

C. The Comments, Findings and Recommendations section includes items noted during the audit that require comments and recommendations, including a repeat of any items contained in a separate schedule of findings and questioned costs included in the single audit section of the district's/charter school's CAFR. Such items should be numbered sequentially (e.g. 2014 - x) and if the finding is also included in the CAFR, a cross reference notation to the CAFR finding should be included. Repeat audit findings should be cross-referenced to the current year finding (2014-x). The comments and recommendations must be specific under the following applicable headings:

1. Administrative Practices and Procedures
2. Financial Planning, Accounting and Reporting
3. School Purchasing Programs
4. School Food Service
5. Student Body Activities
6. Application for State School Aid (N/A to charter schools)
7. Charter School Enrollment System/Charter School Aid
8. Pupil Transportation (N/A to charter schools)
9. Facilities and Capital Assets
10. Miscellaneous
11. Follow-up on prior year findings

Recommendations must be included for all negative comments and areas of noncompliance cited, and at a minimum they are to be grouped in the above headings. The auditor may use sub-groupings within these headings.

Auditor recommendations which are not the result of either a required comment or generated by a negative finding but rather represent suggestions to management should be grouped together and included at the end of the Auditor's Management Report in a section titled "Suggestions to Management." Management suggestions are not required to be included in the district's/charter school's Corrective Action Plan.

Where a non-compliance issue is discovered by the auditor and has been corrected by the school district or charter school within that same fiscal year, the finding must be reported in the AMR and the recommendation should state that the conditions/finding(s) were corrected within the fiscal year under audit.

Required comments must include discussions for the following areas and detailed examples are included in the sample provided:

- Fire Insurance Coverage
- Surety Bonds as to Adequacy (see Note and table below)
 - *N.J.A.C.6A:23A-16.4(c)* "The independent school auditor shall verify the adequacy of the treasurer's surety bond which is required by N.J.S.A. 18A:17-32, and shall include appropriate comment, and a recommendation, if needed, in the annual school audit report."
 - *N.J.S.A. 18A:13-13* provides that in a district/charter school which does not have a treasurer of school moneys, the secretary shall give bond in such amount and with such surety as the board shall direct.
- Whether appropriate billing adjustments have been made for tentative and actual tuition charges. (N/A to charter schools)
- Examination of Claims