



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 72

September 15, 2016



This Page Blank



## Overview of Accomplishments and Activities, September 15, 2016

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 September 15, 2016 include the following:

- A&M<sup>i</sup> continues work on the transition plan for GDOE to support getting off high risk status.
  - GDOE is meeting on a weekly basis to track progress and distribute updates to the Co-Chairs. An executive summary has been developed by the Co-Chairs and A&M and is being distributed to the Superintendent. A reporting schedule has also been established to communicate a subset of the plan to both the GEB as well as to the Guam public.
  - The Superintendent, the Co-Chairs and A&M meet internally on a bi-weekly basis to discuss plan progress and potential road-blocks.
  - The GDOE has reviewed the comments provided by the USDOE's visit and has re-tooled the transition plan to address "high" priority issues. Further, the TPFA worked with the GDOE to finalize a new initiative that has been included in the transition plan and discusses work-streams currently being performed by the TPFA. At some point in the future, it would be beneficial for the GDOE to discuss with the USDOE an appropriate manner in which to plan a gradual transition of certain accounting and other reporting activities currently being performed by the TPFA. While this may be months or years down the road, it is worthy of getting a head start on this topic.
  - The spring 2016 inventory is complete. TPFA is reviewing the inventory data with GDOE Property Management Office (PMO), assisting with the reconciliation process, assisting the PMO with the final reports, and improving the internal operations of the GDOE Property Management Division thru the implementation of additional procedures plus extensive training with staff.



## Grant Status Highlights and Activity Data

Guam Department of Education

### Grant Status Report Executive Summary

Grant Status Report as of 9/15/2016 11:24:39 AM

| Grant        | Grant Name                               | Budget                 | Encumbrances          | Requisitions          | Actual Expenditures  | Available Budget       | Available %   | Obligated By     |
|--------------|--|------------------------|-----------------------|-----------------------|----------------------|------------------------|---------------|------------------|
| F1296        | FY12 Project TFASEG                      | 908,222.00             | -                     | -                     | 907,754.00           | 468.00                 | 0.05%         | 9/30/2017        |
| F1313        | FY13 Striving Readers Compreh Lit.       | 212,346.00             | -                     | -                     | 212,346.00           | -                      | 0.00%         | 7/31/2017        |
| F1396        | FY13 Project TFASEG                      | 948,262.00             | -                     | -                     | 945,969.64           | 2,292.36               | 0.24%         | 9/30/2017        |
| F1413        | FY14 STRIVING READERS                    | 270,133.00             | 85,731.01             | -                     | 175,354.24           | 9,047.75               | 3.35%         | 7/31/2017        |
| <b>F1482</b> | <b>2014 Consolidated Grant - Title V</b> | <b>25,678,150.98</b>   | <b>1,746,551.26</b>   | <b>-</b>              | <b>22,228,480.04</b> | <b>1,703,119.68</b>    | <b>6.63%</b>  | <b>9/30/2016</b> |
| <b>F1495</b> | <b>FY2014 SPED Part B</b>                | <b>14,096,945.00</b>   | <b>417,296.85</b>     | <b>-</b>              | <b>13,245,583.89</b> | <b>434,064.26</b>      | <b>3.08%</b>  | <b>9/30/2016</b> |
| F1496        | FY14 project TFASEG                      | 963,140.00             | 275,422.21            | 53,091.13             | 583,806.33           | 50,820.33              | 5.28%         | 9/30/2017        |
| F1513        | FY15 Striving Readers                    | 305,298.00             | 162,366.26            | -                     | 30,676.81            | 112,254.93             | 36.77%        | 7/31/2017        |
| F1582        | 2015 Consolidated Grant - Title V        | 24,924,140.00          | 1,405,530.11          | 6,146,489.21          | 11,107,728.37        | 6,264,392.31           | 25.13%        | 9/30/2017        |
| F1592        | 15 Impact                                | 0.00                   | -                     | -                     | 9,664.32             | (9,664.32)             | 0.00%         | 9/30/2016        |
| <b>F1594</b> | <b>FY2014 Special Education Part C</b>   | <b>1,462,924.00</b>    | <b>175,357.19</b>     | <b>-</b>              | <b>1,172,530.89</b>  | <b>115,035.92</b>      | <b>7.86%</b>  | <b>9/30/2016</b> |
| F1595        | FY2015 SPED Part B                       | 14,096,945.00          | 656,504.89            | 22,250.50             | 3,267,755.42         | 10,150,434.19          | 72.00%        | 9/30/2017        |
| F1596        | FY15 PROJECT TFASEG                      | 963,140.00             | 483,912.41            | 106,113.87            | 124,384.67           | 248,729.05             | 25.82%        | 9/30/2017        |
| F1692        | 16 Impact                                | 0.00                   | -                     | -                     | 31,693.09            | (31,693.09)            | 0.00%         | 9/30/2016        |
| F1694        | FY2015 Special Education Part C          | 1,487,272.00           | 160,500.00            | 61,764.00             | 456,229.46           | 808,778.54             | 54.38%        | 9/30/2017        |
|              |  | <b>\$86,316,917.98</b> | <b>\$5,569,172.19</b> | <b>\$6,389,708.71</b> | <b>54,499,957.17</b> | <b>\$19,858,079.91</b> | <b>23.01%</b> |                  |

Yellow = Highlighted grants must be obligated by September 30, 2016.

### Statistics for Current Fiscal Year

|                          | <u>August</u> | <u>4th Quarter to Date</u> | <u>Total for FY16 to date</u> |
|--------------------------|---------------|----------------------------|-------------------------------|
| Requisitions Created     | 53            | 88                         | 608                           |
| Purchase Orders Issued   | 138           | 212                        | 597                           |
| Funds drawn for Payments | \$ 2,084,689  | \$ 5,844,400               | \$ 34,424,743                 |
| Receipt of Fixed Assets  | 4             | 6                          | 498                           |



**Performance Plan Evidence of Completion Achievement**

2015-16 activities will continue to 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 <sup>rd</sup> 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 3<sup>rd</sup> party financial records to GDOE's FMIS</p> <p><b>2014-15</b> Automated transfer of fixed asset data from 3<sup>rd</sup> party financial records to GDOE's FMIS</p> | <p>By 10<sup>th</sup> of the month after the first drawdown transaction.</p> <p><b>2014-15</b> Automated data transfers between TPFA and GDOE systems is limited to fixed asset data. Financial data is incorporated into GDOE's system manually by sharing TPFA month-end financial reports.</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><b>2015-16</b> 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><b>2015-16</b> 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                                   | <b>2015-16</b> Continue to manage the coordination of tracking and preparation of the CCAP for review  | <b>2015-16</b> 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><b>2015-16</b> Single audit support when scheduled with external auditors by the Deputy Superintendent.</p> <p><b>2014-15</b> Reviewed standard operating procedures (SOPs) and department policies to assist in development of audit plan.</p> <p>Assisted 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><b>2015-16</b> TPFA will participate in audit meetings with GDOE, external auditors and Guam Office of Public Accountability to support completion of FY15 audit.</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   |   | <b>2015-16</b> TPFA will provide updated guidance for physical inventory of locally and federally purchased assets.   |
|  | Payroll                      | Clean drawdown request for payroll expenses  | On-going  | For the period of August 16 <sup>th</sup> thru September 15 <sup>th</sup> , TPFA reimbursed approximately \$564K for payroll for consolidated and discretionary grants and \$796.7K 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<br>And continuing to monitor for effectiveness. | On-going.   |
|  | Procurement                  | Monthly summary of completed purchases and procurement actions                                   | Feb 5, 2011<br>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 reports   | 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 | Checklist of payroll procedure changes to be implemented              | Jan 31, 2011<br>And continuing to monitor for effectiveness   | Updated SOPs reflecting updated processes and FMIS capabilities by GDOE personnel.<br><br><b>2015-16</b> SOPs will continue to be updated as needed to integrate with FMIS.  |
|                  | Implement compliant payroll processes and system setup  | Bi-weekly report of payroll exceptions                                | Dec 15, 2010<br>And continuing to monitor for effectiveness<br><br><b>2014-15</b> Improvements to the general ledger/labor cost analysis and creation of inter-department communication/efficiency. | Activities to improve GDOE payroll and personnel processes are currently underway.   |
|                  | Document and maintain records appropriately   | Publication and external auditor verification of compliance with SOPs | Jan 31, 2011<br>And continuing to monitor for effectiveness   | TPFA 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 and TDR processing is |





| Performance Area                   | Activities  | Final Evidence of Completion  | Schedule Based upon Updated Performance Plan  | Accomplishments To Date and Planned   |
|------------------------------------|---|---|---|---|
|                                    |   |   |   | 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<br>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<br>And continuing to monitor for effectiveness<br><br><b>2012-13</b> Worked collaboratively with GDOE Supply Management to improve procurement processes | On-going.<br><br><b>2015-16</b> Update internal control associated with CCAP and other policies and procedures. |
|                                    | Establish contacts and  | Review of an authorized   | Initial - Nov 15, 2010  | Have established  |



| Performance Area                       | Activities  | Final Evidence of Completion   | Schedule Based upon Updated Performance Plan   | Accomplishments To Date and Planned   |
|--|---|--|--|---|
|  | <p>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.</p> | <p>vendors list and monthly tracking of procurement actions</p>              | <p>Continuing to monitor for effectiveness</p> <p><b>2012-13</b> Assisted GDOE in improving overall supplier management processes</p>  | <p>numerous relationships with technology and other key vendors based upon planned procurements in grants. Participate in vendor management activities as appropriate.</p> <p><b>2015-16</b> Identify and document improved practices related to supplier management.</p> |
|  | <p>Establish procurement processes and system functions</p>   | <p>Publication and external auditor verification of compliance with SOPs</p> | <p>Initial - Jan 31, 2011</p> <p><b>2014-15</b> Supported enhancements in procurement activities through updates to SOPs based upon organizational, systems and potential compliance requirements.</p> | <p>Complete.</p>  |
| <p>Fixed Assets /Inventory systems</p> | <p>Detailed specification of internal control standards and process improvement actions required by CCAP</p>  | <p>Checklist of fixed assets procedure changes to be implemented.</p>        | <p>Jan 31, 2011</p> <p><b>2014-15</b> BMI Scanner workshops and training sessions via web-conferencing were conducted by GDOE's Supply Management Administrator, Tyler</p>                             | <p>On-going.</p> <p><b>2015-16</b> TPFA's continued use of scanners in support of inventory and fixed assets</p>  |



| Performance Area | Activities  | Final Evidence of Completion                        | Schedule Based upon Updated Performance Plan   | Accomplishments To Date and Planned  |
|------------------|---|---|--|--|
|                  |   |   | Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from TPFA.  |  |
|                  | 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        | <b>2014-15</b> Worked with GDOE to align FA approaches and provide integration with the FMIS FA module.  | <b>2015-16</b> – 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<br><br><b>2014-15</b> Review of receiving operations at school level.<br><br>Procedures, training and operational practices introduced and implemented across GDOE. |  |
| Records          | Detailed specification of internal control standards and  | Checklist of records management procedure           | <b>2015-16</b> Work with GDOE Internal Audit team to   | Ongoing population of TPFA deliverables  |



| <b>Performance Area</b> | <b>Activities</b>  | <b>Final Evidence of Completion</b>                       | <b>Schedule Based upon Updated Performance Plan</b>  | <b>Accomplishments To Date and Planned</b>   |
|-------------------------|--|---|--|--|
| Management              | process improvement actions required by CCAP   | changes to be implemented                                 | improve internal controls and identify risk areas.   | 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 as necessary to support operations.  | Special reports and analyses                              | Initial - Sep 15, 2011<br>Continuing to monitor for effectiveness  | On-going.  |
|                         | Program management reporting - Standard monthly reporting will track status of performance results as well   | Issue memos or emails; monthly program management reports | Monthly  | <b>2015-16</b> Continue to produce status reports and review with Federal Programs and   |



| Performance Area                         | Activities  | Final Evidence of Completion   | Schedule Based upon Updated Performance Plan   | Accomplishments To Date and Planned   |
|--|---|--|--|---|
|  | 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. |  |  | management.   |
| Performance Improvements                 | Identified opportunities to streamline processes and increase operational efficiency and improve internal controls.   | Provide leadership and support to update all SOPs based upon process changes as part of the FMIS implementation effort | Sept 2013-February 2014  | <b>2014-15</b> Reviewed fiscal controls and updated SOPs to reflect changes associated with FMIS implementation and identify opportunities to improve performance and compliance. |
| 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.<br><b>2014-15</b> Review required updates and set forth an appropriate schedule for delivery | Complete. Providing additional procurement support and template-updating as necessary.  |
|  | Augment supply management staff as needed to ensure obligation of expiring grants funds.  | Provide additional staffing for surge support for end of year processing.  | <b>Summer 2014</b> Provided increased staffing as needed to support increased procurement              | <b>2015-16</b> Review opportunities to improve small procurement and services contracts to  |



| Performance Area               | Activities  | Final Evidence of Completion  | Schedule Based upon Updated Performance Plan   | Accomplishments To Date and Planned   |
|--------------------------------|---|---|--|---|
|                                |   |   | activities.  | increase efficiency of procurement processes.   |
| Local Implementation Support   | <p>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.</p> <p>Review of GDOE organizational structure to include human capital assessment.</p> | <p>Project plan, action plan, tracking (activities reports) and support for managing development of a business case.</p> <p>Activities report to include recommendations of best practices on organizational structure, financial operations and staff development.</p> | <p><b>2013 – 14</b> Provided leadership to support goal setting, tracking, and project management.</p> <p>Developed activities reports per functional area identifying target capabilities and gaps.</p> | <p><b>2015-16</b> Continue to expand activities reports and perform tracking based upon GDOE performance against targeted capabilities.</p> |
| 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   | <b>Summer 2014</b> Submitted IDC applications for FY13 and FY14.   | Received approval of provisional restricted rates for FY13 and FY14 from U.S. Dept of Education. Submitted FY15 application.                |
| Internal Audit Interim Support | Support development and application of the Management Internal Control (MIC) Plan and identification,   | Updated MIC and ongoing support, SOP review and development support, and involvement in other internal  |  | Reviewed departmental SOPs and provided recommendations for improvements.   |



|  |   |  |   |  |
|--|---|--|---|--|
|  | evaluation and implementation of appropriate internal controls in SOPs  | 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        | <b>2013-14</b> Tom Brady visited GDOE schools and warehouse to assess current facilities. Subsequently, he met with Superintendent Fernandez to discuss long-range facilities planning. | Completed.                                       |
| Budget Diagnostic                                      | Conduct a Department wide budget analysis to determine opportunities for cost control, implement budget policies & practices to support sustained management and control. | Budget presentation, budget financial model, draft policies and procedures |   | Not Started per direction of the Superintendent. |



## Immediate Areas Requiring GDOE/TPFA 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 fixed asset data transfer between TPFA and GDOE MUNIS systems.
- Continue work on the transition plan for getting off high risk including feedback to GDOE on progress of standard operating procedures.
- Continue to work to address security concerns at both the warehouse and school sites.
- Finalize modifications to the payroll reimbursement-related processes with the objective of achieving quicker reimbursement turnaround times. GDOE to take corrective action to address concerns related to veracity of time distribution reports to ensure accurate and fair allocation of time to federal activities.
- GDOE federal programs team and program directors continue to review FY14, FY15, and FY16 payroll error reports in order to resolve errors.

---

<sup>i</sup> Note: In this report, we use “TPFA” when we are referring to work performed as part of our contract in accordance with the statement of work and “A&M” when referring to out of scope work.