preventive Maintenance) is configured to issue automatic work orders when maintenance has to be performed on an item. Facilities support conducted an audit in 2003 determining the frequency of maintenance for specific items.</p>	<p>11. Security dispatcher is called upon arrival and departure from the facility.</p> <p>12. Trades Foreman signs work order.</p> <p>13. Electricians must submit a Fire Alarm Re-set Report for the Electrician Foreman.</p> <p>14. Support Trade Rotations are outlined in the Work Order Scheduling Form.</p> <p>15. System generates automatic work orders for preventive maintenance.</p>	

Facilities Management		
Procedures	Key Controls	Observations
<p><u>Trades:</u></p> <ol style="list-style-type: none"> Trade Supervisor identifies goods/services required and completes a 902 Request. This form includes vendor information, item description, quantity, unit price and total cost. The form is submitted to the Building Services Management Specialist (BSMS). BSMS generates a requisition and verifies that funds are available. Director of Facilities Support reviews the requisition and approves/disapproves it. Upon approval, the requisition is logged in and forwarded to the Executive Director of Facilities Management for review and approval. Once approved and signed, a copy is given to the Special Assistant who logs the information into a Facilities Management backup system. On a monthly basis, the BSMS and the Special Assistant reconcile requisitions by line item from their respective databases. Requisition is signed by SBA. Requisition is forwarded to the Purchasing Department. <p><u>Custodial:</u></p> <ol style="list-style-type: none"> The aforementioned procedures are followed (Steps 22-29). However, requests for materials, services, and/or supplies are forwarded from the Custodial Supervisors to the Assistant Director of Facilities Support for review and approval. <p><u>Receipt of Items from a Vendor:</u></p> <ol style="list-style-type: none"> Upon complete delivery of vendor invoices, prices are verified by supervisory staff for contract compliance. Supervisory staff signs corresponding Purchase Order, which serves as the receiving 	<ol style="list-style-type: none"> Trade Supervisor completes a procurement form after identifying goods services required. BSMS verifies that funds are available. Director of Facilities Support approves requisition. Executive Director of Facilities Management approves requisition. Special Assistant logs requisition into Facilities Management backup system. BSMS and Special Assistant reconcile requisitions from their respective databases. SBA signs requisition. Assistant Director of Facilities Support approves requests for materials, services, and/or supplies. Supervisory Staff verifies prices for contract compliance. 	

Facilities Management		
Procedures	Key Controls	Observations
<p>report, and forwards it to BSMS for processing.</p> <p>11. If a partial order is received, 419 Form is submitted to the BSMS indicating the quantities received.</p> <p>12. BSMS logs the information into the database and forwards the purchase report or the 419 Form and the original signed voucher to A/P for processing.</p> <p>13. Stock Clerks and Clerical Staff log items received into School dude.</p> <p>14. Custodial Supervisors submit quarterly inventory counts of custodial supplies to the Assistant BSMS and the Assistant Director of Facilities Support for review. Inventory issues are brought up during bi-weekly Facilities Management meetings.</p> <p><u>Warehouse Distribution:</u></p> <p>15. Trades personnel or SLT Trades Supervisors call to request materials from the corresponding Trades Supervisor at the Facilities Support location.</p> <p>16. The Trades Supervisors request a work order number and fill out a RM11 Form. One copy (white) is filed by the stock clerk, the yellow and pink copies accompany the truck driver, along with the materials.</p> <p>17. The trade's staff signs the RM11 Forms at the school and receive the pink copy.</p> <p>18. Truck driver returns the yellow copy to the stock clerk so delivery can be verified.</p>	<p>10. Special Form is used for receipt of partial items.</p> <p>11. Stock Clerks and Clerical Staff log items received into School dude.</p> <p>12. Assistant BSMS and Assistant Director of Facilities Support review quarterly inventory counts.</p> <p>13. Inventory issues are discussed during bi-weekly Facilities Management meetings.</p> <p>14. Standard form (RM11) is used for material requests.</p> <p>15. Trade's staff signs RM11 form.</p> <p>16. Copy of the RM11 form is returned to stock clerk so delivery can be verified.</p>	

Facilities Management		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. Organizations request to use a NPS facility. 2. Principal Clerk Typist, who is in charge of Applications for Wider Use of School Buildings, receives application or provides application. 3. Principal Typist Clerk notifies Principal of particular school and asks if the facility will be available for the specific date(s). 4. If available, Principal Typist Clerk requests staffing requirements from Security Services and the Principal. 5. Assistant Superintendent reviews and approves application. 6. Executive Director of Facilities Management reviews application and approves it. 7. If approved, Superintendent reviews application and approves it. 8. If approved the organization requesting the use of the facility is notified. 9. Organization pays all fees upfront by submitting a check to the Treasurer of School Moneys and provides insurance certificates. 	<ol style="list-style-type: none"> 1. Principal Typist Clerk ensures that facility will be available. 2. Principal Typist Clerk requests staffing requirements from Security Services and the Principal. 3. Application is approved by Assistant Superintendent. 4. Executive Director of Facilities Management approves application. 5. Superintendent approves application. 6. All fees are paid in advance. 7. Insurance certificates must be provided. 	

Facilities Management		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> All trades workers who use their own car are paid an \$80 flat rate (2006 rate) if they use their car for more than two weeks in a given month and are members of the Trade Union. The reimbursement is part of the agreement between NPS and the Building Trades Council. The rates were \$60 and \$70 for 2004 and 2005, respectively. The SLT notifies Facilities Support of any workers that have not worked for two weeks or more in a given month. Facilities Support sends a list of all trade workers to the Accounts Payable Department indicating who is eligible for the reimbursement for a given month. Accounts Payable Department pays custodial workers. 	<ol style="list-style-type: none"> Trade Council agreement specifies terms of reimbursement. SLT notifies Facilities Support of workers that have not worked for two or more weeks in a given month. Accounts Payable Department receives a list of all eligible workers to be reimbursed. 	<p><i>During our walk-through, we observed the following:</i></p> <ol style="list-style-type: none"> Facilities Support relies on SLTs to provide accurate information about eligibility for reimbursement. SLTs do not confirm how many days' employees used their car in a given month. If Facilities Support does not receive notification from SLTs that all employees within an SLT have worked for more than two weeks during a given month they assume that they did and pays them. Facilities Support does not retain supporting documentation that they receive from SLT on who is qualified to be paid \$80. Facilities Support does not provide supporting documentation to the Accounts Payable Department if someone is paid more than the \$80 in a given month.

Grants Management		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. Grants Director identifies request for proposal (RFP) opportunities for competitive grants on the Internet including educational websites, the Federal Register, and the New Jersey Department of Education (NJDOE) website. 2. Grants Director assesses eligibility of schools/departments for various grants and presents the information to the Deputy Superintendent during a monthly meeting. 3. Board Resolution requesting permission to apply for funding is submitted by the Grants Department. 4. Deputy Superintendent presents to the Superintendent the grants for which the District is eligible. 5. Superintendent approves grants that the Grants Director can discuss with the schools/departments. 6. Grants Director and/or Coordinator of Federal and State Aid send notices to eligible schools/departments of potential grants and begin to set up meetings to discuss. 7. Grants Director summarizes important information from the RFP concerning the grant, such as the goals, objectives, guidelines, and timelines to discuss at the meetings with the schools/ departments. 8. Interested parties prepare for the meeting including preparing a strategic plan. 9. The Grants Director and/or Coordinator of Federal and State Aid start a brainstorming session to outline the goals and objectives of the grant for interested parties within the schools/departments including what is needed to win the grant. The session may include consultants/experts of fields related to the grant. 10. Grants Director discusses at the brainstorming session what is needed to write a successful grant such as data, documentation, and strategic plans. In addition, the Grants Director discusses timelines and establishes deadlines concerning when requested data, documents, and strategic plans must be submitted to the 	<ol style="list-style-type: none"> 1. Grants Director identifies RFP opportunities for grants. 2. Grants Director assesses eligibility of schools/departments for grants. 3. Grants Department submits Board Resolution Board Resolution requesting permission to apply for funding. 4. Superintendent approves grants that the Grants Director can discuss with schools/departments. 5. Notice sent to eligible schools/departments to set up meetings. 6. Strategic plans are prepared. 7. Grants Director establishes deadlines concerning when requested data, documents, and strategic plans must be submitted to the Grants Department. 	

Grants Management		
Procedures	Key Controls	Observations
<p>Grants Department.</p> <p>11. The Grants Department puts the accumulated information in the appropriate grant format and writes the grant.</p> <p>12. Superintendent reviews and signs the grant proposal.</p> <p>13. Grants Department submits the grant to the sponsoring agency either electronically or in paper format.</p>	<p>8. Grant proposal is reviewed and signed by Superintendent.</p> <p>9. Grants Director submits grant to sponsoring agency.</p>	

Grants Management		
Procedures	Key Controls	Observations
<i>A. The Implementation Setup</i>		
1. Grants Department receives a notification that the grant was approved by the sponsoring agency.	1. Sponsoring agency sends notification to the Grants Department that grant was approved.	
2. Grants Department engages in pre-contract negotiations with the sponsoring agency, if necessary. The sponsoring agency provides required revisions of the grant to the Grants Department.		
3. Grants Department revises the grant and sends it back to the sponsoring agency.		
4. The Superintendent forwards grant award letter or contract to the Grants Department.	2. Superintendent forwards grant award letter or contract to the Grants Department.	
5. Grants Department completes an Action Form, which describes the nature of the grant.	3. Grants Department completes Action Form.	
6. Action Form is circulated for review and approval to the School Leadership Team (SLT) or Assistant Superintendent, Deputy Superintendent, and Superintendent.	4. SLT or Assistant Superintendent, Deputy Superintendent, and Superintendent approve the Action Form.	
7. After grants are awarded, the Grants Department sends an email to the Accounting Department requesting a program code for each grant. Emails include details about the grants such as timeline and allowable costs.	5. Accounting Department provides unique program code for the grant and enters the grant into the financial system.	
8. The Grants Department translates the budget approved by the funding party into the District's coding system. The Grants Director signs the translated budget and sends it to the Budget Department which then loads the budget.	6. Grants Director signs the translated budget.	
9. School/department identifies a program manager who will be responsible for overseeing program implementation, purchases, and the preparation of accurate and timely submission of reports, with support of the Grants Department.	7. Program manager is identified by school/department.	
10. Program manager maintains all detailed reports and forms related to the grant.	8. Program manager maintains all detailed reports and forms related to the grant.	
11. Grants Department works on vendor contracts and develops a		

Grants Management		
Procedures	Key Controls	Observations
<p>schedule of full/part-time employees that work for the District but will be paid through the grant, if part of the grant contract. The Grants Department works with Human Resources (HR) regarding personnel issues.</p> <p>12. When the Budget Department receives documentation to process funds transfers within the grant this is provided to the Grants Department to verify that the funds transfer is within the guidelines of the grant. The Grants Director approves every funds transfer document for a grant prior to the Budget Department processing it.</p> <p><i>B. Monitoring Grants and Assisting Involved Parties</i></p> <p>13. Grants Department assists the schools/departments who received the grant in various ways including answering questions and helping them with purchasing and personnel issues to ensure that they stay within the guidelines of the grant.</p> <p>14. Grants Department works together with various parties, including program mangers and monitors the grants progress. This includes comparing the actual spending with the spending guidelines and reviewing the overall grants process.</p> <p>15. If significant variances exist in the grant contract, the Grants Department provides a detailed explanation to the sponsoring agency and might ask for program extension in rare cases.</p> <p>16. During monthly meetings with the Accounting Department, issues such as open POs are discussed meetings between the Grants Department and the involved parties within the District are held during the implementation phase, to ensure that program goals and spending plan are being followed under the grant contract.</p> <p><i>C. Closing Procedures</i></p> <p>17. Grants Department brings grants to a conclusion and reviews the implementation and the overall outcome.</p> <p>18. For multiple-year grants the Grants Department submits multiple interim reports, which are established within the grant contract.</p>	<p>9. Grants Department develops a schedule of full/part-time employees that will be paid through the grant and works with HR regarding personnel issues.</p> <p>10. Grants Department verifies that fund transfers are within guidelines of the grant.</p> <p>11. Grants Director approves every funds transfer prior to the Budget Department processing it.</p> <p>12. Grants Department monitors grants' progress, including comparing the actual spending with the spending guidelines.</p> <p>13. Grants Department provides detailed explanation to the sponsoring agency if significant variances exist.</p> <p>14. Grants Department ensures that grant goals and spending plans are being followed by holding various meetings with involved parties within the District.</p> <p>15. Issues are discussed with the Accounting Department on a monthly basis.</p> <p>16. Grants Department reviews the implementation and overall outcome of grants.</p> <p>17. Grants Department submits multiple interim</p>	

Grants Management		
Procedures	Key Controls	Observations
<p>19. Grants Department closes out the grant by ensuring that all the requirements have been met, that all the items ordered from vendors were actually received, vendors paid, and that the grant met all the goals established by the sponsoring agency.</p> <p>20. Grants Department ensures that grants don't have negative balances.</p> <p>21. Grants Department prepares the final report and provides it to the sponsoring agency and thanks them for the grant.</p>	<p>reports for multiple-year grants.</p> <p>18. Grants Department ensures that all guidelines set by the sponsoring agency have been followed.</p> <p>19. Grants Department ensures that grants don't have negative balances.</p> <p>20. Grants Department prepares final report.</p>	<p>1.</p>

Grants Management		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. The Grants Department has oversight responsibility for tracking revenues associated with grants. 2. The Grants Department requests from the Budget Department on a weekly basis the revenue by line item for each grant. 3. Local grants are often accompanied by checks. Checks are received by the Grants Department and forwarded to the Accounting Department. 4. Some local grants have to be invoiced for payment. These are typically municipal grants. In such instances, the Grants Department prepares detailed documents supporting the claims for payment. The School Business Administrator (SBA) reviews and signs the letters of transmittal. 5. NPS operates federal grants on a reimbursement basis. Therefore, the Grants Department prepares detailed documents that support the claims for payment, so that electronic draw downs from the Federal payment systems occur. 6. The documents are forwarded to the Accounting Department. The Accounting Department does the draw downs from the Federal payment system. 	<ol style="list-style-type: none"> 1. Budget Department sends the Grants Department the revenue by line item of each grant. 2. Grants Department forward checks to the Accounting Department. 3. Grants Department prepares detailed documents supporting claims for payment/reimbursement. 4. SBA signs the letter of transmittal. 5. See Key Control No. 3. 	<ol style="list-style-type: none"> 1. Grants Department currently does not have access to PeopleSoft to review the revenue and has to rely on the Budget Department to provide information about grant revenue to them.

School Activities		
Procedures	Key Controls	Observations
<p><i>Designation of Responsible Officials</i></p> <ol style="list-style-type: none"> 1. Advisors, Coordinators, Sponsors, and Directors, at the high schools, prepare annual budgets and purpose clauses for the activity group and submit a copy to the Principal and the Assistant Superintendent for their School Leadership Team (SLT). 2. The Principal and/or the Assistant Superintendent for their SLT forward the annual budgets and purpose clauses for the activity group to SLT 2. 3. Advisors, Coordinators, Sponsors, and Directors supervise the activities of the activity group, including preparation of fund-raising potentials and proofs of cash. 4. School Treasurer is responsible for maintaining a running balance of the account or fund to facilitate management of the Student Activity account. 5. School Treasurer is responsible for the physical processing and recording of transactions that are subject to the Principal's review and approval. <p><i>Authorized Bank Accounts</i></p> <ol style="list-style-type: none"> 6. School Treasurer is authorized to manage funds through the operation of bank accounts. NPS must formally designate all bank accounts utilized by the District as a depository. 7. An interest bearing checking account is established for the deposit of all student activity fund receipts. 8. The School Business Administrator (SBA), Principal, and School Treasurer are authorized to sign checks from the student activity bank accounts. 9. Two signatures are required on all checks for payment. 10. School Treasurer reconciles bank balance to book balance. 11. Form 69 (Request For Payment), and original supporting documentation, such as an invoice and receipt, are required by persons prior to authorizing Form 69. 12. Each invoice and receipt is marked "PAID" with check number 	<ol style="list-style-type: none"> 1. Annual budgets and purpose clauses prepared for the activity group and submitted to Principal and Assistant Superintendent for their SLT. 2. School Treasurer responsible for maintaining the account or fund to facilitate management of the Student Activity account. 3. School Treasurer processes and records the transactions and Principal approves them. 4. Checking accounts are established for all student activity fund receipts. 5. SBA, Principal, and School Treasurer are authorized to sign checks from the student activity bank accounts. 6. Two signatures are required on all checks for payment. 7. School Treasurer reconciles bank balance to book balance. 8. Form 69 and original supporting documentation is required prior to Form 69 being authorized. 9. Invoices are marked "Paid" with check 	<ol style="list-style-type: none"> 1. Policy indicates that checking accounts are to be interest bearing. The District should be able to negotiate with the banks to provide interest bearing checking accounts for all the schools within District at no charge.

School Activities		
Procedures	Key Controls	Observations
<p>and date paid.</p> <p>13. Pre-numbered checks are utilized.</p> <p>14. School address is the designated address so that all correspondence regarding the checking account will go directly to the school.</p> <p>15. A letter is sent to the bank at the end of the year by the Principal authorizing the bank to send June and July's bank statements directly to the Office of Accounting.</p> <p>16. All books, such as ledgers and journals, are kept at least 10 years or until no longer needed. The books (ledgers and journals) are kept at the respective schools in plastic containers. School name is placed on all four sides of the container for easy identification.</p> <p><i>Preservation and Disposal of Records</i></p> <p>17. State regulations require that other records, such as bank statements and cancelled checks, are not to be destroyed without the prior approval of the State District Superintendent, Board Secretary, the School District auditor and the State of New Jersey. These other records are not to be destroyed no sooner than 10 years after the audit of such records. These records are kept at the perspective school in plastic containers as well.</p> <p><i>Applicable Funds</i></p> <p>18. An activity, drive, or collection are considered part of an activity of an elementary, secondary, high school, or adult education school if it is recognized officially by the Principal and if it is supervised by a designated school official who acts under the direct control of the Principal.</p> <p>19. Each school utilizes sub-accounts in the automated accounting software system, Peachtree, for each activity's collections and disbursements. One sub-ledger is set up to record the receipts and disbursements for yearbooks while another sub-account is used for prom. This is done to prevent the commingling of funds within the class accounts.</p> <p><i>Athletic Funds</i></p> <p>20. The Athletic Director for each school assigns a code number for each type of athletic activity in the respective school. The code is</p>	<p>number and date paid on the invoice also.</p> <p>10. All books, such as ledgers and journals are kept for at least 10 years in plastic containers at the school.</p> <p>11. All other records, such as bank statements and cancelled checks are kept at least 10 years in plastic containers at the schools.</p> <p>12. Each school utilizes sub-accounts in the automated system, Peachtree, for each school activity.</p>	

School Activities		
Procedures	Key Controls	Observations
<p>used when setting up the specific account within the student activity account.</p> <p>21. The athletic funds are deposited into student activity checking account with each school's transaction recorded in their own individual student activity accounts.</p> <p>22. TA summary statement of athletic funds is prepared monthly by the Athletic Director in each school and sent to the Executive Controller.</p> <p>23. If student athletes receive food money when they participate in events away from their school, each student receives the same amount per meal each day.</p> <p>24. Each student signs a Student Food Expense Form each day for food money given to them.</p> <p><i>Student Activity Account Receipts and Disbursements</i></p> <p>25. Revenue derived from activities that are supported by the general student body are added to the school's fund raising account and not diverted to a club, class, or special group. This generally only occurs in grade school and middle school. High school's raise funds by activity instead of for the general student body.</p> <p>26. Bank deposit slips for student activity funds are made in triplicate, an original for the bank and a receipted triplicate for the student activity account records.</p> <p>27. School employee requesting fund raising activity submits a School Request for Approval of Fund Raising Activity Form and a Fund Raising Budget Form to the School Treasurer for review.</p> <p>28. School Treasurer submits the School Request for Approval of Fund Raising Activity Form and Fund Raising Budget Form to the Principal for approval prior to holding the activity/event.</p> <p>29. Principals review and approve the function and submit the forms to the Assistant Superintendent for review and approval.</p> <p>30. After the activity, an Activity Follow-Up Report is completed showing the total receipts, expenses, and the total profit of the activity.</p>	<p>13. Athletic Director assigns a code number for each type of athletic activity.</p> <p>14. Athletic funds are deposited into the school activity checking account with transactions being recorded under the athletic activity.</p> <p>15. A summary statement of athletic funds is prepared monthly by Athletic Director for each school and sent to the Executive Controller.</p> <p>16. Each student signs a Student Food Expense Form for each day receive food money.</p> <p>17. Deposit slips are made in triplicate.</p> <p>18. To request a fund raising activity it must be submitted on a School Request for Approval of Fund Raising Activity Form and Fund Raising Budget Form to the School Treasurer.</p> <p>19. School Treasurer submits it to the Principal for approval.</p> <p>20. Principal submits it to the Assistant Superintendent for approval.</p> <p>21. Activity Follow-Up Report is completed</p>	<p>2. During the walk-through we discovered that the money collected for admissions to football games is deposited in the general fund account at the Central Office by the Office of Accounting. The ticket manager for the school football games brings the unused tickets along with the money collected to the Office of Accounting.</p>

School Activities		
Procedures	Key Controls	Observations
<p>31. The form is signed by the Principal and then submitted to the Assistant Superintendent for his/her records.</p> <p><i>Receipt Process</i></p> <p>32. The receipt and collection of funds are evidenced by the completion of a 3-part cash receipt form 68 signed by an officer, teacher, or employee accepting the funds. Form 68 is stapled to the deposit slip.</p> <p>33. Each Advisor, Coordinator, Sponsor or Director is issued a separate cash receipt book by the Principal, and is held accountable for those books.</p> <p>34. Receipts are pre-numbered and include: (1) date of the receipt, (2) name of school, (3) name of remitter, (4) source or purpose of amount received, (5) identification of event and applicable student activity account, (6) amount received, (7) checked off as either cash or check, and (8) signature and title of the person that collected the funds.</p> <p>35. The 3-part form is completed at the time of the receipt of funds.</p> <p><i>Fund Raising and Event Cash Collections</i></p> <p>36. Advisors, Coordinators, Sponsors, or Directors are to turn over all cash collected from students/donors along with a summary of the cash collected. All cash must be deposited within 48 hours of being collected. The Cash Receipts Reconciliation Report (CRRR) includes the following: (1) name of the school, (2) location code, (3) period of time of the collection of the money, (4) description of the fund-raising event and applicable student activity account, (5) receipt number, (6) name of student/donor, (7) amount of money collected, and (8) Treasurer's receipt number.</p> <p>37. The Treasurer provides the Activity Funds Availability Report (AFAR) to the Advisors, Coordinators, Sponsors, or Directors when they provide the CRRR. The AFAR includes the following: (1) school name, (2) advisor name, (3) fiscal year, (4) date of event, (5) amount collected, (6) expense description, (7) expense incurred, and (8) available funds.</p> <p>38. Advisors, Coordinators, Sponsors or Directors complete the CRRR and request that the School Treasurer sign for the cash received and issue an official receipt Form 68.</p>	<p>showing the profit for the activity.</p> <p>22. The Activity Follow-Up Report is submitted to the Principal and provides it to the Assistant Superintendent.</p> <p>23. Receipt and collection of funds is completed with a 3-part cash receipt form 68, which is signed by officer, teacher, or employee accepting funds.</p> <p>24. A separate cash receipt book is issued by the Principal and those that receive them are responsible for them.</p> <p>25. Form is completed at time of receipt.</p> <p>26. Money is to be given to the School Treasurer within 48 hours of the money being collected so it can be deposited.</p>	

School Activities		
Procedures	Key Controls	Observations
<p>39. All funds received are entered into Peachtree, an automated accounting software system using the detail contained in the control file copy of the issued receipts. The following information is entered directly from the pre-numbered receipts: (1) date, (2) name of remitter, (3) receipt number, (4) event and applicable student activity account, and (5) amount received.</p> <p><i>Cash Disbursements for Student Activity Funds</i></p> <p>40. Disbursements of school funds are made by pre-numbered checks.</p> <p>41. Disbursements require the signature of the School Treasurer of the school, the Principal, and/or the SBA. Two signatures are required.</p> <p>42. Disbursements must have supporting documentation attached to Request for Payment (Form 69).</p> <p>43. A Principal cannot sign Request for Payment (Form 69) for his/her own expenditures. The request for disbursement is submitted to the SBA or the Assistant School Business Administrator (ASBA) of Finance or the ASBA of Operations.</p> <p><i>Teacher's Discretionary Funds</i></p> <p>44. Principals submit a list of the names and titles of each Teachers and Nurses eligible for Discretionary Funds to the Executive Director of Human Resources Services (HR) on or before October 1 of each year.</p> <p>45. HR compares the list with teaching and nursing positions shown on the organization chart approved in September of each year.</p> <p>46. Once HR verifies the list, it is forwarded to the Accounts Payable Department (A/P) to be printed. The checks are to be picked up by the Principal or the School Treasurer.</p> <p>47. District allots each approved Teacher and Nurse a certain amount of discretionary funds. The discretionary funds amount allocated to each teacher/nurse is \$80.</p> <p>48. Principals receive a check from the District encompassing the total amount for all eligible Teachers and Nurses in that school.</p> <p>49. Principal deposit the funds into the student activity checking</p>	<p>27. CRRR are completed by the Advisors, Coordinators, Sponsors, or Directors with the School Treasurer signing for the cash received.</p> <p>28. All funds received are entered into the software system, Peachtree by the School Treasurer.</p> <p>29. Disbursements are made on pre-numbered checks.</p> <p>30. Disbursements require two signatures.</p> <p>31. Principal cannot sign Request for Payment for his/her own expenditures. The request for disbursement is submitted to the SBA or the ASBA of Finance or the ASBA of Operations.</p> <p>32. Principal submit list of names and titles of Teachers and Nurses eligible for Discretionary Funds to Executive Director of HR.</p> <p>33. HR compares the list with teaching and nursing positions on the organization chart.</p> <p>34. The list is forwarded to A/P to print the checks.</p> <p>35. Checks are to be picked up by the Principal or the School Treasurer.</p> <p>36. Each approved Teacher and Nurse are allocated \$80.</p>	

School Activities		
Procedures	Key Controls	Observations
<p>account. Discretionary Funds must be recorded separately and in the Discretionary Funds ledger in the same manner as all other designated funds.</p> <p>50. Discretionary Funds are to be used to purchase items, which will supplement teacher instruction that directly affect his/her work with pupils. Only instructional staff with direct student contact on a daily basis is eligible for these funds.</p> <p>51. Each Teacher and Nurse has a set amount of money to spend but requests for reimbursement cannot be made more than two times per year.</p> <p>52. Teachers and Nurses, within the same school, may pool their monies together to purchase items for a common subject matter. If this occurs, the check is made payable to the vendor. Documentation is maintained and attached to the files to support the expenditure for all the teachers involved in the purchase.</p> <p>53. Teachers and Nurses must complete a Discretionary Request Form and attach all receipts to the form for reimbursement.</p> <p>54. Principal submits a Report on the Use of Discretionary Funds each year that shows the total amount of funds utilized.</p> <p>55. Discretionary funds not utilized by year-end are returned to the District.</p> <p>56. Principal issues a check payable to NPS at year-end for all unexpended Discretionary Funds.</p> <p>57. The Office of Accounting deposits the money into the general fund account.</p> <p>58. Executive Controller approves expenditures for equipment of a capital nature.</p> <p>59. Discretionary Funds cannot be used for: (1) purchasing textbooks, (2) food, (3) replacement of personal property, and (4) personal donations.</p> <p>60. The Teachers and Nurses submit their receipts to the Principal for reimbursement. These receipts must be the original receipts with the company name, address, date of purchase and a</p>	<p>37. The check is deposited into the student activity checking account and recorded on a separate ledger than the school activities</p> <p>38. Requests for reimbursements cannot be made more than 2 times a year.</p> <p>39. A Discretionary Request Form is completed with receipts attached for a Teacher or Nurse to be reimbursed.</p> <p>40. Principal submits a Report on the Use of Discretionary Funds each year.</p> <p>41. If funds are not utilized by year-end, it is returned to the District.</p> <p>42. Principal issues a check payable to NPS at year-end for all unexpended Discretionary Funds.</p> <p>43. The Office of Accounting deposits the money into the general fund account.</p>	

School Activities		
Procedures	Key Controls	Observations
<p>detailed description of the purchase.</p> <p>61. Principal reviews the request and signs it if he/she approves the expenditure.</p> <p>62. The Office of Accounting reviews the records of the school and supporting documentation to ensure that Discretionary Fund reimbursements are being properly approved and utilized in accordance with District policy.</p> <p><i>Request For Payment</i></p> <p>63. Request for Payment contains the following information: (1) date, (2) name of school, (3) payee, (4) amount, (5) description of services rendered or materials received, (6) account number, (7) check number, and (8) signature of the principal.</p> <p>64. Vendor invoice and other supporting documentation are stapled to Form 69.</p> <p>65. The invoice, the date and number of check is documented.</p> <p>66. Invoices are stamped PAID.</p> <p>67. Stapled supporting documents are filed chronologically.</p> <p><i>Cash Disbursements Daily Computer Entry</i></p> <p>68. Disbursements are entered daily in the automated accounting system, Peachtree, based on information contained in the checkbook and the paid voucher file. The following information is entered with respect to each disbursement: (1) check date, (2) name of payee, (3) check number, (4) amount, and (5) account for that event, fund or activity.</p> <p><i>Checkbook</i></p> <p>69. Running balance of the checkbook agrees with the corresponding balance in the trail balance cash account.</p> <p>70. This balance is reconciled with the bank statement monthly.</p> <p>71. Principals and School Treasurers for the Principals Petty Cash issue checks up to \$150 for emergencies, small purchases and single purchases only.</p> <p>72. If a check is posted in the automated accounting system but has</p>	<p>44. Teachers and Nurses submit their receipts to the Principal for reimbursement.</p> <p>45. Principal approves the expenditure.</p> <p>46. Vendor invoice and other supporting documentation are stapled to Form 69.</p> <p>47. Invoices are stamped PAID.</p> <p>48. Disbursements entered daily into Peachtree based on information in the checkbook and paid voucher file.</p> <p>49. Balance in the checkbook agrees with the corresponding balance in the trail balance.</p> <p>50. These balances are reconciled monthly when the bank statement is received.</p> <p>51. Principals and School Treasurers can issue checks only up to \$150.</p>	

School Activities		
Procedures	Key Controls	Observations
<p>not yet been issued, the person writes VOID across the check, tears out the signature section from the check, and staples the check to the stub.</p> <p>73. Adjustments made in the automated system to restate the cash balance and reverse the charge to the applicable account are done by debiting cash and crediting the specific account originally charged when the check was posted.</p> <p><i>Financial Reporting</i></p> <p>74. On a daily basis, receipts and disbursements are recorded by individual schools.</p> <p>75. On a monthly basis, the School Treasurer completes the trial balance, which shows the amounts that have accumulated to date and also proves that the books are in balance.</p> <p>76. All School ledgers have grand totals for both debit and credit columns. Balances in the ledgers equal the checking account.</p> <p>77. Ending cash balance agrees with the cash balance as reconciled by the School Treasurer.</p> <p>78. School Treasurer prints a final trial balance from the automated accounting system, Peachtree, at the end of each month after the account is reconciled.</p> <p>79. School Treasurer prepares bank reconciliation at the end of each month. Bank charges are recorded through adjusting entries to the general ledger. The bank reconciliation reflects all reconciling items to bring the bank and book balances into exact agreement.</p> <p>80. School Treasurer submits the Treasurer's Report showing the beginning balance, activity, and ending balance for each fund to the Office of Accounting. The figures should be aligned straight across the report. The report is prepared from the Cash Receipts and Cash Disbursements Journals and forwarded, along with bank reconciliations, and General Trial Balance by the 15th of each month or the next business day.</p> <p>81. The Principal completes a "Designated Funds Balance Remittance Form" to close out the Designated Funds Balance at the end of the year. The Principal is writing one check covering the total of the balances remitted. If the school did not have any designated funds, the form still must be submitted and noted "No</p>	<p>52. School Treasurer completes the trail balance on a monthly basis.</p> <p>53. Balances in the school ledgers are equal to the checking account balance.</p> <p>54. School Treasurer prepares the bank reconciliation at the end of each month.</p> <p>55. School Treasurer submit's the Treasurer Report showing the beginning balance, activity during the month, and ending balance for each fund to the Office of Accounting by the 15th of each month or the next business day.</p>	

School Activities		
Procedures	Key Controls	Observations
<p>Designated Funds.”</p> <p>82. School Treasurer submits the Annual Treasurer’s Report to the Office of Accounting. This report is due by the last school day.</p> <p><i>Backup of School Financial Records</i></p> <p>83. The School’s financial records are backed up on the USB drive.</p> <p>84. The Annual Treasurer’s Report and Internal School Account Bank reconciliation is backed up on the USB drive.</p>	<p>56. Principal completes a “Designated Funds Balance Remittance Form” to close out the Designated Funds Balance.</p> <p>57. Principal writes one check covering the total of balances remitted.</p> <p>58. School Treasurer submits the Annual Treasurer’s Report to the Office of Accounting.</p> <p>59. School’s financial records are backed on the UBS drive.</p> <p>60. The Annual Treasurer’s Report and Internal School Account Bank reconciliation is backed up on the USB drive.</p>	

Technology		
Procedures	Key Controls	Observations
<p>System Access for Systems 3000 (Note: Systems 3000 is currently being replaced by PeopleSoft)</p> <p>New System User</p> <ol style="list-style-type: none"> 1. Department Head/Principal requests a network account from Information Services (ISD) Customer Support. 2. Department Head/Principal sends an email to the Accounting Department and requests access to the Systems 3000 software. The Accounting Department sets users up within Systems 3000. 3. Accounting Department notifies ISD of the new user and requests that ISD makes the software available. <p>Existing Employee</p> <ol style="list-style-type: none"> 4. Change from Production Side to Citrix Side: permissions in Production Side are revised and Citrix user created. ISD Customer Support must be emailed by supervisor or Accounting Department to set up Citrix account and remove Production account. 5. Change from Citrix Side to Production Side: Citrix ID is removed and Production Side Only permissions are revised. ISD Customer Support must be emailed by supervisor or the Accounting Department to set up a Production account and remove Citrix account. <p>System Access (Creation of New PeopleSoft Security Roles)</p> <ol style="list-style-type: none"> 6. The Assistant Superintendent for Human Resources, and/or the Chief Operations Officer (COO) determine whether a Department needs access to a PeopleSoft application. 7. Chief Information Officer (CIO) receives request for establishment of a New PeopleSoft Security Role and ensures that such role is established by the Information Services Department (ISD) PeopleSoft Security Administrator. 8. ISD PeopleSoft Security Administrator meets with User Department Manager and reviews the page access and the 	<ol style="list-style-type: none"> 1. Email request from Department Head/Principal Requesting Network Access must be received by customer support before a network account is created 2. Email request from Department Head/Principal Requesting Access for System 3000 access must be received by the Accounting Department before a user is granted application permissions and profile 3. Accounting Department must email Customer Service to install software 4. Supervisor or Accounting Department must email ISD Customer Support to get permission for Citrix Account set up and Production account removal 5. Supervisor or Accounting Department must email ISD Customer Support to get permission for Production Account set up and Citrix account removal 6. Request for New PeopleSoft Security Role is completed by Assistant Superintendent of HR (ASHR), or COO. 7. PeopleSoft Security Manager submits Security Role recommendation. User 	

Technology		
Procedures	Key Controls	Observations
<p>actions required. The Administrator submits a Security Role Recommendation to the User Department Manager and the Local Security Officer.</p> <p>9. New Security Role and associated permissions list are created or an existing Security Role is utilized.</p> <p>10. User Department Manager signs off on Security Role Recommendation.</p> <p>11. Recommendation is forwarded to Assistant Superintendent for HR and COO for review and signoff.</p> <p>12. The ISD PeopleSoft Security Administrator implements the proposed Security Role in a PeopleSoft test environment (HBKP) for user acceptance testing.</p> <p>13. The User Department Manager and staff test the PeopleSoft Access granted by the Security Role. The User Department Manager as well as the Local Security Officer sign off to indicate user acceptance.</p> <p>14. The ISD PeopleSoft Security Administrator implements the new Security Role in the PeopleSoft Production application environment after receiving a further signoff from either the Assistant Superintendent for HR, the CFO, or the COO.</p> <p>System Access Requests (User Access)</p> <p>15. Local Security Officer submits a request that a User ID be created or changed. A ticket number is created.</p> <p>16. The request is forwarded to the ISD Customer Support and assigned to the ISD PeopleSoft Security Administrator.</p> <p>17. The ISD PeopleSoft Security Administrator meets with the User Department Local Security Officer and reviews the web page access and actions requested to be authorized for the staff member.</p> <p>18. The employee's workstation is checked to see if the PeopleSoft browser software (Internet Explorer) needs to be installed.</p>	<p>Department Manager signs off on security role recommendation.</p> <p>8. ASHR and/or COO sign off on recommendation.</p> <p>9. User Department Manager and Local Security Officer sign off on user test results.</p> <p>10. ASHR, CFO, or COO sign off on the creation of a new PeopleSoft security profile.</p> <p>11. Help Desk ticket created requesting creation or removal of user access.</p>	

Technology		
Procedures	Key Controls	Observations
<p>19. The ISD PeopleSoft Security Administrator fills out a Request for PeopleSoft Production User ID form, signs the form and forwards it to the User Department Local Security Officer.</p> <p>20. The ISD PeopleSoft Security Administrator implements the new User ID in a test environment (HBKP) for user acceptance testing.</p> <p>21. The User Department Local Security Officer and staff test the PeopleSoft access to the new User ID. The Local Security Officer signs off on the Request for PeopleSoft Production User ID form after user acceptance.</p> <p>22. The ISD PeopleSoft Security Administrator implements the new User ID in the Production PeopleSoft application environment.</p> <p>23. The initial password assigned to the employee is provided by the Security Administrator who formulates a procedure to generate initial passwords. The eight character PeopleSoft password includes the Month and Day that the password was assigned to the user. The employee is expected to change to the initial password after successfully logging into the application.</p> <p>24. The ISD PeopleSoft Security Administrator provides a copy of the signed off Request for PeopleSoft Production User ID form to the User Department Local Security Officer.</p> <p>Network Account Review</p> <p>25. At the beginning of each school year, Principals and Department Heads are provided with a spreadsheet that lists the people at their schools or in their departments with access to the NPS network system.</p> <p>26. The Principal or Department Head then reviews the list and marks all individuals who are no longer working under their supervision and returns the spreadsheet to ISD Network Services.</p> <p>27. ISD Network Services removes employees' system access based on Principals' and Department Heads' comments on the</p>	<p>12. Local Security Officer signs off on the Request for PeopleSoft Production User ID after the completion of User Acceptance Testing (UAT).</p> <p>13. ISD PeopleSoft Security Administrator implements the new user ID in Production after receiving the form.</p> <p>14. Principals and Department Heads review spreadsheet.</p> <p>15. ISD Network Services removes employees' system access based on information received from Principals and Department</p>	

Technology		
Procedures	Key Controls	Observations
<p>spreadsheet.</p> <p>Terminations</p> <p>28. The Human Resources' PeopleSoft System automatically notifies the CIO, via email, that an employee is being terminated.</p> <p>29. The CIO generates two Customer Support tickets: one to disable access to the account on the day of separation, and one to delete the account 30 days after the employee's separation date.</p> <p>Security Review</p> <p>30. Every two weeks the ISD PeopleSoft Security Administrator checks a list of User IDs with their initial passwords that were created since the last inspection.</p> <p>31. Security Administrator attempts to log into the PeopleSoft application using each User ID with its initial password. If a successful logon is accomplished, the User ID password is changed.</p> <p>32. Security Administrator notifies the User Department Local Security Officer per e-mail of the password change. The user is required to change the password.</p> <p>PeopleSoft Security Report Review</p> <p>33. On a monthly basis, the ISD PeopleSoft Security Administrator provides each User Department's Local Security Officer with a report showing PeopleSoft User IDs.</p> <p>34. The Local Security Officer notifies the ISD PeopleSoft Security Administrator per e-mail of User IDs that are no longer valid (Removal List).</p> <p>35. The ISD PeopleSoft Security Administrator removes employees after the Local Security Officer signs off on and returns the Removal List.</p>	<p>Heads.</p> <p>16. CIO notifies helpdesk of user terminations and account is first suspended and then terminated if necessary.</p> <p>17. Every two weeks, the ISD PeopleSoft Security Administrator validates that initial user assigned password has been changed. If not password is changed and user is notified.</p> <p>18. ISD PeopleSoft Security Administrator removes invalid user IDs after Local Security Officers sign and return their respective lists.</p>	

Technology		
Procedures	Key Controls	Observations
System Upgrades		
<p>36. Requests for projects originate from members of the PeopleSoft Application Community in response to a business need or from the PeopleSoft Application Software Vendor as part of regular software maintenance and upgrades.</p> <p>37. Requests for projects are recorded on the Newark Public Schools Project Request Form.</p> <p>38. Director approves project and completes the form for user initiated projects. Director submits the document to PeopleSoft Application Support Staff members when the source of the project is the PeopleSoft Application Software Vendor.</p> <p>39. Upon receipt of the Project Request Form, the PeopleSoft Application Support Staff members provide the project name, magic ticket tracking number, name of resource assigned, and date assigned.</p> <p>40. Specifics of the change are identified, logged, and defined.</p> <p>41. Programmer utilizes the required development tools in the PeopleSoft HDEV Data Base Environment to create a PeopleSoft Project.</p> <p>42. PeopleSoft Objects, SQR, or CRYSTAL Programs developed to meet project specifications are linked to the project name.</p> <p>43. Programmer conducts Unit Testing of the Solution PeopleSoft HDEV Data Base Environment and then migrates the project solution in the PeopleSoft TEST (HTST) Data Base Environment.</p> <p>44. User Acceptance Testing is conducted by PeopleSoft Support Group Project Management Functional Staff member in collaboration with the User Department Staff.</p> <p>45. Programmer conducts System Test. Project Management Functional Staff Member reviews System Testing Results.</p> <p>46. User Acceptance Test (UAT) conducted by the PeopleSoft</p>	<p>19. Project Request form completed and signed by requestor and Department Head/Director.</p> <p>20. Magic Help Desk ticket created.</p> <p>21. Newark Public Schools Project Request Form attached to Magic ticket.</p> <p>22. Project Name, PeopleSoft Objects, SQRs, and Crystal Programs are grouped together.</p> <p>23. Unit Test results are reviewed and signed off.</p> <p>24. System Test results are reviewed and signed off.</p> <p>25. UAT results are reviewed and signed off.</p>	<p>1. Exit Stage details and Authority required for sign off of user test are not explicitly defined.</p> <p>2. Exit Stage details and Authority required for sign off of system test are not explicitly defined.</p> <p>3. Exit Stage details and Authority required for sign off</p>

Technology		
Procedures	Key Controls	Observations
<p>Support Group Project Management Functional Staff in collaboration with USER Department Staff</p> <p>47. Programmer completes Newark Public Schools Project Migration Form.</p> <p>48. PeopleSoft Operations Personnel move project to the PeopleSoft Production Environment HPRD.</p> <p>49. Programmer submits additional documentation required by the PeopleSoft Operations Staff.</p> <p>50. Projects are implemented on Monday, following the pay week.</p> <p>51. If the decision is made that the project will be implemented on a different day, the box for priority must be checked on the Migration Form and additional, Executive Level, authorization signatures must be obtained.</p> <p>52. PeopleSoft Operations Staff completes a backup of the current production environment before changes are applied.</p>	<p>26. Newark Public Schools Project Migration Form completed and signed off.</p>	<p>of UAT are not explicitly defined.</p> <p>4. Authority required for sign off of Newark Public Schools Project Migration Form is not explicitly defined.</p> <p>5. Authority required for sign off of alternate day migration is not explicitly defined.</p>

Technology		
Procedures	Key Controls	Observations
<p>Disaster Recovery (DR) Plan</p> <p>53. A disaster recovery site at Camden Middle School has been established to enable NPS to operate its mission critical application, HR/Payroll system, in the event of a catastrophic disaster at 2 Cedar St. This Facility is comprised of a 16-seat computer lab connected to NPS's network during a non-disaster mode of operation.</p> <p>54. In addition, a remote computing facility was established at Ciber Network Services in Edison, NJ where HR/Payroll applications are housed in a compact server farm owned by NPS.</p> <p>55. The connection between the Camden Middle School network and its counterpart in Edison is accomplished through a dedicated fractional T1 line. The application level connection between the PCs at Camden Middle School and the servers in Edison is accomplished using Citrix Metaframe.</p> <p>56. In case of a disaster, the first step is to connect the PCs at Camden Middle School to the Disaster Recovery Network.</p> <p>57. Data Entry Environment is established on the Disaster Recovery Network to allow the completion of the data entry and verification component of the payroll process before the work is submitted to the Payroll Processing Application.</p> <p>58. Subfinder data is extracted from the previous night's nightly backup tape and loaded into PeopleSoft.</p> <p>59. Payroll is processed. Checks and direct deposit slips are printed and delivered to the Payroll Department.</p> <p>60. The disaster recovery plan is tested quarterly.</p> <p>Server Backups</p> <p><i>Central Office Backups:</i></p> <p>61. All servers and applications are backed up nightly Monday through Friday.</p>	<p>25. NPS owned DR Site exists for Mission Critical Systems in case of disaster.</p> <p>26. Vendor provided DR site outside of Newark exists where critical applications are housed in another server if needed.</p> <p>27. DR testing is conducted, results reviewed, and processes refined.</p> <p>28. Backup activities are reviewed on a daily basis.</p>	<p>6. Authority and Procedures for declaring a disaster are not explicitly defined in the plan. These may be defined elsewhere in a NPS wide Business Continuity Plan (BCP).</p> <p>7. Results from quarterly DR testing are not kept from an audit trail and organizational knowledge transfer perspective.</p>

Technology		
Procedures	Key Controls	Observations
<p>62. Backup job logs are reviewed daily through ArcServe to validate that the backups have been completed successfully.</p> <p>63. The Central Office Friday nightly server backup tapes are stored at an offsite location (Archive Systems, Inc., Richfield, NJ) every Monday and rotated every two weeks. Monday through Thursday tapes are sent daily to the Dayton Street Network Center, and rotated every two weeks. The tapes are stored in a fireproof vault.</p> <p>64. Monthly backup tapes are archived at Archive Systems for twelve months and then rotated back into production. All backup tapes are labeled with server location, date, and time.</p> <p>65. Backup Tape media is replaced every two years.</p> <p>66. The District maintains individual backup copies of each of its base server configurations totaling approximately 200 (80 remote and 120 within the Central Office).</p> <p>67. Undeleted software has been installed on the Central Office home user directory server to allow for recovery of the District user data in the event that it needs to be recovered immediately after deletion.</p> <p><i>School Backups (Administrative)</i></p> <p>68. Administrative servers and applications are backed up nightly Monday through Friday.</p> <p>69. Each school is responsible for administrative server backups. The Principal designates the person that is responsible for the backups and for replacing tapes for backups.</p> <p>70. Backup tapes are stored on site at the school.</p> <p>71. SASI data replication occurs nightly from the school servers to a Central Office server, allowing for the recovery of critical data.</p>	<p>29. Backup tapes are stored off site in a fire proof location.</p> <p>30. Backup tapes are created at each school</p>	<p>8. Creation of backup tapes at schools is not monitored centrally.</p> <p>9. School-based backup tapes are not stored offsite.</p>

Technology		
Procedures	Key Controls	Observations
<i>School Backups (Instructional)</i>		
72. Instructional education servers and applications in the schools are backed up Monday through Friday.		
73. Incremental backups (changes only) are performed Monday through Thursday and a full server backup is performed on Fridays and the last day of the month.		
74. Technology coordinators are responsible for backing up administrative and instructional educational servers at schools.		
75. Instructional server backup tapes are rotated weekly, and monthly backup tapes are stored offsite by the school technical coordinator.		
<i>System Security</i>		
76. NPS utilizes a firewall provided by Checkpoint and a proxy server. Inbound traffic is terminated directly at the proxy server before it reaches the desktop, and runs scripts that lock down the browser on desktops.	31. Access to the network is protected via Firewall and Proxy Server controls.	
77. NPS uses Symantec (and InoculateIT , from which it is transitioning as their antivirus). The antivirus is updated on every PC throughout the district on a daily basis. Every Friday, all PCs are scanned for viruses. The virus protection cannot be deactivated.	32. Virus protection is provided and regularly updated for each PC.	
<i>Training</i>		
78. Every new employee has to attend a training session correspondent with his/her future application authorization before access is granted.	33. Basic PeopleSoft training is provided to each user.	
79. Optional training sessions are communicated through emails. Every district employee is welcome to attend sessions which might be required for certain employees by their Principals and/or Department Heads.		
80. PeopleSoft is currently being implemented. All employees		

Technology		
Procedures	Key Controls	Observations
were/will be trained based on their level of access.		
Monitoring of Interfaces		
81. Systems Engineer runs a Structured Query Report (SQR) daily to monitor the interface between Subfinder and PeopleSoft. The report is run daily and lists all new substitute hires, retirements, terminations, and exceptions.	34. System Engineer runs SQR on a daily basis.	
82. Systems Engineer runs the SQR and provides HR with the corresponding exceptions report (i.e., missing hire data, incomplete SSN).	35. System Engineer reviews SQR.	
83. Systems Engineer also run SQR that create exception reports used to monitor District employees' information concerning hours worked (full time employees' absences and substitutes' hours) by running a variety of error reports.	36. IT Department runs a variety of reports to monitor that District employees' hours are uploaded into PeopleSoft accurately.	
84. System Engineer forwards exception reports to the Payroll Office.		
85. The Payroll Office is responsible for correcting the error or forwarding the report to HR or Subfinder consultants as applicable.		

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<i>Purchasing Department Responsibilities</i>		
1. Fixed assets purchase initiated by a completed requisition order.	1. Requisition order initiated for a fixed asset.	
2. Initiator must ensure the following regarding the requisition prior to seeking approvals: (1) fund verification, (2) budget year determination, (3) budget account code, (4) description of items, services, up-to-date costs and catalog numbers, (5) shipping costs, (6) delivery address, (7) total costs of all items being requisitioned, (8) state contract orders, and (9) bids or quotations.	2. Initiator ensures that requisition is completed.	
3. Completed requisition packages are signed, approved, and forwarded to the Purchasing Department.	3. Approved requisition packages are forwarded to the Purchasing Department.	
4. Purchasing Clerk stamps the requisition and distributes it to a Purchasing Supervisor.	4. Purchasing Clerk stamps the requisition.	
5. Purchasing Supervisor performs a quick review of the requisition, assigns a Buyer to the requisition, and provides it back to the Purchasing Clerk.	5. Purchasing Supervisor assigns Buyer.	
6. Purchasing Clerk performs a cursory review of all requisitions prior to entering them into PeopleSoft, the automated system to ensure that: (1) requisition is signed, (2) shipping charges are included, (3) appropriate requisition form was used, (4) information on the requisition is correct and complete, and (5) if handwritten, the requisition is legible. Requisition for fixed assets must have an object code of 73x.	6. Purchasing Clerk ensures requisition is complete and enters the requisition into PeopleSoft.	
7. Buyers finalize and commit requisitions on PeopleSoft by creating a preliminary purchase order (PO). Buyers enter into the system: (1) vendor number, (2) type of procurement, (3) cost, and (4) detailed description of the fixed asset.	7. Buyer commits requisition by creating a preliminary PO.	
8. For a fixed asset, the Buyer will create the fixed asset by selecting the Print Detail Asset tab to input the fixed asset and asset description in PeopleSoft.	8. Buyer creates fixed asset in PeopleSoft.	
<i>Accounts Payable Department Responsibilities</i>		
9. A/P will complete a 3-way match with the PO, receiving report, and invoice. Orders for fixed assets cannot be paid without the signed receiving copy.	9. A/P completes a 3-way match. To pay a fixed asset invoice must have a signed receiving report.	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>10. If the Purchasing Department entered the pertinent information for the fixed asset into the Fixed Assets Tab in the purchasing system, the payment will automatically record the fixed asset in the Fixed Assets module.</p> <p><i>Fixed Assets Department Responsibilities</i></p> <p>11. On a daily basis, the Fixed Assets Department runs reports in the system for accounts with object codes 73x in order to review what new fixed assets were received within the District.</p> <p>12. For new fixed assets, the Fixed Assets Department will verify its location and schedule a visit to the location to tag the fixed asset.</p> <p>13. Once fixed assets are tagged, the Fixed Assets Department updates the fixed assets subsidiary ledger within PeopleSoft with the information obtained from the tagging process such as make, model, serial number, tag number, and verify that the existing data is proper that is in the system.</p> <p><i>Reconciliation With Budgetary Accounts</i></p> <p>14. Monthly, the expenditures charged to the budgetary account codes in funds 12, 15, 20, and 30 should be reconciled to the additions to the fixed asset inventory.</p> <p>15. Fixed Assets Department investigates differences with the Office of Accounting to determine the cause of stated differences and to reconcile the reports.</p> <p>16. Fixed Assets Coordinator prints: (1) Fixed Assets Report by Fund and (2) Check Register.</p> <p>17. Fixed Assets Coordinator reviews the above two documents by (1) comparing total expenditures charged to funds 12, 15, 20, and 30 with the fixed assets addition by fund, (2) documenting any differences and investigate whether the items are capitalizable, (3) updating the fixed assets module/subsidiary ledger, and (4) performing tagging procedures.</p> <p>18. Monthly review process is reviewed by the Fixed Assets Supervisor.</p> <p><i>Annual Reporting</i></p> <p>19. Fixed Assets Supervisor meets with the Design and Construction Department personnel and requests all fund 30 projects to be</p>	<p>10. Fixed Assets Department runs reports with object codes 73x to review new fixed assets received within the District.</p> <p>11. Fixed Assets Department verifies the location of the fixed asset and schedules a visit to tag fixed asset.</p> <p>12. Fixed Assets Department updates fixed asset subsidiary ledger after fixed asset is tagged.</p> <p>13. Fixed Assets Department reconciles expenditures charged to budgetary account codes in funds 12, 15, 20, and 30 for additions to the fixed assets inventory.</p> <p>14. Fixed Assets Department investigates and reconciles differences with the Office of Accounting.</p> <p>15. Fixed Assets Coordinator reviews the Fixed Assets Report Fund and Check Register to ensure all fixed assets are tagged and recorded.</p> <p>16. Fixed Assets Supervisor reviews the monthly review process that is performed by the Fixed Assets Coordinator.</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>reviewed to determine if any of the ongoing projects were completed.</p> <p>20. Design and Construction Department prepares a schedule of total expenditures from fund 30 less projects still open as of June 30. The schedule from the Design and Construction Department must total "Projects to be transferred out of Construction in Progress."</p> <p>21. The Office of Accounting analyzes and determines the classification of the assets, i.e. buildings, building improvements, etc.</p> <p>22. The Office of Accounting provides to the Fixed Assets Supervisor amounts of various classifications to be entered into PeopleSoft. Information entered includes: (1) acquisition date, (2) cost, (3) estimated useful life, and (4) salvage value, if any.</p> <p>23. Fixed Assets Department produces the Fixed Assets Depreciation reports.</p> <p>24. The Fixed Assets Depreciation reports are reviewed for completeness and accuracy by the Fixed Assets Supervisor.</p> <p>25. Fixed Assets Department delivers the reports to the Office of Accounting for final review and approval.</p> <p>26. The Office of Accounting provides to the auditors the Fixed Assets Depreciation reports to be included in the District's CAFR.</p> <p><i>The Office of Accounting Responsibilities</i></p> <p>27. The Office of Accounting ensures that the fixed assets subsidiary ledger and corresponding accounts in the general ledger (fund 80) are in agreement.</p> <p>28. The Office of Accounting, on a quarterly basis, reviews budgetary account codes (73X object codes) to ensure that they are flagged as fixed assets accounts.</p> <p><i>Fixed Asset Inventory Procedures</i></p> <p>29. Fixed Assets Supervisor sends the Fixed Assets Year-End Report to the Principal/Department Head of each school to update the system records.</p>	<p>17. Design and Construction Department reviews total expenditures from fund 30 less projects annually.</p> <p>18. The Office of Accounting provides fixed asset classifications to be input in Fixed Assets System by the Fixed Asset Supervisor.</p> <p>19. Fixed Assets Supervisor reviews Fixed Assets Depreciation Report.</p> <p>20. Office of Accounting approves Fixed Assets Depreciation Report.</p> <p>21. Fixed Assets Depreciation Report provided to auditors to be included in the District's CAFR.</p> <p>22. The Office of Accounting ensures fixed assets subsidiary ledger and corresponding accounts in the general ledger are in agreement.</p> <p>23. The Office of Accounting reviews on a quarterly basis budgetary account codes to ensure fixed assets are flagged.</p> <p>24. Fixed Assets Supervisor sends Fixed Assets Year-End Reports to the Principal/Department Head to update their</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>30. Each teacher is assigned to inventory their classroom by checking off all fixed assets that are included on the Property Listing and adding those assets that are not listed.</p> <p>31. Principal/Department Head compiles lists for the school/department and returns them to the Fixed Assets Department.</p> <p>32. The Fixed Assets Coordinator or Secretary Assist Typing record the information into PeopleSoft.</p> <p><i>Displaced Fixed Asset</i></p> <p>33. Fixed Assets Supervisor notes a displaced fixed asset when the asset is not found at the location within the system.</p> <p>34. The owner of the fixed asset is notified and a search for the fixed asset is initiated.</p> <p>35. If the fixed asset is not located, the owner is responsible for documenting in a memo the reason why the fixed asset was displaced, including the reason a police report was not filed (if one was not filed), and any other relevant information.</p> <p>36. Owner of the fixed asset sends the memo to the Fixed Assets Department.</p> <p>37. Fixed Assets Department removes the fixed asset from the system.</p> <p>38. On a periodic basis, the Fixed Assets Department performs random spot check physical counts to ensure that the fixed assets recorded exist and are in their appropriate locations.</p> <p>39. The locations are randomly selected and a sample of fixed assets within the location is selected for verification.</p> <p>40. The number of locations and quantity of fixed assets tested are sufficient for the District to ensure that an overall comfort level is achieved over the recording and maintenance of fixed assets.</p> <p><i>Fixed Assets Tagging</i></p> <p>41. Fixed assets are tagged if purchased cost is \$2,000 or more and all donated items with a fair market value greater than \$3,000. The tags are pressure sensitive with "Newark Board Of</p>	<p>system records.</p> <p>25. Each teacher is assigned to inventory the fixed assets in their classroom.</p> <p>26. Principal/Department Head compile the lists for the school/department and returns them to the Fixed Assets Department.</p> <p>27. Owner of fixed asset is notified and search for fixed asset is initiated.</p> <p>28. Owner documents in memo the reason why the fixed assets were displaced.</p> <p>29. Memo sent to the Fixed Assets Department.</p> <p>30. Fixed asset is removed from the system.</p> <p>31. Fixed Assets Department performs random spot check physical counts.</p> <p>32. Fixed assets are tagged if purchased cost</p>	<p>1. During the walk-through we discovered that no additional review or approval is needed to remove a fixed asset from the fixed asset system.</p> <p>2. The random physical counts that are performed on a periodic basis are not documented.</p>

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>Education” embossed on each. The tags are color coded with a number sequence and corresponding Code-39 bar and are produced in the Fixed Assets Department.</p> <p>42. Tags are to be placed in highly visible location and uniformity of placement is considered.</p> <p>43. Fixed assets missing tags or containing tags that are unrecognizable are replaced. The fixed asset is assigned a new tag number.</p> <p>44. Fixed Assets Supervisor produces, maintains, and controls all fixed assets tags.</p> <p>45. For new equipment, the tags are affixed upon notification or within 45 days of receipt of the fixed asset.</p> <p>46. Once the equipment is tagged, the Fixed Assets Coordinator is responsible for updating PeopleSoft.</p> <p>47. Fixed Assets Supervisor is the custodian of not tagged (NT) items. NT items are land and land improvements, buildings, building improvements, playground equipment, motorized projection screens, permanent fixtures, and fixed equipment.</p> <p>48. New additions to existing equipment or modifications to existing equipment do not receive a new tag. Instead, a tag with an alpha code, preceding the original fixed assets tag number will be assigned.</p> <p>49. After the fixed asset is tagged, the Fixed Assets Department updates PeopleSoft with the remaining information regarding the fixed asset. The information recorded is: (1) tag number, (2) serial number, (3) any additional notes regarding the fixed asset, and (4) verify the existing information within the system.</p> <p><i>Disposal of Fixed Assets</i></p> <p>50. If fixed assets are usable and the intent is to use in the future then the fixed asset should be stored at the warehouse location.</p> <p>51. Upon disposal of the fixed asset, a memo is submitted to the Building Administrator, indicating the complete description of the fixed asset and a brief description of the condition and use of the fixed asset.</p>	<p>is \$2,000 or more and donated items with a fair market value greater than \$3,000.</p> <p>33. Fixed Assets Supervisor produces, maintains, and controls fixed assets tags.</p> <p>34. Tags are affixed upon notification or within 45 days of the fixed asset.</p> <p>35. Fixed Assets Coordinator updates PeopleSoft once fixed asset is tagged.</p> <p>36. Fixed Assets Supervisor is custodian of NT items.</p> <p>37. Memo submitted to the Building Administrator prior to disposal of a fixed asset.</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
52. Upon receipt of the memo, the Building Administrator arranges for proper disposal of the fixed asset.		
53. Building Administrator notifies the Fixed Assets Supervisor to ensure that disposal of the fixed asset is properly and lawfully removed from District's fixed assets inventory.	38. Building Administrator notifies the Fixed Assets Supervisor of the disposal of the fixed asset.	
<i>Sale of Fixed Assets</i>		
54. District holds fixed asset sales twice annually. The Fixed Assets Department in connection with the Purchasing Department conducts the sales.		
55. Fixed Assets Supervisor identifies fixed assets to be sold by reviewing the data included on the Fixed Assets Information Form FA 200 and the PeopleSoft disposal report.	39. Fixed Assets Supervisor identifies fixed assets to be sold.	
56. List of fixed assets for sale are forwarded to the Purchasing Department.	40. List of fixed assets are forwarded to the Purchasing Department.	
57. Purchasing Department advertises and schedules the dates the fixed assets are for sale and can be inspected.	41. Purchasing Department advertises and schedules the dates the fixed assets are for sale.	
58. District conducts a formal bid process for fixed assets that are for sale.		
59. Once bids are received, a listing of the bids and related deposits are submitted to the SBA for approval.	42. Listing of bids and deposits are submitted to the SBA for approval.	
60. Once approved, the Fixed Assets Supervisor submits the approval to the Purchasing Department for inclusion and approval at the next scheduled Board meeting.	43. Fixed Assets Supervisor submits approval to the Purchasing Department for inclusion and approval at next Board meeting.	
61. Once approved by Board, the Fixed Assets Supervisor or Fixed Assets Coordinator contact the vendor or individual and an appointment is scheduled for pick-up of the fixed assets purchased.		
62. Fixed Assets Department updates PeopleSoft to reflect the disposal/sale of the related fixed assets.	44. Fixed Assets Department updates PeopleSoft of the disposal/sale of the fixed asset.	
<i>Obsolete Assets</i>		
63. If the Building Administrator/Location Coordinator determines that a fixed asset is obsolete, Form FA 200 is completed and	45. Building Administrator/Location Coordinator	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
submitted to the Principal/Department Head for determination and signature.	determine if a fixed asset is obsolete and submits form to Principal/Department Head for signature.	
64. If the Principal/Department Head determines the fixed asset is obsolete, the FA 200 is approved, completed, signed, and submitted to the Fixed Assets Department.	46. Principal/Department Head approves fixed asset is obsolete and submits form to the Fixed Assets Department.	
65. Fixed Assets Supervisor inspects the fixed asset and determines if the fixed asset is repairable or can be sold.	47. Fixed Asset Supervisor inspects fixed asset.	
66. If the fixed asset can be sold, the Fixed Assets Supervisor schedules the fixed asset for pick up. The fixed asset is stored in the Warehouse Storage until sale date.		
67. Fixed Assets Supervisor updates PeopleSoft for the fixed asset and noting the new location.	48. Fixed Assets Supervisor updates PeopleSoft noting the new location of the fixed asset.	
68. District ensures that all fixed assets sold or disposed of are documented in the formal minutes of the Board Minutes denoting their approval.	49. District ensures fixed assets sold or disposed of in the formal minutes of the Board Minutes.	
<i>Obsolete Textbooks</i>		
69. Principal notifies (by memo) the Fixed Assets Supervisor of the need to have obsolete textbooks removed from the school.	50. Principal notifies Fixed Assets Supervisor to have obsolete textbooks removed from the school.	
70. Principal ensures that all obsolete books to be disposed of are separated by title and completes a form listing books by Title and ISBN number.		
71. Fixed Assets Supervisor contacts the vendor to pick up all the obsolete textbooks.	51. Fixed Assets Supervisor contacts vendor to pick up all the obsolete textbooks.	
72. Contracted vendor forwards a check (made out to NPS).		
73. Upon receipt of the check the Fixed Assets Supervisor: (1) makes a copy of the check and attaches it to the original list of obsolete textbooks, and (2) makes arrangements for the contracted vendor to pick up sold obsolete textbooks.		
<i>Lost or Stolen Assets</i>		
74. The custodian of the lost or stolen fixed asset reports the activity to the Principal/Department Head.	52. Custodian of lost or stolen fixed asset reports the activity to the Principal/Department Head.	
75. The Principal/Department Head is responsible for contacting the		

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>police department and for filing a police report along with an incident report.</p> <p>76. Building Administrator completes a FA 200 form and forwards it with a copy of the Police and Incident reports to the Fixed Assets Department and the Security Department.</p> <p>77. Fixed Assets Coordinator records the fixed asset disposition in PeopleSoft.</p> <p><i>Donated Assets</i></p> <p>78. Building Administrator is responsible to inform the donating party of the District's Policy related to gifts, grants, and bequests.</p> <p>79. Individuals or organizations making a donation submit proposals in writing to the SBA. If the donor is an organization or association, the proposal must be on its stationary. The proposal must include a brief description of the individual or organizational donor, the reasons for the donation, and a description of the item(s) to be donated.</p> <p>80. Upon receipt of a written donation proposal for any item other than a sum of money, the school or department receiving the proposal must prepare an Action Form and forward it, with the donation proposal, to the Fixed Assets Department for approval.</p> <p>81. Fixed Assets Department reviews and approves the Action Form. No donations are accepted prior to approval by The Fixed Assets Department.</p> <p>82. Fixed Assets Department inspects all office furniture prior to acceptance.</p> <p>83. The Office of Instructional Technology inspects all computer and computer related equipment prior to acceptance.</p> <p>84. Fixed Assets Supervisor notifies the Building Administrator of the approval/disapproval.</p> <p>85. If approved, Building Administrator arranges for delivery of the donated asset.</p> <p>86. Costs associated with fixed assets are reported to the Fixed</p>	<p>53. Principal/Department Head contacts police department to file a police report.</p> <p>54. Building Administrator forwards the FA 200, copies of the Police Report and Incident Reports to the Fixed Assets Department.</p> <p>55. Fixed Assets Coordinator records disposition of fixed assets in PeopleSoft.</p> <p>56. Individual or organizations making a donation submit proposals in writing to SBA.</p> <p>57. School or department must prepare an Action Form with the donation proposal to the Fixed Assets Department.</p> <p>58. Fixed Assets Department approves the Action Form.</p> <p>59. Fixed Assets Department inspects all office furniture prior to acceptance.</p> <p>60. Office of Instructional Technology inspects compute and computer related equipment prior to acceptance.</p> <p>61. Fixed Asset Supervisor notifies Building Administrator.</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>Assets Department to be included in the fixed asset valuation.</p> <p>87. Fixed Assets Coordinator enters the fixed asset into PeopleSoft and contacts respective Location Coordinator to ensure receipt of form FA 200 for the new fixed asset.</p> <p><i>Depository Warehouse – Receiving New Materials</i></p> <p>88. Before accepting a shipment, the receivers ensure that the material being delivered is addressed to the NPS.</p> <p>89. Assistant Warehouse Supervisor insures warehouse men are assigned to unload material from the carrier's equipment promptly and place it in a receiving drop area for inspection.</p> <p>90. Stock Clerk tallies the number of pieces received to ensure that the shipment agrees with the number of pieces shown on the carrier's Bill of Lading or Delivery Receipt. All pieces should be observed for obvious damage or shortages.</p> <p>91. If the material shows evidence of damage or a shortage is detected, a joint inspection with the carrier's representative is made and findings legibly noted on the Bill of Lading or delivery receipt and packing slip with the date and representative's signature.</p> <p>92. Receiver/checker accepts delivery of damaged goods and notes the details on all copies of receiving documents.</p> <p>93. Upon completion of unloading the shipment and obtaining acknowledgement of any damages and/or shortages, the Stock Clerk dates and signs the receiving documents.</p> <p>94. Bill of lading is returned to the carrier representative and delivery receipts and packing slips are hand-carried to the Stock Clerk's desk.</p> <p>95. Receiving employee marks the depository copy of the delivery receipt or packing slip with the correct quantity and description of each item so that positive reconciliation with the receiving report is made.</p> <p>96. Receiving employee records the information from the Delivery Receipt (Bill of Laden) into the Receipt(s) Log book.</p>	<p>62. Fixed Assets Coordinator enters fixed asset into PeopleSoft and contacts Location Coordinator to ensure receipt of form for fixed asset.</p> <p>63. Receiver ensures material being delivered is addressed to NPS.</p> <p>64. Joint inspection with the carrier's representative and findings noted on the Bill of Lading and packing slip with the date and representative's signature.</p> <p>65. Stock Clerk dates and signs the receiving documents.</p> <p>66. Receiving employee records Delivery Receipt into the Receipt Log Book.</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>97. Stock Clerk checks the material and compares the content marking of cartons, boxes, etc., to determine that the quantities and descriptions agree with those on the Receiving Report. Quality of material is inspected at this time.</p> <p>98. Stock Clerk checks for concealed damage or loss. Upon discovery of damage or loss, unpacking is discontinued and the material and container, including packing material, is marked, dated, and placed in a hold area.</p> <p>99. Vendor is notified by telephone of the damage or loss. If vendor fails to remedy the problem, the Purchasing Buyer is notified for appropriate action. Material in question remains in hold area until claims has been settled and notice of disposition is received.</p> <p>100. Follow-ups are made on material being held for dispositions over 14 days.</p> <p><i>Preparing Receiving Reports</i></p> <p>101. Receiving report lists the item stock number, brief description, and quantity received with notes of any discrepancies from Vendors packing list, PO and/or item was received.</p> <p>102. Discrepancy report should be completed and attached to the PO.</p> <p>103. Upon completion, all related documents are given to the Inventory Control Clerk for further processing and follow-up with vendors, if needed.</p> <p>104. If shipment is complete and material is in accordance with the PO, the Stock Clerk shows the quantity actually received, including any quantities over shipped, if any, and date received and initials.</p> <p>105. Packing slips, delivery receipts will be stapled to the back of the receiving report and entered into the inventory system.</p> <p>106. 419 Receiving Report form is generated from the inventory system and sent to A/P.</p> <p>107. When receive a partial shipment the Stock Clerk notes only the items received on the 419 Receiving Report and enters the information into the inventory system.</p>	<p>67. Vendor notified of the damage or loss. If vendor fails to remedy problem, the Buyer is notified for appropriate action.</p> <p>68. Follow-ups made on material being held for dispositions over 14 days.</p> <p>69. Inventory Control Clerk receives all related documents for processing and follows up with vendors.</p> <p>70. Receiving report entered into the inventory system.</p> <p>71. 419 Receiving Report is sent to A/P.</p> <p>72. Stock Clerk enters information from the 419 Receiving Report into the inventory system.</p> <p>73. 419 Receiving Report forwarded to A/P.</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
108.419 Receiving Report is printed, signed, and forwarded to A/P for payment. A copy of the 419 Receiving Report is attached to the depository's copy of the PO.	74. If for office supplies, receiving report is signed by Warehouse Supervisor or Assistant Warehouse Supervisor and sent to A/P.	
109.Receiving reports for office supplies are prepared and signed by the Warehouse Supervisor or Assistant Warehouse Supervisor and sent to A/P.		
<i>Inventory</i>		
110.The Depository Warehouse utilizes first in first out (FIFO).	75. Periodic inventories of stock in the warehouse are conducted.	
111.All material with a shelf life should be rotated so that the oldest material is shipped first.	76. Physical inventory is taken annually.	
112.Periodic inventories of stock in the warehouse are conducted to avoid over stocking and stock outs.		
113.Physical inventory is taken on an annual basis during the spring, by an outside contractor.		
114.Material disposition forms are used to report material that: (1) has been destroyed, (2) has been stolen, (3) is sold for less than the purchased price, and (4) is donated.	77. Stolen items are reported to security.	
115.Stolen items are reported to security.	78. Damaged items are reported to the Office of Risk Management.	
116.Damaged items are reported to the Office of Risk Management so an insurance claim is filed, if necessary.		
<i>Ordering Supplies for Warehouse Stock</i>		
117.Interim orders are originated for material when the estimated annual requirements are not sufficient to satisfy the actual demand of NPS.		
118.These orders should be placed when the inventory system indicates that on-hand stock is at or below re-order point.	79. Inventory Control Clerk prepares requisitions to maintain inventory levels.	
119.Inventory Control Clerk prepares requisitions to maintain inventory levels.		
120.Inventory Control Clerk reviews Back Order Reports daily to determine what items need to be expedited by the vendor or what needs to be ordered by a requisition.	80. Requisitions are prepared by Inventory Control Clerk, reviewed by Warehouse	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>121. Requisitions are prepared by the Inventory Control Clerk, reviewed by the Warehouse Supervisor, and forwarded to the Director of Support Services for approval and processing.</p> <p>122. Once the PO is received, the Data Entry Clerk updates the inventory records to include quantities requested and quantities on order.</p> <p><i>Receiving, Processing, and Shipping Orders From Schools and Administrative Offices</i></p> <p>123. Warehouse Supply Order Forms (WSOs) are submitted year round. WSOs are date stamped when received.</p> <p>124. Inventory Control Clerk enters the WSO into PeopleSoft to encumber funds.</p> <p>125. WSO is given to the Data Entry Clerk for processing in the Inventory System (Infobid).</p> <p>126. Data Entry Clerk batches the system generated pick tickets and list each on the Batch Control Sheets. Batch Control Sheets are used to keep track of what orders are forwarded into the Warehouse for picking.</p> <p>127. Order is given to Supervisor or Assistant Warehouse Supervisor to prepare them for picking.</p> <p>128. Assistant Warehouse Supervisor gives out the order Picking Control Sheets. The Picking Control Sheets keep track of what orders were given to each employee.</p> <p>129. Each employee pulling orders turns in the completed order in a designated section so that the Assistant Warehouse Supervisor records it on a Warehouse Daily Activity Sheet.</p> <p><i>Account Reimbursement</i></p> <p>130. To replenish the Warehouse Internal Service Fund a copy of the signed delivery ticket must be submitted to A/P.</p> <p><i>Non-Stock Items</i></p> <p>131. The Stock Clerk who is assigned to receive the materials from the Vendor's delivery vehicle(s) must assist in unloading the materials from the vehicle.</p>	<p>Supervisor and forwarded to the Director of Support Services.</p> <p>81. Data Entry Clerk updates the inventory records to include quantities requested and quantifies on order.</p> <p>82. WSOs are date stamped when received.</p> <p>83. Inventory Control Clerk enters the WSO into PeopleSoft to encumber the funds.</p> <p>84. Data Entry Clerk processes the WSO in Infobid.</p> <p>85. Data Entry Clerk batches the tickets and lists each on the Batch Control Sheets.</p> <p>86. Supervisor or Assistant Warehouse Supervisor prepares order for picking.</p> <p>87. Assistant Warehouse Supervisor records orders on a Warehouse Daily Activity Sheet.</p> <p>88. Warehouse Internal Service Fund is replenished by providing copy of deliver ticket to A/P.</p> <p>89. Stock Clerk signs Delivery Receipt.</p>	

Inventory and Fixed Assets		
Procedures	Key Controls	Observations
<p>132. Stock Clerk maintains an accurate count of the number of packages, cartons as material is being removed from the vehicle.</p> <p>133. Stock Clerk signs the Delivery Receipt (Bill of Laden) with: (1) their signature, (2) date received, (3) number of packages and cartons received, (4) indicate any shortages or overages, and (5) the condition of the packages and cartons.</p> <p>134. Stock Clerk records information from the Delivery Receipt (Bill of Laden) into the Receipt Log Book.</p> <p>135. Stock Clerk provides Data Entry Clerk copies of the receipts to record receipt of shipment into the Inventory System, Infobid.</p> <p>136. Non-stock items receipts are given to the Department or School that placed the order so they can provide payment to the vendor and provide the Depository with handling and delivery instructions and schedules.</p> <p><i>Transit Items</i></p> <p>137. Transit items are shipped to the warehouse to reduce handling and shipping cost or are diverted to the warehouse due to the shippers' inability to access the designated delivery location or the intended delivery location's inability to accept the size of the shipment. Examples are: (1) textbooks, (2) physical education supplies, (3) posters, (4) flyers, and (5) calendars,</p> <p>138. Upon receipt ordering schools or departments are notified for handling and shipping instructions.</p> <p>139. A Delivery Ticket form 418 is completed in duplicate.</p> <p>140. Upon delivery the receiving location signs the delivery ticket to acknowledge receipt of the goods.</p> <p>141. Original delivery ticket is returned to the Depository and is filed in the school's/department's folder. Copy remains at the receiving location.</p>	<p>90. Stock Clerk records information on Delivery Receipt into the Receipt Log Book.</p> <p>91. Data Entry Clerk records receipt of shipment into Infobid.</p> <p>92. Receiving location signs the delivery ticket to acknowledge receipt of goods.</p> <p>93. Depository files original delivery ticket in school's/department's folder.</p>	

Pupil Transportation		
Procedures	Key Controls	Observations
<ol style="list-style-type: none"> 1. The District offers bus tickets to grades kindergarten through eight grade students who live further than two miles from the school and grades nine through twelve students who live further than two and a half miles from their schools. 2. The schools provide a list of all students and their home address to the Pupil Transportation Department. 3. The Pupil Transportation Department calculates the mileage between the students address and the school to determine if they qualify for the bus tickets. 4. Based on the calculation, the Pupil Transportation Department provides to each school once a month individual bus tickets for each student who qualifies for bus tickets. 5. At the end of each month, the Omnibus Operators distribute the bus passes to the schools. The schools sign off for the bus passes they receive. 6. The schools provide each student bus tickets on a weekly basis. The students sign a log verifying how many bus tickets they were provided with. The bus tickets are daily one day tickets, so the students are provided 10 bus passes if there are five school days. 7. If the students lose or misplace their bus tickets they do not receive replacements. 8. At the end of the school year, the Principal completes a Bus Ticket Summary Report and Transportation Summary For Common Carrier to calculate how many bus tickets were received, how many were used, and how many were returned to the District. This must be completed and turned into the Pupil Transportation Department prior to or on the last day of school in order for the Principal to receive his/her last pay check. 	<ol style="list-style-type: none"> 1. School provides a list of all students and their home address to the Pupil Transportation Department. 2. Pupil Transportation Department calculates the mileage between the students address and the school. 3. Schools sign off for the bus passes they receive. 4. Students sign a log indicating how many bus tickets they were provided with by the school on a weekly basis. 5. The Principal provides an accounting for how many bus tickets they received, how many they used, and how many they are turning in at the end of the year. 	

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.



The Newark Public Schools
Office of the School Business Administrator
2 Cedar Street
Newark, New Jersey 07102-3091
Phone: 973-733-8467
Fax: 973-733-7161



Marion A. Bolden
State District Superintendent

Lucille E. Davy
Commissioner of Education

Ronald C. Lee
School Business Administrator

January 16, 2007

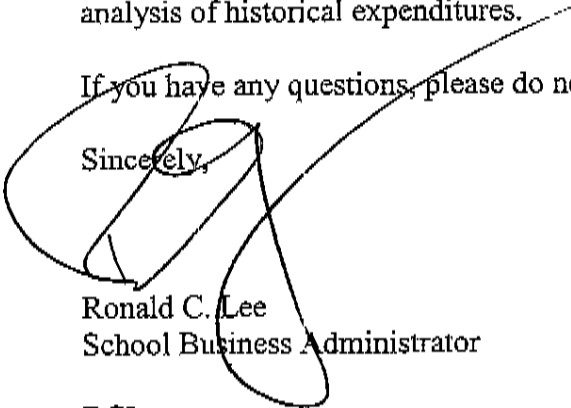
Ms. Meghan Watson
KPMG LLP
345 Park Avenue, 39th Floor
New York, New York 10154

Dear Ms. Watson:

Please find enclosed the Newark Public Schools response to the KPMG audit of internal controls and analysis of historical expenditures.

If you have any questions, please do not hesitate to contact me at 973-733-8467.

Sincerely,


Ronald C. Lee
School Business Administrator

RCL:et

C: Lucille E. Davy
Gordan MacInness
Kathleen Attwood



Marion A. Bolden
State District Superintendent

The Newark Public Schools
Office of the State District Superintendent
2 Cedar Street
Newark, New Jersey 07102-3091
Phone: 973-733-7333
Fax: 973-733-6834



Lucille E. Davy
Commissioner of Education

January 12, 2007

Lucille E. Davy
Commissioner of Education
New Jersey Department of Education
100 Riverview Executive Plaza
CN 500
Trenton, New Jersey 08625-0500

Dear Ms. Davy:

The district has received and reviewed the audit report from KPMG's November 2006 review of internal controls and historical expenditures analysis of the Newark Public Schools. As noted in the Executive Summary section of the report, the objectives of the audit were to identify and provide recommendations to potentially correct deficiencies in internal controls and analyzing historical expenditures to identify irregularities. The audit was not performed to determine the efficiencies and the effectiveness of district spending. It should be noted that although the reports document district internal control procedures, the report's objective is to highlight and comment on deficiencies and not the strengths implemented in current district procedures. The readers of this report should refer to the Appendix section of this report relating to controls and observations and note the key controls currently in place in the district to prevent potential irregularities and deficiencies.

It is also the district's understanding of the following:

1. The business processes included in the scope of the audit related to the assessment of internal controls were budgeting, accounts payable, payroll, human resource services, financial management, purchasing, facilities management, grants, student activity funds, technology, inventory, and pupil transportation and that the scope of this Audit did not include the testing of internal controls.
2. The review of historical expenditures by KPMG consisted of extracting all vendor disbursements as well as payroll transactions to analyze the payments made. For vendor disbursements, the following queries were run to identify potential anomalies or irregularities for potential dummy vendors, possible questionable payments, possible questionable vendors and vendor payment analysis.

ALL CHILDREN *WILL* LEARN

3. The review of historical expenditures consisted of extracting all vendor disbursements as well as payroll transactions to analyze the payments made. For vendor disbursements, the following queries were run to identify potential anomalies or irregularities for potential dummy vendors, possible questionable payments, possible questionable vendors and vendor payment analysis.
4. At the direction of the Department of Education, a "desk review" was performed on additional purchase orders based upon specific criteria outlined in Accounts Payable section of the KPMG report. As noted by KPMG, the selection of the purchase orders were subjective and the 'comments' column was developed based on review of the purchase order package alone. Follow-up questions were not posed to any District employees and additional support was not requested or obtained. Since follow-up questions were not posed to district employees nor was additional information obtained on data not understood, KPMG earmarked items as "Questionable". For the purposes of this report, "Questionable" means that the supporting documentation contained in the purchase order package did not, based upon KPMG's cursory review, provide sufficient documentation to justify whether the purchase was reasonable or educational in nature and additional follow-up would be necessary to further understand the purchase

Approach

We affirm that of the approach used by KPMG, as delineated, in the Project Background Section of their report is mostly correct. However, it should be noted that some correction and clarification is needed with regard to input from the district.

KPMG provided the district with a draft report on only the internal controls section of the report prior to November 30, 2006. Based upon instructions from KPMG, the district reviewed the documented controls and observations and submitted our responses back to KPMG prior to November 30, 2006. Upon review of the report at the exit conference, some of the district's corrections on internal controls and comments on observations were not included in the final report.

Although the original date for completion for KPMG's audit was November 30, 2006 and the district worked diligently to assure that the audit was completed timely, on November 29, 2006, the district was notified by KPMG that the Department of Education had requested that they review an additional 250 purchase orders. In that letter to the district, we were informed that the list of the items to be reviewed by KPMG would be received by the district on November 30 and December 1, 2006. The letter also stated that the district must make all supporting documentation available for KPMG's review within four business day, by December 6, 2006. If documentation were not made available, KPMG informed us that the final report would indicate "documentation to support the expenditure was not made available". To assist KPMG with this section of the audit, the district provided the requested documentation in a timely manner.

With respect to the testing of historical expenditures and the "desk review", the district was not provided a draft report of the findings and was only afforded an opportunity for review and to respond until the receipt of this report, which was received on January 4, 2007.

Internal Controls

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefits requires estimates and judgments by management. The District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to State and Federal programs. Internal control is also subject to periodic evaluations by the District management.

In addition to internal control, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Commissioner of Education.

Summary

As a district, the Newark Public Schools welcomed the opportunity for an independent audit and the resulting report of the district's operations on internal control and expenditures as a tool to meet the following objectives:

1. Obtain an independent assessment of the district's internal controls which would provide a written report on the strengths of current procedures and any recommendations that may assist with their continued improvements
2. Affirm to the public that the district's operations are in accordance with generally accepted accounting procedures and that adequate controls are in place to protect district resources from irregularities in expenditures
3. Affirm to the public that district funds are being expended to address a thorough and efficient education, the core curriculum content standards, the improvement in student achievement, the educational process and district operations

Based upon the audit conducted and reported by KPMG, it should be noted that there were no material weaknesses in internal controls or irregularities in expenditures noted. Although recommendations for the improvement in internal controls have been noted, it is the district's position that the deficiencies highlighted would not significantly impair the district's ability to protect its assets, resources and properly account for financial transactions. However, district management has taken all comments noted in the Executive Summary and the report under advisement and prepared written responses which have been included as part of this report.

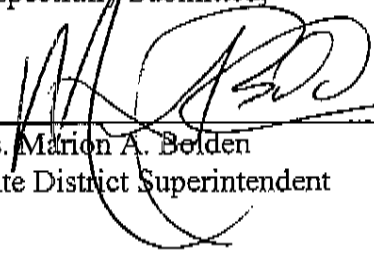
With respect to the audit of historical expenditures and more specifically to the "desk review", **it is the district's professional opinion that items that require additional follow-up to further understand purchases because of a cursory review should not be categorized as "Questionable".** By definition, questionable would lead one to believe that these expenditures were dubious or immoral and not used for its intended use. **As a district, we categorically deny that these expenditures were**

questionable and affirm that they were used to address the holistic process of student achievement, improvement in the educational process and for district operations. However, we have as a district made note that improvements may be needed to strengthen the supporting documentation for purchases. Our responses to "questionable" items have been included as part of this report.

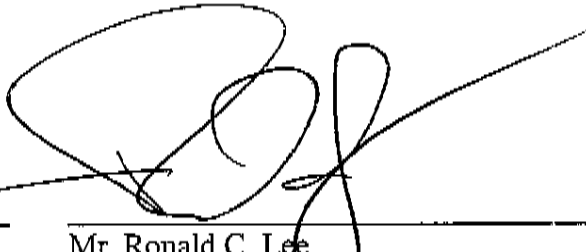
Acknowledgements

The district would like to thank district staff for their hard work and dedication to insuring that supporting documentation were made available for the audit and KPMG for their due diligence, patience and professionalism.

Respectfully Submitted,



Ms. Marion A. Belden
State District Superintendent



Mr. Ronald C. Lee
Chief Financial Officer/
School Business Administrator

NEWARK PUBLIC SCHOOL KPMG AUDIT MANAGEMENT'S RESPONSES

The management has reviewed the recommendations, observations and comments noted in the KPMG audit report on their review of internal controls and historical expenditure analysis of the Newark Public Schools. Our understanding of the purpose and methodology used to perform the audit has been outlined in the attached cover letter. Based upon our review and understanding of the following recommendation, comments and observations made by KPMG (in italic below), the Newark Public Schools submits the following management responses:

Executive Summary and Internal Control Sections

Lack of Updated Policies and Procedures within the Financial Services Division

We recommend that the Financial Services Division begin developing or revising policies and procedures so all departments and schools will have the policies and procedures for use in daily operations and in executing their responsibilities. These policies and procedures should reinforce and support the training that has been provided to the employee's of the District.

The Financial Services Division's procedural manual was created in 2003 and does not include key processes and controls of the Payroll process (i.e., electronic Payroll Notification Form).

Management's Response

As noted by KPMG, the policies and procedures manual for the financial services division was developed and updated in 2003. The district is currently in the process of implementing a new financial software system to assist in the improvement of district efficiencies. During the current phase of implementation and the period of KPMG's audit, there has been no material changes in district policies, procedures and documentation required in the business practice of the district as a result of the financial software change. However, business practice and procedural changes are anticipated and a new manual will be developed prior to the full implementation of the new financial software

With respect to payroll, KPMG incorrectly states that certain key processes and controls (i.e., electronic Payroll Notification Form) are not shared/distributed to all departments and schools for use in daily operations and in executing their responsibilities because the Financial Services Division's procedural manual has not been updated since 2003. It should be noted that addendums to District policies and procedures (i.e. electronic Payroll Notification Form) are presented annually to department and schools during the month of August for incorporation into their daily operations and in executing responsibilities. Documentation is stored in the Office of the School Business Administrator.

Currently, the Financial Services Division's procedural manual is in process of review to ensure all addendums and enhanced business practices (as a result of the implementation of PeopleSoft financials) are incorporated into a 2007-2008 edition.

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Budget Transfers Lack Proper Approvals

We recommend that the Budget department adhere to its own policies and procedures; the Deputy Superintendent should review and approve all school based budget account transfers

Management's Response

Budget transfers are requested, by an originating school/department, via the completion of a Budget Transfer Request Form. This form is reviewed and approved by the Assistant Superintendent of the School Leadership Team (SLT), the budget department, School Business Administrator, Superintendent and the Internal Audit Department employed by the Department of Education prior to being processed. Due to the number of individuals currently approving transfers current business practices did not require the signature/approval of the Deputy Superintendent. Until official changes are made to the procedures manuals, the district will require the signature of the Deputy Superintendent on all school level transfers.

Budget Transfer Forms Not Dated

We recommend that all approvers sign as well as date all Budget Transfer Forms when they approve the transfers

Management's Response

Although the Superintendent was approving and signing all Budget Transfer Request Forms, we will insure that she and all other approvers sign and date the form in the future.

Mechanic Carfare Invoices Lack Supporting Documentation

We recommend that the Accounts Payable department require supporting documentation to support all payments. We further recommend that Accounts Payable ensure that the supporting documentation matches to what the employee is requesting to be reimbursed for prior to reimbursing the employee.

Management's Response

Prior to the KPMG audit/review, the District had identified this area as a weakness and recently revised the payment process to avoid paying employees who are not entitled to such reimbursement.

The Payroll Department will now be processing the Mechanical Carfare reimbursements and will require supporting documentation (to include certification by management) to support payments requested. The District is currently in the process of making this transition and no mechanical carfare reimbursements have been processed for the current school year.

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Duplicate Payments and Use of Open Purchase Orders

We recommend that these two employees reimburse the District for the overpayments, if this has not already occurred. We also recommend that the District immediately discontinue the use of these types of "open" purchase orders. For all employee expense reimbursement requests, we recommend that someone review and approve the expenditures prior to reimbursement and that only original receipts should be accepted for reimbursement requests to prevent duplicate payment.

Management's Response

Prior to the KPMG audit/review, the District recognized the potential for duplicate payments and the concern for the use of open purchase orders through self-evaluation of District procedures. The district is taking the following steps in continuing to reduce the risk identified in this section.

First, the district is in the process of implementation of a more robust financial system (PeopleSoft) that will require a line by line reconciliation between purchase orders, receiving reports, and invoices prior to payment. This new feature will insure that all documents reflect the same amounts with an internal reporting log (Exception Report) for audit purposes.

Second, with the implementation of the new financial system the use of open purchase orders will be eliminated. Currently, there are no open purchase orders in use within the District for the type of reimbursement identified by the KPMG audit/review.

Lastly, the district will seek reimbursement for the employees for the overpayments received

Lack of Controls to Prevent Duplicate Entries

We recommend that PeopleSoft be programmed so that employees entered more than once in the same pay period are automatically flagged by the system. We recommend that an exception report be created to list any district employee who may potentially be reimbursed for the same amount of hours and dollars in the pay period

Management's Response

Prior to the KPMG audit/review, the District recognized the potential for duplicate entries in the processing of supplemental time payments through self-evaluation of District procedures.

As noted by KPMG, the District is currently implementing an updated version of the automated time tracking system called KRONOS, which will track all District employees' hours and improve the District's ability to accurately track employees' time. The updated version (a bio-metric model) will require each employee to place their finger on an imprint that will verify the identity of the employee placing and will electronically record the employee's attendance.

NEWARK PUBLIC SCHOOL KPMG AUDIT MANAGEMENT'S RESPONSES

At the present, all time reporting documents are routinely and closely reviewed by the responsible payroll processor and then again reviewed by the Payroll Data Control Clerk before submittal to ISD for key punching. When documents are received too late to be processed by ISD the payroll processor will enter the data directly on-line and will note on the document that the entry was entered manually by Payroll to prevent the report from being processed by ISD in the future. 98% of all time reporting entries are keypunched by ISD.

At the end of last school year, Payroll created a processing procedure for Human Resource Services that now requires that all Payroll Notifications Forms submitted must be sent to Payroll via e-mail using the on-line Payroll Notification Form. As received, the Forms are reviewed (for correctness and to ensure it is not a duplication), processed and then retained in our electronic files. Prior to last year, the above was a manual process.

Lack of Controls to Avoid Overpayment

We recommend that the overtime entered into PeopleSoft along with the supporting documentation that supports what was entered into the system be verified by a supervisor within the Payroll department prior to it being processed. Due to the errors identified in a small sample of payments, we recommend that the Payroll department should review and request supporting documentation to verify if the correct amount of overtime was paid to each employee for the last two school years

We further recommend that the District request reimbursement for the overpayment of overtime that these two employees received, if this has not been done. Due to the errors identified in a small sample of payments, we recommend that the Payroll department should review and request supporting documentation to verify if the correct amount of overtime was paid to each employee for the last two school years.

Management's Response

Prior to the KPMG audit/review, the District recognized the potential for overpayments in the processing of supplemental time payments through self-evaluation of District procedures.

As noted by KPMG, the District is currently implementing an updated version of the automated time tracking system called KRONOS, which will track all District employees' hours and improve the District's ability to accurately track employees' time. The updated version (a bio-metric model) will vast improve the accountability of time and assist with electronically submitting time for pay.

Controls are currently in place to prevent overpayments from occurring. If an overpayment is found, by the Technical Assistant during her bi-weekly review of each payroll, the employee is notified in writing and the overpaid amount is entered in PeopleSoft to be automatically deducted from the employee's next pay. There also exist various payroll reports that are routinely produced and reviewed by the Assistant Supervisor of Payroll each pay period to find any unusual payments being made. There is also a process that was previously put in place that was created to prevent employees from

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

receiving pay when their absences have exceeded their leave balances. There is support documentation for the above.

As recommended, the district will seek reimbursement from the two employees for the overpayment of overtime.

Issuing of Multiple Pay Checks per Pay Period

We recommend that the issuance of multiple checks on payday be more closely analyzed and controls be put in place to prevent this from occurring without the Director of Payroll's authorization. We recommend that the Payroll department create an exception report for each pay period that would list all employees that are receiving more than one payroll check.

Management's Response

As noted by KPMG, ten out of ten supporting documentations for additional disbursements that they reviewed showed that the additional payments were valid but should have been as part of the employee's regular pay check, not a separate payroll check.

There are times that it is necessary for an employee (with the exception of the Coaches) to receive more than 26 checks/Direct Deposits per year. The issuance of an additional payment (which is contrary to the normal) can only be approved by the Director of Payroll or in the absence of the Director, the Assistant Supervisor. This has been a long standing district policy of which each Payroll Department staff member has been firmly reminded of in writing.

As recommended, the Payroll Department will create an exception report for each pay period that would list all employees that are receiving more than one payroll check.

Manual Processes and Data Entry Errors

We recommend that PeopleSoft be programmed to run exception reports for: (1) employees who possibly have duplicate hours entered multiple times in a given pay period and (2) employees are receiving multiple checks in a given pay period

Management's Response

Prior to the KPMG audit/review, the District recognized the potential for duplicate entries in the processing of supplemental time payments through self-evaluation of District procedures.

As noted by KPMG, the District is currently implementing an updated version of the automated time tracking system called KRONOS, which will track all District employees' hours and improve the

NEWARK PUBLIC SCHOOL KPMG AUDIT MANAGEMENT'S RESPONSES

District's ability to accurately track employees' time. The updated version (a bio-metric model) will require each employee to place their finger on an imprint that will verify identity of the employee placing the imprint and electronically record attendance.

At the present, all time reporting documents are routinely and closely reviewed by the responsible payroll processor and then again reviewed by the Payroll Data Control Clerk before submittal to ISD for key punching. When documents are received too late to be processed by ISD, the payroll processor will enter the data directly on-line and will note on the document that the entry was entered manually by Payroll to prevent the report from being processed by ISD in the future. Currently, 98% of all time reporting entries are keypunched by ISD.

At the end of last school year, Payroll created a processing procedure for Human Resource Services that now requires that all Payroll Notifications Forms must be submitted via e-mail using the on-line Payroll Notification Form. As received, the Forms are reviewed (for correctness and to ensure it is not a duplication), processed and then retained in our electronic files. Prior to last year, the above was a manual process.

Human Resource Services Lacks Policies and Procedures

We recommend that Human Resource Services develop a comprehensive set of policies and procedures that incorporates the District's current policies and procedures as well as internal controls. These policies and procedures should document all significant business practices, processes, and policies.

Management's Response

The Department of Human Resource Services does have comprehensive policies as contained within the Newark Public Schools Policy Manual, Section 4000. In addition, the Department has procedures consistent with and supportive of District policies. We are currently in the process of completely analyzing our operations and documenting Standard Operating Procedures (SOPs) on a unit by unit basis. To date, SOP's have been completed for the Certification, Instructional Hiring and Employee Benefit Units. Initiatives are already underway to develop similar documents for the Administrative Services Unit (separations and leaves of absence), Records and Verification, Training and Development, DOP (Support Staff Hiring) and Labor Relations. When complete, information will be shared with all schools and departments.

Lack of Review of Entries

We recommend that the employee information that is entered into PeopleSoft be reviewed by a supervisor to ensure that it is accurate and complete. We also recommend the use of a system-generated management report of all new employees added to PeopleSoft to verify that any new employees added to the system have all required approvals on file

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Management's Response

There is in place a daily audit report that is available for use by HRS managers. This report is intended to verify the overall appropriateness of personnel transactions. It should be noted that 11 of 15 records cited were for trades employees hired immediately following State take-over in 1995 to make repairs and renovations to our school buildings in a very abbreviated time frame (mid-July – August, 1995). These per diem tradesmen were brought in on an expedited basis with minimal HRS involvement. We continue to hire/maintain them as active because of their intermittent work here. The other 4 records were true errors. During the month of January 2007, we will run a query to check the accuracy of birthdates in our system.

It has been also been reiterated to HRS managers that they must complete a review of the daily audit reports.

Lack of Management Reviews and Approvals

We recommend that the Assistant School Business Administrator of the Financial Services Division review and approve the work of the Executive Controller and the Executive Controller review and approve the work of the Senior Accountants

Management's Response

The Executive Controller and the Senior Accountants within the Office of Accounting process and record transactions and journal entries, reconcile reports and the general ledger trial balances within the system. The results of these transactions are recorded and reflected in the District's Board Secretary Report, Transfers and Modification Reports, and Authorization for Operating Account Checks Report.

These reports that reflect all transactions and journal entries, as well as reconcile reports, are reviewed by the members of the Finance Committee (which includes the School Business Administrator and Assistant School Business Administrator of Finance) twice a month prior to adoption by the Advisory Board.

As recommended, the District will incorporate an additional level of review and approval. The Assistant School Business Administrator of Finance will formally review and approve the work of the Executive Controller prior to recording and processing the transactions and journal entries within the system. In addition, the Executive Controller will formally review and approve the work of the Senior Accountants prior to recording and processing the transactions and journal entries within the system.

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Segregation of Duties

We recommend such conflicting responsibilities be separated to the extent possible. The District should consider involving other supervisory personnel in the approval process to more adequately segregate responsibilities. For example, requisitions between \$15,000 and \$29,999.99 originating from the School Business Office could be reviewed by a supervisor from Financial Services; e.g., the Assistant School Business Administrator of Financial Services.

Management's Response

In the Newark Public Schools, each school/department is responsible for preparing and monitoring their respective budgets. Funds are not authorized to be expended at a school/department unless the expenditure has been approved by the respective school/department administrator. Current district policies and procedures for purchases up to the \$29,999 level must have the signature of the originating school/department administrator and the respective Assistant Superintendent/Director prior to requiring the additional signature of the School Business Administrator. However, requisitions originated by the School Business Administrator from his department that was less than the \$29,999 level did not require an additional approver (very few requisitions were generated by the School Business Department).

To assist in strengthening internal controls and to separate duties, requisitions for purchases ranging between \$15,000 and \$29,999 will be approved by one of the two Assistant School Business Administrators and not the School Business Administrator. In addition, all requisitions generated by the School Business Administrator must be approved by the Superintendent.

Authorization on Vendor Invoices

We recommend that these two employees reimburse the District for the overpayments, if this has not already occurred. We also recommend that the District discontinue the use of these types of "open" purchase orders. If the District continues to issue these types of purchase orders, we recommend that someone review and approve the expenditures prior to reimbursement.

Management's Response

We agree with this recommendation. Also see comments under Duplicate Payments and Use of Open Purchase Orders

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Lack Documentation for Reimbursements of Trade Workers

We recommend the Facilities Management department initiate the procedures and provide the Payroll department with the supporting documentation that supports the payment to the employee since the procedures to pay the employees out of A/P did not demonstrate appropriate controls to prevent employees ineligible for reimbursements from being paid the flat rate.

Management's Response

Please see Mechanic Carfare Lack Supporting Documentation observation in Accounts Payable for management's response to this observation.

Not All Checking Accounts Established For Deposit Are Interest Bearing

We recommend that the Purchasing department bid out the services to the banks in Newark to create interest-bearing checking accounts at no cost to all schools within the District. Further, a leading practice would be to identify, through competitive bid, a financial institution that could serve all schools within the District. This may also improve control over the establishment of bank accounts, as all schools would be required to use the same institution. Additionally, savings may be achieved and the District may obtain better banking services at a lower cost.

Management's Response

All Student Activities checking accounts are opened as "Governmental Checking Accounts". Governmental Checking Accounts are offered by banks at no cost to the schools. As noted by KPMG, most of these accounts have small balances and most banks will not offer interest-bearing checking account at no cost. Because of the small balances in these accounts, bidding these services will not guarantee that the fees associated with an interest bearing checking account will not exceed any interest earned for each individual school account nor will any banking institution offer interest bearing accounts at no cost. In addition, providing these accounts to one institution will mean that those schools not located within walking distance to their banking institution will have to incur security cost in order to make small deposit. It is more beneficial and cost effective for the district to have Governmental Checking Account at the various schools. The District will update the Policy to incorporate the use of Governmental Checking Accounts for those schools with small account balances.

Not All Athletic Funds Collected Are Deposited Into the Student Activity Checking Account

We recommend that the Athletic Director provide the tickets and collect the money after each football game and deposit the money into the student activity checking account. We further recommend that the Financial Services Division ensure that the related policies and procedures are accurate, complete, and current.

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Management's Response

The collection of football games receipts by the Office of Accounting is not a weakness but strength in internal controls. Athletic receipts are considered General Fund Revenues. Due to the amount of "cash" involved and collected at football games, the District choose to have the football games receipts immediately accounted for and controlled by the Office of Accounting. Funds collected at games are deposited directly into the operating account instead of having it deposited unaccounted for into the student activities account. Any athletic funds deposited into the student activities account get turned over to the Office of Accounting to be recognized as General Fund Revenue. The District does recognize that the policy needs to be updated to reflect these changes.

PeopleSoft System Change and Migration Processes need to more clearly define stages and approvers

We recommend that the District update its document to specifically describe entry and exit stages for each SDLC stage. Additionally, the specific approvals and approvers required to exit or enter each stage should be specifically defined

Management's Response

The district agrees with this finding and will enhance its Systems Development Life Cycle methodology to include a documented project initiation process (entry stage) and a documented User Acceptance Testing process (exit stage).

Overall District IT leadership and authority should be defined in the DR Plan

We recommend that the District's DR plan specifically address the issues of IT organizational authority and control in the event of a disaster. To the extent possible, the DR plan should align organizationally and procedurally with any District-wide Business Continuity Plan that may be in place

Management's Response

The district agrees with this finding and will update its Disaster Recovery Plan to reflect the IT organizational authority and control in the event of a disaster.

The District does not retain evidence of its quarterly disaster recovery testing process

We recommend that the District retain evidence of its District's Disaster Recovery testing and responses (e.g., 12 or 24 month retention periods are sample industry standards).

**NEWARK PUBLIC SCHOOL
KPMG AUDIT
MANAGEMENT'S RESPONSES**

Management's Response

The district agrees with this finding and will retain Disaster Recovery test results for two years.

Administrative server backups are not consistently performed or monitored at the local school level

We recommend that the District perform periodic spot checks at schools to assess the degree to which school-level backups are performed as scheduled. This should help ensure that these backups are performed more regularly as well.

Management's Response

The district requests KPMG revisit this finding. District procedures include daily monitoring of all central office and school based backups of Administrative servers. School contact is initiated by central office personnel when daily backups are not performed. Additionally, Information Services has an initiative that will relieve school personnel from the responsibility of backing up their local Administrative server. The district has invested in Storage Area Network technology, installed in the central office, and is presently using it to backup the Administrative servers in 38 of the district's schools.

Lack of Management Review and Approvals

We recommend that Assistant School Business Administrator of the Financial Services Division review and approve all requests for fixed assets to be removed from the financial system prior to them being removed from PeopleSoft. Also, the evidence of the review and approval should be documented (e.g., signed or initialed and dated by the review/approver).

Management's Response

The Procedural Manual for the Office of Fixed Assets states that when disposal of equipment is deemed necessary, a memo is sent to the Office of Fixed Assets for pick-up or permission to discard. For the items identified to have some value, the Office Fixed Assets submits information to the Purchasing Department for an advertisement to be placed and bids to be received. If bids are received, then the items are sold pending Board Approval.

If the items are not sold then the District will dispose of them. A listing of all disposed/deleted items is provided to our annual auditors for the preparation of the District's CAFRA.

As recommended, the Office of Fixed Assets will incorporate another level of review and approval for the disposal/deletion of fixed assets items throughout the year. The Assistant School Business Administrator (Finance) will review and approve all requests from the Office of Fixed Assets for fixed assets to be removed from the financial system (PeopleSoft).

**NEWARK PUBLIC SCHOOL
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Lack of Documentation of Random Spot Checks

We recommend that the Fixed Assets department create a schedule of the random spot checks to be performed during the year, which would include location, date, and specific items the spot check will be conducted on to verify the item exists in the location indicated on the Fixed Asset inventory. We recommend that the Fixed Assets department create a spreadsheet of the location, date, and specific items that will be verified as to existence and location. These spreadsheets should be stored in the Fixed Assets department.

Management's Response

As outline in the Fixed Assets Manual, the Office of Fixed Assets annually sends the Fixed Assets Year-End Report (Property Listing) to the Principal/Department Head of each school/department to conduct a physical inventory of all the equipment that are at their location.

During the year, the Office of Fixed Assets will visit the various schools to do random spot checks of items in the schools that are reported in their Year-End Report. However, the Office of Fixed Assets did not develop a separate log sheet (other then the end-year report) to document the results of the random visit.

As recommended, the Office of Fixed Assets will develop and incorporate a separate log sheet/spreadsheet to document all random visits and the log sheets/spreadsheets will be stored in the Office of Fixed Assets for audit purposes.

**NEWARK PUBLIC SCHOOL
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HISTORICAL EXPENDITURE ANALYSIS SECTION:

Analyzed the vendor master file and employee master file on various key fields (e.g., name, address, telephone) to identify potential dummy vendors.

Management's Response

No irregularities noted. As noted by KPMG, the documentation in the vendor file supported the payments made to the employee.

Analyzed the payment data for all checks paid within '04-'05 and '05-'06 to identify payment or approval dates that are weekends, holidays, or the last day of school

Management's Response

No irregularities noted. Employees are occasionally required to work to insure the timely payments to vendors. As noted by KPMG, the District provided valid supporting documentation for all selected checks.

Analyzed the payment data for all checks paid within '04-'05 and '05-'06 to identify gaps in check sequences.

Management's Response

As noted by KPMG, the majority of the gaps represented voided checks.

Reviewed data to identify possible questionable payments (e.g., round dollar payments)

Management's Response

No irregularities noted. As noted by KPMG, they were able to verify that the payments were properly processed in accordance with the District's policies and procedures underlying purchase orders or contracts.

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Analyzed payment data to identify payments made to vendors not in the vendor master file

Management's Response

As noted by KPMG, not applicable.

Analyzed purchase orders where the payment amount exceeds the original purchase order amount

Management's Response

As noted by KPMG, accounts payable and purchasing both stated that when the invoice exceeds the purchase order, the reason for the overage is determined before the invoice is paid. Accounts payable indicated that they do not pay an invoice that exceeds the purchase order without first communicating with purchasing.

As stated in the above response (Accounts Payable Section / Duplicate Payments and Use of Open Purchase Orders) the district is in the process of implementation of a more robust financial system (PeopleSoft) that will require a line by line reconciliation between purchase orders, receiving reports, and invoices prior to payment. This new feature will insure that all documents reflect the same amounts with an internal reporting log (Exception Report) for audit purposes. In addition, with the implementation of the new financial system the use of open purchase orders will be eliminated. Currently, there are no open purchase orders in use within the District for the type of reimbursement identified by the KPMG audit/review.

As noted by KPMG, in many instances, additional follow up is recommended to further understand the anomalies and review additional transactions.

Analyzed the number of disbursements in the two-year period covering '04-'05 and '05'-'06.

Management's Response

No irregularities were noted. As noted by KPMG, for the five disbursement packages reviewed, they were able to verify that the payments were properly processed in accordance with the District's policies and procedures.

**NEWARK PUBLIC SCHOOL
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MANAGEMENT'S RESPONSES**

Payroll Transactions

Analyzed payroll records to identify incomplete or missing hire date, birth date, status, and other key data elements

NPS should follow-up on incorrect social security numbers, request and obtain the correct numbers, and input the correct information in PeopleSoft

Personnel records maintain proper information

Management's Response

There is, in fact, a checklist form which is made part of every employment package. The technicians who process both instructional and support staff hires utilize this checklist to ensure that all new hires submit required documentation. We will institute a check list for documents received post hire. It will be reiterated to all staff that copies of all documentation listed on the checklists are made a part of the personnel file and a checklist be updated as documents are inserted into the personnel file.

The district will also follow-up on incorrect social security numbers and input the correct information in PeopleSoft. Current district procedures require new employees to provide documents that support their identity and social security number.

Analyzed human resources data to identify employees that were either under 18 years old or over 65 years old

We recommend that NPS Correct and analyze personnel files for correct dates of both of employees

Management's Response

The district will do a review of personnel records, make a system query to identify any errors and make the necessary corrections in date of birth.

Analyzed payroll data to identify employees terminated within 30 days of their hire date who were paid after their termination date

Management's Response

As noted by KPMG, subsequent review by the auditors led to their findings that all 6 employees whose personnel files were reviewed and cited, were rehired after being terminated and correctly paid

**NEWARK PUBLIC SCHOOL
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Analyzed payroll records to identify all individuals whose actual gross compensation was greater than their base compensation.

We strongly recommend that the overtime calculations on the overtime reports that are input into PeopleSoft be reviewed by at least one employee other than the employee who entered the overtime. In addition, the Payroll department should review the calculation of total overtime for a given period more thoroughly for accuracy and correctness.

Management's Response

The implementation of Kronos will eliminate the need for keypunching as the approved overtime hours in the Kronos system will be automatically fed into PeopleSoft to generate payment.

Analyzed payroll data to identify employees who received greater than 52 checks within the two-year period covering '04-'05 and '05-'06.

We recommend that the issuance of multiple checks on payday be more closely analyzed and controls be put in place to prevent this without the authorization of the Director of Payroll.

We also recommend levels of authorization for employees within payroll who are inputting something that is out of the ordinary, such as an employee getting more than one check on payday, require the Director of Payroll's approval prior to it being done.

Management's Response

Please see response under "Issuing of Multiple Pay Checks per Pay Period"

Analyzed payroll and Human Resources data to identify employees that were paid but not in Human Resources record/file

Management's Response

As noted by KPMG, for the five employees we sampled, they were able to verify that the employees were in PeopleSoft and had been since the date of hire by the district

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Review of Additional Purchase Orders ("Desk Review")

KPMG, at the direction of the Department, 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 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 Miscellaneous Purchases - includes program code 000 with object codes 800 through 999.
- 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.
- Regular Instructional Purchased Professional Educational Services - includes program code 190 with object code 320.
- School Sponsored Athletic Supplies and Materials - includes program code 402 with object code 600.
- Textbooks - includes object code 640. Capital Outlay - includes Fund 12.
- Purchased Professional, Technical and Other Services for Instructional Staff Training - includes program code 000 with object codes 300 through 599 and function code 223.

They 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, they selected a sample and requested purchase order packages to support the expenditures.

It should be noted however, that the above "Subgroups" are part of the basic foundation of the Chart of Accounts developed by the Department of Education for New Jersey School Districts. Expenditures for these subgroups and categories are part of the educational process and operation of a New Jersey School District and are not out of the norm.

It is the district's professional opinion that items that require additional follow-up to further understand purchases because of cursory review performed by KPMG should not be categorized as "Questionable". By definition, questionable would lead one to believe that these expenditures were

APPENDIX

**NEWARK PUBLIC SCHOOL
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dubious or immoral and not expended for its intended use. As a district, we categorically deny that these expenditures were questionable and affirm that they were used to address the holistic process of student achievement, improvement in the educational process and district operations. However, we have as a district made note that improvements may be needed to strengthen the supporting documentation for purchases. Our responses to "questionable" items have been included as part of the following charts:

Non-Instructional Purchased Professional Educational, Technical and Other Services

OBJ. Code	Account Name	Po #	PO Date	Last Check Date	Vendor Name	PO Amount	Original PO Amount	Brief Description	Comments	Management Response
300	LIBMEDIA PURCH TECH SER	06-13678	NULL	3/31/2006	THOMSON GALE	\$4,470.00	\$4,470.00	NULL	Student Resource Center Gink one-year subscription for Science High School.	Instructional supplies in accordance with Core Curriculum Content Standards.
320	GEN ADM PURG PROF ED	05-04105	NULL	6/14/2005	JOANNE HARRZ	\$28,400.00	\$28,400.00	NULL	Professional services rendered to the Office of the Superintendent at a rate of \$350 per day.	Professional Staff (Instructional) Development
330	GEN ADM PURG PROF ED	05-12472	NULL	12/22/2004	NICOLE MAYLOR	\$5,000.00	\$5,000.00	NULL	Consultant in the area of music production for 20 days at a rate of \$250 per day.	Music production for school play in accordance with Core Curriculum Content Standards.
330	GEN ADM PURCH PROF SERV	05-14695	NULL	6/30/2005	ANTHONY JACKSON	\$2,470.00	\$2,470.00	NULL	Services of Mr. Anthony Jackson to serve as the guest speaker for Newark Public Schools Middle Level Conference Scheduled for 04/18/05. PO was overpaid by \$243.	Professional Staff (Instructionally) Development.
330	OPER OTH PURCH SERV	05-24534	6/26/2005	6/26/2005	GERALD BLAND	\$224.70	\$224.70	NET 30 DAYS	Encumber funds for the reimbursement of personal expenses (mileage) while attending the NJ Building and Grounds Assn Annual Conference in Atlantic City, NJ on April 5 and April 6, 2005.	Travel related to Professional Development that occurred within the Mid-Atlantic Region. State D.O.E. approval not required.
390	IMPROV INST PUR PROF/ITEC	05-22489	NULL	6/17/2005	CLASSIC CATERERS	\$1,600.00	\$1,600.00	NULL	Perfected Attendance Poster Contest Awards Banquet for 6/2/05 at Arts High School for 195 people.	Student recognition and incentive activity as relate to the presentation of the Core Curriculum Content Standards.
400	IMPROV INST RENTAL	06-17091	NULL	5/12/2005	HODGES PARTY RENTALS	\$2,273.50	\$2,273.50	NULL	30 * 100' Party Tent on 4/28/05 for the District Annual Science Exhibition.	This is part of the Extended Classroom Experience (ECE) to assist with the implementation of the Core Curriculum Content Standard.
441	OPER RENTAL EQUIP	05-02819	NULL	5/31/2005	AMERICAN AIRLINES	\$91,061.23	\$161,000.00	NULL	Lease/Rental of Aerospace Center, July 2004 - June 2005 at \$1,583.33 per month.	This is part of the Extended Classroom Experience (ECE) to assist with the implementation of the Core Curriculum Content Standard. Specifically, this relates to the Newark Liberty Airport Intermodal Transportation and Aerospace Program.
500	BUS OFF TRAVEL	05-21183	5/22/2005	6/7/2005	PAUL MAILLOUX	\$1,099.89	\$1,508.00	NULL	Encumber funds to reimburse travel and meal expenses for CIO Paul Mailloux to attend the Great City Schools Conference (i.e., Management Information Systems Conference) held 5/31/05 through 6/3/05 in Chicago, IL.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
560	BUS OFF TRAVEL	05-05434	NULL	10/15/2004	PAUL MAILLOUX	\$898.67	\$4,200.00	NULL	Encumber funds for travel to the Great City Schools FO A Director's Meeting (i.e., Meeting of E-Rate Directors) in Washington, DC held 10/5/04 - 10/6/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
560	BUS OFF TRAVEL	06-06245	NULL	10/11/2005	PAUL MAILLOUX	\$2,107.64	\$2,460.00	NULL	Encumber funds for travel to the Oracle Open World Conference held in San Francisco, CA on 9/17/05 - 9/22/05.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
320	IMPROV INST PURG PROF ED	05-09466	NULL	2/24/2005	DR ROBERT HOODMAN	\$ -	\$ -	NULL	Documentation Not Provided as of 1/22/06	Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
330	OPER PURCH PROF SERV	04-08942	NULL	7/30/2004	BRESLIN SUSAN	\$ -	\$ -	NULL	Documentation Not Provided as of 1/22/06	Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
500	LIBMEDIA OTH PURCH SERV	05-02752	NULL	7/16/2004	NY MARRIOTT MARQUIS	139.18	0	NULL	Lodging for two people for the NSF summer conference in NYC on 07/17/04 - 07/20/04. NPS did not provide the remittance advice or any documents for the \$139.18 payment.	Travel related to Professional Development within the Mid-Atlantic Region. State D.O.E. approval not required. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
330	BUS OFF PURCH PROF SERV	04-23262	NULL	7/23/2004	SHELLY KUSENITZ	2000	0	NULL	Paid photographer for services during the end of year celebrations. Remittance advice and receipt were not provided by NPS.	Staff and student recognition activities.
500	OTH PURCH SVCS	04-16312	NULL	7/23/2004	JONES HOWELL LANDSCAPE	2000	0	NULL	Ground maintenance at New Jersey Regional Day School for June 2004.	Contracted services for grounds maintenance.

Non-Instructional Purchased Professional Educational, Technical and Other Services

OBJ. Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	Total Year PO Amount	Original Amount	Brief Description	Comments	Management Response
580	SUPP SERV TRAVEL	04-19246	NULL	7/30/2004	GRUDY SHIRLEY	275.41	0	NULL	Reimbursement for personal expenses (travel, lodging, and meals) while attending the 2004 ASCA conference in Reno, NV, on 06/26/04 - 06/30/04. Receipts and reimbursement advice was not provided by NPS.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
580	SUPP SERV SPEC TRAVEL	05-03224	7/16/2004	7/30/2004	SPECIAL ED TRAVEL REIMBUR	1836.43	1925	NET	Reimbursement for work related travels for the 2003-2004 school year. The PO was printed on 07/16/04. NPS provided a confirming order, which was signed by the Deputy Superintendent. The employee was reimbursed during the 2004-2005 school year because there were no funds left during the 2003-2004 school year. Receipts or detailed description of expenses were not included in the PO package. (Reimbursement advice missing).	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
580	GEN ADM TRAVEL	04-22734	NULL	8/22/2004	ESSEX TRAVEL AGENCY	2894.84	0	NULL	Encumbered funds to reimburse the Superintendent and the Deputy Superintendent for travel related expenses. Purpose: Executive Committee of the Council of the Great Schools in Anchorage, AK on 07/15/04 - 07/18/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	GEN ADM TRAVEL	04-22736	NULL	8/17/2004	MELMS ANZELLA	189.46	0	NULL	Encumbered funds for reimbursement of personal expenses incurred while attending the Executive Committee of the Council of the Great City Schools in Anchorage, AK on 07/15/04 - 07/18/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	SUPP SERV TRAVEL	05-02713	NULL	8/17/2004	TOM GIORGIO	299.75	0	NULL	Meal reimbursement for football camp visits and inspections on 07/10/04, 07/02/04, and 07/05/04. (Reimbursement advice missing).	Supervision of student athletic activities in accordance with the Core Curriculum Content Standards. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
580	SUPP SERV SPEC TRAVEL	05-02967	NULL	8/17/2004	WHITE ANTHONY	227.61	0	NULL	Reimbursement for personal expenses (mileage, parking, lodging, and meals) incurred while attending the International Parent to Parent Conference on 04/03/02 - 04/07/02. The check date was 07/2/2004. Confirming order was provided (signed by Deputy Superintendent).	Approved School Leadership Council activity in accordance with Whole School Reform
580	GEN ADM TRAVEL	05-02265	NULL	8/10/2004	QUINONES MANUEL	1634	0	NULL	Encumbered funds for personal expenses incurred while attending the 19th Annual Training Conference and Technology Exhibition in Austin, TX on 07/10/04 - 07/16/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
441	OPER RENTAL EQUIP	05-06268	NULL	9/27/2004	CENTRAL PARKING	358	0	NULL	Reimbursed ASBA (Financial Services) for two months parking at 180 Washington Street, Garage, Newark, NJ	Reimbursement was not to the ASBA. Payment w to Central Parking.
580	SUPP SERV TRAVEL	05-02712	7/1/2004	9/30/2004	MARBELLA BARRERA	1145.64	1387.75	NET	Encumbered funds for personal expenses incurred while attending the Great City Schools curriculum, research, and assessment joint meeting in Baltimore, MD on 07/13/04 - 07/17/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
530	BUS OFF TRAVEL (STAFF)	05-06258	NULL	10/15/2004	KELLY WILBERT	321.46	0	NULL	Reimbursement for a PeopleSoft Connect Conference held in San Francisco, CA, on 09/20/04 - 09/24/04. The PO was overpiled by \$ 21.46. NPS did not provide receipts and reimbursement advice for this reimbursement.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
530	BUS OFF TRAVEL (STAFF)	05-06247	NULL	10/22/2004	DIYAMIDH KAMAL	255.64	0	NULL	Travel and Meal expenses for PeopleSoft Conference in San Francisco, CA from 9/19/04 - 9/24/04. (No requisition provided).	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.

Non-Instructional Purchased Professional Educational, Technical and Other Services

OBA Code	Account Name	Po #	PO Date	Last Check Date	Vendor Name	PO Amount	Original Amount	Brief Description	Comments	Management Response
580	SECURITY OTH PURCH SERV	05-03569	NULL	10/29/2004	WILLIE FREEMAN	1291.49	0	NULL	Encumbered funds for an employee to attend a work shop (ASIS International 50th Annual Seminar) held on 09/26/04 - 10/1/04 in Dallas, TX. Expenses included meals, lodging, airfare, and shuttle.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	BUS OFF TRAVEL	05-08475	NULL	11/05/2004	ESSEX TRAVEL AGENCY	3680.37	0	NULL	Encumbered funds for reimbursement of travel fees for employees to attend The Puerto Rico Teaching Job Fair held on 11/14/04 - 11/18/04. Expenses included airfare and lodging.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	GEN ADM PURC PROF ED	05-05040	NULL	11/11/2004	SUSU STEWART	1900.00	0	NULL	Professional services provided by consultant in the area of music production at rate of \$250 per day on 08/23/04 - 11/23/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
300	GUIDANCE PUR PROF & TECH	05-07631	NULL	12/31/2004	MORTGOMERY ACADEMY HIGH	725	0	NULL	Printing of Science High School Pamphlets on glossy paper - QTY 500. (Remittance advice missing).	Supplies purchased in accordance with Core Curriculum Content Standards. Montgomery Academy incorporates a printing program within the curriculum. Additional follow up is required to be understood support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
450	FACIL ACQU CONSTRUCTION	04-23947	NULL	12/31/2004	ROCKAWAY MUSIC	9590	0	NULL	Two Rosewood Yamaha Clavinova Series #208 for Belmont-Ruthton School.	Equipment/Instructional supplies in accordance with Core Curriculum Content Standards. Belmont-Ruthton is a Music/Art theme school.
500	SCHL ADM OTH PURCH SERV	05-12068	NULL	3/24/2005	EMBASSY SUITES	636	0	NULL	Four nights stay at Embassy Suites for Ken Amprabn at ASCD Conference in Orlando FL from April 1-4, 2004.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	GEN ADM TRAVEL	05-18395	NULL	3/31/2005	GLENDA GREEN JOHNSON	208.35	0	NULL	Reimbursement for expenses incurred while attending the NABSE Conference held in Dallas, TX on 11/16/04 - 11/21/04.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	BUS OFF TRAVEL	05-10813	NULL	4/14/2005	CAMPANIA LUIGGI	181.38	0	NULL	Reimbursement for meals while attending the American Society for Public Administrators 65th Annual Conference in Milwaukee, WI on 04/03/05-04/06/05.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	BUS OFF TRAVEL	05-17313	NULL	4/14/2005	WILSON WALLERIE	189.4	0	NULL	Reimbursement for a District related trip on 3/4/05/2005-04/3/2005. The reimbursement included travel and meals.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	GEN ADM OTH PURCH SERV	05-14463	NULL	4/14/2005	NELMS ANZELLA	261.41	0	NULL	Encumbered funds for a reimbursement for a District related trip to the AASA 2005 Conference and Exposition held in San Antonio, TX on 02/16/05 - 02/22/05.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	BUS OFF TRAVEL	05-20361	NULL	5/6/2005	RONALD LEE	179.17	0	NULL	To reimburse SBA for expenses incurred while attending the Chief Operating Officer's Conference in San Diego, CA held on 04/05/05 - 04/09/05 and the conference held on Charlotte, NC for the Wachovia Government Advisory Group Meeting held on 04/19/05 - 04/20/05.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	IMPROV INST TRAVEL	05-20362	NULL	5/13/2005	GAYLE GRUFFIN	333.09	0	NULL	Encumbered funds to reimburse vendor for movies expensed while representing Newark Public Schools at the North American Reading Recovery Institute in Arlington, VA. Expenses included lodging and registration fees.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
580	SUPP SERV SPEC TRAVEL	05-02868	7/1/2004	5/13/2005	SPECIAL ED TRAVEL REIMBU	9995.07	10000	NET	NTU contract item - reimbursement for work related travel for special education employees.	Union contract related agreement. Additional bill up is required to biller under stand support documents. Follow up questions were not posed I KPMG to any District employees and additional support was not requested.

Non-Instructional Purchases: Professional Educational, Technical and Other Services

Obj. Code	Account Name	PO #	PO Date	Last Check Date	Vendor Name	PO Amount	Original PO Amount	Brief Description	Comments	Management Response
500	BUS OFF TRAVEL	05-16919	NULL	5/31/2005	DOROTHY HATCHER	99	0	NULL	To reimburse payroll employee for out-of-pocket expenses while attending the American Payroll Association 23rd Annual Congress in San Diego, CA. Event happened 04/30/05 - 05/06/06.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
500	GEN ADM TRAVEL	05-16925	NULL	5/31/2005	RONALD KARSEN	96.51	0	NULL	\$96.51 paid to Ron Karsen for meals incurred at ASCO Conference in Orlando from 4/1/05 - 4/5/05.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval.
500	BUS OFF TRAVEL	05-23907	NULL	6/30/2005	JOYCE LEE	670.5	0	NULL	Payment for 5 hotel rooms in Detroit Michigan for Peoplesoft visit. Three room receipts from Marriott Courtyard in the name of Joyce Lee as "guest" official two receipts list Ronald Lee and Clarence Joffrin as "guests". Expense statement includes hotel charges in column 5. For 6 room charges at \$97.95 each however only 5 receipts are attached. Other charges are for parking and meals. One meal for \$19 indicated that receipt was lost.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
320	GEN ADM PURC PROF ED	06-06165	NULL	9/1/2005	KEVIN POWELL	3000	0	NULL	Guest speaker at the Teachers' Convocation on September 7, 2005.	Professional Staff (Instructional) Development
500	BUS OFF TRAVEL	06-04979	NULL	12/23/2005	WILSON VALERIE	523.06	0	NULL	Reimbursed ASBA (Operations) for expenses incurred, including lodging (\$350.62), Meals (\$166.44), and travel (\$6). During a trip to Boston, MA for ASBO. The PO was overpaid by \$123.06.	Travel related to Professional Development. For F 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.

Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments	Management Response
500	GEN ADMIN MISC	04-13396	NULL	12/1/2004	MEDITERRANEA	\$ -	\$ -	NULL	Documentation Not Provided as of 1/12/2006	Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
500	IMPROV OF INST	06-16506	NULL	6/16/2006	SHERATON NEW	\$ -	\$ -	NULL	Documentation Not Provided as of 1/12/2006	Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
500	ATTEND MISC	04-22542	NULL	6/30/2005	BRANCH BROOK	\$2,470.00	\$2,470.00	NULL	Senior Class Banquet on 6/23/04 for Class of 2004 (Graduation, Science High School.	Student recognition and incentive activity as relate to the promotion of the Core Curriculum Content Standards.
800	SCHL ADM MISC	06-10772	NULL	1/4/2005	CUSTODI S GATE	\$554.25	\$540.00	NULL	Provided catering services for 12/2/04 Parent Conference Night at Avenue High School. PO was overpaid by \$14.25, which was the delivery charge.	Approved School Leadership Council activity in accordance with Whole School Reform.
800	SCHL ADM MISC	06-09770	NULL	2/29/2006	NEW JERSEY NE	\$450.00	\$450.00	NULL	Admission for 30 students from Sussex Avenue School to attend the New Jersey Nets game held on Saturday, 12/19/05.	This is part of the Extended Classroom Experience (School Extended Day Program) to assist with the promotion of the District's Core Curriculum Center Standard.
800	IMPROV OF INST	06-17394	NULL	3/10/2006	NEW JERSEY NE	\$1,010.00	\$1,010.00	NULL	Admission for 50 from Technology High School for a New Jersey Nets game held on 3/15/06.	This is part of the Extended Classroom Experience (School Extended Day Program) to assist with the promotion of the District's Core Curriculum Center Standard.

Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Legal Check Date	Vendor Name	PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Management Response)
800	IMPROV OF INST	05-09769	NULL	12/22/04	NEW JERSEY RE	\$510.00	\$510.00	Admission for 25 from Sussex Avenue School of Arts for a New Jersey Nets game held on 12/4/04.	This is part of the Extended Classroom Experience (ECE) as related to the promotion of the Core Curriculum Content Standard.
800	GUIDANCE MISC	05-21827	NULL	5/11/2005	THEATRE DIREC	\$1,350.00	\$1,350.00	Admission for 36 to see "Sweet Charity" on Wed., 5/18/05 for Science High School.	This is part of the Extended Classroom Experience (ECE) as related to the promotion of the Core Curriculum Content Standard.
800	IMPROV OF INST	05-23558	NULL	6/8/2005	THEATRE DIREC	\$1,682.50	\$1,682.50	Admission for 55 (54 tickets bought and 1 comp) to see "The Producers" on Wed., 6/22/05 for Science High School.	This is part of the Extended Classroom Experience (ECE) as related to the promotion of the Core Curriculum Content Standard.
800	GUIDANCE MISC	05-68973	9/23/2004	12/16/2004	KING S FAMILY F	\$505.00	\$505.00	Catering services - school list, college fair and related school activities for University High School. This occurs once per month from October through May.	This is part of the Extended Classroom Experience (ECE) as related to the promotion of the Core Curriculum Content Standard.
880	IMPROV INST-MI	05-03479	NULL	7/21/2005	CIRCLE LINE	\$1,832.00	\$1,832.00	Class trip D910R05 for 136 students and staff members. 3 buses rented with an additional fee of \$10 per bus.	This is part of the Extended Classroom Experience (ECE) as related to the promotion of the Core Curriculum Content Standard.
880	BUS OFF MISC E	05-11344	NULL	12/23/2004	BATTLE ANTHON	\$209.65	\$209.65	Door prizes purchased for NJ Transit meeting.	Participation of District's Mirafly Business Opportunities Program in local procurement activity to promote MWBE participation. Additional follow up is required to better understand support documents. Follow up questions were not posed to KPMG to any District employees and additional support was not requested.
880	RD SCH ADM MISC	05-09874	NULL	12/15/2004	KING S FAMILY F	\$2,080.00	\$2,080.00	Thanksgiving luncheon for NJ Regional Day School on 11/23/04 for 24 staff and students. The cost per person was \$86.67.	Staff, parent, and student recognition and incentive activity to promote the Core Curriculum Standards Content. NJ Regional Day School has approximately 60 staff members and 140 students. Cost per person calculated did not include the participation of all staff, parents and students. The approximate cost per person was approximately \$8. Additional follow up is required to better understand support documents. Follow up questions were not posed to KPMG to any District employees and additional support was not requested.

Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid	Original PO Amount	Enter Description	Comments	Management Response
890	GEN ADMIN MISC	05-23693	NULL	6/22/2005	MARION BOLDEN	\$5,011.78	\$5,011.78	NULL	To reimburse employee for out of pocket expenses. These reimbursements are for items, dinners, and lunches. In addition, the supporting documentation did not add up to what was reimbursed. The supporting documentation included an American Express bill and some individual bills for items and meals. Some items being reimbursed were: (1) 2 - Five Jazz Musicians, Figurines costing \$59.95 each; (2) 3 - Double Countertop Dispensera costing \$49.99 each; (3) 1 - Crosley CR12 10 CD Full Size jukebox cost \$1,795; (4) Dinner with the Science High School Basketball team on 5/2/05; (5) Dinner with the Girls Melkoin X Shabazz Basketball team on 5/2/05; (6) Luncheon meeting with Executive Director of Newark Public Library; (7) Disability Income Insurance of \$231.90; and (8) Limited Accident Insurance of \$87.60. In addition, there were two dinners with no explanation of attendees or business purpose. All items that were ordered were shipped to 2 Cedar Street.	Items 1-3 were purchased from vendor that did not accept purchase orders but item cost were more reasonable. Items 4-5 represents student recognition activities. Item 6 represents a dinner meeting for District business. Items 7-8 represents benefits pursuant to the employee's employment contract.
890	GEN ADMIN MISC	05-08763	NULL	9/20/2005	MARION BOLDEN	\$1,822.38	\$1,822.38	NULL	To reimburse employee for out of pocket expenses incurred for various events. The supporting documentation did not match each payment. Some items and dinners being reimbursed were: (1) Dinner with Ray Baraka; (2) Dinner with William May and Dr. Norma Fair Brown; (3) Dinner meeting with Keyel Whillock and Ashlee Johnson; (4) 20 Bull to Last; Successist Habits of Visionary Companies (Harper Business Essentials); (5) 25 - Who's Gonna Take the Weight: Manhood, Race, and Power in America; (6) 100 Superintendents Gold Medal; (7) 100 Red/White/Blue Neck Ribbon; (8) GPS Tracker for a vehicle; and (9) various items from Staples.	Items 1-3 represents dinner meetings for District business. Items 4-5 represent professional business books. Item 6 represents supplies for student recognition activities. Item 7 represents safety and security vehicle device. Item 10 represents misc. office supplies.
890	GEN ADMIN MISC	05-10586	NULL	4/7/2005	MARION BOLDEN	\$3,109.44	\$3,046.44	NULL	Reimbursement to employee for out of pocket expenses. These reimbursements were for items, dinners, and lunches. In addition, the supporting documentation did not add up to what was reimbursed. The PO was overpaid by \$63. Some items, dinners, and lunches being reimbursed were: (1) Dinner meeting with Anibal Ramos and Samuel Gonzalez; (2) Dinner meeting with Dr. Anna Mead; (3) Dinner meeting with Dr. Griffin B. White, and Dr. Lindgren; (4) Dinner meeting with Mr. Wheeler and Mr. Condy; (5) Dinner meeting with Daria Rowe; (6) Professional books purchased while attending AASA Conference (totaling \$149 and \$63); (7) George McKenna Story; (8) 2 - 6"ID Color Prints of Amos Crudup, Waquehlic Published 11/1/004; and (9) 2 - wall hanging, Jazz Band Metal @ \$59.95 each	Items 1-5 represents dinner meetings for District business. Items 6-7 represents professional business books. Items 8-9 represent misc. supplies.

Non-Instructional Miscellaneous Purchases										
Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	Management Response
800	GEN ADMIN MIST	05-07805	NULL	10/23/2004	MARION BOLDIE	\$1,049.43	\$3,049.43	NULL	Reimbursement to employee for out-of-pocket expenses. These reimbursements were for items, dinners, and lunches. The supporting documentation did match the payment. In addition, a couple items appeared to be shipped directly to her home address versus Cedar Street. Some items, dinners, and lunches being reimbursed were: (1) Luncheon meeting with Connie Richard and Rosa Ramos; (2) Dinner meeting with Anton Wheeler, (3) Dinner meeting with Sue Stewart, Nicholl Mayor and Gayle Cheneyfield; (4) Dinner meeting with Dr. Russell Garms; (5) 1 - Jazz Time Picture (set of 2 @ \$129.46); 1 - Saxophone Player Sculpture, Bronze @ \$45.75; (7) 3 - 36" portable skeleton and 1 - terra cotta pumpkin set @ \$34.00; (9) Dinner meeting with Irma Stamp; (9) 5 - Performance Appraisal of School Management; (10) 1 - Fall Leaves Tree @ \$29.95; (11) 10 - Candela Rechargeable Lamps - Tena @ \$9.59 each; (12) 1 - Square Pedestal 42" H Oak @ \$99; (13) 1 - Square Pedestal 42" H Cherry @ \$99; (14) Square Pedestal 30" H Oak @ \$79; (16) Square Pedestal 30" H Cherry @ \$79; (16) 1 - Jazz Trumpet Player @ \$49.99; (17) 1 - Jazz Trumpet Player @ \$49.99; (17) 1 - Jazz Trumpet Player @ \$49.99.	Items 1-4 represent dinner meetings for District business. Items 5-8 represent supplies for the student jazz club (Misc II Up). Item 7 represents misc. office supplies. Item 8 represents dinner meeting for District business. Item 9 represents professional book supplies. Items 10-15 represent other supplies. Item 16 represents supplies for the student jazz club (Misc II Up). Items (value of \$254.62) delivered to employee home address resulted from a vendor error. Vendor selected for this purchase was utilized by the employee on prior occasions for personal reasons and vendor requested to change the ship to address in this specific case.
800	IMPROV INST-ALL	05-03188	NULL	7/30/2004	TRUPPO GUSTIA	1200	0	NULL	Payment to Gustave Truppo as advance payment for meals (\$750) and ground transportation including tips and fees (\$450) for three guests attending the AVID Summer Institute 2004 in San Diego CA 8/1-8/04. Attendees: Phyllis Gillette, Charlene Baskerville, and Jean Giannis. Expense statements from 3 guests and one from Gustave Truppo totaled \$1,222.08	Travel related to Professional Development. For 06-07 procedures have changed for all travel out of the State of NJ which now requires State D.O.E. approval. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
800	IMPROV OF INST	04-10462	12/3/2003	8/20/2004	NICKY S CAFE G	1014.75	1492.5	NET 30 DAYS	Catering for Sussex Avenue Annex School on 06/11/04 (50 people @ \$9.95 per person and \$49.75 delivery) and 06/18/04 (50 people @ \$9.59 per person and \$42.60 delivery). (Receiptance advice missing).	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
800	2003 2004 BUDG	04-46305	9/15/2003	8/20/2004	NICKY S CAFE G	115.5	4000	NET 30 DAYS	Continental breakfast for Guilmer St. School on 02/03/04. 20 people @ 5.25 per person and \$10.50 delivery charge. (Receiptance advice missing).	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
800	IMPROV INST-ALL	04-13772	NULL	8/20/2004	NICKY S CAFE G	1567.5	0	NULL	Encumbered funds for the catering needs for the Annual Gifted and Talented Problem Solving Convocation on 05/11/04 - 05/13/04 breakfast and lunch for 85 students. Breakfast and lunch on 06/13/04 for 100 people (breakfast @ \$5.75 per person and lunch @ \$8.50 per person. \$ 145.50 delivery charge). (Receiptance advice missing).	Student recognition and incentive activity as related to the promotion of the Core Curriculum Content Standards. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
800	IMPROV INST-ALL	04-13544	2/16/2004	8/20/2004	NICKY S CAFE G	2088.36	4000	NET 30 DAYS	Light refreshments at various workshops during the 2003/2004 school year. Shipped to Language Arts Literacy. (Receiptance advice missing).	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.

Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	Management Response
880	IMPROV OF INST	05-07272	NULL	10/22/2004	SANDWICHES UP	720	0	NULL	Catering service for continental breakfasts on 10/05/04 and 10/07/04 at Barringer High School. 80 people @ \$9 per person.	Professional Staff (Instructional) Development.
408	IMPROV OF INST	05-07273	NULL	10/22/2004	SANDWICHES UP	720	0	NULL	Catering service for full breakfast on 10/05/04 at Barringer High School @ \$9 per person.	Professional Staff (Instructional) Development.
690	SUPP SERV SPE	05-05741	NULL	10/22/2004	LOUIS DELI	988.63	0	NULL	Encumbered funds for the Office of Special Education for the school opening. The expenses included four continental breakfasts and one lost stainless steel plate.	Professional Staff (Instructional) Development.
880	GEN ADMIN MISC	05-04288	8/9/2004	10/22/2004	SANDWICHES UP	1182.8	1208.3	MET	Food for various School Leadership Team II meetings on 8/13/04 for 35 people and 8/20/04 for 30 people.	Professional Staff (Instructional) Development.
400	GUIDANCE MISC	05-05711	NULL	11/22/2004	WHITE ELAINE	608.01	0	NULL	Meals for peer leaders from 09/15/04 - 09/17/04.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standard.
800	SCHL ADM MISC	05-05605	NULL	11/22/2004	F B FINE CATERI	816	0	NULL	Opening day breakfast for faculty and staff (80 people) @ \$10.20 per person held on 9/7/04.	Professional Staff (Instructional) Development.
800	IMPROV OF INST	05-05461	NULL	12/31/2004	NICKY S CAFE G	1122	0	NULL	Catering for Chancellor Avenue School on 09/07/04 and 09/08/04. Lunches for 80 people each day @ \$8.60 per person. Delivery charge totaled \$102.80.	Professional Staff (Instructional) Development.
800	SCHL ADM MISC	05-05452	NULL	12/31/2004	NICKY S CAFE G	873.2	0	NULL	Catering for Chancellor Avenue School on 09/07/04 and 09/08/04. Lunches for 36 people each day @ \$8.60 per person. Delivery charge totaled \$61.20.	Professional Staff (Instructional) Development.
800	IMPROV OF INST	05-05323	NULL	12/31/2004	NICKY S CAFE G	1251.25	0	NULL	One breakfast (50 people @ 5.75 per person) and two dinners (50 people @ 8.50 per person) for Clinton Avenue School on 09/07/04 and 09/08/04.	Professional Staff (Instructional) Development.
800	SCHL ADM MISC	05-05565	NULL	12/31/2004	NICKY S CAFE G	649.82	0	NULL	Opening day breakfast at Maple Avenue School (85 people) @ \$6.95 per person held on 9/7/04. \$59.07 delivery charge.	Professional Staff (Instructional) Development.
800	SCHL ADM MISC	05-05583	NULL	12/31/2004	F B FINE CATERI	1020	0	NULL	Hol and cold breakfast, complete coffee and tea service for 100 people @ 10.20 per person for Luis Munoz Martin School.	Professional Staff (Instructional) Development.
800	SCHL ADM MISC	05-05545	NULL	12/31/2004	FYI	864.5	0	NULL	Catering services for teachers welcome back breakfast (110 employees).	Professional Staff (Instructional) Development.
800	IMPROV OF INST	05-11214	NULL	12/15/2004	NEWARK SCREE	2170	0	NULL	Theater tickets (\$4.00) and snacks (\$3.00) for 310 students from Clinton Avenue School.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standard.
690	SUPP SERV SPE	04-20839	NULL	12/22/2004	VALLEY REGENC	1296	0	NULL	Catering service for Special Education year-end meeting on 09/17/04. Meal for 162 people @ \$8 per person.	Professional Staff (Instructional) Development.
690	GEN ADMIN MISC	05-08027	NULL	12/22/2004	PLAZA PASTRY	5690	0	NULL	Continental breakfast (400 people @ \$6 per person) and lunch (400 people @ \$8 per person) for a School Leadership Team 4 parent conference held on 10/23/04.	Professional Staff (Instructional) Development.
890	GEN ADMIN MISC	05-08351	NULL	1/14/2005	SANTO S FLORIS	330	0	NULL	Plants and roses for School Leadership Team 4 at Technology High School.	Items ordered for various school related open hou activities for parents and students.
800	IMPROV OF INST	05-11444	NULL	12/12/2005	LUIGI S RESTAU	250	0	NULL	Encumbered funds to Luigi's Restaurant for School Leadership Council "Holiday Celebration".	Professional Staff (Instructional) Development.

Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	Management Response
800	2804 BUDG	05-10477	NULL	2/11/2005	WARRER CYNTH	332.43	0	NULL	Reimbursement for N.J.P.T.A. Convention in Atlantic City, NJ, on 1/22/04 - 12/01/04. Reimbursement included meals and lodging. The PO was overped by \$34.43. NPS did not provide receipts or the remittance advice.	Travel related to Professional Development within the Mid-Atlantic Region. State D.O.A. approval not required. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
800	IMPROV OF INST	05-13795	NULL	3/10/2005	THE MANDR REC	3635.25	0	NULL	Room rental charges and breakfast/lunch for 75 District employees for an off-site workshop held on Family Night dinner for 150 people on 03/03/05.	Professional Staff (Instructional) Development.
800	IMPROV OF INST	05-15400	NULL	3/10/2005	MADEAR S SOUJ	700	0	NULL	Complete Corporate package (three employees) for 17 people @ 14.95/person and hot and cold breakfast for 20 people (including complete coffee and tea service) @ \$10.20/person for Las Menes Martin School.	Parent and student recognition and incentive activity in accordance with Whole School Reform.
800	IMPROV OF INST	05-15720	NULL	3/10/2005	F B FINE CATERI	434.4	0	NULL	Lodging at AMERICAN Outdoor Center for training on 03/27/05 for 27 peer leaders and four advisors. NPS did not provide the receipt or the remittance advice.	Professional Staff (Instructional) Development.
800	IMPROV OF INST	05-15259	NULL	3/17/2005	AMC MICHIGAN C	527	0	NULL	Advertisement - Black History Month Program. Aired 12 spots on WBGO 89.3 FM.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standard. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
850	BUS OFF MISC E	05-15319	NULL	3/17/2005	WBGO RADIO	1599	0	NULL	Advertisement - Black History Month Program. Aired 12 spots on WBGO 89.3 FM.	Core student activities as related to the promotion of the Core Curriculum Standards Content.
850	GEN ADMIN MISC	05-02874	7/1/2004	3/17/2005	ARCADIA FLORIS	3784	4000	NET 30 DAYS	Encumbered funds to purchase floral arrangements for baskets (various occasions) as requested by the Superintendent for the 2004-2005 school year. Bills/remittance advice missing to support the payment of \$3,784.	Items purchased in relation to student, parent, & related recognitions and incentive activities, retirements, and bereavements.
850	STAFF DEV MISC	05-12337	NULL	3/21/2005	SANDWICHES US	1008	0	NULL	Twelve six-pack subs delivered to NJIT for the First Lego League Robotics Competition on 1/15/05 intended as lunch for projected number of attendees of 350.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standard.
850	GEN ADMIN MISC	05-09418	NULL	3/24/2005	ALEX LOPEZ	580.02	0	NULL	Reimbursement for out-of-pocket expenses for organizing the 9th Annual Parent Conference held on 10/22/04.	Approved School Leadership Council activity under Whole School Reform.
850	IMPROV INST-MI	05-14960	NULL	4/4/2005	NICKY S CAFE G	1958.24	0	NULL	Food for various occasions including the NPS Central Office, School Leadership Teams 1, 3, and Lunch for 225 people @ \$7.95 per person catered to the Office of Guidance. Total price on receipt was \$1,987.50, PO and check amount were \$1,500.00.	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents.
850	SUPP SERV REC	05-17565	NULL	4/4/2005	GOURMET DININ	1500	0	NULL	Breakfast for 225 people @ \$3.85 per person catered to the Office of Guidance. Total price on receipt was \$862.50 - PO and check amount were \$1,000.00.	Professional Staff (Instructional) Development.

Non-Instructional Miscellaneous Purchases

Object Code	Account Name	PO Number	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments (Based on Review of Purchase Orders)	Management Response
800	GUIDANCE MISC 05-15757		NULL	4/25/2005	NEWARK BEARS	903	0	NULL	Admission fees for 140 students and ten adults @ \$6 each and handling charges of \$3 for a Newark Bears baseball game. Belmont-Rutson students and teachers attended the game.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standard.
800	IMPROV OF INST 05-16422		3/12/2005	5/9/2005	COOPER LIQUOR	663.92	2000	NET 30 DAYS	Encumbered funds for parent teacher conferences, parent meetings, and workshops. All expenses were meals.	Approved School Leadership Council activity under Whole School Reform.
800	SCHL ADM MISC 05-22138		NULL	6/30/2005	MRS PATRICIA BA	617.39	0	NULL	Reimbursement for AIRA conference in San Antonio, TX on 04/30/05-05/06/05. Expenses included lodging and meals.	Travel related to Professional Development. For FY 06-07 procedures have changed for all travel out of the State of NJ and overnight travel which now requires State D.O.E. approval.
800	IMPROV OF INST 05-05539		NULL	6/14/2005	CHATEAU OF SP	219.14	0	NULL	Encumbered funds for end-of-school SLC retreat.	Professional Staff (Instructionally Development)
800	N/A 05-15147		NULL	6/30/2005	ALADEN ATHLET	1060	0	NULL	169 white T-Shirts with logo for Thirteenth Avenue School.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.
800	GUIDANCE MISC 05-23976		NULL	6/30/2005	BLONDIE S FLOA	4200	0	NULL	Big float for NPS parade on 09/21/05 for Dr. William H. Horton School.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.
800	GUIDANCE MISC 06-19927		NULL	6/30/2006	HARMAR ASSOC	998	0	NULL	Check number 425353 in the amount of \$23,522. was paid to Harmar Associates, payment included several purchase orders including PO 06-19927 which was for T-shirts for School Spirit Day-Maple Avenue School.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.
890	GEN ADMIN MISC 05-20655		NULL	6/29/2005	BELLA CASA CA	968.8	0	NULL	Encumbered funds to cater Principals meetings during the months of April and May.	Professional Staff (Instructionally Development)

Non-Instructional Supplies and Materials										Comments		Management Response	
Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	PO Amount	Original Amount	Brief Description	Comments	Management Response			
600	SCHL ADM GEN SUPPLIES	04-20626	NULL	11/11/2004	A M McCLAIN	\$ -	\$ -	NULL	Documentation Not Provided as of 1/12/2006	Follow up questions were not posed by KPMG to any District employees and additional support was not requested			
610	IMPROV INST. SUPPLIES	05-405435	NULL	12/2/2004	NICKY'S CAFE GRILLE	\$532.60	\$532.60	NULL	Continental breakfast for Instructional Technology on 9/23/04 Room 914 at 2 Cedar Street for 100 people.	Professional Staff (Instructional) Development.			
600	TRIMEDIA GEN SUPPLIES	04-23971RPL	NULL	5/4/2005	ACADEMY FLORIST	\$498.00	\$498.00	NULL	Flowers for 8th grade promotional exercise for Newton Street School.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.			
600	SCHL ADM GEN SUPPLIES	05-05104	NULL	5/31/2005	MORRIS COSTUMES	\$2,195.45	\$2,195.45	NULL	Cost In The Hat Adult Costume, 375 Cal In The Hat, Hats, and PAA Certificate, and Readers Certificate for Sussex Avenue School.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standard			
610	GEN ADM SUPPLIES	04-18424A	NULL	8/20/2004	NICKY'S CAFE GRILLE	1836.95	0	NULL	Encumbered funds (\$2,000) for catering during meetings for School Leadership Team 3 through 08/30/04. (Remittance advice missing).	Professional Staff (Instructional) Development.			
600	SCHL ADM GEN SUPPLIES	04-16984	NULL	9/3/2004	MICHAEL V S CATERING	1601.25	0	NULL	Encumbered funds to provide dinner for teaching staff for parent/teacher conference for the Rafael Hernandez Elementary School. The admittance advice is missing but the system indicates that the PO was overpaid by \$126.	Approved School Leadership Council activity under Whole School Reform.			
600	SCHL ADM GEN SUPPLIES	04-18827	NULL	11/11/2004	SIGN A RAMA	2926	0	NULL	Letter panels for Samuel L. Berliner School. PO does not contain description and invoice is hand written - not readable.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested			
600	SCHL ADM GEN SUPPLIES	04-20110	NULL	11/11/2004	SHOPPERS PLAZA USA INC	631.08	0	NULL	Hot Dog Steamer for \$389.65 and Anvil Fryer with 3 baskets for \$404.75 plus \$35.68 shipping. University High School.	Supplies needed for core curriculum student activities			

Notes-Instructional Supplies and Materials

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	PO Amount	Original Amount	Brief Description	Comments	Management Response
600	SCHL ADM GEN SUPPLIES	05-21988	NULL	11/11/2004	CENTRAL RESTAURANT	150	0	NULL	Encumbered funds for continental breakfast (40 people). Purposes: Sister Friends & Boys to Men.	This is part of the Extended Classroom Experience (ECE) as it relates to the promotion of the Core Curriculum Content Standards.
600	LIBMEDIA GER SUPPLIES	05-01210	NULL	11/11/2004	EXPRESS MAGAZINE	79	0	NULL	Subscription for magazine "Les Cles De L'Academie" for Wrequehite High School.	Instructional supplies in accordance with Core Curriculum Content Standards.
600	LIBMEDIA GEN SUPPLIES	05-01391	NULL	11/11/2004	ISLAND MAGAZINE SERVICE	272.9	0	NULL	74 issues of different magazines/journals for Malcolm X. Shabazz High School.	Instructional supplies in accordance with Core Curriculum Content Standards.
600	STAFF DEV GEN SUPPLIES	05-02597	NULL	11/11/2004	JOURNALS UNLIMITED INC	625.45	0	NULL	80 teacher journals ("Write It Down") for Eighteenth Avenue School.	Instructional supplies in accordance with Core Curriculum Content Standards.
610	GEN ADM SUPPLIES	05-03617	NULL	11/12/2004	WARD COFFEE CO	792.2	0	NULL	Coffee and tea supplies for the District Superintendent (officer). PO does not provide sufficient explanation.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
610	GEN ADM SUPPLIES	05-04680	NULL	11/12/2004	WARD COFFEE CO	348.05	0	NULL	Coffee and tea supplies for the District Superintendent (officer). PO does not provide sufficient explanation.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	BUS OFF SUPPLIES	04-02465	NULL	12/30/2004	CELESTIAL SPRINGS WATER	148.05	0	NULL	The file contains the admittance advice and a lot of invoices, none of which match the payment of \$148.05.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
610	SUPP SERV REG SUPPLIES	04-02154	NULL	12/30/2004	CELESTIAL SPRINGS WATER	148.05	0	NULL	The file contains the admittance advice and a lot of invoices none of which match the payment of \$148.05.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
610	IMPROV INST. SUPPLIES	05-05335	NULL	12/31/2004	NICKY'S CAFE GRILLE	682.5	0	NULL	Breakfast for Instructional Technology. NPS did not provide a receipt for this PO.	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	LIBMEDIA GEN SUPPLIES	05-01370	NULL	11/31/2004	ISLAND MAGAZINE SERVICE	1909.35	0	NULL	56 issues of different magazines/journals for West Side High School.	Instructional supplies in accordance with Core Curriculum Content Standards.
600	SCHL ADM GEN SUPPLIES	05-11078	NULL	11/19/2004	HAPPY CHEF TIE	678.4	0	NULL	37 polo jerseys and 37 embroidered for Technology High School.	Staff and student recognition and incentive activities as it relates to the promotion of the Core Curriculum Standards Content.
600	SCHL ADM GEN SUPPLIES	05-05742	NULL	11/14/2004	PLAZA PASTRY SHOP	500	0	NULL	Encumbered funds for refreshments (125 people @ \$4 per person) at school opening for McKinley School.	Professional Staff (Instructional) Development.
600	IMPROV OF INSTR GEN SUPP	05-10286	NULL	11/14/2004	JUNIOR POLICE ACADEMY	209.28	0	NULL	George Washington Carver School, 25 T-shirts for Newark Junior Police Academy at \$8 each plus \$9.28 shipping.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.
600	GUIDANCE GER SUPPLIES	05-11721	NULL	11/14/2004	PASSON S SPORTS INC	37.34	0	NULL	Exercise mat and water cooler for University High School.	Items purchase for athletic program in accordance with Core Curriculum Content Standards.
600	IMPROV OF INSTR GEN SUPP	05-10857	NULL	2/24/2005	NICKY'S CAFE GRILLE	1003.2	0	NULL	Lunch for parent/teacher conference on 12/12/04. Meal included 114 people @ \$8 per person and \$91.20 delivery charge. (Remittance advice missing).	Approved School Leadership Council activity under Whole School Reform.
600	SCHL ADM GEN SUPPLIES	05-10716	NULL	2/24/2005	ACCURATE LABEL DESIGN	352.95	0	NULL	3,000 visitor passes, 1,000 substitute passes, 1,000 volunteer passes, 1,000 field trip passes, and 1,000 chaperone passes for Cleveland School.	Supplies purchased from vendor for use in school security and safety initiative for students, staff, and parents.
600	SCHL ADM GEN SUPPLIES	05-15391	2/7/2005	3/4/2005	CATALUCCI S	1000	1200	NET 30 DAYS	Encumbered funds for refreshments at SLC meeting for 160 people.	Professional Staff (Instructional) Development

Non-Instructional Supplies and Materials

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	PO Amount	Original Po Amount	Brief Description	Comments	Management Response
600	SCHL ADM GEN SUPPLIES	05-10791	NULL	3/21/2005	SANDWICHES UNLIMITED	443.95	0	NULL	Dinner for fall outreach for the community on 12/2/04. (Remittance advice missing).	Approved School Leadership Council activity under Whole School Reform. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	GUIDANCE GEN SUPPLIES	05-07901	NULL	4/14/2005	IT S ELEMENTARY	349.2	0	NULL	Encumbered funds for 7.5 full color navy blue caps. PO was overpaid by \$22.32. \$8.32 was due to shipping. \$14.00 was due to an original design charge not included on the PO.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	BUS OFF SUPPLIES	05-02303	6/14/2005	6/30/2005	NESTLE WATERS NORTH AMER	565.39	28106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	BUS OFF SUPPLIES	05-02303	6/14/2005	6/30/2005	NESTLE WATERS NORTH AMER	716.6	28106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	BUS OFF SUPPLIES	05-02303	6/14/2005	6/30/2005	NESTLE WATERS NORTH AMER	229.74	28106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	SCHL ADM GEN SUPPLIES	05-02303	6/14/2005	6/30/2005	NESTLE WATERS NORTH AMER	606.66	28106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
600	SCHL ADM GEN SUPPLIES	05-02303	6/14/2005	6/30/2005	NESTLE WATERS NORTH AMER	1065.3	28106.68	NET 30 DAYS	The amount did not match any remittance advice or invoice provided by NPS.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
610	IMPROV INST SUPPLIES	05-20273	NULL	6/30/2005	WARD COFFEE CO	140	0	NULL	Coffee and tea supplies for Language Arts/Literacy.	Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
610	GEN ADM SUPPLIES	05-20624	NULL	6/30/2005	SUCCESSORIES	1881.9	0	NULL	80 Winning with Teamwork Sculptures @ \$29.99 each and \$82.50 shipping charge. Items were shipped to School Leadership Team 1.	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.
600	LIBMEDIA GEN SUPPLIES	06-08276	NULL	12/2/2005	DR SHARON WILLIAMS	381	0	NULL	Reimbursement for expenses including travel, lodging, and meals during the Annual Conference for School Library Media Specialists held 10/27/05 - 10/28/05.	Professional Staff (Instructional) Developmental
600	LIBMEDIA GEN SUPPLIES	05-14216	NULL	6/2/2005	CHELSEA HOUSE	975.81	0	NULL	35 different books, including titles such as "Queen Latifah", "Bob Marley", and "Polking the Inlainer", were purchased for Malcolm X Shabazz High School.	Instructional supplies in accordance with Core Curriculum Content Standards.

School Sponsored Athletic Supplies and Materials

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	PO Amount	Original PO Amount	Brief Description	Comments	Management Response
600	ATHLETICS GEN SUPPLIES	05-24695	6/30/2006	8/17/2006	BFS BIGGER PASTER STRO	\$2,097.00	\$2,097.00	NET 30 DAYS	Olympic military bench, seat cover, plate rack, return the soil, and corbice hex bar.	Equipment and supplies for student weight training room.
600	ATHLETICS GEN SUPPLIES	05-23447	NULL	8/23/2006	PHILLIPS SEAFOOD RESTURANT	\$564.65	\$564.65	NULL	RSPA Class Trip Buffet (8/22/06) for Weaquahe High School	Student recognition and incentive activity as it relates to the promotion of the Core Curriculum Content Standards.

Textbooks

Object Code	Account Name	Po #	Po Date	Last Check Date	Vendor Name	PO Amount	Original PO Amount	Brief Description	Comments	Management Response
640	REG TEXTBOOKS	05-01118	NULL	7/23/2006	SCOTT FORESMAN	\$-	\$-	NULL	Documentation Not Provided as of 11/22/06	Management Response Answers to questions were provided by the vendor to any District employees and additional support was not requested.

Capital Outlay

Account Name	PO #	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description	Comments	Management Response
EQUIPMENT NON-INSTRUCTION	05-24623	NULL	6/29/2006	AUTOLAND	\$29,995.00	\$29,995.00	NULL	2005 Grand Cherokee Jeep 4x4 SUV Rocky Mountain, Color Silver, leather interior, 8 cylinder, touch screen, DVD, navigation screen, VIN # 1J4HR88K29C713482. Delivery to: District Superintendent, 2 Cedar Street, Newark NJ.	Purchased as part of employee employment contract.
FACIL ACQU CONSTRUCTION	05-13119	NULL	4/25/2006	RAY ANGLINI	\$-	\$-	NULL	Documentation Not Provided as of 11/22/06	Management Response Vendor responses were not received by the vendor to any District employees and additional support was not requested.
EQUIPMENT NON-INSTRUCTION	84-16822	NULL	8/26/2004	PNC FL M LLC	\$-	\$-	NULL	Documentation Not Provided as of 11/22/06	Management Response Vendor responses were not received by the vendor to any District employees and additional support was not requested.
FACIL ACQU CONSTRUCTION	04-23847	NULL	12/31/2004	ROCKAWAY MUSIC	\$9,590.00	\$9,590.00	NULL	2 Rosewood Yamaha Clavinovas Series #208 for Belmont - Runyon School.	Equipment/instructional supplies in accordance with Core Curriculum Content Standards. Belmont Runyon is a Music / Art theme school.
FACIL ACQU CONSTRUCTION	04-23846	NULL	12/16/2004	ALTENBERG PIANO HOUSE	\$9,000.00	\$9,000.00	NULL	1 Allenburg National Upright Piano and Bench Model 247, EP# JNH00333 (Cost \$3,000) and 1 Allenburg Black Grand Piano and Bench, Model 52, EP# JNH0259 (Cost \$6,000) for Belmont-Runyon School.	Equipment/instructional supplies in accordance with Core Curriculum Content Standards. Belmont Runyon is a Music / Art theme school.

Purchased Professional-Technical and Other Services for Instructional Staff Training

Object Code	Account Name	PO #	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description In	Comments	Management Response
580	STAFF DEV TRN	04-18713	4/15/2004	7/30/2004	JOYLETTE MILLS	188.53	700	NET	Reimbursement for personal expenses (meals and transportation) incurred while attending the National Academy for Science and Mathematics Education Leadership in Tucson, Arizona on 05/19/04 - 05/25/04.	Professional Staff (Instructional) Development.
580	STAFF DEV TRN	05-05076	8/20/2004	7/27/2005	PROF IMPROVE	15164.14	70000	NET	Encumbered funds for reimbursement for conferences and workshops for the 2004-2005 school year. Members of the Newark Teachers Union (NTU) were reimbursed for conferences and trainings. The reimbursement amount is approved by the Newark Teachers Union Professional Committee prior to the conferences or workshops.	Professional Staff (Instructional) Development.
580	STAFF DEV OTH	05-16560	3/1/2005	5/10/2005	SANDWICHES UP	1967.46	2000	NET 30 DAYS	Continental breakfasts for staff development for Saturday HSPA classes (2004 - 2005 school year). (All remittance advices missing).	Professional Staff (Instructional) Development.
320	STAFF DEV PUR	05-08766	11/02/2004	2/19/2005	NEWARK MUSEL	4800	4800	NET 30 DAYS	The PO states admission fee to the Newark museum for 120 people @ \$40 for staff development on 11/04/04. The invoice from the museum states total amount due was \$4,800 (for 100 teachers @ \$40 person). The check amount was \$4,800 for PO# 05-08766 (check #402370).	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.

Regular Instructional Purchased Professional Educational Services

Object Code	Account Name	PO #	PO Date	Last Check Date	Vendor Name	Total Paid PO Amount	Original PO Amount	Brief Description in	Comments	Management Response
320	REG PURCH PR06-0766B		NULL	2/4/2005	CALDWELL FLIGHT ACADEMY	14780	0	0	Flight instruction and aircraft rental for Banninger High School students enrolled in flight program. Rental was 145 hrs (\$72/hr) and flight instruction was 145 hrs (\$30/hr).	This is part of the Extended Classroom Experience (ECE) to assist with the implementation of the Core Curriculum Content Standard. Specifically, this relates to the Newark Liberty Airport Internode Transportation and Aerospace Program
320	STUDENT ASSOC 04-08274		NULL	2/9/2005	NEW JERSEY SYMPHONY ORCH	6289	0	0	Violin program instructions for Quilmax School 2nd grade October through June, private violin lessons scholarships, June coaching sessions and School Fiddlersis (three visits) - all for school year 2003-2004. (Remittance advice missing).	This is part of the Extended Classroom Experience (ECE) to assist with the implementation of the Core Curriculum Content Standard. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
320	REG PURCH PR05-13210		1/7/2005	3/21/2005	SANDWICHES UNLIMITED	901	903.5	NET 30 DAYS	delivered to Madison Elementary School; one dated 2/24/05 for 3 six-foot subs totaling \$221; the second dated 1/27/05 for \$472. Details of second invoice include 1 sausage and peppers at \$25 and 2 large colas at \$8 each for total of \$16; however PO lists 11 sausage and pepper at \$25 each for a total of and 21 colas at \$9.50 each for a total of	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
320	REG PURCH PR06-17970		3/16/2005	6/30/2005	SANDWICHES UNLIMITED	1260	1311	NET 30 DAYS	Catering for Madison School. Check amount related to this PO was \$603.50.	Professional Staff (Instructional) Development. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.
320	REG PURCH PR06-08421		NULL	11/14/2005	STREET WARRIORS	6800	0	0	5 weeks of long-term management program "Positive Thinking" provided October 3, 2005 - November 18, 2005 for William H Brown Academy. Mondays, Wednesdays and Fridays from 1:40-2:40pm.	Core curriculum student activities as related to the implementation of the Core Curriculum Standards Content.
320	REG PURCH PR06-08231		NULL	11/23/2005	DR. JAWANZA KUNJUFU	1125	0	0	Staff development speaker for instructional staff - parents. Two sessions were held on 10/18/05 (1:00 pm - 3:00 pm and 6:00 pm - 6:30 pm). The speaker was paid \$7,500 for the two sessions.	Staff and parent development in accordance with Whole School Reform.
320	REG PURCH PR04-22218		NULL	7/30/2004	WILLIAM H OLIVER	500	0	0	Presentation consultant for staff/parent training conference on 6/19/04. (Remittance advice missing)	Staff and parent development in accordance with Whole School Reform. Additional follow up is required to better understand support documents. Follow up questions were not posed by KPMG to any District employees and additional support was not requested.