Finding	Statute	Audit Description	Corrective Action	Person Responsible
Advance Payments Prohibited and supported bby detailed documentation	N.J.A.C. 6A:23A-5.2(a)(4)(i),	Although legal invoices are submitted after services are rendered, the guaranteed $50,000 monthly retainer functions as an advance payment since it is not based on the actual hours worked or itemized services performed, but is approved by the Board well in advance of the submission of an invoice. The $50,000 is listed as a “flat fee” in the contract and is no predicated on an hourly rate, number of hours worked or number of days worked. Itemized services with hours worked was not included with invoices.	The Lakewood School District has eliminated the use of retainer fees and flat-fee arrangements in all legal services contracts. All legal services are now procured and compensated strictly on an hourly basis in accordance with applicable statutes, regulations, and Board-approved contract terms. All legal invoices are subject to a comprehensive multi-layer review process to ensure accuracy, appropriateness, and compliance prior to payment. Invoices are reviewed and approved by the In-House District Attorney for legal necessity and scope of services, the Purchasing Manager for contract compliance, and the Business Administrator for fiscal accuracy and budget alignment. In addition, all payments undergo multiple levels of internal controls, including review by the Fiscal State Monitor, resulting in a five-level approval process before payment is authorized. These measures strengthen fiscal oversight, ensure transparency, and prevent unauthorized or noncompliant legal expenditures.	Business Adminisrator

Failing to estabilish cost-control measures.	N.J.A.C. 6A:23-5.2(a) 3	Districts with legal costs that exceed 130% of the statewide average per pupil amount should establish procedures to curtail those costs or provide evidence why those procedures would not result in cost reductions. In summary, the procedures are: 1. Limiting the number of authorized contacts for legal counsel. 2. Establishing criteria to avoid unnecessary legal counsel use. 3. Requiring written requests for legal advice. 4. Maintaining a contract log to ensure billing accuracy.	The Lakewood School District has established an In-House Counsel position, compensated through a fixed annual salary, to provide legal services and reduce reliance on outside legal counsel. The use of outside counsel is limited to matters requiring specialized expertise or when otherwise necessary and is subject to strict oversight. An Attorney Activity Log is required for all outside legal counsel and is reviewed for accuracy, scope of work, and necessity by the In-House Counsel and the Business Administrator prior to invoice approval. All legal expenditures are subject to a rigorous five-level approval process to ensure compliance, fiscal accountability, and transparency. This process includes review and approval by the Purchasing Manager, Business Administrator, and State Fiscal Monitor, among other required approvers, prior to payment authorization.	Business Administrator
Failing to provide evidence that the district used a deliberativbe and efficient manner for procuring legal services, either using an RFP or thoer comparable process.	N.J.A.C. 6A:23A-5.2 (a) 5 and N.J.A.C. 6A:23A-9.3(c)11	The Board has not issued a public Request for Proposals (RFP) for legal services since 2018, which limits opportunities to assess competitive options. The Board's last public posting of a legal Services Request for Proposal (RFP-1819) had a due date of July 31, 2018.	In July 2025, the Lakewood School District issued a formal Request for Proposals for Legal Services (RFP 02-2526) in accordance with applicable procurement laws and regulations. As a result of the competitive RFP process, the District engaged both an In-House Attorney to provide daily legal counsel and oversight and retained the litigation firm of Kenney, Gross, Kovats & Parton to provide specialized litigation and negotiation services. This procurement approach ensures appropriate legal expertise, strengthens internal oversight of legal matters, and promotes fiscal responsibility through the structured and competitive selection of legal services.	Business Administrator