Guam Department of Education

Comprehensive Corrective Action Plan Quarterly Progress Report

For the Period Beginning June 1, 2013 and Ending August 31, 2013

Presented to the U.S. Department of Education in Fulfillment of the Federal Fiscal Year 2011 Special Conditions

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Contents

Reports and Report Format

As stated in the approved Comprehensive Corrective Action Plan (CCAP), the Special Conditions require GDOE to provide quarterly reports to the US Department of Education (ED) on the Guam Department of Education's (GDOE) progress in implementing measures required under the CCAP. While the Special Conditions do not specify a particular format for the progress reports, it is anticipated that each report will, at a minimum, include the implementation status for each activity, highlight any risks associated with successful completion, and also identify any changes which would require modifying actions and/or timelines. Feedback regarding format and content is not only welcomed, but encouraged.

Executive Summary

Tyler MUNIS has recommended that GDOE upgrade from the current 9.4 to 9.4 with Enhancements instead of moving to Version 10. Tyler MUNIS will include enhancements previously dependent on the move to Version 10 in the Version 9.4 upgrade. The TPFA will likewise move to Version 9.4 so that the MUNIS systems are more compatible.

The FY12 audit was completed on time but took longer to complete as compared to prior years. The auditors were required to review information from GDOE's old and new system as well as work with the TPFA system. Reconciliations and fixed assets continue to be major concerns. Focused efforts to address the audit findings will be put in place to mitigate findings in FY13. Additional staffing to address these issues has been proposed and we hope to have those staff in place shortly. GDOE is committed to completing the FY13 audit in April 2014.

The audit revealed that progress was made in the area of Non-appropriated funds (NAF). Automating NAF on the MUNIS system allows the Internal Auditors real time information on the status of these funds. The concurrent training has helped to standardize procedures and remind staff of the required reporting deadlines. The external auditors have recognized improvements in this area.

GDOE, with the assistance of the third party, has renewed efforts in finalizing the SOPs. Competing deadlines and staff turnover have delayed the process somewhat. As we look toward the FY14 budget, concerted efforts will be made to fill staffing required to address areas in the CCAP in fixed assets, procurement and internal audit.

A calendar containing key procurement and fixed asset processes has been distributed throughout the Department. As comments are received, the calendar will refreshed and updated. Critical deadlines as well as training are part of the calendar.

Completion Risk Key:

Risk Level High – Deliverables / objectives will not be completed in a timely manner;

Risk Level Moderate – Deliverables / objectives may not be completed in a timely manner; and

Risk Level Low – Deliverables / objectives will be completed in a timely manner.

Employee Time Tracking

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
ETT-1: GDOE will develop and implement effective policies and procedures that provide for an effective process for tracking and reporting time spent by all employees whose salaries are paid with US ED grant funds. **ETT-2**: Ensure that the salaries of employees who work under more than one Federal program and/or grants are properly allocated among those programs/grants, in accordance with accurate time distribution records. **ETT-3**: Research and implement an automated time collection system for federally funded employees.	The Federal Programs Division & the Business Office reviewed and made suggested improvements to the Tyler MUNIS time distribution forms. The forms and system capability allow for increased user and reporting functionality and provide an efficient process for tracking and reporting time spent by employees whose salaries are paid with US Ed grant funds. The Tyler MUNIS system upgrade to version 9.4 with Enhancements is scheduled to take place in October 2013 after year end closing procedures. Once the update is complete the new time distribution forms will be utilized. Time entry into the MUNIS has been distributed from the payroll office to all schools and to all but one division. Initial SOP review has been completed by TPFA and suggestions were provided to Federal Programs. Federal Programs is meeting weekly with TPFA to discuss progress.	Finalize time distribution forms within Tyler MUNIS. Time distribution forms will be active once the scheduled system upgrade is completed in October 2013. Develop transition plan to move fully federally funded employees from biweekly certifications to semiannual certifications. The process will continue as status quo until the Tyler MUNIS system upgrade is completed. SOPs will be updated to reflect new forms and procedures. SOP's are being finalized for the Federal Grant Application process as well as for Employee Time Tracking. Internal audit will develop a checklist for supervisors and project directors. Institutionalize training for new federally funded employees and at least annually for federally funded employees and their supervisors on the policies and procedures to properly track and report time for federally funded employees. Determine feasibility of having these employees enter and certify their time sheets electronically. Attach TDRs to employee records using the TCM system.
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	During training of federally funded positions prior to the beginning of the new school year, the importance and use of the Time Distribution Report was reviewed. PETAL provided TDR training for TA's on August 12 and 13th.	
Implementation Deliverables	**Completion Risks**	**Next Steps / Comments**
Written and approved SOPs, including training for applicable GDOE personnel, to ensure: • accurate and up-to-date employee staffing lists based on notices of personnel actions (from Personnel Division and validated by FPD and LEA programs); • accurate and timely time distributions among funding sources for split-time employees, and proper allocation of salary costs among funding sources (from respective programs and validated by FPD and LEA programs); • accurate and properly executed time distribution reports and attendance records (from respective programs and validated by FPD and LEA programs); • properly executed and timely semiannual certifications (from respective programs and validated by FPD and LEA programs); • internal control checklists to ensure compliance with Circular A-87; and • identification of a computer-based and accurate time and attendance system, with documentation of requirements to support implementation, training and administration (validated by FPD and LEA programs).	System Risk – With the implementation of the Employment Self Service, FPD together with Payroll and Personnel will determine the validity of the employee tracking and reporting of time spent on US Education funded programs. Risk level – Low. Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new service. Additionally, technology being introduced to all federally funded employees will require training. Risk level – Low.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
November 30, 2013		Ignacio Santos, Federal Programs Administrator Taling Taitano, Deputy Superintendent

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
FMIS-1: Detail design of a FMIS with processing functionality that complies with Generally Accepted Accounting Procedures, U. S. governmental accounting standards, and the Government Accounting Standards Board.	Completed	Completed
Implementation Deliverables	**Completion Risks**	
Detail system design specifications approved by GDOE Finance and Administration management.	Completed	
Schedule Based upon Performance Plan	**New Deliverables Completed This Quarter**	**Responsible Person/Department**
Completed		Taling Taitano, Deputy Superintendent

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments

FMIS-2: Basic installation is now complete. The routine maintenance and enhancement will be reported in this section. Items completed this period and open enhancements appear in the columns to the right.
 	
Upgrades to the System
  Upgrade to version 9.4 with Enhancements
	Finance Module
	• Requested assistance from Tyler to transfer fixed asset data information from TPFA MUNIS to GDOE MUNIS.
	• Preparing for year-end processing and requested on-call assistance from Tyler. Tyler confirmed and identified a resource and is putting together a quote for the GDOE.
	• Bank reconciliation – Met with Bank of Guam representatives regarding format of import file. Bank of Guam is adjusting import file to work with GDOE.
	
	Tyler Content Manager (TCM)
	• TCM representative completed final changes/corrections to Custom Templates in August 2013.
	
	Version Upgrade:
	• Tyler has made changes in the application requirements for MUNIS software that will apply to versions 10.4 and greater. To allow time for GDOE to prepare for those changes, version 9.4 with Enhancements was made
		Human Resources Module
		• The following applications of the System still need execution:
		  o Applicant Tracking;
		  o Personnel Action Forms (custom form);
		  o Training Module;
		  o Projections of salaries and benefits;
		  o Staffing Pattern (custom form); and
		  o Employee Address Corrections.
		• Review the functions of Department and Location codes to possibly increase efficiency in process and reporting.
		Payroll Module
		• Finalize Payroll Cost Reporting and TDR form (Custom form), and review Payroll Audit Reports.
		• Employee Self Service (INTERACTIVE access):
		  o Training Module;
		  o Employee Travel; and
		  o TDR (custom form).
		Procurement Module
		• Vendor Self Service – education of vendors.
		• Bid Module – determine whether practical to use.
		Finance Module
		• Billing
		• Other treasury related functions
		• Cash Receipts procedures for the schools
		• Fixed assets – upload physical inventory results
		Tyler Content Manager
		• Final loading of Custom Templates to be completed by mid-September 2013.
		• Roll-out of TCM to End-Users.

available and will support the GDOE. • Data Integrity Assistance (DIA). Met with Procurement, Human Resources and Payroll (7/31) and Accounting and Budget (8/1) to discuss conditions exposed in the DIA. In order to prepare for the system upgrade, the condition tables were corrected in Live. The GDOE will run DIA periodically to ensure table conditions do not exist. Tyler Pulse Solutions • Pulse consultant is working extensively with Student Support Services to modify analytical pages regarding discipline.	Upgrade to Version 9.4 with Enhancements • Upgrade to version 9.4 with Enhancements is estimated to be complete in October of 2013. • GDOE enhancement requests (Accrued Leave, A-87 TDR) will be available in this version. • Schedule exact upgrade date with Tyler to load 9.4 with Enhancements into Test database. • Schedule exact date to load 9.4 with Enhancements into Live database (after year-end close). Tyler Pulse Solutions • Continued analytical page development. • Continue review of Pulse pages to identify desired modifications. • Roll out Pulse to Teachers.

Financial Management Information System (FMIS)

Implementation Deliverables	Completion Risks	Next Steps / Comments
FMIS-2 Continued: A secure, reliable and fully integrated FMIS that supports the financial management of US ED grant awards and complies with federal requirements. Detailed and up-to-date system and application documentation necessary to manage and sustain the FMIS and its applications on an ongoing basis. Sufficient qualified and trained accounting staff to manage all financial processing and reporting required by GDOE.	Enhancements to system tied to Tyler MUNIS upgrades. Risk Level – Low. Central office is likely moving in November which may put some projects on hold until move is complete. Risk Level – Moderate.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Next system upgrade is scheduled for October of 2013, after year-end close. MUNIS version 9.4 with Enhancements will be installed at that time.		Jacqueline Mesa, Management Analyst IV

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
FMIS-3: Continued activities of the Agent to oversee all US ED funds awarded to GDOE until a credible financial management system is implemented and fully operational, and GDOE has demonstrated that it can be accountable for US ED funds in accordance with all federal requirements.	TPFA continues to manage all federal grant funds from GDOE using an independent MUNIS system and separate bank accounts.	Continued operation of the TPFA independent financial management system and bank accounts will continue.

Biweekly meetings to coordinate activities and resolve any concerns.

Regular reports to ensure any outstanding receivables are resolved in a timely manner.

GDOE and TPFA are looking into areas to transfer responsibilities to GDOE. For example, the inputting of USDOE grant budgets into the TPFA MUNIS, performing the 3-way match testing for personnel costs, and maintaining the fixed assets ledger. |
Implementation Deliverables	**Completion Risks**	
A stable and reliable financial information systems processing environment. US ED funds expended only for costs that are allowable under the respective grant programs. Allowable costs procured in accordance with applicable procurement requirements. Coordinated timing of US ED draws and reimbursements to ensure that payments to staff, vendors and providers are prompt and timely. Grant funds that are charged only for costs resulting from obligations that were properly made during the funds' period of availability, including any carryover period.		
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Continuing	Routine	Taling Taitano, Deputy Superintendent

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
FMIS-4: Moving to the next level and sustaining the progress that has been made to date. A program of END User Training and routine review of Standard Operating Procedures will be established.	MUNIS End-User Trainings conducted in July 2013	Continue training over Christmas, Spring and Summer breaks. Continue conducting pre and post training survey to focus training and determine effectiveness. Review system SOPs with the department leads. Leads then review with their respective teams to confirm accuracy. Final sign-off and adoption of SOPs. SOPs will include both system and operational procedures.

Sessions	Training Topic	Attendees
2	Account Inquiry & Reporting	25
3	Intro. to Pulse & ESS	26
3	Maintenance Service Request	14
4	Requisition Entry	41
3	Requisition Entry-Library	25
3	Student Activities (NAF)	101

Implementation Deliverables	Completion Risks	
End Establish End User Training - End user training need to be established on each school breaks with the school's end users. - End User Training for Central Office personnel should be scheduled each quarter to ensure compliance and the proper use of the system. - Go to Meetings with Tyler personnel should be established as needed. Standard Operating Procedures. - Official approval by department.		

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
Schedule for all departments to have Superintendent's approval on SOPs is November 2013.	Sign in sheets, evaluations, training documents	Jacqueline Mesa, Management Analyst IV

Intergovernmental Agency Arrangements

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
Intergovernmental Agency Procedure-1: GDOE will implement a SOP specific to sub-award arrangements between GDOE and other Public, Non-Profit & Other Institutions. The intent of the SOP is to provide clarification to each entity regarding the requirements and responsibilities for successful implementation of approved federally-funded programs and activities.	Initial SOP review has been completed by TPFA and suggestions were provided to the Federal Programs. Federal Programs is meeting weekly with TPFA to discuss progress	SOP is in final form and needs to be reviewed and approved internally. Communicate SOP to relevant Public, Non-Profit & Other Institutions so they understand requirements. At least annually, document monitoring activities. Provide technical assistance as necessary to resolve any concerns. Update SOP as necessary based on feedback from relevant Public, Non-Profit & Other Institutions and results of monitoring.
Implementation Deliverables	**Completion Risks**	
Written and approved SOP, including training for applicable GDOE personnel and sub-recipient/sub-grantees.	Adaptation Risk – acceptance by which all sub-recipients/sub-grantees adhere to the procedures is minimal. Risk level – Low.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
November 31, 2013		Ignacio Santos, Federal Programs Administrator

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
IC-1: Over the next two years, GDOE will develop and implement a credible financial management system. Management will ensure employees are properly trained on new system and trained on the new standard operating procedures as a result of the new FMIS. This will ensure the system would provide the correct amount of funds, in the correct accounts, in a consistent and timely manner. Credible financial management includes systems, policies and procedures that (1) provide access to reliable information when needed, (2) account appropriately for funds, (3) ensure timely deposits or draw down of funds, (4) ensure timely and accurate payments, (5) otherwise enable and support generally accepted government financial management and accounting standards and requirements.	Trainings have been conducted to ensure that end users are equipped and knowledgeable about the processes and functions of the MUNIS system. MUNIS End-User Trainings conducted in July 2013 GDOE, with the assistance of the third party, has renewed efforts in finalizing all SOPs. GDOE and third party have been meeting weekly to complete and finalize all SOPS. IAO initiated a 3 year Audit Plan for FY 14-16. Acting Chief Auditor is currently addressing the findings in the Single Audit, USDA Food & Nutrition and OPA's audit request.	Work with Comptroller to develop a monthly schedule of reconciliations and financial statement closing to ensure audit can begin on or before January after the fiscal year end. GDOE staff will adhere to keeping to the adopted schedule to assure accountability exists. Work with FMIS project director to develop reports that can be used by program managers and project directors to monitor and track expenditures and provide training on how to access these reports. Work with appropriate division heads to address findings in the FY12 Single Audit. Additionally, adjustments as proposed by Deloitte will be booked. Finalize IA procedures and initiate audit plan. Needs support of Chief Internal Auditor to properly execute and drive process. Chief Auditor is being recruited after former Chief Auditor promoted to Comptroller. HR closed this position on July 31, 2013, however may re-open the search. An additional internal auditor has been requested in the FY14 budget.

MUNIS End-User Trainings conducted in July 2013

Sessions	Training Topic	Attendees
2	Account Inquiry & Reporting	25
3	Intro. to Pulse & ESS	26
3	Maintenance Service Request	14
4	Requisition Entry	41
3	Requisition Entry-Library	25
3	Student Activities (NAF)	101

Implementation Deliverables	Completion Risks	
IC-1: TPFA implemented the Tyler-MUNIS ERP financial management system effective December 2010. GDOE has implemented a Financial Management Information System (FMIS), which includes functionality to support all GDOE financial applications (April 2012). Procedures and processes to ensure that single audits are conducted, and audit reports issued within nine months after the end of each fiscal year as required by the Single Audit Act, as amended. This will be incorporated into a Management Internal Controls	Lack of manpower continues to hinder progress. Chief Auditor was promoted to Comptroller leaving Internal Audit Unit to two staffers. Risk level – High.	

(MIC) program, including a SOP detailing specific internal control objectives, and internal control audit programs and checklists for all GDOE functional areas, including accounting for and reconciling financial records for Department grant funds in accordance with Federal requirements.

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
December 2013	FMIS (Tyler MUNIS) was implemented (April 2012).	Al V. Erguiza, Acting Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
IC-2: GDOE Finance and Administration must demonstrate improved communication and cooperation to develop an integrated financial management system that meets the needs of the organization.	GDOE has implemented a direct deposit program that is available to all GDOE employees. The program was initiated in December 2012 and as of 8/31/13 approximately 1,767 or 46% of the employees are utilizing direct deposit. Additionally, employees are asked to review pay details on Employee Self Service (ESS) as hard copies of pay advices are no longer provided. ESS also allows employees to access leave balances, pay, tax, and benefit information on both an historical and real time basis.

The initiative to pay vendors via ACH commenced in April of 2012. As of 8/31/13, approximately 179 or 10% of vendors are being paid via ETFs/ACH.

MUNIS End-User Trainings conducted in July 2013

Sessions	Training Topic	Attendees
2	Account Inquiry & Reporting	25
3	Intro. to Pulse & ESS	26
3	Maintenance Service Request	14
4	Requisition Entry	41
3	Requisition Entry-Library	25
3	Student Activities (NAF)	101		Continued work in progress with subcommittee structure to address:
- Personnel and payroll issues;
- Procurement, receiving, inventory, and payables issues;
- Budgeting and reporting issues;
- Cash receipts and account receivable issues; and
- Non-Appropriated Funds.

A program to reach out to vendors to enroll them in EFTs/ACH will commence with the hope to see a substantial increase by December 31, 2013.

Develop training for division heads and project directors so they can be familiar with the variety of reports on MUNIS and are able to monitor programs in a timely manner. Work to develop dashboards with critical data.

Three auditor III positions have been included in the FY 2014 proposed staffing for the Superintendent's office. |

	The FMIS team continues to meet biweekly with the MUNIS Transition Manager to work on any ongoing issues. With the implementation of the MUNIS system, results have disclosed success in the areas of cash management for all schools. MUNIS was able to establish NAF annual reports and transfer of funds online. The MUNIS system has enabled schools to develop solutions and identify opportunities at a greater efficiency. UOG Interns have been used to assist with duties of the Internal Audit Division as well as Accounting Division. The internship program has been a success to date and has offered University of Guam students the opportunity to gain practical audit experience and earn university credits. The three students that interned this quarter have all received offers at various businesses post-graduation. The challenge for the GDOE has been to retain the interns in a full time capacity post-graduation due to the compensation offered. Two interns for the fall semester have been picked up; one will be working in Internal Audit and one in Accounting.	
Implementation Deliverables	**Completion Risks**	
IC-2: Department-wide subcommittee structure focused on each of the issue areas. The structure will drive collaboration, which is also necessary to support FMIS implementation which supports GDOE-wide financial management. GDOE departments working together on a daily basis to address implementation, compliance and other activities. Efforts to include direct Internal Audit support of external independent auditors in conduct of single audits as required by the Single Audit Act.	Adaptation Risk – acceptance of direct deposit by employees / vendors being paid via EFTs / ACH will take time, however, management needs to continue to discuss and communicate the benefits of each program. Risk level – Moderate. Lack of manpower continues to hinder progress. Chief Auditor was promoted to Comptroller leaving Internal Audit Unit to two staffers. Risk level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Ongoing	Direct Deposit Program initiated in December of 2012. Initiative to pay vendors by EFTs / initiated in April of 2012.	Al V. Erguiza, Acting Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
IC-3: The GDOE will develop a credible financial management system which records and accounts for all draws and expenditures of federal education funds.	IAO has completed a cash management audit of the department's NAFs. The results were successful as all GDOE principals were able to produce an annual report for FY 2013 using MUNIS. The use of MUNIS has demonstrated that it has strengthened the internal controls at the school level. IAO is currently conducting various cash audits at the school level which will be ongoing thru the fall.	Determine feasibility of using billing function on MUNIS to assist in tracking federal receivables and ensure draws downs are accurately tracked. This should assist in reconciliation of SEFA. Continue using MUNIS generated NAF reports to establish continuity with other reporting requirements. Create reports to mirror reports prepared by the TPFA. Implement online bank reconciliation and other treasury functions offered by MUNIS.
Implementation Deliverables	**Completion Risks**	
A credible financial management system designed and implemented to meet the EDGAR and other federal reporting requirements in terms of timeliness of funds management and reporting. Additionally, custom reports designed to capture federal grant activity.	Failure to implement effective controls and effective audit procedures will extend the requirement for the presence of a TPFA. Risk level – Moderate. Lack of manpower continues to hinder progress. Risk level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
December 31, 2013	NAF cash management audit.	Al V. Erguiza, Acting Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
IC-4: Reliance on the credible financial management system by other Guam agencies and single auditors as accurate system of record.	Worked with outside Auditors to ensure audit was completed by June 30, 2013. Auditors provided read only access to system. Monthly MUNIS reports provided to the Education Finance Supervisory Council (EFSC).	Continue to work with FMIS Project Manager and FSAIS to grant read-only FMIS access to relevant parities within other Guam agencies. Provide overview of system to the Education Finance Supervisory Council. Target completion of FY13 audit by April 2014.
Implementation Deliverables	**Completion Risks**	
A credible financial management system whose implementation is guided by Generally Accepted Accounting Procedures (GAAP) and supported by SOPs to ensure a system of internal controls over financial reporting that can be relied upon by external independent auditors for the purpose of expressing an opinion on the financial statements. Periodic examination and documentation of internal controls by internal audit staff to ensure that the controls are operating as intended without exception. A Management Internal Controls (MIC) program, including a SOP detailing specific internal control standards, which will ensure the operation of internal controls over financial reporting. In addition, the MIC will provide for the prevention or detection of financial misstatements on a timely basis and ensure GDOE's ability to initiate, authorize, record, process, and report financial data consistently and reliably. Information management needs met by all users (e.g., custom reconciliation worksheet to support requirements and tracking of federal draw funds).	Medium to High based on staff's time spent to identify and work out errors and deficiencies of the GASB 34 reporting module. As part of the USDOE special conditions, Internal Audit Office (IAO) has initiated MIC to all division heads, school principals and GDOE management. However, clarity of interpretation or the lack of understanding of program itself from school administrators delayed the processing. Therefore an updated version of results is needed to reflect the current picture of GDOE's MIC. The MIC program needs continued support of the IAO to properly execute and drive the process. Emphasis needs to be placed on this program in order to prevent and detect misstatements and ensure financial data is reported as accurate as possible. The program will help to ensure employees are held accountable for their work. Risk Level – High. Lack of manpower continues to hinder progress. Risk level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
December 2013		Al V. Erguiza, Acting Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
IC-5: GDOE will develop a grant spending process that ensures that grant awards are based on specified program plans and spent on the programs in a timely manner. The grants system will be integrated with the FMIS.	Procurement meetings held biweekly to address critical procurements. TPFA provides monthly reports to keep program managers and project directors informed of program balances.	IAO continues to work closely with all parties involved to address any grants management issues. Recruitment of two buyers in process; new buyer reported to work 9/10/13. Recruitment of third attorney in process. TPFA to add temporary procurement staff for fourth quarter.
Implementation Deliverables	**Completion Risks**	
- Program plans will serve as the basis for application disbursement; - Grant spending process will be supported by SOPs, internal control checklists, and training for all affected personnel; - Disbursements will tie to actions specified in program plans; - Funds will be expended for allowable purposes under the statutes; and - No funds will be lost due to lapsing obligation periods.	Procurement vacancies hinder ability of procurement to complete tasks. Required preapprovals by USDOE have added additional time to the procurement cycle. Additionally, lack of adequate pool of personnel may delay program implementation. Risk level – Moderate. Lack of manpower continues to hinder progress. Risk level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
December 2013		Al V. Erguiza, Acting Chief Auditor

Procurement

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
P-1: GDOE will develop and implement effective procurement policies and procedures that ensure: • Delivery of ordered supply items within specified timeframes for correct type of supply from selected vendor; • Delivery of supplies and equipment, tagged and entered into a property management system, to schools within three days of receipt; and • Recording of when items are ordered, when orders arrive and are entered into the financial management system, and when they are delivered.	Initial SOP review has been completed by TPFA and suggestions were provided. Procurement team is meeting bi-weekly with TPFA to discuss progress. Approval and sign-off is expected in November of 2013. Performance benchmarks are also being developed and will be incorporated into workflow as described in the SOP. Entry of contracts into Contract Management Module is ongoing. Procurement Calendar approved and distributed to GDOE in August 2013.	Finalize SOPs. Procurement Calendar will be refreshed and updated based on input from customers. Continue to populate contract module and identify reports to assist in contract management. Fully implement Bid Management Module November 2013.
Implementation Deliverables	**Completion Risks**	
Written policies and procedures to ensure that US ED funds are used only for allowable costs, including costs that are necessary, reasonable, and allocable to the respective grants as required by OMB Circular A-87, and that are procured in accordance with applicable procurement requirements in 34 CFR §§ 80.36(b)-(j).	System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low. Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training.	
Schedule Based upon Performance Plan	**New Deliverables Completed This Quarter**	**Responsible Person/Department**
November 30, 2013	Procurement Calendar (though it will be refreshed and updated based on input from customers).	Marc Pido - Supply Management Administrator

Procurement

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
P-2: Implement reporting system that will track requisitions and open Purchase Orders. The system will reflect when items are ordered, when orders arrive and are logged into the system, and when they are delivered to the proper location.	Adjustments to workflow within the Supply Management Office are being reviewed to ensure system is configured efficiently.

Continuing PULSE software training which will help to increase reporting and tracking capabilities. | Supply Management Administrator to identify system content, as well as Tyler online user-community and knowledge base, for available report development capabilities. Recommendations for changes to approval workflow by October 2013.

Develop a Gatekeeper assignment within the Supply Management Office to assign individual requisitions to the proper workflow stream. For proper internal controls, receiving processes will be updated to include attachment of appropriate documents in the FMIS receiving records. |
| **Implementation Deliverables** | **Completion Risks** | |
| Monthly summary of completed purchases and procurement actions; Established process for routine review of federally funded requisitions and purchase orders. | System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.

Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training. | Review and refine PULSE reports pertaining to purchasing.

Create reports to track requisitions/POs, including aging reports.

Consider adding legal review in workflow to provide set time frames for their review in order to keep the procurement process fluid. |
| **Schedule Based upon Performance Plan** | **New Deliverables Completed** | **Responsible Person/Department** |
| December 2013 | | Marc Pido - Supply Management Administrator |

Procurement

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments

P-3: Improve departmental procurement processes beyond those responsibilities directly related to the modules of the Financial Management Information System (FMIS).	Biweekly meetings to review status of outstanding procurement.
	
	As of July 31, 2013 procurement staff attended and participated in the following:
	   o Government-wide procurement seminar, May 13 & 14;
	   o Government procurement training seminar conducted by Guam General Services Agency, June 17 & 18;
	   o GovGuam procurement training in July; and
	   o Governor's Procurement Advisory Council meetings, held Sept. 13, 2012 & Nov. 30, 2012.
		DTPs must be updated as procedures and policies are adjusted.
		
		A comprehensive Policy and Procedures manual for the Supply Management Office will be developed by November 2013.
		
		Resolve which set of procurement regulations (2GAR or GDOE's as issued in 1994) apply to GDOE Procurement activities, by November 2013.
		
		Develop End-User procurement training beyond MUNIS—IFBs, small purchase procurement, RFPs/services procurement. This end-user training is being developed for October 2013.
		
		Explore training systems and certification for procurement staff.
		
		Additional staff will partake in GovGuam procurement training in October and November.
		
		Updating procurement checklist for procurements that require AG review. Procedures for sole source procurement and for small purchases of services to be finalized by October 2013.

Implementation Deliverables	**Completion Risks**	
Development and publication of procurement policies and procedures, and external verification of compliance with SOPs.	Lack of manpower continues to hinder progress. Procurement is looking to hire an additional resource and it has been recommended that the department hire a contract manager. Risk Level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
December 2013		Marc Pido - Supply Management Administrator

Property Management

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
PM-1: GDOE will develop and implement effective property management policies and procedures that ensure compliance with Federal regulations, to include tagging and tracking of inventory and prompt delivery of property purchased with federal funds to the appropriate location, so that items may be used for the purpose for which they were purchased.	Initial SOP review has been completed by TPFA and suggestions were provided. Property Management team is meeting weekly with TPFA to discuss progress. Approval and sign-off is expected in November of 2013.

Physical inventory audit for locally funded assets initiated this quarter and will be finalized in October 2013. | Schedule basic computer skills training for Warehouse and Property personnel beginning September 2013.

Continue assessment of readiness for additional training for Warehouse and Property personnel for Purchasing and Fixed Assets Module to increase staff ability to access asset information and reports.

Finalize a formal Policy and Procedures Manual for Property Management by November 2013. |

Implementation Deliverables	Completion Risks	
Replace all local DOE property tags with type and make identical to those currently in use by TPFA for federally purchased assets; result is the removal of probable convergence of numbers in MUNIS system. Written Property Management SOPs. Comprehensive physical inventory resulting in detailed fixed asset ledger and ability to perform depreciation expense accurately and efficiently.	System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.

Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training.

Lack of manpower continues to hinder progress. Risk level – High. | Based on physical inventory findings, develop training for fixed asset custodians and divisions to review findings, SOPs and MUNIS tools. Training sessions to be scheduled September 2013.

Clean asset records to be entered to GDOE MUNIS system after reconciliation. Note Tyler unable to assist with the effort until December 2013. TPFA contacted higher-ups at Tyler and we anticipate that MUNIS will prioritize so that this can be completed sooner.

Familiarization with BMI scanning systems and GDOE MUNIS also continues. |

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
December 2013		Marc Pido - Supply Management Administrator

Property Management

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
PM-2: GDOE's inventory policy will include an established procedure for replacement or reimbursement of any items in the inventory that cannot be located, consistent with federal regulations.	Initial SOP review has been completed by TPFA and suggestions were provided. Draft incorporates procedures on replacement or reimbursement of inventory. Property Management team is meeting weekly with TPFA to discuss progress. Approval and sign-off is expected in November of 2013. GL account has been set up to receive reimbursements and to expend for replacement of laptop.	This section will be updated to include policies and responsibilities relating to financial liability for government property that is lost, damaged, destroyed or stolen. The section should include accounting procedures for lost, damaged, destroyed or stolen property, how to determine responsibility and the amount of financial liability to those found responsible. Methods of inquiry, research and investigation into the causes of the lost, damaged, destroyed or stolen government property will also be discussed. Finalize SOP for replacement, reimbursement, and determination of responsibility will be reviewed and approved by November 2013.

Implementation Deliverables	Completion Risks	
Written lost and stolen item policy which would serve as the basis for any reimbursement. Training programs for principals, assistant principals, and administrative personnel at the school level to increase awareness and ownership of the policies and improve safeguarding of assets.	System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low. Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training. Lack of manpower continues to hinder progress. Risk level – High.	Develop standard for attaching signed personal responsibility forms to the employee personnel record by December 2013. Develop SOP for verification on a quarterly basis of fixed asset inventory by school administrators and division heads or their designated fixed asset custodians by November 2013.

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
December 2013		Marc Pido - Supply Management Administrator

Property Management

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
PM-3: The inventory policy and management system will ensure that Property Management, Procurement, Finance and Administration, Schools and School Administration act as an integrated team on procurement issues.	Annual Physical Inventory for Federally and locally funded fixed assets commenced in this quarter and was finalized for Federally funded assets. Inventory of locally funded assets continues and will be completed in October 2013. Property team building continues as physical inventory has necessitated consistent communication between Property Management office and Property Liaison officers at schools and divisions.	While procurement and end-users are becoming more proficient with requisition entry and PO processing and monitoring, additional Fixed Asset Module training for Warehouse, Property, procurement, and accounting staff will be scheduled to ensure proper receiving, recording, and accounting of assets. End-user training to follow to allow visibility to location of asset and movement of assets. A Policy and Procedures Manual will be developed for Property Management by November 2013.
Implementation Deliverables	**Completion Risks**	The relative frequency of full physical inventory is to build on collaborative effort with schools and divisions as well as maintain freshness among Property personnel of processes and procedures. Assess readiness of GDOE Property Management to take on responsibility of physical inventory of USDOE grant funded fixed assets by November 2013. Fixed asset accountant will be hired to assist in the reconciliation efforts.
Inventory policies adopted by GDOE will reflect coordination and review of established policies from GDOE Property Management and Procurement.	System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low. Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training. Lack of manpower continues to hinder progress. Risk level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
December 2013		Marc Pido - Supply Management Administrator

Property Management

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
PM-4: GDOE will ensure that US ED is reimbursed, as appropriate and consistent with federal regulations, when equipment damage results from inappropriate use.	Further guidance for this action / activity is being researched.	In addition to determining personal responsibility and financial liability, procedures and policies for reimbursing US ED will be researched and developed by December 2013.
Implementation Deliverables	**Completion Risks**	Routine training for principals and division heads regarding oversight of property of purchased with federal funds will be included in Procurement calendar.
Additional training to ensure front line leadership (i.e., principals and other administrators) is aware of and responsible for supporting Property Management policies and procedures as well as for the proper level of oversight related to the management of property purchased with federal funds.	Lack of manpower continues to hinder progress. Risk level – High.	SOP for replacement, reimbursement, and determination of responsibility will be finalized by November 2013 and implemented by December 2013.

Items will be addressed in the Policy and Procedure Manual scheduled for completion by November 2013. |
| **Schedule Based upon Performance Plan** | **New Deliverables Completed** | **Responsible Person/Department** |
| December 2013 | | Marc Pido - Supply Management Administrator |

Property Management

Required Actions and Activities	Status Report as of 8/31/2013	Next Steps / Comments
PM-5: Corrective Action pursuant to Finding No. 10-02 contained in the program determination letter (PDL) from the Office of Special Education regarding Audit Control Number 09-10-110764 for the Audit Period October 1, 2009 - September 30, 2010.	Calendar which includes fixed asset activities over the upcoming fiscal year has been developed and distributed. Property Management SOPs (including definition of "Fixed Assets") targeted to be finalized and adopted November 2013. Performance benchmarks are also being developed. Inventory for locally funded assets ongoing, to be completed October 2013.	Training for school principals, property liaisons, and division heads regarding compliance and enforcement are part of the procurement calendar.
Implementation Deliverables	**Completion Risks**	
Per Finding No. 10-02: • Evidence that GDOE has a uniform definition of "fixed assets" that is utilized consistently across GDOE central office managers and school sites; • Evidence that GDOE has developed enforcement actions that are reasonably designed to enforce established procedures and address noncompliance identified at the school or division level; • Evidence that it has performed the reconciliation of fixed asset data as between the property management and financial management systems; and • Further examples of documents and records used in the property management process, including fixed assets reports generated from the automated fixed assets system, that contain all details required for accurate management of the property, including, but not limited to, acquisition date, acquisition cost, and the source of funds used to acquire the property.	System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low. Adaptation Risk – Speed with which all users adapt to the new system, associated technology and processes will impact efficacy of the new FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training. Lack of manpower continues to hinder progress. Risk level – High.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
November 2013		Marc Pido - Supply Management Administrator