



# State of New Jersey

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

**CHRISTOPHER JENSEN**  
*Director*

March 11, 2025

David Stout, President  
Brookdale Community College  
765 Newman Spring Road  
Lincroft, NJ 07738

## **Re: Follow-Up Report – A Performance Audit of Selected Fiscal and Operating Practices of Brookdale Community College**

Dear President Stout:

On March 15, 2022, we issued an audit report, *A Performance Audit of Selected Fiscal and Operating Practices of Brookdale Community College* (2022 Audit),<sup>1</sup> in which we made recommendations to address identified weaknesses. Pursuant to N.J.S.A. 52:15C-11, we have conducted a follow-up review of the corrective action plan of Brookdale Community College (Brookdale or the College) to assess the implementation of the recommendations contained in the 2022 Audit. Our findings and conclusions are set forth below.

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

Our initial audit of the College identified many internal control weaknesses. These weaknesses resulted in noncompliance with statutory requirements and internal policies and procedures related to overtime, expenditures, health benefit waivers, cell phone allowances, procurement of and compliance with a contract for the bookstore, information technology inventory, and employment after retirement.

The objective of our follow-up review was to determine if the College implemented the 11 recommendations contained in our 2022 Audit report.

## **Summary Conclusion**

We found that the College has made substantial progress in implementing the 11 recommendations set forth in our 2022 Audit. Of the 11 audit recommendations, 9 were

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<sup>1</sup> Available at: <https://nj.gov/comptroller/reports/2022/approved/20220315.shtml>.

implemented, 1 was partially implemented, and 1 was not implemented. We urge the College to continue its efforts to comply with the recommendations not yet fully implemented.

## **Status of Initial Audit Recommendations**

### **Recommendation 1**

*Revise policies and procedures with specific actions that address all aspects of the federal and state law requirements to ensure consistent compliance with the Fair Labor Standards Act and New Jersey Wage and Hour Law. These procedures must include appropriate management monitoring and oversight.*

#### ***Status: Not Implemented***

Our 2022 Audit found that Brookdale did not adhere to its policies and procedures, the Fair Labor Standards Act (FLSA), or the New Jersey Wage and Hour Law in its approval, authorization, and payment of overtime. We found that Brookdale's policy for overtime administration was vague and did not define relevant requirements of FLSA. The College advised in its corrective action plan that it would revise its current procedures to ensure appropriate recordkeeping of hours worked and the approval process for non-exempt employees.

The corrective action plan indicated that procedures would be revised by December 2022. However, we found that management distributed an email dated August 29, 2024 with new and updated procedures pertaining to the tracking and calculation of overtime. We note that Brookdale did not formally update its policies and that the timing of the adjusted procedures did not allow for adequate testing.

We consider this recommendation not implemented because the College did not formally revise its policies and did not administer its new procedures during our review period. We urge Brookdale to update and implement formal policies and procedures to address this recommendation.

### **Recommendation 2**

*Provide training concerning the Fair Labor Standards Act and New Jersey requirements on overtime to all staff involved in the administration of overtime.*

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

Our 2022 Audit found that Brookdale did not adhere to its policies and procedures, the FLSA, or the New Jersey Wage and Hour Law in its approval, authorization, and payment of overtime. We found that Brookdale relied on supervisors who were not properly trained to implement FLSA requirements when approving employees' overtime payments. The College advised in its corrective action plan that it would retrain current employees on the oversight and approval process regarding overtime hours. Also, new employees would be provided with the same training.

Brookdale provided documentation showing orientation and development training was required and provided to relevant employees. The training topics included contract administration, compliance training, FLSA, and overtime rules.

We consider this recommendation implemented because the College provided training to staff on overtime rules and requirements.

### **Recommendation 3**

*Seek to renegotiate the terms of any collective bargaining agreements to eliminate overtime that is more generous than the Fair Labor Standards Act and state law. In addition, ensure that the overtime provisions for all employees are included in future agreements.*

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

Our 2022 Audit found that Brookdale's collective bargaining agreements (CBAs) did not consistently include provisions addressing overtime. One agreement allowed the employee's use of sick time to be included as part of the 40-hour workweek when calculating overtime. This was more generous than Brookdale's other CBAs and the standards set by FLSA and state law. The College advised in its corrective action plan that it would add specific language in management's proposals to the CBAs that would eliminate overtime that is more generous than FLSA and state law.

We identified one applicable CBA negotiated during the scope of our review. The CBA between the Professional Staff Association and the College (the Agreement) was successfully negotiated and incorporated changes to the overtime rules. The Agreement, effective July 1, 2022, stated, "Overtime compensation and the methods by which overtime payments are made shall be consistent with the requirements of the Fair Labor Standards Act." Additionally, the Agreement states that holiday, sick, vacation, and other leave time does not count in the calculation of overtime.

We consider this recommendation implemented because the new agreement eliminated overtime that is more generous than the Fair Labor Standards Act and state law.

### **Recommendation 4**

*Revise policies and procedures to implement appropriate controls to ensure compliance with all requirements of the purchasing process, with particular attention to the exceptions noted in this report. The procedures must include appropriate monitoring and oversight activities to ensure that internal controls are working effectively.*

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

Our 2022 Audit found that Brookdale's purchasing policies and procedures and controls were inadequate. These deficiencies resulted in approximately \$790,000 of transactions that were improperly authorized or unsupported. The College advised in its corrective action plan that it would continue to update its policies and procedures and train current staff on them to ensure compliance.

During our review, we found the College updated purchasing policies and procedures that address internal controls, including requirements for pre-approvals of travel. In addition, we judgmentally selected 20 transactions valued at \$31,900 and tested for internal control compliance, including proper approvals and documentation for each purchase. We found that controls were in place and followed in accordance with the policies and procedures. No significant issues were identified.

We consider this recommendation implemented based on our review of the updated policy and testing of transactions.

#### **Recommendation 5**

*Obtain Board approval for all revised policies and procedures. Disseminate the Purchasing Manual, Internal Control and Standard Operating Procedures Handbook, policies and procedures, and provide training to all staff.*

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

Our 2022 Audit found that Brookdale's policies and procedures were not approved by the College's Board and were not adequately communicated to staff. The College advised in its corrective action plan that it would continue to communicate and disseminate current procedure manuals to ensure that staff was aware of and trained on current policies.

During our review, we confirmed that policies have been updated and approved by the Board and training has been provided to all staff. The Purchasing Manual and Internal Control and Standard Operating Procedures Handbook, which provide additional guidance on implementing policies, have also been updated.

We consider this recommendation implemented based on our review of the updated policies and training provided.

#### **Recommendation 6**

*Develop policies and procedures for the administration of health benefit opt-out waiver payments that include controls to ensure that payments are accurate and in accordance with state law.*

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

Our 2022 Audit found that Brookdale's controls for monitoring health benefit opt-out waiver payments were inadequate and resulted in payments that were inconsistent with statutory requirements. The College advised in its corrective action plan that it would update the policies and procedures for the administration of waiver payments and ensure that payments were accurate and in accordance with state law.

We found that Brookdale updated its procedures for waiver payments to ensure compliance with state law. During fiscal year (FY) 2024, Brookdale made waiver payments to 66 employees totaling \$250,224. We judgmentally selected payments made to ten employees totaling \$32,831

for review. We concluded that the waiver payments were appropriate. Waiver forms and proof of insurance were also provided for all sampled items.

We consider this recommendation implemented because the waiver payment process was updated and the payments tested were accurate and in accordance with state law.

### **Recommendation 7**

*Conduct a thorough assessment of the need and cost-effectiveness for cell phone allowances that takes into consideration the issues noted in this report, assessment of the employees' critical need, job duties and responsibilities, and actual cell phone usage. Based on the assessment, revise policies and procedures to include discussion of all relevant aspects of cell phone allowances (such as critical need, eligibility, allowance rates, and monitoring).*

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

Our 2022 Audit found that Brookdale's processing of monthly cell phone allowances was not in accordance with its policies and procedures. In addition, management did not assess the continued business need for its monthly cell phone allowances nor the cost-effectiveness. The College advised in its corrective action plan that it would update the current policy, regulation, and internal cell phone allowance request form. The revised procedures would require an annual review. In addition, the College would revise the stipend amounts to industry averages.

We found that Brookdale updated its cell phone allowance policy. Cell phones are provided only to staff identified as critical to monitoring and responding to alerts related to the College's buildings, equipment, and alarm systems on a 24-hour basis. Our 2022 Audit reported that 21 employees received a cell phone allowance. During FY 2024, that number was reduced to four. Documentation was provided to support cell phone allowances to these four employees.

We consider this recommendation implemented because cell phone allowance policies and requirements were updated and there was a substantial reduction in the number of employees receiving allowances based on institutional needs.

### **Recommendation 8**

*Revise policies and procedures to ensure that future contracts are procured and awarded in compliance with state law and internal policies and procedures, including, but not limited to, the procurement processes set forth in the County College Contracts Law and the "Pay to Play" Act.*

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

Our 2022 Audit found that Brookdale did not comply with the County College Contracts Law and other applicable law in its award of the contract for operation and management of its bookstore. We found Brookdale posted a notice of the request for proposals (RFP) on its website but did not advertise a notice in a newspaper. The RFP specified that there would not be a public opening of proposals and that the award would be based on "the most advantageous combination of qualifications and price." Brookdale advised in its corrective action plan that the College would continue to review and develop procurement procedures to ensure contracts are procured and

awarded in compliance with the County College Contracts Law, Local Public Contracts Law, and the "Pay to Play laws". The College also advised that it had updated its RFP template to include the recommendations in our audit, including Pay-to-Play paperwork, a statement that RFPs would be publicly opened, and the requirement to provide scoring sheets and recommendations according to the criteria.

Brookdale updated its purchasing policies as of August 2024, including requirements for the solicitation to be advertised and opened publicly. We reviewed the most recent procurement for operation and management of the bookstore for the period from FY 2024 to FY 2028. Our review found that Brookdale addressed the significant issues in our initial audit since they advertised the solicitation in a newspaper, required a public opening of proposals, and acknowledged that the award would be based on "the lowest responsible bidder." However, we identified and communicated compliance issues related to the procurement process including but not limited to the appropriate standards of award, consistent use of language, terms, bidder experience, and addenda.

We consider this recommendation implemented based on our review of the revised policy and the most recent procurement. We encourage Brookdale to ensure its compliance with not only the County College Contracts Law but also the requirements of the procurement process.

#### **Recommendation 9**

*Update policies and procedures that provide for verification and timely update of information technology (IT) inventory records based on the asset status. The procedures should require periodic physical inventory and supporting documentation for all IT asset records.*

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

Our 2022 Audit found that Brookdale did not have adequate policies and procedures for the tracking and disposition of IT assets. In addition, Brookdale did not have policies or procedures for verification of the actual inventory and did not conduct a physical inventory. The College advised in its corrective action plan that it had adopted a Computer Deployment and Replacement Regulation that was approved in August 2019. In addition, the College stated it would establish two annual reviews of the inventory and asset information.

Brookdale updated its OIT Operations Manual in August 2024, which included a requirement for asset inventory to be reviewed, verified, edited, and updated biannually. We were provided with a list of a recent inventory review containing approximately 3,300 items. We selected a sample of 25 inventory items for an on-site physical inventory test. We verified the location and accuracy of all 25 sampled items.

We consider this recommendation implemented based on the updated IT policies and our on-site review of sampled selections.

#### **Recommendation 10**

*Improve oversight and monitoring to ensure vendor compliance with key requirements of the Bookstore Operating Agreement.*

***Status: Partially Implemented***

Our 2022 Audit found that Brookdale failed to provide adequate oversight to ensure that all terms of the Bookstore Operating Agreement were fulfilled. In addition, we found that the vendor failed to carry the required insurance amounts. The College advised in its corrective action plan that it had developed an internal policy to assign the management and oversight of each contract as it is awarded and as personnel changes occur.

We reviewed the most recent Bookstore Operating Agreement covering a five-year term for FYs 2024 through 2028 and selected two specific contract terms for review that were required during FY 2024. One of the terms specified that the vendor would provide annual textbook scholarships. We verified that the vendor complied with this requirement. The other term required the vendor to invest over \$39,000 in the installation of point-of-sale and store management systems by June 30, 2024, which we found had not occurred. Brookdale stated that the point-of-sale and store management systems would be completed before the end of the contract. Additionally, we examined the existing insurance requirements and verified that the vendor maintains the necessary minimum coverage.

We consider this recommendation to be partially implemented because some contract terms remain unfulfilled. However, other terms and insurance requirements have been met. We encourage the College to ensure that all contract terms are fulfilled as required and on schedule.

**Recommendation 11**

*Implement procedures to ensure retiring employees are aware of post-employment restrictions imposed by state regulations.*

***Status: Implemented***

Our 2022 Audit found that two employees retired from Brookdale and immediately were reemployed in a manner that may have violated state regulations. The College advised in its corrective action plan that it currently provides information to employees explaining the required break in service and employment after retirement requirements. The information is also available on the College's benefits webpage.

We found that employees retiring from the College are informed of post-employment restrictions in writing. Upon separation, employees are sent an email containing a link to the New Jersey Division of Pensions and Benefits website, which provides further details on post-employment restrictions. We verified this process with a recently retired employee.

We consider this recommendation implemented because retiring employees are provided with relevant information related to post-employment restrictions.

**Reporting Requirements**


We provided a draft copy of this report to Brookdale for its review and comment. Its response was considered in preparing our final report and is attached as Appendix A.

We recognize the efforts made by the College and encourage it to continue making improvements to its operations and sharing them with our office. Accordingly, we urge the College to revise policies and procedures with specific actions that address all aspects of the federal and state law requirements to ensure consistent compliance with the Fair Labor Standards Act and New Jersey Wage and Hour Law and to ensure vendor compliance with requirements of the Bookstore Operating Agreement.

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

Sincerely,

KEVIN D. WALSH  
ACTING STATE COMPTROLLER

By:   
Christopher Jensen, CPA  
Director, Audit Division

c: Dr. Brian K. Bridges, Secretary of Higher Education  
Teresa Manfreda-Foley, Vice President, Finance & Operations, Brookdale Community College  
Latonya Brennan, Chair, Board of Trustees, Brookdale Community College





March 6, 2025

Kevin D. Walsh, Acting State Comptroller  
State of New Jersey  
Office of the State Comptroller  
Audit Division  
P.O. Box 024  
Trenton, NJ 08625-0024

**Re: Follow-Up Report- A Performance Audit of Selected Fiscal and Operating Practices of Brookdale Community College**

Dear Mr. Walsh:

Brookdale Community College acknowledges the follow-up report we received on February 27, 2025, regarding the recommendations from the 2022 Performance Audit. We appreciate the Office of the State Comptroller's (OSC) thorough review and continued engagement in ensuring compliance with applicable regulations and best practices.

We are pleased that OSC recognizes our significant progress, with nine recommendations fully implemented, one partially implemented, and one requiring further action. Below is an update on the remaining items, reaffirming our commitment to full compliance.

**Recommendation 1:** *Revise policies and procedures with specific actions that address all aspects of the federal and state law requirements to ensure consistent compliance with the Fair Labor Standards Act and New Jersey Wage and Hour Law. These procedures must include appropriate management monitoring and oversight.*

**Status: Not Implemented (Per OSC Report)**

It is our position that the overtime procedure implemented on August 29, 2024, brings Brookdale into full compliance with the Fair Labor Standards Act (FLSA) and New Jersey Wage and Hour Law. This updated procedure establishes clear guidelines for overtime eligibility, tracking, authorization, and payment processes.

However, we understand that the timing of the implementation did not allow OSC sufficient time to conduct adequate audit testing. To reinforce the effectiveness of this procedure, Brookdale remains committed to ensuring compliance through ongoing monitoring and oversight.

**Recommendation 10:** *Improve oversight and monitoring to ensure vendor compliance with key requirements of the Bookstore Operating Agreement.*

Telephone: [REDACTED]

email: [REDACTED]

Address: 765 Newman Springs Road, Lincroft, NJ 07738

**Status: Partially Implemented (Per OSC Report)**

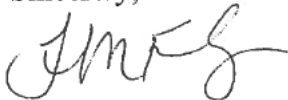
Brookdale appreciates OSC's recognition of improvements in oversight of vendor compliance with the Bookstore Operating Agreement. While certain requirements, such as annual textbook scholarships and insurance coverage, have been met, the implementation of a new point-of-sale system remains pending.

Brookdale has engaged with the vendor to finalize the installation timeline, with confirmation that implementation will occur before the current contract's completion.

Brookdale Community College remains fully dedicated to implementing and sustaining the highest standards of compliance, transparency, and operational efficiency. We appreciate OSC's guidance and oversight and are confident that the additional measures outlined above will ensure full compliance with all outstanding recommendations.

We thank you for your continued collaboration and support.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Manfreda-Foley', written in a cursive style.

Teresa Manfreda-Foley  
Vice President Finance & Operations/CFO