Progress Update

Grantee Name CNMI Public School System

Grant

☐ESF I – SEA		☐IA – Consolidated Grant
☐ESF II – SEA		☐Republic of Palau
☐ARP-OA SEA		☐ESF I – Gov
		☐ESF II – Gov

Topic[1] **Internal Controls:** In your responses, please describe any significant actions taken to ensure a system of effective internal controls over Federal awards that provides reasonable assurance that Federal grants are being managed in compliance with Federal statutes, regulations, and that the terms and conditions of Federal awards are operational. Examples could include documented policies for the segregation of duties, updated written standards of conduct for employees, sample internal evaluations of internal controls system, and actions taken to prevent waste, fraud, and abuse of federal funds. Provide documentation that highlights your work in this area (2 CFR §200.303 *Internal controls*).

Directions: *In preparation for the Progress Update, grantees will receive an electronic form four weeks in advance of the grantee interview to submit their responses and associated documentation. Grantees must submit their completed form (and upload any related supporting documentation) two weeks in advance of the grantee interview. Where applicable, grantees should upload documentation that supports the narrative response (e.g., public notice to stakeholders, guidance documents, sample monitoring report, media interviews, speeches, meeting agenda, etc.). Narrative responses should be brief and in bullet form, aligned with grantee goals and priorities.*

As it relates to the progress update topic:

1. What were the grantee's key accomplishments this past quarter?
    ● Onboarding of new staff, Grant & Compliance Manager
    ● Federal Programs and Finance Office staff, Grant Managers, and Grant Project Leads attended a 5-day onsite training on Grants Management with the Graduate School of USA. The training provided updated information about grants and cooperative agreements, including the responsibilities of recipients and key tasks that must be completed during the project period.
    ● The Director of Internal Control & Evaluation is reviewing current organizational processes and assessing which documents, policies and procedures need to be updated. Updated Guidance and SOPs are being developed, with the assistance of Grant & Compliance Manager. Work groups are established to address and reduce risk (e.g. travel and commutes, pay differential, etc.)
    ● Upskilling staff within Federal Programs Office, and the three programmatic departments (e.g. Office of Curriculum & Instruction; Office of Student Support Services,

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[1] The topic will change for each progress update and will be selected by the U.S. Department of Education. Grantees will be notified of the topic at least one quarter in advance of progress updates and the topic will be the same for all grantees completing a progress update. The topic will be closely related to a specific, or set of related, statutory or regulatory requirements. The specific, or set of related, statutory or regulatory requirements outlining Departmental oversight authority will be cited in the electronic questionnaire distributed in advance of progress updates (*e.g.,* Internal Controls: 2 C.F.R. 200.61).

and Office of Accountability, Research & Evaluation) to ensure we have a robust oversight, internal controls and evaluation process in place.
- Subscribed to Feldesman Tucker Leifer Fidell LLP - Learning Center. The annual subscription runs through the calendar year, providing monthly webinars that cover federal grants compliance risk areas.
- For best practice, the Uniform Guidance refers us to the following source documents:
  - Standards for Internal Control in the Federal Government (Green Book) issued by the Comptroller General;
  - "Internal Control — Integrated Framework" issued by the Committee on Sponsoring Organizations; and
  - Appendix XI, Compliance Supplement — Part 6 Internal Control
- Each key business process has established controls and documentary evidence to support transactions at each touch point (including Human Resources, Procurement, Payroll, etc.). To provide reasonable assurance for compliance with federal program requirements (UG §200.303), staff in the different functional areas exercise judgment in determining the most appropriate and cost effective internal control given the environment and circumstance. It is a districtwide expectation for all staff to follow established controls.
- At each touch point in the Federal Programs Office, documents (e.g. Purchase Order/Requisition, proposals, etc.) are routed from the Administrative frontline to the Compliance staff to ensure allowability of costs, reasonable costs, allocable costs, and whether prior written approval is required (if the request deviates from the approved grant budget and spending plan). It then goes through the next touch point: Funds Certification Staff, and then to the Federal Programs Officer, Finance Director, before being routed to the Commissioner of Education for final approval.
- FPO staff presented an Overview of Allowable and Unallowable Costs to each school cluster. A full roll out of training sessions is being planned once the Guidance is finalized.
- With the assistance of the R18CC, PSS conducted the first After Action Review of our American Rescue Plan, with plans to schedule another session during the Summer 2023. As a pilot district for the Community of Practice (CoP), we are also working towards aligning our ARP-OA Implementation Plan (intentions), actual spending, and outcomes of Evidence-Based Interventions.

2. What were the grantee's key challenges this past quarter?
   - Monitoring performance of multiple grant project objectives, activities, and spending.
   - Managing compliance requirements and time-consuming reporting that documents performance and use of funds.
   - Cross-departmental reviews and rubrics. Identifying the need to have a consistent rubric to assess, review and approve proposals, and to improve work flow between the departments so reviews and the approval process is done efficiently.
   - Routing back documents with costs that 1) lacked sufficient justification, 2) lacked any connection with project objectives and activities, 3) not reasonable, allocable, and/or necessary, 4) unallowed. To address this, we realized we need to provide more training and guidance to our schools and programs.

3. What methods, tools, and processes are you utilizing to address these challenges?
   - Computerized tracking of performance objectives and outcomes, with evidence to support such.

- Accountability is also assured with cross-checking data, data collection, etc. and follow-up correspondences with schools and programs.
- We are considering a grant management software to manage the entire lifecycle of a grant, in order to keep track of all the necessary details, simplify reporting, and be a responsible steward of the additional impact aid funding.
- After consultations with Project Leads and other Grant Managers, our Federal Budget Department will create a Training Schedule for budget reconciliations, cash management,
- Compliance Staff will roll out an in-person and online module training with the assistance of the ITDE department.
- Standard Operating Procedures (internal) and Reference Guidance (external) are being developed and will be launched by June 1, 2023.

4. How can the U.S. Department of Education help the grantee address these challenges?
   - Quarterly online TA meetings with the other outlying areas, sharing challenges and best practices, etc.
   - Updated Non-Regulatory Guidance Documents
   - Continued support for the technical assistance providers and networks, including the Comprehensive Centers and REL. These providers provide content expertise, evidence-based tools and resources, and direct support. While we have utilized these programmatic supports, we also need assistance on the financial side (audit, compliance, etc.)

5. What are the grantee's technical assistance needs related to these challenges?

   https://oese.ed.gov/resources/oese-technical-assistance-centers/