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Public Auditor Writes to USDOE Secretary on GDOE High Risk Progress

OPA Declares Unauditable Conditions of the Past No Longer Exist; USDOE Responds

August 20, 2020

Hagåtña, Guam – Late last month, Public Auditor Benjamin J.F. Cruz penned a letter to US Department of Education Secretary Betsy DeVos and Assistant Secretary Frank Brogan supporting the lifting of the high-risk designation placed on the Guam Department of Education. Public Auditor Cruz reiterated to the USDOE Secretary that the impetus for GDOE’s high-risk designation was because for a five-year period, in the late 1990’s and early 2000’s, GDOE could not provide timely and completed audited financial reports and was declared unauditable. Since being placed on high-risk status in 2003, however, Cruz noted that GDOE has taken considerable steps to improve its internal controls of its fiscal and programmatic management of USDOE grant funds.

“It has been almost 20 years since the Office of Public Accountability (OPA), working with financial auditors Deloitte & Touche, LLP, declared GDOE’s financial records as unauditable...It is no secret GDOE has had issues with accountability in the past; however, the conditions of the past no longer exist,” Cruz said.

Cruz further explained that even with the significant improvements in GDOE’s financial management being meticulously documented, itemized, and reported in their annual financial audits, GDOE remains on high-risk status for 17 years and is still subject to specific conditions. As a result, valuable financial resources required by USDOE are being used by GDOE to provide additional, redundant safeguards. By removing these restrictions, those resources could be freed up and used in other areas of the department.

Although supporting the removal of USDOE restrictions and the high-risk status, the Public Auditor understands USDOE’s need for assurance that taxpayer resources are accounted for and spent appropriately. Cruz reiterated the role the Office of Public Accountability will play in maintaining that trust.

“As the Public Auditor of Guam, my office is relied upon to ensure the effective and efficient administration and management of public funds and programs. Additionally, the OPA has been conducting performance audits of GDOE, monitoring the GDOE’s financial audit status, and working collaboratively with GDOE’s Internal Audit Office on these audits. I am confident that the accountability structures established within the Government of Guam, including the GDOE, are sufficient to safeguard all federal funds and assets and assure accountability,” Cruz concluded.

In mid-August, USDOE’s Deputy Assistant Secretary for Grants Administration responded to our request. In their response, USDOE *“acknowledges the extensive effort GDOE has put forward over the years to make improvements in its fiscal management operations and internal*

controls, the TPFA requirement as a whole will be removed as a specific condition once GDOE is able to fully demonstrate the capacity of its staff to consistently apply these improvements across all of its federal programs. The Department anticipates transmittal of the final REP determination to Superintendent Fernandez by August 31, 2020.”

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Attachments:

1. Public Auditor Cruz’s letter to USDOE Secretary
2. USDOE Deputy Assistant Secretary for Grants Administration’s response to Public Auditor

For more information, please contact Vincent Duenas at (671)475-0390 ext. 210 or vduenas@guamopa.com.