



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Acting Commissioner

January 31, 2011

Mr. Richard Brown, Board President
Pennsauken Board of Education
1695 Hylton Avenue
Pennsauken, NJ 08110

Dear Mr. Brown:

Enclosed please find one copy of a review of the Pennsauken Board of Education's enrollment data used for the FY 2008-2009 Application for Chapter 192/193 Nonpublic Auxiliary Services Aid, OFAC Case #SAAU-01-11. Please distribute copies to all board members. The fiscal year 2008-2009 state aid payments were overstated by \$117,457. Please refer to details contained in the body of the attached report for more information regarding the amount of State Aid recovery, pending further appeal by your district.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," your board of education is required, pursuant to N.J.A.C. 6A:23A-5.6, to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed in a public meeting and approving a corrective action plan which addresses the issues raised in the undisputed findings and/or an appeal of any findings in dispute. A copy of the resolution and the approved corrective action plan and/or appeal must be sent to this office within 10 days of adoption by the board to the attention of Robert Ortley, Manager of the State Aid Audit Unit. Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the board's corrective action plan on your board of education website.

Thank you for your cooperation.

Sincerely,

Robert J. Cicchino

Office of Fiscal Accountability and Compliance

RJC/rwo/jp/pennsaukench192/193
Attachment

c: Barbara Gantwerk
Suzanne Ochse
Yut'se O. Thomas
Robert W. Ortley
Peggy Nicolosi
James Chapman
Patrick Yacovelli
Camden County Educational Services Commission

www.nj.gov/education

**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
P.O. BOX 500
TRENTON, NEW JERSEY 08625-0500**

**REVIEW OF CHAPTER 192/193 AUXILIARY SERVICES TO NON PUBLIC STUDENTS
FY 2008-2009**

**PENNSAUKEN SCHOOL DISTRICT
CAMDEN COUNTY
1695 HYLTON AVENUE
PENNSAUKEN NJ 08110**

**PENNSAUKEN BOARD OF EDUCATION
CAMDEN COUNTY
REVIEW OF CHAPTER 192/193 AUXILIARY SERVICES TO NON PUBLIC STUDENTS
OFAC CASE # SAAU-01-11**

REPORT OF REVIEW

The New Jersey Department of Education (Department), Office of Fiscal Accountability and Compliance (OFAC), has verified the enrollment of the Pennsauken Board of Education's (Board), administration of Chapter 192/193 Programs for Nonpublic School Pupils for Fiscal Year 2008-2009. The review was made in accordance with standards, rules and regulations established by the New Jersey Department of Education and included such auditing tests and procedures as were considered necessary under the circumstances. The verification process (hereinafter referred to as the 'review') was performed to attest to the accuracy of the Board's Chapter 192/193 Application for State Aid funding reporting 537 non public school services to pupils attending various non public schools located in Pennsauken, during the period under review.

The OFAC enrollment review was designed to determine Board program compliance with the provisions of the Department's document entitled "Chapter 192 and Chapter 193 Programs for Nonpublic School Pupils" detailing student eligibility for State Aid reimbursement. Accordingly, OFAC audit tests and procedures were specifically designed to determine Board adherence to Chapter 192/193 programs only, which are intended to provide eligible nonpublic school pupils with auxiliary services; such as compensatory education services in reading, writing and mathematics, English as a Second Language (ESL), special education evaluations and annual reviews, corrective speech evaluations or services and supplementary instruction. The Board contracted with Camden County Education Services Commission (CCESC) for the provision of all evaluations and services under the Chapter 192/193 programs. The OFAC review was not designed to perform an attest function on the financial condition or compliance function as it pertains to the operation of the Chapter 192/193 Program, especially as it relates to the Board's entity-wide financial statements for the period under review.

SCOPE

The enrollment review, based on CCESC and nonpublic school records presented on behalf of the board verified Chapter 192/193 education services provided between July 1, 2008 and June 30, 2009. The review objective was to compare verified final services provided to the services reported on the Board's final Project Completion Report for Chapter 192/193 Services for FY 2008-2009.

FINDINGS

Chapter 192

The Pennsauken Board of Education submitted an application for 299 Chapter 192 student services. On the Chapter 192 Auxiliary Services Project Completion Report for FY 2008-2009 the district's service provider, CCESC reported 276 services actually provided (257 Compensatory Education and 19 ESL). The audit review verified 128 student services as being eligible based upon review of actual 407-1 applications and testing information on file (130 Compensatory Education and 18 ESL). On the Project Completion Report a refund amount has been identified in the amount of \$36,517. The net exception for the 128 ineligible Chapter 192 student services resulted in \$110,700 of State Aid overpayments made by the DOE.

**PENNSAUKEN BOARD OF EDUCATION
CAMDEN COUNTY
REVIEW OF CHAPTER 192/193 AUXILIARY SERVICES TO NON PUBLIC STUDENTS
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Chapter 193

The Pennsauken Board of Education submitted an application for 238 Chapter 193 student services. On the Chapter 193 Auxiliary Services Project Completion Report for FY 2008-2009 the district's service provider, CCECSC reported 221 services provided. The audit review procedures verified 208 student services as being eligible based upon review of actual 407-1 applications and testing information on file. On the Project Completion Report a refund amount has been identified in the amount of \$22,977. The net exception for 13 ineligible Chapter 193 student services resulted in \$6,757 of State Aid overpayments made by the DOE.

State Aid Recovery

The differences noted in this report have resulted in a State Aid exception totaling \$117,457. This amount includes \$43,795 associated with 44 Chapter 192 student services for which no documentation of standardized commercial testing, or "valid and reliable assessments" were presented as audit review evidence for students in kindergarten, grade one, or grade two. As part of the **Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process** attached to this report of review, the public school district must present detailed corrective actions for the recommendations contained in this report. As part of the corrective action plan (CAP), the district must provide documentation that procedures have been implemented beginning with FY 2010-2011 to ensure that standardized commercial testing, or "valid and reliable assessments" are documented for **all** Chapter 192 student services. This procedure is described in detail in FY 2010-2011 Chapter 192/193 programmatic guidance issued by the Department of Education. Final disposition of the amount to be refunded to the Department of Education will be resolved when the district response is reviewed and approved by the Office of Fiscal Accountability and Compliance, State Aid Audit Unit.

Summary of Difference Reported and Verified Students

| <u>Exception:</u> | <u>Difference:</u> |
|--|---------------------------|
| 1) Chapter 192 Comp Ed. services based on no testing for Grade K-2 students | 44 |
| 2) Chapter 192 Comp Ed. services based missing test documents Grade 3-12 students | 41 |
| 3) Chapter 192 Comp Ed. or ESL services based missing student information for dropped students | 43 |
| 4) Chapter 193 services based missing student information for dropped students/Corrective Speech | 3 |
| 5) Chapter 193 services based missing student information for dropped students/Supplemental Instruction | <u>10</u> |
| Total Differences | 141 |

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CONDITION OF SERVICE PROVIDER RECORDS

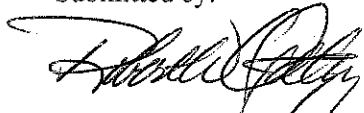
The CCESC administrators provided most records for the review conducted by the OFAC when requested. However, a supplemental field work visit was necessary for the CCESC to present additional documentation in order to resolve certain student service exceptions prior to the issuance of this report of review.

RECOMMENDATIONS

The Office of Fiscal Accountability and Compliance recommends that:

1. the district verify all Chapter 192/193 services with the service provider (Camden County Education Services Commission) as part of the project completion report process.
2. the district must amend all applicable procedures for nonpublic student service reporting to ensure that only pupils that meet the eligibility requirements of the Department as prescribed by N.J.A.C. 6A:14-6.2(e) and the prescribed publication entitled **Chapter 192 and 193 for Nonpublic School Pupils** are reported on state aid applications.
3. The district and service provider must develop common procedures to ensure that all students reported on the Project Completion Report has all necessary program information such as 407-1 files, proof of service eligibility and provision of service records available for review.

Submitted by:



Robert W. Ortley, Manager
State Aid Audit Unit

Approved by:



Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

OFAC- State Aid Audit Unit
Revision due to Audit of FY 2008-2009
Chapter 192/193 Project Completion Report
CESC

District: Pennsauken
Number of Services-Comp Ed

| | Reported Services | SAAU Verified Services | Exceptions | Original Funding Entitlement | Previously Refunded To OSF | SAAU Gross Exception | SAAU Adjusted (# of svcs x rate) | Remaining Refund Due |
|--|----------------------|------------------------------|------------|------------------------------------|----------------------------------|----------------------------|---|-------------------------|
| | 257 | 130 | -127 | \$ 255,999 | \$ 28,308 | \$ 109,685 | \$ 118,006 | \$ 109,685 |
| Number of Services-ESL | 19 | 18 | -1 | \$ 25,375 | \$ 8,209 | \$ 1,015 | \$ 16,151 | \$ 1,015 |
| Number of Services-Initial Exam and Class. | 50 | 49 | -1 | \$ 68,961 | \$ 10,469 | \$ 1,326 | \$ 57,166 | \$ 1,326 |
| Number of Services-Annual Review | 40 | 41 | 1 | \$ 14,060 | - | \$ (760) | \$ 14,820 | \$ (760) |
| Number of Services-Corrective Speech | 54 | 51 | -3 | \$ 50,220 | \$ 5,519 | \$ 2,790 | \$ 41,911 | \$ 2,790 |
| Number of Services-Supplementary Instr. | 77 | 67 | -10 | \$ 63,602 | \$ 6,989 | \$ 3,401 | \$ 53,212 | \$ 3,401 |
| Plus Transportation | | | | \$ 43,468 | \$ 23,793 | \$ - | \$ 19,675 | \$ - |
| Totals | 497 | 356 | -141 | \$ 521,685 | \$ 83,287 | \$ 117,457 | \$ 320,941 | \$ 117,457 |