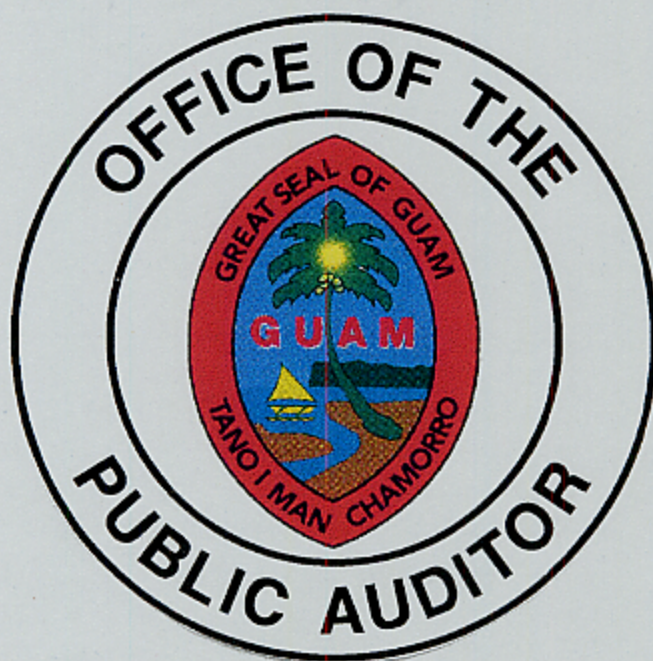

**Audit of Carbullido Elementary
School Non-Appropriated Funds**

A Report to the Director,
Department of Education



**Audit of Department of Education's Non-Appropriated Funds,
Carbullido Elementary School**

SUMMARY

The Office of the Public Auditor performed an audit of Department of Education (DOE) specifically for Carbullido Elementary School's Non-Appropriated Funds. This audit was conducted at the request of the Director of Department of Education dated August 9, 2000. We reviewed Carbullido Elementary School's organization, operational policies and procedures, and records management related to Non-Appropriated funds (NAF) for school years 1998, 1999, and 2000.

Non-Appropriated Funds program (NAF)

This fund was created by Public Law 14-130 which states that all student activities money is all money raised with the approval of the Board by the efforts of the students, in connection with any activities of student organizations, including without limiting the generality of the foregoing, school supply, stores, clubs, athletic activities, school plays, receipts from vending machines and other student entertainment and yearbooks.

The objectives of our audit within these programs were to determine (1) the propriety of handling non-appropriated student activities funds; (2) the adequacy of internal control and record management; and (3) compliance with applicable statutes and regulations within these programs.

Our work was performed from the period of August 2000 to September 2000 in accordance with generally accepted government auditing standards. Accordingly, we included such test of records, and other auditing procedures that were considered necessary under the circumstances.

Our fieldwork was performed at Carbullido Elementary School's business office and DOE facilities.

Our audit disclosed that the school failed to comply with applicable Public Laws and governing policies and procedures. The Department of Education responded to our draft audit report indicating their thorough review and concurrence with our findings.

Recommendations:

As a result of the NAF findings, the Office of the Public Auditor recommends the following:

1. We recommend the school principal comply with Public Law 14-130 and initiate corrective actions to the NAF program as follows:
 - a) Insure that NAF funds are not co-mingled with DEED program funds.
 - b) Insure that an internal control system is established to account for inventories of NAF purchased stock items.
 - c) Insure that vouchers be prepared for all required NAF disbursements. (over \$100)
 - d) Insure that the school establish a money committee to review and authorize all vouchers that are requested for NAF disbursements over \$100.
 - e) Insure that the NAF funds be used only for student activities as mandated by P.L. 14-130 and not for other purposes.
 - f) Insure that for any reimbursement made from NAF, supporting documents such as an invoice and voucher with authorized signatures be attached with written explanation.
 - g) Insure that the school treasurer issue receipts for all NAF revenues received.
 - h) Insure that the school treasurer maintain accounts of student organization balances and maintain accurate and complete records of NAF deposits and disbursements as required by P.L. 14-130.
 - i) Insure that the school treasurer prepare and disseminate NAF monthly financial reports as required by P.L. 14-130.
2. We recommend that price quotations be used in order to validate the reasonableness of any purchase and to avoid the practice of issuing blank NAF checks for advance payments and purchases.
3. We reiterate our previous recommendation (No. OPA-03-99) that all school treasurers be bonded.
4. We recommend that DOE provide regular comprehensive mandatory training in NAF account management to all school principals and treasurers.
5. We recommend DOE business office conduct periodic reviews of all schools with NAF fund accounts and that formal reports of such reviews be disseminated to all school principals and treasurers to provide additional guidance for NAF account management throughout DOE schools.

6. We recommend that Bureau of Budget and Management Research in cooperation with DOE fiscal office conduct audits of each student activity fund as required by by P.L. 14-130, § 11416 (d).

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OFFICE OF THE PUBLIC AUDITOR
UFISINAN I ADITOT PUPBLEKO
GOVERNMENT OF GUAM
P.O. BOX 23667, GMF, Barrigada, Guam 96921
(1208 East Sunset Boulevard, Tiyan)
(671) 475-0393/0394/0395 - FAX: (671) 472-7951

October 16, 2000

Ms. Rosie R. Tainatongo
Director, Department of Education
P.O. Box DE
Agana, Guam 96932

Re: Final Audit Report on Carbullido Elementary School, Non-Appropriated Funds
(NAF), Report No. OPA-101-10-00

Dear Ms. Tainatongo:

In response to your request of August 9, 2000, we are pleased to advise that we have concluded our audit of Carbullido Elementary School, Non-Appropriated Funds for the school years 1998, 1999, and 2000.

Accordingly, we transmit herewith our Final Audit Report No. OPA-101-10-00 which encompasses our findings and recommendations in this matter. We hope that our report will provide valuable insight to you and your departmental personnel and be used as a management tool to improve efficiency and accountability within NAF programs throughout Department of Education.

Copies of this report will be transmitted by our office to appropriate governmental entities and island media. Additionally, copies will be made available to the general public through our office.

If the Office of the Public Auditor may be of further assistance to you in this matter, please feel free to call upon me.

Sincerely,

A handwritten signature in black ink, appearing to read "A.J. Sonny Shelton".

A.J. Sonny Shelton
Acting Public Auditor

INTRODUCTION

BACKGROUND

The Department of Education (DOE) was created under Title 17 of the Guam Code Annotated. It was amended by P.L. 15-56 and reenacted by P.L. 22-42. The Department of Education is tasked with the responsibility for providing an educational system for the island of Guam. It is administered through the Territorial Board of Education (the Board) which shall be the governing and policy-making body of the Department. On March 25, 1999 Public Law No. 25-03 was passed. The Law dissolved the Territorial Board and director and placed DOE under the purview of "I Maga'lahaen Guahan, the Governor.

I. Non-Appropriated Funds (NAF)

The non-appropriated student activity funds were established by Public Law 14-130 to regulate student activities money and for other purposes. The regulations are as follows:

1. Subsection 11413 Student Activities Money

Student activities money is all money raised with the approval of the Board by the efforts of students, in connection with any activities of student organizations, including without limiting the generality of the foregoing, school supply, stores, clubs, athletic activities, school plays, receipts from vending machines and other student entertainment and yearbooks.

2. Subsection 11414 Committee

- (a) There shall be established a Student Activities Money Committee within each school which shall oversee the receipts and expenditures of the student activities money and shall make final approval of all expenditures in excess of One Hundred Dollars (\$100) from the Student Activities Fund.
- (b) Membership on the Student Activities Money Committee shall be the following:
 - (1) Principal of the school serving as Chairman;
 - (2) One faculty staff member designated by the school faculty; and
 - (3) Student body president, student body treasurer, or a student body member designated by the school faculty.

3. Subsection 11415 Student Activities Fund

The Student Activities Money Committee of any school having student activities money shall open a checking account and/or savings account in a commercial bank or savings and loan association on Guam in an account designated as the school student activities fund of the school opening the account.

4. Subsection 11416 Student Activities Treasurer, Audit

- (a) The Student Activities Money Committee of any school having student activities Money shall appoint a student activities treasurer of that particular school. Each school treasurer shall be bonded in accordance with standard Government of Guam procedures.
- (b) Any student organization that raises money as provided by §11413, supra, shall promptly deliver such money to the student activities treasurer who shall, forthwith, give that student activity a receipt therefore, and promptly deposit the money in the Student Activities Fund of such school. Disbursements from the Student Activities Fund shall be made only for the purpose for which the fund was established or other purposes which the student organization raising the fund may determine. All expenditures of student activities money shall be for the enhancement of student educational or social welfare as approved by regulations of the student organization and approved by the Board. Disbursements of funds shall be made by the student activities treasurer as requested in writing by the student organization advisor and treasurer. The student activities treasurer and the principal of the school shall sign all withdrawals drawn against the Student Activities Fund, provided that no checks or withdrawals may be drawn against the Student Activity Fund without disbursement request signed by the student organization advisor and treasurer.
- (c) The student activity treasurer shall maintain accounts showing the balances due respective student organizations and shall maintain an accurate record of all deposits and expenditures from the Student Activities Fund and shall prepare a monthly financial statement report. Copies of this report shall be given to the Director of Education, principal and student activities sponsor. The records of the Student activities treasurer shall be open to inspection at reasonable times by faculty advisors and officers of the student organizations concerned. Such records shall be maintained by the student activity treasurer in accordance with such rules and regulations as may be established by the Board of Education.
- (d) Each student activity fund shall be audited as often as required and at least annually by the Bureau of Budget and Management Research in cooperation with the Department of Education Fiscal Office and a copy of the audit shall be filed with the Student Activities Money Committee and the Board.

OBJECTIVE AND SCOPE

The objectives of our audit were to determine (1) the propriety of handling non-appropriated student activities funds; (2) the adequacy of internal control and record management of such funds; and (3) compliance with applicable statutes and regulations under Public Law 14-130 and established Board Policy.

As per request from Director of Department of Education dated August 9, 2000, we reviewed Carbullido Elementary School's Organization, operational policies and procedures, and records management related to Non-Appropriated Funds (NAF) for school years 1998, 1999, and 2000.

Our work was performed from the period of August 2000 to September 2000 in accordance with generally accepted government auditing standards. Accordingly, we included such test of records, and other auditing procedures that were considered necessary under the circumstances.

Our fieldwork was performed at Carbullido Elementary School's business office and DOE facilities.

PRIOR AUDIT COVERAGE

The Office of the Public Auditor has issued a prior audit report No.OPA-03-99 of DOE Non-Appropriated Funds. The Bureau of Budget and Management Research's (BBMR) Internal Audit Division has been issuing audit reports on non-appropriated funds, however, those audits were performed on a select number of schools and did not cover Carbullido Elementary School. The Department of Education business office did make a review of the Carbullido Elementary School's current NAF program but did not issue a formal report.

FINDINGS AND RECOMMENDATIONS

The Department of Education (DOE) is responsible for regulating non-appropriated funds and ensuring that student funds are properly accounted for. To accomplish these objectives, it is important that DOE comply with the Non-Appropriated Fund mandates of Public Law 14-130 and other departmental policies. In this audit we examined the managerial policies and financial operations of Non-Appropriated Funds at Carbullido Elementary School to determine whether defined goals and objectives have been accomplished.

SUMMARY OF FINDINGS

The Department of Education is responsible for delivering the overall educational system on the island. With the highest recorded expenditures in the entire Government of Guam operations, it is incumbent on DOE to provide leadership needed to implement sound management and business practices.

The objective of the audit, at the request of the Director of DOE, was to determine if Carbullido Elementary School is in compliance with applicable mandates under Public Law 14-130 and established Board policy. Based on procedures in the audit, the following is a summary of the findings:

1. Subsection 11414 of PL 14-130 requires student activities money committee to review NAF receipts and approve expenditures of NAF funds. We found that Carbullido Elementary School failed to comply with this regulation. The money committee did not review receipts and approve expenditures of any NAF transactions.
2. Subsection 11416, (b), requires that the student organization who raises funds shall deliver them to the treasurer who shall issue receipts for the funds. We found that Carbullido Elementary School failed to comply with this section. The school treasurer did not issue receipts for monies received.
3. Subsection 11416, (c) of P.L. 14-130 requires that school treasurers shall maintain accounts showing the balances of student organizations and shall maintain an accurate record of all deposits and expenditures of NAF. The treasurer shall also prepare monthly financial reports. Copies of this report shall be given to the Director of Education, principal and student activities sponsor. We found that the school treasurer, contrary to section 11416 subsection (c) of P.L. 14-130, did not reconcile the NAF account in order to provide an accurate record of receipts and expenditures and failed to issue monthly financial statements.
4. We found that Carbullido Elementary School NAF funds and DEED funds (federal monies) were commingled. However, an account transfer apparently remedied this commingling of funds in September of 1998.
5. We found that NAF funds were commonly used for the purchase of construction & maintenance supplies. These needs should have been procured through central maintenance division using appropriated funds.
6. We found that NAF funds were used to pay pager activation, internet services, cellular telephone services, and long distance phone services.
7. We found an absence of inventory control for T-shirts and other items stocked at the student store of Carbullido Elementary School and apparently purchased with NAF monies.

8. We found that numerous NAF check reimbursements were made to individuals without supporting documents such as invoices and vouchers to substantiate the reimbursements.
9. We found that preparation of vouchers for NAF disbursements was commonly neglected and when used, did not have the proper signatures of authorization in order to validate such disbursements.
10. We found that during our test of NAF disbursements, approximately 46 NAF account checks were issued in blank to purchase and pay for supplies and materials, reimbursement, and miscellaneous expenses. This is a poor accounting practice.
11. We found an NAF check reimbursement made to the school principal, in the amount of \$1300.00, with insufficient and conflicting supporting documentation.
12. We were told that the school principal requested technical assistance for the administration of NAF from DOE business office on several occasions. However, we find no documentation to confirm this.
13. We found that in spite of our previous recommendation (No. OPA-03-99) that school treasurers be bonded, no apparent action has been taken by DOE in this regard.
14. We found the NAF account of Carbullido Elementary School to be irreconcilable due to a lack of supporting documentation in numerous transactions, the lack of receipt issuance for revenues, and the existence on file of unexplained cash receipts.

SUMMARY OF RECOMMENDATIONS

1. We recommend the school principal comply with Public Law 14-130 and initiate corrective actions to the NAF program as follows:
 - a) Insure that NAF funds are not co-mingled with DEED program funds.
 - b) Insure that an internal control system is established to account for inventories of NAF purchased stock items.
 - c) Insure that vouchers be prepared for all required NAF disbursements. (over \$100)
 - d) Insure that the school establish a money committee to review and authorize all vouchers that are requested for NAF disbursements over \$100.
 - e) Insure that the NAF funds be used only for student activities as mandated by P.L. 14-130 and not for other purposes.

- f) Insure that for any reimbursement made from NAF, supporting documents such as an invoice and voucher with authorized signatures be attached with written explanation.
 - g) Insure that the school treasurer issue receipts for all NAF revenues received.
 - h) Insure that the school treasurer maintain accounts of student organization balances and maintain accurate and complete records of NAF deposits and disbursements as required by P.L. 14-130.
 - i) Insure that the school treasurer prepare and disseminate NAF monthly financial reports as required by P.L. 14-130.
2. We recommend that price quotations be used in order to validate the reasonableness of any purchase and to avoid the practice of issuing blank NAF checks for advance payments and purchases.
 3. We reiterate our previous recommendation (No. OPA-03-99) that all school treasurers be bonded.
 4. We recommend that DOE provide regular comprehensive mandatory training in NAF account management to all school principals and treasurers.
 5. We recommend DOE business office conduct periodic reviews of all schools with NAF fund accounts and that formal reports of such reviews be disseminated to all school principals and treasurers to provide additional guidance for NAF account management throughout DOE schools.
 6. We recommend that Bureau of Budget and Management Research in cooperation with DOE fiscal office conduct audits of each student activity fund as required by P.L. 14-130, § 11416 (d).

Office of Department of Education - Carbullido Elementary School, NAF
 Period of SY98, 99 & 2000

Analysis of Disbursements & Questioned Costs

Apparent Purchases of Construction & Maintenance Supplies from NAF

<u>Check No.</u>	<u>Issued as Blank Check</u>	<u>Notated Purpose of the Check</u>	<u>Amount</u>
1040	Yes	None	\$206.51
1049	No	Toilet Bowl Cleaner	\$249.00
1057	No	Building Materials	\$348.94
1086	Yes	Drill Bits	\$106.96
1098	Yes	Cleaning Supplies	\$254.74
1106	Yes	Materials & Paint	\$193.71
1502	Yes	Carpentry Supplies	\$82.76
1504	Yes	Paint	\$197.64
1506	Yes	None	\$490.00
1507	No	Citrus Cleaner	\$24.00
1515	Yes	None	\$176.19
1522	Yes	Door Hinges	\$66.58
1523	No	purchase locks	\$45.00
1524	Yes	paint	\$32.71
1526	Yes	Key Duplication	\$19.78
1528	No	Chairs & Panels	\$458.00
1532	Yes	Car Repair Kit	\$32.18
1533	Yes	Repair Lght	\$55.84
1534	Yes	Door Hinges	\$159.87
1538	Yes	Burlap	\$37.58
1539	Yes	None	\$36.44
1585	Yes	Lumber & Plywood	\$861.94
1586	Yes	Plyform	\$120.66
1587	Yes	Carpentry Supplies	\$290.70
1639	Yes	None	\$120.30
1640	Yes	Carpentry Supplies	\$1,160.90
1645	Yes	None	\$149.84
Total			<u>\$5,978.77</u>

Audit of Department of Education - Carbullido Elementary School, NAF
period of SY98, 99 & 2000

Analysis of Disbursements & Questioned Costs

Apparent Reimbursement or payment without Supporting Documents

<u>Check No.</u>	<u>Issued as Blank Check</u>	<u>Notated Purpose of the Check</u>	<u>Amount</u>
1045	No	Pastries	\$30.00
1047	No	None	\$20.00
1068	No	None	\$50.00
1069	No	Reimbursement	\$1,300.00
1111	No	Supplies	\$182.17
1112	No	Chamorro Fiesta Items	\$50.00
1129	Yes	5th Grade Promo	\$69.10
1132	No	Kindergarden Promo	\$45.00
1133	No	5th Grade Promo	\$75.00
1509	No	Trophies	\$338.40
1546	No	Pastries	\$160.00
1550	No	Reimbursement	\$51.35
1551	No	Sawing Services	\$60.00
1553	No	Showcase Display	\$100.00
1556	No	Reimbursement for Entertainment	\$100.00
1610	No	Potu	\$20.00
1643	No	Pizza	\$175.00
		Total	<u>\$2,826.02</u>

Audit of Department of Education - Carbullido Elementary School, NAF
Period of SY98, 99 & 2000

Analysis of Disbursements & Questioned Costs

Miscellaneous Expenses Paid by NAF Monies

<u>Check No.</u>	<u>Issued as Blank Check</u>	<u>Notated Purpose of the Check</u>	<u>Amount</u>
1058	No	Cell Telephone pymt	\$36.00
1071	No	Cell Telephone pymt	\$35.68
1090	No	Reimbursement	\$75.74
1095	No	Internet Services	\$387.26
1103	No	Cell Telephone pymt	\$36.00
1115	No	Cell Telephone pymt	\$72.00
1530	Yes	Gas / Oil	\$55.96
1583	No	Pager Activation	\$204.40
1617	Yes	Sofa Covers & Spoons	\$345.51
1618	Yes	VHS Camcorder	\$700.00
1621	No	Reimbursement	\$235.14
1634	No	Internet Services	\$98.74
		Total	<u>\$2,282.43</u>

Analysis of Disbursements & Questioned Costs

Miscellaneous Expenses paid without Invoices or Vouchers

<u>Check No.</u>	<u>Issued as Blank Check</u>	<u>Notated Purpose of the Check</u>	<u>Amount</u>
1053	No	Take out trays	\$17.09
1054	No	None	\$27.00
1080	No	On Account.	\$1,000.00
1096	No	Homework Planners	\$1,299.48
1118	No	NAF fund transfer to PTO acct.	\$714.52
1129	Yes	None	\$69.10
1508	No	T-shirts	\$1,575.00
1513	Yes	None	\$48.55
1516	Yes	Books	\$443.90
1518	No	None	\$241.00
1535	Yes	trash cans	\$187.46
1536	No	None	\$4,479.00
1539	Yes	None	\$36.44
1543	No	Trophies	\$575.00
1557	No	None	\$4,192.15
1609	Yes	None	\$417.23
1619	No	Easter Luncheon	\$208.95
1625	No	Parade of Excellence	\$1,397.00
1641	No	Game Cards	\$150.00
1642	No	Lunch & Drinks	\$250.00
Total			<u>\$17,328.87</u>

Analysis of Disbursements & Questioned Costs

Miscellaneous Expenses Paid without NAF Approval

<u>Check No.</u>	<u>Issued as Blank Check</u>	<u>Notated Purpose of the Check</u>	<u>Amount</u>
1040	Yes	None	\$206.51
1043	Yes	student council paper products	\$105.18
1050	No	Water Treatment	\$146.85
1052	No	Take out trays & punch	\$46.44
1055	Yes	Thanksgiving Luncheon	\$79.67
1056	No	Chair Rentals	\$400.00
1067	Yes	Luncheon	\$435.00
1077	No	G16712-01	\$6,827.00
1109	No	5th grade conf.	\$100.00
1116	Yes	Batteries	\$122.05
1520	No	Flowers	\$75.00
1525	No	T-shirts	\$3,173.00
1528	No	Chairs & Panels	\$458.00
1541	Yes	Centennial Coronation	\$94.82
1542	No	None	\$314.75
1544	Yes	Baskets	\$268.00
1552	No	Water Park Incentives	\$1,000.00
1554	No	Christmas Party	\$1,210.00
1593	No	100 roses - Valentines	\$400.00
1598	Yes	None	\$228.18
1599	Yes	Chamorro Fiesta	\$528.75
1607	Yes	None	\$395.74
1622	No	Stationary Cards	\$183.00
1630	Yes	Paper & Misc Items	\$171.84
1652	No	5th Grade Luncheon	\$2,000.00
1655	No	5th Grade Luncheon	\$2,136.00
Total			<u>\$21,105.78</u>
<u>Total Questioned Costs</u>			<u>\$49,521.87</u>

Department of Education
 Director's Office
 P.O. Box DE
 Hagatna, Guam 96932
 Telephone: (671)475-0462
 Facsimile: (671)472-5003

Fax

To: OFFICE of the Public Auditor From: DOE DIRECTORS OFFICE
 Fax: 472-7951 Pages: 2 pages
 Phone: 475-0393 Date: 11 August 2000
 Re: CC:

- Urgent For Review Please Comment Please Reply Please Recycle

COMMENTS:

Attn:
 Mr. Sonny Shelton



DEPARTMENT OF EDUCATION

P.O. Box DE
Agana, Guam 96932
Tel: (671) 475-0457
Fax: (671) 472-5003



ROSIE R. TAINATONGO
Director of Education

August 9, 2000

Mr. Sonny Shelton
Office of the Public Auditor
P.O. Box 23667
Guam Main Facility
Barrigada, Guam 96921

Dear Mr. Shelton:

Buenas yan Saludo! I am writing to request for your assistance to conduct a financial audit immediately of the non-appropriated funds of Carbullido Elementary School. There has been a continuing concern about the status of the funds and that in order for the Department of Education to bring this matter to a closure, it is important that the Office of the Public Auditor conduct this audit.

If you decide to assist the department, and I hope that you will, please contact me at 475-0461 so we can meet and discuss some pending issues related to the funds and also to be able to provide your office with whatever assistance necessary to accomplish this audit.

I look forward to your consideration and approval of this request. *Senseramente.*

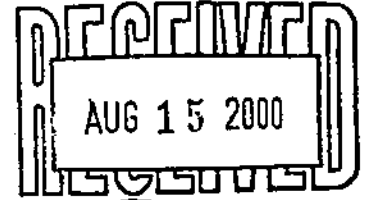

ROSIE R. TAINATONGO
Director of Education





DEPARTMENT OF EDUCATION

P.O. Box DE
Agana, Guam 96932
Tel: (671) 475-0457
Fax: (671) 472-5003



ROSIE R. TAINATONGO
Director of Education

August 9, 2000

Mr. Sonny Shelton
Office of the Public Auditor
P.O. Box 23667
Guam Main Facility
Marrigada, Guam 96921

Dear Mr. Shelton:

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If you decide to assist the department, and I hope that you will, please contact me at (671) 475-0461 so we can meet and discuss some pending issues related to the funds and also to be able to provide your office with whatever assistance necessary to accomplish this audit.

I look forward to your consideration and approval of this request. *Senseramente.*

Rosie R. Tainatongo
ROSIE R. TAINATONGO
Director of Education





OFFICE OF THE PUBLIC AUDITOR
UFISINAN I ADITOT PUPBLEKO
GOVERNMENT OF GUAM
P.O. BOX 23667, GMF, Barrigada, Guam 96921
(1208 East Sunset Boulevard, Tiyan)
(671) 475-0393/0394/0395 - FAX: (671) 472-7951

August 11, 2000

Ms. Rosie R. Tainatongo
Department of Education
P.O. Box DE
Agaña, Guam 96932

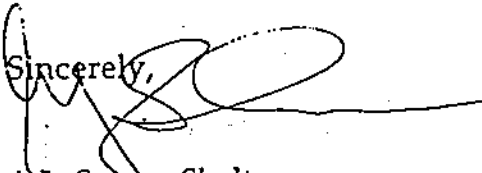
Dear Ms. Tainatongo:

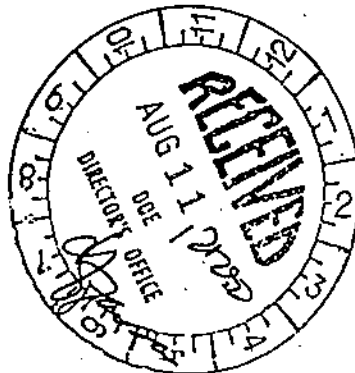
Further to your letter to me of Aug. 9, 2000 and our phone conversation today in which you related the urgency of your needs for a financial audit of NAF accounts of Carbullido Elementary School, please be advised as follows:

In spite of the limited resources available to this office, we recognize your need and will conduct the requested audit with conditions. These conditions are that our auditors receive full and immediate cooperation and provision of requested files and documents without delay. We are currently in the midst of several other audits and any delays in your requested audit will exacerbate our personnel workload.

Should you agree to these conditions, the audit can proceed almost immediately. Please therefore confirm your acceptance of our conditions at your earliest convenience. Please feel free to call me directly should you have any questions or concerns in this matter.

Sincerely,


A.J. Sonny Shelton
Acting Public Auditor





OFFICE OF THE PUBLIC AUDITOR
UFISINAN I ADITOT PUPBLEKO
GOVERNMENT OF GUAM
 P.O. BOX 23667, GMF, Barrigada, Guam 96921
 (1208 East Sunset Boulevard, Tiyan)
 (671) 475-0393/0394/0395 - FAX: (671) 472-7951



September 29, 2000

Ms. Rosie R. Tainatongo
 Director, Department of Education
 P.O. Box DE
 Agana, Guam 96932

Re: Draft Financial Audit Report
 of NAF Account

Dear Ms. Tainatongo:

Attached for your review and response is a **DRAFT** report of the financial audit, conducted in response to your request of August 9, 2000, of the NAF account at Carbullido Elementary School. In view of the urgency of your request, I ask that you submit your response, if any, within **TEN (10)** days of your receipt of this draft. Your response will be duly included in the final report.

I must remind you that this report is in **draft form** and may not be released or provided to the media or others either in whole or in part. Access to this draft audit report should be limited to those assisting in preparing your response and such personnel made aware of these restrictions. Public release of the **final report**, when completed, will be made solely by our office.

Should your response not be received within **TEN (10)** days, we will presume your agreement with the draft audit report in all respects and proceed to produce and release the final report.

Should you require further assistance or information in this matter, please feel free to call me at your convenience.

Sincerely,

A.J. Sonny Shelton
 Acting Public Auditor



DEPARTMENT OF EDUCATION

P.O. Box DE
Agana, Guam 96932
Tel: (671) 475-0457
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Rosie R. Tainatongo
Director of Education

October 10, 2000

Mr. Sonny Shelton
Office of the Public Auditor
P.O. Box 23667
Guam Main Facility
Barrigada, Guam 96921

Dear Mr. Shelton:

Buenas yan Saludo! I am in receipt of the draft audit report of Carbullido Elementary School's Non-appropriated Student Activity Fund for SY '98-'99 and '99-2000. Please be advised that I have thoroughly reviewed the report and concur to your findings based on the documents provided by Carbullido Elementary School.

I would like to extend my sincere appreciation to you and your staff for finding the time to conduct this audit at such short notice. Dangkulo Na Si' Yu' us Ma'asi.


Rosie R. Tainatongo
Director of Education

