



**JON J. P. FERNANDEZ**  
Superintendent of Education

## DEPARTMENT OF EDUCATION INTERNAL AUDIT OFFICE

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**FRANKLIN  
COOPER-NURSE**  
Chief Auditor

### STANDARD OPERATING PROCEDURES

SOP#: 1600-005

**I. SUBJECT:** Hotline Standard Operating Procedures

**II. INQUIRIES:** Internal Audit Office

#### III. PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish the roles, guidelines, and procedures for the receipt, retention, review, and investigation of complaints and citizen concerns reported directly to the Guam Department of Education (GDOE) Internal Audit Office (IAO).

#### IV. APPLICABILITY

This SOP applies to all GDOE personnel participating in the receipt, retention, review and investigation of hotline tips. This SOP applies to the IAO's process of review for hotline tips from when a hotline tip is received by the GDOE to when a resolution is decided.

#### V. REFERENCES

1. Title 4 of the Guam Code Annotated (GCA), Chapter 4, Article 5 Public Employee Protection
2. Title 17 GCA §§ 3102.1 and 3103.1
3. U.S. Government Accountability Office (GAO)'s Generally Accepted Government Auditing Standards
4. U.S. GAO's Federal Internal Control Standards
5. Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing
6. GDOE IAO Internal Audit Charter

#### VI. DEFINITIONS

1. **Fraud** – "Obtaining something of value through willful misrepresentation." The determination of fraud is made by the judicial or other adjudicative system and is beyond auditors' professional responsibility. For example: fraudulent financial reporting and misappropriation of assets.
2. **Waste** – "Using or expending resources carelessly, extravagantly, or to no purpose." Waste can include activities that are not abuse and does not necessarily involve a violation of law. For

example: travel choices or vendor selections that are contrary to existing policies or are unnecessarily extravagant or expensive.

3. **Abuse** – “Behavior that is deficient or improper” compared to that “a prudent person would consider reasonable and necessary business practice”. This does not include fraud and noncompliance to laws, regulations, contracts, and grant agreements. For example: unnecessary overtime and misusing an official position for personal gain.

Sources: GAO-18-568G Government Auditing Standards and GAO-14-704G Federal Internal Control Standards

## **VII. POLICIES**

The GDOE Superintendent and the IAO encourages government employees and the public to report any suspicion of fraud, waste, and abuse within the GDOE. The Guam Legislature also encourages Government of Guam employees to disclose information on actions of agencies that are not in the public interest (4 GCA § 4501).

Additionally, 4 GCA § 4503 states that no appointing authority or supervisor shall initiate or administer any disciplinary action against an employee for the employee's disclosure of information. However, § 4503 does not apply to an employee who discloses information:

1. That he knows to be false or with disregard for the truth or falsity thereof.
2. From public records which are closed to public inspection pursuant to 5 GCA, Chapter 10.
3. That is confidential under any other provision of law.

The employee is obligated to make a good faith effort to provide to his supervisor, appointing authority, or member of the Guam Legislature the information to be disclosed prior to the time of its disclosure.

## **VIII. RESPONSIBILITIES**

### **1. Superintendent of Education**

The Superintendent has a responsibility of disclosing waste, abuse, and corruption to the appropriate authorities. The Superintendent also receives routine complaints and concerns related to the GDOE's operations from the Guam Education Board for appropriate investigation and response.

### **2. Chief Auditor**

The Chief Auditor must report to senior management and the board on significant risk and control issues, including fraud risks, governance issues, and other matters that require the attention of senior management and/or the board.

### **3. IAO Staff**

Internal auditors must exercise due professional care by considering, among other things, the probability of significant errors, fraud, or noncompliance. An IAO staff is assigned by the Chief Auditor to receive concerns, immediately report concerns to the Chief Auditor, and maintain a database of the concerns received and actions taken.

## **IX. PROCEDURES**

The IAO receives citizen concerns through a hotline. The hotline is a means for government employees, vendors, or the general public to report suspected fraud, waste, abuse or non-compliance to GDOE policy or procedures by any individual working for or doing business with the GDOE. All information provided through the hotline to the IAO will be held in the strictest confidence.

Anyone who wishes to submit a hotline tip or express a concern may do so by:

- Completing the hotline form in the IAO website at [gdoeiaowebly.com](http://gdoeiaowebly.com).
- Calling the IAO Hotline at 300-1340.
- Faxing sufficient and relevant information to 472-5001.
- Contacting any of the IAO staff by phone at 300-1336 or in person at GDOE.
- Write regular mail to:
  - Guam Department of Education
  - Internal Audit Office
  - 501 Mariner Avenue
  - Barrigada, GU 96913-1608

**A. Monitoring of Submissions**

1. An IAO staff receives a hotline tips, complaints, or concerns; and shares the information to the Chief Auditor and staff assigned to hotline.
2. The staff assigned to hotline maintains a database of hotline tips, complaints, or concerns received.
3. The database shall contain the hotline tip number, date, source, entity, status, concern or issue, any relevant supporting documentation, recommended action or action taken, and date of resolution (if applicable).
4. The database shall be password protected in order to maintain confidentiality of hotline tips, complaints, or concerns received.
5. The staff assigned to hotline provides a monthly status report of the hotline tips, complaints, or citizens' concerns to the Chief Auditor.

**B. Review of Submissions**

1. The Chief Auditor assigns staff to conduct preliminary verification, fact finding, and background research of the hotline tip, complaint, or concern.
2. The Chief Auditor and assigned staff conducts a preliminary risk assessment to determine the hotline tip, complaint, or concern's level of risk to the GDOE.
3. The priority of review depends on the risk level. Higher priority items require immediate action. Lower priority items are incorporated in the IAO's risk assessments and/or audit plan.

**C. Reporting of Findings**

1. The Chief Auditor informs the Superintendent of high priority concerns and recommends for the IAO to conduct an investigation or for the matter to be referred to external authorities.
2. If the IAO's investigation is warranted, the Chief Auditor shall make a request to the Superintendent to initiate the investigation.
3. Upon the Superintendent's approval and the Chief Auditor's direction, the IAO performs an investigative review and provides a confidential report of its findings to the Superintendent for his disposition and action.

**X. INTERNAL CONTROL**

Management analyzes and responds to identified fraud risks so that they are effectively mitigated.

**XI. TRAINING**

Staff training shall be conducted within 45 days of the effective date of this SOP. As necessary, staff training on this SOP will be held annually thereafter.

**XII. REPORTS**

The following are reports produced by the IAO staff based on the information in the hotline database.

1. Monthly status of the hotline database – a listing of concerns received and whether the concerns are pending action (open) or were addressed (closed).
2. Annual risk assessments – a summary assessment of fraud risks and internal control weaknesses within the GDOE. The assessment is provided to the GDOE management for their disposition.
3. Annual Audit Plan – significant concerns from the hotline database are incorporated in the audit plan as topics to be reviewed or audited.
4. Investigative reports – significant concerns that require immediate action are investigated and reported to the GDOE management for their disposition. Unlike performance or financial audits, investigative audits/reviews are completed within a short time period.

**XIII. PENALTY**

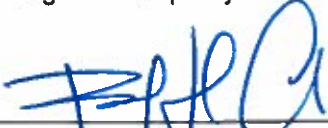
Failure to adhere to this SOP may result in disciplinary action in accordance with the GDOE Personnel Rules & Regulations.

**XIV. EFFECTIVE DATE**


Upon date of approval and signature, unless otherwise noted.

**XV. CHANGES**

Changes to this policy shall be effectuated by the Superintendent of Education.

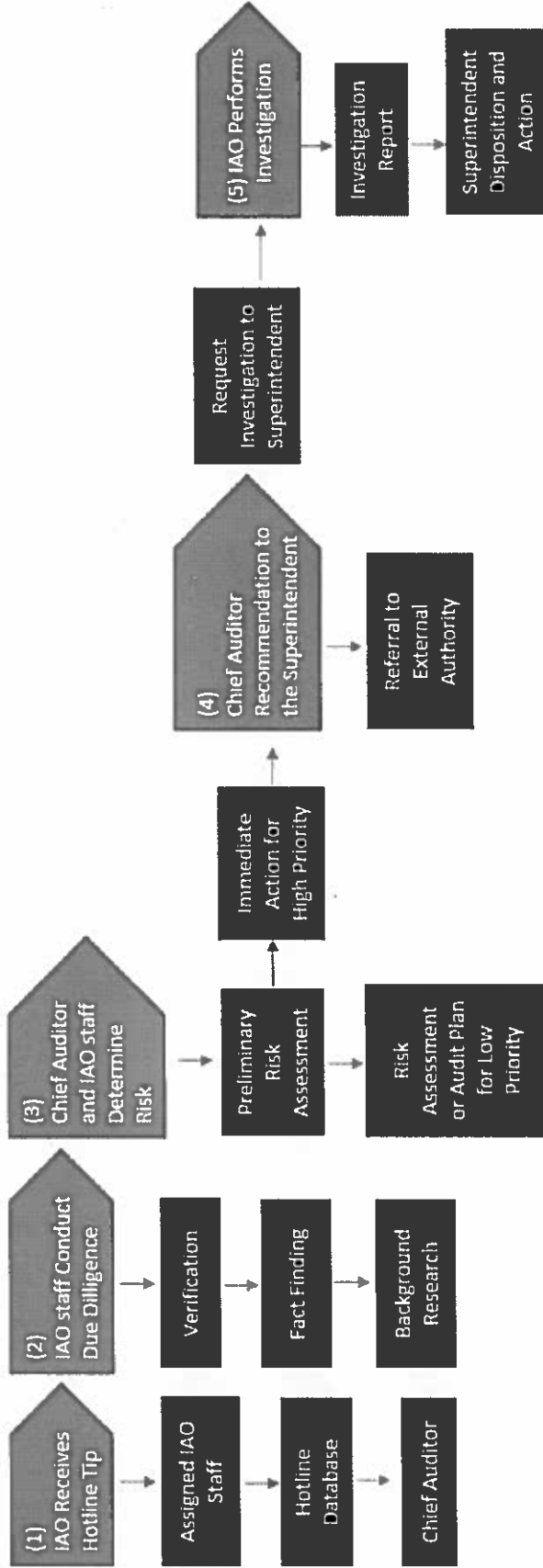
  
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 FRANKLIN COOPER-NURSE  
 Chief Auditor

3/4/20  
 Date

  
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 JON J. P. FERNANDEZ  
 Superintendent of Education

3/6/20  
 Date

# APPENDIX 1: FLOWCHART – IAO Hotline Process



Department of Education  
Office of the Superintendent  
Date: 3/14/20 Time: \_\_\_\_\_  
Rec'd By: ma 20030418  
Print Name Signature