

NEW JERSEY OFFICE OF THE STATE COMPTROLLER
CORRECTIVE ACTION PLAN

CAP Due: March 10, 2022

Name of Agency: Pennsauken Public Schools

CAP Received: _____ Adequate: _____

Contact Person: John Ogunkanni

Date: 3/07/3022

Telephone Number: (856) 662-8505 Ext. 6503

Title: A Performance Audit of Selected Fiscal and Operating Practices of Pennsauken Public Schools

Manager: Carrie Meyer Date: December 10, 2021
 (Original Audit)

Recommendation Number	Recommendation	Corrective Action	Method of Implementation	Person Responsible for Implementation	Completion Date of Implementation
1	Evaluate the costs and benefits of participating in the School Employees' Health Benefits Program annually. Implement a process to ensure that any health insurance coverage analysis provided to the District is based on relevant and comparable health insurance plans.	The district, in conjuncture with our insurance broker had implemented a process to ensure an adequate comparison is established between SEHBP and other independent insurance carrier.	The district ensure we utilize the comparative health plan cost analysis to establish objectivity and cost saving opportunity for the district. We also make sure that our bid process is in compliance to N.J.A.C. 5:34-4 "administration of competitive contracting process".	Business Administrator.	2016
2	Implement policies and procedures to ensure that contracts for health insurance broker services and health insurance coverage are procured and awarded in compliance with the Public School Contracts Law.	The District has implemented a policy and procedure that ensure health insurance broker services and health insurance coverage are procured and awarded under article 10, N.J.S.A. 18A:18A-42. In addition, we have been conforming to N.J.S.A. 52:15C-10 in notifying the office of the comptroller not later than 30 days before advertisement, of any negotiation or solicitation of a contract that may exceed \$12.5 million of which this falls under.	The district ensure that the Public School contract law requirement is duly followed, such as N.J.A.C. 5:34-2.3 and N.J.S.A. 18A:18A-5(a)(2) "Extraordinary Unspecifiable Services" in awarding the contract of insurance broker and N.J.S.A. 17:22A-41.1 on the disclosure of commission.	Business Administrator.	2016

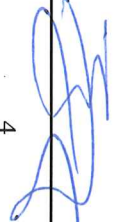
3	Develop policies and procedures to ensure that health insurance brokers disclose any commission, service fee, brokerage, carrier incentive offers, or other valuable consideration received as a result of the health insurance coverage contract pursuant to N.J.S.A. 17:22A-41.1(a).	The district has revised the Request for Proposal (RFP) to include the terms of Health insurance broker and that they are duly enumerated. Such as, disclosure of commission, services fees, brokerage, carrier incentive offers or other valuable consideration received.	In awarding the broker of insurance contract, the district ensures that N.J.S.A. 18A:18A-5(a)(2) "Extraordinary Unspecifiable Services" is adhered to including, N.J.S.A. 17:22A-41.1 on the disclosure of commission.	Business Administrator.	2016
4	Develop policies and procedures for the administration of health insurance coverage and the processing of health benefit opt-out waiver payments to ensure that eligible employees are paid pursuant to District policies and the terms of the collective bargaining agreements.	We currently have a procedure that ensure that both the state regulations and the district's policies are followed in making accurate Opt-out waiver payments.	The human resources department collate the data and the business office verifies the accuracy of payments calculations and qualifications.	Human Resources Director.	2018
5	Seek to renegotiate the terms of any collective bargaining agreements to eliminate the health benefit opt-out waiver payments for employees covered by District-provided health insurance.	Noted.	This could be considered in the next round of negotiations with various units.	Superintendent	2022/23

6	Develop policies and procedures to ensure compliance with the National School Lunch Program regulations on income verification.	Pennsauken School District Food and Nutrition Services have incorporated all applicable policies and procedures as per the NSLP to ensure income verification is done correctly.	Training in NSLP guidelines as they relate to income verification is now performed yearly. We have assigned one individual to handle all verification. Verification checklist performed on each application to ensure nothing is missed.	Food Services Director	2016
7	Develop policies and procedures that ensure Food Service Department purchases are completed through the Purchasing Department in compliance with the Public School Contracts Law. As appropriate, these procedures should ensure that the District adopts its food purchasing policy annually after Board approval and before the start of the school year in accordance with N.J.A.C. 6A:23A-16.5.	The district has adopted policy #6480. This policy states that purchases are made through our Qualified Purchasing Agent in compliance with all applicable laws. The Food and Nutrition department now work with our purchasing Agent on all purchases.	Development of School District policy #6480. Follow policy with assistance from our Qualified Purchasing Agent.	Food Services Director	2016
8	Implement policies and procedures for the handling and tracking of food supplies inventory, addressing such issues as shrinkage and obsolete inventory. Implement a process that provides for the proper retention and monitoring of inventory variance reports.	Inventory totals are now reviewed with managers. Item totals that do not match with physical counts are investigated.	Bi-monthly meetings to review inventory totals are conducted. Specific areas in which counts do not match are investigated. Periodic and random checks are performed to ensure that theft is not taking place.	Food Services Director	2016

9	Implement formal policies and procedures for the processing of stipend and accrued leave payments.	Stipend payment procedure was revised for necessary board and administrative approvals and proper checks and balances were put in place to guarantee correct payments.	All stipend positions are board approved annually and direct administrator must verify and approve the job performance form for individual staff before payment. In addition, accrued leave calculations must be verified by the business office before board approval and payments.	Business Administrator.	2016
10	Develop policies and procedures for the analysis of fuel usage including appropriate monitoring of actual usage with budgetary data as appropriate. The procedures should include appropriate record retention.	Steps are being taken to implement this observation; the district's fuel depot will undergo a complete replacement in July 2022. The current underground fuel storage will be replaced by above ground storage.	Installation of software program that will ensure accurate recordings and retention of records for fuel usage by vehicles and department. There will also be an implementation of checks and balances for fuel usage monitoring.	Business Administrator.	2022/23
11	Implement policies and procedures that provide for verification and timely update of fixed asset records based on the asset status. The procedures should require periodic inventory and supporting documentation for all asset records.	The district's fixed asset records was updated last years. The stand-alone old system was discontinued with and a process of annual update was put in place for accurate recordings of fixed assets.	The fixed asset record was added to the district's budgetary software to facilitate automated entries of future assets at the point of procurement. Current fixed assets records were also migrated into the budgetary software. Annual physical counting of our assets is also being implemented.	Business Administrator.	2021
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Agency Official Name: Pennsauken Board of Ed.

Signature: _____



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Date: 3/07/3022

Title: School Business Admin.