

CORRECTIVE ACTION PLAN

NAME OF SCHOOL: Giant Steps Learning Center Inc.
 TYPE OF AUDIT: New Jersey Department of Education, Newark Internal Audit Unit (NJDOE-NIAU)
 DATE OF ADVISORY BOARD MEETING: October 23, 2012
 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
 NJDOE- CHRI - New Jersey Department of Education, Criminal History Record Information
 NJDOE - CARI - New Jersey Department of Education, Child Abuse Record Information

FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
1 (a)	Giant Steps Learning Center Inc. under spent the 2008-09 approved budget by \$189,957, which includes all salary and expenditures for the last quarter because the provider did not submit any required reports. After the hold back of \$74,448, the district is due back \$111,509 from the provider. NPS-OEC should pursue recovery of \$111,509 from the provider either on their own or by using the services of the district's Legal Department since the provider violated the terms of the contract and is no longer providing services for the district.	NPS-OEC completed the review of Giant Steps Learning Center expenditure reports on March 31, 2010 and determined a finding of \$103,106.93. NPS-OEC made numerous attempts to collect the 4th quarter payroll reports to no avail. NPS-OEC made inquiry with the NPS Legal Department regarding the cost effectiveness of pursuing this recovery. NPS-OEC mailed the audit determination to the last known address of Mary Goodman, Executive Director. Should Giant Steps submit the required documentation for the 2008-09 4th quarter, NPS-OEC could adjust the amount of the audit finding for any approvable supported expenditures. At this time the provider has not responded to any of the districts multiple requests. The district has closed the file at this time as all internal efforts were made and it is not cost effective to pursue legal action.	NPS-OEC Fiscal Specialist	September, 2012

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1 (b)	The auditors recommend that the NPS-OEC review the quarterly expenditures for all providers on a timely basis.	NPS-OEC continues to move forward with the backlog created by under staffing issues and has completed the reviews for the 2009-2010 and 2010-2011 school years.	NPS-OEC Fiscal Specialist	SY 2008-09 backlog completed December 2011; SY 2009-10 and 2010-11 backlog completed July 2012

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2	The auditors recommend that the NPS credential supervisor verify that the NPS-OEC has all current applicable credentials, CHRI results and CARI results for all employees. The supervisor should pursue the providers for all missing items.	NPS-OEC requests all current CARI and CHRI for all contracted preschool provider staffs throughout the school year. CARI checks are renewed every three years. In the past expired CARI checks may have been archived or destroyed. NPS-OEC now retains copies of CARI and CHRI results based on the required retention period. NPS-OEC will continue to issue instructions to all contracted preschool providers during the monthly director meetings regarding the responsibilities of obtaining the proper certifications and CARI and CHRI documents. NPS-OEC also began reviewing new employees added to the roster during the school year for compliance verification.	Giant Steps Learning Center Mary Goodman, Executive Director, NPS-Certification Supervisor, NPS-OEC Fiscal Specialist	January, 2011

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3 (a)	NJDOE guidance states that the district <u>may</u> require providers to supply an inventory of each NJDOE-funded classroom to demonstrate that appropriate materials, supplies and technology is present in each classroom. The auditors recommend that NPS-OEC require providers to submit an current inventory with the quarterly submissions.	NPS-OEC will request providers to submit a cumulative inventory annually as part of the regular 4th quarter submission.	NPS-OEC Fiscal Specialist and Giant Steps Learning Center Mary Goodman, Executive Director	December, 2012

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3 (b)	The auditors recommend that NPS-OEC compile an inventory list from the quarterly expenditure reports submitted by the provider for the past few years to determine what may be recoverable from the provider after the non-renewal, and pursue recovery of those items or monetary equivalent.	For SY2008-09, Giant Steps Learning Center submitted purchases totaling \$5,552. Of this amount, approximately \$940 has a useful life of two years or more, which includes two camera's and printers for a cost of \$580. NPS-OEC will reviewed the prior two school years to calculated the estimated non-consumable items. This amount did not exceed \$1,880. Collections efforts were made to no avail. The district has closed the file as it is not cost effective to further pursue legal action.	NPS-OEC Fiscal Specialist and Giant Steps Learning Center Mary Goodman, Executive Director	September, 2012

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4	The auditors recommend that NPS-OEC obtain and retain a copy of the providers written benefit policy and benefit waiver forms.	NPS-OEC currently requires providers to submit their employee handbook annually. They review the handbook for compliance with NJDOE regulations and alert the provider and NJDOE-NIAU of any unusual or potential non-compliant items. NPS-OEC also requires providers to submit benefit waiver forms with the annual contract renewal.	NPS-OEC Fiscal Specialist	July, 2011

Sandra Rodriguez
 OFFICE OF EARLY CHILDHOOD DIRECTOR

10-12-12
 DATE

Adam White
 SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY

10/15/12
 DATE

 CHIEF SCHOOL ADMINISTRATOR DATE