



# State of New Jersey

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**KEVIN D. WALSH**  
*Acting State Comptroller*

December 2, 2020

Ms. Clara Brito Herrera, Superintendent  
West New York School District  
6028 Broadway Avenue  
West New York, NJ 07093

## **Re: Follow-Up Report - West New York School District Preschool Program**

Dear Superintendent Herrera:

On August 4, 2015, we issued an audit report, *West New York School District Preschool Program*,<sup>1</sup> in which we made recommendations to address various identified weaknesses. Pursuant to *N.J.S.A. 52:15C-1 et seq.*, we have conducted a review of the audited entity's corrective action plan to assess the implementation of the recommendations contained in our initial audit. Our findings and conclusions are set forth below.

### **Background, Scope, and Objective**

In our initial audit of the West New York School District (District), we examined selected fiscal and operating practices concerning the District's preschool program. We identified various deficiencies, including internal control weaknesses involving payments to contracted preschool providers and the District's failure to ensure compliance by the providers with the contract terms and state regulations.

The objective of our follow-up review was to assess the District's implementation of the four recommendations contained in our 2015 audit report.

### **Summary Conclusion**

We found that the District has made significant progress in implementing the recommendations

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<sup>1</sup>Available at: [https://nj.gov/comptroller/news/docs/west\\_ny\\_preschool\\_08\\_04\\_2015.pdf](https://nj.gov/comptroller/news/docs/west_ny_preschool_08_04_2015.pdf)

set forth in our initial audit report. Of the four audit recommendations, three were implemented and one was partially implemented.

Upon being notified that one of the recommendations was only partially implemented, the West New York School District took corrective action to address its compliance with that recommendation. The recommendation is not considered fully implemented because the compliance was not timely.

### **Status of Initial Audit Recommendations**

#### **Recommendation 1**

*Exercise due diligence when processing provider payments to ensure accuracy and compliance with the terms of the Contract.*

#### ***Status: Implemented***

In our initial audit we identified issues regarding the District's administration of the payments to the preschool providers, including accounting transactions that were not posted to the correct accounting period; delayed recoupment of funds from some of the providers due to a lack of cross-trained employees; and failure of the District to obtain the provider's enrollment data prior to issuing monthly payments. The District provided a corrective action plan advising that it would comply with its internal controls and provide training to the employees responsible for administration of the preschool program to improve their understanding of the terms of the provider contract.

We examined vendor payment records for the 12 District preschool providers for Fiscal Years (FY) 2017 through 2019. We determined that the District properly accounted for preschool provider payments in the correct accounting period. Our testing of the October 2018 provider payments confirmed that the District maintained proper supporting documentation for the payments in accordance with the District's policy. We further verified that the District obtained provider enrollment data prior to issuing payments in FY 2018 and cross-trained an employee to ensure timely recoupment of funds pursuant to the contract terms.

#### **Recommendation 2**

*Obtain documentation from the providers that they have applied for the Child and Adult Care Food Program in accordance with N.J.A.C. 6A:13A-4.5(c).*

#### ***Status: Implemented***

During the initial audit, we determined that the District did not ensure that the preschool providers had applied for the Child and Adult Care Food Program (Program). In order to offer breakfast,

lunch, and one snack per day for each enrolled preschool child, *N.J.A.C. 6A:13A-4.5(c)* requires a school district that offers preschool to ensure that contracted private preschool providers apply to the Program. The District provided a corrective action plan indicating that it would obtain all documentation from providers in accordance with the regulation.

We contacted the New Jersey Department of Agriculture and verified that 11 of the 12 preschool providers participated in the Program in FY 2019. One provider was deemed ineligible. We requested documentation from the District to confirm the providers applied for the Program. The District was able to provide documentation of the application for the 11 eligible providers.

### **Recommendation 3**

*Adhere to the provisions of N.J.A.C. 6A:23A-5.6(b) when adopting a resolution certifying that the findings were discussed in a public board meeting and a corrective action plan was approved.*

#### ***Status: Partially Implemented***

Our initial audit found that the District Board of Education, on three separate occasions, did not comply with the time limit to act upon previous audits as required by regulation. *N.J.A.C. 6A:23A-5.6* requires a school district that has been subject to an audit or investigation by the Department of Education's Office of Fiscal Accountability and Compliance to discuss the findings at a public meeting of the board of education within 30 days of receiving the findings. *N.J.A.C. 6A:23A-5.6(a)*. Within 30 days after that meeting, the board must adopt a resolution certifying the findings and approve a corrective action plan. The board must submit the resolution to the Department of Education's Office of Fiscal Accountability and Compliance within 10 days of adoption. *N.J.A.C. 6A:23A-5.6(b)*.

The District provided a corrective action plan indicating that it would discuss the findings and recommendations of our initial audit in a public board meeting and adopt a resolution approving a corrective action plan. At the time when the District's corrective action plan was developed, the Office of Fiscal Accountability and Compliance had not completed an audit or investigation requiring District action; therefore, the District's plan did not address the District's actions regarding any audits or investigations conducted by the Office of Fiscal Accountability and Compliance. We reviewed the August 26, 2015 Board of Education meeting minutes and determined that the District discussed the findings and recommendations of our initial audit report. The District adopted a resolution approving a corrective action plan at its October 14, 2015 board meeting.

We contacted the Office of Fiscal Accountability and Compliance and learned that four audit reports involving District preschool program providers were issued during FYs 2017 through 2019. We determined that the District adopted a resolution that certified the audit findings and approved the adopted corrective action plan within the time frame required by regulation for each of the four

audit reports. However, we were advised by the Office of Fiscal Accountability and Compliance that the District did not submit three of the four resolutions within 10 days of the Board's adoption of the resolution pursuant to the regulations. Upon our notification to the District officials of this noncompliance, appropriate submittal of the resolutions were made to the Office of Fiscal Accountability and Compliance. We urge the District in the future to submit a copy of the resolution within the timeframe required by *N.J.A.C. 6A:23A-5.6(b)*.

#### **Recommendation 4**

*Ensure that any and all records concerning the operation of the preschool program are retained in accordance with the District's Records Retention Schedule.*

#### ***Status: Implemented***

Our initial audit found the District failed to maintain supporting documentation submitted by the providers that it relied upon to calculate the providers' budgeted FY 2014 health benefit costs. The District submitted a corrective action plan advising that it would ensure that all records for the preschool program are maintained pursuant to the Destruction of Public Records Act of 1953 (P.L. 1953, c. 410) and consistent with the retention and disposal schedule established in *N.J.A.C. 15:3-1 et seq.*

During our follow-up review, the District provided (1) the Board's policy on records retention; (2) a copy of a presentation given to staff about the record retention process; and (3) a sample storage request form the District uses to catalog record storage and track destruction dates. We judgmentally selected a sample of preschool providers to determine whether the District had maintained supporting documentation for the health insurance expenses incurred by the providers for October 2018, January 2019, and May 2019. Our review verified that the District had retained the supporting documentation. We also reviewed all preschool provider contract files from FYs 2013 and 2014 and confirmed that the District had retained the files in accordance with its record retention policy.

#### **Reporting Requirements**

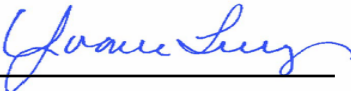
We provided a draft copy of this report to District officials for their review and comment. The District generally agreed with our audit findings and conclusions. The District's response was considered in preparing our final report and is attached as Appendix A.

By statute, we are required to monitor the implementation of our recommendations. To meet this requirement, District officials must report periodically to our office advising what additional steps they have taken to address the unresolved issues in this report. The District is required to report on the status of its corrective action plan within nine months of this final report. We will continue to monitor those steps.

We thank the management and staff of the District for the courtesies and cooperation extended to our auditors during this review.

Sincerely,

KEVIN D. WALSH  
ACTING STATE COMPTROLLER

By:   
Yvonne Tierney, Director  
Audit Division

c: Dr. Angelica Allen-McMillan, Acting Commissioner, Department of Education  
Cary Booker, Assistant Commissioner, Department of Education  
Tonya Coston, Deputy Assistant Commissioner, Department of Education  
Dr. Jamar E. Purnsley, Director, Department of Education  
Adam Parkinson, West New York School District, Board President  
Dean Austin, West New York School District, Board Secretary/School Business Administrator  
Jorge Acosta, West New York School District, Assistant Superintendent of Instruction  
Cara Zebrowski, West New York School District, Principal, Early Childhood Program

**WEST NEW YORK**  
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**Maximizing all students' potential  
 for success in an ever changing world.**

**Dean Austin**  
 Business Administrator  
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November 18, 2020

Yvonne Tierney, Director  
 Audit Division  
 Office of the State Comptroller  
 PO Box 024  
 Trenton, NJ 08625-024

Re: West New York School District Preschool Program Audit  
 District Response to Implementation of Findings and Corrections

Dear Ms. Tierney:

Please accept this correspondence as the West New York School District's response to the State Comptroller's Findings and Recommendations dated October 2020. The report found that the District implemented four recommendations from a prior audit and subsequent Corrective Action Plan (CAP). This current review of the District's CAP found that the District fully implemented three of the four recommendations. The Audit Division's review determined that the District partially implemented the fourth recommendation, with the partial recommendation stemming from the District's untimely compliance with filing notifications with OFAC, although the District had complied with the underlying findings of this last recommendation.

In the interest of brevity, the Audit indicated that the District implemented Recommendation #1: Exercise due diligence when processing provider payments to ensure accuracy and compliance with the terms of the Contract. The Audit Division found that Recommendation #2: Obtain documentation from the providers that they have applied for the Child and Adult Care Food Program in accordance with *N.J.A.C. 6A:13A-4.5(c)*, was fully implemented by the District. Recommendation #4: Ensure that any and all records concerning the operation of the preschool program are retained in accordance with the District's Records Retention Schedule, was also found to be fully met.

The District response to the Audit Division's finding of partial compliance to Recommendation #3: Adhere to the provisions of *N.J.A.C. 6A:23A-5.6(b)* when adopting a resolution certifying that the findings were discussed in a public board meeting and a corrective action plan was approved. Since the Office of Fiscal Accountability and Compliance's initial audit in 2015 recommended a CAP for the Preschool Program, the District implemented and continued with the recommendations of the CAP by OFAC. The District acknowledges, however, that three out of the four mandatory deadlines were not met by the District, wherein the District, although complying with the implementations of the actual CAP, did not submit Board resolutions to OFAC within the required ten day deadline. Although the District provides that the main objectives of the OFAC recommendations were met, the District acknowledges that the late filings of three out of the four resolutions caused the determination of partial compliance. The Board further submits, it

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did file the required resolutions, and therefore there is no continuing non-compliance with Recommendation #3 and that the Board has met all its obligations regarding the 2015 audit.

Respectfully submitted,



Dean Austin  
School Business Administrator | Board Secretary



- c: Kevin Dehmer, Interim Commissioner, Department of Education  
Cary Booker, Assistant Commissioner, Department of Education  
Tonya Coston, Deputy Assistant Commissioner, Department of Education  
Dr. Jamar E. Purnsley, Director, Department of Education  
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