NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN

SCHOOL DISTRICT NAME: _____NEWARK PUBLIC SCHOOLS_____   COUNTY: ESSEX COUNTY_____

TYPE OF EXAMINATION:_____Overtime Audit – Fiscal Years 2012 – 2013 and 2013 – 2014_____

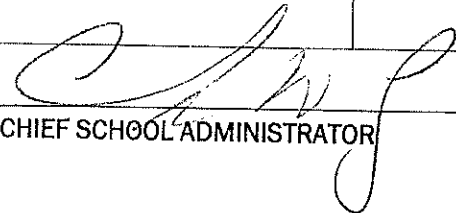DATE OF BOARD MEETING:_____November 17, 2015_____

CONTACT PERSON: _VANESSA RODRIGUEZ, CHIEF TALENT OFFICER_____

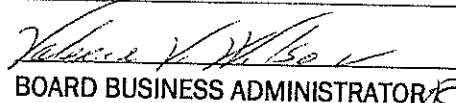TELEPHONE NUMBER: 973-733-7252_____   FAX NUMBER: 973-733-7753_____

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1. The district overpaid eight employees an amount totaling $10,922.34 for duplicate hours	The district will be transitioning from a paper based system for processing overtime payments to an automated overtime solution by February 2016. The automated overtime solution will eliminate overpayments since any overtime hours worked will be captured thru biometric fingerprint scans. All overtime hours will be approved by the department head or designee before the hours are forwarded to payroll for processing. Manual processing of overtime payments will occur only when the biometric fingerprint scanner is unavailable or inoperable. In those cases, the hours worked would be entered into the timekeeping system, via a historical edit, which will be visible in the system to document the hours worked and prevent duplications. Any historical edit for overtime will require the department head's approval.	The district will be piloting the automated overtime solution in November 2015. This pilot will include 1,100 overtime eligible employees from Facilities, Security and Central Office. The pilot will occur for 4 pay periods to allow any issues or concerns to surface and be resolved within this controlled group of employees. Once the remedies for any issues are implemented, the automated process will rollout district wide.	Chief Talent Officer Executive Director, Employee Services Chief Information Officer Department Head (Designated Overtime Approver)	Pilot – 11/2015 District-wide Rollout - 2/2016

2. The district failed to provide supporting documentation for overtime payments totaling $56,619.00	District employees use biometric finger scans to clock in and out of work. These scans capture the hours from the employees' regular work schedule and overtime hours worked. However, the district's timekeeping system currently recognizes and exports for payment only hours worked in the employee's regular work schedule. In order to compensate employees who work overtime, the district uses a manual process. The hours an employee worked would be captured on an Overtime Request Form which would be reviewed or approved by the employee's supervisor, timekeeper, department head, and payroll. Once the hours are approved, they would be batched by our IT Department and manually entered into PeopleSoft for payment. Due to the volume of paperwork involved it is likely that many of these forms were misplaced or missing.

The automated overtime solution will eliminate this manual process for compensating overtime. The majority of overtime hours will be approved by the department head prior to the hours being worked. However, there will be occasions when overtime hours are unplanned due to an emergency or necessary to support operational needs. In these cases, overtime hours will not be paid unless the department head approves the overtime hours worked. | The automated overtime solution has been configured to process and export all approved overtime hours worked from the timekeeping system to the payroll system for processing. This streamlined process will eliminate any paperwork associated with paying overtime hours since all hours will be captured via biometric finger scans, processed by the timekeeper and approved by the department head in the timekeeping system. All of the required documentation, specifically the department head's approval will be captured and stored in the Kronos system. | Chief Talent Officer
Executive Director, Employee Services
Department Head (Designated Overtime Approver)
Director of Payroll | Pilot –11/2015
District-wide Rollout 2/ 2016 |
| 3. Hours worked were not calculated properly for one member of the Service Employees International Union – Local 617 during FY 2013-2014 | The automated overtime solution ensures that employees are compensated at the appropriate rate for overtime compensation which will eliminate compliance issues and help control labor costs. | The automated overtime solution contains the contractual rules to ensure that employees are compensated in compliance with the requirements set forth in their collective bargaining agreements. Overtime rules will be updated in accordance with changes in the collective bargaining agreements. | Chief Talent Officer
Executive Director, Employee Services
Chief Information Officer
Director of Labor Relations | 10/2015 |

4.	The district did not comply with its policy that overtime "must" be pre-approved in writing.	The automated overtime solution is designed to ensure that only hours approved by a department head will be exported to the payroll system for payment. It is noteworthy to mention that we will be updating NPS' Overtime Policy to address circumstances when overtime is unplanned or necessary due to operational needs. In those cases, the Department Head would need to approve these hours in Kronos before they are exported to Payroll for processing.	The automated overtime solution ensures that overtime is approved by a department head before payment is processed by Payroll.	Department Head (Designated Overtime Approver) Director of Payroll	Pilot – 11/2015 District-wide Rollout 2/2016
5.	Overtime was not always paid within the contractually required time frame.	The manual OT process did not guarantee the timely submission of Overtime Request Forms to ensure that payments would be processed in accordance with the contractual agreements. The automated overtime solution ensures that all approved hours worked (regular and overtime) will be exported to payroll for payment within the same pay period that the hours are worked. This will ensure that we are in compliance with the timeframes set forth in the contractual agreements.	The responsibility of processing and approving overtime hours will reside with the department head and timekeeper. Any failure to comply with the timely processing of overtime hours will be managed accordingly.	Department Head (Designated Overtime Approver)	Pilot – 11/2015 District-wide Rollout 2/2016
6.	Overtime reporting forms (timesheets), which document employee overtime hours, were not always approved for payment by the required supervisors.	The automated overtime solution has the necessary safeguards in place to ensure that overtime hours are approved by the employee's department head before the hours are exported to payroll for payment.	The automated OT solution is in full compliance with the district's overtime policy which requires that it is approved by a department head before payment.	Department Head (Designated Overtime Approver) Director of Payroll	Pilot – 11/2015 District-wide Rollout 2/2016
7.	Overtime was not calculated correctly for Local 32 employees.	The automated overtime solution ensures that the appropriate contractual requirements are met for all employees depending on the employee's contractual agreement.	The rules for governing overtime payments for all employees are aligned with the District's contractual agreements. This will ensure that the rules set forth in Local 32 are applied to those employees when we are compensating for overtime payments.	Chief Talent Officer Executive Director, Employee Services Chief Information Officer Director of Labor Relations	Pilot – 11/2015 District-wide Rollout 2/2016

CHIEF SCHOOL ADMINISTRATOR   DATE   11-13-15   BOARD BUSINESS ADMINISTRATOR   DATE   11-13-15