

CORRECTIVE ACTION PLAN

NAME OF SCHOOL: First Steps Services for Children, Inc.  
 TYPE OF AUDIT: New Jersey Department of Education, Newark Internal Audit Unit (NJDOE-NIAU)  
 DATE OF ADVISORY BOARD MEETING: 15-Nov-11  
 CONTACT PERSON: Office of Early Childhood, Director and/or Fiscal Specialist  
 TELEPHONE NUMBER: 973 733-6234 or 7248

Abbreviations:

NPS-OEC – Newark Public Schools, Office of Early Childhood  
 NJDOE-NIAU – New Jersey Department of Education, Newark Internal Audit Unit  
 NJDOE-OFAC – New Jersey Department of Education, Office of Fiscal Accountability and Compliance  
 NJDOE-DECE – New Jersey Department of Education, Division of Early Childhood Education

| FINDING NUMBER | RECOMMENDATION   | METHOD OF IMPLEMENTATION  | PERSON(S) RESPONSIBLE FOR IMPLEMENTATION | COMPLETION DATE   |
|----------------|--|---|--|-------------------|
| 1              | The auditor recommends that NPS-OEC recover \$17,225.00 from the First Steps Services for Children, Inc. | NPS-OEC will issue a letter to First Steps Services for Children, Inc. requesting payment net of the modifications for indirect cost lines that were not accepted by the Internal Audit Unit. NPS-OEC has been provided conflicting guidance from the state and is currently working on resolving the issue. Once resolved, NPS-OEC will either continue the current process incorporating notification to the provider of a disallowed transfer or change the process to provide providers with budget modification approval for transfers within indirect cost lines. | NPS-OEC Fiscal Specialist                | November 25, 2011 |

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| 2              | The auditor recommends that the NPS-OEC ensure they receive and retain all CARI results for all DOE funded preschool program employees for each contract year to verify contract compliance for future audit purposes. | NPS-OEC requests all current CARI and CHRI for all contracted preschool provider staff throughout the school year. CARI checks are renewed every three years. In the past, expired CARI checks may have been archived or destroyed. Going forward, NPS-OEC will retain copies of CARI and CHRI results based on the retention schedule. NPS-OEC will continue to issue instructions to all contracted preschool providers during the monthly director meetings regarding their responsibilities of obtaining the proper certifications and CHRI and CARI documentation. NPS-OEC will also provide the certification supervisor a list of employees added to the roster during the school year for compliance. | First Steps Services for Children, Inc.<br>NPS-Certification Supervisor | July 1, 2011     |
| 3              | The auditors recommend that the First Steps complete a correct bank reconciliation as of June 30, 2010.  | NPS-OEC will also request First Steps to complete and submit monthly bank reconciliations.  | NPS-OEC Fiscal Specialist and First Steps Services for Children, Inc.   | December 1, 2011 |

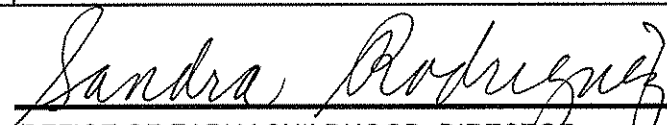
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| 4              | The auditors recommend that NOEC review tax returns in conjunction with the corrected bank reconciliation and general ledger to determine if the provider is functioning as a going concern and should be retained. | NPS-OEC will also request First Steps to submit their 2009 and 2010 Federal Corporation tax returns and provide a copy of the State NJ 927 for quarter ending September 30, 2009; copy of completed general ledger for July 2009 through June 2010; completed copy of First Steps Lease agreement. | NPS-OEC Fiscal Specialist and First Steps Services for Children, Inc. | December 1, 2011 |

  
 OFFICE OF EARLY CHILDHOOD, DIRECTOR 11-15-11  
 DATE

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 CHIEF SCHOOL ADMINISTRATOR DATE SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY DATE