

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: CohnReznick, LLP
Quarter Ending: 6/30/2022
Expected Engagement End Date: 9/30/2022

A. General Info

1. Recovery Program Participant:

New Jersey Department of Education (NJDOE)

2. Federal Funding Source (e.g., CARES, HUD, FEMA, ARPA):

CARES Act

3. State Funding Source (if applicable):

N/A

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

09/30/2022

5. Accountability Officer:

Amanda Schultz

6. Program(s) under Review/Subject to Engagement:

Federal Grant - Elementary and Secondary School Emergency Relief Fund
(ESSERF I)

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO). Pursuant to EO 166, the Taskforce has issued guidelines (“IOM Guidelines”), which have been updated as of June 2021, regarding the appointment and responsibilities of COVID-19 Integrity Oversight Monitors (“Integrity Monitors”). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. IOM Guidelines further suggest, "Recovery Program Participants that have received

Integrity Monitor Report
Category 3

or will administer a total of \$20 million in COVID-19 Recovery Funds should retain at least one Integrity Monitor".

The Department of Education (DOE) received \$310 million in federal funds authorized under the CARES Act – Elementary and Secondary School Emergency Relief Fund (ESSERF I). From these funds, 90% was distributed to local educational agencies (LEAs) to be used in support of allowable expenditures as outlined in the law.

The purpose of this Integrity Monitoring engagement is to work with the DOE's Accountability Officer, other DOE staff, and LEAs to perform initial risk assessments of DOE and sampled LEAs, evaluate internal controls, review applicable reports and specific files to ensure NJ DOE and subgrantees (LEAs) are adhering to the sub-award agreement and applicable federal and State laws and regulations pertaining to the use of ESSERF 1 funds.

8. Amount Allocated to Program(s) under Review:

ESSER I - \$310,371,213

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

\$281,758,071.54

10. Amount Provided to Other State or Local Entities:

ESSER I Set aside - \$15,697,851

11. Completion Status of Program (e.g., planning phase, application review, post-payment):

In process

12. Completion Status of Integrity Monitor Engagement:

In process

B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

a) IM Response

**Integrity Monitor Report
Category 3**

N/A

b) Recovery Program Participant Comments

N/A

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e., activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

The following tasks were completed for the period 4/1/2022 through 6/30/2022:

- Scheduled and performed walk-throughs of processes and internal controls with 50 LEAs sampled for ESSER I.
- Scheduled and performed walk-throughs of processes and internal controls with 14 LEAs sampled for ESSER I set-aside programs.
- Performed a walk-through with NJDOE for ESSER program(s).
- Reviewed policies and other document provided and obtained through public searches for assessing the risks.
- Completed risk assessments for NJDOE and 64 LEAs (including 14 LEAs selected for set-aside programs) and submitted to the agency.
- Requested LEAs to provide detailed expenditure reports for 64 LEAs including 14 LEAs for set-aside programs.
- Cataloged received detailed expenditure reports; reviewed and performed reconciliations to expenditures reported in EWEG.
- Set up templates and sent an e-mail to each sampled LEA that spent 100 % of approved funds requesting documents supporting expenditure reports.
- Requested other educational establishment and state agencies received ESSER I funds through set-aside programs to provide supporting documentation.
- Conducted status calls with the NJDOE on 4/7/22, 4/1/22, 4/28/22, 5/5/22, 5/12/22, 5/19/22, 5/26/22, 6/2/22, 6/23/22, 6/30/22.
- Drafted 2Q22 quarterly report.
- Drafted the IM Monthly reports – April, May, and June 2022.
- Corresponded with NJDOE clarifying items regarding the IM engagement and quarterly reports.
- Submitted final 2Q22 report to Treasury.

b) Recovery Program Participant Comments

NJDOE agrees with the above

**Integrity Monitor Report
Category 3**

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

NJDOE provided the list of all NJ school districts (LEAs) and their allocations. The list of LEAs the NJDOE will be monitoring was provided as well. The IM excluded districts under review by the NJDOE and districts where CohnReznick NJ employees reside and selected a sample of 64 LEAs (including the LEAs for Set aside program) for ESSER 1 monitoring activities. The sample was allocated between the three regions of the state – North, Central, and South based on the percent of LEAs for each region in total population. The Integrity Monitor (IM) performed walk-through of processes and internal controls and assessed the risks for sampled LEAs. Further, IM reviewed the expenditure reports for the selected LEAs and requested supporting documentation to validate the expenditures for eligibility and allowability under the program guidelines.

b) Recovery Program Participant Comments

N/A

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

IM requested and received COVID relief payments report from Treasury that shows payment transactions with check numbers. The IM will review this report and the payments during the expenditure testing procedures. Additionally, expenditure payment information will be reviewed for each LEAs during the testing phase.

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

N/A

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

The IM performed risk assessment procedures and reviewed NJDOE and LEA documentation related to their policies and procedures for internal controls and prevention and detection of waste, fraud, and abuse. The IM also conducted meetings with LEAs and NJDOE to walk through their policies and procedures and internal controls.

b) Recovery Program Participant Comments

N/A

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

The IM did not note any integrity issues/findings.

b) Recovery Program Participant Comments

N/A

20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

**Integrity Monitor Report
Category 3**

N/A

b) Recovery Program Participant Comments

N/A

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

For the period April 1, 2022 through June 30, 2022, the following individuals have expended a total of 1,791.2 hours.

Name:

- Ron Frazier – (42 hours)
- Rochell Cottingham – (31.7 hours)
- Anna Fomina – (340.8 hours)
- Skyler Akins – (285 hours)
- David Solomon – (54 hours)
- Viktoria Barrett – (360 hours)
- Andrew Barchenko – (281 hours)
- Elsie Guevara (194.4 hours)
- Emily McCracken (153.3 hours)
- Noah Zagelbaum (49 hours)

No billable expenses were incurred.


b) Recovery Program Participant Comments

N/A

**Integrity Monitor Report
Category 3**

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

- a) IM Response
N/A
- b) Recovery Program Participant Comments

Name of Integrity Monitor: CohnReznick, LLP
Name of Report Preparer: CohnReznick, LLP
Signature: 
Date: 6/30/2022