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CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

State of New Jersey

DEPARTMENT OF EDUCATION  
PO Box 500  
TRENTON, NJ 08625-0500

THE NEWARK PUBLIC SCHOOLS  
OFFICE OF SCHOOL BUSINESS ADMINISTRATOR

DAVID C. HESPE  
Acting Commissioner

July 21, 2014

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

Dear Ms. Anderson:

Attached is the internal audit report on early childhood provider Mount Carmel Guild Cares. In accordance with N.J.A.C. 6A:23A-5.6 the Newark Public Schools are required to publicly review and discuss the findings in the report at the next regularly scheduled public board meeting. Within 30 days of the public meeting the district board of education shall adopt a resolution certifying that the findings were discussed in a public meeting and approving a corrective action plan to address the issues raised in the findings. The resolution shall be submitted to the Internal Audit Unit within 10 days of adoption. The findings of the audit and the board of education's corrective action plan shall be posted on the district's web site.

Should you have any questions, please feel free to contact me.

Sincerely,

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

c: Robert Cicchino  
Ellen Wolock  
Valerie Wilson ✓  
Clarence Joffrion

**NEW JERSEY DEPARTMENT OF EDUCATION  
NEWARK INTERNAL AUDIT UNIT  
MOUNT CARMEL GUILD CARES  
CATHOLIC CHARITIES OF THE ARCHDIOCESE OF NEWARK  
2012-2013 FISCAL YEAR**

fiscal year. In addition, the district should pay the appropriate monthly amounts to the provider in accordance with the budget.

2. **The provider failed to maintain a financial management system that provided accurate and complete disclosure of all financial activities related to the NJDOE agreement.**


The auditors determined that the provider did not maintain an adequate financial management system as required under Section XI of the Preschool Education Program Contract, which states "The provider shall maintain a current and complete disclosure of all financial activity related to the agreements in accordance with "GAAP". The provider failed to maintain a preschool accounting system of all financial activities related to the agreement separate from other funding sources. The provider also failed to maintain a general ledger and account reconciliation of all financial activities related to the agreement.

**Recommendation:**

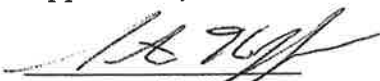
The auditors recommend that the provider enhance its current financial management system in order to provide an accurate and complete disclosure of all NJDOE financial activities. The provider should prepare a general ledger that accurately reflects all cash receipts and disbursements related to the NJDOE agreement.

Auditor:  
Karen Shanks

Submitted by:

  
Clarence Joffrion  
Supervising Auditor

Approved by:

  
Steven C. Hoffmann  
Coordinating Auditor