



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 105

June 15, 2019



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## Overview of Accomplishments and Activities, June 15, 2019

A&M officially started performance on the Third Party Fiduciary Agent (TPFA) contract on September 15, 2010 based upon final signatures (the Notice to Proceed was issued on September 13, 2010). Initiation of progress tracking is based upon initial mobilization and official kick-off with the U.S. Department of Education (USDOE) on September 20, 2010.

The highlights for the month ending June 15, 2019 include the following:

- A&M continues to perform the responsibilities and requirements of the Third Party Fiduciary Agent (TPFA) as outlined in Attachment B to the GDOE FFY 2018 Amended Specific Conditions. In addition, A&M<sup>i</sup> continues to provide assistance to the GDOE in completing the requirements of the FINAL Reconsideration Evaluation Plan (REP), effective January 30, 2019. A&M is also ready to advise the GDOE and the US Department of Education in determining the extent to which specific conditions may be removed and the extent to which financial management responsibilities may be returned to the GDOE without continuing TPFA oversight for those responsibilities, including on an incremental basis, as appropriate.
- Payroll reimbursement discrepancies for FY18 are continuously being reviewed and reduced with assistance from the Project Coordinators and GDOE Payroll Reimbursement Project Manager (Christine Rosario). CG FY19 Errors significantly increased due to non-signature of time and effort certifications. Focus is placed on the time and effort deliverables as set forth in the REP.
- The Spring 2019 Inventory Inspection began on January 7<sup>th</sup> and ended May 16<sup>th</sup>. The inspection was conducted by the GDOE Property Management Office (PMO). The reconciliation phase of the inventory inspection is currently underway. During this phase, TPFA is verifying with the PMO that all USDOE assets have been captured within the inventory session and is reviewing the inspection sheets prepared by the PMO before the final analysis/report is prepared.



## Grant Status Highlights and Activity Data

Guam Department of Education

### Grant Status Report Executive Summary

Grant Status Report as of 6/21/2019 5:25:12 AM

<u>Grant</u>	<u>Grant Name</u>	<u>Budget</u>	<u>Encumbrances</u>	<u>Requisitions</u>	<u>Actual Expenditures</u>	<u>Available Budget</u>	<u>Available %</u>	<u>Obligated By</u>
F1613	FY16 Striving Readers	352,184.00	145,171.24	30,720.00	159,374.16	16,918.60	4.80%	12/30/2019
F1713	FY17 Striving Readers	352,184.00	70,806.21	35,595.00	42,074.84	203,707.95	57.84%	9/30/2019
F1760	2017 Consolidated Grant - RLIS	28,984,027.00	8,276,545.68	1,624,410.59	17,849,422.19	1,233,648.54	4.26%	9/30/2019
F1795	FY2017 SPED Part B	14,120,991.00	947,426.22	148,372.46	10,826,562.04	2,198,630.28	15.57%	9/30/2019
F1860	2018 Consolidated Grant - RLIS	31,183,236.00	4,015,531.07	7,040,311.50	4,304,865.90	15,822,527.53	50.74%	9/30/2020
F1894	FY2017 Special Education Part C	1,489,809.00	60,489.56	2,000.00	1,335,637.89	91,681.55	6.15%	9/30/2019
F1895	FY2018 SPED Part B	14,120,991.00	19,010.20	148,691.75	0.00	13,953,289.05	98.81%	9/30/2019
F1994	FY2018 SPECIAL EDUCATION PART C	1,520,218.00	164,487.00	46,359.50	469,982.37	839,389.13	55.22%	9/30/2020
		<b>\$92,123,640.00</b>	<b>\$13,699,467.18</b>	<b>\$9,076,460.80</b>	<b>34,987,919.39</b>	<b>\$34,359,792.63</b>	<b>37.30%</b>	

## Statistics for Fiscal Year 2019

	<u>May</u>	<u>3rd Qtr to Date</u>	<u>Total for FY19 to date</u>
Requisitions Created	125	537	1296
Purchase Orders Issued	320	726	1144
Funds drawn for Payments	\$ 2,857,513	\$ 7,491,960	\$25,953,278
Receipt of Fixed Assets	117	326	817



**Performance Plan Evidence of Completion Achievement**

2018-19 activities will continue to focus on building collaborative processes with GDOE, advancing the REP and controls supporting an overall objective of resolving high risk designation.

Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Infrastructure Installation and Management	Transfer all necessary data from the 3 <sup>rd</sup> party FMIS to GDOE's FMIS, communicating information to GDOE's FMIS contractor and providing feedback to GDOE and the USDOE on GDOE's implementation of the FMIS.	<p>Reconciliation report confirming complete and accurate transfer of 3<sup>rd</sup> party financial records to GDOE's FMIS</p> <p><b>2014-15</b> Automated transfer of fixed asset data from 3<sup>rd</sup> party financial records to GDOE's FMIS</p>	<p>By 10<sup>th</sup> of the month after the first drawdown transaction.</p> <p><b>2014-15</b> Automated data transfers between TPFA and GDOE systems is limited to fixed asset data. Financial data is incorporated into GDOE's system manually by sharing TPFA month-end financial reports.</p>	
Compliance Management	Develop a compliance roadmap equivalent to a Comprehensive Corrective Action Plan	Developed and Approved Comprehensive Corrective Action Plan	<p>Continued periodic reporting as required by the REP</p> <p><b>2017-18</b> Updated CCAP as necessary based upon changes to GDOE's administrative structure and/or due to audit or management findings related to the controls environments</p>	CCAP officially accepted by USDOE on Dec 15, 2011.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	Perform quarterly tracking of Reconsideration Evaluation Plan (REP)	Documented tracking of progress against Plan and incorporation of any required changes based upon new process and/or compliance changes	<b>2018-19</b> Monitor REP progress.	<b>2018-19</b> Support the submission of quarterly reports by GDOE.
External Audit Support	Support for external audits and facilitating information requests, etc.	<p>Provide responses to information requests and meetings set with external auditors.</p> <p>Assist with internal audit department with identification of risk areas.</p>	<p><b>2017-18</b> Single audit support when scheduled with external auditors by the Deputy Superintendent.</p> <p><b>2016-17</b> Reviewed standard operating procedures (SOPs) and department policies to assist in development of audit plan.</p> <p>Assisted with internal audit department with identification of risk areas.</p>	<p>TPFA provides audit support for all audits performed during our engagement with GDOE. TPFA also responds to follow-up requests re: prior year audit findings as requested.</p> <p><b>2018-19</b> TPFA has participated in audit meetings with GDOE, external auditors and Guam Office of Public Accountability to support completion of FY18 audit.</p>
In -Kind Valuation Processes	Determine the basis for valuations related to cost sharing and matching funds for grant reporting	Maintenance of records sufficient to document the basis of in kind valuations through audit reviews		On-going, as needed.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Transactional Support/Daily Operations	Perform inventory management	Inventory reconciliation reports		<b>2018-19</b> TPFA will continue to provide guidance for physical inventory of locally and federally purchased assets.
	Payroll	Clean drawdown request for payroll expenses	On-going	For the period of May 16 <sup>th</sup> thru June 15 <sup>th</sup> , TPFA reimbursed approximately \$1.76M for payroll for consolidated and discretionary grants and \$994K for SPED. TPFA continues to work closely with GDOE to significantly reduce error rates and improve submission of personnel certifications.
	Payables	Daily transactions listing support each request for a draw of grant funds by the Business Office	Immediately after release of funds by the USDOE And continuing to monitor for effectiveness.	On-going.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	Procurement	Monthly summary of completed purchases and procurement actions	Feb 5, 2011 And continuing to monitor for effectiveness.	On-going.
	Records management	EDGAR compliant transaction document files	Dec 29, 2010	On-going
	Cash management	Compliant daily bank balance reports	Dec 29, 2010	On-going.
Payroll systems	Detailed specification of internal control standards and process improvement actions required by REP	Checklist of payroll procedure changes to be implemented	Jan 31, 2011 And continuing to monitor for effectiveness	Updated SOPs reflecting updated processes and FMIS capabilities by GDOE personnel.  <b>2018-19</b> SOPs will continue to be updated as needed to integrate with FMIS.
	Implement compliant payroll processes and system setup	Bi-weekly report of payroll exceptions	Dec 15, 2010 And continuing to monitor for effectiveness  <b>2014-15</b> Improvements to the general ledger/labor cost analysis and creation of inter-department communication/efficiency.	<b>2017-18</b> Activities to improve timeliness of GDOE payroll reimbursements were implemented.
	Document and maintain records appropriately	Publication and external auditor verification of compliance with SOPs	Jan 31, 2011 And continuing to monitor for effectiveness	TPFA uses a comprehensive matching process to reimburse payroll costs. GDOE is improving their match





Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				error rate with emphasis on payroll system improvements at the school and division levels. The timely matching of Personnel Certifications, Federal Rosters, and Labor Cost Reports continues to be the key focus of the payroll reimbursement processes.
Cash Management	Implement a system of cash management that provides for cash – neutral or limited use of general funds for federal programs.	Daily bank balance reports and completion of test draws arriving in appropriate bank account.	Complete. Monitoring is on-going.	Monthly bank reconciliations are provided to GDOE.
	Confirm that reimbursement requests are supported by appropriate documentation and documentation is maintained for an appropriate period of time.	Monthly report showing grant status by organization, school or program	Complete.	On-going.
	Confirm that account balances are monitored to prevent the failure to timely obligate and liquidate funds and prevent the lapsing of funds.	Grant award status report and monthly reporting	Initial - Jan 10, 2011 And continuing to monitor for effectiveness	On-going.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Procurement operations and systems	Detailed specification of internal control standards and process improvement actions required by REP	Checklist of procurement procedure changes to be implemented	Initial - Jan 31, 2011 And continuing to monitor for effectiveness  <b>2012-13</b> Worked collaboratively with GDOE Supply Management to improve procurement processes	On-going.  <b>2018-19</b> Update internal controls associated with REP and other policies and procedures.
	Establish contacts and working relationships with prospective vendors that can provide goods and services that GDOE needs under the grants. Enter into contracts with vendors on behalf of GDOE, and, in doing so, must comply with the provisions for procurement.	Review of an authorized vendors list and monthly tracking of procurement actions	Initial - Nov 15, 2010  Continuing to monitor for effectiveness  <b>2012-13</b> Assisted GDOE in improving overall supplier management processes	Have established numerous relationships with technology and other key vendors based upon planned procurements in grants. Participate in vendor management activities as appropriate.  <b>2018-19</b> Identify and document improved practices related to supplier management.
	Establish procurement processes and system functions	Publication and external auditor verification of compliance with SOPs	Initial - Jan 31, 2011  <b>2014-15</b> Supported enhancements in procurement activities through updates to SOPs based upon organizational,	Complete.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
			systems and potential compliance requirements.	
Fixed Assets /Inventory systems	Detailed specification of internal control standards and process improvement actions required by REP	Checklist of fixed assets procedure changes to be implemented.	Jan 31, 2011  <b>2014-15</b> BMI Scanner workshops and training sessions via web-conferencing were conducted by GDOE's Supply Management Administrator, Tyler Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from TPFA.	On-going.
	Continued oversight of federal funded procurement and inventory, oversee the management of all tangible personal property procured under the grants by the GDOE in accordance with the requirements	Fixed assets inventory reconciliation report	<b>2014-15</b> Worked with GDOE to align FA approaches and provide integration with the FMIS FA module.	<b>2018-19</b> – Provide ongoing management through the FA module and coordinate with GDOE's FMIS and FA management approach to support transition of data and technical approach.
	Transition to decentralized warehouse management and receiving	Training and operational procedures at school level	August- Jan 31, 2014	



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
			<p><b>2014-15</b> Review of receiving operations at school level.</p> <p>Procedures, training and operational practices introduced and implemented across GDOE.</p>	
Records Management	Detailed specification of internal control standards and process improvement actions required by REP	Checklist of records management procedure changes to be implemented	<b>2017-18</b> Work with GDOE Internal Audit team to improve internal controls and identify risk areas.	Ongoing population of TPFAs deliverables repository. Materials are updated as standard operating procedures; training documents and other materials are implemented or revised.
	Appropriate records management in compliance with EDGAR requirements and that supporting documentation is maintained for an appropriate period of time. This includes the entry of electronic copies of all supporting documentation into the integrated software system so that it is readily available for audit and or inquiry by various parties	Compliant financial transaction files	Dec 31, 2010, as inclusion in the training materials for GDOE MUNIS users and continuing to monitor for effectiveness.	Electronic record storage will be implemented as part of the FMIS system.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	including GDOE executive and program offices.			
Reporting	Conduct reconciliations on a monthly and quarterly basis.	Reconciliation Reports Monthly and Quarterly	Complete	On-going.
	Define other custom reports as necessary to support operations.	Special reports and analyses	Initial - Sep 15, 2011 Continuing to monitor for effectiveness	On-going.
	Program management reporting - Standard monthly reporting will track status of performance results as well as operating information on draw downs, procurement status and other pre-defined status indicators. Reporting will also identify any performance risks and issues. Informal, timely information exchange will also occur to share information, resolve issues and address operational concerns.	Issue memos or emails; monthly program management reports	Monthly	<b>2018-19</b> Continue to produce status reports and review with Federal Programs and management. TPFA continues to develop internal financial analysis tools in order to track expenditures against budget and help to forecast when program funds are expected to be depleted.
Performance Improvements	Identified opportunities to streamline processes and increase operational efficiency and improve internal controls.	Provide leadership and support to update all SOPs based upon process changes as part of the FMIS implementation effort	Sept 2013-February 2014	<b>2014-15</b> Reviewed fiscal controls and updated SOPs to reflect changes associated with FMIS implementation and identify opportunities to improve performance and compliance.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Procurement Support as an added function	Draft procurement document templates that comply with ARRA and other federal requirements.	Accepted by GDOE Office of Supply Management	Complete. <b>2014-15</b> Review required updates and set forth an appropriate schedule for delivery	Complete. Providing additional procurement support and template-updating as necessary.
	Augment supply management staff as needed to ensure obligation of expiring grants funds.	Provide additional staffing for surge support for end of year processing.	<b>Summer 2014</b> Provided increased staffing as needed to support increased procurement activities.	<b>2018-19</b> Review opportunities to improve small procurement and services contracts to increase efficiency of procurement processes.
Local Implementation Support	<p>Facilitate working sessions and provide project management and technical support to address operational risk areas in support of transitioning off high risk status with the U.S. Department of Education.</p> <p>Review of GDOE organizational structure to include human capital assessment.</p>	<p>Project plan, action plan, tracking (activities reports) and support for managing development of a business case.</p> <p>Activities report to include recommendations of best practices on organizational structure, financial operations and staff development.</p>	<p><b>2013 – 14</b> Provided leadership to support goal setting, tracking, and project management.</p> <p>Developed activities reports per functional area identifying target capabilities and gaps.</p>	<p><b>2015-16</b> Continued to expand activities reports and performed tracking based upon GDOE performance against targeted capabilities.</p> <p><b>2016-17</b> Transitioned activities reports and tracking to GDOE personnel.</p> <p><b>2017-18</b> Expanded transition reporting to include activities required</p>



				for transfer of control from TPFA to GDOE. Report submitted to USDOE for review and approval.
Indirect Cost Analysis	Support development of the indirect cost package for submission to U.S. Dept of Education and Interior.	Package for submission and analytical cost model as well as training for GDOE personnel on how to apply	<b>2015-16</b> Transitioned analytical cost model and submission of IDC rate package to GDOE personnel. Performed training and provided recommendations to GDOE personnel on application of rates.	
Internal Audit Interim Support	Support development and application of the Management Internal Control (MIC) Plan and identification, evaluation and implementation of appropriate internal controls in SOPs.	Updated MIC and ongoing support, SOP review and development support, and involvement in other internal audit responsibilities as agreed.	<b>2017-18</b> Reviewed departmental SOPs and provided recommendations for improvements.	<b>2018-19</b> Continue to follow up to ensure SOPs are tested. As needed, review new and revised SOPs and provide recommendations for improvements.
Optional Tasks	To be reviewed based upon GDOE's requirements.			
Facilities Management Planning and	Provide leadership support from a Superintendent's viewpoint	Operational performance measures and facilities management guidance	<b>2013-14</b> Tom Brady visited GDOE schools and warehouse to assess current facilities. Subsequently, he met with	Completed.



Operational Support			Superintendent Fernandez to discuss long-range facilities planning.	
Budget Diagnostic	Conduct a Department wide budget analysis to determine opportunities for cost control, implement budget policies & practices to support sustained management and control.	Budget presentation, budget financial model, draft policies and procedures		Not Started per direction of the Superintendent.





## Immediate Areas Requiring GDOE/TPFA Attention

The following critical activities and actions require attention:

- A&M to continue working with the GDOE to assist in the development of an overall transition of services strategy as outlined in the REP.
- GDOE to work toward finalizing the remaining implementation action items for the FMIS.
- GDOE should continue to work to address security concerns at school sites.
- GDOE payroll reimbursement personnel, federal programs teams, and individual project managers to continue working with the TPFA in implementing recommended improvements in personnel certifications, supervisory and departmental reviews, and various other items with respect to enhancing the payroll reimbursement process.
- GDOE is updating its payroll reimbursement SOPs to reflect the procedures currently in progress.
- To prevent delays in payroll reimbursements, GDOE needs to ensure that time and effort documentation is properly reviewed with sign-off from the designated signatories, is accurate, and provided timely.
- GDOE should strive to improve its communication and teamwork within, and between, its various divisions.
- GDOE should continue to reduce the backlog of payroll reimbursement errors for FY18 and FY19 in the SPED and Consolidated grants.

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<sup>1</sup> Note: In this report, we use “TPFA” when we are referring to work performed as part of our contract in accordance with the statement of work and “A&M” when referring to out of scope work.