



State of New Jersey

DEPARTMENT OF EDUCATION

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June 22, 2011

TO: Chief School Administrators
School Business Administrators/Board Secretaries
Public School Accountants

FROM: Patricia C. Scott, Acting Director
Office of Fiscal Policy and Planning

SUBJECT: *The Audit Program 2010-11*
The State Aid/Grant Compliance Supplement 2010-11

The following documents for the 2010-11 fiscal year end audits are posted on the Department of Education website at <http://www.nj.gov/education/finance/fp/audit/1011/>:

- *The Audit Program 2010-11*
- *The State Aid/Grant Compliance Supplement 2010-11*
- *The Administrative Questionnaire (2010-11 School District Questionnaire)*

Also posted are the *2010-11 Budget Guidelines* for your use in preparing for the annual audit of school districts. The department recommends that public school accountants utilize the *2010-11 Budget Guidelines* along with *The Audit Program* during their performance of school district audits for the year ending June 30, 2011. The schedules and instructions for preparing school-based budget schedules are posted at <http://www.nj.gov/education/finance/fp/cafr/>. For those who prefer to receive a printed copy of the audit documents, our office will distribute a limited number upon request.

Significant Changes

All changes/updates to *The Audit Program* have been summarized in the Introduction section and highlighted throughout the document for easy reference.

Questionnaire and Schedule Detailing Administrative Positions

The questionnaire on administrative expenditures that every school district must complete and have available for the annual audit is attached and has also been included in the Audit Program section with the "Checklist for Annual Audit" (III-6). The questionnaire is also available on the website at <http://www.nj.gov/education/finance/fp/audit/1011/>. School district cooperation is essential in completing this

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questionnaire accurately and in time for the annual audit. Some of the questions may require detailing positions. Districts may attach an available source document that may only need to be enhanced or altered slightly to answer any applicable question(s). Auditors should review this questionnaire in conjunction with their test of transactions and include a finding and recommendation for questionnaires substantially incomplete or inaccurate. The Audit Program also requires school districts to have available for audit a schedule detailing those staff positions requiring a school administrative, principal or school business administrator certificate as part of the "Checklist for Annual Audit."

Other Information

- Information on the borrowing process is available on the website: <http://www.nj.gov/education/finance/fp/af/borrow/>.

- Statistical data and other information used in preparing the Comprehensive Annual Financial Report (CAFR) and performing the audit is posted at <http://www.nj.gov/education/finance/fp/audit/1011/> and includes:
 - * Annual Average Labor Force Estimates by Municipality
 - * Per Capita Personal Income for New Jersey
 - * October 2010 DRTRS Summary Report - District Report of Transported Resident Students
 - * On-Behalf TPAF Payments for 2010-11 (coming soon)
 - * Subcounty Population Estimates (coming soon)

Questions regarding the audit materials or other CAFR or audit related inquiries should be e-mailed to doecafr@doe.state.nj.us. Audsum related questions should be e-mailed to the Office of Education Funding at audsum@doe.state.nj.us or directed to the Office of Education Funding at (609) 984-4945.

PCS\Y:\Audit Program\2010-11 Audit Program\Explanatory memo.doc

Attachment

c: Members, State Board of Education
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Alan Guenther
Robert Cicchino
Lee Group
Pam Castellanos
Garden State Coalition of Schools