DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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JON J.P. FERNANDEZ
Superintendent of Education

October 22, 2018

Vice Speaker Therese M. Terlaje
34GL-18-2482
OCT 26 2018
Time: 9:16
Received by:

2018 OCT 26 AM 9:35

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

Re: Guahan Academy Charter School: FY 2019 October 2018 (Partial #1) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2019 October 2018 (Partial #1) 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 34-116, Chapter II, Section 2 in its entirety.

Our Internal Audit Office was able to validate $107,930.56 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 19, 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

2482

JON J.P. FERNANDEZ
Superintendent of Education

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

October 22, 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: October 2018 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 first partial allotment request for October 2018. GDOE (IAO) is authorized by Public Law (P.L.) 34-116 to verify charter school invoices for accuracy and report its findings within 10 days.

On October 19, 2018, IAO received the Department of Administration's transmittal for GACS's October 2018 Partial #1 Allotment Request of $108,789.52. IAO was able to validate $107,930.56 of GACS's submitted invoices.

GACS procured copier services through the use of a Request for Quotation (RFQ). Three vendors provided quotations to GACS's RFQ. Xerox was selected based on "the quality of the machine and the more in depth quotation and specifications provided by the vendors." However, Xerox did not provide the lowest price and no documentation was provided to evidence that the other vendors were non-responsive and/or non-responsible. Per Title 2 of the Guam Administrative Rules and Regulations, Division 4, §3111(c)(1), "Awards shall be made to the lowest responsible and responsive bidder". Therefore, IAO could not validate $858.96 for the Xerox invoice. See Table 1 and Appendix 1.

Table 1: October 2018 Allotment Request Invoices (Partial #1)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Personnel Salaries	$ 83,956.30	$ 83,956.30	$ 83,956.30	$ -
Benefits	$ 9,055.74	$ 9,055.74	$ 9,055.74	$ -
Contractual	$ 3,959.81	$ 3,959.81	$ 3,100.85	$ 858.96
Supplies & Materials	$ 765.00	$ 765.00	$ 765.00	$ -
Power	$ 6,582.19	$ 6,582.19	$ 6,582.19	$ -
Water	$ 1,510.17	$ 1,510.17	$ 1,510.17	$ -
Telephone & Wireless	$ 1,905.31	$ 1,905.31	$ 1,905.31	$ -
Miscellaneous	$ 1,055.00	$ 1,055.00	$ 1,055.00	$ -
TOTAL	$ 108,789.52	$ 108,789.52	$ 107,930.56	$ 858.96

P.L. 34-116 provides $6,088 for each student up to 740 students or a maximum of $4,505,120. Based on enrollment reports provided by GACS, 713 students were enrolled as of October 18, 2018. Based on the per pupil cast, GACS's current Fiscal Year (FY) 2019 budget is $4,340,744. For FY 2019, IAO validated $107,930.56 of expenditures, leaving an unexpended balance of $4,232,813.44 of unexpended funds. See Tables 2, 3, and 4 for details.

Table 2: FY 2019 Validation Summary

	A	B	C	(B-C) = D
Month	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
October (Partial #1)	$ 108,789.52	$ 108,789.52	$ 107,930.56	$ 858.96
Total (FY 2019)	$108,789.52	$108,789.52	$107,930.56	$ 858.96

Table 3: FY 2019 Remaining Funds

Funding Per Student	$	6,088.00
Current Enrollment		713
GACS Budget as of 10/18/2018	$	4,340,744.00
Less: IAO's Validations	$	107,930.56
FY 2019 Remaining Funds	$	4,232,813.44

Table 4: FY 2019 Enrollment Summary

	Grade Level													
Months	1	2	3	4	5	6	7	8	9	10	11	12	K	Total
Oct-18	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Average	57	58	75	75	74	61	73	75	19	35	26	28	57	59

Per P.L. 34-116, Guam Academy Charter Schools are to receive local appropriations in proportion to the ratio of cash received by GDOE for FY 2019. IAO will be including data relative to GDOE's cash receipts in future validation reports as the information becomes available. Charter school available funds will be based on the proportion of cash received by GDOE as required by law.

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 October 2018 (Partial #1) Allotment Request Invoice

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
111 Personnel	A-2.1	Sanford Technology Group	203654-30H	10/18/2018	$ 83,956.30	✔	$ 83,956.30
						Subtotal	$ 83,956.30
114 Personnel Benefits	A-3.1	Sanford Technology Group	203654-30H	10/18/2018	$ 5,205.26	✔	$ 5,205.26
114 Personnel Benefits	A-3.2	Sanford Technology Group	203654-30H	10/18/2018	$ 1,217.36	✔	$ 1,217.36
114 Personnel Benefits	A-3.3	Sanford Technology Group	203654-30H	10/18/2018	$ 2,633.12	✔	$ 2,633.12
						Subtotal	$ 9,055.74
230 Contractual	A-4.1	Sanford Technology Group	203654-30H	10/18/2018	$ 268.37	✔	$ 268.37
230 Contractual	A-4.2	ASC Trust	57851	10/4/2018	$ 157.50	✔	$ 157.50
230 Contractual	A-4.3	Pacific Waste Systems, LLC	123024	10/1/2018	$ 111.37	✔	$ 111.37
230 Contractual	A-4.4	Pacedit	71239	10/3/2018	$ 685.00	✔	$ 685.00
230 Contractual	A-4.5	Xerox	094770230	10/2/2018	$ 1,878.61	✔	$ 1,878.61
230 Contractual	A-4.6	Xerox	094724594	10/1/2018	$ 858.96		$ -
						Subtotal	$ 3,100.85
240 Supplies and Materials	A-5.1	Cosmos Distributing Co., Ltd	7215192-IN	10/3/2018	$ 270.00	✔	$ 270.00
240 Supplies and Materials	A-5.2	Cosmos Distributing Co., Ltd	7215509-IN	10/9/2018	$ 495.00	✔	$ 495.00
						Subtotal	$ 765.00
290 Miscellaneous	A-6.1	The Guam Daily Post	A50943	10/1/2018	$ 435.00	✔	$ 435.00
290 Miscellaneous	A-6.2	The Guam Daily Post	A51025	10/4/2018	$ 219.00	✔	$ 219.00
290 Miscellaneous	A-6.3	The Guam Daily Post	A51026	10/4/2018	$ 291.00	✔	$ 291.00
290 Miscellaneous	A-6.4	American Passport Renewal Center	006	10/11/2018	$ 110.00	✔	$ 110.00
						Subtotal	$ 1,055.00
361 Power	A-7.1	Guam Power Authority	900 346010167847	10/8/2018	$ 6,582.19	✔	$ 6,582.19
						Subtotal	$ 6,582.19
362 Water	A-8.1	Guam Waterworks Authority	029462908250	10/3/2018	$ 1,510.17	✔	$ 1,510.17
						Subtotal	$ 1,510.17
363 Telephone and Wireless	A-9.1	GTA	11602459	10/1/2018	$ 1,905.31	✔	$ 1,905.31
						Subtotal	$ 1,905.31
						Total	**$ 107,930.56**