

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: CohnReznick, LLP  
Quarter Ending: 12/31/2022  
Expected Engagement End Date: 09/30/2023

**A. General Info**

1. Recovery Program Participant:

New Jersey Department of Education (NJDOE)

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

CRRSA Act

3. State Funding Source (if applicable):

N/A

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

09/30/2023

5. Accountability Officer:

Amanda Schultz

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

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

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

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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 \$1.2 billion in federal funds authorized under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) Elementary and Secondary School Relief Fund (ESSERF II). 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 II funds.

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

ESSER II - \$1,230,971,757

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

\$739,953,770.87

10. Amount Provided to Other State or Local Entities:

ESSER II Set aside:

Non Title I Schools - \$4,619,980

State Agencies - \$960,000

Service Commissions/Jointures - \$1,458,939

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**

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

a) IM Response

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 10/1/2022 through 12/31/2022:

- Confirmed and finalized a sample of LEAs for ESSER II monitoring.
- Scheduled and performed walk-throughs of processes and internal controls with 40 LEAs sampled for ESSER II.
- Scheduled and performed walk-throughs of processes and internal controls with 15 LEAs sampled for ESSER II set-aside programs.
- Updated NJDOE's risk assessment 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 55 LEAs (including 15 LEAs selected for set-aside programs) and submitted to the agency.
- Conducted status calls with the NJDOE on 10/6/22, 10/20/22, 11/3/22, 11/17/22, 12/1/22, 12/15/22.
- Drafted 4Q22 quarterly report.
- Drafted the IM Monthly reports – October, November, and December 2022.
- Corresponded with NJDOE clarifying items regarding the IM engagement and quarterly reports.
- Submitted final 4Q22 report to Treasury.

b) Recovery Program Participant Comments

NJDOE agrees with the above.

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:

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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 Integrity Monitor (IM) excluded districts under review by the NJDOE, districts reviewed for ESSER I and districts where CohnReznick NJ employees reside and selected a sample of 55 LEAs (including the LEAs for Set aside program) for ESSER II 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 IM performed walk-throughs of processes and internal controls and assessed the risks for sampled LEAs. CR also requested and received from NJDOE revised budget for ESSER II to review and confirm program allocations.

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 will request the 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 LEA during the testing phase.

b) Recovery Program Participant Comments

N/A

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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 to walk through their policies, 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

N/A

b) Recovery Program Participant Comments

N/A

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**C. Miscellaneous**

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

a) IM Response

For the period October 1, 2022 through December 31, 2022, the following individuals have expended a total of 974.2 hours.

**Name:**

- Ron Frazier – (47 hours)
- Rochell Cottingham – (9.7 hours)
- Anna Fomina – (138.9 hours)
- David Solomon – (96 hours)
- Viktoria Barrett – (218.50 hours)
- Andrew Barchenko – (115.60 hours)
- Erin White (118.50 hours)
- Noah Zagelbaum (66 hours)
- Tiffany Thomson (164 hours)

No billable expenses were incurred.

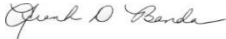
b) Recovery Program Participant Comments  
N/A

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: 12/31/2022