DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

www.gdoe.net
501 Mariner Avenue
Barrigada, Guam 96913
Telephone: (671) 300-1547/1536•Fax: (671)472-5001
Email: jonfernandez@gdoe.net

JON J.P. FERNANDEZ
Superintendent of Education

2019 APR 15 AM 9:53

April 9, 2019

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

Re: Guahan Academy Charter School: FY 2019 April 2019 (#2) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2019 April 2019 (#2) 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, Part I in its entirety.

Our Internal Audit Office was able to validate **$35,674.62** of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on April 5, 2019.

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, 35th Guam Legislature
Guahan Academy Charter School

35GL-19-0371
Speaker Tina Rose Muña Barnes

APR 15 2019
Time 8:49 (X)AM ( )PM
Received By:
Louise Agulon-Hale

0371

JON J.P. FERNANDEZ
Superintendent of Education

DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE
501 Mariner Avenue, Barrigada, Guam 96913
Telephone: (671) 300-1336
Fax: (671) 472-5001
Email: iao@gdoe.net

FRANKLIN COOPER-NURSE
Chief Internal Auditor

April 9, 2019

MEMORANDUM

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

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

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

SUBJECT: April 2019 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 second allotment request for April 2019. 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 April 5, 2019, IAO received the Department of Administration (DOA)'s transmittal for GACS's April 2019 #2 Allotment Request of $36,198.37 IAO was able to validate **$35,674.62** 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 $523.75 for a Xerox invoice. See Table 1 and Appendix 1.

Table 1: April 2019 (#2) Allotment Request Invoices

Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Contractual	$ 25,817.50	$ 25,817.50	$ 25,293.75	$ 523.75
Supplies & Materials	$ 1,635.00	$ 1,635.00	$ 1,635.00	$ -
Miscellaneous	$ 1,010.00	$ 1,010.00	$ 1,010.00	$ -
Telephone & Wireless	$ 7,735.87	$ 7,735.87	$ 7,735.87	$ -
TOTAL	$ 36,198.37	$ 36,198.37	$ 35,674.62	$ 523.75

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 April 3, 2019. Based on the per pupil cost, GACS's current FY 2019 budget is $4,340,744. For FY 2019, IAO validated $1,804,893.83 of expenditures, leaving an unexpended balance of $2,535,850.17 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
October (Partial #2)	$ 25,685.00	$ 25,685.00	$ 25,685.00	$ -
October (Partial #3)	$ 79,776.00	$ 79,776.00	$ 79,776.00	$ -
October (Partial #4)	$ 113,896.59	$ 113,896.59	$ 113,896.59	$ -
November (Partial #1)	$ 122,579.95	$ 122,579.95	$ 121,892.91	$ 687.04
November (Partial #2)	$ 123,322.92	$ 123,322.92	$ 106,610.75	$ 16,712.17
December (#1)	$ 157,511.85	$ 157,511.85	$ 145,091.85	$ 12,420.00
December (#2)	$ 91,858.27	$ 91,858.27	$ 91,858.27	$ -
December (#3)	$ 45,882.00	$ 45,882.00	$ 45,325.96	$ 556.04
January (#1)	$ 79,029.35	$ 79,029.35	$ 79,029.35	$ -
January (#2)	$ 31,697.12	$ 31,697.12	$ 31,331.24	$ 365.88
January (#3)	$ 92,251.22	$ 92,251.22	$ 92,251.22	$ -
January (#4)	$ 26,569.71	$ 26,569.71	$ 26,569.71	$ -
February (#1)	$ 90,370.59	$ 90,370.59	$ 90,370.59	$ -
February (#2)	$ 24,162.75	$ 24,162.75	$ 24,162.75	$ -
February (#3)	$ 36,791.83	$ 36,791.83	$ 36,415.40	$ 376.43
February (#4)	$ 93,429.61	$ 93,429.61	$ 93,429.61	$ -
February (#5)	$ 108,255.15	$ 108,255.15	$ 108,255.15	$ -
March (#1)	$ 37,896.13	$ 37,896.13	$ 36,846.13	$ 1,050.00
March (#2)	$ 92,960.18	$ 92,960.18	$ 92,960.18	$ -
March (#3)	$ 35,792.49	$ 36,002.49	$ 35,302.98	$ 699.51
March (#4)	$ 93,414.05	$ 93,414.05	$ 93,414.05	$ -
April (#1)	$ 90,812.96	$ 90,812.96	$ 90,812.96	$ -
April (#2)	$ 36,198.37	$ 36,198.37	$ 35,674.62	$ 523.75
Total (FY 2019)	**$1,838,933.61**	**$1,839,143.61**	**$1,804,893.83**	**$ 34,249.78**

Table 3: FY 2019 Remaining Funds

Funding Per Student	$	6,088.00
Current Enrollment		713
GACS Budget	$	4,340,744.00
Less: IAO's Validations	$	1,804,893.83
FY 2019 Remaining Funds	$	2,535,850.17

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
Nov-18	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Dec-18	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Jan-19	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Feb-19	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Mar-19	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Apr-19	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	713

Based on the Deputy Attorney General's information and guidance on August 24, 2018 (Ref: DOA 18-0353), there is a fundamental difference in the interpretation of what GDOE shall validate as an accurate and proper use of government funds. GDOE strongly believes in transparency and accountability and the work being done by IAO in its review is not contrary to any legislative statutes. IAO has a fiduciary responsibility and is guided by professional standards in conducting any review. As such, IAO will continue to do its due diligence in properly and thoroughly advising the Superintendent of charter school's requests for drawdown of government funds. The Department of Administration has control over all education and charter school appropriations and is not obligated to follow the Superintendent's validation and can release requested charter school allotments on its own accord.

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 April 2019 (#2) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
230 Contractual	W-2.1	New Fresh Bread Bakeshop	GACS-0039	3/22/2019	$ 10,748.75	✔	$ 10,748.75
230 Contractual	W-2.2	New Fresh Bread Bakeshop	GACS-0040	3/29/2019	$ 12,916.25	✔	$ 12,916.25
230 Contractual	W-2.3	Pacedit	71381	3/26/2019	$ 698.02	✔	$ 698.02
230 Contractual	W-2.4	Xerox	096549529	4/1/2019	$ 930.73	✔	$ 930.73
230 Contractual	W-2.5	Xerox	096549518	4/1/2019	$ 523.75		$ -
						Subtotal	$ 25,293.75
240 Supplies and Materials	W-3.1	Smart Copy	2019-34	4/3/2019	$ 49.00	✔	$ 49.00
240 Supplies and Materials	W-3.2	Allstar Inc.	2019-0592	3/18/2019	$ 1,586.00	✔	$ 1,586.00
						Subtotal	$ 1,635.00
290 Miscellaneous	W-4.1	Guahan Academy Charter School	Memo #59	3/31/2019	$ 950.00	✔	$ 950.00
290 Miscellaneous	W-4.2	Bank of Guam		2/28/2019	$ 30.00	✔	$ 30.00
290 Miscellaneous	W-4.3	Bank of Guam		3/31/2019	$ 30.00	✔	$ 30.00
						Subtotal	$ 1,010.00
363 Telephone and Wireless	W-5.1	GTA	12004226	4/1/2019	$ 7,735.87	✔	$ 7,735.87
						Subtotal	$ 7,735.87
						Total	**$ 35,674.62**

Lourdes A. Leon Guerrero
Governor
Joshua F. Tenorio
Lieutenant Governor

DEPARTMENT OF ADMINISTRATION
(DIPATTAMENTON ATMENESTRASION)
DIRECTOR'S OFFICE
(Ufisinan Direktot)
#590 South Marine Corp Drive, Suite 224
Tamuning, Guam 96913
Post Office Box 884 * Hagåtña, Guam 96932
TEL: (671) 475-1101/1250 * FAX: (671) 477-6788

Edward M. Birn
Director
Edith C. Pangelinan
Deputy Director

April 4, 2019

Mr. Jon J.P. Fernandez
Superintendent
Guam Department of Education
500 Mariner Avenue
Barrigada, Guam 96913-1608

Internal audit 4/5/19

RE: Guahan Academy Charter School – April 2019 (Partial#2) Allotment Request

Buenas yan Hafa Adai:

Pursuant to Public Law 34-116, Chapter II, Section 2, we are submitting Guahan Academy Charter School's partial allotment request for the month of April for Fiscal Year 2019. Herewith is the invoice and supporting documentation. GDOE is requested to verify the invoice and its supporting documentation for accuracy and to report its findings in the ten days of this letter.

Should you have any further questions or concerns, please contact, Mary Grace Edrosa at 475-1283

Si Yu'os Maase!

Sensaramente,

Edward M. Birn
Director

Department of Education
Office of the Superintendent
Date: 4/5/19 Time: 10:05 AM
Rec'd By: Mona
Print Name Signature

Attachments

GUAHAN ACADEMY CHARTER SCHOOL

DATE: April 03, 2019

TO: Edward Birn
Director,
Department of Administration

FROM: Badette Lacap
Senior Accountant
Guahan Academy Charter School Incorporated

RE: April 2019 - Allotment Request # 2

Attached are all relevant documents to support the April 2019 Allotment Request # 2 for Guahan Academy Charter School Incorporated.

A copy of these materials will also be submitted to the GDOE IAO.

Thank you for your time and consideration.

CC: Board of Trustees
Wilfred Aflague, CFO
GDOE IAO

P.O. Box CS
Hagatna, Guam 96932
Tel. No. (671) 734-1066

GOVERNMENT OF GUAM
DEPARTMENT OF ADMINISTRATION
FINANCIAL MANAGEMENT SYSTEM

REQUEST FOR DIRECT PAYMENT

DOCUMENT NO.: _____

☒ URGENT - EXPEDITE PAYMENT ☐ KEY & RELEASE - A S A P

PAYEE:	VENDOR NUMBER:
Guahan Academy Charter School P.O. Box CS Hagatna, GU 96932	G0016588

PURPOSE:

APRIL 2019 - Allotment Request # 2

D	ACCOUNT NUMBER	AMOUNT	Invoices
	5639A1989964GA201-290	$ 36,198.37	
			APRIL 2019 - Allotment Request # 2
	TOTAL	$ 36,198.37	

CHECK APPROPRIATE BOX BELOW:

☒ ACCOUNT NUMBER IS CORRECT ☒ JOB ORDER NUMBER IS CORRECT ☐ INSUFFICIENT FUNDS

☒ PRIOR REFERENCE IS CORRECT ☒ VENDOR NUMBER IS CORRECT

☐ OVERRIDE IS AUTHORIZED ☐ SUFFICIENT FUNDS

Department of Administration
Division of Accounts
APR 04 2019
N. D. Sanchez

☒ I CERTIFY THAT GOODS/SERVICES SPECIFIED HAVE BEEN RECEIVED AND THAT PAYMENT IS PROPER AS PER THE ATTACHED

☐ I CERTIFY THAT A VALID LIABILITY EXIST BY REASON OF WITHHOLDING, OVERPAYMENT AND THAT PAYMENT IS PROPER AS P ATTACHED DOCUMENTS.

PREPARED BY:

Badette Lacap, Senior Accountant — Signature — April 4, 2019 (Date)

APPROVING OFFICIAL:

Wilfred Aflague, CFO
FINANCE & PROCUREMENT COMMITTEE — Signature — April 4, 2019 (Date)

Hentrick M. Eveluck, Treasurer
FINANCE & PROCUREMENT COMMITTEE — Signature — April 4, 2019 (Date)

GUAHAN ACADEMY CHARTER SCHOOL
Allotment Summary
APRIL 2019 - Allotment Request # 2

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	$ -
PERSONNEL BENEFITS	114	$ -
CONTRACTUAL	230	$ 25,817.50
MATERIALS & SUPPLIES	240	$ 1,635.00
WORKMAN'S COMP & GEN LIAB	270	$ -
DRUG TESTING	271	$ -
MISCELLANEOUS	290	$ 1,010.00
POWER	361	$ -
WATER	362	$ -
TELEPHONE & WIRELESS	363	$ 7,735.87
	TOTAL:	$ 36,198.37

GUAHAN ACADEMY CHARTER SCHOOL

FUNCTION: Guahan Academy Charter School, Inc.
APRIL 2019 –ALLOTMENT REQUEST # 2

INVOICE: GACS FY 2018-2019; 04-2019-002

AUTHORITY: Public Law 34-116

BE IT ENACTED BY THE PEOPLE OF GUAM

Section 1. Section 2 of Part 1, Chapter II of Public Law 34-116, is hereby *to read*:

Section2. Guam Academy Charter Schools. Notwithstanding any other provision of law, pursuant to § 12116(e), Chapter 12 Title 17 GCA, the Department of Administration (DOA) is hereby authorized and directed to deduct, in proportion to the ratio of cash received from the total Fiscal Year 2019 General and Special Fund appropriations in Section 1 of this Part of this Chapter to the GDOE, Six Thousand Eighty-eight Dollars (6,088) per enrollee of the Academy Charter Schools chartered by the Guam Academy Charter Schools Council *not to exceed* six hundred twenty (620) students for the iLearn Academy Charter School, seven hundred forty (740) students for the Guahan Academy Charter School, and three hundred (350) students for the Science is Fun and Awesome Academy Charter School from the total Fiscal Year 2019 General and Special Fund appropriations in Section 1 of this Part of this Chapter to GDOE based on the actual enrollment at the time multiplied by the per pupil cost as established by this Section. Each Academy Charter School *shall* submit a monthly invoice to DOA which *shall* be remitted to GDOE. Upon receipt of the remitted invoice GDOE *shall* verify accuracy of the invoice and report its findings within ten (10) days of receipt of said invoice by the GDOE prior to the release of funds. If GDOE fails to report its findings, the invoiced amount received by DOA *shall* be automatically transmitted to each Academy Charter School.

P.O. Box CS
Hagatna, Guam 96932
Tel. No. (671) 734-1066