



Report to the New Jersey Board of Education

Camden City School District

Acting State Superintendent Katrina McCombs

School Business Administrator Anisah Coppin

Agenda

- Root causes
- The challenges
- High impact levers of change
- Improvement plans
- Progress to date

Historic Context

Camden City School District – State Intervention: 2013

Schools failing students academically

- performing in bottom 5% of the state
- Less than half of students graduate
- 1 in 5 drop out
- Less than 5 students graduate college-ready

Old facilities failing to provide quality learning environments

- Half of District buildings constructed before 1929
- Large percent of operating budget spent on emergency repairs
- Many students attending school in failing buildings

Ineffective business office in need of modernization and internal controls

- 20+ audit findings annually since 2010
- Complex and unnecessary purchasing rules

Root Causes

- 10+ years without SOPs and without strong internal controls
- Personnel:
 - Limited ability to attract and retain qualified individuals
 - Limited expertise and training across staff
 - Lack of staff accountability

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- Progress to date

Current Challenges – Identified in 16/17 CAFR Audit

- Purchasing ✓
- Student activities funds ✓
- Reconciliations
 - General Ledger
 - Payroll
- Internal controls
- Accounts Payable
- Grants and non-publics

- Late audit filing



2018 Corrective Action Plan focuses on addressing audit findings in each of these key areas



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High Impact Levers

- **Staffing Capacity**

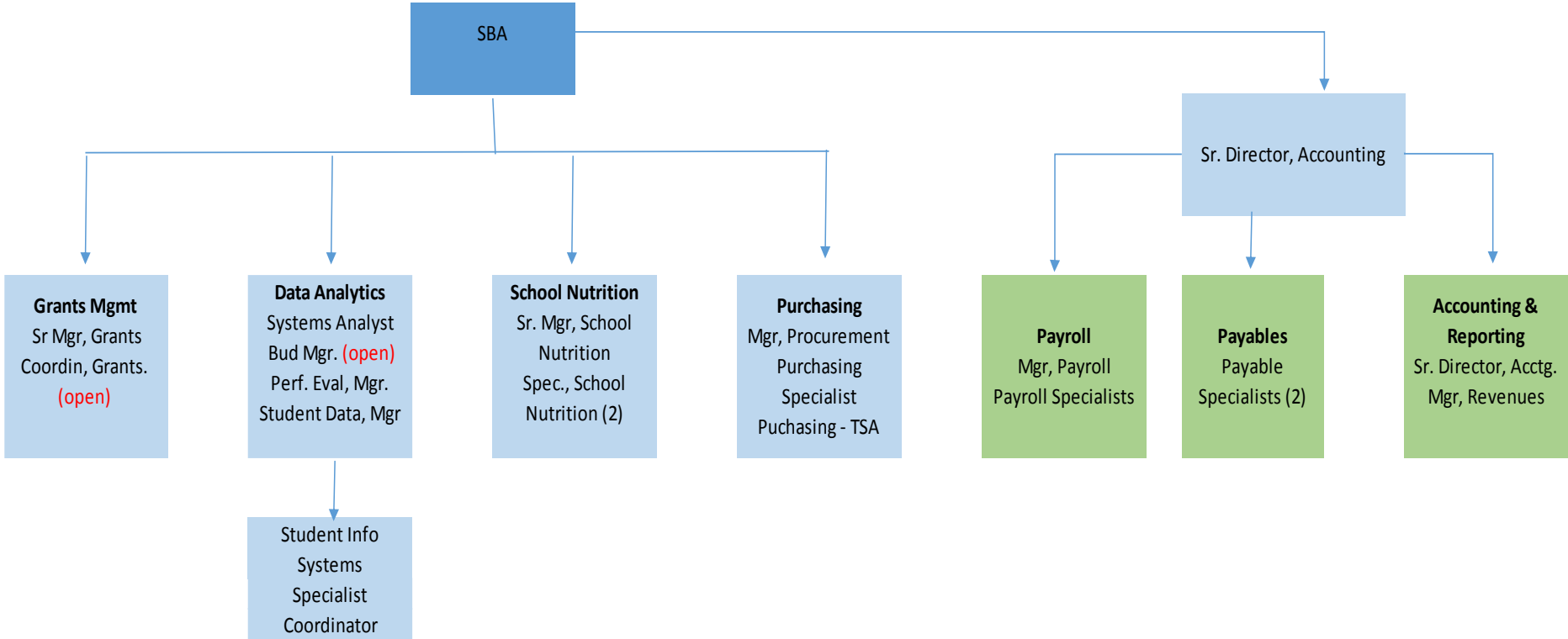
- ✓ Established working relationship with Executive County SBA
- ✓ Secured additional BA support to work on-site 2-3 days a week
- ✓ Restructured CCSD Business Office
 - Re-train staff and provide staff accountability
 - Develop SOPs
 - Train in technical skills, customer service, and staff management

- **Migrate to NJ DOE compatible accounting system**

- To ensure 2018 audit is delivered on time

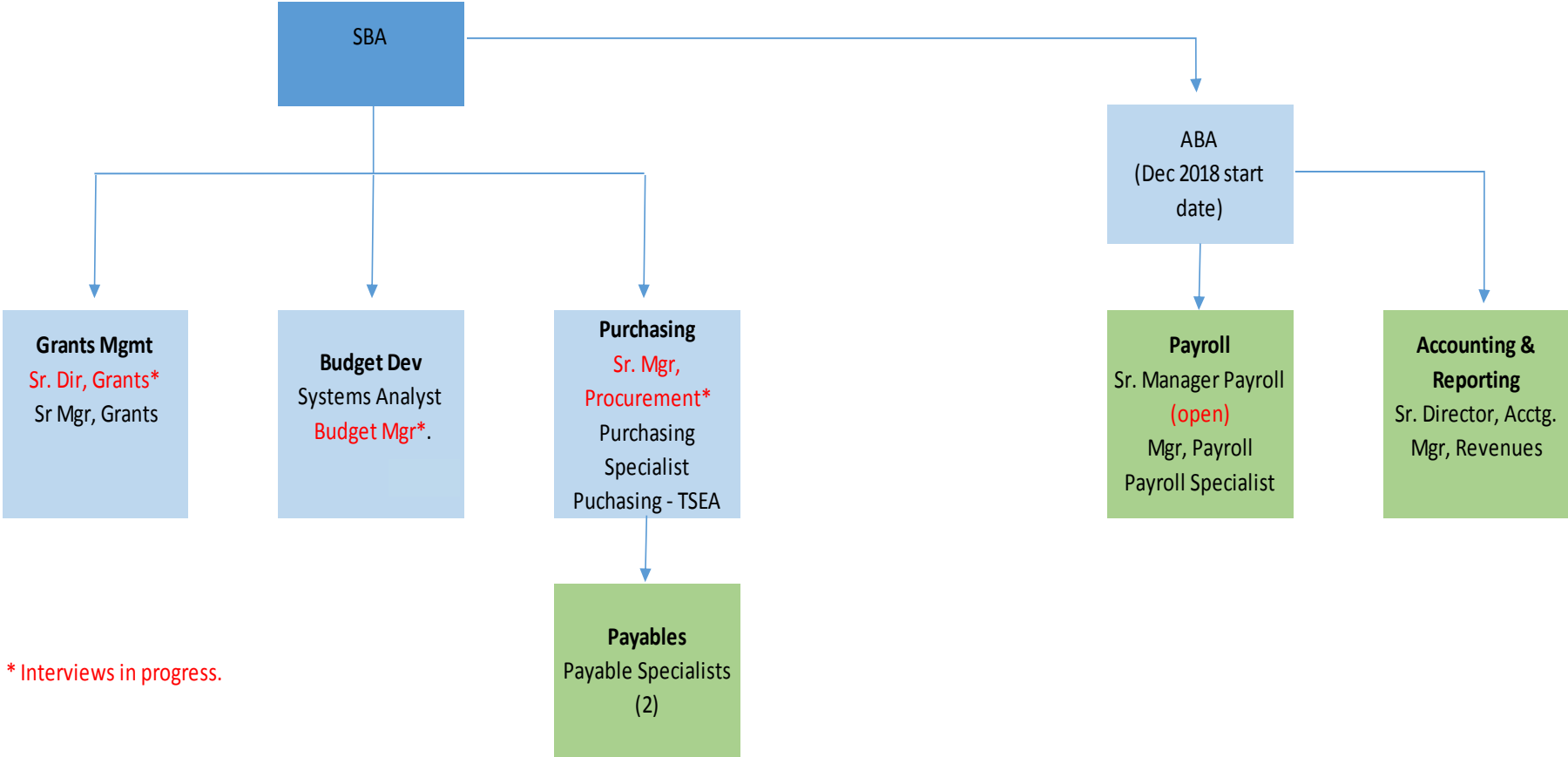
High Impact Levers: Restructure of Business Office

CAMDEN CITY SCHOOL DISTRICT
Business Office
Previous Organization Chart



High Impact Levers: Restructure of Business Office

Business Office
New Organization Chart



* Interviews in progress.



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- Timeline

Improvement Plans: Purchasing

- What
 - NJ Public Schools Contracts Law was not consistently followed
 - Improper charging of account lines
- How
 - Updated the **Purchasing Guidelines** and streamline redundant and inefficient process; post procedures online
 - **Business Administrator approves** and signs off on all purchase orders and budget codes to ensure District is in compliance with NJ PSCL
 - Provided additional **guidance and coaching** to staff on appropriate approval procedures for procurement and budget codes; provide annual training
 - District is in process of hiring a dedicated **purchasing manager**



Improvement plans: Student Activities funds

- What
 - Student Activity funds were not deposited timely
 - Student Activity receipts/deposits were missing supporting documentation
- How
 - SY 17-18 installed **Smart Safes** in 3 key locations in the District
 - Updated SOPs and provided **training & coaching** on use of Smart Safes and managing Student Activity Funds; provide annual training
 - Deposits reports will be reviewed and **reconciled weekly**
 - Created school based **budget tools to track** Student Activity funds

Improvement plans: Reconciliations

- What
 - District did not maintain accurate accounting records
 - District did not ensure cash and general ledger accounts were reconciled
 - Food Service Accounts were not reconciled
 - Accounts were not reconciled on a monthly basis
- How
 - Acquired external assistance to help **manually reconcile** all GL accounts to cash starting with July 2017
 - **Establish procedures** to ensure cash & GL accounts are reconciled monthly; re-trained staff

Improvement plans: Internal Controls

- What
 - Numerous audit findings that demonstrate the District did not follow internal controls, i.e. pensions, payroll, encumbrances, grants, budget transfers, reporting
 - District was not in compliance with NJ DOE regulations
 - District did not maintain accurate fixed asset records
- How
 - District's **internal controls manual** / Standard Operating Procedures are being updated utilizing NJDOE resources and other school districts; coordinate with other departments
 - District is holding **staff accountable** for deadlines and completion; create calendar for the year
 - Added **additional capacity** to complete fixed assets inventory
 - Submit **monthly transfer report** to Exec. County BA



Improvement plans: Accounts Payable

- What
 - District did not pay its vendors in a timely fashion
- How
 - Undergoing a thorough review of the AP procedures to **improve processes** and eliminate inefficiencies in order to ensure bills are paid timely; create a calendar
 - Added **additional capacity** to AP team
 - **Educated end-users** on how to properly submit invoices for payment

Improvement plans: Grants and non-publics

- What
 - District did not spend all grant funding in a timely manner
 - Delayed payments to non-publics
- How
 - Instituted **quarterly draw downs** of grant funds (Sept 2018)
 - **Implemented CAP** to address complaints filed by non-public schools
 - **Hiring** Snr. Director, Grants (interviews in process)
 - **Re-established** regular non-publics consultation meetings

Key Next Steps – Corrective Action Plan

	Sept 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
Purchasing	<ul style="list-style-type: none"> ✓ Annual training 		<ul style="list-style-type: none"> • Update & Post SOP Manual to website 	
Student Activities	<ul style="list-style-type: none"> ✓ Annual training 	<ul style="list-style-type: none"> • <i>On-going deposits & reconciliation</i> • <i>Report download</i> • <i>On-going deposits & weekly reconciliation</i> • <i>Download deposit report</i> 	<ul style="list-style-type: none"> • <i>On-going deposits & reconciliation</i> • <i>Report download</i> 	<ul style="list-style-type: none"> • <i>On-going deposits & reconciliation</i> • <i>Report download</i>
Reconciliations	<ul style="list-style-type: none"> ✓ <i>Monthly cash reconciliation</i> • <i>GL monthly reconciliation underway</i> 	<ul style="list-style-type: none"> • <i>Monthly reconciliation</i> • Reconcile Cash & GL Accounts Prior to Audit • Re-train staff 	<ul style="list-style-type: none"> • <i>Monthly reconciliation</i> 	<ul style="list-style-type: none"> • <i>Monthly reconciliation</i>
Internal Controls	<ul style="list-style-type: none"> ✓ Create a calendar for deadlines ✓ Submit monthly transfer report to County ✓ Close prior year's open encumbrances 	<ul style="list-style-type: none"> • Submit monthly transfer report to County • Complete fixed asset inventory • Re-train staff • Identify new accounting software and create implementation plan • Coordinate with DTLR on staff onboarding 	<ul style="list-style-type: none"> • Update & Post SOP Manual to website • Submit monthly transfer report to County • Re-train staff 	<ul style="list-style-type: none"> • Submit monthly transfer report to County
Payables		<ul style="list-style-type: none"> • Implement Best Practices • Create SOP • Thorough process audit 	<ul style="list-style-type: none"> • Roll out SOP to staff 	
Grants	<ul style="list-style-type: none"> ✓ Re-established consultation meetings 	<ul style="list-style-type: none"> • Quarterly draw downs • Hire Sr. Director, Grants 	<ul style="list-style-type: none"> • Quarterly draw downs 	<ul style="list-style-type: none"> • Quarterly draw downs
Staffing Supports	<ul style="list-style-type: none"> ✓ Exec Co. & Add'l BA Support ✓ Restructure BO 	<ul style="list-style-type: none"> • Hire new staff (4) • ABA onboarded • Customer Service training 	<ul style="list-style-type: none"> • Staff management training 	

Questions

