

Corrective Action Plan (CAP)

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School District/Charter/Renaissance School Project: Nutley School District

County: Essex

Contact Person: David DiPisa

Type of Audit: Yearly Audit

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Date of Board Meeting: February 22, 2021

Recommendation Number	Corrective Action Required by the Board	Method of Implementation	Person Responsible for Implementation	Planned Completion Date of Implementation
1	A payroll agency ledger by deduction was not maintained.	A payroll agency ledger by deduction has been currently maintained and be in agreement with the monthly bank reconciliations.	Business Administrator Assistant Business Administrator	February 8, 2021
2	The audit of payroll noted the following: <ul style="list-style-type: none"> • Documentation supporting certain payments for overtime and additional/extra compensation was not available for audit. • Calculations for Chapter 78 health contributions for certain employees were not available for audit. • Calculations and supporting documentation for accumulated sick and vacation time payouts made to certain employees resigning or retiring from the District was not provided for audit. 	All supporting documentation and calculations for overtime, additional/extra compensation, Chapter 78 health benefit contributions and accumulated sick and vacation time payouts be retained and made available for audit.	Business Administrator Assistant Business Administrator	March 31, 2021

3	The audit revealed the withdrawals from the Capital and Maintenance Reserves that were approved by Board resolutions during the year were not recorded in the District's budget reports.	All withdrawals from the District's Capital and Maintenance Reserves approved by the Board, be reported in the appropriate budget account line items.	Business Administrator Assistant Business Administrator	March 31, 2021
4	The audit noted that the Home Instruction – Purchased Service and Speech, OT,PT, and Related Services – Purchased Services were over expended \$11,635 and \$104,592 at June 30, 2020.	The District review the monthly financial reports to ensure that the various budget appropriations have sufficient funds available.	Business Administrator Assistant Business Administrator	June 30, 2021
5	The original budget of the General Fund was overstated by \$25,000. The Home Instruction-Purchased Services line item was \$25,000 greater than the amount in the approved budget.	The District review its original budget to ensure all budgetary line item amounts are in agreement with the State approved budget document.	Business Administrator Assistant Business Administrator	March 31, 2021
6	The audit of purchasing revealed that certain contracts for the Nutley High School Oval Project were awarded prior to the funding being established by the Board. The Board subsequently approved in October, 2020 a resolution authorizing the withdrawal of \$1,000,000 from the General Fund Capital Reserve to fund the project expenditures.	The District implement procedures to ensure the sufficient funding for capital projects is established prior to the awarding of contracts.	Business Administrator Assistant Business Administrator	March 31, 2021
7	Purchase orders and vendor invoices for certain OT/PT/Behavioral purchased services did not always have sufficient supporting documentation. In addition, the award of the contract as a professional service was not advertised in the official newspaper as required by the local public contracts law.	It is recommended that all invoices for OT/PT/Behavioral purchased services include information or documentation regarding the name of the service provider specialist, hours worked, student initials or other identification factor, and related services provided. In addition, all contracts awarded as a professional service be advertised in the District's official newspaper.	Business Administrator Assistant Business Administrator	March 31, 2021

8	<p>The District incurred an operating loss of \$472,938 for fiscal year ended June 30, 2020.</p>	<p>The District monitor the operations of its Extended Day Program to ensure that sufficient funds are available to meet operating needs.</p>	<p>Business Administrator Assistant Business Administrator</p>	<p>June 30, 2021</p>
9	<p>The audit of the student activity funds revealed the certain deposits made by Radcliffe, Spring Garden and the High School were not always made in a timely manner.</p>	<p>Internal control procedures regarding the deposit of funds be enhanced to ensure that all monies collected are deposited in a timely manner.</p>	<p>Business Administrator Assistant Business Administrator</p>	<p>March 31, 2021</p>