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OSC Recommends Monitoring and Oversight Improvements at Prospect Park School District

TRENTON – State Comptroller Philip James Degnan today released a performance audit of the Prospect Park School District that identifies weaknesses with certain fiscal and operating practices and identified opportunities for potential cost savings. The audit report makes recommendations that, through development of stronger policies and procedures, would allow the School District to improve its monitoring and oversight, provide greater efficiencies in operational practices and achieve compliance with state statutes and regulations as well as internal policies and procedures.

The Office of the New Jersey State Comptroller (OSC) conducted a performance audit to review the School District's controls over selected fiscal and operating practices for the time period of July 1, 2015 to June 30, 2017. The audit found that generally, the School District lacks key internal controls for the management and administration of certain IT functions, failed to comply with certain policies and state requirements and lacked appropriate and necessary details in a substitute teacher staffing contract.

These lapses in control and management resulted in numerous avoidable problems within the School District, including:

- A failure by the School District to develop a state-mandated IT Disaster Recovery Plan;
- A lack of accurate inventory records of IT assets, including unaccounted for computers and tablets;
- Annual longevity payments to employees that generously included credit for service time earned outside the School District;
- A substitute teacher hiring/staffing contract that did not detail the scope of work; and

- Use of substitute teachers without evidence of the completed background checks.

Through the audit report, OSC makes six recommendations that would improve the School District's monitoring and oversight of fiscal and business operations. Those recommendations include immediate compliance with the IT Disaster Recovery Program, strengthening the IT asset inventory system, addressing longevity payments in future collective bargaining agreements, and improving the contracting and hiring process with substitute teachers to ensure qualified hires with sufficient background checks.

With today's audit report release, Comptroller Degnan underscored that OSC's findings were not solely fiscal. "While our recommendations will allow the Prospect Park School District to improve their efficiency and keep better track of their financial assets, it also touches on an important safety message." Degnan continued, "our recommendations for the improvement of the School District's substitute teacher background check system underscores the importance of the comprehensive performance audit our agency can conduct."

OSC is an independent state agency that conducts audits and investigations of government agencies throughout New Jersey. The Office also reviews certain government contracts and works to detect and prevent Medicaid Fraud. The Office strives to enhance the efficiency and transparency of government and to ensure that public funds are spent effectively and efficiently.

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