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Possible theft prompts GDOE roundtable

John O'Connor | The Guam Daily Post 5 hrs ago

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– Jon Fernandez, superintendent, Guam Department of Education

Reports of questionable transactions and bounced checks at Agueda Johnston Middle School have led to the scheduling of a roundtable session with the Guam Department of Education on its non-appropriated funds from 2014 onward.

"Some folks have called me and said, 'You know what, there's money missing and questions about checks bouncing at Agueda,' and I said, 'Really?' The first thing that popped into my mind was what happened at Simon Sanchez High School," said Sen. Joe San Agustin, who oversees education.

Non-appropriated funds are monies raised by school clubs or schools, such as through fundraising.

Thousands of dollars raised by the senior class at Simon Sanchez went missing in 2010. GDOE began to implement more safeguards for non-appropriated funds after the incident and after other cases showing weaknesses in the accounting for such funds.

'Review and investigation'

According to GDOE Superintendent Jon Fernandez, the issue at Agueda came to the education department's attention near the end of last school year. Police are now involved in the matter.

"We immediately turned over to our internal auditor for review and investigation. When there is a discrepancy in (non-appropriated funds), it could be the result of a number of different things, including poor records, failure to make timely deposits, et cetera," Fernandez said.

"So there was a need to ensure that the auditor had an opportunity to review this matter thoroughly. Upon learning the results earlier this week – results which indicate possible misconduct – we reported this matter to the police and also internally for administrative action."

A press release from San Agustin's office stated that the round-table discussion would address allegations of unreported theft and ensure public accountability of funds raised to support public schools.

Accountability of such funds has often been an issue for the department as it addresses its overall financial accountability. A GDOE audit in 2012 stated that supporting documents for non-appropriated funds expenditures and bank reconciliations were lacking, indicating noncompliance with policies and adequate documentation requirements.

The 2015 audit stated that significant improvements had been made with the utilization of a financial management system, but that this area could still be improved upon.

Fiscal year 2016 was GDOE's third year of full reporting on non-appropriated funds.

"While it allows GDOE's Internal Audit Office better access and monitoring capabilities on a daily basis resulting in the discovery of issues more timely, bank reconciliations of (non-appropriated funds) continue to be untimely and inaccurately performed," the audit stated.

Bank statements showed underreporting of cash deposits and six schools underreported a total of \$44,000.

"This means that cash collections weren't accurately reported or may not have been remitted to the bank," the audit stated.

Discussion to be held July 20

The round table has been set for July 20. San Agustin said he wanted GDOE to describe how non-appropriated funds were being accounted for, what standard operating procedures were in place for the funds and to show audit reports that prove accounting is in place.

"GDOE and education board officials have been asked to provide accounting information, reports of mismanagement or abuse, fraud or waste of the non-appropriated funds, and copies of internal documents of non-appropriated funds management to the committee. Officials in charge of expenditures and deposits to the non-appropriated funds are also asked to be present at the round table," San Agustin's press release stated.

John O'Connor

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