

GPSS Fiscal Oversight

Task Name/Goal	Task Subheader	Responsible Person/ Office	Measurable Objective(s)	Validation by USDOE/Date & Method of Validation	Underlying Problems	GPSS Action Taken for Resolution	Completion Date / Percentage of Completion	Documents/ References	Updates	Supporting Documents for July 2008 Update
GOAL: Implementation of GPSS Financial Management Improvement System (FMIS)	None	FMIP Project Director, CFO, Federal Programs Administrator, & FSAIS Administrator	Measurable Objective: Financial Management Improvement Plan (FMIP) Timelines	USDOE validation pending	Several single audit reports indicate recurring audit findings associated with the absence of specific internal controls within GPSS, which impact financial management within the organization. Implementation of the GPSS-FMIP has been slow and hampered by the lack of financial resources.	The Guam Public School System has been proactive in addressing the components of the Financial Management Improvement System (FMIS), however, due to budgetary constraints, we are unable to complete the tasks as originally scheduled. To alleviate the funding issue, we have requested assistance from the Department of the Interior via letter to Mr. David Cohen to assist with funding. In addition, we have requested local appropriations from the FY'08 General Fund budget and remain diligent with the allocation of available resources to the plan to move it forward.	As of October 30, 2007, 40% of the FMIP will be completed. The remaining 60% is contingent on funding provisions made available from the local FY'08 Budget and/or the Department of Interior or as resources permit.	<ul style="list-style-type: none"> • Financial Management Improvement Plan (FMIP) Timelines as of October 10, 2007. • Copy of Letter to David Cohen(DOI) from the Governor of Guam dated May 31, 2007 	<p>A follow-up memorandum to the Governor's Office June 17, 2008. MGA Consulting entered into an agreement with GPSS on Nov. 5, 2007 Scope of Service: 1.) Evaluate the development and processes of GPSS Financial Management System, including the General Ledger and Financial Statements 2.) Update GPSS General Ledger Financial Management System Policies and Procedures. 3.) Develop and provide in hard copy and electronic version an updated comprehensive Financial Management System policy and procedure manual with respect to the General Ledger. 4.) Provide formal training to all vested parties, including Financial Affairs, FSAIS and other GPSS staff on the new policies and procedures. 5.) Provide advisory and technical consultative services to Financial Affairs, FSAIS and other relevant GPSS staff in the implementation of the newly revised Financial Management System policy and procedures manual. 6.) Conduct a post-implementation review, including a report that documents project findings and corrective action taken, in order to ensure the successful implementation of the new policies and procedures by the staff of GPSS Financial Affairs</p>	FMIP Memo to the Governor June 17, 2008 April 4, 2008 and October 30, 2007
I. Strengthen Audit Process within GPSS	None	Change Control Board, CFO, Internal Auditors, Comptroller, Federal Programs Administrator	1.) Compliance with Standard Operating Procedures addressing and strengthening the GPSS Audit Processes. (See Documentation/References for specifics.) 2.) Creating an Internal Auditor Office to ensure compliance.	GPSS SOPs #06-003 and 06-004 have been submitted to USDOE and will be validated by the GPSS Internal Audit Section on an annual basis	For fiscal years 1998, 1999, and 2000, auditors declared the Guam DOE records 'unauditable' and recommended that financial statements for FY 2001 be reconstructed. Specifically, GPSS lacked an audit trail for funds disbursed to schools and flow-through entities, including the purpose for which federal funds were to be used; bank statements were not reconciled over the entire four years; balance sheets for funds were inaccurate; year-end balances did not roll over from year to year; interfund cash account balances did not reconcile; and transactions were not recorded.	A.) GPSS has developed and implemented several Standard Operating Procedures to address strengthening the overall audit processes within the organization. These Standard Operating Procedures have either been created or have been products of amendments made to our existing procedures to: (1) strengthen the integrity of the processes they contain, (2) clarify their intentions, goals and objectives in order to successfully provide training that is clear and consistent throughout the organization by the end of December 2007. B.) Monitoring by State Program Officers utilizing monitoring instruments that have been developed to ensure that these Standard Operating Procedures are in compliance will be conducted by December 2007.	A.) Standard Operating Procedures (SOP's) implemented October 2007. B.) Monitoring Instruments for these Standard Operating Procedures (SOP's) have been created and ready for immediate implementation	(1) Functional Chart Internal Auditor Office (2) Function of Internal Audit Staff (3) Standard Operating Procedures in place are as follows: a.) Matching Level of Effort and Earmarking Requirements b.) DE-1/Personnel Action Procedure c.) Sole Source Procurement d.) Time Distribution Report (TDR) Procedure e.) Requisition/Purchase Order Procedure f.) Deappropriation of Unexpended Federal Grant Awards Subsequent to the Period of Availability g.) Travel Request and Authorization Procedure h.) Procurement Records i.) Bank Reconciliation j.) Elapsed Time Between Receipt of Cash and Disbursements for Federal Grants k.) Liquidation of Federal Grant Awards Within the Period of Availability or Within (90) days after the Period of Availability. 1.) Records Room (4) Fiscal Monitoring Checklists for all Standard Operating Procedures have been created for: a.) Fixed Assets b.) Liquidation and Period of Availability c.) Records Room and Procurement Records d.) Time Distribution Report (TDR) e.) Sole Source f.) Travel Authorization g.)DE-1/Personnel Action h.)Matching, Level of Effort & Earmarking i.)Elapsed Time Between Receipt of Cash and Disbursement for Federal Grants	GPSS has implemented the newly created standard operating procedures over the past six months and has made changes to these procedures to strengthen the integrity of these processes. State program officers have monitored these processes and have provided recommendations to the various divisions to correct and/or strengthen their internal control processes when necessary. Monitoring efforts continue quarterly.	Monitoring Reports by State Program Staff

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I. Strengthen Audit Process within GPSS	A. Analyze current internal audit resolution process.	Auditor-in-Charge, CFO, FP Administrator	1.) Ensure compliance with Standard Operating Procedures addressing the handling of audits.	USDOE validation pending		A.) As a result of the findings within the CAP, GPSS has been proactive in creating or amending existing procedures to ensure that the processes are working to prevent repeat audit findings. B.) GPSS will be looking at the internal audit resolution process with the organization to ensure that we are able to promptly address and prevent audit findings against the department. C.) Federal Programs Division (State Agency staff) and Internal Auditors have been conducting training to Program Managers and staff on Internal Control procedures to prevent repeat audit findings. Training will continue annually thereafter. D.) Monitoring of internal control procedures will be conducted by State Program Officers.	A.) Mechanisms for ensuring and monitoring have been effectuated and completion of objective estimated to be by December 2007.	<ul style="list-style-type: none"> • Functional Chart Internal Auditor Office • Function of Internal Audit Staff • Standard Operating Procedure (SOP) for the Handling of Audits 		
I. Strengthen Audit Process within GPSS	B. Implementation of Internal Controls and new audit resolution processes.	Auditor-in-Charge, CFO, FP Administrator	1.) Implementation of Internal Control Procedures for Standard Operating Procedures and the mechanisms to monitor the effectiveness of these procedures.	USDOE validation pending		Alongside the newly created or amended Standard Operating Procedures (SOP's) are their corresponding internal controls which each respective entity has created which contain detailed, step-by-step processes to lead to the desired outcome while maintaining compliance to federal rules and regulations. Training conducted by State staff to Program Managers has been on-going and will be conducted annually thereafter. Training to all Program Mgrs. & Staff on Fiscal requirements was held in August 2007 on: Delineation between State Agency versus LEA's responsibilities, Procurement regulations, Travel Authorization's, Time Distribution reporting, Fixed Asset, Personnel Action/Recruitment requirements. • Training to all Program Mgrs. & Staff on Programmatic requirements will be held throughout the month of October 2007. Fiscal Training to all Program Managers and Project Directors on the implementation of Internal Controls in the areas of time distribution reporting; procurement; travel; and personnel recruitment was conducted on August 20-22, 2007. Additional training to necessary personnel within the Guam Public School System on the newly developed Standard Operating Procedures has also been	By January 2008, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	<ul style="list-style-type: none"> • Functional Chart Internal Auditor Office • Function of Internal Audit Staff • Standard Operating Procedures a.) Matching Level of Effort and Earmarking Requirements b.) DE-1/Personnel Action Procedure c.) Sole Source Procurement d.) Time distribution Report (TDR) Procedure e.) Requisition/Purchase Order Procedure f.) Deappropriation of Unexpended Federal Grant Awards Subsequent to the Period of Availability g.) Travel Request and Authorization Procedure h.) Procurement Records i.) Bank Reconciliation j.) Elapsed Time Between Receipt of Cash and Disbursements for Federal Grants k.) Liquidation of Federal Grant Awards With the Period of Availability or Within (90) days after the Period of Availability. l.) Records Room • Fiscal Monitoring Checklists for Standard Operating Procedures have been created for: a.) Fixed Assets b.) Liquidation and Period of Availability c.) Records Room and Procurement Records d.) Time Distribution Report (TDR) e.) Sole Source f.) Travel Authorization • Training documentation (Attendance sheets, etc.) a) SOP Training b) Grants Management Training c) DEED Trainings d) Summer School Trainings e) Time & Effort Certification Trainings f) Fixed Assets Management Training 	As a result of the CCAP, various trainings have been provided to applicable GPSS personnel to prevent repeat audit findings. In addition, Federal Programs Division (State Agency Staff) continue to monitor internal control procedures to ensure compliance. FPD staff continue to review and monitor program actions including but not limited to such things as requisitions and provides technical assistance to program personnel to ensure compliance with programmatic and regulatory requirements with the usage of federal dollars.	Training Documents conducted by State Program Staff.
I. Strengthen Audit Process within GPSS	C. Functioning internal auditors within GPSS --	Auditor-in-Charge, CFO, FP Administrator, Personnel Administrator, Superintendent	1.) Establishment of Internal Auditor Office within GPSS along with Internal Auditor-In-Charge and staff in place. Recruitment for Chief Auditor and Internal Auditors beginning FY '08	USDOE validation pending		Internal Auditor Office has been established within GPSS. Current Internal Audit Section includes: 1 - Internal Auditor-In-Charge and 2 Internal Auditors. Recruitment of Chief Internal Auditor and an additional Internal Auditor to commence FY '08.	100% completed on designating an Internal-Auditor-In-Charge. By Dec. 30, 2007 recruitment of Chief Auditor and Internal Auditor in place.	<ul style="list-style-type: none"> • Functional Chart Internal Auditor Office • Function of Internal Audit Staff • Documentation of Assignment of Internal Auditor-in-Charge 	Training provided to the various entities within GPSS as of October 2007. The internal controls that are currently in place have been monitored by state program staff and validated accordingly. However, there are still some internal control procedures that require strengthening. This strengthening of these internal control processes is an ongoing activity between state staff and GPSS personnel which may require the adjustment or modification of an existing Standard Operating Procedure to reflect the strengthening of these internal controls to prevent future audit findings.	

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II. Strengthening of GPSS Business Systems	None	CFO, FP Administrator, Superintendent	1.) GPSS will implement a viable strategy for strengthening its overall business operations by increasing qualified accounting personnel.	USDOE validation pending	GPSS has consistently received material weaknesses on its single audit reports based on the need for qualified accounting staff within its Business Office to reconcile its financial statements	<ul style="list-style-type: none"> Recruitment of Accountants have been on-going. As of August 22, the GPSS Business Office has recruited 2 accountants, with a third accountant to be recruited and in place by the beginning of FY'08. In addition to recruitment efforts, GPSS has issued an RFP for independent accounting firms to assist GPSS in the reconciliation of accounts as well as Financial Management training. Selection, negotiations, and contract signing for this project should be completed at the beginning of FY 2008. Copies of the scope of services will be provided to USDOE. 	Recruitment of Accountants and Independent Accounting Firm in place by December 2007.	<ul style="list-style-type: none"> Position Announcement for GPSS Accountants Copy of DE-I/Personnel Action for Accountants Copy of Scope of Services for Independent Accounting Firm 	<p>GPSS recruitment efforts have been initiated for additional staff to the Internal Auditor's Office to include a Chief Internal Auditor and two (2) additional auditors for the division. In addition, there is also a budget analyst position that was also announced to assist with the budgetary issues as well. The positions were announced and closed 2nd week of July 2008. The interview process will follow and finalized by the selection for these positions. We will update this accordingly once the positions have been filled.</p> <p>MGA Consulting entered into an agreement with GPSS on Nov. 5, 2007. Scope of Service: 1.) Evaluate the development and processes of GPSS Financial Management System, including the General Ledger and Financial Statements 2.) Update GPSS General Ledger Financial Management System Policies and Procedures. 3.) Develop and provide in hard copy and electronic version an updated comprehensive Financial Management System policy and procedure manual with respect to the General Ledger. 4.) Provide formal training to all vested parties, including Financial Affairs, FSAIS and other GPSS staff on the new policies and procedures. 5.) Provide advisory and technical consultative services to Financial Affairs, FSAIS and other relevant GPSS staff in the implementation of the newly revised Financial Management System policy and procedures manual. 6.) Conduct a post-implementation review, including a report that documents project findings and corrective action taken, in order to ensure the successful implementation of the new policies and procedures by the staff of GPSS Financial Affairs</p>	Job Announcements for: 1) Chief Auditor 2) Auditor III 3) Budget Analyst

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II. Strengthening of GPSS Business Systems	A. GPSS needs to submit a restricted indirect cost rate proposal for programs that have a non-supplanting requirement for approval by DOI. It is recommended that GPSS develop a three-phase process to address the indirect cost issue. Phase I of the process outlines steps for indirect cost determination and distribution; Phase II outlines steps for making rate application corrections, and Phase III outlines steps for preparing a new rate proposal. (Refer to OCFO matrix, which provides a description of a detailed 3-year phase-in process)	CFO, FP Administrator, Superintendent	1.) Submission of a restricted indirect cost rate proposal for programs that have a non-supplanting requirement to U.S. Department of Interior (USDO)	USDOE validation pending	GPSS has not submitted an indirect cost rate for approval to DOI since 2003, and currently does not have an approved rate. Federal grant programs, including the Teacher Quality Enhancement (TOE) discretionary grant requires that an approved indirect cost rate be in place prior to drawing down any funds for indirect costs. The indirect cost issue relates to the manner in which the indirect costs associated with Federal funds are distributed within GPSS. OMB Circular A-87 specifies indirect cost requirements.	• GPSS submitted Indirect Cost Proposal to USDO with copy to USDOE. Cost proposal is pending USDO's review. • The Unrestricted Indirect Cost rate is pending USDO's review and the Restricted Indirect Cost rate is pending USDOE's review.	100% submission to USDO and USDOE on FY '07 Indirect Cost Proposal by end of FY '07. After notification by USDO & USDOE on approved (Restricted and Unrestricted Rates), GPSS will submit within 30 business days the FY'08 Indirect Cost Proposal.	Copy of the indirect cost proposal submitted to USDO/USDOE 9/21/07 2nd submittal.	Indirect Cost Rates were negotiated and effectuated via letter dated July 17th, 2008 from The GPSS Superintendent of Education to Ms. Te Vi, Auditor/Negotiator of the National Business Center and Ms. Melanie Navarro of the Office of the Chief Financial Officer within the U.S. Department of Education. (See attached letter)	Letter from GPSS Superintendent dated July 17th, 2008 regarding Indirect Cost Rates

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II. Strengthening of GPSS Business Systems	B. GPSS Business Office needs qualified accounting personnel to reconcile monthly bank statements, the general ledger, and balance sheets, and record transactions such as revenues and cash receipts in a timely manner.	CFO, FP Administrator, Superintendent	1.) GPSS will implement a viable strategy for strengthening its overall business operations by increasing the number of qualified accounting personnel on staff. 2.) Outsourcing of Financial Management Accounting to assist with reconciliation and training.	USDOE validation pending	The GPSS Business Office has consistently experienced understaffing and a deficiency of a sufficient number of qualified accounting staff to handle is financial records (reference: 2002 declaration of unauditible records; audit findings 06-14; QC=\$0, 06-15; QC=\$0, 06-16; QC=\$0, 06-17; QC=\$0, and 06-18; QC=\$0.	1.) Recruitment of Accountants have been on-going. As of August 22, the GPSS Business Office has recruited 2 accountants, with a third accountant to be recruited and in place by the beginning of FY'08. 2.) In addition to recruitment efforts, GPSS has issued an RFP for independent accounting firms to assist GPSS in the reconciliation of accounts as well as Financial Management training. Selection, negotiations, and contract signing for this project should be completed at the beginning of FY 2008. Copies of the scope of services will be provided to USDOE. 3.) GPSS has taken a proactive approach and has strengthened its standard operating procedure addressing the reconciliation of bank accounts. Internal controls have also been put in place to assist existing personnel with the bank reconciliation along with monitoring instruments to allow State Program Officers to determine if the procedures set forth are being adhered to.	Recruitment of Accountants and Independent Accounting Firm in place by December 2007.	<ul style="list-style-type: none"> Position Announcement for GPSS Accounts Copy of Scope of Services for Independent accounting firm Copy of DE-1/Personnel Action for GPSS Accountants Standard Operating Procedures for: <ul style="list-style-type: none"> a) Bank Reconciliation Fiscal Monitoring Checklist for Bank Reconciliation 	GPSS recruitment efforts have been initiated for additional staff to the Internal Auditor's Office to include a Chief Internal Auditor and two (2) additional auditors for the division. In addition, there is also a budget analyst position that was also announced to assist with the budgetary issues as well. The positions were announced and closed 2nd week of July 2008. The interview process will follow and finalized by the selection for these positions. We will update this accordingly once the positions have been filled. MGA Consulting entered into an agreement with GPSS on Nov. 5, 2007 Scope of Service: 1.) Evaluate the development and processes of GPSS Financial Management System, including the General Ledger and Financial Statements 2.) Update GPSS General Ledger Financial Management System Policies and Procedures. 3.) Develop and provide in hard copy and electronic version an updated comprehensive Financial Management System policy and procedure manual with respect to the General Ledger. 4.) Provide formal training to all vested parties, including Financial Affairs, FSAIS and other GPSS staff on the new policies and procedures. 5.) Provide advisory and technical consultative services to Financial Affairs, FSAIS and other relevant GPSS staff in the implementation of the newly revised Financial Management System policy and procedures manual. 6.) Conduct a post-implementation review, including a report that documents project findings and corrective action taken, in order to ensure the successful implementation of the new policies and procedures by the staff of GPSS Financial Affairs	A) Job Announcements for: 1) Chief Auditor 2) Auditor III 3) Budget Analyst B)Fiscal Monitoring Forms for monitoring completed by State Staff.
III. Allowable Costs/Cost Principles	A. GPSS needs to implement internal controls to ensure that personnel costs charged to federal programs are at approved pay rates, and that policies over personnel costs are applied consistently to both Federal and non-Federal employees.	CFO, Internal Auditors, Federal Programs Administrator, & Personnel Administrator	1.) Proper Processing of Personnel Action Forms (DE-1) 2.) Establishing a system of internal controls to prevent overpayment of personnel costs to federal grant programs.	USDOE validation pending	GPSS did not exercise internal controls to ensure that personnel are paid according to approved rates and not overpaid. (reference: audit findings 06-04; QC=\$681, 06-09; QC=\$24,449, 06-10; QC=\$0)	GPSS has implemented a standard operating procedure addressing personnel costs and overpayments for which internal controls have been developed to minimize overpayments of personnel. GPSS is in the process of strengthening its internal control mechanism in this area by working with our systems department (FSAIS) to streamline the payroll process and allow for additional checks and balance systems. Training is to be provided to essential personnel regarding this procedure and will be conducted annually thereafter. This procedure will be monitored by State Program Officers to ensure process is in line with its objective.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	<ul style="list-style-type: none"> Standard Operating Procedure for Personnel Costs/Overpayments Fiscal Monitoring Checklist for Personnel Costs/Overpayments 	MGA Consulting entered into an agreement with GPSS on Nov. 5, 2007 Scope of Service: 1.) Evaluate the development and processes of GPSS Financial Management System, including the General Ledger and Financial Statements 2.) Update GPSS General Ledger Financial Management System Policies and Procedures. 3.) Develop and provide in hard copy and electronic version an updated comprehensive Financial Management System policy and procedure manual with respect to the General Ledger. 4.) Provide formal training to all vested parties, including Financial Affairs, FSAIS and other GPSS staff on the new policies and procedures. 5.) Provide advisory and technical consultative services to Financial Affairs, FSAIS and other relevant GPSS staff in the implementation of the newly revised Financial Management System policy and procedures manual. 6.) Conduct a post-implementation review, including a report that documents project findings and corrective action taken, in order to ensure the successful implementation of the new policies and procedures by the staff of GPSS Financial Affairs	

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IV. Cash Management	A. Develop policies and procedures to address cash management issues, [including proper disbursement of Federal funds.]	CFO, Internal Auditors, and Federal Programs Administrator	1.) Procedures to ensure the proper disbursement of federal funds in a timely manner.	USDOE and Internal Auditor validation pending	<u>Structured Cash Management System</u> <ul style="list-style-type: none"> • GPSS did not have internal controls in place to ensure that the time elapsed between cash receipt and cash disbursement is minimized (reference: audit finding 04-03; QC=\$0) • GPSS did not have internal controls in place to minimize time elapsed between receipt of federal funds and disbursement of checks in accordance with applicable cash management requirement (reference: audit findings 06-05; QC=\$76, 06-07; QC=\$0 with interest liability=\$3,812, 05-03; QC=\$0; 05-04; QC=\$0) 	GPSS is part of the upcoming negotiations between the Government of Guam Department of Administration and the U.S. Treasury in December 2007 to discuss Cash Management, however, GPSS has taken the proactive approach and developed and implemented standard operating procedures to address the Cash Management issue. Procedures have been developed to address the timely and proper disbursement of federal funds by minimizing the elapsed time between the acquisition of federal funds and the disbursements of said funds. GPSS Financial Affairs Division currently has a Automated Clearing House (ACH) mechanism in place and is encouraging its use to alleviate the elapsed time between the receipt and disbursement of funds. Monitoring of these procedures will be conducted by State Program Officers to ensure compliance.	By December 2007, agreements will be in place to address audit concerns, however, new Standard Operating Procedures are fully implemented as of October 2007.	• Automatic Clearing House Authorization Form • SOP a) <i>Elapsed Time Between Receipt of Cash and Disbursement of Federal Grants</i> • Fiscal Monitoring Checklist • Monitoring/Review Schedule	GPSS has implemented standard operating procedures to address this area of concern, however, as a result of internal control procedures and monitoring efforts by state staff being in place, GPSS has been able to recognize deficiencies within our processes and are in the process of making modifications to our processes to strengthen our processes. After modification are made to existing standard operating procedures or internal controls, staff will need training and new process will be implemented. At the end of the quarter, state program staff will conduct monitoring efforts to validate these procedures and make any recommendations if necessary to further strengthen or streamline these processes. This activity is a part of the quarterly monitoring done by state staff. All progress made will be reported together in our quarterly reports.	REVISED SOP
V. Matching, Level of Effort & Earmarking	A. Develop process for meeting federal matching, level of effort and earmarking requirements.	CFO, Federal Programs Administrator, Program Managers & FSAIS Administrator	1.) Adherence to matching, level of effort, and earmarking requirements of Federal Grants	USDOE and Internal Auditor validation pending	GPSS did not meet the level of effort requirements in FY 2004 (reference: audit finding 04-04; QC=\$75,864)	GPSS has established Standard Operating Procedures to address the compliance with Matching, Level of Effort, and Earmarking requirements. Staff are trained to understand these requirements and apply them accordingly. This procedure will be monitored by State Program Officers to ensure compliance. Technical Assistance will be made available to personnel upon request to assist with compliance.	1.) Standard Operating Procedures Completed 2.) Training to be completed by December 2007. 3.) Monitoring to be conducted by December 2007 (See Monitoring/Review Schedule)	• Standard Operating Procedure (SOP) for Matching, Level of Effort, and Earmarking • Fiscal Monitoring Checklist • Monitoring/Review Schedule	State Program Staff continue to monitor the implementation of the various SOP's in place and continue to provide feedback and recommendations as necessary to ensure compliance. Should corrective action be necessary, steps to resolution are provided and validated shortly after for compliance. Documentation is provided via the monitoring checklist forms that were implemented for the SOP's for use by state staff monitoring.	
VI. Period of Availability	None	CFO, Internal Auditors, Federal Programs Administrator & FSAIS Administrator	1.) Adherence to Deappropriation of Unexpended Federal Grant Awards Subsequent to Period of Availability	USDOE and Internal Auditor validation pending	GPSS lacked internal controls over ensuring that available balances were deappropriated/deencumbered after the funds' period of availability. GPSS needs to strengthen internal controls to ensure that federal funds are no longer available for obligation or expenditure after the period of availability (reference: audit findings 03-02, QC=\$19,583; 03-05, QC=\$0; and 04-05, QC=\$49,540)	GPSS has implemented standard operating procedures to address the Liquidation of funds within the Period of Availability, the deappropriation of funds from expired grants, and has addressed internal controls regarding the assurances that there are available funds to cover outstanding encumbrances of grant funds. By December 2007, Training to essential personnel regarding these procedures would have been completed. In addition, implementation of Internal Controls are in place for these established Standard Operating Procedures. Validation of these procedures to be done via Programmatic and Fiscal Reviews by State Program Officers. Monitoring Reports will be completed and maintained in applicable grant monitoring files.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (See Monitoring/Review Schedule)	• Standard Operating Procedures (SOP): a) Deappropriation of Unexpended Federal Grant Awards Subsequent to Period of Availability b) Liquidation of Federal Grant Awards Within The Period of Availability or Within (90) Days After The Period of Availability • Liquidation and Period of Availability Fiscal Monitoring Checklist • Monitoring/Review Schedule	State Program Staff continue to monitor the implementation of the various SOP's in place and continue to provide feedback and recommendations as necessary to ensure compliance. Should corrective action be necessary, steps to resolution are provided and validated shortly after for compliance. Documentation is provided via the monitoring checklist forms that were implemented for the SOP's for use by state staff monitoring.	

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VI. Period of Availability	A. Develop Standard Operating Procedures for [deappropriation of unexpended Federal grant awards to ensure against improper obligation and liquidation of Federal funds.]	CFO and Federal Programs Administrator	1.) Obligations are liquidated within the funds period of availability 2.) Expired grants are deappropriated timely 3.) Outstanding encumbrances fall within available funding limitations	GPSS SOPs #06-003 and 06-004 have been submitted to USDOE to resolve these findings: GPSS Internal Audit Section will validate the procedures annually	GPSS did not ensure proper obligation within the period of availability (reference: audit findings 02-10: QC=\$177,585, 03-07: QC=\$0, 04-09: QC=\$8,936, 05-05: QC=\$36,885) .	GPSS has implemented standard operating procedures to address the Liquidation of funds within the Period of Availability, the deappropriation of funds from expired grants, and has addressed internal controls regarding the assurances that there are available funds to cover outstanding encumbrances of grant funds. By December 2007, Training to essential personnel regarding these procedures would have been completed and will be continued annually thereafter. In addition, implementation of Internal Controls are in place for these established Standard Operating Procedures. Validation of these procedures to be done via Programmatic and Fiscal Reviews by State Program Officers. Monitoring Reports will be completed and maintained in applicable grant monitoring files.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	• Standard Operating Procedures (SOP): a) Deappropriation of Unexpended Federal Grant Awards Subsequent to Period of Availability b) Liquidation of Federal Grant Awards Within The Period of Availability or Within (90) Days After the Period of Availability • Liquidation and Period of Availability Fiscal Monitoring Checklist • Monitoring/Review Schedule	State Program Staff continue to monitor the implementation of the various SOP's in place and continue to provide feedback and recommendations as necessary to ensure compliance. Should corrective action be necessary, steps to resolution are provided and validated shortly after for compliance. Documentation is provided via the monitoring checklist forms that were implemented for the SOP's for use by state staff monitoring.	
VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	None	CFO and Federal Programs Administrator	1.) Develop policies and procedures to ensure all procurement contracts for goods and services are aligned with applicable federal and local regulations. 2.) Recruit a Administrator for the Office of Supply Management (Procurement) to effectively enforce all regulations for procurement practices.	USDOE and Internal Auditor validation pending	(GDOE failed to ensure that all regulations were adhered to and formal bids reviewed closely for all procurement contracts for goods/services requiring a formal bid.) (reference: audit findings 06-06: QC=\$107,499 and 03-08: QC\$0)	• As a result of the recruitment of the Administrator for the Office of Supply Management, Standard Operating Procedures covering procurement issues such as Sole Source Procurement requirements, Procedures for Requisitions and Purchase Orders, Procedures for the maintenance of Procurement Records, Travel Requests and Authorizations, Fixed Assets Management, and the procurement of personnel have been implemented. • Training to all essential personnel district wide is to be provided by December 2007 and will be conducted annually thereafter. <i>Monitoring of procedures are to be in line with</i>	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	• Standard Operating Procedures a) Requisition/Purchase Order Procedure b.) Sole Source Procurement c.) DE-1/Personnel Action Procedures d.) Travel Request and Authorization Procedure e.) Procurement Records Management f. Fixed Assets Management • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. Monitoring procedures are still ongoing and conducted quarterly or as needed to validate processes and impose corrective action where necessary.	
VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	A. Develop procurement procedures to strengthen internal controls within GPSS (central office and school level).	CFO and Federal Programs Administrator	1) Procedures are in place to strengthen internal controls within the Guam Public School System to ensure that Procurement Regulations are followed. 2.) Provide Training to all essential personnel district wide. 3.) Effective Monitoring Mechanism to ensure that all procedures are being adhered to and are effective at meeting its goals and objectives while in compliance with local and Federal mandates.	USDOE validation pending		•Standard Operating Procedures covering procurement issues such as Sole Source Procurement requirements, Procedures for Requisitions and Purchase Orders, Procedures for the maintenance of Procurement Records, Travel Requests and Authorizations, Fixed Assets Management, and the procurement of personnel have been implemented. • Training top all essential personnel district wide is to be provided by December 2007 and annually thereafter. •Monitoring of procedures are to be in line with Programmatic and Fiscal Management Reviews for all program staff (LEA's).	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	• Standard Operating Procedures a) Requisition/Purchase Order Procedure b.) Sole Source Procurement c.) DE-1/Personnel Action Procedures d.) Travel Request and Authorization Procedure e.) Procurement Records Management f. Fixed Assets Management • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. Monitoring procedures are still ongoing and conducted quarterly or as needed to validate processes and impose corrective action where necessary.	

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VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	A1. Develop Standard Operating Procedures for GPSS Sole Source Procurement Process.	CFO and Federal Programs Administrator	1.) Ensure compliance with Sole Source Procurement Procedures by monitoring procurement files.	USDOE validation pending		GPSS has implemented Standard Operating Procedures to address Sole Source Procurement to ensure that all essential personnel is trained on these procedures to understand what constitutes sole source and in what situations sole source procurement is allowed. Training for sole source procurement has been ongoing and will continue until all essential personnel is effectively trained, after which training will be conducted annually. • On Site Monitoring/Reviews will include Programmatic and Fiscal Management Reviews and will validate the district's Internal Controls and determine compliance with the sole source procurement procedures.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	• Standard Operating Procedure for <i>Sole Source Procurement</i> • Fiscal Monitoring Checklist for • Monitoring/Review Schedule	Technical assistance is constantly available from State Program Staff to GPSS procurement personnel if needed. In addition, sole source procurement processes are articulated to program personnel and guidance is provided as they move in this direction to ensure proper procurement processes are adhered to. This technical assistance serves a monitoring mechanism by state program staff to ensure that these procedures are followed prior to transaction being finalized. These activities are ongoing and evidenced by quarterly monitoring. Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. Monitoring procedures are still ongoing and conducted quarterly or as needed to validate processes and impose corrective action where necessary.	
VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	A2. Exercise internal controls over maintaining supporting documentation in program files to substantiate program expenditures.	Federal Programs, CFO	1) Adherence to Procurement Records SOP 2.) Monitoring of Procurement Records to ensure compliance with document retention procedures.	USDOE validation pending	GPSS failed to retain vendor invoices and receiving reports (reference: audit finding 04-07; QC=\$3,000) GPSS did not ensure that procurement policies were enforced. (reference: audit finding 06-06; QC=\$107,499	GPSS has implemented a Procurement Records Management SOP to address the issue of records retention with respect to procurement transactions. SOP's for Requisition/Purchase Orders, Sole Source Procurement, Travel Request's and Authorizations have also been implemented which require a paper trail of supporting documents to lead up to the compliance factors necessary. Training on these procedures will be conducted by December 2007 and annually thereafter. In addition, Fiscal Monitoring Checklists are used by State Program Officers to ensure that procurement policies are adhered to and enforced. Monitoring schedules are in line with Fiscal	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule)	• Standard Operating Procedures a) <i>Requisition/Purchase Order Procedure</i> b.) <i>Sole Source Procurement</i> c.) <i>DE-1/Personnel Action Procedures</i> d.) <i>Travel Request and Authorization Procedure</i> e.) <i>Procurement Records Management</i> f. Fixed Assets Management • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Monitoring efforts have discovered the need for further strengthening of the SOP Internal controls for this area. Therefore, the GPSS Business Office has taken steps to modify the current standard operating procedure to reflect these improvements for approval. This SOP is currently being routed to various GPSS leadership for review and approval and will be reported in the next quarterly reporting period.	REVISED SOP
VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	B. Ensure staff responsible for implementing federal programs understand all requirements related to procurement with federal funds (RFP requirements for contracts, competitive bidding, etc.)	Federal Programs Administrator, Internal Auditor-In-Charge, CFO	1.) Adherence to Standard Operating Procedures a) <i>Requisition/Purchase Order Procedure</i> b.) <i>Sole Source Procurement</i> c.) <i>DE-1/Personnel Action Procedures</i> d.) <i>Travel Request and Authorization Procedure</i> e.) <i>Procurement Records Management</i> f. Fixed Assets Management 2.) Training of all essential personnel to ensure understanding federal requirements related to procurement using federal funds. 3.) Monitoring of these procedures set out through the various SOP's by way of Fiscal Monitoring Checklists for all listed SOP's. 4.)Regular Monitoring/Review Timelines	USDOE validation pending	GPSS did not maintain procurement documents to support competitive sealed bidding (reference: audit finding 06-13; QC=\$0)	GPSS has implemented several Standard Operating Procedures to address the requirements related to procurement with federal funds. Training to all essential staff is to be conducted by December 2007 and annually thereafter for each and every SOP that has been implemented. This is to ensure staff responsible for implementing federal programs understand all procurement procedures and regulations. Fiscal Training on Procurement Procedures covering Requisitions and Purchase Orders conducted by State staff to Program Managers (LEA's) on August 2007. On Site Monitoring/Reviews will include the adherence of Procurement Procedures as part of the district's Internal Controls. Training and Technical assistance will be available to respective divisions should the need arise. Internal Controls are also in place in the various procurement areas to ensure that the processes work within the department. State Program Monitors will be conducting reviews of these procedures periodically (see Monitoring/Review	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule). Training on Standard Operating Procedures would be completed by December 2007.	• Standard Operating Procedures a) <i>Requisition/Purchase Order Procedure</i> b.) <i>Sole Source Procurement</i> c.) <i>DE-1/Personnel Action Procedures</i> d.) <i>Travel Request and Authorization Procedure</i> e.) <i>Procurement Records Management</i> f. Fixed Assets Management • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. These trainings will reinforce the requirements of the SOP's implemented and provide information on how these requirements will impact the performance of the grants. Monitoring procedures are still ongoing.	Monitoring Reports by State Program Staff

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VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	B1. Create documents clearly explaining competitive bidding requirements.	Federal Programs Administrator, CFO	1.) Adherence to Sole Source Procurement Procedures 2.) Adherence to Purchase Order/Requisition Procedures	USDOE validation pending		GPSS has implemented several Standard Operating Procedures to address the requirements related to procurement with federal funds. Training to all essential staff is to be conducted by December 2007 and annually thereafter for each and every SOP that has been implemented. This is to ensure staff responsible for implementing federal programs understand all procurement procedures and regulations. Fiscal Training on Procurement Procedures covering Requisitions and Purchase Orders conducted by State staff to Program Managers (LEA's) on August 2007. On Site Monitoring/Reviews will include the adherence of Procurement Procedures as part of the district's Internal Controls. Training and Technical assistance will be available to respective divisions should the need arise. Internal Controls are also in place in the various procurement areas to ensure that the processes work within the department. State Program Monitors will be conducting reviews of these procedures periodically (see Monitoring/Review Schedule) to determine whether processes are in compliance and provide technical assistance for corrective action if necessary to bring process into compliance.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule). Training on Standard Operating Procedures would be completed by December 2007.	• Standard Operating Procedures a) Requisition/Purchase Order Procedure b.) Sole Source Procurement • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. These trainings will reinforce the requirements of the SOP's implemented and provide information on how these requirements will impact the performance of the grants. Monitoring procedures are still ongoing.	Monitoring Reports by State Program Staff

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VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	B2. Develop training for program staff that clearly explains contracting requirements.	Federal Programs Administrator, CFO	1.) Adherence to Standard Operating Procedures <i>a) Requisition/Purchase Order Procedure b.) Sole Source Procurement c.) DE-1/Personnel Action Procedures d.) Travel Request and Authorization Procedure e.) Procurement Records Management f. Fixed Assets Management</i> 2.) Training of all essential personnel to ensure understanding federal requirements related to procurement using federal funds. 3.) Monitoring of these procedures set out through the various SOP's by way of Fiscal Monitoring Checklists for all listed SOP's. 4.)Regular Monitoring/Review Timelines	USDOE validation pending		GPSS has implemented several Standard Operating Procedures to address the requirements related to procurement with federal funds. By December 2007 and annually thereafter. Training to all essential staff is to be conducted for each and every SOP that has been implemented to ensure staff responsible for implementing federal programs understand all procurement procedures and regulations. Fiscal Training on Procurement Procedures covering Requisitions and Purchase Orders conducted by State staff to Program Managers (LEA's) on August 2007. Internal Controls implemented include SOP's applicable to Requisitions & Procurement (SOP# 900-001). On Site Monitoring/Reviews will include the adherence of Procurement Procedures as part of the district's Internal Controls. Training and Technical assistance will be available to respective divisions should the need arise. Internal Controls are also in place in the various procurement areas to ensure that the processes work within the department. State Program Monitors will be conducting reviews of these procedures periodically (see Monitoring/Review Schedule) to determine whether processes are in compliance and provide technical assistance for corrective action if necessary to bring process into compliance.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule). Training on Standard Operating Procedures would be completed by December 2007.	• Standard Operating Procedures <i>a) Requisition/Purchase Order Procedure b.) Sole Source Procurement</i> • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. These trainings will reinforce the requirements of the SOP's implemented and provide information on how these requirements will impact the performance of the grants. Monitoring procedures are still ongoing.	

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VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	C. Create uniform documentation requirements/template for all staff responsible for implementing federal programs.	Federal Programs Administrator, CFO	1) Adherence to Procurement Records SOP 2.) Monitoring of Procurement Records to ensure compliance with document retention procedures.	USDOE validation pending	GPSS did not maintain sufficient procurement documentation (reference: audit finding 06-13; QC=50)	GPSS has implemented several Standard Operating Procedures to address the requirements related to procurement with federal funds. By December 2007 and annually thereafter, training to all essential staff is to be conducted for each and every SOP that has been implemented to ensure staff responsible for implementing federal programs understand all procurement procedures and regulations. Fiscal Training on Procurement Procedures covering Requisitions and Purchase Orders conducted by State staff to Program Managers (LEA's) on August 2007. On Site Monitoring/Reviews will include the adherence of Procurement Procedures as part of the district's Internal Controls. Training and Technical assistance will be available to respective divisions should the need arise. Internal Controls are also in place in the various procurement areas to ensure that the processes work within the department. State Program Monitors will be conducting reviews of these procedures periodically (see Monitoring/Review Schedule) to determine whether processes are in compliance and provide technical assistance for corrective action if necessary to bring process into compliance.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors (see Monitoring/Review Schedule). Training on Standard Operating Procedures would be completed by December 2007.	• Standard Operating Procedures a) Requisition/Purchase Order Procedure b.) Sole Source Procurement • Fiscal Monitoring Checklists for all listed SOP's. • Monitoring/Review Schedule	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. These trainings will reinforce the requirements of the SOP's implemented and provide information on how these requirements will impact the performance of the grants. Monitoring procedures are still ongoing.	
VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	C1. Develop a system for maintaining source documentation to support program expenditures, such as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub grant award documents.	Federal Programs Administrator, CFO	1) Adherence to Procurement Records SOP 2.) Monitoring of Procurement Records to ensure compliance with document retention procedures.	USDOE validation pending		As a result of our internal controls with respect to supporting documentation for program expenditures, all pertinent documents that clearly substantiate the expenditure must be attached to any requests for funds prior to the funds being approved for disbursement. After the documentation is finalized, they are safeguarded within the records room of the procurement office. In addition, there is a routing form that accompanies the request for funds that evidences the various signatories of the departments along the path to fund disbursement. A copy of this routing form is filed into the respective program file within the Federal Programs Division.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors quarterly.	• Standard Operating Procedures a) Requisition/Purchase Order Procedure b.) Sole Source Procurement • Fiscal Monitoring Checklists for all listed SOP's.	Training schedule is currently being formulated to repeat training sessions for district personnel on SOP's implemented and any updates to these SOP's or internal control procedures will be incorporated into these trainings. These trainings will reinforce the requirements of the SOP's implemented and provide information on how these requirements will impact the performance of the grants. Monitoring procedures are still ongoing.	
VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	C2. Develop a system to ensure that files consistently contain adequate source documentation to support program expenditures.	Federal Programs Administrator, CFO	1) Adherence to Procurement Records SOP 2.) Monitoring of Procurement Records to ensure compliance with document retention procedures.	USDOE validation pending		As a result of our internal controls with respect to supporting documentation for program expenditures, all pertinent documents that clearly substantiate the expenditure must be attached to any requests for funds prior to the funds being approved for disbursement. After the transaction is finalized, documentation are safeguarded within the records room of the procurement office. In addition, there is a routing form that accompanies the request for funds that evidences the various signatories of the departments along the path to fund disbursement. A copy of this routing form is filed into the respective program file within the Federal Programs Division.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors quarterly.	• Standard Operating Procedures a) Requisition/Purchase Order Procedure b.) Sole Source Procurement • Fiscal Monitoring Checklists for all listed SOP's.	We have identified ways to strengthen this SOP and have introduced modifications to our procedures to accomplish this. Monitoring efforts will continue to ensure these modifications are accomplishing what they are intended to do. These modifications have come by way of the GPSS Business office revamping their internal controls and the SOP to articulate further the requirements of retaining supporting documentation for program expenditures. Training on this would be conducted annually thereafter or as necessary.	

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VII. Strengthen GPSS Contracting and Procurement Policies & Procedures	D. Ensure staff responsible for implementing federal programs at all levels (central office and school level) thoroughly understand the process for retaining documentation.	Federal Programs Administrator, CFO	1) Adherence to Procurement Records Standard Operating Procedures 2.) Monitoring of Procurement Records to ensure compliance with document retention procedures.	USDOE validation pending		As a result of our newly implemented procedures and internal controls with respect to supporting documentation for program expenditures, all pertinent documents that clearly substantiate the expenditure must be attached to any requests for funds prior to the funds being approved for disbursement. After the transaction is completed, documents are safeguarded within the records room of the procurement office. In addition, there is a routing form that accompanies the request for funds that evidences the various signatories of the departments along the path to fund disbursement. A copy of this routing form is filed into the respective program file within the Federal	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors quarterly.	• Standard Operating Procedures for Deappropriation of Unexpended Federal Grant Awards Subsequent to Period of Availability • Standard Operating Procedure for Liquidation of Federal Grand Awards Within the Period of Availability and Within (90) Days After the Period of Availability	We have identified ways to strengthen this SOP and have introduced modifications to our procedures to accomplish this. Monitoring efforts will continue to ensure these modifications are accomplishing what they are intended to do. These modifications have come by way of the GPSS Business office revamping their internal controls and the SOP to articulate further the requirements of retaining supporting documentation for program expenditures. Training on this would be conducted annually thereafter or as necessary.	
VIII. Strengthen GPSS Grant Liquidation Procedures	2. Ensure proper documentation is retained.	Federal Programs Administrator	Measurable Objective: Adherence to Deappropriation of Unexpended Federal Grant Awards Subsequent to Period of Availability, SOP No. 0003 (See Attachment: SOP No. 06-003) • Requisition/Purchase Order Report (SOP 900-001) • Travel Authorization Report (SOP 900-002) • DE-1/Personnel Action Report (SOP 900-003) • Time Distribution Report (SOP 900-004) • <i>Fixed Assets (SOP: Fix Asset Management System)</i> • Programmatic Monitoring & Review Reports • Fiscal Monitoring Checklist • Monitoring Schedule/Site Visits • Organizational/ Functional Chart of Federal Programs Division • Reporting Structure	USDOE validation pending		GPSS has implemented several standard operating procedures to address various weaknesses within our fiscal operations to include the proper retention of pertinent documentation with respect to expenditures of federal grant funds. Documentation requirements for procurement of funds for various grant objectives and activities must be attached to the request for funds for review and approval by the State Office to ensure compliance. After the transaction is deemed to be in compliance and funds are disbursed, final documentation packets are safeguarded within the Procurement Records Room. State Program Officers will monitor this process quarterly to ensure the records are complete.	By December 2007, 100% implementation of Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors quarterly.	(1) Functional Chart Internal Auditor Office (2) Function of Internal Audit Staff • (3) Standard Operating Procedures in place are as follows: a.) Matching Level of Effort and Earmarking Requirements b.) DE-1/Personnel Action Procedure c.) Sole Source Procurement d.) Time distribution Report (TDR) Procedure e.) Requisition/Purchase Order Procedure f.) Deappropriation of Unexpended Federal Grant Awards Subsequent to the Period of Availability g.) Travel Request and Authorization Procedure h.) Procurement Records i.) Bank Reconciliation j.) Elapsed Time Between Receipt of Cash and Disbursements for Federal Grants k.) Liquidation of Federal Grant Awards Within the Period of Availability or Within (90) days after the Period of Availability. l.) Records Room (4) Fiscal Monitoring Checklists for all Standard Operating Procedures have been created for: a.) Fixed Assets b.) Liquidation and Period of Availability c.) Records Room and Procurement Records d.) Time Distribution Report (TDR) e.) Sole Source f.) Travel Authorization	State Program Staff continue to monitor the implementation of the various SOPs in place and continue to provide feedback and recommendations as necessary to ensure compliance. Should corrective action be necessary, steps to resolution are provided and validated shortly after for compliance. Documentation is provided via the monitoring checklist forms that were implemented for the SOPs for use by state staff monitoring.	Monitoring Forms

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VIII. Strengthen GPSS Grant Liquidation Procedures	A3. Implement new process.	Federal Programs Administrator, Comptroller, Program Managers	1.) Adherence to Standard Operating Procedures a) <i>Requisition/Purchase Order Procedure</i> b.) <i>Sole Source Procurement</i> c.) <i>DE-1/Personnel Action Procedures</i> d.) <i>Travel Request and Authorization Procedure</i> e.) <i>Procurement Records Management</i> f. Fixed Assets Management 2.) Training of all essential personnel to ensure understanding federal requirements related to procurement using federal funds. 3.) Monitoring of these procedures set out through the various SOP's by way of Fiscal Monitoring Checklists for all listed SOP's. 4.)Regular Monitoring/Review Timelines	USDOE validation pending			By December 2007, 100% implementation of SOP's and Training associated with these new procedures. Internal Controls in place and validated by Programmatic & Fiscal Reviews by State Program Monitors quarterly.	<ul style="list-style-type: none"> • Programmatic Monitoring & Review Reports • Liquidation and Period of Availability Fiscal Monitoring Checklist • Monitoring Schedule/Site Visits • Organizational/ Functional Chart of Federal Programs Division • Reporting Structure 	Training schedules for the upcoming FY08-09 is being formulated for all applicable district staff on SOP's implemented to reinforce their importance and requirements contained within them.	