

Compliance and Internal Control

Guam Community College

(A Component Unit of the Government of Guam)

Year Ended September 30, 2023



Guam Community College
(A Component Unit of the Government of Guam)

Report on Compliance and Internal Control

For the Year Ended September 30, 2023

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Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Management and Board of Trustees
Guam Community College

Report of Independent Auditors on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Guam Community College's (College's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended September 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

We performed audit procedures with respect to the Student Financial Assistance Cluster major federal program related to compliance requirements in Special Tests and Provisions N 12, *Gramm-Leach Bliley Act – Student Information Security* as outlined in the OMB Compliance Supplement for the year ended September 30, 2023. We determined whether the College has designated a “Qualified Individual,” as described in the OMB Compliance Supplement, to be responsible for implementing and monitoring the information security program in accordance with 16 CFR 314.4(a). We determined whether the College has a written information security program and that the written information security program documents the seven minimum elements required by 16 CFR 314.4(a)-(g). Our audit procedures did not evaluate whether the designated Qualified Individual is competent to oversee the implementation and monitoring of the information security program nor whether the Qualified Individual possessed the adequate authority to carry out those duties. Our audit procedures also did not determine whether the written information security program sufficiently and completely addressed the seven minimum elements required by 16 CFR 314.4(a)-(g). Our opinion on the Student Financial Assistance Cluster major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the College as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We have issued our report thereon dated May 24, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernst + Young LLP

May 24, 2024

Guam Community College
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Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2023

Federal AL #	Pass-through Entity Identifying Number	Additional Award Identification	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of the Interior:					
Direct Programs:					
Economic, Social and Political Development of the Territories					
15.875	D21AP10125-00	Not applicable	Technical Assistance Program	\$ 159,578	\$ ---
15.875	D21AP10163	Not applicable	Maintenance Assistance Program	26,817	---
15.875	D21AP10225-00	Not applicable	Solar Panel System Program	312,314	---
15.875	D22AP001112-00	Not applicable	Grant Writing, Fund Development, Financial Management	9,286	---
Subtotal Direct Programs				507,995	---
Pass-Through From the Office of the Governor of Guam					
Economic, Social and Political Development of the Territories					
15.875	D20AF00007	Not applicable	Forensic DNA Laboratory Equipment	113,948	---
Subtotal Pass-Through Programs				113,948	---
Total U.S. Department of the Interior				621,943	---
National Science Foundation:					
Pass-Through From the University of Hawaii:					
Research and Development Cluster:					
47.076	HI1445	Not applicable	Education and Human Resources	15,446	---
Total Research and Development Cluster and Total National Science Foundation				15,446	---
U.S. Department of Education:					
Direct Programs:					
84.002	Not applicable	Not applicable	Adult Education - Basic Grants to States	95,969	425,774
Student Financial Assistance Cluster:					
84.007	Not applicable	Not applicable	Federal Supplemental Educational Opportunity Grants	63,645	---
84.033	Not applicable	Not applicable	Federal Work-Study Program	74,798	---
84.063	Not applicable	Not applicable	Federal Pell Grant Program	3,898,809	---
Total Student Financial Assistance Cluster				4,037,252	---
Education Stabilization Fund (ESF) Section 2:					
COVID-19 - Higher Education Emergency Relief Fund					
84.425E	Not applicable	COVID-19	(HEERF) Student Aid Portion	218,392	---
84.425F	Not applicable	COVID-19	COVID-19 - HEERF Institutional Portion	3,036,673	---
84.425L	Not applicable	COVID-19	COVID-19 - HEERF Minority Serving Institutions (MSIs)	178,529	---
84.425T	Not applicable	COVID-19	COVID-19 - Supplemental Support under American Rescue Plan (SSARP) Program Application	590,489	---
Total Education Stabilization Fund Section 2				4,024,083	---
Subtotal Direct Programs				8,157,304	425,774
Pass-Through From the Northern Marianas College:					
84.002	Not applicable	Not applicable	Adult Education - State Administered	22,809	---
Pass-Through From the Office of the Governor of Guam:					
ESF Section 1:					
COVID-19 - Education Stabilization Fund - Governors (Outlying Areas)					
84.425H	Not applicable	COVID-19		3,408,749	---
Subtotal Pass-Through Programs				3,431,558	---
Total U.S. Department of Education				11,588,862	425,774
Total Expenditures of Federal Awards				\$ 12,226,251	\$ 425,774

See accompanying notes to Schedule of Expenditures of Federal Awards.

Guam Community College
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Notes to Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2023

1. Scope of Audit

Guam Community College (the College) is a component unit of the Government of Guam established by the enactment of Public Law 14-77, “The Community College Act of 1977.” Only the transactions of the College are included within the scope of the Single Audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the College under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets or cash flows of the College.

3. Summary of Significant Accounting Policies

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting, consistent with the manner in which the College maintains its accounting records. All expenses and capital outlays are reported as expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The College recognizes contributions from the federal government when qualifying expenditures are incurred.

The College elected to use the 8% indirect cost rate in the Education Department General Administrative Regulations (EDGAR). The College does not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Guam Community College
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Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 Yes X **No**

Significant deficiency(ies) identified?

 Yes X **None reported**

Noncompliance material to financial statements noted?

 Yes X **No**

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 Yes X **No**

Significant deficiency(ies) identified?

 X **Yes** **None reported**

Type of auditor's report issued on compliance for major federal programs:

All major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X **Yes** **No**

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Schedule of Findings and Questioned Costs, continued

Section I - Summary of Auditor's Results, continued

Identification of major federal programs:

<u>Assistance Listing Number (s)</u>	<u>Name of Federal Program or Cluster</u>
	<u>Student Financial Assistance Cluster:</u>
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
	<u>Education Stabilization Fund:</u>
84.425	COVID-19 – Education Stabilization Fund – Governors
84.425H	(Outlying Areas)
84.425E	COVID-19 – Higher Education Emergency Relief Fund
	Student Portion
84.425F	COVID-19 – Higher Education Emergency Relief Fund
	Institutional Portion
84.425L	COVID-19 – Higher Education Emergency Relief Fund
	Minority Serving Institutions

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low risk auditee? Yes X No

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Schedule of Findings and Questioned Costs, continued

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

Finding No.	ALN	Requirement	Questioned Costs
2023-001	84.425H	Procurement and Suspension and Debarment	\$ 34,608
2023-002	84.063	Special Tests and Provisions – Return of Title IV Funds	1,496
		Total Questioned Costs	\$ 36,104

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Schedule of Findings and Questioned Costs, continued

Finding No. 2023-001

Federal Agency:	U.S. Department of Education
Pass-through Entity:	Office of the Governor of Guam
ALN and Title:	84.425H COVID-19 – Education Stabilization Fund – Governors (Outlying Areas)
Federal Award Number:	Unknown
Compliance Requirement:	Procurement and Suspension and Debarment
Questioned Cost:	\$34,608

Criteria:

2 Guam Administrative Rules and Regulations (G.A.R.R.) Division 4 §3109 (b) provides that every procurement shall be made by competitive sealed bidding, subject to certain exceptions including the following:

1. Small purchases method applies to procurements less than \$25,000 for supplies and services and less than \$100,000 for construction, and procurement requirements shall not be artificially divided so as to constitute a small purchase. For small purchases, no less than three positive written quotations from businesses shall be solicited, recorded and placed in the procurement file.
2. Sole source procurement is not permissible unless a requirement is available from only a single supplier. In cases of reasonable doubt, competition should be solicited.
3. Emergency procurement shall be made with such competition as is practicable under the circumstances, and the procurement agent must solicit at least three informal price quotations.

Condition:

For 1 (20%) of 5 samples tested, procurement of equipment and services under purchase order no. P2300905 costing approximately \$34,608 did not go through competitive sealed bidding. The College lacked the required documentation for procuring the equipment and services other than the competitive sealed bidding method. No record is in file documenting which of the exception criteria supports the procurement method selected.

Cause:

The College procured the equipment and services through a Request for Quotation (RFQ) method after three unsuccessful sealed bid solicitations for the item since 2021.

Effect:

The College is not in compliance with applicable procurement compliance requirements.

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Schedule of Findings and Questioned Costs, continued

Finding No. 2023-001, continued

Federal Agency:	U.S. Department of Education
Pass-through Entity:	Office of the Governor of Guam
ALN and Title:	84.425H COVID-19 – Education Stabilization Fund – Governors (Outlying Areas)
Federal Award Number:	Unknown
Compliance Requirement:	Procurement and Suspension and Debarment
Questioned Cost:	\$34,608

Recommendation:

Responsible procurement personnel should enforce compliance with applicable procurement laws and regulations particularly to meet the documentation requirements for procurements made outside of the prescribed procurement method.

Views of responsible officials:

See Corrective Action Plan.

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Schedule of Findings and Questioned Costs, continued

Finding No. 2023-002

Federal Agency:	U.S. Department of Education
ALN and Title:	84.063 – Federal Pell Grant Program
Federal Award Number:	Unknown
Compliance Requirement:	Special Tests and Provisions – Return of Title IV Funds
Questioned Cost:	\$1,496

Criteria:

2 CFR 200.303 requires that a non-federal entity must (a) establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

34 CFR 688.22(a)(1) requires that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date.

If the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of Title IV grant or loan assistance that was disbursed to the student as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment.

If the total amount of Title IV grant or loan assistance, or both, that the student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement.

34 CFR 690.80(b)(2)(iii) requires that the institution shall recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance if a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period.

Condition:

The College did not have effective internal controls surrounding the accurate and complete identification of students who officially and unofficially withdrew from the College for purposes of calculating amounts subject to return of Title IV funds (R2T4), whereby:

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Schedule of Findings and Questioned Costs, continued

Finding No. 2023-002, continued

Federal Agency:	U.S. Department of Education
ALN and Title:	84.063 – Federal Pell Grant
Federal Award Number:	Unknown
Compliance Requirement:	Special Tests and Provisions – Return of Title IV Funds
Questioned Cost:	\$1,496

Condition, continued:

1. Ten students officially withdrawing from all classes have not been identified and subjected to R2T4 evaluation procedures.
2. For 1 (3%) out of 40 samples tested, a student unofficially withdrawing from all classes has not been identified and subjected to R2T4 evaluation procedures. The calculated amount for the College to return is \$1,496 of which \$862 is due to the College’s failure to recalculate the Pell award based on the student’s enrollment status for one course for which the student has never began attendance.

Cause:

The College relies on its IT application to determine the students officially withdrawing classes. The application utilizes the registration codes assigned by the Admissions Office as one of the parameters to perform the process. The lack of coordination between the Financial Aid Office and Admissions Office on the assignment of registration codes impacted the determination of students subject to R2T4.

The College does not have a process to evaluate students who unofficially withdrew from all classes, particularly those receiving “TF” (technical failure) and/or “F” (failing) grades.

Effect:

If the College’s IT application is not producing an accurate and complete list of students officially withdrawing from classes, amounts subject to return to Title IV programs and/or post-withdrawal disbursement may not be identified.

Lack of process to identify unofficial withdrawals may lead to noncompliance to R2T4 requirements.

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Schedule of Findings and Questioned Costs, continued

Finding No. 2023-002, continued

Federal Agency:	U.S. Department of Education
ALN and Title:	84.063 – Federal Pell Grant
Federal Award Number:	Unknown
Compliance Requirement:	Special Tests and Provisions – Return of Title IV Funds
Questioned Cost:	\$1,496

Recommendation:

The Financial Aid Office and Admissions Office should coordinate to determine the appropriate registration code assignment in the system to ensure the accurate and complete identification of students subject to R2T4.

The College should design and implement controls to identify unofficial withdrawals, including a review of students receiving TF, F, incomplete and similar grades.

Views of responsible officials:

See Corrective Action Plan.



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Corrective Action Plan

For the Year Ended September 30, 2023

Finding No.: 2023-001

Views of responsible officials and planned corrective actions:

GCC agrees with the finding, however, please note the Procurement Timeline below for the procurement of the AC unit servicing Rooms 902/903/904. The solicitation for this specific room was not an emergency in the beginning however, as multiple solicitations were issued for AC units to service these specific rooms it eventually became an urgent and emergency procurement. Due to Typhoon Mawar, GCC summer semester moved from commencing in early June 2023 to July 2023. These rooms stored simulator equipment, served as classrooms and faculty offices. Due to the time elapsed, it was now an emergency and GCC could not wait to add this AC unit to the next AC bid that was issued in late July 2023. It was in the best interest of the college to proceed going from an IFB to a RFQ.

- **GCC-FB-21-014** Removal and Replacement of 24 Air Conditioning Units in GCC (10.09.2021) – Although the HVAC unit for 902/903/904 was listed on this Bid as an alternative bid, only the Base Bid was awarded (i.e. Building 1000 AC units only) due to the total going above and beyond budget estimated. The cost of the individual unit could not be verified due to the proposal coming in at a lump sum (for both Base Bid and Alternative Bid Items).
- **GCC-FB-22-001** Removal and Replacement of 12 Units Campus Wide (10.29.2021) – A second bid attempt was conducted for AC units that were not awarded under GCC-FB-21-014 (Alternative Bid), which included the HVAC unit for 902/903/904. Despite going through the bid process and providing ample time for contractors to participate, **no bids** were received and an RFQ was issued.
- **GCC-RFQ-22-001** Removal and Replacement of 12 Units Campus Wide (12.01.2021) – A proposal which included the 7.5 ton unit was submitted; however, after the award was made to the vendor, the Manufacturer of the specified unit increased its price by approximately 17%, from \$48,166.00 to \$56,813.50. GCC denied the change due to the increase in price.

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Corrective Action Plan, continued

Views of responsible officials and planned corrective actions, continued:

- **GCC-FB-23-010** Replacement of 23 AC Units Campus Wide (05.2023) – The college only received a response from one bidder that provided a bid for all, including the HVAC unit for 902/903/904. An evaluation by GCC was conducted and as a result no award was made because most of the AC units did not meet the specifications set forth in the bid.
- Although the HVAC unit for 902/903/904 had preexisting conditions that prompted the college to list this as one of the priority units to be replaced in prior bid solicitations, GCC AC Mechanics were able to provide temporary repairs in order to sustain the units operation for the time being. However, despite repairs conducted, the unit had significant issues such as having severely corroded condenser fins, damaged fan motor and finally a seized compressor. It must be noted that this specified unit serves three (3) spaces; 902 (simulation room with expensive classroom equipment), 903 (Classroom space) and 904 (Faculty Office space).
- It was around this time, before and after typhoon Mawar, that the unit had reach its end of life where several components of the HVAC system were beyond repair leaving the rooms without air conditioning, resulting in high humidity, wet surfaces/water damage to ceiling tiles and floors, etc. This rendered the room unusable and a potential hazard for mold growth and water damage. Given the urgency to replace unit due to damages that may result from the non-working AC GCC issued a RFQ to procure the 902/903/904 AC Unit as well as the 7.5 Ton for Room 5213.
- **GCC-RFQ-23-014** Removal and Replacement of 7.5 Ton HVAC Unit Servicing Rooms 902/903/9054 and Room 5213 (06.13.2023). Only one vendor submitted a proposal and quotation for this unit. An evaluation was conducted and it was determined that the vendor met the minimum requirements set forth in the RFQ. The price proposal for this unit is \$34,608.40. GCC awarded the contract given the urgency to replace the specified unit.

This procurement was issued in the best interest of the college to award from a IFB to a RFQ. The events detailed above are documented in the respective procurement files for each solicitation.

Contact Person: Joleen M. Evangelista, Procurement & Inventory Administrator

Expected Completion Date: GCC Materials Management Office will ensure compliance with Guam Procurement Rules and Regulations. Additionally, MMO will conduct refresher procurement trainings at least twice a year and update the SOP. The next training will be held in in Summer 2024.

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Corrective Action Plan, continued

Finding No.: 2023-002

Views of responsible officials and planned corrective actions:

We agree with the finding. The College's internal controls did not detect errors that the Banner system withdrawal report contained incomplete data therefore causing Title IV funds to not be returned within the required time frame.

The College will revise existing Return to Title IV procedures to improve the collaboration between the Financial Aid and Admission Offices in identifying all students subject to Return to Title IV. On 04/25/2024, the Assistant Director of Assessment, Institutional Effectiveness & Research (AIER) began this process by instructing the Admission Office Team on the correct withdrawal codes to utilize. This change should ensure all appropriate students are identified in the withdrawal report.

In addition to uniformly applying the proper withdrawal codes, additional reports will be utilized for data comparison purposes. Previously, only the withdrawal reports from our Banner system were utilized to identify students who had withdrawn from some or all of their classes. These reports were generated at the end of a term after grades were finalized. Moving forward, withdrawal reports generated from our Envisions Argos system will be used along with our Banner system reports to help ensure all students with some level of withdrawal status are identified. The Financial Aid Office is working with AIER to create a withdrawal report that contains the required data needed to identify students who have withdrawn from classes. The use of both the Banner report and Argos report will assist our office to identify students who have officially withdrawn from classes as well as those who have unofficially withdrawn from classes (i.e., students receiving all failing, technical failure, incomplete, or similar grades).

The College will also strengthen their controls surrounding the timely review of student withdrawals to ensure Return of Title IV calculations are completed in a timely manner and refunds are returned to the Department of Education within the required 45-day timeframe.

Records of 14 students (10 students identified in the ARGOS report from AIER together with the four students identified by FAO as official withdrawal students) have been reviewed and the Return to Title IV calculations have been completed for the eight students who did not complete 60% of the term. The process to return the funds to ED commenced the week of 05/13/24. After this process has been completed, corrections to our Award Year 2022-2023 FISAP report data will be submitted to COD.

Contact Person: Gemma-Lee P. Santos, Financial Aid Coordinator

Expected Completion Date: June 30, 2024



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Summary Schedule of Prior Audit Findings and Questioned Costs

For the Year Ended September 30, 2023

As of September 30, 2023, the status of all audit findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2023 is as follows:

<u>Finding No.</u>	<u>ALN No.</u>	<u>Requirement</u>	<u>Status at September 30, 2023</u>
2022-001	84.002	Activities Allowed or Unallowed	Resolved.
2022-002	84.002	Period of Performance	Resolved.