DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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JON J.P. FERNANDEZ
Superintendent of Education

October 10, 2018

2018 OCT 11 PM 2:55

Mr. Edward Birn
Director
Department of Administration
P.O. Box 884
Hagatña, Guam 96932

Re: Guahan Academy Charter School: FY 2017 September 2017 (#12) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2017 September 2017 (#12) Allotment Request by our Internal Audit Office in collaboration with members of the Guahan Academy Charter School Incorporated, I am unable to submit my verification of accuracy as required by Public Law 33-185, Chapter II, Section 3 in its entirety.

Our Internal Audit Office was able to validate $0 of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on October 2, 2018.

Please advise my office if you have any further questions or concerns regarding this matter.

Sincerely,

Jon J.P. Fernandez
Superintendent of Education

Attachment

Cc: Chairman and Members, Guam Education Board
Speaker, 34th Guam Legislature
Guahan Academy Charter School

Vice Speaker Therese M. Terlaje
34 GL-18-2409
OCT 11 2018
Time: 1:39pm
Received by:

2409

JON J.P. FERNANDEZ
Superintendent of Education

DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE
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FRANKLIN COOPER-NURSE
Chief Internal Auditor

October 10, 2018

MEMORANDUM

TO: Jon J.P. Fernandez, Superintendent of Education

CC: Taling M. Taitano, Deputy Superintendent of Finance and Administrative Services

FROM: Franklin J.T. Cooper-Nurse, Chief Auditor, Internal Audit Office

SUBJECT: September 2017 Review of Guahan Academy Charter School Inc.'s Invoices .

Hafa Adai,

The Guam Department of Education (GDOE) Internal Audit Office (IAO) has completed its review of Guahan Academy Charter School (GACS)'s 12th allotment request for September 2017. GDOE (IAO) is authorized by Public Law (P.L.) 33-185 to verify charter school invoices for accuracy and report its findings within 10 days.

On October 2, 2018, IAO received the Department of Administration's transmittal for GACS's September 2017 #12 Allotment Request of $57,298.90. IAO was unable to validate the submitted invoice due to the lack of a written determination to justify the use of sole source procurement, as required by Title 5 of the Guam Code Annotated, Chapter 5, §5214.

Additionally, based on recent communications with the Department of Administration, GACS's Fiscal Year (FY) 2017 lapse funds of $50,586 did not roll-over into FY 2018. Therefore, IAO cannot validate any of GACS's FY 2017 expenditures due to the lack of funding for that period.

Table 1: September 2017 Allotment Request Invoices (#12)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO Validation	Difference
Miscellaneous	$ 57,298.90	$ 57,298.90	$ -	$ 57,298.90
TOTAL	$ 57,298.90	$ 57,298.90	$ -	$ 57,298.90

P.L. 33-185 provides $6,500 for each student up to 740 students or a total of $4,810,000. For FY 2017, IAO validated $4,775,689.64 of expenditures, of which $16,275 was drawn from FY 2018 appropriations. Starting with this report, IAO adjusted its year-to-date validation summary to

reflect the amounts drawn from the FY 2018 appropriations. As of September 30, 2017, 990 students were enrolled in GACS. See Tables 2 and 3.

Table 2: FY 2017 Validation Summary

Month	A GACS Drawdown	B Submitted Invoices	C IAO's Validation	(B-C) = D Difference
October 2016 (Partial and Final)	$ 801,410.41	$ 801,410.41	$ 800,083.21	$ 1,327.20
November 2016	$ 340,264.80	$ 340,264.80	$ 340,264.80	$ -
December 2016	$ 358,117.00	$ 358,117.00	$ 358,117.00	$ -
January 2017	$ 466,237.42	$ 466,237.42	$ 466,237.42	$ -
February 2017	$ 440,597.67	$ 440,597.67	$ 427,256.40	$ 13,341.27
March 2017	$ 304,482.97	$ 304,482.97	$ 295,460.97	$ 9,022.00
April 2017 (Partial)	$ 333,691.59	$ 330,624.81	$ 329,099.31	$ 1,525.50
April 2017 (Final)	$ 133,953.71	$ 134,553.71	$ 133,953.71	$ 600.00
May 2017	$ 248,969.83	$ 248,969.83	$ 248,969.83	$ -
June 2017	$ 305,491.85	$ 305,909.95	$ 304,190.11	$ 1,719.84
July 2017 (Partial)	$ 448,231.17	$ 448,231.17	$ 115,406.17	$ 332,825.00
July 2017 (Final)	$ 341,828.53	$ 341,828.53	$ 316,828.53	$ 25,000.00
August 2017 (Partial)	$ 160,177.71	$ 160,177.71	$ 148,867.19	$ 11,310.52
August 2017 (Final)	$ 346,065.61	$ 346,066.27	$ 267,366.71	$ 78,699.56
September 2017 (Partial)	$ 164,926.45	$ 165,233.49	$ 151,425.35	$ 13,808.14
September 2017 (Final)	$ 100,739.79	$ 100,739.79	$ 36,047.47	$ 64,692.32
September 2017 (2nd Final)	$ 48,499.31	$ 48,499.31	$ 17,947.24	$ 30,552.07
September 2017 (3rd Final)	$ 47,395.25	$ 47,395.25	$ 1,892.52	$ 45,502.73
Total Requested in FY 2017	**$ 5,391,081.07**	**$ 5,389,340.09**	**$ 4,759,413.94**	**$ 629,926.15**
May 2018 (Special #9)	$ 12,000.00	$ 12,000.00	$ -	$ 12,000.00
April 2018 (Special #7)	$ 5,656.83	$ 5,656.83	$ -	$ 5,656.83
September 2017 (#4)	$ 5,517.87	$ 5,517.87	$ 4,469.44	$ 1,048.43
September 2017 (#7)	$ 11,524.98	$ 11,524.98	$ -	$ 11,524.98
September 2017 (#8)	$ 9,250.00	$ 9,250.00	$ 9,250.00	$ -
September 2017 (#09)	$ 6,606.59	$ 6,606.59	$ 2,048.26	$ 4,558.33
September 2017 (Partial #10)	$ 17,361.00	$ 17,361.50	$ 508.00	$ 16,853.50
September 2017 (#11)	$ 13,320.00	$ 13,320.00	$ -	$ 13,320.00
September 2017 (#12)	$ 57,298.90	$ 57,298.90	$ -	$ 57,298.90
Total Requested in FY 2018	**$ 138,536.17**	**$ 138,536.67**	**$ 16,275.70**	**$ 122,260.97**
Total (FY 2017)	**$ 5,529,617.24**	**$ 5,527,876.76**	**$ 4,775,689.64**	**$ 752,187.12**

Table 3: FY 2017 GACS Enrollment

Months	Grade Level 1	2	3	4	5	6	7	8	9	10	11	12	K	PK	Total
Oct-16	87	75	81	57	49	76	53	55	25	23	27	16	102	-	726
Nov-16	84	75	81	57	51	73	49	55	26	24	27	16	98	-	716
Dec-16	85	76	81	57	51	71	48	55	25	22	29	16	98	-	714
Jan-17	85	76	81	60	50	72	48	55	25	21	27	15	97	-	712
Feb-17	85	76	81	61	52	70	45	55	25	22	27	16	95	-	710
Mar-17	85	76	81	62	53	71	47	55	25	22	27	16	94	-	714
Apr-17	87	77	81	61	53	71	48	55	26	22	26	15	93	-	715
May-17	97	87	78	81	64	58	74	50	58	28	22	32	5	-	734
Jun-17	90	88	78	85	67	65	75	49	56	28	23	30	18	-	752
Jul-17	92	100	100	98	79	92	90	55	53	36	28	34	52	71	980
Aug-17	90	104	104	102	83	105	93	58	50	36	30	35	64	71	1,025
Sep-17	85	100	101	98	79	96	92	56	47	34	30	35	70	67	990
Average	88	84	86	73	61	77	64	54	37	27	27	23	74	70	843

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 fjtcooper-nurse@gdoe.net.

Appendix 1: GACS September 2017 (#12) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
290 Miscellaneous	AA-2.1	National Institute for Direct Instruction	GACS-1128	8/10/2017	$ 57,298.90		$ -
							$ -