



**DEPARTMENT OF EDUCATION  
OFFICE OF THE SUPERINTENDENT**



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

32-14-1459

March 28, 2014

Benita A. Manglona  
Director  
Department of Administration  
P.O. Box 884  
Hagatña, Guam 96932

**Re: Guahan Academy Charter School Invoice: GACS FY 2014-03-2014**

Dear Director Manglona,

Upon review of the Guahan Academy Charter School Invoice: GACS FY 2014-03-2014 by our Internal Audit Division in collaboration with members of the Guahan Academy Charter School, I am submitting my verification of accuracy as required by Public Law 32-068, Chapter II, Section 3.

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

Sincerely,

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

Cc: Guam Education Board  
~~Guahan Academy Charter School~~  
Guahan Academy Charter School

2014 APR - 1 PM 12:52 d

Office of the Speaker  
Lueth T. Won Pat, Ed. D.  
Date 04/01/14  
Time 12:22  
Received by: [Signature]



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

**INTERNAL AUDIT OFFICE**

March 28, 2014

**MEMORANDUM**

To: Jon P. Fernandez  
Superintendent of Education

From: Carmela Vi *Cv Vi*  
Internal Auditor

Subject: March Review of Charter School's Invoices

Hafa Adai,

The internal audit office has completed its review of Guahan Academy's invoices for the month of March. Please see the attached report for IAO's complete review, results, and conclusions.

If you have any questions or concerns, please feel free to contact me at 300-1273 or via email at [cavi@gdoe.net](mailto:cavi@gdoe.net).

Cc: Deputy Superintendent of  
Assessment and Accountability  
Deputy Superintendent of Finance  
and Administrative Services

Department of Education

Internal Audit Office

Audit Review – Guahan Academy Charter School Invoice Validation

For the period of March 2014

**Purpose:** To document the current status of IAO's Invoice Validation for Guahan Academy Charter School for the month of March 2014.

**Source:** Annabelle Santos, Office Manager of Guahan Academy Charter School

Doris Bainco, Accounting Staff of Guahan Academy Charter School

Al Erguiza, Acting Chief Auditor for Department of Education

Carmela Vi, Internal Auditor for Department of Education

Donna Dwiggins, Ph.D. Principal for Guahan Academy Charter School

**Results:** As required by Section 6.3 of the Invoice Validation Standard Operating Procedures, IAO's third review focused on March's expenditures. The results were as follows;

As per letter dated March 5, 2014, it stated that there was a total of \$255,124.00 for the March invoice expenditures. The classification of accounts provided by the charter school was as follows;

1. Personnel salaries	\$ 150,000.00
2. Benefits	48,978.00
3. Contractual	37,950.00
4. Supplies & Materials	5,396.00
5. Power	9,000.00
6. Water	800.00
7. Telephone	<u>3,000.00</u>
March Invoice Total	\$ 255,124.00

IAO randomly selected and reviewed the following categories which were 1) Personnel salaries and Benefits, 2) Contractual and 3) Supplies and Materials. The reason for these selected categories is because they amounted to \$242,324.00 or 95% of the entire March's expenses.

In the Personnel and Benefit category, our analysis included the tracing and testing of all highly paid employees (administrative staff and teacher's salaries) from their start of submission of the approved personnel applications to their charter training programs which consisted of sign-in sheets. It then followed to their regular time sheets to the current timeline. The end results were that, all employees

were all accounted for. Furthermore, the teachers and the list of students were traceable and identifiable to each grades pertaining to all grade levels.

In the Contractual Category with Supplies and Materials, IAO's primary focus was whether Guahan Charter School complied with Government of Guam Procurement regulations. During our review, the charter school submitted their policy and procedures for procuring supplies and materials and other services. Included in this procedure is the threshold amount of \$500 henceforth shall be reviewed and approved by the Board of Trustees of Guahan Academy Charter School. Furthermore in this policy, it clearly articulated the steps of procurement practices such as a) selection of three vendor selections, b) request for proposal with terms and conditions and c) final review and approval by the Board of Trustees.

In the Supplies and Materials expenditures, IAO did not see any inappropriate misuse of funds because the purchases were for the purpose of benefitting the students and the school as whole. All original invoices were available for review.

**Conclusions:** After reviewing the provided supporting documents, IAO approved the validation of Guahan Charter School's March expenditures of \$255,124.00. IAO's justification for their expenditures was the transparency and continuous improvement of their operations. IAO is still expecting a response in addressing the questionable use of Federal Funds in the amount of \$131,977.90 that was disclosed in February's expense report.