

# NON-APPROPRIATED FUNDS



Internal Audit Office  
SY 2018-2019 Leadership Academy  
July 26, 2018

# AGENDA

- **Overview**

- History of Audit Performance
- Non-Appropriated Funds (NAF) statistics
- Internal Audit Office (IAO) NAF Responsibilities
- Administrator Responsibilities

- **Statutes and Board Policy**

- Enabling Legislation
- Board Policy (BP) 715

- **Audit Results: School Year (SY) 2016-2017**

- IAO report
- Guam Department of Education (GDOE) Fiscal Year (FY) 2017 Management Letter Comment

- **Other Matters**

- Frequently Asked Questions (FAQs)
- Moving Forward
- IAO Website and Other Resources



# OVERVIEW

# HISTORY OF AUDIT PERFORMANCE

- From FY 2001 to FY 2014, NAF was a consistent finding in GDOE's compliance and Single Audit reports.
  - Other common findings were procurement, cash management, period of availability, allowable costs, and fixed assets.
- Since FY 2015, NAF was reduced to a comment in GDOE's management letters.
- Common NAF problems identified stem from untimely cash outs in Munis and reconciliations, and incomplete documentation.
- IAO will continue to work with schools to reduce and eventually remove NAF deficiencies.

Compliance Requirement Area	Count of	
	Findings	Years
1 Procurement	42	15
2 Cash/Cash Management	20	8
3 Period of Availability	18	6
4 Allowable Costs/Cost Principles	16	8
5 Non-Appropriated Funds	14	14
6 Fixed Assets/Equipment Management	13	13
7 General Ledger	10	8
8 Reporting	10	5
9 Matching, Level of Effort, Earmarking	9	9
10 Payables/Accrued Expenses/Encumbrances	8	7
11 Eligibility	5	5
12 Receivables	5	5
13 Budget	4	4
14 Interfund Transactions	4	4
15 Reconciliations	4	4
16 Special Tests and Provisions	4	3
17 Accruals	3	3
18 Earmarking	3	3

Compliance Requirement Area	Count of	
	Findings	Years
19 Level of Effort	3	2
20 Prepaid Expenses	3	3
21 Sub recipient Monitoring	3	3
22 Expenditures	2	2
23 Program Income	2	2
24 Activities Allowed or Unallowed	1	1
25 Due to Federal Agencies	1	1
26 Financial Management	1	1
27 General Computer Controls	1	1
28 General Ledger and SEFA Reconciliations	2	2
29 Journal Voucher Processing	1	1
30 Liabilities	1	1
31 Local Expenditures and Allowable Costs/Cost Principles	1	1
32 Schedule of Expenditures of Federal Awards (SEFA)	1	1
33 Segregation of Duties	1	1
34 Transfer Authority	1	1
35 Travel Advances	1	1
36 Withholding Taxes	1	1
Total	212	

# NAF STATISTICS

- For SY 2016-2017, the number of NAF sub-accounts in Munis for elementary schools is 286 and secondary schools is 447.
- As of July 20, 2017, there were:
  - 25 schools with Student Activity Funds (SAF) and 40 schools with Trust and Agency Funds (TAF).
  - 65 total bank accounts.
  - Approximately 30,000 total transactions.
- As of June 30, 2018, NAF:
  - Receipts totaled \$2,095,915.
  - Disbursements totaled \$2,214,324.
  - Ending cash balance totaled \$741,837.

# IAO NAF HELP DESK, RECONCILIATION, AND TRAINING

- Every month, IAO assists schools with questions relative to NAF (e.g. correction entries in Munis and reconciliations).
- Every quarter, IAO posts on its website the NAF cash balances of GDOE schools.
- Every year, IAO provides an annual NAF training to Administrators and NAF personnel and issues reminders and follow-ups of annual report deadlines.
- IAO also periodically receives citizen concerns and attends legislative hearings on NAF matters.



# IAO NAF AUDIT

- Every year, IAO audits five to six schools' administration of NAF based on the following risk factors: high variances, audit requests, hotline tips, NAF issues during the SY, and no prior audits or reviews.
  - The NAF annual report balances and internal controls over the administration of NAF are reviewed and reported by IAO.
  - GDOE's external financial auditors incorporate IAO's report in GDOE's financial audit and compliance reports.
- For schools with significant NAF problems and at the Superintendent's request, IAO conducts separate audits throughout the SY.
  - For example, IAO reviewed NAF transactions of Agueda I. Johnston Middle, Inarajan Middle, Oceanview Middle, and JQ San Miguel Elementary Schools, as well as FestPac school stores.



# ADMINISTRATOR RESPONSIBILITIES

- The School Principal (Administrator) is ultimately accountable for his/her school's NAF. Part of this responsibility includes:
  - Being knowledgeable of applicable law and BP 715 requirements.
  - Ensuring an SOP is in place, updated, and implemented (e.g. staff training).
  - Ensuring complete documentation before approving disbursements and transfers, reconciling, and cashing out transactions on Munis.
  - Monthly reviews of Munis transactions against bank statements and cash outs thereafter.
  - Ensuring accuracy of monthly and annual reports before submission to IAO.
  - Ensuring proper transition of NAF responsibilities whenever a change in NAF personnel occurs.
  - Immediately informing IAO of any NAF issues encountered.



# STATUTES AND BP 715



## ENABLING LEGISLATION

- **Public Law 26-26 and Title 17 of the Guam Code Annotated Section 3210**
  - The GDOE Board shall create rules and regulations necessary to regulate fund-raising activities, to safeguard funds, and for the audit of such funds.
  - Such rules **shall** include:
    - All purchase contracts between vendors and class activities, sponsors or school principals shall be subject to Board approval; and
    - A requirement that an annual audit of all school and class activity funds be performed and a report filed with the Board and I Liheslaturan Guåhan.

## § 3210. Student Fund-Raising Activities.

The Board shall promulgate rules and regulations necessary to regulate conduct of fund-raising activities on the part of students, to safeguard the funds raised by such activities, and for the audit of such funds. Said rules and regulations shall include, but need not be limited to the following:

- (a) the educational, recreational or cultural rationale necessary to justify the holding of any particular class of school activity;
- (b) regulations governing qualifications of firms or persons who may do business with school classes or activities;
- (c) regulations governing selection of school personnel who may act in an official or unofficial capacity for students;
- (d) regulations requiring that sound business practices be used in the conduct of any school or class activity;
- (e) all purchase contracts between vendors and class activities, sponsors or school principals shall be subject to Board approval;
- (f) no agreement relative to school or class activities shall exceed one (1) year in duration; and
- (g) a requirement that an annual audit of all school and class activity funds be performed and a report filed with the Board and *I Liheslaturan Guåhan*.

Descriptor Term:	Descriptor Code:	Issued Date:
	715	08/10/05
<u>MANAGEMENT OF NON-APPROPRIATED STUDENT ACTIVITIES FUNDS</u>		
Rescinds:	Issued:	

### BOARD POLICY

#### STUDENT ACTIVITY FUNDS (SAF)

Student activity funds (SAF) may consist of Student activities money and campus activity money.

Public Law 26-26 Section 6115 defines Student Activities Money as "money raised with the approval of the Board by the efforts of students in connection with any activities of student organizations, including without limiting the foregoing, school supply, stores, clubs, athletic activities, school plays, receipts from vending machines and other student Entertainments and yearbooks."

It shall be the policy of the Board that all school activity funds received by the school shall be under the custody and control of the Principal. The Principal shall be responsible and accountable for the "said funds." Standard operating procedures shall be established by each school to assure the proper accounting for, and expenditures of all school activity funds.

#### CAMPUS ACTIVITIES MONEY

Campus Activities Money – includes but is not limited; to money generated from various activities such as the DEED program, rental fees, lab fees, parking fees, proceeds from food contractors (for ala-carte menu sales) , wet garbage proceeds, and donations.

Money raised by student organizations are AGENCY FUNDS held in trust by the school for the benefit of the student organization and shall be disbursed only for purposes authorized by the organization. Funds on deposit for student organizations that have ceased to exist shall be converted to CAMPUS ACTIVITY FUNDS.

## BP 715 KEY POINTS

- NAF are Agency/Fiduciary Funds or money held in trust by the school.
  - **SAF** are raised by student organizations and shall be disbursed only for purposes authorized by the organization.
  - **Campus Activity Funds/TAF** are used to benefit the whole student body.
- All school activity funds received by the school **shall** be under the custody and control of the Principal.
  - The Principal **shall** be responsible and accountable for the “said funds.”
  - SOPs **shall** be established by each school to ensure the proper accounting for and expenditures of all school activity funds.

## BP 715 KEY POINTS

- Monies raised by student organizations should be spent to benefit those currently in school for they are the ones who have raised the monies.
  - Money raised in a specific school year should be spent in the same year, except as otherwise noted.
  - Any balance remaining in the account shall be closed out to TAF at the beginning of the next school year.
- There shall be established a **Money Committee** within each school, which **shall**:
  - The Principal serves as the committee Chairman.
  - Oversee the receipts and expenditures of the school activities' money.
  - Make final approval of all SAF expenditures in excess of \$100.

## BP 715 KEY POINTS

- **Receipts** - Whenever money is collected, a receipt shall be issued by the school activities treasurer.
- **Disbursements**
  - Disbursements shall be made by check only for the purpose for which the fund was established, or purposes which the student organizations raising the funds determine.
  - The school principal and school treasurer's signatures are required on each check.
  - No disbursement will be made unless a voucher request for payment is approved and if the account has or will have a negative balance.
    - The principal shall be aware of, investigate, and take timely corrective action to eliminate the cause of any negative balance in student activity accounts.

## BP 715 KEY POINTS

- **Prohibited disbursements are:**
  - If primarily benefits school staff members or other GDOE employees, such as gifts, meals, retirement functions, or other staff social activities.
  - Meals not essential to the success of a meeting whose primary purpose is discussing educational or administrative matters or conducting school business.
  - Extension of credit or loans.
  - Contributions to charitable organizations, unless funds have been contributed by students for a specific charity.



## BP 715 KEY POINTS

- **Safekeeping**

- All funds shall be deposited in a commercial bank or saving and loan association at the close of each day when possible but in any event no later than the next day.

- **Loss of Funds/Equipment**

- In an event of loss of funds, or equipment purchased with SAF, a written report must be made immediately to the Guam Police Department and to Superintendent describing fully the nature and extent of the loss.

## BP 715 KEY POINTS

### ■ Reports

- Monthly: The **School Treasurer** shall prepare a monthly financial statement for each fund. It shall show the previous balance, income and expenses for the month and the current balance.
- Year-end: At the close of each year, the **Principal** shall prepare a financial statement covering all school activities funds including change funds. This report shall be transmitted to Internal Audit Staff no later than July 15 of each year.

### ■ Fund Audit

- Each school activities fund shall be audited as often as required at least annually, by the GDOE Internal Audit Staff.



# AUDIT RESULTS: SY 2016-2017



## YEAR TO DATE

- NAF is still a deficiency, but improvements have been made over the years.
  - For 14 years, NAF was a finding in GDOE's FY 2001 to FY 2014 Single Audit reports.
  - In June 2016, NAF was reduced to a comment in GDOE's FY 2015 Management Letter.
- Moving forward, there is an expectation to maintain or improve our NAF performance by removing the deficiencies.

## IAO REPORTS

- IAO tested the SY 2016-2017 NAF documentation of H.B Price Elementary, M.U. Lujan Elementary, Tamuning Elementary, Jose Rios Middle, John F. Kennedy High, and Southern High Schools.
- Some of the schools reviewed received a marginal risk rating for internal control deficiencies due to:
  - No proper transition between outgoing and incoming NAF personnel;
  - Heavy reliance on the School Treasurer and lack of timely NAF documentation reviews by the School Administrator; or
  - Lack of updated SOPs.

## GDOE FY 2017 MANAGEMENT LETTER

- Opening balances did not reconcile to prior year ending balances for 23 of 41 schools, noting \$29,850 of receipts and \$4,857 of disbursements not reported in the correct period.
  - Late “cash outs” = late reports = balances are posted in Munis in the next school year.
  - The reporting date for SY 16-17 is from July 1 to June 30, 2017.
    - If SY 16-17 transactions are cashed out before or after those dates, the reporting dates have to be adjusted or a reconciliation should be performed to reconcile the differences in cash balances.
- Bank reconciliations were not timely and accurately performed.
- Bank statements identified fewer deposits than per recorded NAF receipts.
  - Cash collections were transferred between sub-accounts in Munis, and were not accurately reported, or may not have been remitted to the bank.

**Department of Education**  
**(Insert School Name Here)**  
**Monthly Bank Reconciliation**  
**Student Activity Fund / Trust and Agency Fund**  
 From July 2016 - June 2017

School Year: 16-17 Date Prepared: July 14, 2017

Auditor's Note: Munis balance should be \$1,050.88

Balance on Munis \$ 1,846.96 Balance on Bank Statement \$ 909.30

Less: Bank Charges and Fees

Plus: Deposits in Transit

Description:	Amount:	Date:	Amount:
	\$ 247.47		\$ 81.55
	\$ 29.42		\$ 65.00
	\$ 130.75		\$ 65.00
	\$ 323.02		\$ 30.00
	\$ 250.00		\$ 90.00
	\$ 3,017.90		\$ 890.38
	\$ 43.93		\$ 352.84
	\$ 881.16		\$ 390.79
			\$ 109.61
			\$ 1,269.28
			\$ 5.00
			\$ 72.03
			\$ 88.00
			\$ 295.78
			\$ 86.66
			\$ 881.16
			\$ 102.13
			\$ 110.02
			\$ 80.00

Total: \$ 4,923.65 Total Deposits in Transit: \$ 5,065.23

Less: Checks Outstanding

Auditor's Note: No descriptions for the items in the bank reconciliation form. JB 12/14/17 This reconciliation form encompasses the entire SY 16-17. Bank charges on the left column are checks posted in Munis. It should be removed from the left column. Otherwise, \$1,846.96 less \$4,923.65 is (\$3,076.69). Munis and bank statement are actually reconciled. JB 03/16/18

Check No.:	Amount:
	\$ 247.47
	\$ 29.42
	\$ 130.75
	\$ 323.02
	\$ 250.00
	\$ 3,017.90
	\$ 43.93
	\$ 881.16

Total Checks Outstanding: \$ 4,923.65

\*Correct Munis Balance \$ 1,050.88 \*Correct Bank Balance \$ 1,050.88

\*Balances MUST Agree

**Department of Education**  
**Monthly Bank Reconciliation**  
**Student Activity Fund**  
 For the Month of: July 2016 - July 2017

School Year: 16-17 Date Prepared: 07.19.17

Balance on Munis \$ 18,963.88 Balance on Bank Statement \$ 20,284.82

Less: Bank Charges and Fees

Plus: Deposits in Transit

Description:	Amount:	Date:	Amount:
	\$ -		\$ -
	\$ -		\$ -
	\$ -		\$ -
	\$ -		\$ -

Total: \$ - Total Deposits in Transit: \$ -

Less: Checks Outstanding

Check No.:	Amount:
4	\$ 460.94
4494	\$ 800.00
	\$ 60.00
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

Total Checks Outstanding: \$ 1,320.94

\*Correct Munis Balance \$ 18,963.88 \*Correct Bank Balance \$ 18,963.88

\*Balances MUST Agree

Prepared By: [Signature] Title: School Treasurer  
 Signature Date:

Approved: [Signature] Title: Principal  
 Signature Date:

Auditor's Note: Missing signature and date; and description on checks outstanding. JB 12/14/17

## GDOE FY 2017 MANAGEMENT LETTER

- 59 of 263 receipts tested, totaling \$41,045 of \$174,275, did not meet NAF receipt requirements.
  - No cash count sheet and/or bank receipt,
  - Incomplete cash count sheet or Munis entries, and
  - Untimely bank deposit.
- 34 of 227 disbursements tested, totaling \$34,520 of \$212,740, did not meet NAF disbursement requirements.
  - No vendor payment receipt or invoice, and
  - Disbursement not aligned with the student organization's goals or objectives (i.e. TAF used to treat staff to breakfast at a restaurant).



## 2. Non-Appropriated Funds

Comment: Fiscal year ending September 30, 2017 is the fourth year for the full reporting of NAF on GDOE's financial management information system (FMIS or Munis). This allowed the Internal Audit Office (IAO) access and monitoring capabilities on a daily basis resulting in timely discovery of exceptions. The following exceptions were identified by the IAO for the school year 2016-2017:

- 1) Opening balances did not reconcile to prior year ending balances for 23 of 41 schools noting \$29,850 of receipts and \$4,857 of disbursements were not reported in the correct period.
- 2) Bank reconciliations were not timely and accurately performed. Variances between bank reconciliations and ending general ledger cash balances are as follows:

<u>School</u>	<u>Per general ledger</u>	<u>Per bank</u>	<u>Difference</u>
Finegayan Elementary School	\$ 16,216	\$ 3,940	\$ 12,276
Agueda Johnston Middle School	\$ 7,217	\$ 190	\$ 7,027
Simon A. Sanchez High School	\$ 152,633	\$ 160,459	\$ (7,826)
H.B. Price Elementary School	\$ 5,303	\$ 4,867	\$ 436
L.P. Untalan Middle School	\$ 23,843	\$ 23,542	\$ 301
George Washington High School	\$ 44,880	\$ 45,224	\$ (344)
Jose Rios Middle School	\$ 31,528	\$ 31,256	\$ 272
M.U. Lujan Elementary School	\$ 10,443	\$ 10,591	\$ (148)
P.C. Lujan Elementary School	\$ 2,851	\$ 2,753	\$ 98

- 3) Bank statements identified fewer deposits than per recorded NAF receipts. This indicates that cash collections were transferred between sub-accounts in Munis, and were not accurately reported, or may not have been remitted to the bank.

<u>School</u>	<u>Deposits per bank</u>	<u>Receipts reported</u>	<u>Variance</u>
H.B. Price Elementary School	\$ 53,943	\$ 54,754	\$ (811)
M.U. Lujan Elementary School	\$ 19,509	\$ 20,149	\$ (640)
Tamuning Elementary School	\$ 5,901	\$ 6,819	\$ (918)
Jose Rios Middle School	\$ 100,904	\$ 104,752	\$ (3,848)
John F. Kennedy High School	\$ 198,021	\$ 201,104	\$ (3,083)
Southern High School	\$ 88,486	\$ 89,203	\$ (717)

- 4) Of 263 receipts tested aggregating \$174,275, certain items did not meet NAF documentation requirements:
  - a. 24 receipts aggregating \$17,386 were not supported by a cash count sheet and/or a bank receipt.
  - b. 18 receipts aggregating \$8,653 did not have all required information on the cash count sheets or Munis entries.
  - c. 17 receipts aggregating \$15,006 were not timely deposited or recorded in Munis (exceeding two business days).
- 5) Of 227 disbursements tested aggregating \$212,740, certain transactions did not appear to meet NAF documentation requirements:
  - a. 33 disbursements aggregating \$34,083 were not supported by a vendor payment receipt or invoice.
  - b. 1 disbursement of \$437 was not in line with the student organization's goals or objectives.

This is a reiteration of comments from the prior year audits.

Recommendation: Due to the heightened monitoring performed by the Department's Internal Auditors, it is expected that issues with NAF accounting will continue to be identified. This is expected due to the lack of financial understanding and training present in the respective skills and due to the opportunity for fraud given the number of cash related transactions. We recommend GDOE continue to monitor these accounts and continually provide education relative to the adequacy of disbursement documentation, preparation of receipts, timely bank deposits and performance of periodic bank reconciliations.



# OTHER NAF MATTERS



## FREQUENTLY ASKED QUESTIONS

- Reimbursement - When vendors do not accept checks, can a person be reimbursed if the person uses his/her personal funds to cover for the purchase? For the previous SY, this has been for online or off-island purchases.
  - This practice is highly discouraged as it could lead to abuse.
  - Please seek guidance from IAO to help ensure the transaction is clean.

# MOVING FORWARD

- NAF in Accounts Payable
  - Few schools' NAF transactions are being captured by in the Accounts Payable module in Munis.
  - Until the issue is resolved, your school may be contacted to delete and re-enter transactions captured.
- FY 2018 NAF Cash Out in Munis
  - Due to a Munis system upgrade in FY 2016, NAF affects GDOE's General Ledger.
  - Untimely cash outs of pending NAF transactions and untimely reconciliations or close of GDOE's ledgers hinder the completion of GDOE's annual financial audit.
- Board Policy Amendment and Overall NAF SOP

## IAO WEBSITE AND OTHER RESOURCES

- NAF quarterly Munis balances, and annual Munis and bank balances and bank reconciliation are posted in the IAO website. <http://gdoeiao.weebly.com/non-appropriated-funds.html>
- GDOE's Financial and Single Audit Reports are posted in IAO's website at <http://gdoeiao.weebly.com/financial-and-single-audit-reports.html>, and in the Office of Public Accountability's website at <http://opaguam.org/>.
- The reference materials (i.e. PowerPoint, handouts) used in this training and other guidance are also posted in IAO's website. <http://gdoeiao.weebly.com/advisory-services.html>



## INTERNAL AUDIT OFFICE

Guam Department of Education

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Non-Appropriated Funds

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*"Our educational community prepares all students for life, promotes excellence, and provides support."*

HAFA ADAI !



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### NON-APPROPRIATED FUNDS

#### MANDATES

Public Law 26-26 repealed and reenacted Chapter 3 of Title 17 of the Guam Code Annotated. Chapter 3, Section 3210 required the Guam Education Board (GEB) to create rules and regulations necessary to regulate conduct of fund-raising activities on the part of students, to safeguard the funds raised by such activities, and for the audit of such funds.

Board Policy 715 Management of Non-Appropriated Student Activities Funds, specifies two types of Non-Appropriated Fund (NAF): Student Activity Funds (SAF) and Campus Activity Funds or Trust and Agency Fund (TAF). SAF are cash raised, with the GEB's approval, by students for student organization activities. TAF are cash proceeds from activities such as the DEED program, rent, lab, parking, food contractors, wet garbage, and donations. SAF and TAF are Agency Funds held in trust by the school for the benefit of the student organization, of the whole student body.

IAO's Presentation to GDOE Oversight Committee

Guam Department of Education  
Non-Appropriated Funds

July 20, 2017

## SCHOOLS' NAF BALANCES, UNAUDITED

Elementary

Secondary

Media Archive

FY 2017

SAF

TAF

Balance as of:	Munis Beg. Bal.	Munis End. Bal.	Bank End. Bal.	Variance
June 30, 2016				
October 31, 2016				
February 28, 2017				
Annual Report as of June 30, 2017				

Munis Beg. Bal.	Munis End. Bal.	Bank End. Bal.	Variance
\$ 590.14	\$ 913.54	\$ 913.54	\$ -
\$ 913.51	\$ 811.58	\$ 811.58	\$ -
\$ 811.58	\$ 1,745.96	\$ 1,745.96	\$ -
\$ 913.54	\$ 928.61	\$ 928.61	\$ -

June 30, 2016				
October 31, 2016				
February 28, 2017				
Annual Report as of June 30, 2017				

\$ 11,477.78	\$ 8,368.51	\$ 9,217.42	\$ 848.91
\$ 8,368.51	\$ 8,278.14	\$ 8,278.14	\$ -
\$ 8,834.08	\$ 17,517.61	\$ 17,517.61	\$ -
\$ 15,083.09	\$ 9,301.81	\$ 9,398.74	\$ 96.93

June 30, 2016				
October 31, 2016				
February 28, 2017				
Annual Report as of June 30, 2017				

\$ 2,436.67	\$ 2,812.33	\$ 2,812.33	\$ -
\$ 2,469.25	\$ 1,141.45	\$ 1,140.91	\$ (0.54)
\$ 2,378.45	\$ 3,082.57	\$ 3,082.57	\$ -
\$ 2,245.33	\$ 1,418.81	\$ 1,418.81	\$ -

June 30, 2016	\$ 11,760.09	\$ 16,712.15	\$ 16,712.15	\$ -
October 31, 2016	\$ 16,870.66	\$ 16,870.66	\$ 25,640.61	\$ 8,769.95
February 28, 2017	\$ 16,870.66	\$ 28,660.37	\$ 24,886.76	\$ (3,773.61)
Annual Report as of June 30, 2017	\$ 28,660.37	\$ 15,123.03	\$ 15,123.03	\$ -

\$ 181.18	\$ 3,647.03	\$ 3,647.03	\$ -
\$ 3,488.52	\$ 3,488.52	\$ 308.54	\$ (3,179.98)
\$ 3,488.52	\$ 5,803.25	\$ 6,289.35	\$ 486.10
\$ 5,803.25	\$ 8,186.93	\$ 8,186.93	\$ -

June 30, 2016				
October 31, 2016				
February 28, 2017				
Annual Report as of June 30, 2017				

\$ 2,443.62	\$ 2,281.31	\$ 2,281.31	\$ -
\$ 4,689.79	\$ 3,090.42	\$ 2,381.47	\$ (708.95)
\$ 3,090.42	\$ 3,090.42	\$ 3,763.07	\$ 672.65 *
\$ -	\$ -	\$ -	\$ - Annual Report

June 30, 2016	\$ 3,085.95	\$ 3,419.35	\$ 3,419.35	\$ -
October 31, 2016	\$ 3,419.35	\$ 1,979.75	\$ 1,979.75	\$ -
February 28, 2017	\$ 1,979.75	\$ 1,979.75	\$ 1,979.75	\$ -
Annual Report as of June 30, 2017	\$ -	\$ -	\$ -	\$ -

\$ 3,329.40	\$ 4,405.87	\$ 4,405.87	\$ -
\$ 4,312.99	\$ 4,405.87	\$ 4,405.87	\$ -
\$ 4,405.87	\$ 4,565.53	\$ 4,565.53	\$ -
\$ -	\$ -	\$ -	\$ - Annual Report

## SCHOOLS' NAF BALANCES, UNAUDITED

Elementary	Secondary	Media Archive
<p>07/23/17 - Guam Post News: Education officials discuss better ways to track non-appropriated funds</p> <p>07/20/17 - Pacific News Center: Legislative roundtable addresses \$8K theft at Agueda Johnston Middle School</p> <p>07/11/17 - Pacific Daily News: Fernandez \$8,000 missing from middle school</p> <p>07/07/17 - KUAM News: Where did DOE's money go?</p> <p>07/07/17 - KUAM News: San Agustin wants to get to the bottom of missing DOE funds</p> <p>07/07/17 - Guam Post News: Possible theft prompts GDOE roundtable</p> <p>07/07/17 - Pacific News Center: Anonymous tip points to \$8K in missing funds at Agueda Middle School</p> <p>01/22/17 - Pacific Daily News: Guam DOE tightens control of schools' \$2M raised funds</p> <p>03/19/16 - Guam Post News: GDOE superintendent responds to JQ San Miguel issue</p> <p>10/22/15 - KUAM News: Toto elementary school teachers demand removal of principal</p> <p>06/29/12 - Pacific News Center: OPA audit of DOE finances warns "lack of accountability" could lead to theft</p>		





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# INTERNAL AUDIT OFFICE

## Guam Department of Education

500 Mariner Avenue, Barrigada, Guam 96913 // Tel: (671) 475-0462 // Fax: (671) 472-5001 // E-mail: iao@gdoe.net



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### ADVISORY SERVICES

Part of the Internal Audit Office's work is providing advisory services to the Guam Department of Education (GDOE). These services (e.g., consultation, and training) are intended to add value and improve GDOE's governance, risk management, and performance without IAO assuming management responsibility.

### TRAINING

IAO holds various training events for GDOE employees. On an annual basis, the IAO holds a training on NAF for GDOE school personnel handling NAF. The training provides an overview and procedures relative to the administration of NAF. The IAO would like to thank Tiyan High School for hosting the event and the school administrators and staff who participate in this annual training. In addition to training, IAO provides a series of trainings to GDOE management and personnel. For training materials please refer to the links below.



ADVISORIES

PRESENTATIONS

Limited Compliance Review of SOPs - 01/04/17

SY 16-17 Non-Appropriated Funds and Munis - 10/19/16

SY 16-17 Non-Appropriated Funds - 10/19/16

Educational Financial Supervisory Commission - 09/15/16

Foundation for Public Education Grant Awards - 09/07/16

2016 Management Internal Controls - 03/29/16

SY 15-16 Non-Appropriated Funds - 08/10/15

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PRESENTATIONS

Proper Accountability of Coin Drive Collections - 09/14/17

Overtime to Exempt Employees - 09/19/16

Cash Management for Festpac School Stores - 05/19/16

Parent Teacher Organizations - 03/17/16

Foundation for Public Education Grants - 09/21/15



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# HOTLINE



GDOE's Superintendent and IAO encourages government employees and the public to report any suspicion of fraud, waste, and abuse within GDOE by filling out the online form below or contacting IAO via telephone, e-mail or regular mail.

Financial fraud consists of ways by which GDOE employees or vendors use their employment status or vendor relationship to take funds for themselves or others at the expense of GDOE. Financial waste or abuse of financial resources includes ways by which GDOE employees or vendors improperly, carelessly, or excessively spend, consume, mismanage, or misuse GDOE resources. Waste would also include unnecessary spending as a result of inefficient or ineffective practices.

## Guam Department of Education Launches Fraud, Waste, and Abuse Hotline

October 28, 2015



Title 4 of the Guam Code Annotated, Chapter 4, Section 4501 states that the Guam Legislature encourages Government of Guam employees to disclose information on actions of agencies that are not in the public interest. Section 4503 states that no appointing authority or supervisor shall initiate or administer any disciplinary action against an employee on account of the employee's disclosure of information.



If you want to report any Guam Department of Education employee or member for official misconduct, whether it's fraud, waste, or abuse of department resources, there is now a hotline to do so.

Guam - Guam Department of Education Superintendent Jon Fernandez announced that the Internal Audit Office established a hotline for GDOE employees and members of the community to report any GDOE official misconduct.

Section 806 of the Sarbanes Oxley Act provides additional protection to employees of public companies who report information about actual or potential fraud involving their employer. Section 1107 of the act makes it a crime for a person to knowingly retaliate against a whistleblower for disclosing truthful information to a law enforcement officer regarding an alleged federal offense.

## TO REPORT FRAUD, WASTE, OR ABUSE IN GDOE YOU MAY USE THE FOLLOWING OPTIONS:

1. CALL (671) 300 - 1340.
2. Visit IAO at GDOE in Barrigada, Guam.
3. Write regular mail to:  
GUAM DEPARTMENT OF EDUCATION  
INTERNAL AUDIT OFFICE  
500 MARINER AVENUE  
BARRIGADA, GU 96913-1608
4. Contact any of the IAO staff. Their contact details are listed on this [page](#).
5. Complete the online form below.

Name

First

Last

Email (optional)

\* Indicates required field

Report Information \*

Submit

# CONTACT INFORMATION

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