

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Deloitte & Touche, LLP
Quarter Ending: 09/30/2023
Expected Engagement End Date: 12/31/2023

A. General Info

1. Recovery Program Participant:

State of New Jersey, Department of Human Services (DHS), Office of New Americans (ONA) and Division of Family Development (DFD)

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

ARPA

3. State Funding Source (if applicable):

SFRF

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

Funds must be obligated by December 31, 2024, and expended by December 31, 2026

5. Accountability Officer:

Allan Brophy

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

DFD - Child Care Recruitment and Retention Grants Program (CCRRGP)
DFD - Child Care Subsidy Payments based on agreement vs. attendance Program (CCSP)
ONA - Excluded New Jerseyans Fund (ENJF)

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

This Engagement Query was issued by the Department of the Treasury on behalf of the Department of Human Services ("DHS"). The engagement

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query was for grant management services as described in Section 3.1.1 of the RFQ, Category 3 Financial Auditing and Grant Management: to review and adjust DHS's program design for compliance with federal rules, develop policy and training documents, and assist DHS in the engagement of entities to administer the program.

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

CCRRGP - \$30 million
CCSP - \$48 million
ENJF - \$54 million

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

CCRRGP - \$30 million
CCSP - \$48 million
ENJF - \$54 million

10. Amount Provided to Other State or Local Entities:

N/A

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

Post-payment

12. Completion Status of Integrity Monitor Engagement:

The engagement is currently in progress.

B. Monitoring Activities

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

a) IM Response

N/A

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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

Deloitte and the New Jersey Department of Human Services (NJDHS) participated in a kickoff meeting July 7th, 2023, signaling the official start date of the engagement. To better understand the current state of the programs, Deloitte hosted a series of meeting with key NJDHS staff. Following kickoff, Deloitte evaluated the current processes, program specific eligibility requirements, and compliance, and began identification of potential program risks.

A risk assessment was conducted to document the initial assessment of potential program gaps and inefficiencies. It captured observations, possible recommendations, and preliminary risk ratings. After providing this document to NJDHS we created a work plan detailing the timeline for the engagement, the sampling and testing plans, and analytics approach for the programs.

Deloitte randomly sampled the program applications for 2 of the 3 programs to create a representative population to be reviewed for applicant eligibility, internal controls, adherence to processes and proper payments.

b) Recovery Program Participant Comments

N/A

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

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NJDHS has provided us with access to the applicant system for the ENJF program. The testing for this program is currently in progress. The CCRRGP and CCSP programs are in the process of gathering data and information to allow for Deloitte to begin program testing.

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

At this time Deloitte has not reviewed any payment documentation, however, we will as we progress in our review of each program.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

Regular updates to the risk assessment and recommended actions as additional program insights are gained through the program reviews. Additional details and findings relative to waste, fraud, and/or abuse will be provided as they are identified during ongoing activities.

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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

One of the risks raised during the risk assessment is that the three programs have numerous manual processes and reviews in place, increasing the chance of error or oversight. Also, most of the requested documentation for the CCRRGP and CCSP programs is stored externally, presenting some delays to program reviews. Otherwise, there are no additional findings to report at this time as Deloitte is currently still reviewing the programs.

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

We encountered challenges during August which led to the delay of activities that were originally anticipated to begin during the month. There was an initial lack of visibility into where data resided, and how it could be accessed, which was critical for us to understand prior to moving forward. As a result, the Deloitte team reduced staff (to effectively manage "burn") as the data details were evaluated. After gaining an understanding of the data available, we initiated discussions on how data would be shared between NJDHS and Deloitte. We worked with NJDHS leadership to modify the timeline and amended the engagement purchase order to reflect the update. This matter has since been resolved and we are up to date with the revised timeline and have line of sight to the data for each program.

b) Recovery Program Participant Comments

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After working closely with the vendor to provide them with the required access for their testing purposes, the engagement has been properly amended to extend the term of the engagement to December 31, 2023.

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

C. Miscellaneous

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

a) IM Response

Employee Name	Total Hours
<i>7/7/2023 - 9/23/2023</i>	
Casanova, Andrew C	80
Corbett, Terrence L	240
Fenton, Alexander D	9.5
Irwin, Kelsey L	9
McWashington, Jaquina L	406.5
Morin, Jonathan E	23
Palagi, Jamie L	1
Peterson, Chadwick A	217
Platt, Ryan F	59.5
Scholl, Emma R	5
Singh, Mohinder P	19
Steele, Danielle T	210.5
Stefko, Michael A	2
Tagg, Lindsey A	156.5
Zou, Thomas J	270

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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

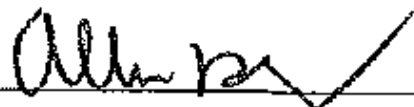
b) Recovery Program Participant Comments

N/A

Name of Integrity Monitor:
Name of Report Preparer:

Deloitte & Touche, LLP
Allan Brophy

Signature:
Date:



A handwritten signature in black ink, appearing to read 'Allan Brophy', is written over a horizontal line.

09/29/23