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# DEPARTMENT OF EDUCATION

## PUBLIC INFORMATION OFFICER

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### FOR IMMEDIATE RELEASE

#### **CORRECTED: GDOE Receives 9th Consecutive Clean Audit Ahead of ED Visit**

Earlier today, the Office of Public Accountability (OPA) affirmed a **ninth** consecutive unmodified (clean) audit for the Guam Department of Education (GDOE) for Fiscal Year 2021. The audit was completed by Deloitte & Touche, LLP and reported a clean opinion for GDOE's financial statements as well as compliance with federal program requirements. The audit also reported no material weaknesses.

"I am proud that GDOE has been able to sustain our audit performance with nine consecutive clean audits during my past 10 years with the department," said GDOE Superintendent Jon Fernandez. "We have been able to maintain this performance through the improvement of our financial management system, development of standard operating procedures, continued training for employees, and a robust internal audit function within GDOE. Congratulations to our business and financial team, our federal programs office, our project teams, and our internal audit unit for working together to sustain our improvements."

The audit did identify four significant deficiencies and \$1.4 million in federal questioned costs that GDOE is working to address through improved processes or by seeking guidance from the U.S. Department of Education (ED). GDOE has already begun the process of convening the third-party fiduciary agent, business office, and federal programs office to address the timely recording of expenditures identified in Finding 2021-001. With regards to Finding 2021-002, on stale-dated checks, GDOE is working on a process to identify intended recipients or to write off the checks. Finding 2021-003 questioned the allowability of GDOE's summer youth employment internship program and whether it met the requirement to prevent, prepare for, or respond to COVID-19. GDOE disagreed with this finding and will work with ED to address. Finally, GDOE will be working with ED to get further clarification on Finding 2021-004 and the allowability of overtime to employees working on COVID-19 related activities.

"Audits are always a good opportunity to identify room for improvement, and we welcome that opportunity in order to continue to get stronger as an organization," said Fernandez. "However, we do disagree with the auditors questioning costs that were used to support up to 700 youth with summer employment. COVID-19 impacted the lives of students who lost instructional time, lost time to engage with their classmates and teachers, and suffered mentally and emotionally through this period. Getting hundreds of youth out of the house to obtain on-the-job training and spark a career or college interest was a key part of our COVID-19 recovery strategy. We believe ED will see it the same way."

GDOE's performance of nine consecutive clean audits is just in time for ED's onsite visit to Guam where representatives from ED's risk management office, inspector general's office, and program offices will conduct a review of GDOE's progress in managing federal funds. GDOE hopes this visit will result in removal of the special conditions placed on Guam's education funds as well as the removal of third-party fiduciary agent's oversight. Mr. Chris Soto, Senior Advisor to ED Secretary Miguel Cardona, is also expected to attend.

"We believe we have demonstrated enough progress over the past 10 years to merit removal of the special conditions and third party oversight," said Mark Mendiola, Guam Education Board Chairman. "We want acknowledgement of our improvements and, if there is anything left that needs to be addressed, we want clear guidance and a firm timeline to correct. We think we can be a success story for ED, but in order for us to do that, our federal partners have to agree that the time has come to allow us to be full partners moving forward together."

ED's visit is scheduled for the week of May 23, 2022.

For more information, you may contact Michelle Franquez, the GDOE Public Information Officer, at (671) 300-1677 or you may send an email to [matfranquez@gdoe.net](mailto:matfranquez@gdoe.net)

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