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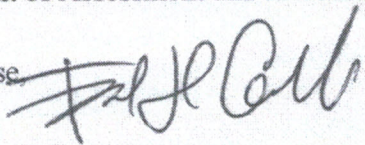


**FRANKLIN
COOPER-NURSE**
Chief Internal Auditor

December 15, 2016

MEMORANDUM

To: Christopher Anderson,
Deputy Superintendent of Assessment and Accountability

From: Franklin Cooper-Nurse
Chief Auditor 

Subject: Foundation for Public Education Grants 4th Quarter Validation

Hafa Adai,

The Internal Audit Office completed its review of Foundation for Public Education Inc.'s grant awards for the months of July to September 2016 (Fiscal Year 2016, 4th Quarter). During this period, the beginning grant balance was \$68,920.87. Funds totaling \$15,300 were restricted, or encumbered, as follows:

- OHS encumbered \$12,300 for contractual, stipends, and benefits.
- GWHS encumbered \$3,000 for contractual.

Grant recipient schools did not have expenditures during this period, leaving an ending balance of \$53,620.87 as of September 30, 2016.

Please see attached for details. Should you have any questions or concerns, please contact Leana Willess at 300-3697 or lmwilless@gdoe.net, and Franklin Cooper-Nurse at 300-1336 or ftcooper-nurse@gdoe.net.

**Guam Department of Education
 Internal Audit Office
 Foundation Grant Validation Report
 For the Period of 4th Quarter (July-September 2016)**

Purpose: To validate the Foundation for Public Education, Inc. (Foundation) grants disbursements.

Source: MUNIS – Cash Balances, Invoice Browse, and Account Inquiry
 Deputy Superintendent of Assessment and Accountability's Website:
<https://sites.google.com/a/gdoe.net/deputy-superintendent-of-assessment-accountability/ffpe-grants>

Prepared by: Leana Willess, Auditor, Guam Department of Education (GDOE)

Approved by: Franklin Cooper-Nurse, Chief Auditor, GDOE

Background: In September 2015, the Foundation provided a total of \$84,680 to five schools. Specifically:

- \$20,000 to Inarajan Middle School (IMS) for Science, Technology, Engineering, Art, and Math programs;
- \$54,680 to Okkodo High School (OHS) for Art Supplies / Performing Arts; and
- \$10,000 for George Washington High (GWHS), H.B. Price Elementary (HBPEs), and L.P. Untalan Middle (LPUMS) Schools for Nurse / Science Programs.

The grants were assessed a 5% admin fee by the Foundation before being handled by the GDOE business office. Actual amount awarded to recipient schools totaled \$80,446.00.

IMS was the only recipient to expend grant funds totaling \$11,525.13 for instructional, classroom equipment, and computers and electronics during the 2nd quarter. Therefore, grant balance as of June 30, 2016 was \$68,920.87. The Internal Audit Office (IAO) did not validate these expenditures as the expenditures were under the oversight of GDOE Business Office. See Table 1 for details.

TABLE 1: Foundation Grant Award Balances as of June 30, 2016

Recipient Schools	Foundation's Approved Grant	5% Admin Fee Assessed By the Foundation	Amount Awarded to School (A-B)	Encumbrances	Expenditures	Grant Balance - June 30, 2016 (C-D-E)
	(A)	(B)	(C)	(D)	(E)	(F)
IMS	\$ 20,000.00	\$ 1,000.00	\$ 19,000.00	\$ -	\$ 11,525.13	\$ 7,474.87
OHS	\$ 54,680.00	\$ 2,734.00	\$ 51,946.00	\$ -	\$ -	\$ 51,946.00
GWHS	\$ 3,508.77	\$ 175.44	\$ 3,333.33	\$ -	\$ -	\$ 3,333.33
LPUMS	\$ 3,333.34	\$ 166.67	\$ 3,166.67	\$ -	\$ -	\$ 3,166.67
HBPEs	\$ 3,157.89	\$ 157.89	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Totals	\$ 84,680.00	\$ 4,234.00	\$ 80,446.00	\$ -	\$ 11,525.13	\$ 68,920.87

4th Quarter: As of July 1, 2016, beginning grant balance was \$68,920.87. Encumbrances totaled \$15,300, of which:

- OHS encumbered \$12,300 for contractual, stipends, and benefits.
- GWHS encumbered \$3,000 for contractual.

Ending balance as of September 30, 2016 was \$53,620.87. Unencumbered, or unrestricted, grant awards were paid by GDOE Business Office to the recipient schools via checks. The recipient schools will maintain the grants in their Trust and Agency Fund (TAF).

TABLE 2: 4th Quarter Foundation Grant Award Balances

Recipient Schools	Beginning Grant Balance - July 2016	Encumbrances	Expenditures	Grant Balance - Sept. 30, 2016 (A-B-C)
	(A)	(B)	(C.)	(D)
IMS	\$ 7,474.87	\$ -	\$ -	\$ 7,474.87
OHS	\$ 51,946.00	\$ 12,300.00	\$ -	\$ 39,646.00
GWHS	\$ 3,333.33	\$ 3,000.00	\$ -	\$ 333.33
LPUMS	\$ 3,166.67	\$ -	\$ -	\$ 3,166.67
HBPEs	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Totals	\$ 68,920.87	\$ 15,300.00	\$ -	\$ 53,620.87

GDOE IAO will validate the recipient schools' Foundation grant sub-account under TAF every quarter and will audit the account as part of the Non-Appropriated Funds annual audit. For 4th quarter, only OHS posted the receipt of grant funds from the Business Office and none of the recipient schools disbursed the grant funds.

Year-to-Date: For FY 2016, expenditures totaled \$11,525.13 and encumbrances totaled \$15,300, which resulted in an ending balance of \$53,620.87.

TABLE 3: YTD Foundation Grant Award Balances

Recipient Schools	Amount Awarded to School	Encumbrances	Expenditures	Grant Balance (A-B-C)
	(A)	(B)	(C.)	(D)
IMS	\$ 19,000.00	\$ -	\$ 11,525.13	\$ 7,474.87
OHS	\$ 51,946.00	\$ 12,300.00	\$ -	\$ 39,646.00
GWHS	\$ 3,333.33	\$ 3,000.00	\$ -	\$ 333.33
LPUMS	\$ 3,166.67	\$ -	\$ -	\$ 3,166.67
HBPEs	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Totals	\$ 80,446.00	\$ 15,300.00	\$ 11,525.13	\$ 53,620.87

The schools applied for the grants and are required to submit quarterly reports of their activities, progress in meeting their grant objectives, and account balances. The next reporting period will be 10/01/ to 12/31/2016. The deadline for submission of FY 2017 1st quarter reports from grant recipient schools will be 1/10/2016.