

Travel

Finding:

The district did not obtain prior written approval of the Executive County Superintendent for a travel event that exceeded \$5,000 as required by *N.J.A.C.* 6A:23A-5.9.

Recommendation:

The district should implement a process for submitting request for approval to the Executive County Superintendent at least 10 working days in advance of a travel event with a total cost exceeding \$5,000.

Finding:

The district did not have an approved board travel policy as required by *N.J.A.C.* 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Recommendation:

The district board of education should adopt a travel policy that complies with N.J.S.A. 18A:11-12.

Finding:

Payment for travel by an employee was approved after completion of the travel event.

Recommendation:

The district board of education should revise its travel policy to ensure that payments will not be ratified after completion of the travel event unless the policy excludes regular business travel from the pre-approval requirement. *N.J.A.C.* 6A:23A-7.2(d)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C.* 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 1.90 percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings

Finding:

During our test of transactions it was noted that the district misclassified and misbudgeted professional development costs for noninstructional staff as Improvement of Instruction Services/Other Support Services-Instructional Staff - Other Purchased Professional and Technical Services. The expenditure and related appropriation was reclassified to Business and Other Support Services - Purchased Professional Services for financial statement presentation purposes.

Recommendation:

Districts should reference *The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2003 Edition* and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with *N.J.A.C.* 6A:23A-16.2(f).