



## **Guam Department of Education FY 2015 Compliance Highlights**

July 1, 2016

The Guam Department of Education (GDOE) has been a high-risk grantee with the U.S. Department of Education (USDOE) for the 13<sup>th</sup> consecutive year. Independent auditors Deloitte & Touche, LLP rendered an unmodified “clean” opinion on all of GDOE’s major federal programs for fiscal year (FY) 2015. This is the first year GDOE had no material weaknesses for both the financial statements and federal programs. However, there were two significant deficiencies identified.

### **Federal Program Funding**

GDOE received \$65.5M in federal grants, of which the bulk comes from USDOE at \$40.0M. GDOE also received \$12.2M from U.S. Department of Agriculture, which was used to subsidize the school meals programs. The third largest grant was from the U.S. Department of Interior Compact Aid of \$10.0M, which was used to fund lease back payments for four schools and other operational expenditures.

### **Compliance Findings**

Independent auditors identified two significant deficiencies. Finding No. 2015-001 was related to the procurement of professional training services from an institution of higher education and sole source procurement of the instructional materials. Finding No. 2015-002 was also related to sole source procurement of instructional materials. There were no questioned costs identified.

GDOE disagreed with the findings and were working on resolution through communications with the grantors and providing subsequent documents to the auditors. Although they were able to resolve the initial qualified opinion, material weakness, and questioned cost, the two findings identified still remain. GDOE will need to continue discussions with their grantors on these findings.

### **Timeliness of Audit Issuance**

While their financial statements and management letter were issued in early June, GDOE is the last agency to issue their complete financial audit this year. The delay in issuing the Compliance Report was due to GDOE working on resolving compliance findings. Per the Single Audit Act, all audit reports must be issued by June 30<sup>th</sup>. It has been the Office of Public Accountability’s goal to have all GovGuam agencies issue their financial audits with clean opinions within six months after the fiscal year end. This would align GovGuam with over 40 states and 3,600 jurisdictions, cities, and counties that issue their audits in this time frame, according to the Government Finance Officers Association.

The report can be viewed in its entirety at [www.opaguam.org](http://www.opaguam.org).