

Corrective Action Plan (CAP)
For the Fiscal Year ended June 30, 2023
Prepare only when there is a finding(s) in the ACFR or AMR.

Upload to the ACFR Repository with file name: CAP.PDF (within 45 days of board approval)

Email a copy of the CAP to: CAP@ag.nj.gov

Nutley School District

Essex

David DiPisa

CAP

ddipisa@nutleyschools.org / 973-661-8799

February 26, 2024

A	B	C	D	E	F
*AMR/ACFR Finding #	*Finding (Condition)	*Recommendation	*Method of Implementation	Person Responsible for	Completion Date
2023-1	The payroll agency ledger by deduction was not in agreement with the June 30, 2023 bank reconciliation.	The payroll agency ledger by deduction be currently maintained and agree with the monthly bank reconciliations.	The Assistant Business Administrator will reconcile the payroll agency ledger with the bank reconciliation on a monthly basis.	Assistant School Business Administrator	April 15, 2024
2023-2	Our audit noted that incorrect budget account codes were utilized to record the purchase of equipment. An audit adjustment was made to reflect the correct budget account charges. In addition, certain special revenue grant account codes were not in agreement with the State's minimum chart of accounts.	The District utilize the Education's Minimum Chart of Accounts for assistance with recording budgetary expenditures.	The Assistant Business Administrator will review all budget account codes to ensure the correct codes are utilized for all purchases.	Assistant School Business Administrator	April 15, 2024

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2023-3 (ACFR finding 2023-001)	<p>With respect to the District's General Fund operating budget and financial statements, we noted the following:</p> <ul style="list-style-type: none"> • The District's fund balance decreased in excess of \$6.7 million from \$9,014,534 at June 30, 2022 to \$2,239,806 at June 30, 2023. • There was a revenue shortfall in local /miscellaneous revenues of \$1,448,142. • Operating budget expenditures exceeded budgeted appropriations by \$687,372. • The following budget line item appropriations were over expended: Energy(Electricity) \$267,294 Health Benefits \$686,291 	<p>The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District.</p>	<p>The Assistant Business Administrator will review budget projection report monthly to ensure revenue and expenses are accurate.</p>	<p>Assistant School Business Administrator</p>	<p>April 15, 2024</p>
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2023-4	Our audit noted that the General Fund accounts payable subsidiary report was not in agreement with the general ledger balance. A difference of \$393,920 was noted. In addition, the District recorded an accounts payable for \$367,294 for district-wide utility charges in the Extended Day Program. This payable was reclassified to the General Fund by an audit entry.	Greater care be taken in the recording of year end accounts payable.	The Assistant Business Administrator will ensure that details of year end reports are accurate for all accounts	Assistant School Business Administrator	April 15, 2024
2023-5	Our audit of ESSER grant programs noted that the time and activity reports were not completed in a timely manner for certain employees charged to ESSER grants.	Time and activity reports be completed in a timely manner for all applicable personnel charged to ESSER grants.	The Director of Grant Accounts and the Assistant Business Administrator will ensure all time and activity reports are kept for all grant accounts.	Grant Administrator and Assistant School Business Administrator	April 15, 2024

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2023-6	<p>The District utilized a vendor through National Cooperative Purchasing agreement, however a notice of intent to award the contract under a National Cooperative was not advertised, nor was a cost savings analysis prepared.</p> <p>The District incurred expenditures in excess of \$129,000 for school bus repairs and maintenance. The District did not bid nor did they utilize a state contract or cooperative purchasing arrangement for the services. Certain change orders were not always submitted to the Board for their approval. In addition, purchase orders were not always adjusted for the amount of the change order.</p>	<p>It is recommended that the District adhere to the requirements of the Local Public Contract Law. In addition, the District refer to Local Finance Notice("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts.</p>	<p>The Assistant Business Administrator will confirm in writing with National Cooperative that goods and services are included in the National Cooperative being used.</p>	<p>Assistant School Business Administrator</p>	<p>April 15, 2024</p>
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2023-7	The District allocated direct payroll expenses and utility costs for the current year and prior two years to the Extended Day Program. A detailed calculation by year of the utility charges were not provided for audit.	Calculations supporting the Extended Day Program cost allocations be made available for audit.	The Assistant Business Administrator will calculate and have a detailed allocation for utility accounts included in extended day program.	Assistant School Business Administrator	April 15, 2024
2023-8	Our audit of the Application for State School Aid (ASSA) noted the following: <ul style="list-style-type: none"> The ASSA report included twelve more students for private school for the disabled than were included on the District's supporting paperwork. The ASSA report included twelve more students for Resident-Low Income than were included on the District's supporting workpapers. In addition, three lunch applications were not provided for audit. 	Greater care be exercised in the preparation of the ASSA application to ensure that amounts reported are in agreement with District workpaper and supporting documents.	The Director of Grant Accounts and the Assistant Business Administrator will exercise care and detail to ensure the ASSA application is accurately reported.	Assistant Business Administrator	April 15, 2024

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2023-9	The Capital Asset appraisal report which is prepared by an independent third party was not updated for the 2022/23 additions and deletions.	The District's capital asset appraisal report be updated and completed in a timely manner. Consideration be given to maintain the capital assets record keeping internally and to integrate the report with the budgetary accounting system.	The Assistant Business Administrator will maintain asset inventory list through CSI account module for fixed assets.	Assistant School Business Administrator	April 15, 2024
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Chief School Administrator:

Date:

2-27-2024

Board Secretary/ School Business Administrator:

Date:

2-27-2024

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