



CORRECTIVE ACTION PLAN

NAME OF SCHOOL: Rainbow Land Learning Center I & II
TYPE OF AUDIT: NEW JERSEY DEPARTMENT OF EDUCATION, NEWARK INTERNAL AUDIT UNIT
DATE OF ADVISORY BOARD MEETING: _____
CONTACT PERSON: F. Nana Ofosu-Amaah, Executive Director, Newark Public Schools Office of Early Childhood (NOEC)
TELEPHONE NUMBER: 973.733.6234 / 7248

FINDING NUMBER	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE
1	Rainbow Land Center I approved budget was \$1,292,766 for the 2014-2015 fiscal year. Of the total approved budget, auditors verified that Rainbow Land Learning Center I had \$1,260,931 in allowable expenditures. As of the report date, Rainbow Land Learning Center I received \$1,263,100 from the District. As a result, Rainbow Land Learning Center I owes the District a total of \$2,169. Rainbow Land Learning Center II approved budget was \$2,545,322 for the 2014-2015 fiscal year. Of the total approved budget, auditors verified That Rainbow Land Learning Center II had \$2,489,094 in allowable expenditures. As of the report date, Rainbow Land Learning Center II received \$2,383,592 from the District. As a result, Rainbow Land Learning Center II is owed a total of \$105,502 by the District. The auditors recommend that the District pays the providers the aggregate sum of \$103,333.	The Newark Public Schools, OEC will submit a Form 419 (request for payment) to the Accounts Payable Department in the amount of \$103,333 for the pre-k provider. A check is forthcoming. It is the responsibility of the provider to submit all documentation, related to all preschool approvable expenses, with their Quarterly Expenditure Reports. The district will work very closely with this provider in order for them to get their completed Quarterly Expenditure Reports submitted for all quarters in a timely manner. This will facilitate review and payments in a timely manner.	Helena Ramos, Executive Director, Rainbow Land Learning Center I & II and Marie Dukes, NPS-OEC Jose Silvestre, NPS-OEC	September 2, 2016



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2	<p>The auditors noted several minor accounting errors on quarterly expenditure reports. As defined in section II, subsection A paragraph 4, quarterly expenditure report means “a report of all, actual, and approvable expenditures.” Of the 13 errors identified, six resulted in the Rainbow Land Learning Centers claiming more in expenditures than the amounts allowed by auditors. The errors were categorized into three types: amount erroneously recorded; incorrect proration percentage; and invalid expenditure. Auditors found that seven of the 13 errors identified were in the category of amount erroneously recorded. The amount recorded on the quarterly expenditure report did not match the amount on the supporting documentation. For example, an amount of \$15.30 was recorded on the 3rd quarter Aflac Teacher/Teacher’s Assistant, yet the supporting 3rd party benefit statement shows an amount of \$156.30. The auditors recommend that the provider properly manages its current financial management system in order to provide an accurate and complete disclosure of all financial activities. The provider should only charge allowable costs to the NJDOE. In the future, the provider must comply with the terms of the contract by submitting accurate quarterly expenditure reports with properly allocated expenses.</p>	<p>NOEC visited Rainbow Land Learning Center I & II and reviewed their financial system on 02/17/2016. NOEC stated to the center that funds should not be commingled; funds should be separated between pre-k and other sources. Also, the amount reported in the ledger for Pre-k should match to the amount in the quarterly expenditure report. NOEC recommended to the center to make these changes starting July 1, 2016.</p>	<p>Helena Ramos, Executive Director, Rainbow Land Learning Center I & II <i>and</i> Jose Silvestre, NPS-OEC</p>	<p>February 17, 2016 as well as on-going trainings/onsite support</p>
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3	<p>The auditors determined that the District failed to make the final payment to Rainbow Land Learning Centers by the August 29, 2015 deadline. Per Section VII, subsection H of the Preschool Education Program Contract, the District is required to make final payment to Rainbow Land Learning Centers by August 29, 2015. Auditors determined that all payments except for the final payment were made timely and in accordance to the contract. As stated previously in this report, auditors determined the district owes an aggregate of \$103,333 to the Rainbow Land Learning Centers. As of the date of this report, the District had not made a final payment to the Rainbow Land Learning Centers.</p>	<p>Based on the expenditure reports for the first three (3) quarters, NOEC issued a partial of the final payment to Rainbow Land Learning Center I & II on June 15, 2015. Rainbow Land I received \$88,999.05 and Rainbow Land II 57,465.50. The reminder of the payment was going to be issue after Rainbow Land Center's 4th quarterly expenditure report was review by OEC. Rainbow Land's 4th quarter expenditure report was submitted on August 4, 2015. Rainbow Land I was reviewed on September 24, 2015 and Rainbow Land II on October 30, 2015 by OEC. As Per Section VII, subsection I (1) of the pre-school contract, "if the provision for receipt and verification of the Provider's enrollment as described in VIII (G) are met, monthly payments shall be made on: September 1, October 15, November 15, December 15, January 15, February 15, March 15, April 15, and May 15. One final payment shall be issued on or before August 29, 2015 provided that expenditure reports are submitted in adherence to the due dates, that all expenditures are appropriately and accurately documented, and that the report is complete at time of submission." OEC will submit form 419 (payment request) to Accounts Payable on July 22, 2016. Going forward payments will be issue when OEC reviews are completed.</p>	<p>Helena Ramos, Executive Director, Rainbow Land Learning Center I & II <i>and</i> Marie Dukes, NPS-OEC Jose Silvestre, NPS-OEC</p>	<p>September 30, 2016 for Rainbow Land Center SY 2015-16</p>
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F. Dana Collins

EXECUTIVE DIRECTOR OF EARLY CHILDHOOD

9/9/2016

DATE

Nancy Wilson

SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY

9/9/16

DATE

CHIEF SCHOOL ADMINISTRATOR

DATE