Guam Department of Education

Comprehensive Corrective Action Plan Quarterly Progress Report

For the Period Beginning July 1, 2015 and Ending September 30, 2015

Presented to the U.S. Department of Education in Fulfillment of the Federal Fiscal Year 2015 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

At the end of this quarter, work on an updated Standard Operating Procedure (SOP) Time Distribution Report was near completion. Coordination between the various divisions to finalize the SOP was critical to the process. The new procedures should see a reduction in effort while maintaining controls over the process. Training will begin before the next quarter is over.

Adding the additional analyst to the FMIS unit will help ensure that timelines are being met. The pilot project on reporting is a success and reports should be pushed out on a monthly basis before the end of the next quarter. The staffing pattern and electronic time distribution report has been vetted and is awaiting fixes from Tyler MUNIS. GDOE was able to successfully perform bank reconciliation on the bank reconciliation module for all accounts. Training on the financial projection module was held and progress on use of the module is ongoing.

The physical inventory was completed on June 2 and the analysis completed and issued in September. Training of staff is ongoing as GDOE prepares for the next inventory cycle. Updates of the current SOP are being developed.

Vacancies in the procurement section have been filled. GDOE continues to send its procurement staff to training at Guam Community College. Additional in-house training is ongoing. The establishment of regular meetings and reports are key objectives.

The Internal Audit Office was able to hire two additional staff, one a CPA and one an MPA. They have finalized the audit plan and have launched audits on off island travel and fixed assets. The website and hotline have been developed and will be launched in early November.

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 9/30/2015	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.	1.A TDR SOP was substantially complete during this quarter and has since this period been complete. 1.D Created staffing list per collaborative meeting 1.E Tested workflow 1.F Identified advantages and disadvantages of deployed tasks and activities. 1.G Collaborative meeting held on process to correct identified disadvantages of TDR process requirements. 1.H Re-tested to verify disadvantages 1.I Tested PPE 1.J Re-identified advantages and disadvantages of deployed tasks and activities. 1.K Created flow chart for process	1.L Initial training will be scheduled on or before November 30, 2015 for federally funded employees with Program Managers and Project Directors on policies and procedures to properly track and report time for federally funded employees.
Implementation Deliverables	**Completion Risks**	
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. Refer to FMIS Time and Effort. 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. Refer to FMIS Time and Effort.	

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
ETT Continued. Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (July 1, 2015 thru September 30, 2015).	Manual SOP finalized and signed October 19, 2015. Training set tentatively for November 30, 2015.	Ignacio Santos, Federal Programs Administrator Taling Taitano, Deputy Superintendent

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 9/30/2015	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 9/30/2015	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.	**2.A Reporting** Lead staff attended Tyler Connect in May. A reporting pilot has been implemented that includes monthly reporting of balances, open purchase orders and pending requisitions for participating schools and division. The pilot also includes one-to-one on-site training at the school/division site. The one-to-one training has occurred with 4 of 4 sites. The goal of the pilot is work one on one with each location to identify their specific Munis needs and fill any gaps in Munis training. Pilot Participant Survey Results: 4/4 Received on-site trainings and would like periodic repeats. 4/4 Found the monthly reports helpful and easy to understand Other trainings/information desired: 1/4 Quarterly 1 to 1 training at the school site 1/4 More report generating training **2.B Munis TDR (A-87)** GDOE and Tyler continue to work through identifying and correcting errors identified in the Munis. Additional errors were identified during the quarter and reported to Tyler. Preliminary End-User instructions were created. **2. C Munis Staffing Pattern (SP)** Tyler's completed calculation error corrections. SP was tested formatting issues reported for correction. **2.D Billing** Implementation of the Munis Billing module has kicked off. Lead staff attended Tyler Connect in May. A meeting was held to obtain Management's expectations of outputs of the Billing module and present reporting capabilities. A check list of items to be included in this Billing module was created. Billing module	**2.A Reporting** Roll out monthly reporting to schools and divisions. **2.B Munis TDR (A-87)** If Tyler can finalize corrections and further testing reveals no further errors, during the next quarter the following milestones will be performed. - Finalize End-User instructions - Launch pilot program with select schools and divisions **2. C Munis Staffing Pattern** If Tyler can finalize corrections and further testing reveals no further errors, during the next quarter the following milestones will be performed. -Finalize End-User instructions -Train End Users **2.D Billing** Build the Billing infrastructure (coding) in the Live Munis environment, create end-user instructions and generate an invoice for Accounts Receivable items in Munis. **2.E Salary and Benefit Projection (S&BP)** Complete the set-up and testing of the module and create end-user instructions. **2.G Employee Expense (In ESS)** Meet with POCs to review set up documentation and compare to the existing settings in Munis. **2.H Contract Management** -Meet with Contract Management POCs, identify data points to be captured -Test contract information entry in temporary environment -Present the preliminary implementation findings to management -Create the end user instructions

FMIS-2 Continued:	codes were created, simulations performed to identify reporting capabilities with set up in Temporary environment. **2.E Salary and Benefit Projection (S&BP)** Lead staff attended Tyler Connect in May. Implementation of the S&BP module has kicked off. Budget staff met regularly to familiarize themselves with the module. HR and Payroll staff met with Budget to provide guidance, as their respective processes are similar to the steps required in S&BP. Budget, HR and Payroll staff underwent 2 half day web based trainings with Tyler Technologies. **2. J Electronic Bank Reconciliation** Met with Accounting POCs to identify issues preventing electronic bank reconciliation of certain bank accounts and identify solutions to these issues. Accounting POCs worked with Tyler Support, identified that the issues preventing electronic reconciliations for 2 GDOE bank accounts were attributed to errors in the set-up of the accounts rather than a bottle neck in the process. Correction has been completed and electronic reconciliations are now being done in Munis rather than through manual processes. **2.I Vendor Self Service** Met with Procurement POCs regarding expanded VSS capability. Vendors can currently access VSS to register as a vendor online. Discussed the possibility of opening the VSS for vendors to view purchase order documents, invoices, and checks. **2.K Build FMIS Section** GDOE opened a Management Analyst position to assist in the FMIS efforts. Interviewed and recommended best candidate to the Superintendent. New staff set to begin 10/05/2015	**2.I Vendor Self Service** Create the VSS manual for distribution to vendors.

Implementation Deliverables	Completion Risk	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.	Build and Roll-out of Modules by target dates dependent on the hiring of additional staff to support FMIS, the availability of the division staff per respective module, and the responsiveness of Tyler Technologies. Risk Level—Medium.	

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
Next system upgrade to version 11.1 is projected for February 2016. Activity in the "Status Report as of 9/30/2015" section reflects transition objectives / milestones that were completed or were in process through this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (September 1, 2015 thru December 30, 2015).		Jacqueline Mesa, Management Analyst IV

Financial Management Information System (FMIS)

Required Actions and Activities	Status Report as of 9/30/2015	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. GDOE procurement staff continues to use TPFA system for procurement processing. GDOE also provides accounts payable support. Weekly meetings with TPFA to coordinate activities and resolve any concerns. TPFA supporting audit by providing details as requested by auditors. GDOE PULSE reports continue to be used to update rosters needed for three way match of payroll.	Continued operation of the TPFA independent financial management system and bank accounts will continue. 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. 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, performing the three way match testing for personnel costs, and maintaining the fixed assets ledger.
Implementation Deliverables	**Completion Risks**	Plan for migration of historical data on TPFA system to GDOE system upon TPFA exit.
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 9/30/2015	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.	6.A. SOPs Signed SOPs. During this Quarter **Finance (2)** • SOP 200-039 Federal Grants Accounts Receivable, 7/6/15 **Procurement (1)** • SOP 200-040 Protest/Appeal Procedures, 8/4/15 SOPs in Management Review/Staff Development **Finance (1)** • SOP 200-041 School Meals Collection, • SOP 200-042 Revenue Control and Management Policy **Federal Programs (2)** • SOP 900-020 Time Distribution Report • Grant Procedure Manual 6.B Train personnel on approved SOPs. MUNIS End-User Trainings during the Quarter (attendees) • Requisition Entry (14) • Requisition Entry Hands-on (12) • Account Inquiry and Munis Reports (14) • Intro to Pulse & Employee Self-Service (9)	6.A. SOPs Submit all outstanding SOPs to superintendent for approval. • SOP 200-041 School Meals Collection, 10/7/15 • SOP 900-020 Time Distribution Report, 10/19/15 • SOP 200-042 Revenue Control and Management Policy, 10/23/15 • Grant Procedure Manual 6.B Train personnel on approved SOPs. Develop training schedule to rollout new and updated SOPs and established routine sessions for updates. Continuous Munis End User Training Related Activity • Training during and around Spring, Summer and Christmas breaks • Conducting post surveys to focus training and determine effectiveness • Conduct other Munis End User targeted surveys to determine how to structure future training and support.
Implementation Deliverables	**Completion Risks**	
End Establish End User Training Updated or new SOPs	Continued Training – Low SOP Development – High	

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
FMIS 4 Continued. Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter quarter (October 1, 2015 thru December 31, 2015).	2 SOPs completed and approved by the Superintendent. An additional 3 SOPs completed and approved in October 2015	Jacqueline Mesa, Management Analyst IV Franklin Cooper-Nurse, Chief Auditor

Intergovernmental Agency Arrangements

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
Intergovernmental Agency Procedure-1: Guidance from USEd's Title V-A Program Office regarding Intergovernmental Agency. Based on Guidance, Title V-A does not authorize sub-grants to other agencies.	Guidance from USEd's: Sub-Grantee is not authorized under Title V-A. However, GDOE has the authority to partner or collaborate through an existing Memorandum of Understanding (MOU) and/or Memorandum of Agreement (MOA) with Intergovernmental Agencies.	Based on Guidance provided by USDOE Program Office, the Federal Programs Division shall include within the respective Project Application, Intergovernmental Agency partnerships, if applicable. Also within the Budget Narrative, a new Object Code shall be established, object code 231, "Other Agencies, Partnerships, Collaboration, Intergovernmental Agencies".
Implementation Deliverables	**Completion Risks**	
Written Guidance provided by USDOE	Adaptation Risk – acceptance by which all partners are identified within the program application and subsequently approved within the Consolidated Grant Application by USDOE. Adherence to the procedures is minimal. Risk level – Low.	Based on the Consolidated Grant application, USDOE will approve such activity.
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
To be finalized upon submission of respective Consolidated Grant Application and approved by USEDOE's Program Office.	Evidence: Approval by USDOE on the FY '14 Consolidated Grant Application as noted within the respective Project and Budget Applications (Intergovernmental Agencies).	Ignacio Santos, Federal Programs Administrator

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2015	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. Additionally, the financial management system will record and account for all draws and expenditures of federal education funds	See FMIS Section for update on the FMIS and SOP status. Accounting and internal audit staff attended training sponsored by Association of Government Accountants and APIPA on GASB updates as well as the new super circular in August and September 2015. FY14 audit completed April 29, 2015, two months earlier than previous year. For second consecutive year, clean audits received in both financial and compliance audits.	See FMIS Section for next steps, comments.
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). 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.	Lack of adequate staff needed to continue forward momentum may stall progress. Risk: Medium/High	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Please see FMIS section as discussed above.		Taling Taitano, DSFAS Jacqueline Mesa, FMIS

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2015	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.	Federal Programs working with TPFA, Accounting, Payroll, Human Resources, Budget, Internal Audit, and Program Managers coordinated to develop new time and effort procedures. Fixed assets from the TPFA system has been uploaded into GDOE system. Quarterly uploads are scheduled. 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. Meetings held with project directors, accounting, budget, and human resources to discuss grant requirements for recent GANs.	Continue collaboration with schools and divisions 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. Benchmarks and stakeholder satisfaction surveys in process of adoption/development. **Vendor EFTs/ACH Registry** Continue to encourage GDOE vendors to register for EFTs/ACH payment options.
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. Risk level – Low Vendor EFTs/ACH. Risk level – Moderate. 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	Resolve errors/discrepancies within 2 business days for employee and/or vendor information (i.e. if a vendor changes banks or other issues).
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Ongoing	Labor Distribution and General Ledger Detail distributed to EFSC on monthly basis.	Taling Taitano, DSFAS Jacqueline Mesa, FMIS

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
IC-3: Reliance on the credible financial management system by other Guam agencies and single auditors as accurate system of record.	COMPLETED 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. Separate meetings are held with DOA regularly to regarding cash needs. IAO coordinated with GDOE's Supply Management Administrator and OPA to issue a Request for Proposal (RFP) for Independent Audit Services from FY 2015 to FY 2017. The RFP was issued on October 2, 2015 and proposals are due on October 30, 2015.	Regularly reconcile GDOE's financial information with BBMR, DOA, and the TPFA to ensure information is accurate supports timely completion of audit. Request for Proposal for GDOE's external auditor closed on October 30, 2015. GDOE will work with OPA to select GDOE's external auditor.
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. Information management needs met by all users (e.g., custom reconciliation worksheet to support requirements and tracking of federal draw funds).	Low based on staff's time spent to identify and work out errors and deficiencies of the GASB 34 reporting module. Lack of manpower continues to hinder progress. Risk level – Low.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Ongoing support to be provided to EFSC.	RFP for Independent Audit Services from FY 2015 to FY 2017	Taling Taitano, DSFAS Franklin Cooper-Nurse, Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
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.	GDOE has prepared FFY15 Consolidated Grant application and is awaiting invitation to submit from USDE. Monthly grant status reports requisition and purchase order reports issued so managers can track grant balances.	Program managers are working to ensure that the FFY14 Consolidated Grant is being expended timely given the short amount of time left in the fiscal year. Budget, Accounting, Payroll and Procurement meet with SPED and Head Start to discuss recent GAN and ensure that accounts are appropriately set up, budget loaded, and any large procurement planned.
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. • Legal review has been added to MUNIS approval workflow to help ensure smooth procurement process.	Delay in the issuance of the GAN as well as attachment T related approvals may delay hiring and procurement activities. Risk level – High. The delay in the issuance of the invitation to submit the Consolidated Grant application, change in USDOE staff, new electronic submission requirements, and resultant delays in issuance of GAN will likely affect GDOE's ability to timely spend funds. .	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Ongoing		Franklin Cooper-Nurse, Chief Auditor Ignacio Santos, Federal Programs Administrator

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
IC-5: GDOE will reconstitute its IAO by developing an annual audit plan and hiring additional staff to conduct audit work, including the risk assessments (MIC, Audit Assessment, and CCAP), and coordinating GDOE's external audits (OPA's performance audits and the GDOE's independent financial auditors' financial and single audits, including NAF and resolution of prior audit findings). The Chief Auditor will update the MIC. The MIC consists of GDOE school administrators and division heads' risk assessment, the IAO's own risk assessment, and conducting fieldwork to test the internal controls of identified high risk areas. Procedures and processes to ensure financial and single audit reports are issued within nine months after the end of each fiscal year as required by the Single Audit Act, as amended	3. A Rebuild Internal Audit Office Two Auditor II's were hired and began their employment with IAO in September 2015. The IAO has developed/updated SOPs for the handling of audits, MIC, NAF, charter schools, and hotline. 3. B Risk Assessment of GDOE. The IAO submitted its draft Audit Assessment to the Superintendent for review and approval. The IAO's website and hotline has been established. The website will contain the IAO's annual audit plan and GDOE's external audit reports, GDOE's transition plan and high risk status. 3. C. Develop three year audit plan. Completed. The IAO is currently conducting two audits from its audit plan. 3. D. Establish Internal Controls framework. IAO has established an internal controls framework for assessment of GDOE's internal control deficiencies. IAO's assessment will utilized the Green Book COSO standards for the five control components. Other IAO coordinated with GDOE's Supply Management Administrator and OPA to issue a Request for Proposal (RFP) for Independent Audit Services from FY 2015 to FY 2017. The RFP was issued on October 2, 2015 and proposals are due on October 30, 2015. Selection of Independent auditor is scheduled for November 15, 2015.	3. B Risk Assessment of GDOE. The IAO's website and hotline launched on November 3, 2015. IAO will continue to work through the Audit Plan and initiate new audits in the first quarter of 2016. The IAO is also updating its Audit Assessment draft report submitted to the Superintendent in January 2015. IAO will amend MIC SOP's and timeliness The IAO will continue to audit/test operational SOP's and begin validation of the CCAP in the next quarter. IAO will initiate the audit of six schools' school year 2014-2015 NAF in November 2015. IAO will validate the MIC Assessments of high risk division and schools.

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
IC-5 Continued. .		

Implementation Deliverables	Completion Risks	
Updated MIC Assessment report, NAF draft reports	Success will hinge on successful staffing of the IAO. Proposed salary increases at the OPA pay make it difficult to recruit and retain staff. Lack of staffing and additional mandates. The IAO identified a net negative manpower hours vs. assigned tasks (CCAP and TPFA Transition Plan) and mandates (MIC, NAF, Charter Schools, and SOPs/Internal Controls) in its Audit Plan. Risk level – High.	

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (October 1, 2015 thru December 31, 2015).	Two Auditor IIs RFP for Independent Audit Services from FY 2015 to FY 2017. IAO's draft SOPs to be finalized and approved by the Superintendent.	Franklin Cooper-Nurse, Chief Auditor

Internal Controls and Procedures

Required Actions and Activities	Status Report as of 9/30/2015	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	GDOE has moved forward and is in the process of completing an SOP for the timely reconciliation of SEFA. The SOP is to be completed or drafted by GDOE's Comptroller, reviewed by Deputy Superintendent of Finance and Administrative Services and Superintendent, and periodically reviewed by the Chief Auditor.	Conduct training on SOP to ensure staff understand procedures.

Develop and follow corrective action plan to address this repeat finding.

Follow month end close checklist and provide evidence that reconciliations are being performed on monthly basis. |
Implementation Deliverables	**Completion Risks**	
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**
June 2016	Quarterly Reconciliation documents	Franklin Cooper-Nurse, Chief Auditor
Lourdes Perez, Comptroller

Procurement

Required Actions and Activities	Status Report as 9/30/2015	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.	4.B Training 4.B.2 In August 2015 TPFA (Lia) conducted a training with procurement staff on 2 CFR Part 200. 4.B.4 & 4.B.5 Training on requisition entry, hands on requisition entry, and how to enter receiving reports is continuous and conducted 3 times a year with either End users, Divisional Heads or key players who oversee local & federal activities. 4.B.3 Continuous Training for procurement staff on Guam Procurement Law & Regulations . The 3 procurement staffers and 2 attorneys have completed the Guam Community College CBE101 Procurement Basic Training: Fundamentals & Principles.	4.B Training 4.B.1 Formalize Training program for all current and future procurement staff – including content development and materials. 4.B.3 Continuous Training for procurement staff on Guam Procurement Law & Regulations . As additional classes are offered by GCC, staff will be registered. 4.B.6. Regulations have changed still waiting for approval from USDOE to increase GDOE's small purchase threshold from $100,000.00 to $150,000.00 according to the OMB Super Circular: Simplified Acquisition Threshold § 200.88
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.	
Schedule Based upon Performance Plan	**New Deliverables Completed This Quarter**	**Responsible Person/Department**
Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (July 1, 2015 thru September 30, 2015) as well as other quarters thru 2016.	4.E Procurement SOPs All of procurements SOP's have been signed and approved by the Superintendent, still in the process of the assessment & implementation stage.	Carmen Taitano, Supply Management Administrator

Procurement

Required Actions and Activities	Status Report as of 9/30/2015	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.	4.D – Reporting & Accountability 4.D.2 Procurement has been working on the detailed district-wide procurement calendar for Local & Head Start Activities. Still waiting for the GAN for CG. 4.D.3 Local Procurement is the process of distributing the open requisition reports. GDOE Buyers working with the TPFA Munis have been handling this process since April 2015. 4.D.6 GDOE buyers who have been working on the TFPA Munis have been running the Open requisition & Open P/O report since April 2015.	4.D – Reporting & Accountability 4.D.1 As the New Fiscal Year (2016) has begun SMA to re-establish routine procurement meetings to discuss issues and review procurement reporting. Meetings will be conducted every other Thursday with key players who oversee local & federally funded activities. 4.D.4 Create and distribute open PO reports (local) 4.D.5 Beginning of the FY16 Local Munis has started to reach out to vendors to follow up on pending P/O's that still need to be delivered. GDOE Buyers who have been working on the TPFA Munis have handling this process since April 2015.
Implementation Deliverables	**Completion Risks**	4.D.6 With new GDOE Buyer Supervisor, the Open requisition & Open P/O report will be also distributed for local and non-USDOE procurements.
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.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (July 1, 2015 thru September 30, 2015) as well as other quarters thru 2016.	Open requisitions report distributed by GDOE staff on regular basis to those whose requisitions are in workflow	Carmen Taitano - Supply Management Administrator

Procurement

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
P-3: Improve departmental procurement processes beyond those responsibilities directly related to the modules of the Financial Management Information System (FMIS).	4.A Rebuild/Staff Augmentation of Procurement Office 4.A.2, 4.A.3 & 4.A.4 Two Property officers hired to assist Procurement and Property. The two temporary employees to be shared 6 months at a time. June to November with procurement to help on the closing of the fiscal year. December to May to assist property conduct island wide physical inventory. 4.A.5 thru 4.A.8 Completed for Buyer Supervisor II (local) 4.A.11 thru 4.A.14 Completed for Buyer II (local). 4.A. 17 thru 4.A.22 Buyer I (federal) hired 7/18/15 and trained to process small purchase requisitions.	4.A Rebuild/Staff Augmentation of Procurement Office 4.A.1 Review needs of the Procurement Office 4.A.9. Buyer Supervisor II (local) start date 10/12/15. 4.A.10 Once Buyer Supervisor II is in place, training will be conducted for this particular position. 4.A15 Buyer II (local) start date 10/17/15 4.A.16 Once Buyer II is in place, training will be conducted for this particular position. 4.A.23 thru 4.A.25 Still a work in progress.

Implementation Deliverables	Completion Risks	
Development and publication of procurement policies and procedures, and external verification of compliance with SOPs.	Recruitment of third attorney ongoing Risk Level – Medium.	

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (July 1, 2015 thru September 30, 2015) as well as other quarters thru 2016.	Procurement will be fully staffed by October 2015 to include the two augmented employees until November 30, 2015.	Carmen Taitano - Supply Management Administrator

Property Management

Required Actions and Activities	Status Report as of 9/30/2015	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.	5.A – Tagging of USDOE-funded assets. 5.A.1 – Proper identification of USDOE funded assets for tagging. 5.A.3 – Maintain asset funding identification records (i.e., purchase orders). 5.A.4 – Maintain consistent and constant communication with school and division administrators and property liaisons to address questions and concerns relating to USDOE-funded assets. 5.C.1 – 5.C.5 addressed with training sessions by TPFA in July on all referenced areas. GDOE PCIII in attendance and assisting outside of training sessions. 5.D – Standard Operating Procedures 5.D.1 – PMO continues to enforce SOP guidelines similarly to locally and USDOE-funded assets. 5.D.2 – PMO will continuously update the SOP guidelines. During 2015 inventory PCO's recommended areas of SOP that need clarity and adjustment. 5.E – Receiving Assets (warehouse & schools) 5.E.1 – GDOE RW & PMO continue to handle the receiving of fixed assets and regularly communicates with A&M on the receipt of USDOE funded fixed assets. Milestone completed and ongoing. 5.E.2 – GDOE RW continues to inform PMO of receipt of Local, Non-USDOE federally funded fixed assets. Milestone completed and ongoing. 5.E.3 – GDOE RW & PMO continue to validate that inventory receiving procedures are being followed, as dictated in the current Fixed Assets SOP. Milestone completed and ongoing. 5.F – GDOE PMO continue to provide ongoing training to school & division Property Liaison Officers. Objective completed and ongoing.	5.A – Tagging of USDOE-funded assets. 5.A.2 – Enter USDOE funded assets in Munis under the correct funding source. 5.A.5 – Have thorough knowledge of 2 CFR Chapter I, Chapter II, Part 200, et al and USDOE related policies to enforce regulations. . 5.C – Staff training on BMI software, Munis fixed assets module, computer skills. 5.D – Standard Operating Procedures 5.D.2 Propose amendment to SOP to improve clarity

Required Actions and Activities	Status Report as of 9/30/2015	Next Steps / Comments
PM-1 Continued.	5.G Staff Augmentation 5.G.4 – Submitted request to fill form to HR on 05/06/2015. 5.G.7 – Interviews of qualified candidates completed on 06/02/2015. Interview panel's recommendation submitted to the Superintendent on 06/12/2015. Staff currently assigned to procurement.	
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. Manpower issues being addressed. Risk level – Low to medium	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (July 1, 2015 thru September 30, 2015).	Objective 5.D – Completed Objective 5.E – Receiving Assets (warehouse & schools) – Objective Completed Objective 5.F – Completed & ongoing.	Marc Pido - Program Coordinator III

Property Management

Required Actions and Activities	Status Report as of 9/30/2015	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.	5.D Standard Operating Procedures Internal Audit, Accounting and Property Management continue to meet weekly to further develop and unify policies and procedures relating to financial liability for property that is lost, damaged, destroyed or stolen.	5.D Standard Operating Procedures Amendment being drafted for the Fixed Assets SOP to include procedures for verification on a quarterly basis of fixed asset inventory by school administrators and division heads or their designated fixed asset custodians. Having gone Live with the GDOE Fixed Asset Module on December 12, 2014 facilitates the development of these procedures. Amendment to be proposed to Superintendent no later than August 31.
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. Manpower issues being addressed. Risk level – Low to medium	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
August 31, 2015		Marc Pido - Program Coordinator III

Property Management

Required Actions and Activities	Status Report as of 9/30/2015	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.	5.B – Annual Physical Inventory Physical inventory completed June 2, 2015; Typhoon Dolphin caused a delay in completing the 2015 Physical Inventory. Dependent objectives are also delayed. 5.B.5 – Post-Audit Evaluations: PCO's meet with individual site administrator and property liaison to discuss site's performance during 2015 physical inventory, and to emphasize the site's accountability of fixed assets and the importance of site's compliance with SOP. 5.B.7 – Generate Status Reports: for dissemination to USDOE and GDOE upper management, issued 9/22/15 5.B.9 – Conduct the Reconciliation: GDOE PMO staff conducted the 2015 reconciliation of USDOE funded fixed assets.	5.B – Annual Physical Inventory 5.B.13 – Clearly defined organizational structure, positions of leadership and associated responsibilities. Discussions are ongoing with GDOE management. Target updated.

Implementation Deliverables	Completion Risks	
Inventory policies adopted by GDOE will reflect coordination and review of established policies from GDOE Property Management and Procurement.	System Risk – Issues with 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 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. Manpower issues being addressed. Risk level – Low to medium.	

Schedule Based upon Performance Plan	New Deliverables Completed	Responsible Person/Department
PM-3 Continued. Activity in the "Status Report as of 6/30/15" section reflects transition objectives / milestones that were completed or were in process during this CCAP quarter. Detail and commentary listed in the "Next Steps / Comment section" reflects objective / milestones listed in the Transition Plan that are planned to be worked on and completed in the subsequent CCAP quarter (July 1, 2015 thru September 30, 2015).	Fixed Asset Report, 9/22/15	Marc Pido - Program Coordinator III Lourdes Perez – Comptroller

Property Management

Required Actions and Activities	Status Report as of 9/30/2015	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.	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.	
Implementation Deliverables	**Completion Risks**	
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.	Manpower issues being addressed. Risk level – Low to medium	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
See comments above		Marc Pido - Program Coordinator III

Property Management

Required Actions and Activities	Status Report as of 9/30/2015	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. Finding has been closed; request deletion of PM-5. Components of this section are included in PM-1 through PM-3.	COMPLETED. Finding No. 10-02 has been closed..	
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. Manpower issues being addressed. Risk level – Low to medium.	
Schedule Based upon Performance Plan	**New Deliverables Completed**	**Responsible Person/Department**
See comments above		Marc Pido - Program Coordinator III