

**DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT**



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JON J. P. FERNANDEZ
Superintendent of Education

May 16, 2014

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

32-14-1646
Date: 5.16.14
Time: 3:31pm
Received by: [Signature]

2014 MAY 16 PM 3:54
[Signature]

Re: Guahan Academy Charter School Invoice: GACS FY 2014-05-2014

Dear Director Manglona,

Upon review of the Guahan Academy Charter School Invoice: GACS FY 2014-05-2014 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.

I also want to document that with this invoice, the total amount of funding encumbered by the Guahan Academy Charter School is \$2,293,090,38 leaving the available balance in accordance with Public Law 32-068 at \$539,409.62 for the remaining four months of FY 2014.

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

Sincerely,

[Signature]
JON J.P. FERNANDEZ
Superintendent of Education

Cc: Guam Education Board
32nd Guam Legislature
Guahan Academy Charter School



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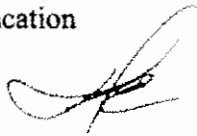
JON J. P. FERNANDEZ
Superintendent of Education

INTERNAL AUDIT OFFICE

May 16, 2014

MEMORANDUM

To: Jon P. Fernandez
Superintendent of Education

From: Aristedes Erguiza 
Acting Chief Auditor

Subject: May 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 May. 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 300-1272 or via email at averguiza@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 May 2014

Purpose: To document the current status of IAO's Invoice Validation for Guahan Academy Charter school for the month of May 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 fourth review focused on May's expenditures. The results were as follows;

As per letter dated 5/08/14, it stated that there was a total of \$ 261,657.00 for the May invoice expenditures. The classification of accounts provided by the charter school listing were;

1. Personnel salaries	\$ 150,000.00
2. Benefits	48,978.00
3. Contractual	43,769.00
4. Supplies & Materials	6,110.00
5. Power	9000.00
6. Water	800.00
7. Telephone	<u>3,000.00</u>
February Invoice Total	\$ 261,657.00

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 \$ 248,857.00 or 95% of the entire May's expenses.

In the Personnel and Benefit category, our analysis included the tracing and testing of all 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 did comply with their procurement 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 selection, 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 all purchases were school supplies and its end benefits the students. All original invoices were available for review. As mentioned earlier in the second report in regards to competitive procurement practices, standard operating procedures has been implemented for fair and competitive purchases.

Furthermore, we noted major improvements in the management internal controls such as the; 1) establishment of standard operating procedures for the school's Child Nutrition Program, the audit performed by independent CPA firm, J. Scott Magliari and company for their review of their accounting operations and 3) received an A rating for the second inspection Sanitary Permit for Cafeteria Operations.

Conclusions: After reviewing the internal controls, IAO approves the validation of Guahan Charter School's May local expenditures for the amount of \$ 261,657.00. IAO's justification for their expenditures was the transparency and continuous improvement of Charter School's operations and the willingness of the school to provide any and all necessary documentation to support the expenses incurred.