

Background

BCAP experienced significant staff changes in the fiscal department during the period covered by the findings in the QIP. Their long term Controller announced retirement plans. To prepare for the Controller's retirement, the CEO, contracted with an outsourced accounting consultant firm, YPTC, during February 2018 to perform an assessment of the current accounting and fiscal processes and submit recommendations for improvements. The Controller retired prior to YPTC's arrival precluding an interview and transfer of historical knowledge and processes to YPTC. As part of the assessment YPTC interviewed the remaining accounting staff to learn their processes and systems. Upon delivery of the assessment report the CEO contracted with YPTC to begin implementation of the approved recommendations and perform interim part time Controller services during BCAP's search for a permanent Controller.

The accounting staff, at that time, included an Accounts Payable position. The Accounts Payable accountant had a process in place for allocating vendor invoices to grants in compliance with the grant agreement and in accordance with the methodology in place. Shortly thereafter, the Accounts Payable staff retired and two other accounting staff left the organization.

BCAP took action to fill the open accounting staff positions by redirecting existing staff to the accounting department and hiring temporary staff. February of 2019, BCAP hired a full time Controller to manage the accounting department. Additional accounting staff was hired and responsibilities assigned, including the accounts payable function and the allocation of expenses to funding sources.

As a result of the significant changes in staff, BCAP took swift action to fill vacant positions and provide continuation of transactional activity. However, the strain on the accounting department and changes in staff during this time caused certain transactions to be inadvertently mis-allocated, certain supporting vendor back up to be mis-filed, a delay of reporting review and adjustment where appropriate and delayed account reconciliations including cash accounts.

Upon closing fiscal Year 2019 and during the business audit, BCAP reviewed the findings noted in the QIP report, prepared and posted the correcting journal entries and created policies and procedures to prevent these events from reoccurring.

BCAP currently has the appropriate level of accounting staff in place to implement the revised accounting policies and Executive Management review and approval processes are in place.

Corrective Action

BCAP has implemented the Board approved revised accounting policies and procedures including; a defined and implemented a cost allocation methodology, executive review and approval of - bank reconciliations, payroll, grant drawdowns, grant reports, supporting documentation for invoices before approved for payment and other corrective actions listed on the QIP report. The revised policies and procedures address the findings in the QIP report and put safeguards and best practices in place in response.

BCAP's current accounting staff are experienced with Head Start funding guidelines and cost allocations. The current accounting staff has received Head Start training for compliance with Head Start guidelines.

Burlington County Action Program (BCAP)
QIP Summary Report
March 19, 2020

Bank account and all balance sheet accounts are reconciled timely and up to date.

Allocated personnel costs are based on time and effort and supported by personnel activity reports which are reviewed and approved by Executive Management. Allocations are posted into the general ledger.

Summary

BCAP reviewed each finding, took corrective action and implemented the process improvements listed in the QIP. Executive Management will continue to monitor compliance with all funding sources' guidelines and with accounting policies and procedures adopted.

Section 3 – QIP Fiscal Section

Corrective Action Goal #2 – Action 8

The agency will ensure that all the contractors adhere to the Davis Bacon Act by ensuring this provision is included in the construction contracts in excess of \$2000. This will be included in our revised FP&Ps.

Please refer to Appendix II and Appendix V-Q and V-R.