



State of New Jersey
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Commissioner

January 29, 2014

Cami Anderson
State District Superintendent
Newark Public Schools
2 Cedar Street
Newark, New Jersey 07102

RECEIVED

JAN 31 2014

THE NEWARK PUBLIC SCHOOLS
OFFICE OF SCHOOL BUSINESS ADMINISTRATOR

Dear Ms. Anderson:

The Department of Education, Office of Fiscal Accountability and Compliance has received your districts corrective action plans (CAP's) in response to the Internal Audit reports on the following early childhood providers:

- Community Hills Early Learning Center
- United Vailsburg Services Organization
- King Memorial Day Nursery Inc.
- Holiness Pentecostal Day Care Center
- St Ann's Community Day Care Center Inc.

Our review of the CAP's has determined that the proposed corrective actions are acceptable as submitted; therefore, the examination files will be closed. The internal audit unit may conduct a follow-up reviews at a later date.

Should you have any questions, please feel free to contact Clarence Joffrion or myself.

Sincerely,

Steven Hoffmann
Coordinating Auditor
NJ Department of Education
(973) 621-2750

c: Robert Cicchino

✓ Valerie Wilson

Karin Garver

Clarence Joffrion

NAME OF SCHOOL: COMMUNITY HILLS EARLY LEARNING CENTER/HARMONY HOUSE
 TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT
 DATE OF ADVISORY BOARD MEETING:
 CONTACT PERSON: NEWARK OFFICE OF EARLY CHILDHOOD, 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 auditors recommended that the provider reimburse \$81,759 to the NPS and that the NOEC review the quarterly expenditure reports on a timely basis.	\$40,000 out of \$81,759 belongs to SY 2009-10. Total payments for SY 2010-11 is \$1,517,233; therefore the balance due back to the district is \$41,759. The center was notified and will be collecting the balance due. Also NOEC is reviewing all expenditures in timely basis.	Michael Knight, Community Hills Learning Center; Jose Silvestre, NPS-OEC	December 10, 2012
2	The auditors recommended that the NOEC verifies that all waivers are completed annually and include proof of insurance from another source.	The NOEC is currently verifying all completed waivers and proof of another insurance.	Jose Silvestre, NPS-OEC	September 20, 2012

Andrew Blum EXECUTIVE DIRECTOR OF EARLY CHILDHOOD DATE 11/25/13
Jose Silvestre SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY DATE 10/25/13

NAME OF SCHOOL: UNIFIED VAILSBURG SERVICES ORGANIZATION
 TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT
 DATE OF ADVISORY BOARD MEETING:
 CONTACT PERSON: NEWARK OFFICE OF EARLY CHILDHOOD, FISCAL SPECIALIST
 TELEPHONE NUMBER: 973.733.6234 OR 7248

Deviations:
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FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
1	The auditors recommend that the district pay the provider the sum of \$23,675 to cover the qualified expenditures for SY 2010-2011.	As per the Preschool Contract The Provider agrees to submit to the District a quarterly expenditure report, as defined in Subsection II (A) (4), of actual, approvable, reasonable and customary expenditures signed and certified by the director and officer of the corporation. Unified Vailsburg Organization corporate officer signed and certified that all documentation for review was actually submitted and complete when expenditure was submitted to the district. Internal Audit allowed the provider the opportunities to submit information and documentation more than three (3) times throughout the audit, as well as, the district NPS-OEC, Fiscal Specialist. It is the corporate officers' responsibility to verify/ensure that information and documentation supporting all expenses are submitted with the quarterly expenditure reports and that the reports cannot be completed or submitted in piecemeal.	Unified Vailsburg Executive Director, R. Michael Farley; Jose Silvestre, NPS-OEC	September 20, 2013

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FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
2	The auditors recommend that the provider enhances its current financial management system in order to provide an accurate and complete disclosure of all financial activities. The provider should prepare a general ledger that accurately reflects all cash receipts and disbursements related to the NJDOE agreement.	OEC met with the provider to discuss this issue. OEC will be reviewing the center's quarterly financial reports to ensure that the provider is keeping a separate financial records for preschool program funding.	Jose Silvestre, NPS-OEC	September 20, 2013
3	The auditors recommend that the provider promptly obtain the missing information for the active employees. The district should follow up with the provider to ensure that the CHR1, CARI and the TB test results are obtained in a timely manner.	OEC obtained the necessary missing information.	Jose Silvestre, NPS-OEC	September 30, 2013

NAME OF SCHOOL:

UNIFIED VAILSBURG SERVICES ORGANIZATION

TYPE OF AUDIT:

NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT

DATE OF ADVISORY BOARD MEETING:

CONTACT PERSON:

NEWARK OFFICE OF EARLY CHILDHOOD, FISCAL SPECIALIST

TELEPHONE NUMBER:

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FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
		<i>Sandra Vailsburg</i> EXECUTIVE DIRECTOR OF EARLY CHILDHOOD	<i>Madeleine Wilton</i>	<i>11/25/13</i> DATE
				<i>12/5/13</i> DATE

CHIEF SCHOOL ADMINISTRATOR

DATE

SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY

NAME OF SCHOOL: KING MEMORIAL DAY NURSERY INC.
 TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT
 DATE OF ADVISORY BOARD MEETING:
 CONTACT PERSON: NEWARK OFFICE OF EARLY CHILDHOOD, FISCAL SPECIALIST
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FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
1	The auditors recommend that the district recover \$50,422 from the provider.	OEC is recovering \$50,422 from the provider as a payment plan.	Kathryn Kent, King Memorial; Mano Ponna, NPS-OEC	September 25, 2013
2	The auditors recommend that the provider implement a financial management system that provides accurate and complete disclosure, a general ledger that reflects cash receipts, disbursements, and records all budgeted cash receipts and expenditures related to the agreement.	OEC met with the director to discuss this issue. The director will be contracting with a financial establishment to maintain the financial records. OEC will be reviewing the center's quarterly financial records to ensure proper financial system is maintained by the provider.	Kathryn Kent, King Memorial; Mano Ponna, NPS-OEC	September 25, 2013
3	The auditors recommend that the provider promptly obtain the missing TB test results.	TB results were obtained.	OEC Nursing Supervisor, Adrienne Mathews	October 30, 2013

NAME OF SCHOOL: KING MEMORIAL DAY NURSERY INC.

TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT

DATE OF ADVISORY BOARD MEETING:

CONTACT PERSON: NEWARK OFFICE OF EARLY CHILDHOOD, FISCAL SPECIALIST

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FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
		<p><i>Andrea Rodriguez</i> EXECUTIVE DIRECTOR OF EARLY CHILDHOOD</p> <p><i>Adrian Wilson</i> SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY</p>		<p>11/25/13 DATE</p> <p>12/5/13 DATE</p>

NAME OF SCHOOL: HOLINESS PENTECOSTAL DAY CARE CENTER
 TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT
 DATE OF ADVISORY BOARD MEETING:
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FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
1	The auditors recommend that the district recovers \$51,694 from the provider.	The OEC does not agree with the balance due back to the district. The OEC approved a higher salary for a new floater teacher assistant, gave full credit for food program expenses and one month of rent which was not considered by the auditors. According to OEC review the balance due back to district is reduced to \$33,989 which will be recovering during current school year 2013-14.	Jose Silvestre	November 11, 2013
2	The auditors recommend that the provider implement a financial management system that provides accurate and complete disclosure including a general ledger	OEC met with the provider to discuss this issue. OEC will be reviewing the center's quarterly financial reports to ensure that the provider is keeping a separate financial records for preschool program funding. OEC has provided additional funds for a prorated bookkeeper to assist provider with its day to day recordkeeping.	Debra Saunders, Holiness Pentecostal; Jose Silvestre, NPS-OEC	November 11, 2013


 EXECUTIVE DIRECTOR OF EARLY CHILDHOOD
 DATE 11/25/13

NAME OF SCHOOL:

HOLINESS PENTECOSTAL DAY CARE CENTER

TYPE OF AUDIT:

NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT

DATE OF ADVISORY BOARD MEETING:

CONTACT PERSON:

NEWARK OFFICE OF EARLY CHILDHOOD, FISCAL SPECIALIST

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FINDING NUMBER	RECOMMENDATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
		<i>Robert Wilson</i>	12/5/13
CHIEF SCHOOL ADMINISTRATOR		SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY	DATE

CORRECTIVE ACTION PLAN

NAME OF SCHOOL: ST. ANN'S COMMUNITY DAY CARE CENTER, INC.
 TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT
 TYPE OF ADVISORY BOARD MEETING:
 CONTACT PERSON: NEWARK OFFICE OF EARLY CHILDHOOD, FISCAL SPECIALIST
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 EC – Newark Public Schools, Office of Early Childhood
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NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
	<p>The auditors recommend that NPS pay \$71,536 to the provider. The auditors also recommend, in the future, the provider comply with the terms of the contract and submit accurate and timely expenditure reports and all supporting documentations. The auditors also recommend that the NOEC reviews all quarterly expenditure reports in a timely basis.</p>	<p>The NOEC met with provider to discuss the issues regarding the terms of the contract and submitting expenditure reports timely. The NOEC has been reviewing the expenditures in a timely basis. It is crucial for providers to submit expenditures accurately and complete.</p>	<p>Anne Ward, St. Anns Nursery; Mano Ponna, NPS-OEC</p>	<p>March 5, 2013</p>
	<p>The auditors recommend the NOEC supervisory personnel review the personnel files to ensure all required personnel have their required TB results on file.</p>	<p>The NOEC obtained all TB results.</p>	<p>NPS-OEC Nursing Supervisor Adrienne Mathews; Mano Ponna, NPS-OEC</p>	<p>March 5, 2013</p>

CORRECTIVE ACTION PLAN

NAME OF SCHOOL: ST. ANN'S COMMUNITY DAY CARE CENTER, INC.
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	<p>The auditors recommend the provider enhances its current financial management system in order to provide an accurate and complete disclosure of all financial activities. This would include revising the method used to allocate expenses to the NJDOE Preschool program. All NJDOE allowable expenses should be charged correctly as indicated in the NJDOE Preschool budget and contract. In the future, the provider must comply with the terms of the contract by submitting accurate quarterly expenditure reports with properly allocated expenses. All supporting documentation of expenses should be included with each quarterly report submission. In addition, the NOEC should review all expenditure reports on a timely basis and make necessary adjustments.</p>	<p>The NOEC met with provider to discuss these issues. The NOEC has been reviewing the quarterly expenditures in a timely basis to ensure proper financial system is maintained by the provider.</p>	<p>Miano Ponna, Marie Dukas and Jose Silvestre, NPS-OEC</p>	<p>September 16, 2013</p>

CORRECTIVE ACTION PLAN

NAME OF SCHOOL: ST. ANN'S COMMUNITY DAY CARE CENTER, INC.
 TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT
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		<p align="center"><i>Janine Rodriguez</i> EXECUTIVE DIRECTOR OF EARLY CHILDHOOD</p> <p align="center"><i>Valerie Wilson</i> SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY</p>		<p align="center">11/25/13 DATE</p> <p align="center">12/5/13 DATE</p>