

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Vander Weele Group
Quarter Ending: 9/30/2023
Expected Engagement End Date: 06/30/2024

A. General Info

1. Recovery Program Participant:

NJ Department of Education – Additional or Compensatory Special Education and Related Services to Students with Disabilities (ACSERS)

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

American Rescue Plan Act (ARPA).

3. State Funding Source (if applicable):

American Rescue Plan State Fiscal Recovery Fund.

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

June 30, 2024.

5. Accountability Officer:

Amanda Schultz.

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

Program and Performance Monitoring, Financial Monitoring and Grant Management, and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs specific to ACSERS.

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

Purpose is to collaborate with the NJDOE to develop measures that will help to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and

**Integrity Monitor Report
Category 3**

provide expertise in Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services.

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

Monitoring Plan covers \$600 million in State Fiscal Recovery Funds appropriated to the State of New Jersey over the next three school years.

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

Amount expended to date total \$91,280,823.95.

10. Amount Provided to Other State or Local Entities:

Amount provided to school districts to date: \$91,017,981.41

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

ACSERS program monitoring process is currently in the monitoring phase of the district reviews. Review for the first round of funding, covering FY21 and FY22 has been completed. Review for the next round of funding expected to begin during the later October 2023 timeframe.

12. Completion Status of Integrity Monitor Engagement:

ACSERS program monitoring is currently in the process of performing the district reviews. Review for the first round of funding, covering FY21 and FY22 has been completed. Review for the next round of funding expected to begin during the later October 2023 timeframe. Completion of the monitoring processes and all deliverables expected by June 30, 2024

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**

No FEMA funds associated with ACSERS

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

[1. Bi-weekly follow-up meetings conducted to go over various inquiries & items for discussion: follow-ups relate to updates on status & progress of the district reviews, issues identified within the reviews as it relates to any findings as well as communication of any issues and/or delays with obtaining requested documentation.

2. All district reviews have been completed and provided to the DOE along with the full cumulative report summarizing the information found in each individual district reports (inclusive of findings and applicable questioned costs).

3. Fraud Prevention Training dates have been finalized with finalized training materials to be provided prior to training]

- Fraud Training: NJDOE staff 10/13/23 (9:30am-11:30am)
- Fraud Training: NJDOE staff 10/13/23 (1:00pm-3:00pm)
- Fraud Training: District staff 10/17/23 (9:30am-11:30am)
- Fraud Training: District staff 10/18/23 (9:30am-11:30am)
- Fraud Training: District staff 10/19/23 (9:30am-11:30am)

4. Findings and any applicable questioned costs were as follows:

- Improper segregation of the ACSER funds via incorrect general ledger account utilization.
- Incorrect costs calculation/support under EXAID method
- Variances between expenditure and support provided
- Total Questioned Costs per cumulative report are

**Integrity Monitor Report
Category 3**

\$13,916.66

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:

a) IM Response

We confirm that we have received the appropriate data/information from NJDOE and from the various districts being reviewed that were requested regarding the administration of the ACSERS program.

Noted from our prior quarters review, VWG was provided with a listing of approximately 88 districts from which our selections for monitoring were made. Using various risk assessment indicators, a total of 20 school districts were selected for review. The DOE provided the expenditure totals for each of the 20 districts. For our process, we coordinated initial meetings with each of the districts to go over their internal control, processes and procedures and request any preliminary information. Based on the information gathered from the initial meetings, we submitted to each district a more detailed request lists consisting of various documentation, inclusive of contracts, PO's, invoices, and disbursement records that will aid in our validation of the individual expenditures being reviewed.

Review for the first round of funding, covering FY21 and FY22 has been completed. Review for the next round of funding expected to begin during the later October 2023 timeframe.

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

**Integrity Monitor Report
Category 3**

Since our last quarter's report, the monitoring review process has been completed for all of the 20 districts selected. All 20 districts that were targeted for review provided all of the necessary documentation (contracts, purchase order, invoices, and applicable payment support) for VWG's conclusion on the results and reporting. Review over procurement documentation included review of contracts, specifically tuition and vendor contracts to ensure that the costs noted within these contracts tie back to what was submitted via the homeroom applications. Tuition contract reviews consist of validating that the student, school attended and any additional services provided in the contract including extended school year costs ties back to the submitted application costs. Vendor contract reviews consist of agreeing the details of the contract and services to be provided to the tuition contract and then to the costs submitted for these additional & related services. Identified discrepancies were communicated to the district for resolution with any unresolved issues that may rise to the level of a finding to the DOE. Review for the first round of funding, covering FY21 and FY22 has been completed. Review for the next round of funding expected to begin during the later October 2023 timeframe.

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

Review over the payment documentation involved vouching the amount provided from the DOE to the source documents provided from the districts (purchase order, invoice, receipts, etc.), identifying discrepancies noted and communicating those variances to the districts for resolution as well as communicating any unresolved issues that may rise to the level of a finding to the DOE.

b) Recovery Program Participant Comments

**Integrity Monitor Report
Category 3**

N/A

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

a) IM Response

1. Quarterly activities to prevent and detect waste, fraud, and/or abuse include, but are not limited to, discussions over any potential fraud, controls that may exist to detect and prevent fraud, documentation requests and analysis, follow-up inquiries and interviews,
Review for the first round of funding, covering FY21-FY22 has been completed. Review for the next round of funding expected to begin during the later October 2023 timeframe.

The next phase of the process will be fraud prevention training, expected to be completed by mid-October. Training dates have been finalized with meeting invites sent to both NJDOE and District staff. (Both NJDOE training courses will be held on October 13, 2023 with two hours allocated for each).

To date, our tasks have not uncovered any evidence of waste, fraud, and/or abuse. We will continue performing substantive procedures and data analytics as we go through our monitoring process/district reviews to determine the effectiveness of controls and procedures in place to prevent and detect waste, fraud, and/or abuse.

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

During our review of the districts, we identified findings that are primarily related to improper segregation of the ACSERS. We noted the general fund code is being used to record ACSERS funds versus the

**Integrity Monitor Report
Category 3**

account code specific to ACSERS noted within the Process Manual. We have also identified instances where the total costs submitted were higher than the supporting documents provided.

For each instance of a finding and/or question costs, VWG provided our corrective action recommendation within on our reporting for each district. Overall questioned costs for the FY21 and FY22 reviews totaled \$13,916.66.

b) Recovery Program Participant Comments

NJDOE will follow up with the district on the status of the corrective action plan.

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 – none noted in our prior quarter reporting.

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

**Integrity Monitor Report
Category 3**

Mary Beth Vander Weele – 0.85
Dr. Kristen Mokofisi – 31.90
Jill McKenna – 5.00
Richard Palmer – 101.50
Artecia Foster – 171.40

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:

Vander Weele Group
[Richard Palmer]

Signature:
Date:

Richard Palmer □
9/28/2023