

Letter of Engagement

January 31, 2022

Successful Bidder:

On behalf of the Department of Education, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to CohnReznick pursuant to the Engagement Query issued on November 5, 2021 and CohnReznick's proposal dated January 4, 2022.

All terms and conditions of the Engagement Query, including but not limited to the Scope of Work, milestones, timelines, standards, deliverables and liquidated damages are incorporated into this Letter of Engagement and made a part hereof by reference.

The total cost of this Engagement shall not exceed \$1,345,949.50

The Integrity Monitor is instructed not to proceed until a purchase order is issued.

Thank you for your participation in the Integrity Monitor program.

Sincerely,

Mona Cartwright
IM State Contract Manager

INTEGRITY MONITOR ENGAGEMENT QUERY

Contract G4018 – Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs

Education

Category 3 services per Section 3.1.1 of the IOM RFQ

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. Since then, Congress has enacted legislation to stimulate economic recovery and assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“E.O. 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO).

Pursuant to E.O. 166, the Taskforce has issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity 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 and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of COVID-19 Recovery Funds and Programs pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now use to discharge their responsibilities under E.O. 166. The Integrity Monitor’s executed State of NJ Standard Terms and Conditions (SSTC) will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

This Engagement Query is issued by the Department of the Treasury on behalf of **the Department of Education**.

The purpose of this Engagement Query is to solicit services for Integrity Monitoring Category 3 per section 3.1.1 of the IOM RFQ.

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

A. Background

On May 5, 2020, the New Jersey Department of Education (NJDOE) received \$310 million in federal funds authorized under the CARES Act - Elementary and Secondary School Emergency Relief Fund (ESSERF I). From these funds, 90% was distributed to local educational agencies (LEAs) to be used in support of the following twelve (12) allowable uses as outlined in the law:

1. Activities authorized under the federal Every Student Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA), the Carl D. Perkins Career and Technical Education Act of 2006, the McKinney-Vento Homeless Assistance Act, or the Adult Education and Family Literacy Act.
2. Coordination of preparedness and response efforts of LEAs with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.
6. Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean the facilities of a LEA, including buildings operated by such agency.
8. Planning for and coordinating during long-term closures, including how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) and how to

ensure other educational services can continue to be provided consistent with all Federal, State, and local requirements.

9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.
10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
12. Other activities that are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff of the LEA.

From the remaining amount, 9.5% of funds can be used by the NJDOE to respond to the coronavirus pandemic. Additionally, up to one-half percent ($\frac{1}{2}\%$) of the remaining funding amount can be retained for administrative uses by the NJDOE.

On January 5, 2021, the NJDOE received \$1.2 billion in federal funds authorized under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) Elementary and Secondary School Relief Fund (ESSERF II). From these funds, 90% will be distributed to LEAs to be used in support of the following fifteen (15) allowable uses as outlined in the law:

1. Activities authorized under the federal Every Student Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA), the Carl D. Perkins Career and Technical Education Act of 2006, the McKinney-Vento Homeless Assistance Act, or the Adult Education and Family Literacy Act.
2. Coordination of preparedness and response efforts of LEAs with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.
6. Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases.

7. Purchasing supplies to sanitize and clean the facilities of a LEA, including buildings operated by such agency.
8. Planning for and coordinating during long-term closures, including how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) and how to ensure other educational services can continue to be provided consistent with all Federal, State, and local requirements.
9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.
10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
12. Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the LEA, by—
 - a. Administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction.
 - b. Implementing evidence-based activities to meet the comprehensive needs of students.
 - c. Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment.
 - d. Tracking student attendance and improving student engagement in distance education.
13. School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
14. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
15. Other activities that are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff of the LEA.

From the remaining amount, 9.5% of funds can be used by NJDOE to respond to the coronavirus pandemic. Additionally, up to one-half percent (½%) of the funding amount can be retained for administrative uses by NJDOE.

On March 11, 2021, the NJDOE received \$2.76 billion in federal funds authorized under the American Rescue Plan Elementary and Secondary School Relief Fund (ESSERF III). From these funds, 90% will be distributed to LEAs to be used in support of the following allowable uses as outlined in the law:

LEAs must budget a minimum 20 percent of their funds to address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students' academic, social, and emotional needs and address the disproportionate impact of the coronavirus on the student subgroups described in section 1111(b)(2)(B)(xi) of the Elementary and Secondary Education Act of 1965 ([20 U.S.C. 6311\(b\)\(2\)\(B\)\(xi\)](#)), students experiencing homelessness, and children and youth in foster care; and

Districts will use the remaining funds for any of the following:

1. Any activity authorized by the Elementary and Secondary Education Act of 1965.
2. Any activity authorized by the Individuals with Disabilities Education Act.
3. Any activity authorized by the Adult Education and Family Literacy Act.
4. Any activity authorized by the Carl D. Perkins Career and Technical Education Act of 2006.
5. Coordination of preparedness and response efforts of LEAs with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
6. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
7. Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.
8. Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious diseases.
9. Purchasing supplies to sanitize and clean the facilities of a LEA, including buildings operated by such agency.
10. Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under the Individuals with Disabilities Education Act and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.

11. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.
12. Providing mental health services and supports, including through the implementation of evidence-based full-service community schools.
13. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, children with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
14. Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the LEA, including by—
 - (i) administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction;
 - (ii) implementing evidence-based activities to meet the comprehensive needs of students;
 - (iii) providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment; and
 - (iv) tracking student attendance and improving student engagement in distance education.
15. School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
16. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
17. Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the Centers for Disease Control and Prevention for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff.
18. Other activities that are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff of the LEA.

From the remaining amount, 9.5% of funds can be used by NJDOE to respond to the coronavirus pandemic. Additionally, up to one-half percent (½%) of the funding amount can be retained for administrative uses by NJDOE.

Under the Integrity Oversight Monitor Guidelines issued pursuant to EO166, any New Jersey State Agency receiving \$20 million or more in COVID 19 Recovery funding should engage an Integrity Monitor.

Please note: While the intention is to have one integrity monitor for ESSERF I, ESSERF II and ESSERF III funds, all time and activity reports, risk assessments, invoices, and other associated items must be maintained separately for both ESSERF I, ESSERF II and ESSERF III. Per Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) and ESSERF II legislation, all funds and expenditures must be tracked separately from ESSERF I. Further, the American Rescue Plan, ESSERF III legislation also states funds and expenditures must be tracked separately from ESSERF I and ESSERF II.

II. SCOPE OF WORK (SOW) REQUIREMENTS

A. Project Description

The following Scope of Work (SOW) describes and applies to the work of 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 virtual desk monitoring of LEAs that accepted ESSERF I, ESSERF II and ESSERF III;
- B. The Integrity Monitor must be available to conduct a virtual desk monitoring of the NJDOE as it relates to ESSERF I, ESSERF II and ESSERF III and possibly on-site monitoring of NJDOE as determined below;
- C. The Integrity Monitor must have the organizational capacity to support integrity monitoring activities in the three (3) regions of New Jersey - North, Central, and South. The regions are divided as follows:
 - a. **North** – Bergen, Essex, Hudson, Morris, Passaic, Sussex, and Warren counties
 - b. **Central** – Hunterdon, Mercer, Middlesex, Monmouth, Somerset, and Union counties
 - c. **South** – Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties
- D. The Integrity Monitor shall not be currently engaged by or under contract with any New Jersey LEA; and

- E. Prior to finalizing any engagement under this contract, the Accountability Officer, along with the State Contract Manager, will determine whether the intended Integrity Monitor has any conflict with regard to the specified services.

COMPONENTS

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

The Integrity Monitor will be provided a listing from the NJDOE of projects that are supported by the state set aside and administrative funds for ESSERF I, ESSERF II and ESSERF III. From the set aside projects, the Integrity Monitor shall select a sample to monitor and shall not select the same LEAs that the NJDOE has identified to be monitored by NJDOE during the 2020-21, 2021-22 and 2022-23 school years.

The NJDOE will provide a list of ESSERF I, ESSERF II and ESSERF III allocations provided to LEAs and a list of LEAs the NJDOE will be monitoring to the Integrity Monitor. The Integrity Monitor shall select a sample to monitor and shall not select the same LEAs that the NJDOE has identified to be monitored by the NJDOE. It is expected that the sample will be evenly divided among the three (3) regions of the state – North, Central, and South. It is expected that between 35 and 50 LEAs receiving ESSERF I, between 35 and 50 LEAs receiving ESSERF II and between 35 and 50 LEAS receiving of ESSERF III will be monitored during this engagement. In total, over the course of the engagement, between 120 and 189 LEAs will be monitored from all of the funding sources. Additionally, funds retained by NJDOE for state set aside and administrative funds from ESSERF I, II and III, will be monitored by the Integrity monitor for compliance with applicable law.

When performing its duties, the Integrity Monitor will 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 needed.

The Integrity Monitor's role is to ensure that Recovery Program Participants are adhering to the sub-award agreement, applicable federal and state guidelines, and regulations pertaining to ESSERF I, ESSERF II and ESSERF III funds through the following tasks:

1. Ensure grantee (NJDOE) and subgrantee (LEA) compliance with laws, regulations, programs, contractual requirements, agreements, certifications, and affidavits, including the submission by subgrantees of required periodic reports, NJDOE reimbursement requests to the Federal government, and LEA reimbursement requests to the NJDOE;
2. Perform initial risk assessments of LEAs;

- a. Follow up with LEAs that have “high risk” factors in the risk assessment to document corrective actions being undertaken by the LEA to correct the deficiencies;
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 term and special conditions;
6. Review specific files (reimbursement requests through the Electronic Web Enabled Grant (EWEG) system and interim reports) to become familiar with the disbursement of funds for ESSERF I, ESSERF II and ESSERF III (*i.e.* are actual expenditures consistent with the proposed spending as outlined in the grant application; are the same proposed items in the grant application, requested for reimbursement, and reported in interim reporting);
7. Ensure that subgrantees are retaining appropriate documentation, based on federal and state regulations, to support reimbursement requests submitted to NJDOE under ESSERF I, ESSERF II and ESSERF III;
8. Follow up with questions regarding specific funding decisions and application approvals as it relates to ESSERF I, ESSERF II and ESSERF III, and review decisions related to this spending;
9. Facilitate the exchange of ideas to promote operational efficiency for future relief funding between LEAs and NJDOE;
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 be requesting reimbursement from FEMA for items that are getting reimbursed under ESSERF I, ESSERF II or ESSERF III);
11. Recommend NJDOE perform an onsite monitoring as needed (see below); and
12. Simultaneously report any issues of fraud or criminal conduct immediately to the Accountability Officer, NJDOE Contract Manager, the Office of the State Comptroller, (“OSC”), GRDO and State Treasurer.

Generally, the Integrity Monitor should perform desk reviews to assess the need for onsite monitoring visits.

- a. Depending upon results from the desk review, in combination with the risk assessments conducted for the LEAs, the Integrity Monitor should evaluate whether an onsite monitoring visit by NJDOE staff is appropriate. All decisions, including the steps taken regarding an onsite monitoring visit, should be documented to show how the decision was made to perform an onsite visit. The Integrity Monitor may recommend NJDOE staff conduct an onsite monitoring visit as a result of the following:
 - Non-compliance with reporting requirements as outlined in EWEG;
 - Problems identified in EWEG reports;
 - History of unsatisfactory performance with federal grants;

- Unresponsiveness to requests for information from Integrity Monitor
 - High-Risk designation;
 - Follow-up on prior audits or monitoring findings; and
 - Allegations of misuse of funds or receipt of complaints.
- b. Depending on the results of the desk monitoring of NJDOE, coupled with conclusions reached during the course of this Engagement related to NJDOE's implementation of ESSERF I, ESSERF II or ESSERF III, the Integrity Monitor should evaluate whether an on-site monitoring visit of NJ DOE is appropriate. All decisions, including the steps taken regarding an onsite monitoring visit, should be documented to show how the decision was made to perform an onsite visit. The Integrity Monitor may choose to perform an on-site monitoring visit of NJDOE as a result of any of the following:
- NJDOE's non-compliance with federal or state reporting requirements
 - Problems identified in quarterly progress or financial reports;
 - NJDOE's history of unsatisfactory performance
 - NJDOE's unresponsiveness to requests for information
 - High-risk designation of NJDOE
 - Follow-up IM monitoring findings related to NJDOE under this Engagement;
 - Allegations of misuse of funds by NJDOE;

B. Specific Performance Milestones/Timelines/Standards/Deliverables

The Integrity Monitor must complete all ESSERF I deliverables by September 30, 2022. ESSERF II deliverables by September 30, 2023 and ESSERF III deliverables by September 30, 2024.

- A. The Integrity Monitor shall have weekly meetings via Microsoft Teams or other virtual meeting platform with the Accountability Officer to report on progress toward meeting the deliverables and to discuss any issues that may need to be resolved.
- B. Initial Risk Assessments of LEAs for ESSERF I shall be submitted to the Accountability Officer within three months of the date of the Engagement.
- C. Initial Risk Assessment of LEAs related to ESSERF II and ESSERF III shall be submitted to the Accountability Officer within two months of the date of the selection of LEAs to be monitored under ESSERF II; and selection of LEAs to be monitored under ESSERF III.
- D. Integrity Monitor shall submit a monthly report to the Accountability Officer on the 1st of each month for the preceding month that will outline deficiencies

identified during LEA monitoring. This report should provide district name and issues identified to date.

E. At the request of the NJDOE, perform supplemental risk assessment(s) if there is a change of circumstance at the LEA, including but not limited to, change in leadership or findings of significant deficiencies by the Integrity Monitor during the course of this Engagement.

F. All Integrity Monitoring activities related to the ESSERF I are to be completed by September 15, 2022.

G. No later than September 30, 2022, the Integrity Monitor will deliver ESSERF I final monthly report to NJDOE.

H. All Integrity Monitoring activities related to the ESSERF II are to be completed by September 15, 2023.

I. No later than September 30, 2023, the Integrity Monitor will deliver ESSERF II final monthly report to NJDOE.

J. All Integrity Monitoring activities related to the ESSERF III are to be completed by September 15, 2024.

K. No later than September 30, 2024, the Integrity Monitor will deliver their ESSERF III final monthly report to NJDOE.

C. Risk Assessment Summary

The Integrity Monitor shall conduct a risk assessment on the selected LEAs using a risk assessment approved by the Department of Education (DOE) at Attachment 1 to this Engagement Query. The risk assessment shall, at minimum, include the following elements:

- Review of current LEA internal controls, policies and procedures in place to satisfy the ESSERF I, ESSERF II and ESSERF III funds' requirements, federal and state law and regulations;
- Organizational Capacity of the LEA-leadership, experience in managing federal grants/funds, whether or not staffing is 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.

The Integrity Monitor shall conduct a risk assessment on the NJDOE using the Risk Matrix approved by the Task Force within 90 days of the Engagement award, which shall be updated in October 2022 and October 2023. See Attachment 2 to this Engagement Query. The risk assessment shall, at minimum, include the following elements:

- Review of current NJDOE internal controls, policies and procedures in place to satisfy the ESSERF I, ESSERF II and ESSERF III funds' requirements, federal and state law and regulations;
- Organizational Capacity of the SEA-leadership, experience in managing federal grants/funds, whether or not staffing is in place to oversee these funds;
- Prior audits of NJDOE;
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.

D. Reporting Requirements

1. Quarterly Integrity Monitor Reports

- a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the Using Agency on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse. If the Integrity Monitor report contains findings of waste, fraud or abuse, the NJDOE has an opportunity to respond within 15 days after receipt. See Attachment 3 for Quarterly Report Template. Due dates for the reports are as follows:

Period	Quarterly Report Due Date to DOE
From date of the Engagement -Dec 31, 2021	December 31, 2021 ESSERF I, ESSERF II, and ESSERF III
Jan 1, 2022-March 30, 2022	March 30, 2022 ESSERF I, ESSERF II and ESSERF III
April 1, 2022-June 30, 2022	June 30, 2022 ESSERF I, ESSERF II and ESSERF III

July 1, 2022-Sept 30, 2022	September 30, 2022 (ESSERF I, ESSERF II and ESSERF III. ESSERF I concludes)
Oct. 1, 2022-Dec 31, 2022	December 31, 2022 (ESSERF II and ESSERF III only)
Jan 1, 2023-March 31, 2023	March 31, 2023 (ESSERF II and ESSERF III only)
April 1, 2023-June 30, 2023	June 30, 2023 (ESSERF II and ESSERF III only)
July 1, 2023-Sept 30, 2023	September 30, 2023 (ESSERF II and ESSERF III. ESSERF II concludes)
Oct 1, 2023-Dec 31, 2023	December 31, 2023 (ESSERF III only)
Jan 1, 2024-March 31, 2024	March 31, 2024 (ESSERF III only)
April 1, 2024-June 30, 2024	June 30, 2024 (ESSERF III only)
July 1, 2024-Sept 30, 2024	Sept 30, 2024 (ESSERF III concludes)

- b. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly report, including any comments from the Using Agency, 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 E.O. 166.

2. Additional Reports

- a. E.O. 166 directs the Office of the State Comptroller, (OSC) to oversee the work of Integrity Monitors. Therefore, in accordance with E.O. 166 and the IOM Guidelines, OSC may request that the Integrity Monitor issue additional 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 Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented.

- b. Within four (4) 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.
- c. As described under Section II, B, (D), the Integrity Monitor shall submit a monthly report to the Accountability Officer on the 1st of each month for the preceding month that will outline deficiencies identified during LEA monitoring. This report should provide district name and issues identified to date.

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, describing how the Integrity Monitor intends to accomplish each component of the scope of work.
- 2) A detailed budget identifying staff classifications and hourly rates which shall not exceed the rates in the Integrity Monitor's BAFO Price Schedule. The total budget submitted in response to this EQ shall not exceed \$1,500,000.00.
- 3) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

IV. Submission of Proposals:

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on **January 4, 2022**. Proposals must be submitted via email as set forth below:

TO: State Contract Manager
Mona Cartwright, Fiscal Manager, Department of the Treasury
[REDACTED]

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

V. Duration of the Engagement:

The Engagement will commence upon the issuance of a Letter of Engagement and expire on September 20, 2024. At the option of the Using Agency, this Letter of Engagement may be extended. 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,

VI. CONTRACT TERMINATION

The IOM's failure to comply with the requirements of the Engagement, including but not limited to E.O. 166, the IOM RFQ, the IOM Guidelines and this Engagement Query may constitute a breach of contract and may result in termination of the contract by the Using Agency or imposition of such other remedy as the Using Agency deems appropriate in accordance with Section 9.0 of the RFQ.

VII. LIQUIDATED DAMAGES

At the Using Agency's option, liquidated damages may be assessed each time any of the below events occur, due to an act or omission of the IOM. The Using Agency and the IOM agree that it would be extremely difficult to determine actual damages that the Using Agency will sustain as the result of the IOM's failure to meet its contractual requirements. Any breach by the IOM could prevent the Using Agency from complying with E.O. 166, the IOM Guidelines, and laws applicable to the use and expenditure of COVID-19 Recovery Funds and other public funds; will adversely impact the Using Agency's ability to ensure identification and mitigation of risks; and may lead to damages suffered by the Using Agency and the State as a whole. If the IOM fails to meet its contractual obligations, the Using Agency may assess liquidated damages against IOM as follows:

Failure to deliver a Risk Assessment within thirty (30) days of the due date in Section II, B	\$500/day
Failure to deliver a quarterly report by established due dates (listed in D Reporting Requirements)	\$500/day

VIII. Questions regarding this Engagement Query :

Any questions related to the Scope of Work must be submitted electronically by 3:00 p.m. on **November 22, 2021**. They must be submitted via email to [REDACTED] with a copy to the State Contract Manager; Mona Cartwright, [REDACTED]

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

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

ATTACHMENTS

- Attachment 1: LEA Risk Assessment Template
- Attachment 2: COVID 19 Task Force Risk Matrix Template
- Attachment 3: Integrity Monitor Quarterly Report Template
- Attachment 4: Integrity Oversight Monitor Guidelines, updated as of June, 2021

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.

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?		

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?		

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.

Integrity Monitor Report
Category 3

Integrity Monitor Firm Name: [Type Here]
Quarter Ending: [MM/DD/YYYY]
Expected Engagement End Date: [MM/DD/YYYY]

A. General Info

1. Recovery Program Participant:

[Type Here]

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

[Type Here]

3. State Funding Source (if applicable):

[Type Here]

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

[Type Here]

5. Accountability Officer:

[Type Here]

6. Program(s) under Review/Subject to Engagement:

[Type Here]

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

[Type Here]

8. Amount Allocated to Program(s) under Review:

[Type Here]

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

[Type Here]

10. Amount Provided to Other State or Local Entities:

**Integrity Monitor Report
Category 3**

[Type Here]

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

[Type Here]

12. Completion Status of Integrity Monitor Engagement:

[Type Here]

B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

- a) IM Response

[Type Here]

Integrity Monitor Report
Category 3

b) Recovery Program Participant Comments

[Type Here]

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

[Type Here]

**Integrity Monitor Report
Category 3**

- b) Recovery Program Participant Comments

[Type Here]

20. Details of any other items of note that have occurred in the past quarter:

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

- a) IM Response

[Type Here]

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:	[Type Here]
Name of Report Preparer:	[Type Here]
Signature:	[Sign Here]
Date:	[MM/DD/YYYY]



Integrity Oversight Monitor Guidelines

2021 Update

**STATE OF NEW JERSEY
COVID-19 COMPLIANCE AND
OVERSIGHT TASKFORCE**

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INTRODUCTION

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which, among other things, established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”). The purpose of the Taskforce is to advise State departments, agencies, and independent authorities that receive or administer COVID-19 recovery funds (“Recovery Program Participants”) regarding compliance with federal and State law and how to mitigate the risks of waste, fraud, and abuse. As defined in EO 166, “COVID-19 Recovery Funds” are funds awarded to state and local governments, and non-government sources to support New Jersey’s residents, businesses, non-profit organizations, government agencies, and other entities responding to or recovering from the COVID-19 pandemic.

Pursuant to EO 166, the Taskforce is responsible for issuing guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Recovery Program Participants may retain and appoint Integrity Monitors to oversee the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program. They are intended to serve as an important part of the state’s accountability infrastructure while working with Recovery Program Participants in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. Integrity Monitors may also be used, either proactively or in response to findings by an Integrity Monitor, as subject matter experts or consultants to assist Recovery Program Participants with program administration, grants management, reporting, and compliance, as approved by the Governor’s Disaster Recovery Office (GDRO).

EO 166 requires Recovery Program Participants to identify a central point of contact (an “Accountabil-

ity Officer”) for tracking COVID-19 funds within each agency or authority. The Accountability Officer is responsible for working with and serving as a direct point of contact for the GDRO and the Taskforce. Accountability Officers should also ensure appropriate reviews are performed to assess risks and evaluate whether an Integrity Monitor can assist in reducing or eliminating risk to ensure the public that state and federal funds were used efficiently, fairly, and prudently.

Recovery Program Participants and Integrity Monitors should be focused on the common goal of maximizing the value of COVID-19 Recovery Funding by ensuring that every dollar is spent efficiently and properly. Integrity Monitors can add value to a program by assisting in implementing the fiscal controls necessary to maintain proper documentation, flagging potential issues in real time, maximizing reimbursements, sharing information with and responding to inquiries from the GDRO and Office of State Comptroller (OSC), and reporting to those offices, the Treasurer, the Attorney General, and legislative leadership.

Recovery Program Participants, Accountability Officers, and Integrity Monitors should work together to fulfill the goals of EO 166 and these guidelines. The retention of Integrity Monitors will support monitoring and oversight that will ensure that Recovery Program Participants administer COVID-19 recovery funds in compliance with program, financial, and administrative requirements set forth in the federal-state grant agreement, the State Recovery Program Participant sub-grant agreement, and applicable federal and state laws, regulations, and guidelines. Additionally, these guidelines will assist the State in fulfilling its monitoring responsibilities as set forth in 2 CFR 200 Subpart D. This may involve routine desk reviews and, when appropriate, on-site reviews by an Integrity Monitor. Recovery Program Participants that do not retain an Integrity Monitor will comply with these requirements, in coordination with the GDRO, as addressed in the Compliance Plan adopted by the Taskforce.

ESTABLISHING THE POOL OF INTEGRITY MONITORS

As of the issuance of this version of the Integrity Oversight Monitor Guidelines, a pool of monitors has already been established. The following provisions in this section should be used in the event it is necessary to establish additional pools of Integrity Monitors.¹

In the event it is necessary to establish another pool of Integrity Monitors, the New Jersey Department of the Treasury, Division of Administration (Treasury) will be responsible for designating a department employee to act as the State Contract Manager for purposes of administering the overarching state contract for Integrity Monitoring Services. The State Contract Manager will establish one pool of qualified integrity monitors for engagement by eligible Recovery Program Participants. Treasury will issue a bid solicitation for technical and price quotations from interested qualified firms that can provide the following services:

- Category 1: Program and Process Management Auditing;
- Category 2: Financial Auditing and Grant Management; and
- Category 3: Integrity Monitoring/Anti-Fraud.

The specific services Integrity Monitors provide vary and will depend on the nature of the programs administered by the Recovery Program Participant and the amount of COVID-19 Recovery Funding received. The pool of Integrity Monitors should include professionals available to perform services in one or more of the following categories:

Category 1: Program and Process Management Auditing	Category 2: Financial Auditing and Grant Management	Category 3: Integrity Monitoring / Anti-Fraud
Development of processes, controls and technologies to support the execution of programs funded with COVID-19 Recovery Funds.	Plan, implement, administer, coordinate, monitor and evaluate the specific activities of all assigned financial and administrative functions. Develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations.	Forensic accounting and other specialty accounting services.

1. Agencies and authorities that are not permitted to follow all state procurement requirements due to U.S. Department of Transportation procurement policies may procure an Integrity Monitor separately in coordination with GDRO.

Review and improvement of procedures addressing financial management.	Provide technical knowledge and expertise to review and make recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations.	Continuing risk assessments and loss prevention strategies.
Workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.	Monitoring all grant management, accounting, budget management, and other business office functions regularly.	Performance and program monitoring and promotion of best practices.
Consulting services to support account reconciliations.	Provide and/or identify training for staff in the area of detection and prevention of waste, fraud, and abuse.	Prevention, detection and investigation of fraud and misconduct.
Quality assurance reviews and assessments associated with the payments process to ensure compliance with federal and state regulations.	Ensuring compliance with all applicable federal and state accounting and financial reporting requirements.	Implement and manage appropriate compliance systems and controls, as required by federal and state guidelines, regulations and law.
Risk analysis and identification of options for risk management for the federal and state grant payment process.	Provide tools to be used by the Recovery Program Participant for the assessment of the performance of the financial transaction process.	Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.
Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process.		Ability to provide integrity monitoring services for professional specialties such as engineering and structural integrity services, etc. either directly or through a sub-contractor relationship.
Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards for federal funding.		

CONDITIONS FOR INTEGRITY MONITORS

A Recovery Program Participant should evaluate whether it should retain an Integrity Monitor using the following standards.

Category 1 & 2 Integrity Monitors:

Category 1 and 2 Integrity Monitors are available to assist Recovery Program Participants, if, in consultation with GDRO, it has been determined that an agency or authority needs assistance in the establishment, administration, or monitoring of a program or when a Category 3 Integrity Monitor has issued findings that require the agency or authority to take corrective actions. In making the determination whether to obtain a Category 1 or 2 Integrity Monitor, a Recovery Program Participant's Accountability Officer, in consultation with GDRO, should evaluate whether an Integrity Monitor from Category 1 or 2 is necessary based on operational needs or to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. Agencies and authorities should evaluate whether the retention of a Category 1 or 2 Integrity Monitor would assist in addressing findings made by Category 3 Integrity Monitors. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor from Category 1 or 2. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain a Category 1 or 2 Integrity Monitor using non-federal funds.

Category 3 Integrity Monitors:

For Recovery Program Participants that have received or will administer a total of \$20 million or more in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should retain at least one Integrity

Monitor from Category 3: Integrity Monitoring/Anti-Fraud, subject to federal funding being available. The retention of Category 1 and 2 Integrity Monitors does not eliminate the obligation to retain a Category 3 Integrity Monitor. In some circumstances, multiple Category 3 Integrity Monitors may be necessary if one monitor is not adequate to oversee multiple programs being implemented by Recovery Program Participant as determined in consultation with the GDRO. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor using non-federal funds.

For Recovery Program Participants that have received or will administer a total of up to \$20 million in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should evaluate in consultation with GDRO whether a Category 3 Integrity Monitor is needed based on the risks presented. The Recovery Program Participant's Accountability Officer should conduct a risk assessment taking into account both the likelihood and severity of risk in the participant's program(s) and consult with the GDRO regarding whether an Integrity Monitor from Category 3 is necessary to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor from Category 3 using non-federal funds.

RISK ASSESSMENT

As noted above, in certain circumstances, Recovery Program Participants seeking to retain an Integrity Monitor will be advised to conduct a risk assessment to determine the need for such services. A Recovery Program Participant's Accountability Officer, in consultation with the GDRO, should assess the risk to public funds, the availability of federal funds to pay for the Integrity Monitor, the entity's current operations, and whether internal controls alone are adequate to mitigate or eliminate risk.

An Accountability Officer, or an Integrity Monitor retained by a Recovery Program Participant, should conduct an initial review of the Recovery Program Participant's programs, procedures and processes, and assess the organizational risk and the entity's risk tolerance. The risk assessment should include a review of the agency's ability to comply with federal statutory and regulatory requirements as well as applicable state laws and regulations, including with regard to reporting, monitoring, and oversight, and a review of the agency's susceptibility to waste, fraud, and abuse.

An Accountability Officer conducting a risk assessment should complete and memorialize the assessment using the [matrix template you can download from OSC's website](#). The risk assessment should be shared with the GDRO and OSC. Some of the specific factors an Accountability Officer should consider when assessing risk include:

- Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular;
- Input from the individuals/units that will be disbursing funds or administering the program;

- Review of existing internal controls and any identified weaknesses;
- Prior audits and audit findings from state or federal oversight entities;
- Lessons learned from prior disasters;
- Sub-recipient internal control weaknesses, if applicable;
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems;
- Ability to complete timely, accurate and complete reporting;
- Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives;
- Potential conflicts of interests and ethics compliance;
- Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s); and
- Whether federal or state guidelines provide guidance regarding the uses of funds (*i.e.*, discretionary vs. restrictive).

The Accountability Officer should determine the organization's risk tolerance as to all recovery programs jointly and as to individual programs, recognizing that Integrity Monitors may be appropriate for some programs and not others within an agency or authority. If the risk exceeds an acceptable level of risk tolerance, the Accountability Officer should engage an Integrity Monitor.

An important element in the risk assessments is documentation of the process and results. This is critical to ensuring the extent of monitoring and oversight. The overall level of risk should dictate the frequency and depth of monitoring practices, including how to mitigate identified risks by, for example, providing training and technical assistance or increasing the frequency of on-site reviews. In some cases, monitoring efforts may lead an Accountability Officer or the GDRO to impose additional special conditions on the Recovery Program Participant. Depending on the kind of work the sub-recipient performs, it may be appropriate to reevaluate frequently, including quarterly, to account for changes in the organization or the nature of its activities. See 2 CFR Section 200.207 in the uniform guidance for examples; [GAO Report: A Framework for Managing Fraud Risk in Federal Programs \(2015\)](#).

PROCEDURES FOR REQUESTING AND PROCURING AN INTEGRITY MONITOR

To retain an Integrity Monitor, a Recovery Program Participant should proceed as follows:

- A Recovery Program Participant shall designate an agency employee to act as the contract manager for an Integrity Monitor engagement (Agency Contract Manager), which may be the Accountability Officer. The Agency Contract Manager should notify the State Contract Manager, on a form prescribed by Treasury, along with any required supporting documentation, of its request for an Integrity Monitor. The Agency Contract Manager should indicate which Integrity Monitoring services are required.
- The Agency Contract Manager will develop an Engagement Query.
- The Engagement Query will include a detailed scope of work; it should include specific performance milestones, timelines, and standards and deliverables.
- The Agency Contract Manager, in consultation with the Office of the Attorney General, Division of Law, will structure a liquidated damages provision for the failure to meet any required milestones, timelines, or standards or deliverables, as appropriate.
- The Agency Contract Manager will submit its Engagement Query to the State Contract Manager. Upon approval by the State Contract Manager, but prior to the solicitation of any services, the Engagement Query shall be sent to OSC for approval pursuant to EO 166. After receiving approval from OSC, the State Contract Manager will send the Engagement Query to all eligible Integrity Monitors within the pool in order to provide a level playing field.
- Interested, eligible Integrity Monitors will respond to the Engagement Query within the timeframe designated by the State Contract Manager, with a detailed proposal that includes a detailed budget, timelines, and plan to perform the scope of work and other requirements of the Engagement Query. Integrity Monitors shall also identify any potential conflicts of interest.
- The State Contract Manager will forward to the Agency Contract Manager all proposals received in response to the Engagement Query. The Agency Contract Manager will review the proposals and select the Integrity Monitor whose proposal represents the best value, price and other factors considered. The Agency Contract Manager will memorialize in writing the justification for selecting an Integrity Monitor(s).
- Prior to finalizing any engagement under this contract, the Agency Contract Manager, in consultation with the Accountability Officer, will independently determine whether the intended Integrity Monitor has any potential conflicts with the engagement.
- The State Contract Manager, on behalf of the Recovery Program Participant, will then issue a Letter of Engagement with a “Not to Exceed” clause to the engaged Integrity Monitor and work with the Agency Contract Manager to begin the issuance of Task Orders.

INTEGRITY MONITOR REQUIREMENTS

A. Independence

The process by which Integrity Monitors are retained and the manner in which they perform their tasks in accordance with these guidelines are intended to provide independence as they monitor and report on the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program by a Recovery Program Participant. Although the Integrity Monitor and the Recovery Program Participant should share common goals, the Integrity Monitor should function as an independent party and should conduct its review as an outside auditor/reviewer would.

An Integrity Monitor for a particular Recovery Program Participant should have no individual or company affiliation with the agency or authority that would prevent it from performing its oversight as an independent third party. Integrity Monitors and Recovery Program Participants must be mindful of applicable conflicts of interest laws, including but not limited to, N.J.S.A. 52:13D-12 to -28, Executive Order 189 (Kean, 1988) and requirements set forth in the Uniform Grant Guidance, among others. To promote independence, an Integrity Monitor hired from Categories 1 or 2 may not also be engaged as a Category 3 Integrity Monitor to review the same programs for the same Recovery Program Participant. Likewise, a Category 3 Integrity may not be hired as a Category 1 or 2 Monitor to remediate any issues it identified as a Category 3 Integrity Monitor.

B. Communication

Integrity Monitors should maintain open and frequent communication with the Recovery Program Participant that has retained its services. The purpose of communicating in this manner is to make the Recovery Program Participant aware of issues that can be addressed during the administration of a program and prior to future disbursement of funds by the Parti-

pant. Therefore, Integrity Monitors should not wait until reports are issued to notify an Accountability Officer of deficiencies. This will enable the Recovery Program Participant to take action to correct any deficiencies before additional funds are expended. Substantial deficiencies should also be reported in real time to the GDRO, the State Comptroller, and the State Treasurer.

Prior to the posting of an Integrity Monitor report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it feels is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of an Integrity Monitor report.

Integrity Monitors must respond promptly to any inquiries posed by the GDRO, State Comptroller, State Treasurer, and Agency Contract Manager pursuant to EO 166.

C. General Tasks of Integrity Monitors

The tasks of an Integrity Monitor may vary based on the agency/program the Monitor is overseeing and the category of Integrity Monitor engaged. Generally, the role of a Category 1 Integrity Monitor is focused on program and process management auditing. These Integrity Monitors may assist a Recovery Program Participant in developing processes or controls to support the execution of programs, conduct risk analyses, or provide consulting or subject matter expertise to Recovery Program Participants. In general, a Category 2 Integrity Monitor's role is to provide financial auditing or grants management functions for a Recovery Program Participant. A Category 3 Integrity Monitor's primary roles are to monitor for fraud or misuse of funding, and ensure that Recovery Program Participants are performing according to the sub-award agreement and applicable federal and State regulations and guidelines. Tasks to be performed by Integrity

Monitors may include the following:

- Perform initial and ongoing risk assessments;
- Evaluate project performance;
- Evaluate internal controls associated with the Recovery Program Participant's financial management, cash management, acquisition management, property management, and records management capabilities;
- Validate compliance with sub-grant award and general term and special conditions;
- Review written documents, such as quarterly financial and performance reports, recent audit results, documented communications with the State, prior monitoring reports, pertinent performance data, and other documents or reports, as appropriate;
- Conduct interviews of Recovery Program Participant staff, as well as the constituents they serve, to determine whether program objectives are being met in an efficient, effective, and economical manner;
- Sample eligibility determinations and denials of applications for funding;
- Review specific files to become familiar with the progression of the disbursement of funds in a particular program, i.e., are actual expenditures consistent with planned expenditure and is the full scope of services listed in the project work plan being accomplished at the same rate of actual and planned expenditures;
- Ensure that the agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement;
- Follow up with questions regarding specific funding decisions, and review decisions related to emergency situations;
- Facilitate the exchange of ideas and promote operational efficiency;
- Identify present and future needs; and
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits).

Integrity Monitors should generally perform desk reviews to evaluate the need for on-site visits or monitoring. Depending on the results of the desk review, coupled with the conclusions reached during any risk assessments that may have been conducted of the sub-recipient's capabilities, the Monitor should evaluate whether an on-site monitoring visit is appropriate. If the Monitor is satisfied that essential project goals, objectives, timelines, budgets, and other related program and financial criteria are being met, then the Monitor should document the steps taken to reach this conclusion and dispense with an on-site monitoring visit. However, the Integrity Monitor may choose to perform on-site monitoring visits as a result of any of the following:

- Non-compliance with reporting requirements;
- Problems identified in quarterly progress or financial reports;
- History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-risk designation;
- Follow-up on prior audits or monitoring find-

ings; and

- Allegations of misuse of funds or receipt of complaints.

D. Reporting Requirements

1. Reports

Pursuant to EO 166, Integrity Monitors shall submit draft quarterly reports to the Recovery Program Participant on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud, or abuse **in accordance with the report templates [found on OSC's website](#)**.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it contends is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of a quarterly report.

Fifteen business days after quarter-end, Integrity Monitors will deliver their final quarterly reports, inclusive of any comments from the Recovery Program Participant, 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 GDRO transparency website pursuant to the Executive Order.

The specific areas covered by a quarterly report will vary based on the type of Integrity Monitor engaged, the program being reviewed, the manner

and use of the funds, procurement of goods and services, type of disbursements to be issued, and specific COVID-19 Recovery Fund requirements. The topics covered by the quarterly report should include the information included in [templates which you can download from OSC's website](#).

2. Additional Reports

EO 166 directs OSC to oversee the work of Integrity Monitors and to submit inquiries to them to which Integrity Monitors must reply promptly. OSC may request Integrity Monitors to issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in recovery programs administered by Recovery Plan Participants.

The State Comptroller may also request that Integrity Monitors or Recovery Program Participants share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and to evaluate whether those corrective plans have been successfully implemented.

GDRO and the State Treasurer may also request reports from Integrity Monitors to which Integrity Monitors must reply promptly.

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

Integrity Monitors must immediately report substantial issues of waste, fraud, abuse, and misuse of COVID-19 Recovery Funds simultaneously to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Integrity Monitors must immediately report potential criminal conduct to the Office of the Attorney General.

INTEGRITY MONITOR MANAGEMENT AND OVERSIGHT

Agency Contract Managers have a duty to ensure that Integrity Monitors perform the necessary work, and do so while remaining on task, and on budget. Agency Contract Managers shall adhere to the requirements of Treasury Circular 14-08-DPP in their management and administration of the contract. The Agency Contract Manager will be responsible for monitoring contract deliverables and performing the contract management tasks identified in the circular, which include but are not limited to:

- Developing a budget and a plan to manage the contract. In developing a budget, the Agency Contract Manager should consider any caps on the amount of federal funding that can be used for oversight and administrative expenses and ensure that the total costs for Integrity Monitoring services are reasonable in relation to the total amount of program funds being administered by the Recovery Program Participant;
- Daily management of the contract, including monitoring and administering the contract for the Recovery Program Participant;
- Communicating with the Integrity Monitor and responding to requests for meetings, information or documents on a timely basis;
- Resolving issues with the Integrity Monitor in accordance with contract terms;
- Ensuring that all tasks, services, products, quality of deliverables and timeliness of services and deliverables are satisfied within contract requirements;

- Reviewing Integrity Monitor billing and ensuring that Integrity Monitors are paid only for services rendered;
- Attempting to recover any and all over-billings from the Integrity Monitor; and
- Coordinating with the State Contract Manager regarding any scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes.

In addition to these oversight and administration functions, the Agency Contract Manager must ensure open communication with the Accountability Officer, the Recovery Program Participant leadership, the GDRO, and OSC. The Agency Contract Manager should respond to inquiries and requests for documents from the GDRO and OSC as requested.



State of New Jersey, COVID-19 Compliance and Oversight Taskforce

Engagement Query Response

Contract G4018-Integrity Monitor

*Program and Performance Monitoring, Financial
Monitoring and Grant Management and Anti-Fraud
Monitoring for COVID-19 Recovery Funds and
Programs*

Prepared for

New Jersey Department of Education



Submitted by:

CohnReznick LLP

Frank Banda, Partner

CohnReznick Government and Public Sector Advisory

cohnreznick.com

January 4, 2022

State Contract Manager
Mona Cartwright, Fiscal Manager,
Department of the Treasury
[REDACTED]

Agency Contract Manager
Amanda Schultz,
Department of Education
[REDACTED]

RE: New Jersey Department of Treasury- Department of Education- Contract G4018 Integrity Oversight Monitoring

Dear Ms. Cartwright and Ms. Schultz,

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

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

- **NJDOE Rapid Deployment and Subject Matter Experience.** Our proposed team includes many individuals who have already worked with the NJDOE to perform compliance and oversight monitoring of CARES Act funds. In just four weeks, our team delivered high-quality quarterly reporting and all deliverables to the NJDOE, highlighting our ability to work with your team to get things done. This experience allows our team to be able to deploy immediately and provide a deep bench of Coronavirus Relief Fund (CRF) experts with experience with both the NJDOE and similar programs across other NJ state agencies. 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.
- **Excellent Record of Supporting New Jersey IOM Programs.** In addition to recent work with the NJDOE, we bring our extensive history with the State of New Jersey and recovery programs. We have worked with the Department of Community Affairs, Sandy Recovery Division (NJ DCA-SRD) for its Superstorm Sandy recovery programs and continue to 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, 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 NJDOE to determine the level of involvement desired by staff. We will suggest options for integrating personnel into our approach to save costs and create efficiencies to meet deadlines. Furthermore, we are more than happy to turn over the tools and the knowledge base built throughout the engagement for staff use.
- **Our Ability to Withstand Public Scrutiny.** Our integrity monitoring, disaster recovery, 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.

- **New Jersey Presence, Rapid Deployment, and Long-Term Support Capability.** Our firm has the staffing capability to meet the NJDOE's needs. Our broad New Jersey presence, with over 450 professionals located in our Parsippany and Holmdel offices, allows us to effectively and rapidly coordinate qualified staff to respond to NJDOE's turnaround times and reporting deadline throughout the 3-year period.

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 and COVID-19 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 have previously performed for the NJDOE and NJ DCA and are certain we can apply those lessons learned to this Engagement. We are confident our team represents the most efficient and economical solution in helping the NJDOE continue to achieve its oversight requirements.

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

Sincerely,



Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner - Public Sector





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COHNREZNICK'S NJDOE ESSERF FUNDING INTEGRITY OVERSIGHT MONITORING HIGHLIGHTS

CohnReznick will leverage our knowledge of the NJDOE, New Jersey, and national COVID-19 compliance efforts to be a true, strategic advisor to you.

\$150M+

COVID-19 relief funds we've monitored for the NJDOE already

26 LEAs

We've performed risk assessments for in past work

4 weeks

Time it took to deliver necessary quarterly reporting to the NJDOE

CohnReznick will provide NJDOE with:

- ✓ Increased effectiveness to focus attention on trends and patterns.
- ✓ Increased efficiencies and reduced costs over time.
- ✓ Increased protection against fraud, waste, and abuse.

A Proven Approach: Success starts in the first 30 days



Mobilization



Understand and Articulate LEA and NJDOE Risks



Lay Foundation for Controls and Performance Assessments



Finalize and Implement Monitoring and Reporting

Our Approach to the First 30 Days

Kick-off, planning, core team mobilization

Ramp-up, contractor coordination, P&P and System reviews, interviews

Sample selection, risk assessment, and test plan development

Initiate implementation of IOM processes based on risk, coordinate to conduct pilot testing

Finalize procedures and begin Integrity Monitoring processes

A team that knows and is committed to the NJDOE



Ro Cottingham
Program Manager



Ron Frazer
Program Manager



Anna Fomina
Project Manager



David Solomon
Project Manager



Viktoria Barrett
Consultant



Sarah Cowan
Consultant



Elsie Guevara
Consultant

100% of our team leads have served as Integrity Monitors for the State of New Jersey under Contract G4018 and bring best practices from other successful engagements.

Proposal Plan



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PLAN TO PERFORM SCOPE OF WORK

Standard Reporting and Key Deliverables Schedule

CohnReznick will fully meet the reporting and deliverable needs identified by the NJDOE for successful completion of the task order. Though standard and routine for oversight monitoring, we understand these deliverables to be 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 Kick-Off Meeting Agenda and Meeting Minutes	Day 1
Entrance Conference Agenda and Meeting Minutes	Day 3
Progress Status Meetings	Weekly
Project Status Report	Weekly
Report on any deficiencies identified during LEA Monitoring	Monthly (1 st of each month)
Report to the Accountability Officer detailing those LEAs selected for monitoring broken down by region	Within 4 weeks of the award
Initial Risk Assessments of LEAs for ESSERF I	Within 3 months of engagement start date
Initial Risk Assessments of LEAs for ESSERF II	Within 2 months of LEA selection date
Initial Risk Assessments of LEAs for ESSERF III	Within 2 months of LEA selection date
Supplemental Risk Assessments	Upon request
NJDOE Risk Assessments	Initial within 90 days of engagement award; updates by October 2022 and October 2023
Draft Quarterly Integrity Monitoring Reports	Last day of each calendar quarter
Final Quarterly Integrity Monitoring Reports	15 business days after each quarter end
Additional reports requested by the Office of the State Comptroller (OSC)	Upon request
Reports of Waste, Fraud, Abuse or Potential Criminal Conduct	Immediately, upon identification
Completion of ESSERF I Monitoring Activities	September 15, 2022
Submission of ESSERF I Final Monthly Report	September 30, 2022
Completion of ESSERF II Monitoring Activities	September 15, 2023



Submission of ESSERF II Final Monthly Report	September 30, 2023
Completion of ESSERF III Monitoring Activities	September 15, 2024
Submission of ESSERF III Final Monthly Report	September 30, 2024
Exit Conference Agenda and Meeting Minutes	Conclusion of task order

Personnel

We have structured our team based on 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. Our selected Program Managers will be Rochell Cottingham as Subject Matter Expert (SME) and Ron Frazier as Engagement Lead. Together they have the direct experience that this engagement would require.

Mr. Cottingham, PMP, CIA, CISA, CFE, CCSA, CGAP, CRMA, has years of experience in compliance, project management and auditing dating back to the days of Hurricane Katrina and has direct experience working with states' COVID-19 responses. He recently served as Subject Matter Expert (SME) on the Louisiana Restore homeowner assistance program and as Quality Assurance Lead on the Texas Department of Housing and Community Affairs (TDHCA) Emergency Rental Assistance Program (ERAP). Mr. Cottingham also served as Project Lead on the previous NJDOE engagement. Mr. Frazier, JD, PMP has more than 15 years of experience, and specializes in providing integrity oversight monitoring services for state and regulatory agencies. He has worked for New Jersey on various engagements including NJDCA in monitoring Coronavirus Relief Funds in the State's response to COVID-19.

The selected Project Managers for this engagement will be Anna Fomina and David Solomon. Ms. Fomina has more than eight years of consulting, integrity monitoring and fraud investigation experience in the private and public sector including prior experience with NJ DOE. A Manager with CohnReznick Government Services, she has an additional 10+ years of public accounting experience as an auditor. Mr. Solomon has more than six years of experience in project management relating to business systems implementation, auditing, and reporting. Having previously worked in the public sector for the Florida Division of Emergency Management (FDEM) and the Florida Department of Financial Services' Bureau of Auditing (DFS), he has experience auditing state and federally procured contracts and payments, as well as assisting with the State of Florida's implementation of the CARES and ARPA programs.

The Key Personnel Table presented below has been included to familiarize the NJDOE with our engagement team and to 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 the NJDOE.

The majority of CohnReznick's proposed team

have worked with the State of New Jersey and the NJDOE on the monitoring of its highest priority COVID-19 related engagements. In particular, Rochell Cottingham played an integral role in helping the NJDOE perform its quarterly reporting in just 4 weeks.



Key Personnel	Years' Experience	Estimated Hours on the Project	Relevant Experience
Program Manager			
Rochell Cottingham, PMP, CIA, CISA, CFE, CCSA, CGAP, CRMA	20+	1,254	<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.
Ron Frazier, JD, PMP	15		<ul style="list-style-type: none">• 15+ years of accounting experience, specializing in providing compliance and integrity oversight monitoring services for state agencies and private entities.• As a licensed attorney and lead for compliance monitoring, performed as the contract and performance manager for the NJ IOM coronavirus relief fund projects including NJ DOE, DOH and DCA.
Project Managers			
Anna Fomina, CPA, CGMA	18+		<ul style="list-style-type: none">• 18+ 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 NJ DCA.
David Solomon	6+	1,710	<ul style="list-style-type: none">• 6+ years experience in auditing and emergency management in the public sector, most recently with the Florida Division of Emergency Management, assisting with the State's implementation of the CARES and ARPA (SLFRF) programs.• Performed compliance and integrity monitoring services for the State of New Jersey, Office of Management and Budget (OMB), specific to the use of



			Coronavirus Relief Funds (CRF) pursuant to the CARES Act.
Katrell Starks	10+		<ul style="list-style-type: none">• 10+ years of experience in federally funded disaster recovery programs, specializing in Hazard Mitigation Grant Program (HMGP) administration, project management, consulting service, and compliance with FEMA and CDBG-DR programs. Expertise includes monitoring, disaster recovery, policy and procedure development and documentation, and FEMA-Hazard Mitigation grant management.
Consultants			
Sarah Cowan, CPA	3		<ul style="list-style-type: none">• 3 years of public accounting experience, analyzing financial statements, and preparing and reviewing individual, partnership, and corporate tax returns.
Elsie Guevara, CFE	3		<ul style="list-style-type: none">• Several years of experience providing audit and attest services to clients in various industries, including integrity monitoring of the Port Authority of New York and New Jersey.
Emily McCracken	2		<ul style="list-style-type: none">• Experience conducting payment application reviews, construction closeout audits, and supporting audit staff in collecting documents and working papers related to internal audit projects.
Viktoria Barrett	5+	3,990	<ul style="list-style-type: none">• Several years of experience providing audit and attest services to construction, financial services, and real estate clients.• Worked on projects related to the use of Coronavirus Relief Funds (CRF) for staffing, vaccination, construction programs and activities, and also monitored contractor compliance with legal, regulatory, and contractual obligations.
Erin White	4+		<ul style="list-style-type: none">• 4+ years of governmental accounting and auditing experience including pre-audit and post-audit reviews of Florida state agency payments and contracts; experience in developing and implementing CRF and Non-CRF federally funded grant programs.



Tiffany Thompson	10+	<ul style="list-style-type: none">• Experience performing routine and special audits, as well as preparing reports of audit results, recommending improvements in accounting methods and internal controls, and assisted in developing efficient operations by preparing internal controls, systems, and procedures.• Previously served in the Florida Office of the Attorney General, conducting financial and compliance audits, and with the Florida Department of Agriculture and Consumer Services as a compliance officer, identifying and presenting business risks and irregularities for \$1.2 billion in annual USDA grants.
Andrew Barchenko	4+	<ul style="list-style-type: none">• Experience performing internal audits for organizations across several industries. Work includes identifying control gaps and operational inefficiencies and developing recommendations for gap remediation and process improvement.• Recently worked on the Texas Rent Relief Program (TRRP). Responsibilities included QC review of applicant eligibility and approved assistance as well as draw review to ensure proper payment of funds.



Work Plan

The scope of services to be provided includes the following:

Days 1-5: Planning

The Integrity Oversight Monitor (IOM) will conduct both onsite and virtual desk monitoring of LEAs that accepted ESSERF I, ESSERF II, and ESSERF III funds. The IOM will ensure the Recovery Program Participants are adhering to the sub-award agreement, applicable federal and state guidelines, and regulations pertaining to the funds.

Engagement Kickoff:

- 1) Conduct engagement kickoff meeting with the NJDOE;
- 2) Confirm engagement scope and objectives;
- 3) Coordinate with Accountability Officer to confirm level of coordination between CohnReznick and NJDOE personnel;
- 4) Confirm points of contact and agree on protocol for contacting Program staff;
- 5) Coordinate with the NJDOE on listing of projects that are supported by ESSERF funds, list of LEA allocations, and list of LEAs the NJDOE will be monitoring;
- 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) Confirm required working papers format and organizational structure for submission to the NJDOE at the end of the engagement; and
- 9) Create structure for maintaining working papers and key deliverables and for sharing information between CohnReznick and the NJDOE and LEAs.

Entrance Conferences:

- 1) Conduct entrance conferences with the NJDOE and LEA management;
- 2) Provide overview of project and request organization charts and confirm points of contact for monitoring area(s);
- 3) Request copies of policies, procedures, and operational workflows;
- 4) Establish protocol for contacting staff to request required documents and for requesting interviews and process walkthroughs;
- 5) Confirm the system of record for each process area and the existence of any external systems/databases used to maintain Program data;
- 6) Coordinate with the NJDOE to select the initial sample;

Success begins in the first 30 days

NJDOE's ESSERF monitoring needs span the course of three years. As such, the NJDOE needs confidence your selected IOM can support your fieldwork and monitoring needs both now and in the long-term.

CohnReznick is that firm. The steps we will take in the first 30 days have been thoughtfully established to set the standard for this effective, long-term support.

We've been trusted by agencies such as the Port Authority of New York and New Jersey, Louisiana Office of Community Development, and Texas Division of Emergency Management to oversee their long-term monitoring needs for engagements no shorter than 5 years.



- 7) Adjust sample as necessary to ensure proper coverage within the three regions and to prevent overlap with the NJDOE; and
- 8) Draft risk assessment templates for NJDOE and LEA follow up.

Days 6-30: Risk Assessment

- 1) Coordinate with the NJDOE and LEAs to complete initial risk assessments;
- 2) Review draft risk assessments to identify potential areas of high risk;
- 3) Document any gaps and conduct follow up to finalize results;
- 4) Initiate monthly reporting; and
- 5) Document any potential areas of fraud, waste, and abuse for communication to the NJDOE.



The CohnReznick Difference

NJDOE will benefit from CohnReznick's advanced abilities to identify risks and potential areas of fraud, waste, and abuse. CohnReznick has continued to be a leader in administering and monitoring COVID-19 relief funds; we have identified thousands of potential fraud issues for our clients' through our development of proprietary data analytics and fraud detection solutions.

Day 31-60: Risk Assessment/ Work Plan Development

- 1) Submit draft risk assessments for NJDOE feedback;
- 2) Coordinate with the NJDOE to finalize the risk assessments and initial quarterly report;
- 3) Update risk assessment based on feedback from the NJDOE;
- 4) Update quarterly report based on feedback and/or response to findings received by the NJDOE;
- 5) Finalize initial LEA risk assessments and initial quarterly and submit to the Accountability Officer;
- 6) Verify applicable allowable fund uses and federal and regulatory requirements for incorporation into work plan;
- 7) Draft proposed plan for conducting integrity monitoring reviews;
- 8) Draft schedule for conducting initial staff interviews and process walkthroughs/observations;
- 9) Coordinate with the Accountability Officer regarding work plan; and
- 10) Finalize work plan for conducting virtual and onsite monitoring activities.

Days 61+ Fieldwork/Monitoring

- 1) Initiate activities to evaluate LEA program performance in accordance with the allowable uses of ESSERF Funds;
- 2) Evaluate internal controls of selected LEAs;



- 3) Interview staff;
- 4) Review policies and procedures;
- 5) Coordinate with NJDOE and LEA staff to schedule process walkthroughs;
- 6) Conduct virtual walkthroughs and compare actual processes to documented procedures, workflows, regulatory requirements and best practices;
- 7) Validate compliance with applicable Memoranda of Understanding and sub-grant awards regarding use and reporting requirements for ESSERF Funds;
- 8) Review financial and performance reports, audit results and prior monitoring reports;
- 9) Sample test specific files for appropriate documentation including reimbursement requests and related supporting documentation and final reports;
- 10) Document results and note any process variances, gaps and/or areas of improvement for follow-up discussion;
- 11) Conduct onsite visits based on risk, proposed schedule, and as necessary to validate results;
- 12) Document any potential areas of fraud, waste and abuse for communication to the NJDOE;
- 13) Follow up with staff to discuss any noted variances and confirm preliminary results; and
- 14) Conduct other tasks as directed by the Office of the State Comptroller (OSC).

Key Deliverables

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

- 1) Report of LEAs selected for monitoring by region
 - Within 4 weeks of the date of award
- 2) Initial LEA Risk Assessments for ESSERF I
 - Within three months of the date of the Engagement
- 3) Initial NJDOE Risk Assessment
 - Within 90 days of the date of Engagement award
- 4) Initial LEA Risk Assessments for ESSERF II and ESSERF III
 - Within two months of the date of LEA selection for monitoring
- 5) Monthly Reporting
 - First of each month
- 6) Draft Quarterly Reporting
 - End of each quarter
- 7) Final Quarterly Reporting
 - Fifteen business days after each quarter end



Budget and Price Schedule



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BUDGET TO PERFORM SCOPE OF WORK AND TIMELINE

Our budget and timeline to perform the scope of work reflects the explicit 9/20/24 contract expiration deadline detailed in the Engagement Query. Our team will complete all fieldwork and monitoring pursuant to reporting timelines. The project deliverable Quarterly Reports and any additional Reports will be completed and submitted based on the requirements from the Engagement Query. The budget below reflects the total hours and cost anticipated for the duration of this engagement.

Name	Role	Rate	Total Hours	Total Cost
Rochell Cottingham Ron Frazier	Program Manager	\$ 266.75	1254	\$ 334,504.50
Anna Fomina David Solomon Katrell Starks	Project Manager	\$ 245.00	1710	\$ 418,950.00
Viktoria Barrett Andrew Barchenko Sarah Cowan Elsie Guevara Emily McCracken Tiffany Thompson Erin White	Consultant	\$ 148.50	3990	\$ 592,515.00
TOTAL			6,954	\$ 1,345,969.50

Schedule of Deliverables



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SCHEDULE OF DELIVERABLES

CohnReznick is committed to providing quality services within the NJDOE's desired timeframe. Cognizant of the quarterly reporting timeline over the course of three years, our work plan is organized into 3 phases consisting of **1) Planning**; **2) Risk Assessment**; and **3) Risk Assessment/Work Plan Development**. The table below outlines the timeline and actions we will be performing during these three phases on a quarterly basis throughout the duration of the project.

NJDOE Phases and Timeline:

Planning



- Kick-off Meeting and Entrance Conferences
- Document protocol and deliverable timelines
- Request and review existing

Risk Assessment/Work Plan Development



- Interview key personnel and conduct work sessions
- Complete and submit initial Risk Assessments
- Coordinate with NJDOE on work plan
- Document process matrix with identified gaps

Fieldwork/Monitoring



- Initiate Integrity Monitoring Activities
- Document monitoring results
- Draft and submit Monthly and Quarterly reports
- Report any instances of fraud, waste, or abuse
- Conduct follow-up and ongoing activities

Added advantage: The CohnReznick team is already familiar and comfortable with the NJDOE's Risk Management and Reporting Templates.

Identification of Any Potential Conflicts of Interest





IDENTIFICATION OF ANY POTENTIAL CONFLICTS OF INTEREST

In accordance with the Treasury's Engagement Query for Integrity Oversight Monitoring, we are notifying the Treasury that we conducted internal conflicts check, and it produced no known conflicts at this time. If selected, CohnReznick will monitor for potential conflicts of interest that may arise throughout contract performance, disclose any conflicts that may arise to Treasury, and work with Treasury to effectively mitigate such conflicts as we have done when working with the State of New Jersey in the past.