

Guam Department of Education

Comprehensive Corrective Action Plan Quarterly Progress Report

For the Period Beginning June 1, 2014 and Ending September 30, 2014

Presented to the U.S. Department of Education in Fulfillment of the Federal Fiscal Year 2014 Special Conditions

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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

The FY13 Audit was completed in June. Unqualified opinions were issued for both the financial and compliance audits. An additional employee was added to the Internal Audit Office and GDOE is in the process of recruiting two additional audit staff. A review of the status of the Management Internal Controls (MIC) is substantially complete and a report should be issued shortly. The tasks identified in the internal audit section have been restructured to address the rebuilding of the Internal Audit Office as well as address FY13 audit findings.

USDOE Risk Management representatives visited Guam in July to validate the progress made by GDOE. They met with the TPFA, end users, administrators and management as well as the Public Auditor to gather data. Results of the visit are being used to frame the work plan for upcoming TPFA contract extension. Since the visit, GDOE has been able to have a number of SOPs finalized. Additionally, to ensure that funds would be obligated and expended before grant expiration dates, an additional attorney and buyer have been hired to support procurement efforts.

The Supply Management Division has been bifurcated so that focused attention can be given to both the procurement and fixed asset issues. One of the newly hired accountants has been tasked to work closely with the property management staff to ensure that the fixed asset listings are reconciled. Work on combining the TPFA and GDOE fixed asset listing and uploading this list into the GDOE fixed asset module has been ongoing and significant progress has been made. We hope to have this task completed before the next physical inventory.

The TPFA is working with GDOE to put in place procedures for time and attendance certifications to be prepared every six months instead of biweekly for employees assigned to one grant program. Mapping of the process and a draft SOP are under review. We hope to have this new procedure in place before the end of the calendar year.

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 9/30/2014	Next Steps / Comments
<p>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.</p> <p>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.</p> <p>ETT-3: Research and implement an automated time collection system for federally funded employees.</p>	<p>Third Party Fiduciary Alvarez and Marsal and the Federal Programs Division have distributed a TDR in Excel format that includes drop down menus. The new form was designed in an attempt to decrease TDR errors and expedite payroll reimbursements.</p> <p>For those employees who work on one grant program, we have begun review of draft SOPs to move from a biweekly certification to semiannual certifications.</p>	<p>Finalize SOPs to move from biweekly certification to semiannual certifications for employees that are fully charged to one program. Once agreed to, finalize electronic TDR.</p> <p>Federal Programs Manual will be updated to reflect new forms and procedures.</p> <p>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.</p> <p>Determine feasibility of having employees enter and certify their time sheets electronically.</p>
Implementation Deliverables	Completion Risks	Next Steps / Comments
<p>Written and approved SOPs, including training for applicable GDOE personnel, to ensure:</p> <ul style="list-style-type: none"> • 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 	<p>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.</p> <p>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</p>	

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documentation of requirements to support implementation, training and administration (validated by FPD and LEA programs).	funded employees will require training. Risk level – Low.	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
Electronic TDR dependent on MUNIS update; adoption 30 days after form has been vetted.		Ignacio Santos, Federal Programs Administrator Taling Taitano, Deputy Superintendent

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 9/30/2014	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 9/30/2014	Next Steps / Comments
<p>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.</p> <p>Upgrade to version 10.5 estimated 2/28/2015.</p>	<p>Human Resources Module</p> <ul style="list-style-type: none"> • Certification Alert: previously set up Alert was inactivated because it was not functioning as intended. Certification Alert set up was alerting teachers that their previous certification is expired even if they have an updated record on file. Received mixed feedback from Teachers. Some appreciated reminders, some did not. <p>Payroll Module</p> <ul style="list-style-type: none"> • Labor Cost Distribution report: Tyler made corrections to report and it was working well. However, Accounting has reported that there are errors in the report again (9/30/14). Ticket submitted to Tyler to fix the report runner. <p>Procurement Module</p> <ul style="list-style-type: none"> • 88% of Commodity Codes were deleted, reducing the number of codes from 9,007 to 1,114. Another 10% or 929 will be deleted as soon as the open purchase orders that contain those codes are closed. <p>Financial Module</p> <ul style="list-style-type: none"> • 10 of 12 bank accounts are being reconciled using the Munis bank reconciliation module. The 2 accounts reconciled outside of Munis are deposit accounts. 	<p>Human Resources Module</p> <ul style="list-style-type: none"> ○ Retention Register; ○ Applicant Tracking; ○ Employee Training Module; ○ Staffing Pattern (custom form): Tyler Work Ticket to correct errors scheduled to be completed in November 2014. ○ Continue reviewing employee department and location codes to ensure they comply with the guidelines established. ○ Certification Alerts: Update certification records in Munis to create a flag for most current certification, Alert will be modified to look for flag first before testing if expiration date is within 90 days and alerting Teacher. <p>Payroll Module</p> <ul style="list-style-type: none"> ○ Finalize TDR form (Custom form), trouble shoot Labor Cost Distribution (custom) Report and review Payroll audit reports. ○ Employee Self Service (INTERACTIVE access): Training Module and Employee Expense. Allow employees to update dependent and beneficiary information thru ESS. <p>Procurement Module</p> <ul style="list-style-type: none"> ○ Continue to reduce the number of commodity codes as the open purchase orders that contain those codes are closed. Target number of commodity codes <185. ○ Survey of end users for their feedback regarding the reduction of commodity codes and not being required to enter the type 4 commodity code. ○ Bid Management: test Vendor notification function. ○ Vendor Self Service – education of vendors. ○ Contract Management Module: continue to add contract information the module in order to create an up-to-date contract database. <p>Financial Module</p> <ul style="list-style-type: none"> ○ Billing (scheduling pending) ○ Treasury Management (pending 100% bank account reconciliation with Munis Bank Reconciliation module)

	<ul style="list-style-type: none"> • Tyler Munis developers performed another TPFA fixed asset data transfer into Test environment. • Technical assistance and training on year-end closing was provided by Munis via go-to-meeting. <p>Tyler PULSE Solutions</p> <ul style="list-style-type: none"> • Pulse now has a dedicated server, Windows 2k8 R2 server with 100 Gb (C: Drive) and 1 TB (P: Drive). It is a virtual machine on a VMWare platform. Providing an isolated server will allow Pulse developers to modify Pulse pages to include year to year comparative student data and financial pages along with other requested changes. • Administrators responded to a request for recommendation regarding Pulse Alerts. Collected responses included the attempted Certification expiration alert, PPD expiration alerts (Students and Staff), and Increment Date alert. <p>FMIS Team Meetings</p> <ul style="list-style-type: none"> • Conference calls are held every two weeks with Tyler Transition Manger to discuss pending projects and any concerns. 	<ul style="list-style-type: none"> ○ Cash receipts procedures for the schools (pending SOP). ○ Salaries and Benefits projection module (scheduling pending) ○ Fixed assets – Conference call with Tyler scheduled to discuss errors in Fixed Asset data transfer, participants will include GDOE FSAIS staff to assist in identifying cause of the errors. After errors are identified and corrected, Tyler will perform another test transfer of data. GDOE will review to determine accuracy and completeness, if test is successful, transfer will be scheduled in the Live environment. GDOE will contact BMI to obtain assistance with problems occurring with TransTrak scanner equipment used in the Receiving process. <p>Version Upgrade</p> <ul style="list-style-type: none"> ○ No additional hardware or software needed prior to upgrade to Munis version 10.5. ○ Upgrade in Test environment scheduled for November 2014, in Live environment in February 2015. <p>Disaster Recovery</p> <ul style="list-style-type: none"> ○ Test tentatively scheduled for December 2014. <p>Tyler PULSE Solutions</p> <ul style="list-style-type: none"> ○ Research, test, and implement alerts requested by Administrators. ○ Continued analytical page development, including the modification to include prior year data for year to year comparisons. ○ Continue review of PULSE pages to identify desired modifications. <p>Roll out PULSE to Teachers.</p>
Implementation Deliverables	Completion Risks	Next Steps / Comments
<p>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</p>	<p>Enhancements to system tied to Tyler MUNIS upgrades. Risk Level – Low.</p>	

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<p>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.</p>		
<p>Schedule Based upon Performance Plan</p>	<p>New Deliverables Completed</p>	<p>Responsible Person/Department</p>
<p>Next system upgrade to version 10.5 is projected for February 2015.</p>		<p>Jacqueline Mesa, Management Analyst IV</p>

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>TPFA continues to manage all federal grant funds from GDOE using an independent MUNIS system and separate bank accounts.</p> <p>GDOE procurement staff continues to use TPFA system for procurement processing. GDOE also provides accounts payable support.</p> <p>Weekly meetings with TPFA to coordinate activities and resolve any concerns. TPFA supporting audit by providing details as requested by auditors.</p> <p>PULSE reports being actively used to update rosters needed for three way match of payroll.</p>	<p>Continued operation of the TPFA independent financial management system and bank accounts will continue.</p> <p>More detailed documentation of problems with three way match for payroll should assist in resolving issues. Training on TDRs for school administrators and project directors will be scheduled.</p> <p>Regular reports to ensure any outstanding receivables are resolved in a timely manner.</p> <p>GDOE and TPFA are looking into areas to transfer responsibilities to GDOE. For example, performing the three way match testing for personnel costs, and maintaining the fixed assets ledger.</p>
Implementation Deliverables	Completion Risks	<p>Work towards electronic transfer of data between GDOE and TPFA systems.</p>
<p>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.</p>		
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Continuing</p>	<p>Routine</p>	<p>Taling Taitano, Deputy Superintendent</p>

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p><u>Signed SOPs</u> Finance (3) -SOP # 200-016 –Fixed Assets Accounting and Reporting -SOP # 200-017 –Month End and Year End Closing Policy -SOP # 200-021 –Off-Island Travel Procedures Payroll (1) -SOP # Pending –payroll Processing Human Resources (5) - SOP # 800-007 –Employee Name Change Request - SOP # 800-009 –Reclassification of Teachers - SOP # 800-006 –Request to Fill Position(s) for Recruitment - SOP # 800-010 – Salary Increments and Detailed Differential Pay -SOP # 800-008 –Transfer and Voluntary Demotion Supply Management (3) - SOP # 200-019 – Fixed Asset Management for Schools and Divisions - SOP # 200-020 –Open Purchase Order Monitoring and Reporting - SOP # 200-018 –Sole Source Procurement <u>SOPs Revised and Resubmitted for Approval</u> Finance (1) -Bank Reconciliation Budget (2) -Budget Entry Process -Budget Preparation Process-Local Appropriation</p>	<p>GDOE Project Manager will continue to oversee completion of SOPs. Review system SOPs with the department leads and their respective teams to confirm accuracy.</p> <p>Final sign-off and adoption of SOPs. SOPs will include both system and operational procedures.</p> <p><u>SOPs Pending Revisions/Creation</u> Supply Management (1) -Requisition Entry Finance (3) -Accounts Receivable -General Ledger -Revenue Control and Management Policy Federal Programs (2) -Grant Procedure Manual -Time Distribution Report</p> <p>Continuous Munis End User Training Related Activity</p> <ul style="list-style-type: none"> o Training during and around Spring, Summer and Christmas breaks o Conducting pre and post surveys to focus training and determine effectiveness o Conduct other Munis End User targeted surveys to determine how to structure future training and support.

	<p><u>SOPs in Staff Review</u></p> <p>Supply Management (8)</p> <ul style="list-style-type: none"> -Competitive Sealed Bidding IFBs -Competitive Sealed Proposals RFPs -Emergency Procurement -Maintaining the Procurement Record -Pre-Bid Conference Procedures & Pre-Bid Site Visits -Protest/Appeal Procedures -Request for Information Procedures -Request for Purchase Order & Contract Modifications <p>Finance (4)</p> <ul style="list-style-type: none"> -Local Mileage Reimbursement -Accounts Payable -Cash Disbursement -School Meals Collection <p><u>MUNIS End-User Trainings Conducted</u></p> <p>Maintenance Service Request (26 Attendees)</p> <p>Pulse and Employee Self Service (8 Attendees)</p> <p>Requisition Entry (49 Attendees)</p> <p>Time Entry (23 Attendees)</p> <p>Non-Appropriated Funds (35 Attendees)</p> <p>Account Inquiry & Munis Reports (28 Attendees)</p>	
Implementation Deliverables	Completion Risks	
<p>End Establish End User Training</p> <ul style="list-style-type: none"> • 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. 	<p>Continued Training – Low</p> <p>SOP Development - Moderate</p>	

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<ul style="list-style-type: none"> Go to Meetings with Tyler personnel should be established as needed. <p>Standard Operating Procedures.</p> <ul style="list-style-type: none"> Official approval by department. 		
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
SOPs updates and approvals are ongoing.	12 SOPs completed and approved by the Superintendent.	Jacqueline Mesa, Management Analyst IV

Intergovernmental Agency Arrangements

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>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. It has been determined that Federal Programs will complete a Federal Programs Manual which will encompass a number of SOPs.</p>	<p>Federal Programs Manual is in final draft form. Document will be routed through the DSFAS and TPFA for review and comment before a final copy is provided to Superintendent for approval.</p> <p>Once approved, communicate Federal Programs Manual to relevant Public, Non-Profit & Other Institutions so they comply with the requirements.</p>
<p>Implementation Deliverables</p>	<p>Completion Risks</p>	<p>At least annually, document monitoring activities. Provide technical assistance as necessary to resolve any concerns.</p>
<p>Written and approved SOP, including training for applicable GDOE personnel and sub-recipient/sub-grantees.</p>	<p>Adaptation Risk – acceptance by which all sub-recipients/sub-grantees adhere to the procedures is minimal. Risk level – Low.</p>	<p>Update Manual as necessary based on feedback from relevant Public, Non-Profit & Other Institutions and results of monitoring.</p>
<p>Schedule Based upon Performance Plan</p>	<p>New Deliverables Completed</p>	<p>Responsible Person/Department</p>
<p>To be finalized within 45 days after TDR and travel SOPs are finalized.</p>		<p>Ignacio Santos, Federal Programs Administrator</p>

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p> <p>Additionally, the financial management system will record and account for all draws and expenditures of federal education funds</p>	<p>See FMIS Section for update on the FMIS and SOP status.</p> <p>Accounting and internal audit staff attended training sponsored by Association of Government Accountants on GASB updates as well as the new super circular.</p>	<p>See FMIS Section for next steps, comments.</p>
Implementation Deliverables	Completion Risks	
<p>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).</p> <p>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.</p>	<p>Lack of adequate staff needed to continue forward momentum may stall progress.</p> <p>Risk: Medium/High</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Ongoing –</p>		<p>Taling Taitano, DSFAS Jacqueline Mesa, FMIS</p>

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>TPFA working with Federal Programs, Accounting, Payroll, Human Resources, Budget, Internal Audit, and Program Managers to map hiring process and develop new time and effort procedures.</p> <p>TPFA working with accounting, FSAIS, FMIS, and property management on integration of fixed asset systems.</p> <p>Meeting held with operational units to discuss year end, year beginning procedures to ensure timely closing and opening of the fiscal years. Review of account codes and work flows also performed to incorporate changes needed.</p> <p>Operational units invited to biweekly discussion of system concerns.</p>	<p>Continue collaboration with schools and divisions to address:</p> <ul style="list-style-type: none"> • Personnel and payroll issues; • Procurement, receiving, inventory, and payables issues; • Budgeting and reporting issues; • Cash receipts and account receivable issues; and • Non-Appropriated Funds. <p><u>Employee DD Enrollment and Vendor EFTs/ACH Registry</u> Continue to encourage GDOE employees and vendors to register for DD and EFTs/ACH payment options.</p>
Implementation Deliverables	Completion Risks	<p>Obtain or exceed goal of 75% of employees enrolled in DD and vendors registered for EFTs/ACH payment options by the end of 2014.</p> <p>Resolve errors/discrepancies within 24-hrs for employee and/or vendor information (i.e. if a vendor changes banks or other issues).</p>
<p>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.</p>	<p>Adaptation Risk – acceptance of direct deposit by employees. Risk level – Low Vendor EFTs/ACH. Risk level – Moderate.</p> <p>Although IAO consists of only two employees, the division continues to move forward and accomplish duties and responsibilities. Maintaining sufficient staffing levels within the BO and IAO continues to be a challenge with the loss of personnel due to either retirement or detailed appointments. Awaiting the approval for two requests to fill vacancy positions in AP. Risk: Medium/High</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Ongoing</p>		<p>Taling Taitano, DSFAS Jacqueline Mesa, FMIS</p>

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>IC-3: Reliance on the credible financial management system by other Guam agencies and single auditors as accurate system of record.</p>	<p>Monthly MUNIS reports continue to be provided to the Education Finance Supervisory Council (EFSC). The EFSC is made up of the Department of Administration, the Bureau of Budget & Management Research, the Office of Public Accountability and the Guam Legislature’s Office of Finance & Budget.</p> <p>Unqualified audit opinion issued for FY13. Internal auditors will work with various divisions to monitor corrective action plan.</p>	<p>Work with legislature to determine if GDOE will take over reports developed for review by EFSC. Results of the upcoming election may change make up and relationships in the EFSC.</p> <p>Regularly reconcile GDOE’s financial information with BBMR, DOA, and the TPFA to ensure information is accurate supports timely completion of audit.</p> <p>Various divisions provide support to ensure FY14 audit is completed timely. Target completion of audit in May or sooner.</p>
Implementation Deliverables	Completion Risks	
<p>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.</p> <p>Information management needs met by all users (e.g., custom reconciliation worksheet to support requirements and tracking of federal draw funds).</p>	<p>Medium to High based on staff’s time spent to identify and work out errors and deficiencies of the GASB 34 reporting module.</p> <p>Lack of manpower continues to hinder progress. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Ongoing support to be provided to EFSC.</p>	<p>FY13 Audit</p>	<p>Taling Taitano, DSFAS Frank Cooper-Nurse, Chief Auditor</p>

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>IC-4: 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.</p>	<p>TPFA added additional local staff to assist with activities in last quarter of FY14. Additional buyer and attorney have been hired to support procurement efforts. Key personnel in the Human Resource Division have been hired to assist with recruitment of needed personnel. Additional program and federal programs staff have been hired to assist with implementation and compliance.</p> <p>Weekly updates by procurement, legal and TPFA have assisted in tracking critical procurements moving towards the end of the fiscal year. TPFA working with Federal Programs to use first in first out method to minimize any lapses of funds.</p> <p>Consolidated grant FY15 application submitted. Federal program staff have traveled to Washington DC as well as followed up regularly by phone and by email with USDE on the status of the application.</p>	<p>While waiting for grant approval, determine what efforts can be made to ensure timely expenditure of funds, e.g., begin recruitment efforts, prepare procurement plan and develop documents.</p>
Implementation Deliverables	Completion Risks	
<ul style="list-style-type: none"> • 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. • Legal review has been added to MUNIS approval workflow to help ensure smooth procurement process. 	<p>Delay in the issuance of the GAN as well as Schedule T related approvals may delay hiring and procurement activities. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Ongoing</p>		<p>Ignacio Santos, Federal Programs Administrator</p>

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>IC-5: GDOE will reconstitute its Office of Internal Audit (OIA). The Chief Auditor will update the MIC.</p> <p>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 (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.</p> <p>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.</p>	<p>Chief auditor hired on June 9, 2014. Staff transfer from OPA occurred. Applications for two additional positions have been received and evaluated.</p> <p>IAO continues to perform cash management audits of the department’s NAFs. The results have been consistently successful as most GDOE schools were able to produce monthly financial reports using MUNIS. The MUNIS system has already demonstrated its success by the improving the reporting and accounting of NAF funds at the school level.</p> <p>The MIC was formally transferred to IAO on September 24, 2014 from the former Auditor. IAO has completed its summary of MIC submissions and has created an electronic database. The surveys have been submitted to IAO for review and analysis.</p> <p>Based on submissions, the IAO has identified that nine GDOE divisions as well as 37 schools completed the MIC Survey.</p> <p>IAO has developed a 3-year Audit Plan for calendar years 2013-2015 in which audits have either been completed and/or are ongoing in the areas of MUNIS NAF cash management, MIC internal controls, validation of charter school expenditures, and development of fixed assets inventory process procedures.</p> <p>GDOE and UOG’s School of Business and Public Administration (SBPA) Internship Program continues to</p>	<p>Interview and select additional audit staff before the end of the calendar year.</p> <p>Procedures for a hot line will be developed and should be in place before the end of the calendar year.</p> <p>IAO will identify the remaining divisions and pending schools that have yet to complete the MIC assessment. IAO will ensure that the MIC assessment is completed by each GDOE Division and School. IAO will then analyze the MIC assessment ratings and develop a summary report to highlight high risk areas.</p> <p>IAO will update the 3-year audit plan upon completion of the MIC and its overall risk assessment of each division and school.</p> <p>A consolidated summary to explain in detail GDOE’s management of internal controls which will be summarized into a report, it will then be submitted to USDOE for their perusal in determining the high risks issues.</p>

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	be a successful partnership. In September 2014, GDOE's UOG interns supported accounting, internal audit and FMIS operations.	
Implementation Deliverables	Completion Risks	
Updated MIC	Success will hinge on successful staffing of the IAO. Proposed salary increases at the OPA pay make it difficult to recruit and retain staff. Risk level – High.	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
MIC – Majority of the MIC submitted by June 2014; all of the submissions will be in by November 2014	New Chief Auditor, staff transfer from OPA	Frank Cooper-Nurse, Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
IC-6: GDOE will develop reconciliation procedures to address audit finding 2013-004, reconciliation between federal expenditures and SEFA and audit finding 2013-005, reconciliation between general ledger and SEFA	SOP # 200-017 –Month End and Year End Closing Policy signed by Superintendent.	Conduct training on SOPs to ensure staff understand procedures.
Implementation Deliverables	Completion Risks	Validate that reconciliations have been performed for FY14 audit.
Standard Operating Procedures and related training. No repeat findings.	Lack of adequate staff. Risk level – High.	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
December 31, 2014		Frank Cooper-Nurse, Chief Auditor Lourdes Perez, Comptroller

Procurement

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>P-1: GDOE will develop and implement effective procurement policies and procedures that ensure:</p> <ul style="list-style-type: none"> • 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. 	<p>Review and update of procurement SOPs ongoing.</p> <p>Performance benchmark development ongoing and will be incorporated into workflow as described in the SOP.</p> <p>Entry of contracts into Contract Management Module is ongoing.</p> <p>End users, legal, and procurement made concerted effort to process outstanding procurements prior to year end.</p>	<p>2nd review of SOPs will be completed by 10/30/14.</p> <p>Based on refresher training on bid and contract module, develop strategies on how to integrate into procurement processes. Staff training in Test environment on bid module scheduled for October 2014 as this is a down time for this division while Accounting and Budget are trying to close out FY2014.</p> <p>Review audit findings and update SOPs and schedule training to address issues.</p>
Implementation Deliverables	Completion Risks	
<p>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).</p>	<p>System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.</p> <p>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.</p> <p>Technology being introduced to Receiving Warehouse where users will require training.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed This Quarter	Responsible Person/Department
<p>October 30, 2014 for finalization of SOPs</p>	<p>Standard Operating Procedures “SOP’s” has gone through the first phase of reviews. After further review Procurement has a total of eleven (11) SOP’s to complete and finalize. Out of the eleven (11) SOP’s only two has been finalized and approved by the Superintendent: Sole Source Procurement and Open Purchase Order Monitoring and Reporting.</p>	<p>Carmen Taitano - Acting, Supply Management Administrator</p>

Procurement

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>During the US Ed visit end users voiced some concerns regarding the commodity codes. Prior to the opening of the new fiscal year 2015 the commodity codes has been revamped drastically.</p> <p>Review of PULSE reports is ongoing to determine usefulness in reporting and tracking of procurement activities.</p>	<p>Monitoring of adjustments made to the workflow and requisition distribution to ensure changes have improved efficiencies is ongoing.</p> <p>Supply Management Administrator to identify system content, as well as Tyler online user-community and knowledge base, for available report development capabilities. Research is ongoing in conjunction with resolution of adaptation of TPFA reports.</p>
Implementation Deliverables	Completion Risks	
<p>Monthly summary of completed purchases and procurement actions; Established process for routine review of federally funded requisitions and purchase orders.</p>	<p>System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.</p> <p>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.</p>	<p>Development for Gatekeeper system within the Supply Management Office to assign individual requisitions to the proper workflow stream is ongoing.</p> <p>Refresher training for end user receiving processes in MUNIS system must reiterate attachment of appropriate receiving documents.</p> <p>Refine PULSE reports pertaining to purchasing.</p> <p>GDOE to resolve with Tyler adaptation of TPFA MUNIS reports to track requisitions/POs, including aging reports.</p> <p>Develop contract listing to track expiration and renewal dates.</p> <p>Establish timelines for requisition turnaround and hold buyers accountable for meeting these targets.</p> <p>Review procedures to take advantage of technology and eliminate steps that do not add value to process.</p>

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Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
October 2014	For New Fiscal Year 2015 looking to revamp the commodity codes. Trying to make the process of entering requisitions easier and simpler for the End Users. Additional training will be conducted for the end users.	Carmen Taitano - Acting, Supply Management Administrator

Procurement

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>P-3: Improve departmental procurement processes beyond those responsibilities directly related to the modules of the Financial Management Information System (FMIS).</p>	<p>Biweekly meetings to review status of outstanding procurement ongoing.</p> <p>Procurement checklist updated for procurements that require AG review.</p>	<p>Update Desk-Top Procedures and policies as process is refined.</p> <p>Develop comprehensive policy and procedures manual by October 2014 based on approved SOPs.</p>
Implementation Deliverables	Completion Risks	<p>Working with Legal office to resolve which set of procurement regulations (2GAR or GDOE's as issued in 1994) apply to GDOE Procurement activities.</p> <p>Further research ongoing of training systems and certification for procurement staff.</p> <p>Assessing funding for augmentation of procurement staff with additional buyers and a contract manager.</p> <p>With legal department, review vendor protests to determine how procedures may be improved to mitigate or prevent future protests.</p>
<p>Development and publication of procurement policies and procedures, and external verification of compliance with SOPs.</p>	<p>Lack of manpower continues to hinder progress. Additional attorney and buyer hired. It has been recommended that the department hire two additional buyers and a contract manager. Risk Level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Training and process improvement ongoing. SOP completion by October 30, 2014.</p>	<p>GCC Training – Most of the key players within Procurement have completed all Modules.</p>	<p>Carmen Taitano - Acting, Supply Management Administrator</p>

Property Management

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>Fixed Asset SOP for Property Management Office and Central Receiving Warehouse has been signed. Fixed Asset SOP for Schools and Divisions has been signed by the Superintendent on 9/21/14.</p> <p>Mapping for fixed asset codes in the TPFA and GDOE MUNIS systems have been completed. The fixed asset transfer to the GDOE test environment was completed with errors. Resolution of errors is ongoing.</p> <p>Audit finding 2013-001 condition 5 occurred because of multiple fixed assets listing. Once the fixed assets are loaded into the MUNIS fixed asset module, these fixed asset listing will be available department wide.</p> <p>One-on-One 2014 evaluations conducted with schools and divisions to discuss their performance and areas of improvement.</p> <p>Replacements of two vacancies in the receiving warehouse were processed.</p>	<p>Research ongoing for additional training opportunities on computer skills for Warehouse and Property staff.</p> <p>Resolution of missing assets is ongoing.</p> <p>Warehouse staff becoming familiar with receiving orders in Munis Purchase Order Receiving. 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.</p> <p>Familiarization with BMI scanning systems and GDOE MUNIS also continues.</p> <p>Develop and implement a regime to monitor the maintenance of capital assets in November 30, 2014.</p> <p>Applications for vacant storekeeper need to be evaluation. Recruitment of two property control officers needs to be initiated.</p> <p>Plans for the next physical inventory are being developed and training should begin in November.</p>
Implementation Deliverables	Completion Risks	
<p>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</p>	<p>System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.</p> <p>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</p>	

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<p>expense accurately and efficiently.</p>	<p>Warehouse where users will require training.</p> <p>Lack of manpower continues to hinder progress. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Maintenance regime for capital assets to be developed and implemented – November 30, 2014.</p> <p>Training – basic computer skills, fixed assets module and BMI systems – ongoing.</p>	<p>Fixed Asset Training Fixed Asset SOP for Property Management / Warehouse</p>	<p>Marc Pido - Supply Management Administrator</p>

Property Management

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>Fixed Asset SOP for Property Management Office and Central Receiving Warehouse was signed 1/10/14. Fixed Asset SOP for Schools and Divisions was signed on 9/21/14.</p>	<p>Research ongoing for policies and responsibilities relating to financial liability for government property that is lost, damaged, destroyed or stolen will be updated. 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.</p>
Implementation Deliverables	Completion Risks	<p>Personal responsibility forms have been developed and are in use. However, standards for attaching signed personal responsibility forms to the employee personnel record need to be developed.</p> <p>Finalize SOP for replacement, reimbursement, and determination of responsibility will be completed by December 31, 2014.</p> <p>Procedures for verification on a quarterly basis of fixed asset inventory by school administrators and division heads or their designated fixed asset custodians will be added by November 30, 2014. Fixed asset transfer and full implementation of the GDOE Fixed Asset Module will facilitate these procedures.</p> <p>November 2014 training to be held for schools and divisions on SOPs and preparation for 2015 physical inventory.</p>
<p>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.</p>	<p>System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.</p> <p>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.</p> <p>Lack of manpower continues to hinder progress. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>December 2014</p>		<p>Marc Pido - Supply Management Administrator</p>

Property Management

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>Fixed Asset SOP for Schools and Divisions was been signed on 9/21/14.</p> <p>Fixed asset accountant hired in May 2014 to assist in the reconciliation efforts. SMA assigned to oversee warehouse and property management to provide focus to resolution of issues related to fixed assets.</p>	<p>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.</p> <p>Conduct a review of the post-inventory reconciliation process in order to develop an assessment of GDOE PMO staff performance by December 31, 2014.</p>
Implementation Deliverables	Completion Risks	<p>Audit findings are related to coordination between Property Section, Accounting and Programs. Once MUNIS has uploaded fixed assets, the need for separate manual listings should be eliminated and all groups work from same list.</p> <p>Accounting will develop SOP to ensure appropriate capitalization related to CIPs are made timely and that coordination with Program staff is done at least quarterly to ensure all fixed assets are captured, including those related to CIPs and related installation or engineering costs.</p>
<p>Inventory policies adopted by GDOE will reflect coordination and review of established policies from GDOE Property Management and Procurement.</p>	<p>System Risk – Issues with FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.</p> <p>Adaptation Risk – Speed with which all users adapt to the system, associated technology and processes will impact efficacy of the FMIS. Risk level – Low to Medium. Technology being introduced to Receiving Warehouse where users will require training.</p> <p>Lack of manpower continues to hinder progress. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>Ongoing for other matters</p>	<p>Fixed Asset SOP</p>	<p>Marc Pido - Supply Management Administrator Lourdes Perez - Comptroller</p>

Property Management

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>PM-4: GDOE will ensure that US ED is reimbursed, as appropriate and consistent with federal regulations, when equipment damage results from inappropriate use.</p>	<p>Guidance sought from US ED during their visit in July 2014. The GDOE recommended implementing activities to resolve PM-2 is more appropriate to achieving grant objectives than reimbursing US ED. Awaiting response.</p>	<p>GDOE recommends removal of PM-4 by next quarter's submission of this CCAP.</p>
Implementation Deliverables	Completion Risks	
<p>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.</p>	<p>Lack of manpower continues to hinder progress. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>December 2014</p>		<p>Marc Pido - Supply Management Administrator</p>

Property Management

Required Actions and Activities	Status Report as of 9/30/2014	Next Steps / Comments
<p>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.</p>	<p>Reconciliation of 2014 Physical Inventory has been substantially completed by June 30, 2014. Assets are being researched and found. Otherwise, police reports are filed and certificates of loss of property are submitted to explain the missing assets.</p>	<p>Once reconciliation has been completed, TPGA fixed assets are expected to be transferred to GDOE Munis system, as well as GDOE assets to be imported to populate the fixed assets module. Acquisition dates and source of funds will be among the data fields to be captured in the system.</p>
Implementation Deliverables	Completion Risks	<p>Property Management performance benchmarks to be developed by December 31, 2014.</p>
<p>Per Finding No. 10-02:</p> <ul style="list-style-type: none"> • 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. 	<p>System Risk – Delayed implementation of the new FMIS and its processes will impact the verification, monitoring and reporting capabilities. Risk level – Low.</p> <p>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.</p> <p>Lack of manpower continues to hinder progress. Risk level – High.</p>	
Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
<p>December 2014</p>		<p>Marc Pido - Supply Management Administrator</p>