

**GUAM DEPARTMENT OF EDUCATION**

**(A LINE AGENCY OF THE  
GOVERNMENT OF GUAM)**

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**SINGLE AUDIT REPORTS**

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**YEAR ENDED SEPTEMBER 30, 2019**

**GUAM DEPARTMENT OF EDUCATION**

SINGLE AUDIT REPORTS  
Year Ended September 30, 2019

CONTENTS

	<u>PAGE</u>
Part I. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Part II. Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Part III. Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Reconciliation of Schedule of Expenditures of Federal Awards to Basic Financial Statements	8
Part IV. Schedule of Findings and Questioned Costs	9
Part V. Corrective Action Plan	13
Part VI. Summary Schedule of Prior Audit Findings	15

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mr. Jon Fernandez  
Superintendent of Education  
Guam Department of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Guam Department of Education (GDOE) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise GDOE's basic financial statements, and have issued our report thereon dated June 30, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered GDOE's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GDOE's internal control. Accordingly, we do not express an opinion on the effectiveness of GDOE's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

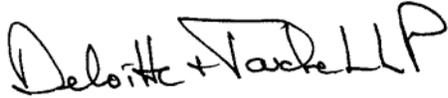
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether GDOE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Deloitte + Tatchell LLP". The signature is written in a cursive, slightly stylized font.

June 30, 2020

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Mr. Jon Fernandez  
Superintendent of Education  
Guam Department of Education:

### **Report on Compliance for Each Major Federal Program**

We have audited the Guam Department of Education's (GDOE's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of GDOE's major federal programs for the year ended September 30, 2019. GDOE's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of GDOE's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about GDOE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of GDOE's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, GDOE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

GDOE's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. GDOE's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

GDOE is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. GDOE's Corrective Action Plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

## **Report on Internal Control Over Compliance**

Management of GDOE is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered GDOE's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of GDOE's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

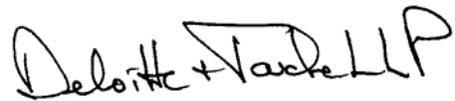
GDOE's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. GDOE's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

GDOE is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. GDOE's Corrective Action Plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of GDOE as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise GDOE's basic financial statements. We issued our report thereon dated June 30, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



June 30, 2020

**GUAM DEPARTMENT OF EDUCATION**

Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
Direct:				
CACFP Meal Training	10.534		\$	43,055
Child Nutrition Cluster:				
School Lunch Program (SBP)	10.553			-
National School Lunch Program (NSLP)	10.555		\$ 223,283	<u>13,881,657</u>
Child Nutrition Cluster Subtotal				<u>13,881,657</u>
Child and Adult Care Food Program	10.558		19,610	36,324
State Administrative Expenses for Child Nutrition	10.560			378,995
Food Distribution Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568			<u>113,320</u>
Food Distribution Cluster Subtotal				<u>113,320</u>
Farm to School Implementation Grant	10.575			29,084
Child Nutrition Discretionary Grants Limited Availability	10.579			<u>32,135</u>
Total U.S. Department of Agriculture			\$ <u>242,893</u>	\$ <u>14,514,570</u>
<b>U.S. DEPARTMENT OF DEFENSE:</b>				
Direct:				
Army JROTC	12.000		\$	384,205
Air Force JROTC	12.000			176,068
Marine JROTC	12.000			<u>56,087</u>
Total U.S. Department of Defense				\$ <u>616,360</u>
<b>U.S. DEPARTMENT OF THE INTERIOR:</b>				
Pass-Through Government of Guam - Department of Administration:		778904292		
Economic, Social, and Political Development of the Territories	15.875		\$	4,660,930
Municipal School Leaseback	15.875			<u>6,601,400</u>
Total U.S. Department of the Interior				\$ <u>11,262,330</u>
<b>U.S. DEPARTMENT OF EDUCATION:</b>				
Direct:				
Special Education Cluster (IDEA):				
Special Education-Grants to States (IDEA, Part B)	84.027		\$	<u>12,973,678</u>
Special Education Cluster (IDEA) Subtotal				<u>12,973,678</u>
Impact Aid	84.041			23,820
Special Education-Grants for Infants and Families	84.181			1,304,160
Territories and Freely Associated States Education Grant Program	84.256			93,591
Striving Readers / Comp. Literacy Development	84.371			270,726
Consolidated Grant to the Outlying Areas	84.403			<u>23,337,092</u>
Total U.S. Department of Education				\$ <u>38,003,067</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Direct:				
Cooperative Agreements to Promote Adolescent Health through School-Based				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092		\$	209,739
Head Start	93.600			<u>3,243,775</u>
Total U.S. Department of Health and Human Services				\$ <u>3,453,514</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>				
Pass-Through Government of Guam - Department of Administration:		000-U2-DMO-00		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		\$	<u>130,669</u>
Total U.S. Department of Homeland Security				\$ <u>130,669</u>
Total Federal Awards Expended			\$ <u>242,893</u>	\$ <u>67,980,510</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

## GUAM DEPARTMENT OF EDUCATION

### Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2019

#### 1. Scope of Audit

The Guam Department of Education (GDOE) is a line agency of the Government of Guam, a governmental entity established by the 1950 Organic Act of Guam, as amended, and has the powers of a body corporate, as defined in the act and local statutes. Only the operations of the Guam Department of Education are included within the scope of the Single Audit.

#### 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of GDOE under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of GDOE, it is not intended to and does not present the financial position, changes in net position or cash flows of GDOE.

#### 3. Summary of Significant Accounting Policies

##### a. Basis of Accounting

GDOE is named as the federal award recipient on federal award documents and is responsible for maintaining the accounting records for federal expenditures. All expenditures and capital outlays that represent the federal share are reported as expenditures. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, consistent with the manner in which GDOE maintains its accounting records. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. GDOE does not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

##### b. Subgrants

Certain program funds are passed through the Guam Department of Education to subrecipient organizations. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient. The Schedule of Expenditures of Federal Awards does not contain separate schedules disclosing how the subrecipients outside of Guam Department of Education's control utilized the funds. If the subrecipient expends \$750,000 or more in federal awards, the subrecipient separately satisfies the audit requirements of the Uniform Guidance.

#### 4. High-Risk Grantee Status

GDOE is designated a high-risk grantee by the U.S. Department of Education.

#### 5. CFDA Number 10.555

Expenditures for CFDA Number 10.555 include expenditures for both the National School Lunch Program and the School Breakfast Program. Only CFDA Number 10.555 is presented in the Schedule as the U.S. Department of Agriculture awarded Child Nutrition Program funds under the one CFDA number in its Grant Award Document.

**GUAM DEPARTMENT OF EDUCATION**

Reconciliation of Schedule of Expenditures of Federal Awards to  
Basic Financial Statements  
Year Ended September 30, 2019

	<u>Expenditures</u>
Federal contributions, as reported in the 2019 financial statements:	
Federal Grants Assistance Fund expenditures	\$ 67,233,481
<u>CFDA Program</u>	
12.000 Army JROTC	384,205
12.000 Air Force JROTC	176,068
12.000 Marine JROTC	56,087
97.036 Disaster Grants – Public Assistance	<u>130,669</u>
Total Federal Expenditures Subject to Audit	\$ <u>67,980,510</u>

**GUAM DEPARTMENT OF EDUCATION**

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019

**Section I – Summary of Auditors’ Results**

*Financial Statements*

1. Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- 2. Material weakness(es) identified? No
- 3. Significant deficiency(ies) identified? None reported
- 4. Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major federal programs:

- 5. Material weakness(es) identified? No
- 6. Significant deficiency(ies) identified? Yes
- 7. Type of auditors’ report issued on compliance for major federal programs: Unmodified
- 8. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes
- 9. Identification of major federal programs:

<u>CFDA</u> <u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Junior Reserve Officers’ Training Corps:
12.000	Army JROTC
12.000	Air Force JROTC
12.000	Marine JROTC
	Special Education Cluster (IDEA):
84.027	Special Education-Grants to States
84.403	Consolidated Grant to the Outlying Areas

- 10. Dollar threshold used to distinguish between Type A and Type B Programs: \$2,039,415
- 11. Auditee qualified as low-risk auditee? No

**Section II – Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

<u>Reference</u> <u>Number</u>	<u>CFDA</u> <u>Number</u>	<u>Findings</u>	<u>Questioned</u> <u>Costs</u>
2019-001	12.000	Procurement and Suspension and Debarment	\$ -
2019-002	12.000	Special Tests and Provisions	\$ -

**GUAM DEPARTMENT OF EDUCATION**

Schedule of Findings and Questioned Costs, Continued  
Year Ended September 30, 2019

Finding No.: 2019-001  
 Federal Agency: U.S. Department of Defense  
 CFDA Program: 12.000 Junior Reserve Officers' Training Corps  
 Area: Procurement and Suspension and Debarment  
 Questioned Costs: \$0

Criteria:

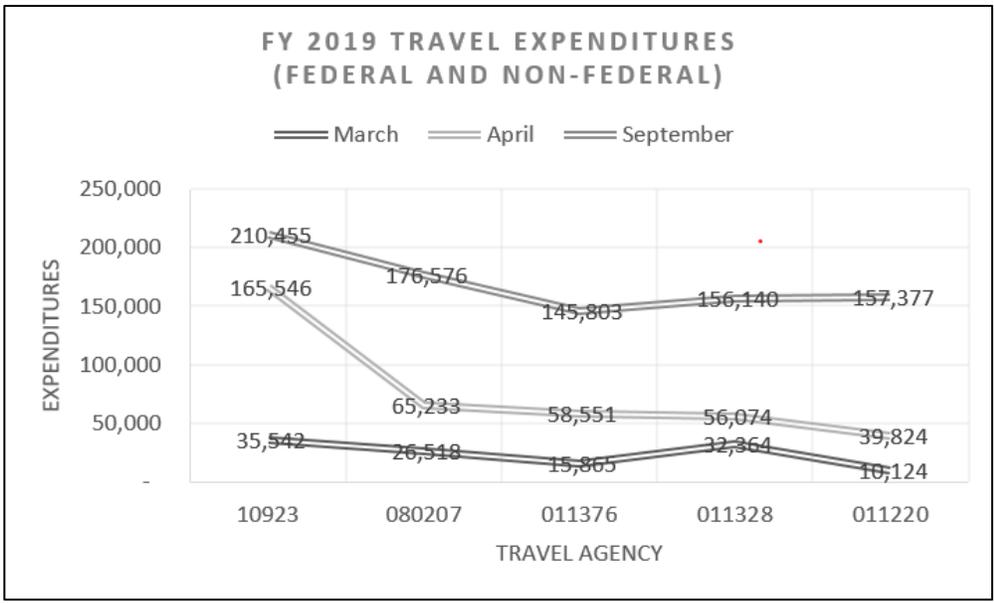
In accordance with applicable procurement requirements, procurement of air travel vouchers from local travel agencies shall be rotated fairly and competitively requiring that no single travel agency or small group of travel agencies monopolize the sale of air travel vouchers.

Condition:

For four (or 40%) of 10 transactions tested, aggregating \$225,365 of \$461,700 in total non-payroll program expenditures, airfare services were procured using a rotation list. However, an assessment of GDOE's overall air travel funded Federally and non-Federally for FY 2019 demonstrates that the selection of travel agencies was neither rotated fairly nor competitively.

<u>Award Number</u>	<u>Account Number</u>	<u>Date</u>	<u>Travel Authorization</u>	<u>Vendor</u>	<u>Amount</u>
Army	260.40.471.022100.18.2200.13.00300	04/02/19	T19900210T	10923	\$ 42,993
Army	260.40.473.022100.18.2200.13.00300	04/02/19	T19900209T	10923	47,770
Army	260.40.474.022100.18.2200.13.00300	04/02/19	T19900211T	10923	31,050
Air Force	260.40.476.022101.18.2200.13.00310	04/11/19	T1990096T	80207	<u>38,715</u>
					<u>\$ 160,528</u>

No questioned cost is presented as the differential in airfare among travel agencies would not be significant, and from May 2019 through September 2019, GDOE attempted corrective action in order to more fairly distribute the procurement of air travel.



**GUAM DEPARTMENT OF EDUCATION**

Schedule of Findings and Questioned Costs, Continued  
Year Ended September 30, 2019

Finding No.: 2019-001, Continued  
Federal Agency: U.S. Department of Defense  
CFDA Program: 12.000 Junior Reserve Officers' Training Corps  
Area: Procurement and Suspension and Debarment  
Questioned Costs: \$0

Cause:

GDOE did not consistently monitor and enforce internal control over compliance with applicable procurement requirements.

Effect:

GDOE is in noncompliance with applicable procurement requirements.

Recommendation:

GDOE should monitor and enforce compliance with applicable procurement requirements. GDOE should consider reviewing and revising existing policies and controls over policy implementation.

Views of Responsible Officials:

GDOE concurs with the finding and recommendation and has provided details in GDOE's Corrective Action Plan.

## GUAM DEPARTMENT OF EDUCATION

### Schedule of Findings and Questioned Costs, Continued Year Ended September 30, 2019

Finding No.: 2019-002  
Federal Agency: U.S. Department of Defense  
CFDA Program: 12.000 Junior Reserve Officers' Training Corps  
Federal Award Number: U.S. Army  
Area: Special Tests and Provisions  
Questioned Costs: \$0

#### Criteria:

In accordance with the Application and Contract for Establishment of a Junior Reserve Officers' Training Corp (JROTC) Unit, GDOE agreed to contract terms, including the following:

1. To furnish a classroom for the exclusive use of the Program.
2. To ensure that instructors are provided liability insurance (and proof thereof).

#### Condition:

For one (or 17%) of six units tested, we noted the following for the U.S. Army JROTC unit at Simon Sanchez High School:

1. GDOE furnished the unit with cafeteria space instead of the agreed exclusive classroom.
2. GDOE did not provide proof of liability insurance for the instructor.

#### Cause:

GDOE did not enforce compliance with contract terms for the Program.

#### Effect:

GDOE is in noncompliance with applicable contract terms for the Program and could be subject to probation. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

#### Recommendation:

GDOE should enforce compliance with contract terms for the Program and should provide JROTC units with exclusive classrooms and JROTC instructors with liability insurance.

#### Views of Responsible Officials:

GDOE concurs with the finding and recommendation and has provided details in GDOE's Corrective Action Plan.



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

**DEPARTMENT OF EDUCATION  
INTERNAL AUDIT OFFICE**

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**FRANKLIN  
COOPER-NURSE**  
Chief Internal Auditor

**GUAM DEPARTMENT OF EDUCATION  
Corrective Action Plan  
Year Ended September 30, 2019**

Finding No.: 2019-001  
Federal Agency: U.S. Department of Defense  
CFDA Program: 12.000 Junior Reserve Officers' Training Corps (JROTC)  
Area: Procurement and Suspension and Debarment  
Questioned Costs: \$0

Views of Auditee and Corrective Actions:

The Guam Department of Education (GDOE) concurs with the finding and recommendation.

**Corrective Action Plan:** GDOE's current Standard Operating Procedures (SOPs) require travel arrangements to be made with travel agents on a rotation list in compliance with Title 5 of the Guam Code Annotated §5001 as documented under GDOE's SOP 200-021 on Off-Island Travel Procedures requiring travel agents to be selected on a rotational basis. GDOE will continue to utilize this rotation tool to ensure that no single travel agency or a small group of travel agencies monopolize the sale of air travel to the Department. In addition, GDOE shall exercise reasonableness in implementing this methodology. Accordingly, the SOP will be updated to reflect this change and will be monitored regularly by the Comptroller.

**Plan to Monitor:** The Comptroller will ensure that the rotation list is reviewed on a regular basis. The Comptroller is also responsible for ensuring the aforementioned SOP is reviewed at least every two years and is updated as needed.

**Officials Responsible:** Comptroller and designated Accountant(s)

**Planned Completion Date:** On or before December 31, 2020.

**GUAM DEPARTMENT OF EDUCATION**  
Corrective Action Plan  
Year Ended September 30, 2019

Finding No.: 2019-002  
Federal Agency: U.S. Department of Defense  
CFDA Program: 12.000 Junior Reserve Officers' Training Corps  
Area: Special Tests and Provisions  
Questioned Costs: \$0

Views of Auditee and Corrective Actions:

**Condition 1:** GDOE concurs with the finding and recommendation.

GDOE has provided reasonable accommodations to the unit for the cafeteria space to function as its temporary classroom. The arrangement was deemed as the best short-term solution as the school awaits the construction of the new campus.

**Corrective Action Plan:** GDOE has assigned a classroom to be used exclusively by the Program upon completion of the new campus. Management will also work with the JROTC unit to provide the classroom space and include its requirements in the design of the new campus.

**Plan to Monitor:** The Deputy Superintendent of Educational Support and Community Learning (ESCL) will be responsible for monitoring compliance with the contract terms stipulated in the Application and Contract for Establishment of a JROTC unit.

**Officials Responsible:** Deputy Superintendent of ESCL

**Planned Completion Date:** Plans for the new campus construction are ongoing.

**Condition 2:** GDOE concurs with the finding and recommendation.

GDOE did not purchase insurance covering potential risks as it is substantially self-insured against claims for negligence and catastrophic losses.

**Corrective Action Plan:** GDOE will provide liability insurance for the instructors and present proof thereof in accordance with the contract terms.

**Plan to Monitor:** The Deputy Superintendent of ESCL will be responsible for monitoring compliance with the contract terms stipulated in the Application and Contract for Establishment of a JROTC unit.

**Officials Responsible:** Deputy Superintendent of ESCL

**Planned Completion Date:** On or before the start of School Year 2020-2021.



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

**DEPARTMENT OF EDUCATION  
 INTERNAL AUDIT OFFICE**

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**FRANKLIN  
 COOPER-NURSE**  
 Chief Internal Auditor

GUAM DEPARTMENT OF EDUCATION  
 Summary Schedule of Prior Audit Findings and Questioned Costs  
 Year Ended September 30, 2019

Finding Number	CFDA Number	Requirement	Questioned Cost	Status
2018-001	84.027 84.403	Equipment and Real Property Management	\$ -	Finding was resolved through the Program Determination Letter issued by the U.S. Department of Education (ED) on October 22, 2019.
2017-001	-	Reporting	\$ -	Corrective action on-going. The amendment for SOP 200-007 is currently under management review.
2017-002	15.875	Procurement and Suspension and Debarment	\$ 32,260	For conditions 1 to 3 - pending Program Determination Letter from the U.S. Department of Interior.  For condition 4 - corrective action completed. SOP 200-048 Small Purchase Contract became effective on July 11, 2019 with language that requires at least seven working days for vendors to respond to a small purchase solicitation.
2017-003	84.181	Matching, Level of Effort, Earmarking	\$ -	Pending Program Determination Letter from ED. SOP 300-004 was established on February 19, 2018. Documentation of IDEA Part C Maintenance of Effort were received from various Government of Guam agencies in October 2018.