

**CITY OF MARGATE  
BOARD OF EDUCATION**

**AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**June 30, 2022**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# FORD - SCOTT

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
City of Margate School District  
County of Atlantic, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the City of Margate School District in the County of Atlantic for the year ended June 30, 2022, and have issued our report thereon dated March 10, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of the City of Margate Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*

**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Nancy Sbrolla*

**Nancy Sbrolla**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2426**

**March 10, 2023**

## **ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Superintendent, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

### **Administrative Practices and Procedures**

#### **Insurance**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

#### **Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)**

Name	Position	Amount
Melina Skwarek	Board Secretary/ School Business Administrator	\$280,000.00
Audrey Becker	Superintendent	280,000.00

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year under audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the District.

The District data certification was completed by the chief school administrator. The District Chapter 44 data was submitted timely.

#### **Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billing of its receiving district for the decrease in per pupil costs in accordance with NJAC 6A:23A-17.1(f)3.

### **Financial Planning, Accounting and Reporting**

#### **Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

#### **Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

#### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

#### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditures items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### Board Secretary's Records

The records of the board secretary were in satisfactory condition.

#### Chief School Administrator's Records

The records of the Chief School Administrator were in satisfactory condition.

#### **Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001**

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

#### **Other Special Federal and/or State Projects**

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects. The study of compliance for special projects indicated no areas of noncompliance and/or questionable costs.

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### **TPAF Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district (or charter school or renaissance school project) for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

**N.J.S.A. 18A:18A-3** states:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$32,000, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending C.40A:11-9) the board of education may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to the section.
- b. Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in NJSA 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of NJSA 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other.

The board of education may, by resolution approved by a majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 are \$32,000 and \$19,600 respectively.

The business administrator of the school district is a qualified purchasing agent and the board of education has adopted a resolution to establish a bid threshold of \$44,000.

The district board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or services, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine if any clear-cut violations existed.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. My examination did not reveal any purchases made through the use of State contracts.

### **School Food Service**

#### **Public Health Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

During fiscal year 2021-2022, the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option. SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. Exceptions were not noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

The Schedule of Meal Count Activity is not a required presentation where the School Food Service Program has not been audited as a major program.

### **Student Body Activities**

The records of the student activity funds were maintained in accordance with board policies. The records were maintained in satisfactory condition.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2021-2022 District Report of Transported Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.



**Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. No recommendations were reported in the prior year.

**Acknowledgment**

We received the complete cooperation of all the officials of the school district and I greatly appreciate the courtesies extended to the members of the audit team.

CITY OF MARGATE SCHOOL DISTRICT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid						Sample for Verification												
	Reported on ASSA on Roll			Reported on Workpapers on Roll			Errors			Sample Selected from Workpapers			Verified per Registers on Roll			Errors per Registers on Roll			
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		
Half Day Preschool	31	-	-	31	-	-	-	-	-	15	-	-	15	-	-	-	-	-	-
Full Day Kindergarten	32	-	-	32	-	-	-	-	-	15	-	-	15	-	-	-	-	-	-
One	35	-	-	35	-	-	-	-	-	17	-	-	17	-	-	-	-	-	-
Two	30	-	-	30	-	-	-	-	-	14	-	-	14	-	-	-	-	-	-
Three	43	-	-	43	-	-	-	-	-	21	-	-	21	-	-	-	-	-	-
Four	26	-	-	26	-	-	-	-	-	12	-	-	12	-	-	-	-	-	-
Five	30	-	-	30	-	-	-	-	-	14	-	-	14	-	-	-	-	-	-
Six	38	-	-	38	-	-	-	-	-	18	-	-	18	-	-	-	-	-	-
Seven	39	-	-	39	-	-	-	-	-	19	-	-	19	-	-	-	-	-	-
Eight	304	-	-	304	-	-	-	-	-	145	-	-	145	-	-	-	-	-	-
Subtotal																			
Special Ed Elementary	31	-	-	31	-	-	-	-	-	15	-	-	15	-	-	-	-	-	-
Special Ed Middle School	24	-	-	24	-	-	-	-	-	12	-	-	12	-	-	-	-	-	-
Subtotal	55	-	-	55	-	-	-	-	-	27	-	-	27	-	-	-	-	-	-
Totals	359	-	-	359	-	-	-	-	-	172	-	-	172	-	-	-	-	-	-
Percentage																			

**SCHEDULE OF AUDITED ENROLLMENTS**

**CITY OF MARGATE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

	Private Schools for Disabled			Resident Low Income			Sample for Verification			Resident LEP Low Income			
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	1	1	-	1	1	-	-	-	-
Two	-	-	-	-	1	1	-	1	1	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	3	3	-	3	3	-	-	-	-
Five	-	-	-	-	2	2	-	2	2	-	1	1	-
Six	-	-	-	-	1	1	-	1	1	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	1	1	-	1	1	-	-	-	-
Subtotal	-	-	-	-	9	9	-	9	9	-	1	1	-
Special Ed Elementary	-	-	-	-	2	2	-	2	2	-	-	-	-
Special Ed Middle School	-	-	-	-	5	5	-	3	3	-	-	-	-
Special Ed High School	1	1	1	-	-	-	-	-	-	-	-	-	-
Subtotal	1	1	1	-	7	7	-	5	5	-	-	-	-
Totals	1	1	1	-	16	16	-	14	14	-	1	1	-
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-	-

CITY OF MARGATE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

	Sample for Verification			Resident LEP Not Low Income			Sample for Verification		
	Sample Selected from Workpapers	Verified to Test Score, Register, and Application	Sample Errors	Reported on ASASA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten									
One	-	-	-	1	1	-	1	1	-
Two	-	-	-	-	-	-	-	-	-
Three	-	-	-	1	1	-	1	1	-
Four	-	1	-	-	-	-	-	-	-
Five	1	-	-	1	1	-	1	1	-
Six	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-
Subtotal	1	1	-	3	3	-	3	3	-
Special Ed Elementary	-	-	-	-	-	-	-	-	-
Special Ed Middle School	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Totals	1	1	-	3	3	-	3	3	-
Percentage Error	-	-	-	-	-	-	-	-	-

	Transportation			Reported on DOE/county	Reported on DTRRS by District	Tested	Verified	Errors	Reported	Re-Calculated
	Reported on DTRRS by District	Tested	Verified							
Reg-Public Schools	101	-	70	101	70	-	-	-	6.6	6.6
Non-Public	28	-	19	28	19	-	-	-	6.6	6.6
Reg-Special Ed	5	-	3	5	3	-	-	-	8.3	8.3
Spec Ed-Special Needs	11	-	7	11	7	-	-	-	8.3	8.3
Totals	145	-	99	145	99	-	-	-	6.6	6.6
Percentage Error	-	-	-	-	-	-	-	-	6.6	6.6

**EXCESS SURPLUS CALCULATION**

**EXCESS SURPLUS CALCULATION**

**SECTION 1**

**Calculation A: 4 Percent of Excess Surplus:**

2021-2022 Total General Fund Expenditures Reported on Exhibit C-1	\$	14,944,619	(B)	
Increased by:				
Transfer from Capital Outlay to Capital Projects Fund			-	(B1b)
Transfer from Capital Reserve to Capital Projects Fund			-	(B1c)
Decreased by:				
On-behalf TPAF Pension, OPEB & Social Security		(2,730,970)		(B2a)
Assets Acquired Under Capital Leases		-		(B2b)
Adjusted 2021-22 General Fund Expenditures [(B)+(B1s)-(B2s)]		12,213,648		(B3)
Applicable Excess Surplus Percentage		4%		
4% of Adjusted 2021-22 General Fund Expenditures		<u>488,546</u>		(A)
Greater of (A) or \$250,000		488,546		(B5)
Increased by: Allowable Adjustment *		<u>48,732</u>		(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]				<u>537,278</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1)		4,132,410		C
Decreased by:				
Year-End Encumbrances		(93,634)		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures				(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **		(1,426,945)		(C3)
Other Restricted Fund Balances ****		(132,923)		(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures		<u>(99,999)</u>		(C5)
Total Unassigned Fund Balance				<u>2,378,909</u> (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0-				<u>1,841,631</u> (E)
-----------------------------------------------------------------------------	--	--	--	----------------------

**Recapitulation of Excess Surplus as of June 30, 2022**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures (Audsum line 10025)				1,426,945 (C3)
Reserved Excess Surplus (Audsum line 10024)				<u>1,841,631</u> (E)
Total Excess Surplus	\$			<u>3,268,576</u> (D)

- \* Allowable adjustment to expenditures of line K must be detailed as follows: This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L. 2015, c. 46 amended NJSA 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
  - (I) Sale and Lease-back;
  - (J1) Extraordinary Aid;
  - (J2) Additional Nonpublic School Transportation Aid;
  - (J3) Recognized current year School Bud Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid

**Detail of Allowable Adjustments**

Impact Aid		(H)
Sale & Lease-back		(I)
Extraordinary Aid	34,612	(J1)
Additional Nonpublic School Transportation Aid	14,120	(J2)
Current Year School Bus Advertising Revenue Recognized		(J3)
Family Crisis Transportation Aid	_____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	<u>\$48,732</u>	(K)

- \*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amounts must agree to the June 30, 2022 ACFR and must agree to Audit Summary Line 90030.
- \*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**Detail of Other Reserved Fund Balance:**

**Statutory restrictions:**

Approved unspent separate proposal	_____
Capital outlay for a school district with a capital outlay SGLA	_____
Sale/lease-back reserve	_____
Capital reserve (N-1)	_____
Maintenance reserve (N-2)	_____
Tuition reserve (N-3)	_____
Emergency reserve (N-4)	_____
Unemployment Fund reserve (N-9)	<u>132,922.51</u>

<b>Other Restricted/Reserved Fund Balances not noted above **** (Inventory)</b>	_____
<b>Total Other Restricted/Reserved Fund Balance</b>	<u>132,922.51</u>

## RECOMMENDATIONS

Administrative Practices and Procedures  
None

Financial Planning, Accounting and Reporting  
None

School Purchasing Program  
None

School Food Service  
None

Student Body Activities  
None

Application for State School Aid  
None

Transportation  
None

Miscellaneous  
None

A corrective action plan, which outlines actions the Board of Education will take to correct any findings that are listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the Office of the Board Secretary of the Margate Board of Education within 30 days of this notice. Since there are no recommendations in this audit, no corrective action plan is necessary.