



# State of New Jersey

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**KEVIN D. WALSH**

*Acting State Comptroller*

September 9, 2020

Mrs. Allison Angermeyer, Superintendent  
Prospect Park School District  
94 Brown Avenue  
Prospect Park, NJ 07508

**Re: Follow-Up Report – Prospect Park School District  
A Performance Audit of Selected Fiscal and Operating Practices**

Dear Superintendent Angermeyer:

On May 30, 2019, we issued an audit report, *Prospect Park School District - A Performance Audit of Selected Fiscal and Operating Practices*,<sup>1</sup> in which we made recommendations to address various identified weaknesses. Pursuant to N.J.S.A. 52:15C-1 *et seq.*, we have conducted a review of the audited entity's corrective action plan to assess the implementation of the recommendations contained in our initial audit. Our findings and conclusions are set forth below.

**Background, Scope, and Objective**

In our initial audit of the Borough of Prospect Park School District (Prospect Park or District), we evaluated the District's fiscal and operating practices. We identified weaknesses with certain District fiscal and operating practices and identified opportunities for potential cost savings. Specifically, Prospect Park lacked key internal controls for the management and administration of certain information technology functions, failed to comply with certain policies and state requirements, and lacked appropriate and necessary details in a substitute teacher staffing contract.

Our follow-up engagement objective was to determine if the District has implemented the six recommendations contained in our 2019 audit report.

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<sup>1</sup> Available at: [https://www.nj.gov/comptroller/news/docs/prospect\\_park\\_school\\_district\\_audit\\_report.pdf](https://www.nj.gov/comptroller/news/docs/prospect_park_school_district_audit_report.pdf)

## **Summary Conclusion**

We found that Prospect Park has made progress in implementing the recommendations set forth in our initial audit report. Of the six audit recommendations, one was implemented and five were partially implemented. We urge Prospect Park to continue its efforts to fully comply with the recommendations not yet completed.

## **Status of Initial Audit Recommendations**

### **Recommendation 1**

*Establish and maintain a Disaster Recovery Plan pursuant to state requirements. The scope of the plan should be aligned with risks relative to the loss of records stored on the systems and include a requirement for off-site data storage retention.*

#### ***Status: Partially Implemented***

Our initial audit found that the District failed to develop a formal information technology (IT) disaster recovery plan in accordance with state requirements. The District advised in its corrective action plan that it would develop a more comprehensive plan to meet state recommendations and requirements.

During our review, we confirmed that the District developed a disaster recovery plan. The plan was approved by Prospect Park's Board of Education (Board) on October 1, 2019. Our review found that the plan does not address all of the minimum regulatory requirements, including, but not limited to, information confidentiality, security of the backup media, or size requirements needed for backups. Additionally, the plan does not identify essential equipment required to continue operations in the event of a catastrophic hardware failure.

### **Recommendation 2**

*Develop a process to comply with its policy for maintaining complete and accurate IT asset inventory records and conducting periodic verifications of those records to capture any changes. After developing that process, the District should conduct an initial inventory of its IT assets. That inventory should include relevant details for each IT asset such as the type of asset, serial number, any District identifying tag, location, and the name of the employee assigned to use the asset.*

#### ***Status: Partially Implemented***

Our initial audit found that the District did not maintain accurate inventory records of its IT assets or conduct a periodic physical inventory count as required by District policy. The District advised in its corrective action plan that it would establish a process for maintaining a thorough inventory of all IT assets and would conduct a physical inventory following the conclusion of each school year.

The District's technology vendor conducted an inventory count of Prospect Park's IT assets during the summer of 2019. The District provided us with an inventory list that contained limited details, such as the asset location and description. The inventory list did not contain a formal district asset tag identification. We judgmentally selected a sample of 20 assets from the inventory list. Of the 20 samples, we could not locate two of the assets. The District also failed to adopt a written policy and procedure for maintaining complete and accurate IT asset inventory records and for conducting periodic verification of the inventory.

### **Recommendation 3**

*In future collective bargaining agreement negotiations, eliminate the longevity payments. At a minimum, longevity payments should be limited to service within the Prospect Park School District.*

***Status: Partially Implemented***

Our initial audit found that the District, in calculating annual longevity payments, would include the years that employees worked in other school districts. Prospect Park advised in its corrective action plan that the Board would remove non-District employment from the calculation of longevity payments when it negotiates the collective bargaining agreement.

The District reported that it has not yet finalized the collective bargaining agreement and that it has sought to eliminate longevity payments for future employees. The District has not proposed to eliminate longevity payments for current employees nor has sought to limit the calculation of longevity payments to only service within the District. As of the date of our follow-up fieldwork, negotiations were not concluded.

### **Recommendation 4**

*The contract for substitute teacher staffing services should include sufficient details regarding the scope of work and services to be provided, the responsibilities of the parties to the agreement as noted in this report, and all other relevant and appropriate terms and conditions.*

***Status: Implemented***

Our initial audit found that the District's contract for substitute teacher staffing services did not include a detailed scope of work or standard terms and conditions. The District advised in its corrective action plan that the contract would be revised to define all relevant details including the services provided and the responsibilities of the parties.

We reviewed the substitute teacher staffing services contract for the 2019-2020 school year and found that it includes sufficient details of the vendor's obligations and responsibilities including provisions for

scope of work, criminal background checks, discipline, professional conduct, early termination, and other provisions as to the responsibilities of the parties.

### **Recommendation 5**

*Develop a process to ensure that evidence of a completed background check for all substitute teachers is maintained.*

***Status: Partially Implemented***

Our initial audit found that the District did not maintain evidence of a completed background check for substitute teachers. The District advised in its corrective action plan that its staffing vendor conducted the background checks and received the New Jersey Department of Education's approval of the substitute teachers for the school year. The District stated that it would also independently confirm the approval of the substitute teachers by the Department of Education's Office of Student Protection.

We found that the District confirmed the approval of the substitute teachers by the Office of Student Protection. The District, however, did not formalize its policy and procedures to ensure that evidence of a completed background check is maintained for all substitute teachers.

### **Recommendation 6**

*Implement a process to ensure that background checks for substitute teachers are current and transferred to the District pursuant to the Department of Education's regulations and policies.*

***Status: Partially Implemented***

Our initial audit found that the District did not maintain evidence that the Department of Education transferred current background check approvals for all substitute teachers to Prospect Park as required. The District advised in its corrective action plan that the approved list of substitute teachers would be maintained on file at the District and all changes, including additions and removals, would be noted throughout the school year.

We confirmed that the District maintained evidence of a current background check for Prospect Park's substitute teachers. The District, however, did not have a formal process or procedure to ensure its continued compliance with the Department of Education's regulations and requirements.

### **Reporting Requirements**

We provided a draft copy of this report to the District for its review and comment. The District agreed with our audit findings and conclusions, and its response indicated they intend to take corrective actions to address our recommendations. The District's response was considered in preparing our final report and is attached as Appendix A.

By statute, we are required to monitor the implementation of our recommendations. To meet this requirement, District officials must report periodically to our office advising what additional steps they have taken to address the unresolved issues in this report. The District is required to report on the status of its corrective action plan within nine months of this final report. We will continue to monitor the District's progress.

We thank the management and staff of the District for the courtesies and cooperation extended to our auditors during this review.

Sincerely,

KEVIN D. WALSH  
ACTING STATE COMPTROLLER

By: 

Yvonne Tierney, Director  
Audit Division

c: Kevin Dehmer, Interim Commissioner, Department of Education  
Daryl Minus-Vincent, Deputy Assistant Commissioner, Field Services, Department of Education  
Dr. Jamar E. Purnsley, Director, Office of Fiscal Accountability and Compliance, Department of Education  
James Shoop, Interim Business Administrator, Prospect Park School District  
Daysi Gonzalez, Board President, Prospect Park School District  
Richard Giglio, Business Administrator/Board Secretary, Northern Regional Educational Services Commission  
Christine Kahwaty, Comptroller, Northern Regional Educational Services Commission

## APPENDIX A - AUDITEE RESPONSE

**OFFICE OF THE SUPERINTENDENT  
PROSPECT PARK SCHOOL DISTRICT**  
94 Brown Avenue  
PROSPECT PARK, NJ 07508

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July 30, 2020

Mr. Kevin D. Walsh  
Office of the State Comptroller  
P. O. Box 024 Trenton, NJ  
08625-0024

Re: Follow-Up Report - Prospect School District A Performance Audit of Selected Fiscal and Operating Practices

Dear Mr. Walsh:

Regarding your letter dated July 14, 2020, corrective action responses to the partially implemented findings are below.

**Recommendation 1-** Establish and maintain a Disaster Recovery Plan pursuant to state requirements. The scope of the plan should be aligned with risks relative to the loss of records stored on the systems and include a requirement for off-site data storage retention.

**Corrective Action -** The Northern Regional Educational Services Commission is reviewing the district's disaster recovery plan to ensure that it is aligned with New Jersey Administrative Code (NJAC) 15:3-4.11. We anticipate that the review and all necessary updates will be completed by September 15, 2020.

**Recommendation 2 -** Develop a process to comply with its policy for maintaining complete and accurate IT asset inventory records and conducting periodic verifications of those records to capture any changes. After developing that process, the District should conduct an initial inventory of IT assets. That inventory should include relevant details for each IT asset such as the type of asset, serial number, any District identifying tag, location and the name of the employee assigned to use the asset.

**Corrective Action -** The Northern Regional Educational Services Commission has begun a review of all district IT assets to ensure that:

1. All assets are properly tagged
2. All assets are recorded in a database with serial number, district tag, user/location assigned

and purchase order number  
3. Obsolete assets are identified and surplused as per state regulations and district policy

In addition to the above, the district is in the process of reviewing all board policies. Any changes to asset management procedures will be integrated in the steps above. We anticipate this work will be complete by the end of calendar year 2020.

Recommendation 3 - In future collective bargaining agreement negotiations, eliminate the longevity payments. At a minimum, longevity payments should be limited to service with the Prospect Park School District.

Corrective Action - The Prospect Park Board of Education and the negotiating team will make every effort to eliminate longevity for existing employees as well as new hires. However, the decision to eliminate longevity is not unilateral and requires approval from the Association.

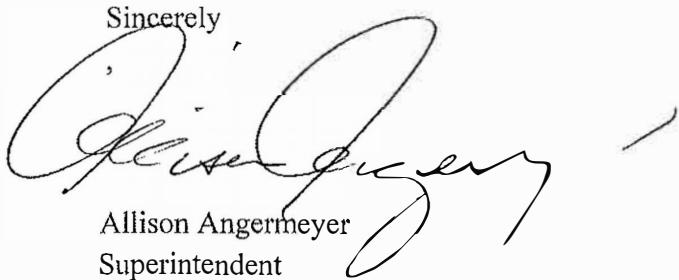
Recommendation 5 - Develop a process to ensure that evidence of a completed background check for all substitute teachers is maintained.

Recommendation 6 - Implement a process to ensure that background checks for substitute teachers are current and transferred to the District pursuant to the Department of Education's regulations and policies.

Corrective Action - Strauss Esmay has been retained to review and update Policy and Procedure manual to ensure compliance. We anticipate this work will be complete by the end of calendar year 2020.

Thank you for your consideration. Please do not hesitate to contact me should you require further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Allison Angermeyer".

Allison Angermeyer  
Superintendent

AG/rg

cc: Yvonne Tierney, Director Audit Division