



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE DEPUTY SECRETARY

June 29, 2016

Commissioner Rita Sablan
Commonwealth of the Northern Mariana Islands Public School System
Bwughos Street, Susupe
PO Box 501370
Saipan, MP 96950

Dear Commissioner Sablan:

Attached are the special conditions for grant awards made by the U.S. Department of Education (Department) to the Commonwealth of the Northern Mariana Islands Public School System (CNMI PSS) for Federal fiscal year (FFY) 2016. These special conditions apply to all grants awarded by the Department to CNMI PSS on or after the date of these special conditions. These special conditions also apply to grant funds previously awarded by the Department to CNMI PSS that are still available for obligation or liquidation as of the date of these special conditions.

Under the FFY 2015 special conditions, CNMI PSS was required to develop, implement, and report on a corrective action plan (CAP) whose measures were to assist it in correcting certain deficiencies that the Department had identified in CNMI PSS' management and administration of Department grant funds. Based on the outcome of the Risk Management Service onsite visit in November 2015, the results of the most recent single audits, and documentation of progress received from CNMI PSS in the CAP reports required by the FFY 2015 special conditions, the attached special conditions have been modified. Under the FFY special conditions, CNMI PSS will not be required to maintain and report on a CAP, but it will be required to provide a biannual report providing updates on its administration of Department grant funds, with an emphasis on areas of repeat audit findings. However, should appropriate corrective actions cease or fiscal or program accountability problems recur in the future, the Department reserves the right to take appropriate actions, which include: designating CNMI PSS a "high-risk" grantee under the authority of 2 CFR §§ 200.207 and 3474.10 and imposing additional special conditions on CNMI's grant awards.

We are pleased with the progress that CNMI PSS continues to make to improve its programmatic and fiscal accountability for Department grant awards and are hopeful that CNMI PSS will sustain its progress.

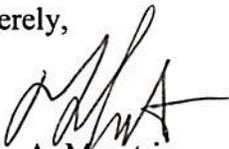
400 MARYLAND AVE., S.W., WASHINGTON, DC 20202
www.ed.gov

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

If you have any questions or require further assistance, have your staff contact Christine Jackson, the primary contact for the Risk Management Service within the Office of the Deputy Secretary, at (202) 245-8276 or via e-mail at christine.jackson@ed.gov.

We look forward to continuing to work with you to improve the delivery of Federal education services to the children in the CNMI.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Maestri', with a stylized flourish extending to the right.

Philip A. Maestri
Director
Risk Management Service
Office of the Deputy Secretary

cc: Governor Eloy S. Inos
Marylou Ada, Chairperson, Board of Education

Enclosure

Commonwealth of the Northern Mariana Islands Public School System - Special Conditions
Federal Fiscal Year (FFY) 2016

SPECIAL CONDITIONS

Commonwealth of the Northern Mariana Islands Public School System - Special Conditions

1. **Single Audits and Reports:** CNMI PSS shall continue to conduct single audits and submit reports on an annual basis in a timely and complete manner. All single audits shall be completed and the reports published within nine months after the end of each fiscal year, as required by the Single Audit Act of 1984, as amended. If, for any reason, CNMI PSS expects an audit or report to be delayed and late, it shall notify the Department's contact person of the reason and extent of the delay as soon as possible.
2. **Updates on CNMI Web Site:** CNMI PSS shall continue to post information regarding its budget, applications, and reports on its website for access by the general public.
3. **Reporting Requirements:** CNMI PSS shall submit to the Department, on a biannual basis, a report that describes how it is continuing to improve its management and administration of Department grants. In particular, these reports shall demonstrate how CNMI PSS is addressing repeat audit findings associated with both compliance with procurement and travel policies. The reports shall be signed by the authorized official of CNMI PSS and submitted to the Department no later than November 15, 2016 and May 15, 2017.

The biannual reports should be submitted by CNMI PSS to:

Christine Jackson
Senior Risk Consultant
Risk Management Service
Office of the Deputy Secretary
550 12th Street, SW
PCP, Room 11064
Washington, DC 20202

Dated: June 29, 2016