

NEW HANOVER TOWNSHIP BOARD OF EDUCATION

OFFICE OF THE SUPERINTENDENT

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January 25, 2011

Mr. Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance
New Jersey Department of Education
PO Box 500
Trenton, NJ 08625-0500

Dear Mr. Cicchino:

SUBJECT: New Hanover Township School District – Business Administrator Performance Failure
OFAC Case #INV-050-10

In response to your letter dated, November 30, 2010, enclosed you will find the corrective action plan addressing the findings stated in the Report of Examination dated, November 30, 2010. In addition, I have enclosed the New Hanover Board of Education resolution, dated December 16, 2010, approving the corrective action plan.

The Report of Examination and the corrective action plan are posted on the district's website pursuant to N.J.A.C. 6A:23A-5.6(c).

The team of professionals who conducted the examination should be commended for their strong work ethic and attention to detail. Please contact my office directly at, 609-723-2139, if you have any questions about the corrective action plan.

Respectfully,



Brian J. McBride
Superintendent

WHEREAS, the *New Hanover Township School District Board of Education*, at the regularly scheduled meeting on December 16, 2010 acknowledged receipt of the Office of Fiscal Accountability and Compliance Investigative Report (OFAC Case #INV-050-00), dated November 30, 2010; and


WHEREAS, a public hearing was held to discuss the findings of the aforesated report and to provide members of the public and members of the Board of Education the opportunity to comment on the findings; and

WHEREAS, a Corrective Action Plan (CAP) was presented by the Superintendent and interim-Board Secretary to address the findings, make recommendations, and implement corrections within a given time period; and


BE IT FURTHER RESOLVED that the Board of Education, for the aforementioned Corrective Action Plan, by unanimous roll-call vote (7-0), approves the Corrective Action Plan.

BE IT FURTHER RESOLVED, that the Investigative Report and the Corrective Action Plan are placed on the district's Website for public viewing.

Attest


12/17/2010
Brian J. McBride, Superintendent

Notary


12/17/10
BONNIE L. QUESNEL
Notary Public of New Jersey
Commission Expires 6/17/2012

**NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN**

NAME OF SCHOOL DISTRICT : NEW HANOVER TOWNSHIP
COUNTY: BURLINGTON
TYPE OF EXAMINATION: Office of Fiscal Accountability and Compliance (OFAC)
Report of Examination Date: November 30, 2010
OFAC Case # INV-050-10

DATE OF BOARD MEETING: December 16, 2010

DISTRICT CONTACT INFORMATION:
NAME: Kathleen Mandeville, School Business Administrator
TELEPHONE: 732-695-7827

Recommendation 1-A

Develop a CAP for Proper Business Office Procedures for Data Entry

1 Re-establish appropriate access for personnel with Systems 3000 accounting and payroll software.

Implementation Method: Phone calls to Systems 3000.
Responsible Individual: Kathleen Mandeville
Completion of Implementation: December 20, 2010

2-Ensure appropriate personnel are trained on Systems 3000

Implementation Method: Contract with Systems 3000, turn-key training by MOESC
Responsible Individual: Bruce Quinn
Completion of Implementation: January 15, 2011

3-Supervise data entry by appropriate personnel

Implementation Method: General supervision of office procedures
Responsible Individual: Barbara Cholewa
Completion of Implementation: Ongoing from this date through June 30, 2011

Recommendation 1-B

Ensure issuance of accurate board secretary reports, reflecting proper recording of purchase orders, and expenditures, and the monthly certifications that are based on complete financial recording and reporting.

1-Establish contract with Auditing firm to create 2009-2010 records.

Implementation Method: Contract for Professional Services
Responsible Individuals: Brian McBride and Patrick Collum
Completion of Implementation: September 30, 2010

2-Auditing firm completes records and enters all data into Systems 3000

Implementation Method: Data Entry

Responsible Individual: Bruce Quinn to review data entered

Completion of Implementation: December 31, 2010

3-Maintain records of financial transactions for 2010-2011 until October 31, 2010

Implementation Method: Proper recordkeeping in spreadsheets

Responsible Individual: Patrick Collum

Completion of Implementation: October 31, 2010

4-Maintain records of financial transactions for 2010-2011 from November 1, 2010 to January 31, 2011

Implementation Method: Proper recordkeeping in spreadsheets

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 31, 2011

5-Update Systems 3000 with financial transactions for 2010-2011 to January 31, 2011

Implementation Method: Data Entry

Responsible Individual: Barbara Cholewa

Completion of Implementation: January 31, 2011

6-Complete certifications for the Board on Financial Status for all months from July 2010 through January 31, 2011

Implementation Method: Systems 3000 reports

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 31, 2011

7-Certification of Financial Status reports of all prior months

Implementation Method: Certification statement on Board Agenda

Responsible Individual: Kathleen Mandeville

Completion of Implementation: February Board Meeting

8-Require that all requests for expenditures are on issued Purchase Orders and recorded into Systems 3000

Implementation Method: Establish policies and procedures

Responsible Individual: Kathleen Mandeville

Completion of Implementation: December 17, 2010

Recommendation 1-C

Ensure the issuance of a board secretary report for FY 2010 and dissemination of that report to the county superintendent.

1-Establish contract with Auditing firm to create 2009-2010 records.

Implementation Method: Contract for Professional Services
Responsible Individuals: Brian McBride and Patrick Collum
Completion of Implementation: September 30, 2010

2-Auditing firm completes records and enters all data into Systems 3000

Implementation Method: Data Entry
Responsible Individual: Bruce Quinn to review data entered
Completion of Implementation: December 31, 2010

3-Print Board Secretary's report from data in Systems 3000.

Implementation Method: Systems 300 report
Responsible Individual: Bruce Quinn
Completion of Implementation: January 10, 2011

4-Transmit Board Secretary's report to County Superintendent

Implementation Method: Deliver to County Office
Responsible Individual: Barbara Cholewa
Completion of Implementation: January 10, 2011

Recommendation 2-A

Review contract with the treasurer and ensure in the future it will receive the services for which it has made payment. Also review the payments it has made to the treasurer and ensure that it was rendered services for those payments.

1-Review contract with Treasurer and requirements of new law concerning position.

Implementation Method: Contract review
Responsible Individual: Kathleen Mandeville
Completion of Implementation: December 16, 2010

2.-Recommend elimination of Treasurer position

Implementation Method: Recommendation to Board for Action
Responsible Individual: Bruce Quinn
Completion of Implementation: December 16, 2010

3.-Establish contractual requirement for monthly independent reconciliation service.

Implementation Method: Recommendation to Board for Action
Responsible Individual: Bruce Quinn
Completion of Implementation: December 16, 2010

4.-Discuss with attorney consideration of restitution of moneys paid to treasurer either requiring reimbursement directly or from treasurer bond.

Implementation Method: Meeting with Board Attorney or Special Counsel
Responsible Individual: Kathleen Mandeville
Completion of Implementation: January 14, 2011

5.-Process request for restitution as advised by counsel.

Implementation Method: Notice of restitution request
Responsible Individual: Kathleen Mandeville
Completion of Implementation: January 14, 2011

Recommendation 2-B

The treasurer must be given access to district records in order to prepare the monthly treasurer's report.

1-Solicit RFP from qualified individuals to perform reconciliation services

Implementation Method: Develop and disseminate RFPs
Responsible Individual: Kathleen Mandeville
Completion of Implementation: January 14, 2011

2-Review RFPs and make recommendation to Board

Implementation Method: Agenda recommendation

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 20, 2011

3-Present all back records to reconciliation agent for reports along with copies of bank statements

Implementation Method: Transmission of data

Responsible Individual: Barbara Cholewa

Completion of Implementation: January 31, 2011

Recommendation 2-C

Ensure receipt of a monthly treasurer's report that has been prepared by the treasurer.

1-Develop RFP specifications that require separate transmission of the reconciliation reports to the Board President, Superintendent and School Business Administrator, individually to their home address

Implementation Method: Specification and observation

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 31, 2011

Recommendation 2-D

Ensure the treasurer is familiar with and adheres to the provisions of NJSA 18A:17-36

1-Develop RFP specifications that mandate such knowledge and review appropriate documentation from responding individuals or firms

Implementation Method: Inclusion of requirement in RFP

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 14, 2011

2-After review of responses, make recommendation of qualified responder to the Board.

Implementation Method: Board Agenda item

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 21, 2011

Recommendation 2-E

Review the terms of the contract for the treasurer, and determine if compensation should be withheld from the treasurer for failure to provide services

1-Same as Item 2-A

2-Immediately withhold all payments to the Treasurer

Implementation Method: Payroll Review
Responsible Individual: Kathleen Mandeville
Completion of Implementation: December 16, 2010

Recommendation 3-A

Develop and implement a CAP indicating the measures that will be taken to ensure compliance with the applicable regulations to remedy the identified deficiencies - failure to segregate duties of the business office

1-Review job descriptions, qualifications and establish new procedures for internal controls that mandate segregation of duties

Implementation Method: Internal Controls Report to the Board
Responsible Individual: Kathleen Mandeville
Completion of Implementation: January 20, 2011

2-Implement new internal controls procedures

Implementation Method: Ongoing supervision and mandate
Responsible Individual: Barbara Cholewa
Completion of Implementation: December 17, 2010 and ongoing

Recommendation 4-A

Board to adhere to the provisions of NJSA 10:4-14, requiring minutes of a public meeting be made promptly available to the public

1-Find all back drafts of minutes of Board Meetings and disseminate to Board members for review

Implementation Method: Transmission of draft records

Responsible Individual: Barbara Cholewa

Completion of Implementation: January 10, 2011

2-Board approval of all back minutes

Implementation Method: Board Agenda Item

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 20, 2011

3-Establish procedures for preparation of minutes following board meeting

Implementation Method: Standard Operating Procedures report

Responsible Individual: Kathleen Mandeville

Completion of Implementation: January 20

4-Create public minutes document file in the Board Secretary's Office

Implementation Method: Mandate and supervision


Responsible Individual: Barbara Cholewa

Completion of Implementation: December 20, 2010



Brian McBride, Chief School Administrator

12-20-2010
Date



Bruce M. Quinn, Acting Board Secretary

12-20-2010
Date