

Letter of Engagement
Department of Education

Successful Bidder: CohnReznick

On behalf of the Department of Education, this is notice of the intent to award this IM engagement.

The bid will be awarded to CohnReznick whose proposal is most advantageous to the State, price and other factors considered.

The total amount of this contract must not exceed the amount of 82,151.25.

The successful bidder is instructed not to proceed until a purchase order is issued.

Thank you for your participation in this bid.

Sincerely,

Mona Cartwright
IM State Contract Manager

ENGAGEMENT QUERY

Waiver AO-030 – Integrity Monitor Engagement Query-Corona Relief Fund

Department of Education

I. GENERAL INFORMATION:

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nation-wide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, H.R. 748, (“CARES Act”) was enacted to provide economic stimulus in response to the global pandemic caused by COVID-19, (COVID-19 Recovery Funds).

The CARES Act was enacted to assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak. Under the CARES Act, the Coronavirus Relief Fund (CRF) provides funding for necessary expenditures related to the public health emergency incurred between March 1, 2020 and December 30, 2020.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO). Pursuant to EO 166, the Taskforce has issued guidelines (“IOM Guidelines”) regarding the appointment and responsibilities of COVID-19 Integrity Oversight Monitors (“Integrity Monitors”). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of Coronavirus Relief Fund Allocations pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for Coronavirus Relief Funds pursuant to Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now procure in the discharge of their responsibilities under EO 166, as described in the Taskforce’s Integrity Oversight Monitor Guidelines.

This Engagement Query is issued by the Department of the Treasury on behalf of the New Jersey Department of Education (NJDOE)

The capitalized terms in this Engagement Query shall have the same meanings as set forth in the IOM RFQ.

A. Background

NJDOE received \$150 million in CRF. From these funds, 100% have been awarded to Local Education Agencies (LEAs) to be used in support of closing the digital divide (\$50 million) and reopening schools (\$100 million). Under EO166, any New Jersey State Agency receiving more than \$20 million in CARES Act funding may engage an Integrity Monitor in accordance with the IOM Guidelines. The focus of this Engagement will be on the \$50 million digital divide funding only.

Digital Divide grants were announced by the NJDOE in July 2020. The funding amount of \$50 million to support digital divide was allocated as follows: \$44 million to close the digital divide in public schools, awarded to 262 LEAs and \$6 million to support 719 nonpublic schools to close the digital divide in nonpublic schools. Funds awarded to nonpublic schools flow through 244 LEAs and are not awarded directly to the nonpublic school. Information on these programs can be found here: <https://www.nj.gov/education/grants/digitaldivide/>.

II. SCOPE OF WORK (SOW) REQUIREMENTS

A. Project Description

The following Scope of Work (SOW) describes and applies to the Tasks that will be completed by the Integrity Monitor to schedule, conduct, and complete Integrity Monitoring evaluations as set forth below:

PROCESS

- A. The Integrity Monitor must be available to conduct both onsite and desk monitoring of LEAs who accepted CRF funds;
- B. The Integrity Monitor must be available to conduct both onsite and desk monitoring of the NJDOE as it relates to CRF funds;
- C. The Integrity Monitor must have the organizational capacity to support integrity monitoring activities in the 3 regions of New Jersey-North, Central and South. The regions are broken down as follows:
 - a. North-Bergen, Essex, Hudson, Morris, Passaic, Sussex, Warren

- b. Central- Hunterdon, Mercer, Middlesex, Monmouth, Somerset, Union
- c. South- Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem

D. The Integrity Monitor must not be currently employed by a school district; and

COMPONENTS

The Integrity Monitor will coordinate its activities with the Accountability Officer but shall be independent as the Integrity Monitor performs its Tasks. All reviews should be conducted as an outside auditor/reviewer would.

The NJDOE will provide a list of CRF allocations and a list of LEAs the NJDOE will be monitoring. The Integrity Monitor shall select a sample from awarded grants based on risk to monitor and shall not select the same LEAs that the NJDOE as identified to be monitored by the NJDOE. It is expected that the sample will be evenly divided among the three regions of the state-North, Central and South. It is expected that up to 10% of districts, or 26 districts, that were awarded Digital Divide grants will undergo a risk assessment by the Integrity Monitor. Based on the level of risk found in the risk assessment will determine if additional monitoring will take place.

When performing its duties, the Integrity Monitor shall consult with NJDOE staff, LEA staff, staff in other state agencies, law enforcement officers, other Integrity Monitors, private entities, and/or the staff of monitored entities as necessary.

The Integrity Monitor's role is to ensure that NJDOE is adhering to the sub-award agreement and applicable federal and state guidelines and regulations with the CRF grant through the following Tasks:

1. Ensure LEA compliance with laws, regulations, programs, contractual requirements, agreements, certifications, and affidavits, including the submission by subgrantees of required periodic reports and reimbursement requests to the NJDOE.
2. Perform initial risk assessments of LEAs;
3. Evaluate internal controls of selected LEA's financial management, cash management, acquisition management and records management capabilities;
4. Review written documents, such as financial and performance reports, recent audit results, documented communications with the NJDOE, prior monitoring reports, and other documents or reports, as appropriate;
5. Validate compliance with sub-grant award and general terms and special conditions;
6. Review specific files (EWEG reimbursement requests and final reports) to become familiar with the disbursement of funds for CRF, i.e. are actual expenditures consistent with the proposed spending as outlined in the EWEG application; are the same proposed items in EWEG application and reported in the final subgrantee report submitted to NJDOE on November 15, 2020;
7. Ensure that LEAs are retaining appropriate documentation, based on federal and state regulations, to support reimbursement requests submitted to NJDOE under CRF. Final reports submitted by LEAs will include back up invoices and Purchase Orders.
8. Follow up with questions regarding specific funding decisions and application approvals as it relates to the CRF, and review decisions related to this spending;

9. Facilitate the exchange of ideas to promote operational efficiency for future relief funding;
10. Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g. to guard against duplication of benefits- LEAs should not request reimbursement from FEMA for items that will be reimbursed under CRF.);
11. Conduct on-site monitoring as needed (see below); and.
12. Promptly respond to any inquiries from the Office of the State Comptroller (OSC) regarding the Tasks under this Engagement Query.

Generally, the Integrity Monitor should perform desk reviews to assess the need for visits or site monitoring. Depending upon results from the desk review, in combination with the risk assessments conducted for the LEAs, the monitor should evaluate whether an on-site monitoring visit is appropriate. All decisions and the steps that were taken regarding an on-site monitoring visit should be documented as to how the conclusion was made as it related to the on-site visit. The Integrity Monitor may choose to conduct an on-site monitoring visit as a result of the following:

- Non-compliance with reporting requirements;
- Problems identified in reports;
- History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-Risk designation;
- Follow-up on prior audits or monitoring findings; and
- Allegations of misuse of funds or receipt of complaints.

B. Specific Performance Milestones/Timelines/Standards/Deliverables

All deliverables must be completed by December 30, 2020.

- A. Integrity Monitor shall have weekly meetings via Microsoft Teams with the Accountability Officer to discuss any issues that may need to be resolved.
- B. Risk Assessments of LEAs shall be submitted to the Accountability Officer within thirty (30) days of receiving a Letter of Engagement or by 12/15/20 (whichever is earlier).
- C. All risk assessments and desk/onsite monitoring of the LEAs related to the CRF Digital Divide are to be completed by December 15, 2020.
- D. No later than December 30, 2020, Integrity Monitor will deliver their final reports, inclusive of NJDOE's comments, to the State Treasurer. These reports will be posted on the Governor's Disaster Recovery Office transparency website pursuant to Executive Order 166.

C. Risk Assessment Summary

Integrity monitor shall conduct a risk assessment on the selected LEAs using a risk assessment provided by the Department of Education. The risk assessment shall, at minimum, include the following elements:

- Review of current LEA internal controls, policies and procedures in place to satisfy the CRF funds requirements, federal and state law and regulations;
- Organizational Capacity of the LEA-leadership, experience in managing federal grants/funds, do they have staffing in place to oversee these funds;
- Prior audits of LEAs; and
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.

D. Reporting Requirements

1. Reports

- a. Pursuant to EO 166, IOM shall submit a draft quarterly report to the NJDOE on or before December 15, 2020 detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse. A final quarterly report shall be due on or before December 30, 2020.
- b. In the event this Engagement is extended beyond the expiration date set forth in IV below, the Integrity Monitor shall submit draft quarterly reports to the NJDOE on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud and abuse. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly reports, inclusive of any comments from the NJDOE, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the COVID-19 transparency website pursuant to EO 166.
- c. Within two weeks of the award, the Integrity Monitor shall provide a report to the Accountability Officer detailing those LEAs selected for monitoring broken down by region.

2. Additional Reports

- a. E.O. 166 directs OSC to oversee the work of Integrity Monitors. Therefore, in accordance with EO 166 and the IOM Guidelines, OSC may request that the Integrity Monitor issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery

Programs administered by the Using Agencies. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by the NJDOE to evaluate whether those corrective plan(s) have been successfully implemented.

3. Reports of Waste, Fraud, Abuse, or Potential Criminal Conduct

- a. The Integrity Monitor shall report issues of waste, fraud, abuse and misuse of COVID-19 Recovery Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report issues of potential criminal conduct immediately to the Office of the Attorney General.

III. Proposal Content:

At minimum, the Integrity Monitor's proposal shall include the following:

- 1) A detailed proposal with a person/hour and staff classification mix to meet the scope of work describing how the Integrity Monitor intends to accomplish each Task.
- 2) A detailed budget to perform the scope of work reflecting the Price Schedule submitted by the Integrity Monitor in response to the IOM RFQ.
- 3) A schedule identifying the deliverables to be submitted under this Engagement Query.
- 4) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

IV. Duration of the Engagement:

The Engagement will commence upon the issuance of a Letter of Engagement and expire on December 30, 2020. At the option of the Recovery Program Participant, this Letter of Engagement may be extended if the use of Coronavirus Relief Funds is extended under the CARES Act. Any extension to this Letter of Engagement, however, may not to exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ,

V. LIQUIDATED DAMAGES

Failure to deliver a draft Risk Assessment within thirty (30) days of	\$250/day
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receiving a Letter of Engagement or by 12/15/20 (whichever is earlier)	
Failure to deliver a final Risk Assessment by 12/30/20	\$500/day
Failure to deliver a quarterly report by 12/30/20	\$250/day
After January 1, 2021, failure to deliver subsequent final quarterly reports within 15 days after the quarter end.	\$250/day

VI. Questions regarding this Engagement Query (OPTIONAL):

Any questions related to the Scope of Work must be submitted electronically by 3:00pm on November 19, 2020. They must be submitted via email to [REDACTED] with a copy to the State Contract Manager.

VII. Submission of Proposals:

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00pm on November 25, 2020. Proposals must be submitted via email as set forth below:

TO: State Contract Manager
Mona Cartwright, Fiscal Manager, Department of the Treasury
mona.cartwright@treas.nj.gov

With a copy to the Agency Contract Manager: Amanda Schultz, [REDACTED]

VIII. Selection Process

The Agency Contract Manager, will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered.

Prior to issuing a Letter of Engagement, the Agency Contract Manager/ Accountability Officer, will independently determine whether the proposed Integrity Monitor has any potential conflicts with the Engagement.

The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer.

ATTACHMENTS

Attachment 1: Quarterly Report Template

Attachment 2: Risk Matrix Template
Attachment 3: Risk Matrix Template for LEA

**Notice of Executive Order 166 Requirement for Posting of Winning Proposal
and Contract Documents**

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller (“OSC”) is required to make all approved State contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate State website. Such contracts will be posted on the New Jersey transparency website developed by the Governor’s Disaster Recovery Office (GDRO Transparency Website). The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer’s proposal and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal or factual basis to assert that such designated portions of its proposal: (i) are proprietary and confidential financial or commercial information or trade secrets; or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter, and a redacted copy of the proposal should be provided. A Proposer’s failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

The State reserves the right to make the determination regarding what is proprietary or confidential and will advise the winning proposer accordingly. The State will not honor any attempt by a winning proposer to designate its entire proposal as proprietary or confidential and will not honor a claim of copyright protection for an entire proposal. In the event of any challenge to the winning proposer’s assertion of confidentiality with which the State does not concur, proposer shall be solely responsible for defending its designation.

Integrity Monitor Firm Name:

Engagement:

Quarter Ending:

No.	Recipient Data Elements	Response	Comments
A. General Info			
1.	Recovery Program Participant		
2.	Federal Funding Agency (e.g. Section 5001 of CARES Act)		
3.	State Funding (if applicable)		
4.	Award Type		
5.	Award Amount		
6.	Accountability Officer		
7.	Brief Description Purpose and Rationale of Integrity Monitor Project/Program		
8.	Contract/Program Location (if applicable)		
9.	Amount Expended by Recovery Program Participant to Date		
10.	Amount Provided to other State or Local Entities		
11.	Completion Status of Contract or Program		
12.	Expected Contract End Date/Time Period		
B. Monitoring Activities			
13.	If FEMA funded Brief description of the status of the project worksheet and its support.		
No.	Recipient Data Elements	Response	Comments
14.	Quarterly Activities/Project Description (include with specificity activities conducted such as meetings document review staff training etc)		
15.	Brief description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.		
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.		
17.	Has payment documentation in connection with the contract/program been reviewed? Please describe		
18.	Description of quarterly activity to prevent and detect waste fraud and abuse.		
19.	Provide details of any integrity issues/findings		
20.	Provide details on any other items of note that have occurred in the past quarter		
21.	Provide details of any actions taken to remediate waste fraud and abuse noted in past quarters		
No.	Recipient Data Elements	Response	Comments
C. Miscellaneous			
22.	Attach a list of hours (by employee) and expenses incurred to perform your quarterly integrity monitoring review		
23.	Add any item issue or comment not covered in previous sections but deemed pertinent to monitoring program.		

Name of Integrity Monitor:
Name of Report Preparer:

Signature:

Date:

Risk Matrix

Agency/ Authority:	
Program:	
Funding Source:	
Recipient or Subrecipient:	
Completed By:	
Date:	

Risk Inquiry Areas	Rating Element	Summary Assessment/Description of Risks Identified	Risk Level (Low, Medium, High)
Inquiry 1			
Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular.	Assess your agency's experience and staffing capacity to manage and account for federal grant funds and/or disaster recovery funds. Considerations include: your agency's organizational structure, supervisory roles, delegation of authority, line level staffing capacities, experience at all levels, and responsibilities and relations within and between different divisions or offices within your agency. Does your agency have a monitoring and oversight plan to assess your continued performance and compliance with the CARES fund requirements, federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your agency address risk areas and the need for corrective action?		
Inquiry 2			
Input from the individuals/units that will be disbursing funds or administering the program.	How will your agency plan for the use of the CARES funds? Does your plan include considerations for federal and state requirements and eligible uses of the funds? Does your plan establish adequate funding and staffing requirements for administering the funds? Is your plan consistent with your statutory mission and the CARES fund objectives? Does your plan include or contemplate the inclusion of input from line staff that are administering the program?		
Inquiry 3			
Review of existing internal controls and any identified weaknesses.	Has your agency reviewed its internal controls to ensure that policies and procedures are in place to satisfy the CARES fund requirements, federal and state laws and regulations? Are your agency policies and procedures adequate? Are they updated for all relevant processes required for the administration of the CARES funds? Does your agency have a monitoring and oversight plan to assess your continued performance and compliance with the CARES fund requirements, federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your agency address risk areas and the need for corrective action?		
Inquiry 4			
Prior audits and audit findings.	Has your agency been audited in the past? Have you considered and addressed any prior audit findings and recommendations that may be applicable to your success in overseeing COVID stimulus funding?		
Inquiry 5			
Lessons learned from prior disasters.	Has your agency been audited after a previous disaster? Have you considered and addressed any findings and recommendations from such audit(s)?		
Inquiry 6			


Sub-recipient internal control weaknesses, if applicable.	If your agency is overseeing sub-recipients, have the sub-recipients been the subject of prior negative audit findings and recommendations that could impact oversight? How will your agency ensure that sub-recipients adhere to all requirements relating to their receipt of funds, including their use of funds and the reports they will be required to submit documenting their use of such funds?		
Inquiry 7			
Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.	When is the last time there was an assessment of financial, acquisition, and grants management policies and procedures? Is technological capacity an issue? Are the financial management systems adequate or outdated? Have the systems been updated or can they be updated to function adequately for the administration of the CARES funds?		
Inquiry 8			
Barriers to reporting.	Does your agency have, or intend to develop, templates/forms or other documentation to report the results of the funding awards, including how your agency will respond to oversight bodies seeking to ascertain who received funds, the amount of funds, and the date funds were distributed?		
Inquiry 9			
Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives.	Assess and evaluate your agency's procurement processes and experience with state and federal procurement requirements. Do you have a trained and qualified contract manager assigned to the contract? Do your contracts contain provisions to ensure that contracted vendors provide all necessary reports in the form/manner proscribed by contract? Have your contract templates been reviewed and checked for necessary state and federal contract language? If emergency contracts have been entered into, how do you plan to transition after the urgent need has ended? Do you have plans to conduct a cost analysis?		
Inquiry 10			
Potential conflicts of interests and ethics compliance.	Evaluate the means used to ensure that there is adequate separation of duties surrounding program funding requests and determinations. Does your agency have a code of conduct or policy describing measures to guard against potential conflicts of interest?		
Inquiry 11			
Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s).	Evaluate the guidance, policies and procedures, or other documents that are being used to ensure that your agency properly oversees the sub-recipients' use of funds, including those relating to internal recordkeeping, monitoring, and sub-recipient reporting. Does your agency have a plan to monitor sub-recipients' compliance with program requirements and those outlined in Uniform Grant Guidance 2 C.F.R. 200.331 (Requirements for pass through entities)? Does that plan assess risk of sub-recipients? Does that plan include training and training documents? Have you prepared templates or other reporting forms that you will be providing to sub-recipients? Has your agency developed a plan to address sub-recipient noncompliance?		
Inquiry 12			
Whether federal or state guidelines provide guidance regarding the uses of funds (i.e., discretionary vs. restrictive).	Evaluate how eligibility determinations will be made? Does your agency have written guidance or policies and procedures that provide direction in making and documenting eligibility determinations? Is the completeness and accuracy of information used in eligibility determinations verified? If so, how? By whom? Is there supervisory review and approval in this process?		

Risk Matrix

Agency/ Authority:	
Program:	
Funding Source:	
Recipient or Subrecipient:	
Completed By:	
Date:	

Risk Inquiry Areas	Rating Element	Summary Assessment/Description of Risks Identified	Risk Level (Low, Medium, High)
Inquiry 1			
Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds.	Assess LEA's experience and staffing capacity to manage and account for federal grant funds. Considerations include: LEA's organizational structure, supervisory roles, delegation of authority, line level staffing capacities, experience at all levels, and responsibilities and relations within and between different divisions or offices within your agency. Does LEA have an oversight plan to assess your continued performance and compliance with the CARES fund requirements, federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your LEA address risk areas and the need for corrective action?		
Inquiry 2			
Input from the individuals/units that will be disbursing funds or administering the program.	How did LEA plan for the use of the CARES funds as outlined in the EWEG application? Did LEA plan include considerations for federal and state requirements and the eligible uses of the funds which allows for purchase of devices and hotspots only? Did the plan establish adequate funding and staffing requirements for the devices and hotspots? Did the plan include or contemplate the inclusion of input from line staff that are administering the program?		
Inquiry 3			
Review of existing internal controls and any identified weaknesses.	Has LEA reviewed its internal controls to ensure that policies and procedures are in place to satisfy the CARES fund requirements, federal and state laws and regulations? Are LEAs policies and procedures adequate? Are they updated for all relevant processes required for the administration of the CARES funds? Does LEA have an oversight plan to assess the continued performance and compliance with the CARES fund requirements, federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will LEA address risk areas and the need for corrective action?		
Inquiry 4			
Prior audits and audit findings.	Has LEA been audited in the past? Has LEA considered and addressed any prior audit findings and recommendations that may be applicable to success in overseeing COVID stimulus funding?		
Inquiry 5			
Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.	When is the last time there was an assessment of financial, acquisition, and grants management policies and procedures? Is technological capacity an issue? Are the financial management systems adequate or outdated? Have the systems been updated or can they be updated to function adequately for the administration of the CARES funds?		
Inquiry 6			

Barriers to reporting.	Does the LEA have, or intend to develop, templates/forms or other documentation to report the results of the funding awards, including how the LEA will respond to oversight bodies seeking to ascertain vendors that were paid for devices or hotspots, the amount of funds, and the date funds were distributed?		
Inquiry 7			
Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives.	Assess and evaluate LEA's procurement processes and experience with state and federal procurement requirements. Does LEA have a trained and qualified contract manager assigned to oversee all procurement activities related to these funds? Do contracts contain provisions to ensure that contracted vendors provide all necessary invoices or reports to LEA within a certain amount of time? If using contract templates, have templates been reviewed and checked for necessary state and federal contract language by LEA staff? If emergency contracts have been entered into, how does LEA plan to transition after the urgent need has ended? Does LEA have plans to conduct a cost analysis?		
Inquiry 8			
Potential conflicts of interests and ethics compliance.	Evaluate the means used to ensure that there is adequate separation of duties surrounding program funding requests and determinations. Does LEA have a code of conduct or policy describing measures to guard against potential conflicts of interest?		



Engagement Query Response

**Waiver AO-030 – Integrity Monitor Engagement Query-
Corona Relief Fund**

New Jersey Department of Education

November 25, 2020 3:00PM



Submitted by: CohnReznick LLP

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Suite 2316
Holmdel, NJ 007733

www.CohnReznick.com

Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner – Public Sector
E-mail: Frank.Banda@CohnReznick.com

November 25, 2020

State Contract Manager
Mona Cartwright, Fiscal Manager, Department of the Treasury
mona.cartwright@treas.nj.gov

RE: New Jersey Department of Education – Waiver AO-030 – Integrity Monitor Engagement Query-Corona Relief Fund

Dear Ms. Cartwright,

On behalf of CohnReznick LLP, we are pleased to present our proposal to provide the New Jersey Department of Education (NJDOE or Department) with Integrity Oversight Monitor (IOM) services in response to Executive Order No. 166 (EO-166).

We are confident our monitoring and compliance team represents the best value to NJDOE. The CohnReznick Team offers the following advantages:

- **Subject Matter Experience.** Our team has CARES Act experience providing compliance and oversight monitoring services for programs of similar size, scope and complexity to that required here by the Department. Our team will not waste time with the need to ramp up or gain familiarity as we can deploy immediately and provide deep grant and disaster recovery fund experts with experience in similar programs. Our team will ensure the work completed under this contract will be fully compliant with all relevant CARES Act and EO-166 regulations, policies, and procedures.
- **New Jersey Presence and Rapid Deployment.** Founded in 1919, our firm has the staffing capability to meet NJDOE's needs. Our broad New Jersey presence, over 450 professionals, located in our Roseland and Holmdel offices, allows us to effectively and rapidly coordinate qualified staff to respond to the Department's turnaround times and reporting deadlines.
- **Excellent Record of Supporting New Jersey IOM Programs.** Our team has provided compliance and integrity oversight monitoring services for the State of New Jersey's Department of Community Affairs, Sandy Recovery Division (NJ DCA-SRD) for its Superstorm Sandy recovery programs. In addition, we provide ongoing integrity oversight monitoring to NJ Transit and the Port Authority of New York and New Jersey. As such, we are familiar with the State's commitment to compliance and monitoring as outlined by EO-166 and the earlier Integrity Monitor Oversight Act (the Act). Our efforts on NJ-DCA resulted in the creation and implementation of 19 programs—the largest of which was valued at \$1 billion—built on “real-time” mechanisms to track, quantify, and evaluate performance and mitigate risk at the contractor and program levels. We bring that experience to the State's goals for CRF monitoring under EO 166.
- **Integration and Coordination with NJDOE Personnel.** Our team, upon contract award, can quickly engage with the Department to determine the level of involvement desired by NJDOE staff. We will suggest options for integrating NJDOE personnel into our approach to save costs

and create efficiencies to meet deadlines. Furthermore, we are more than happy to turn over tools and the knowledge base built throughout the engagement for ongoing program management by NJDOE staff.

- **Our Ability to Withstand Public Scrutiny.** Our integrity monitoring, disaster recovery, and grant management programs and deliverables have been inspected by public officials, political appointees, state Attorneys General, Inspectors General, and the general public. Without fail, our programs and deliverables have repeatedly withstood this intense scrutiny.

CohnReznick is a nationally recognized industry-leading advisory, assurance, and tax firm. In the wake of Superstorm Sandy's destruction, our firm's leadership made the staffing of disaster recovery projects in the Northeast the firm's top priority, and CohnReznick remains resolute in that commitment today with the same resolve being applied to the State's efforts to rapidly deploy Coronavirus Relief Funds. Nationwide, we have overseen billions of dollars in disaster recovery funding.

In the tristate area, CohnReznick served as the State of New Jersey's Integrity Monitor responsible for the oversight of its federal grant Disaster Recovery programs in the wake of Superstorm Sandy. We are proud of the work we performed for NJ DCA and are certain we can apply those lessons learned for NJDOE. We are confident our team represents the most efficient and economical solution in helping NJDOE continue to achieve its oversight requirements.

Thank you for this opportunity to present our qualifications for the NJDOE Engagement Query for Integrity Oversight Monitor.

Sincerely,



Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner – Public Sector
E-mail: Frank.Banda@CohnReznick.com



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Proposal Plan





PLAN TO PERFORM SCOPE OF WORK

Standard Reporting and Key Deliverable Schedule

CohnReznick will fully meet the reporting and deliverable needs identified by NJDOE for successful completion of the task order. We understand these deliverables to be, though standard and routine for oversight monitoring, critical for ensuring performance and compliance of the COVID-19 Recovery Program's work.

Below is a summary table of the reports and deliverables anticipated to be provided based on the Engagement Query submission date:

Report / Deliverable	Frequency / Timing
Project Status Report	Daily
Project Kick-Off Meeting Agenda and Meeting Minutes	Day 1
Entrance Conference Agenda and Meeting Minutes	Day 3
Work Session Meeting Minutes	Days 1-30
Process Walkthrough Documentation (including process flow charts)	Draft – Day 5 Final – Conclusion of task order
Process Matrix (noting any identified gaps, inefficiencies, or redundancies)	Draft – Days 5 Final – Conclusion of task order
Working Papers (containing test plans and results)	Conclusion of task order
Risk and Control Matrix	Conclusion of task order
Risk Assessment Report	Draft – Day 20 or 12/15 Final – Day 30 or 12/30
Monitoring	Days 6 - 30
Quarterly Report	Draft – Day 20 or 12/15 Final – Day 30 or 12/30
Exit Conference Agenda and Meeting Minutes	Conclusion of task order

Personnel

We have structured our team based upon the requirements of this Engagement Query and our direct experience providing compliance and oversight monitoring services for recovery projects of similar size, scope, and turnaround time. The CohnReznick personnel selected for this team collectively have expertise in Internal Audit, HUD Grant Management, Compliance, and Oversight Monitoring. Our selected Program Manager will be Rochell Cottingham. In addition to having the direct experience of providing oversight monitoring type services since Hurricane Katrina, Mr. Cottingham has all of the professional credentials (PMP, CIA, CISA, CFE, CCSA, CGAP, and CRMA) that the Department could possibly want in a Program Manager. As Program Manager, he ensures our team hits the ground running with risk assessments and the related program monitoring.

The Key Personnel Table presented below has been included to familiarize NJDOE with our engagement team and show their relevant IOM and compliance experience. Our team is fully-staffed with professionals



experienced in performing the work outlined in this Engagement Query. Our team structure is designed to be flexible and efficient to adhere to the turnaround times and completion deadline requirements of NJDOE.

Key Personnel	Years' Experience	Estimated Hours on the Project	Relevant Experience
Rochell Cottingham, PMP, CIA, CISA, CFE, CCSA, CGAP, CRMA Program Manager	20+	60	<ul style="list-style-type: none">• 12+ years of Community Development Block Grant (CDBG) housing and Federal Emergency Management (FEMA) Hazard Mitigation Grant Program (HMGP) experience• 20+ years of experience managing major programs, projects, and business units in the areas of audit, compliance, performance monitoring, revenue assurance, quality assurance, fraud prevention and detection, risk management, system development, and project management• Expertise in system development and audit and compliance, including knowledge of Professional Practices Framework, COSO, ERM, COBIT, and U.S. Government Auditing Standards• Leader in providing policy and operational support services, including compliance and monitoring, project management, quality control and assurance, system implementation, process improvement, and policy and procedure development and documentation
Anna Fomina, CPA, CGMA Project Manager	13	80	<ul style="list-style-type: none">• Over 7 years of consulting, integrity monitoring, and fraud investigation experience in the construction industry and public sector for clients including the Port Authority of New York and New Jersey, New Jersey Transit, and the New Jersey Department of Community Affairs
Emily McCracken Consultant	2	80	<ul style="list-style-type: none">• Experience conducting payment application reviews, construction closeout audits, and supporting audit staff in collecting documents and workpapers related to internal audit projects
Sarah Cowan, CPA Consultant	3	80	<ul style="list-style-type: none">• Experience ensuring compliance with regulations, policies, and laws for clients with high risk tax compliance statuses; reconciling international accounting data to ensure accurate US tax compliance reporting; and creating detailed workpapers
Elsie Guevara, CFE Consultant	3	80	<ul style="list-style-type: none">• Experience providing audit and attest services to clients in various industries, including construction and financial services for government clients including the Port Authority of New York and New Jersey



Work Plan

The scope of services to be provided includes the following:

Risk Assessment

Days 1- 5: Planning

The IOM engaged by the NJDOE shall deliver a draft Risk Assessment within thirty (30) days of receiving a Letter of Engagement but no later than December 15, 2020 (whichever is earlier). The NJDOE will provide written feedback within one week. The IOM will finalize and transmit the final Risk Assessment within one week of receiving the NJDOE's feedback but no later than December 30, 2020 (whichever is earlier).

Engagement Kickoff:

- 1) Conduct engagement kickoff meeting with NJDOE;
- 2) Confirm engagement scope and objectives;
- 3) Confirm level of coordination between CohnReznick and NJDOE personnel;
- 4) Confirm Department management and agree on protocol for contacting Program staff;
- 5) Coordinate with NJDOE to draft entrance conference agendas and schedule meetings with required Department personnel;
- 6) Agree on and document protocol and timelines for providing key deliverables: planning, fieldwork, wrap-up, and other related deliverables;
- 7) Agree on meeting schedule and attendees for periodic updates;
- 8) Coordinate with NJDOE on risk assessment format and approval process;
- 9) Adjust risk assessment format to better capture Program responses;
- 10) Confirm required working papers format and organizational structure for submission to NJDOE at the end of the engagement; and
- 11) Create structure for maintaining working papers and key deliverables and for sharing information between CohnReznick and NJDOE.

Entrance Conferences:

- 1) Conduct entrance conferences with NJDOE and Program management.
- 2) Request organization charts and confirm points of contact for monitoring area(s);
- 3) Provide copy of risk assessments and required sections of quarterly report for completion by Department management, confirm response date, and schedule follow-up meeting(s) to discuss responses;
- 4) Request copies of policies, procedures, and operational workflows;
- 5) Establish protocol for contacting staff to request required documents and for requesting interviews and process walkthroughs; and



- 6) Confirm the system of record for each process area and the existence of any external systems/databases used to maintain Program data.

Days 6-20: Fieldwork/Monitoring

- 1) Review risk assessment and quarterly report responses received from Program management and document follow-up questions;
- 2) Assess the risk of each associated process and identify potential areas of high risk;
- 3) Document any gaps and conduct follow-up meeting to discuss risk assessment and quarterly report responses;
- 4) Coordinate with Program personnel to complete remaining sections of quarterly report; and
- 5) Document any potential areas of fraud, waste and abuse for communication to NJDOE.

The IOM engaged will be responsible for monitoring the NJDOE's compliance with applicable agreements, federal and State regulations and guidelines with the intent to safeguard COVID-10 Recovery Funds.

- 1) Draft proposed plan for compliance reviews and schedule for conducting staff interviews and process walkthroughs/observations;
- 2) Coordinate with NJDOE regarding work plan;
- 3) Initiate activities to evaluate program performance;
- 4) Evaluate internal controls;
- 5) Interview staff;
- 6) Review document retention policies and processes;
- 7) Coordinate with Program staff to schedule process walkthroughs;
- 8) Conduct virtual walkthroughs and compare actual processes to documented procedures, workflows, regulatory requirements, and best practices;
- 9) Validate compliance with applicable Memoranda of Understanding regarding use and reporting requirements for CRF Funds;
- 10) Sample test eligibility determinations and denials of applications;
- 11) Document results and note any process variances, gaps, and/or areas of improvement for follow-up discussion;
- 12) Document any potential areas of fraud, waste and abuse for communication to NJDOE;
- 13) Follow up with staff to discuss any noted variances and confirm preliminary results; and
- 14) Conduct other tasks listed in the IOM Guidelines or deemed appropriate as directed by NJDOE.

Days 21-30: Reporting

As required by EO-166 and the IOM Guidelines, the IOM engaged by the NJDOE shall submit a draft quarterly report to the NJDOE on or before December 15, 2020, detailing the specific services rendered



to date and any findings of waste, fraud or abuse. The NJDOE will have the opportunity to respond to the findings within one week following receipt of the IOM's draft report. On or before December 30, 2020, the IOM engaged by the NJDOE will deliver its final quarterly report and any response from the NJDOE to the State Treasurer, who will share the reports with the Governor's Disaster Recovery Office (GDRO), the Senate President, and the Speaker of the General Assembly, the Attorney General, and the State Comptroller.

- 1) Prepare draft risk assessment and quarterly report for submission to NJDOE;
- 2) Submit draft documents to NJDOE for feedback;
- 3) Coordinate with NJDOE to start finalizing risk assessment and quarterly report;
- 4) Update quarterly report based on feedback and/or response to findings received by NJDOE;
- 5) Update risk assessment based on feedback from NJDOE;
- 6) Finalize quarterly report and risk assessment; and
- 7) Submit final documents to NJDOE.

Key Deliverables

CohnReznick will provide the following key deliverables to NJDOE based on the agreed-upon schedule.

- 1) Draft Risk Assessment
 - Within thirty (30) days of receiving a Letter of Engagement or by 12/15/20 (whichever is earlier)
- 2) Final Risk Assessment
 - By 12/30/20
- 3) Draft Quarterly Report
 - Within thirty (30) days of receiving a Letter of Engagement or by 12/15/20 (whichever is earlier)
- 4) Final Quarterly Report
 - By 12/30/20

Budget and Price Schedule





BUDGET TO PERFORM SCOPE OF WORK AND TIMELINE

Our budget and timeline to perform the scope of work reflects the explicit 12/30 contract expiration deadline detailed in the Engagement Query. Our team will complete all fieldwork and monitoring pursuant to the 12/15 Draft and 12/30 Final Report deadlines. The project deliverable Risk Assessment and Quarterly Report will be completed and submitted based on those requirements from the Engagement Query.

Name	Role	Hourly Rate	Hours/Week				Total Hours	Total Cost
			Planning	Fieldwork / Monitoring		Reporting		
			Week 1	Week 2	Week 3	Week 4		
Rochell Cottingham	Program Manager	\$ 266.75	20	15	15	25	75	\$ 20,006.25
Anna Fomina	Project Manager	\$ 245.00	20	25	20	25	90	\$ 22,050.00
Emily McCracken	Consultant	\$ 148.50	20	25	20	25	90	\$ 13,365.00
Sarah Cowan	Consultant	\$ 148.50	20	25	20	25	90	\$ 13,365.00
Elsie Guevara	Consultant	\$ 148.50	20	25	20	25	90	\$ 13,365.00
TOTAL							435	\$ 82,151.25

Schedule of Deliverables





SCHEDULE OF DELIVERABLES

CohnReznick is committed to providing quality services within the NJDOE's desired timeframe. Cognizant of the condensed timeline, our work plan is organized into 3 phases consisting of 1) Planning; 2) Fieldwork/Monitoring; and 3) Reporting. The table below outlines the timeline and actions we will be performing during these 3 phases of the work plan.

NJDOE Phases and Timeline:

Planning

Days 1-5

- Kick-off Meeting and Entrance Conferences
- Document protocol and deliverable timelines
- Request and review existing documentation
- Identify relevant systems
- Create risk and control matrix

Fieldwork/Monitoring

Days 6-20

- Interview key personnel and conduct work sessions
- Draft work plan
- Document process matrix with identified gaps
- Update risk and control matrix
- Perform testing
- Evaluate closeout procedures

Reporting

Days 21-30

- Draft Risk Assessment and Report - 12/15
- Conduct Exit Conference
- Finalize Risk Assessment and Report - 12/30
- Submit final workpapers

Identification of Any Potential Conflicts of Interest





IDENTIFICATION OF ANY POTENTIAL CONFLICTS OF INTEREST

In accordance with the NJDOE's Engagement Query for Integrity Oversight Monitor, we are notifying NJDOE of potential conflicts of interest. An internal conflicts check produced no known conflicts at this time. CohnReznick performs services for clients which may receive funding from NJDOE. If selected, CohnReznick will monitor for potential conflicts of interest that may arise throughout contract performance, disclose any conflicts that may arise to NJDOE, and work with NJDOE to effectively mitigate such conflicts.

Note: This risk assessment tool may not include all relevant risk factors for your particular agency. Each agency should undertake a review to determine whether any additional risk areas should be reviewed, should identify those areas here, and should analyze them in accordance with the format of this tool.