



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 39

December 15, 2013



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Overview of Accomplishments and Activities, December 15, 2013

A&M officially started performance on the Third Party Fiduciary Agent (TPFA) contract on September 15, 2010 based upon final signatures (the Notice to Proceed was issued on September 13, 2010). Initiation of progress tracking is based upon initial mobilization and official kick-off with the U.S. Department of Education (USDOE) on September 20, 2010.

The highlights for the month ending December 15, 2013 include the following:

- TPFA continues work on the local implementation plan activities report including human capital assessment and the internal control activities for GDOE to support getting off high risk status.
 - Activities report was reviewed by the Superintendent and steering committee on November 18th and document was finalized on November 21st. Report will be distributed and discussed with GDOE department heads on December 16th.
 - Human capital assessment is well underway and the TPFA is currently finalizing and writing the report. TPFA met with the Superintendent week of 12/9 and discussed initial recommendations at a high-level.
- FY2013 Title V, Part A consolidated grant application is being reviewed and revised based on comments from U.S. Department of Education. GDOE Federal Programs continues to work to address the problems with the grant application.
- The quarterly Comprehensive Corrective Action Plan (CCAP) status report for the three month period ending November 30, 2013 is being finalized for submission to U.S. Ed by Friday, December 20th.



Grant Status Highlights and Activity Data

Guam Department of Education

Grant Status Report Executive Summary

Grant Status Report as of 12/18/2013 6:20:01 AM

Grant	Grant Name	Budget	Encumbrances	Requisitions	Actual Expenditures	Available Budget	Available %	Obligated By
F0996	FY09 Project TFASEG	999,830.00	-	-	985,981.21	13,848.79	1.39%	9/30/2013
F1113	FY11 Striving Readers Compreh Lit.	312,967.00	-	-	311,010.46	1,956.54	0.63%	9/30/2013
F1182	2011 Consolidated Grant	20,592,543.00	951,744.80	-	19,640,798.20	-	0.00%	9/30/2013
F1195	FY2011 SPED Part B	13,962,402.00	-	-	13,962,400.73	1.27	0.00%	9/30/2013
F1213	FY12 Striving Readers Compreh Lit.	246,932.00	-	-	103,259.88	143,672.12	58.18%	7/31/2014
F1282	2012 Consolidated Grant - Title V	20,645,898.00	1,820,322.65	3,038,539.10	6,328,134.31	9,458,901.94	45.81%	9/30/2014
F1294	FY2011 Special Education Part C	1,424,395.00	1,145.37	-	1,423,209.02	40.61	0.00%	9/30/2013
F1295	FY2012 SPED Part B	14,098,659.00	317,903.98	503,024.20	7,557,169.49	5,720,561.33	40.58%	9/30/2014
F1296	FY12 Project TFASEG	908,222.00	141,222.94	290,208.00	80,667.79	396,123.27	43.62%	9/30/2014
F1394	FY2012 Special Education Part C	1,448,962.00	190,391.77	22,284.57	299,533.70	936,751.96	64.65%	9/30/2014
F1395	FY2013 SPED Part B	13,962,402.00	-	-	578,563.55	13,383,838.45	95.86%	9/30/2014
F1396	FY13 Project TFASEG	948,262.00	-	-	0.00	948,262.00	100.00%	9/30/2015
		\$89,551,474.00	\$3,422,731.51	\$3,854,055.87	\$51,270,728.34	\$31,003,958.28	34.62%	

Highlighted items represent grants with an obligation deadline of September 30, 2013 and liquidation deadline of December 27, 2013.

Expiring Grants

There are open encumbrances of approximately \$953K to liquidate by December 27, 2013. Some goods and services may not be delivered by the liquidation deadline. Late liquidation will be requested from U.S. Department of Education.

Statistics for Current Fiscal Year

	<u>November</u>	<u>1st Quarter to Date</u>	<u>Total for FY14 to date</u>
Requisitions Created	39	81	81
Purchase Orders Issued	29	38	38
Funds drawn for Payments	\$ 2,979,004	\$ 6,742,711	\$ 6,742,711
Receipt of Fixed Assets	360	442	442



Performance Plan Evidence of Completion Achievement

2013-14 activities will focus on building collaborative processes with GDOE, advancing the CCAP and controls supporting an overall objective of resolving high risk designation.

Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Infrastructure Installation and Management	Transfer all necessary data from the 3 rd party FMIS to GDOE's FMIS, communicating information to GDOE's FMIS contractor and providing feedback to GDOE and the USDOE on GDOE's implementation of the FMIS.	<p>Reconciliation report confirming complete and accurate transfer of 3rd party financial records to GDOE's FMIS</p> <p>2013-14 Automated transfer of 3rd party financial records to GDOE's FMIS</p>	By 10 th of the month after the first drawdown transaction.	<p>On-going.</p> <p>2013-14 With the go-live of GDOE's FMIS, there is a new focus on creating capability of automated sharing information from 3rd party system. Details regarding what will be shared (detailed vs. summary data) and frequency of data transfer are under discussion.</p>
Compliance Management	Develop a compliance roadmap equivalent to a Comprehensive Corrective Action Plan	Developed and Approved Comprehensive Corrective Action Plan	<p>Continued quarterly submission of the CCAP</p> <p>2013-14 Update CCAP as necessary based upon changes to GDOE's administrative structure and/or due to audit or management findings related to the controls environments</p>	<p>CCAP officially accepted by USDOE on Dec 15, 2011.</p> <p>2013-14 submissions and reconciliation of comments provided by USDOE</p>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	Perform quarterly tracking of CCAP	Documented tracking of progress against Plan and incorporation of any required changes based upon new process and/or compliance changes	2013-14 Continue to manage the coordination of tracking and preparation of the CCAP for review	2013-14 Support the submission of quarterly reports by GDOE.
External Audit Support	Support for external audits and facilitating information requests, etc.	<p>Provide responses to information requests and meetings set with external auditors.</p> <p>Assist with internal audit department with identification of risk areas.</p>	<p>2013-14 A-133 audit support when scheduled with external auditors by the Deputy Superintendent.</p> <p>Review standard operating procedures (SOPs) and department policies to assist in development of audit plan.</p> <p>Assist with internal audit department with identification of risk areas.</p>	<p>TPFA provided audit support for all audits performed during our engagement with GDOE. TPFA also responds to follow-up requests re: prior year audit findings as requested.</p> <p>2013-14 TPFA will continue to provide support for external audit activities.</p>
In -Kind Valuation Processes	Determine the basis for valuations related to cost sharing and matching funds for grant reporting	Maintenance of records sufficient to document the basis of in kind valuations through audit reviews		On-going, as needed.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Transactional Support/Daily Operations	Perform inventory management	Inventory reconciliation reports		2013-14 TPFA to provide updated guidance for physical inventory of locally purchased assets.
	Payroll	Clean drawdown request for payroll expenses	On-going	For the period of November 16 th thru December 15 th , TPFA reimbursed approximately \$1.2M for payroll for consolidated and discretionary grants and \$2.27M for SPED.
	Payables	Daily transactions listing support each request for a draw of grant funds by the Business Office	Immediately after release of funds by the USDOE And continuing to monitor for effectiveness.	On-going.
	Procurement	Monthly summary of completed purchases and procurement actions	Feb 5, 2011 And continuing to monitor for effectiveness.	On-going.
	Records management	EDGAR compliant transaction document files	Dec 29, 2010	On-going
	Cash management	Compliant daily bank balance	Dec 29, 2010	On-going.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Payroll systems	Detailed specification of internal control standards and process improvement actions required by CCAP	reports Checklist of payroll procedure changes to be implemented	Jan 31, 2011 And continuing to monitor for effectiveness	Updated SOPs reflecting updated processes and FMIS capabilities by GDOE personnel. 2013 SOPs will be updated to integrate with FMIS implementation
	Implement compliant payroll processes and system setup	Bi-weekly report of payroll exceptions	Dec 15, 2010 And continuing to monitor for effectiveness	Activities to improve GDOE payroll and personnel processes are currently underway. 2013-14 Improvements to the general ledger/labor cost analysis and creation of inter-department communication/efficiency.
	Document and maintain records appropriately	Publication and external auditor verification of compliance with SOPs	Jan 31, 2011 And continuing to monitor for effectiveness	A&M uses a three way match to reimburse payroll costs. GDOE is improving their match error rate as a result of the error report reconciliations and emphasis on payroll system improvements at the school and division levels. Federal Roster



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				and TDR processing is continuing to be the focus on payroll reimbursement processes.
Cash Management	Implement a system of cash management that provides for cash – neutral or limited use of general funds for federal programs.	Daily bank balance reports and completion of test draws arriving in appropriate bank account.	Complete. Monitoring is on-going.	Monthly bank reconciliations are provided to GDOE.
	Confirm that reimbursement requests are supported by appropriate documentation and documentation is maintained for an appropriate period of time.	Monthly report showing grant status by organization, school or program	Complete.	On-going.
	Confirm that account balances are monitored to prevent the failure to timely obligate and liquidate funds and prevent the lapsing of funds.	Grant award status report and monthly reporting	Initial - Jan 10, 2011 And continuing to monitor for effectiveness	On-going.
Procurement operations and systems	Detailed specification of internal control standards and process improvement actions required by CCAP	Checklist of procurement procedure changes to be implemented	Initial - Jan 31, 2011 And continuing to monitor for effectiveness 2012-13 Work collaboratively with GDOE Supply Management to improve procurement processes	On-going. 2013-14 Update internal control associated with CCAP and other policies and procedures



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	Establish contacts and working relationships with prospective vendors that can provide goods and services that GDOE needs under the grants. Enter into contracts with vendors on behalf of GDOE, and, in doing so, must comply with the provisions for procurement.	Review of an authorized vendors list and monthly tracking of procurement actions	Initial - Nov 15, 2010 Continuing to monitor for effectiveness 2012-13 Assist GDOE in improving overall supplier management processes	Have established numerous relationships with technology and other key vendors based upon planned procurements in grants. Participate in vendor management activities as appropriate. 2013-14 Identify and document improved practices related to supplier management
	Establish procurement processes and system functions	Publication and external auditor verification of compliance with SOPs	Initial - Jan 31, 2011	Complete. 2012-13 Support enhancements in procurement activities through updates to SOPs based upon organizational, systems and potential compliance requirements.
Fixed Assets /Inventory systems	Detailed specification of internal control standards and process improvement actions required by CCAP	Checklist of fixed assets procedure changes to be implemented. (Note given the lack of power to support computers at the warehouse, receiving will	Jan 31, 2011	On-going. BMI Scanner workshops and training sessions via web-conferencing were conducted by GDOE's Supply Management



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		continue with paper copies of receiving information until FMIS automated receiving is implemented.)		<p>Administrator, Tyler Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from A&M. A&M is working with BMI to coordinate onsite training in August.</p> <p>2013-14 A&M's continued use of scanners in support of inventory and fixed assets</p>
	Continued oversight of federal funded procurement and inventory, oversee the management of all tangible personal property procured under the grants by the GDOE in accordance with the requirements	Fixed assets inventory reconciliation report	2013-14 Work with GDOE to align FA approaches and provide integration with the FMIS FA module.	2013-14 – Provide ongoing management through the FA module and coordinate with GDOE's FMIS and FA management approach to support transition of data and technical approach.
	Transition to decentralized warehouse management and receiving	Training and operational procedures at school level	August- Jan 31, 2014	<p>Review of receiving operations at school level.</p> <p>2013-14 Procedures, training and operational</p>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				practices will be introduced and implemented across GDOE.
Records Management	Detailed specification of internal control standards and process improvement actions required by CCAP	Checklist of records management procedure changes to be implemented	2013-14 Work with GDOE Internal Audit team to improve internal controls and identify risk areas.	Ongoing population of TPFA deliverables repository. Materials are updated as standard operating procedures, training documents and other materials are implemented or revised.
	Appropriate records management in compliance with EDGAR requirements and that supporting documentation is maintained for an appropriate period of time. This includes the entry of electronic copies of all supporting documentation into the integrated software system so that it is readily available for audit and or inquiry by various parties including GDOE executive and program offices.	Compliant financial transaction files	Dec 31, 2010, as inclusion in the training materials for GDOE MUNIS users and continuing to monitor for effectiveness.	Electronic record storage will be implemented as part of the FMIS system.
Reporting	Conduct reconciliations on a monthly and quarterly basis.	Reconciliation Reports Monthly and Quarterly	Complete	On-going.
	Define other custom reports	Special reports and analyses	Initial - Sep 15, 2011	On-going.



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	<p>as necessary to support operations.</p> <p>Program management reporting - Standard monthly reporting will track status of performance results as well as operating information on draw downs, procurement status and other pre-defined status indicators. Reporting will also identify any performance risks and issues. Informal, timely information exchange will also occur to share information, resolve issues and address operational concerns.</p>	<p>Issue memos or emails; monthly program management reports</p>	<p>Continuing to monitor for effectiveness</p> <p>Monthly</p>	<p>2013-14 Continue to produce status reports and review with Federal Programs and management.</p>
Performance Improvements	<p>Identified opportunities to streamline processes and increase operational efficiency and improve internal controls.</p>	<p>Provide leadership and support to update all SOPs based upon process changes as part of the FMIS implementation effort</p>	<p>Sept 2013-January 2014</p>	<p>2013-14 Review fiscal controls and update SOPs to reflect changes associated with FMIS implementation and identify opportunities to improve performance and compliance.</p>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Procurement Support as an added function	Draft procurement document templates that comply with ARRA and other federal requirements.	Accepted by GDOE Office of Supply Management	Complete.	Complete. Providing additional procurement support and template-updating as necessary. 2013-14 Review required updates and set forth an appropriate schedule for delivery
	Augment supply management staff as needed to ensure obligation of expiring grants funds.	Provide additional staffing for surge support for end of year processing.	Summer 2014 Provide increased staffing as needed to support increased procurement activities.	2013-14 Review opportunities to improve small procurement and services contracts to increase efficiency of procurement processes.
Local Implementation Support	Facilitate working sessions and provide project management and technical support to address operational risk areas in support of transitioning off high risk status with the U.S. Department of Education. Review of GDOE organizational structure to include human capital assessment.	Project plan, action plan, tracking (activities reports) and support for managing development of a business case. Activities report to include recommendations of best practices on organizational structure, financial operations and staff development.	2013 – 14 Provide leadership to support goal setting, tracking, and project management.	Started with the development of activities reports per functional area identifying target capabilities and gaps. 2013-2014 Continue to expand activities reports and perform tracking based upon GDOE performance against targeted capabilities.



Indirect Cost Analysis	Support development of the indirect cost package for submission to U.S. Dept of Education and Interior.	Package for submission and analytical cost model as well as training for GDOE personnel on how to apply	<p>September 2013 Finalize restricted and unrestricted for FY10-12</p> <p>October 2013 Submit FY13 IDC application</p> <p>March 2014 Submit FY14 IDC application</p>	Update submissions for FY13 and apply approved IDC rates to any remaining grant funds.
Internal Audit Interim Support	Support development and application of the Management Internal Control (MIC) Plan and identification, evaluation and implementation of appropriate internal controls in SOPs	Updated MIC and ongoing support, SOP review and development support, and involvement in other internal audit responsibilities as agreed.		
Optional Tasks	To be reviewed based upon GDOE's requirements.			
Facilities Management Planning and Operational Support	Provide leadership support from a Superintendent's viewpoint	Operational performance measures and facilities management guidance		Not Started per direction of the Superintendent.
Budget Diagnostic	Conduct a Department wide budget analysis to determine opportunities for cost control, implement budget policies and practices to support	Budget presentation, budget financial model, draft policies and procedures		Not Started per direction of the Superintendent.



	sustained management and control			
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Immediate Areas Requiring GDOE/A&M Attention

The following critical activities and actions require attention:

- Continue to work toward finalizing the remaining implementation action items for the FMIS including:
 - Finalizing and testing reports such as the staffing pattern, personnel action forms and time distribution reports.
 - Automation of the information transfer between TPFA and GDOE MUNIS systems.
 - Adopting new standard operating procedures (SOPs) that support the FMIS.
 - Preparing to upgrade to MUNIS version 9.4 with enhancements.
- Prepare for the upcoming spring 2014 physical inventory, work with Tyler Tech to finalize the import of assets into the GDOE MUNIS system, and continue to address security concerns at both the warehouse and schools.
- Continue work on the local implementation plan for getting off high risk including meetings with GDOE divisions to monitor progress of standard operating procedures. Local implementation activities will include a comprehensive human capital assessment for GDOE in order to make recommendations about best practices and identify risk areas.
- GDOE to provide feedback on select questions from U.S. Department of the Interior (DOI) in order to finalize DOI review of submitted restricted indirect cost rate applications. TPFA continues to check-in regularly with USDE and collaborate with GDOE to answer any questions USDE has with the objective of finalizing indirect cost rates for FY10, FY11, and FY12 as soon as practicable.
- Continue search for GDOE Chief Internal Auditor.
- Review retroactive pay adjustments (salary increments and merit bonuses) for reimbursement. Pay adjustments will be applied to FY2011 expiring grants if appropriate in order to maximize use of grants funds prior to end of liquidation period.
- GDOE federal programs team and program directors to review and research payroll errors in order to resolve errors before end of the liquidation period for the FY2011 Title V consolidated and Special Education Part B and Part C grants.