



UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, DC 20202

March 29, 2024

By Email

The Honorable Lemanu P.S. Mauga
Governor of American Samoa
Office of the Governor
A.P. Lutali Executive Office Building—3rd Floor
Pago Pago, American Samoa 96799
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Dear Governor Mauga,

From September 5 – 14, 2023, a team from the U.S. Department of Education’s (Department’s) Office of Elementary and Secondary Education (OESE) and Office of Special Education Programs (OSEP) reviewed the American Samoa Department of Education’s (ASDOE’s) and the American Samoa Department of Health’s (ASDOH’s) administration of the fiscal requirements in OESE’s Consolidated Grant (CG) program and OSEP’s fiscal oversight responsibilities under the Individuals with Disabilities Education Act (IDEA) Part B and Part C programs.

The performance review covered the administration of applicable fiscal and program requirements of the covered programs and included crosscutting sections that review fiscal and programmatic requirements across the CG, and IDEA’s Part B and Part C programs, and program-specific sections, that consider how the American Samoa Government (ASG) implements specific programs. The primary goal of the review was to ensure that the implementation of the ASDOE and ASDOH programs is consistent with the fiscal, administrative, and program requirements contained in the Office of Management and Budget (OMB) Uniform Guidance,¹ the Education Department General Administrative Regulations in 34 C.F.R. Part 76., the Elementary and Secondary Education Act of 1965, and IDEA’s Part B and Part C programs. The review addressed the administration of fiscal and programmatic components through two domains: (1) financial management and crosscutting requirements; and (2) program-specific requirements.

The report contains a brief description of the fiscal components of the performance review, provides a synopsis of the issues identified and areas of finding for each performance area, provides any Department recommendations for improving ASDOE’s and ASDOH’s processes, and states any ‘Required Action’ items resulting from the review.

¹ The OMB Uniform Guidance is codified in 2 C.F.R. Part 200 and applies to all Federal grant recipients, including States receiving IDEA funds.

ASG (in coordination with ASDOE and ASDOH) have 90 business days from receipt of this report to respond, in the manner described in the report, to all "Required Action" items cited in the report. ASDOE and ASDOH should send responses and supporting documentation to Jed Sorokin-Altmann at jed.sorokin-altmann@ed.gov, Charles Kniseley at charles.kniseley@ed.gov, Tiffany Forrester at tiffany.forrester@ed.gov, and Matthew Hensell at matthew.hensell@ed.gov. We will review the ASDOE's and ASDOH's response to determine if all "Required Action" items have been addressed sufficiently and request additional information, as needed. Please also note that this report is in addition to, and does not replace, the CG programmatic monitoring report that ASDOE has already received. Please continue to work with the Insular Areas Team to address all "Required Action" items in the CG programmatic monitoring report.

We would like to thank you and your team for the hard work and assistance before and during the review. We look forward to continuing to work with you and your staff to address the needs of students and families in American Samoa.

If you have any questions regarding the performance review report, please do not hesitate to contact Jed Sorokin-Altmann at jed.sorokin-altmann@ed.gov and Charles Kniseley at charles.kniseley@ed.gov.

Sincerely,

/s/

Shane Morrisey
Director
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Office of Elementary and Secondary Education

/s/

Valerie C. Williams
Director
Office of Special Education
Programs

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cc:

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American Samoa

Consolidated Monitoring

FY 2023

Action Required
4

April 2, 2024



U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Table of Contents

TABLE OF CONTENTS	3
GENERAL INFORMATION	4
SECTION I	6
OVERVIEW OF VISIT.....	6
SECTION 3	7
ACTION REQUIRED	7
<i>FISCAL MANAGEMENT: Monitoring</i>	7
<i>FISCAL MANAGEMENT: Cost Principles</i>	9
<i>FISCAL MANAGEMENT: Internal Controls</i>	11
<i>FISCAL MANAGEMENT: Property Management/ Inventories</i>	15

GENERAL INFORMATION

OVERVIEW OF THE MONITORING

The U.S. Department of Education's (the Department) Office of Special Education Programs (OSEP) and the Office of Elementary and Secondary Education (OESE) conducted a joint monitoring visit in September 2023 to monitor specific fiscal years (FYs) 2021 and 2022 Department funds awarded to American Samoa.¹

OSEP, OESE's Office of Rural, Insular, and Native Achievement Programs (RINAP), and OESE's Management Support Office (MSO) conducted its on-site monitoring of American Samoa's fiscal and internal controls; OSEP conducted the on-site review of American Samoa's Individuals with Disabilities Education Act (IDEA) Part B and Part C programs; RINAP conducted the on-site review of American Samoa's Consolidated Grant (CG) program. The Department's review did not include a review of funds awarded to American Samoa under the Education Stabilization Fund (ESF) or American Rescue Plan (ARP).

This Monitoring Report summarizes the four findings from our review of fiscal and internal controls of the American Samoa Department of Education (ASDOE) and the American Samoa Department of Health (ASDOH), which review occurred September 5, 2023, through September 14, 2023.² These four findings relate to ASDOE's and ASDOH's obligations regarding: (1) Fiscal monitoring; (2) Internal controls; (4) Cost principles; and (4) Property management/inventory.

The Department is committed to supporting States and Outlying Areas as they implement Federal grant programs. Part of this commitment includes a performance review process designed to not only address the Department's responsibilities for fiscal and programmatic oversight, but to also identify areas in which States and Territories need assistance and support to meet their goals and obligations.

The goals of the performance review process are to conduct an Insular and Outlying Area - centered, performance-focused review of IDEA programs, the CG program, the ESF program, and the ARP programs through a single, streamlined process that results in improved and strengthened partnerships between the Department, States, and Insular and Outlying Areas. To accomplish these goals, the performance review process is organized by areas, which reflect the programmatic and fiscal requirements and priorities of the Department's IDEA, CG, and ESF/ARP grant programs.

The Performance Review addresses a State's or Insular and Outlying Area's grant administration and fiscal management processes and is based on information provided through the review

¹ The Department had initially scheduled an on-site visit to American Samoa in 2019 that was delayed due to American Samoa's measles outbreak, followed by the COVID-19 pandemic. Subsequently, OSEP and OESE rescheduled the visit for September 2023.

² OSEP monitored Helping Hands, American Samoa's IDEA Part C program, September 5-7, 2023. Known as Helping Hands and located in ASDOH, the lead agency designated to administer the IDEA Part C program, the American Samoa Helping Hands Early Intervention Program was also monitored for cross-cutting fiscal requirements consistent with the criteria (OMB Uniform Guidance, the Education Department General Administrative Requirements (EDGAR), and IDEA fiscal requirements) used to monitor ASDOE.

process, and other relevant qualitative and quantitative data. The primary goal of this review is to ensure that implementation of the programs listed above is consistent with the fiscal, administrative, and select program requirements contained in the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 Code of Federal Regulations (C.F.R.) Part 200, EDGAR, the Elementary and Secondary Education Act of 1965, as amended, and the IDEA.

SECTION I**Overview of Visit****FEDERAL FUNDING**

FY 2022 CG (S403A220003)	\$ 9,957,524.51
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FY 2022 IDEA Part B (H027A220012)	\$ 7,035,807.00
FY 2022 IDEA Part C (H181A220041)	\$ 631,013.00

Dates of Review: September 5, 2023, through September 14, 2023

ED Reviewers: Christine Pilgrim (Office of Special Education Programs)
Charles Kniseley (Office of Special Education Programs)
Ronda Sortino (Office of Special Education Programs)
Brenda Wilkins (Office of Special Education Programs)
Tiffany Forrester (Office of Elementary and Secondary Education's
Office of Rural, Insular, and Native Achievement Programs)
Matthew Hensell (Office of Elementary and Secondary Education's
Office of Rural, Insular, and Native Achievement Programs)
Shane Morrisey (Office of Elementary and Secondary Education's
Management Support Office)
Jed Sorokin-Altmann (Office of Elementary and Secondary
Education's Management Support Office)

Current Grant Conditions:

All Department grants to American Samoa are subject to Department-wide specific conditions, based on the Department's designation of the American Samoa government (ASG) as a high-risk grantee under the OMB Uniform Guidance in 2 C.F.R. §§ 200.208 and 3474.10. The findings included in this report correspond to items in ASG's high risk corrective action plan (HRCAP), including specifically items related to fiscal monitoring and property management/ inventory. Further, the monitoring, internal controls and property management findings included below relate to ASG and ASDOE's fiscal and procurement procedures, which are also addressed in the HRCAP. The Department will consider whether and how to include the actions required by ASG in this report, monitoring plan and inventory procedures, as part of the Department-wide specific conditions.

Action Required

FISCAL MANAGEMENT: Monitoring

REQUIREMENT SUMMARY

Under 2 C.F.R. § 200.329(a), the non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity.

Under 2 C.F.R. § 200.303(c), the non-Federal entity must evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.

Under 34 C.F.R. §§ 300.149 and 300.600, the State educational agency is responsible for ensuring that requirements of IDEA Part B are carried out and for monitoring the implementation of IDEA Part B.

Under 34 C.F.R. § 303.120, the State lead agency is responsible for monitoring the implementation of IDEA Part C.

ISSUE

The Department's monitoring activities included interviews with, and reviews of documents from, ASDOE, ASDOH and other American Samoa Government (ASG) agencies involved in financial management of ASDOE and ASDOH, including ASG Office of Planning and Budget, ASG Department of Treasury, ASG Office of Property Management, ASG Department of Human Resources, and ASG Office of Procurement. Through these monitoring activities, OESE and OSEP ascertained that ASDOE, ASDOH and other ASG agencies do not perform regular fiscal monitoring over the CG and IDEA programs.

Neither ASDOE nor ASDOH has an office that is responsible for fiscal monitoring of its Federally-funded programs. While ASDOE and ASDOH policies and procedures include descriptions of internal control activities, such as approval processes and reporting requirements, those control activities do not include a formal monitoring process that measures compliance with cross-cutting, CG, and IDEA fiscal requirements, or test the effectiveness of those internal controls. Notably, ASDOE and ASDOH were unable to provide documentation supporting fiscal monitoring activities (e.g., protocols, reports, findings, or corrective actions) used by ASDOE, ASDOH, or other ASG agencies. Further, ASDOE, ASDOH and other ASG agencies involved in the financial management of the CG and IDEA programs have neither issued reports with findings for those programs, nor required corrective actions. During interviews, ASDOE and

ASDOH acknowledged that they do not currently perform fiscal monitoring of their CG and IDEA programs.

Similarly, while the policies and procedures of other ASG agencies involved in financial management of the Department programs reference activities that provide oversight of CG, IDEA, and other Department funds, those agencies do not appear to have the authority to cite ASDOE or ASDOH for noncompliance with Federal or ASG requirements, or to require corrective actions under their ASG policies and procedures. Further, it is unclear what formal fiscal monitoring is being performed by ASG over the other agencies involved in financial management of the CG and IDEA programs. OESE and OSEP note that ASDOE, ASDOH, and ASG receive a level of oversight from annual Single audits, and potential performance audits from ASG's Territorial Audit Office; however, in both instances the auditors have discretion over what programs they select for review, and what compliance areas they test. As a result, these reviews are not comprehensive enough to be considered adequate fiscal monitoring of the CG or the IDEA programs.

Our analysis is based on the documents and information provided by ASG, and interviews with American Samoa staff and other stakeholders. Based on this analysis, we find that:

ASG, including ASDOE and ASDOH, does not have a system for fiscal monitoring that is reasonably designed to provide oversight of the CG and IDEA programs, and therefore they are not in compliance with 2 C.F.R. §§ 200.329(a) and 200.303(c). ASDOE and ASDOH are further not in compliance with the IDEA general supervisory responsibilities in 34 C.F.R. §§ 300.149, 300.600, and 303.120 regarding conducting fiscal monitoring.

REQUIRED ACTIONS

Within 90 days of receiving this report, the ASG (in coordination with ASDOE and ASDOH) must submit a monitoring plan that ensures it will fulfill its requirements with respect to its monitoring activities. This plan should include anticipated monitoring activities for the fiscal and programmatic³ requirements for the CG and ESF/ARP, and the fiscal requirements for IDEA programs. Within one year of receiving this report, ASDOE and ASDOH must provide evidence of the implementation of the monitoring plan.

³ In conjunction with the Insular Areas Team's (IAT) and OSEP's programmatic reports.

FISCAL MANAGEMENT: Cost Principles⁴

REQUIREMENT SUMMARY

Under 2 C.F.R. § 200.302(b)(7), the financial management system of each non-Federal entity must provide written procedures for determining the allowability of costs in accordance with the cost principles of the OMB Uniform Guidance, and the terms and conditions of the Federal award.

ISSUE

Our monitoring activities in this area included a review of ASDOE, ASDOH and ASG policies and procedures, and interviews with ASDOE and ASDOH staff and representation from other ASG agencies involved in financial management of the CG and IDEA programs (including ASG Office of Planning and Budget and the ASG Department of Treasury, which review the availability and allowable use of CG and IDEA funds as a part of the procurement process). Those offices described the use of budget narratives in making determinations related to the allowable expenditures for Department grants.

For the CG, the application requires grantees to submit budget narratives for each CG project. During our monitoring visit, and in the documentation provided in connection with our visit, ASDOE indicated that its main method of determining allowability is whether the Department approved the project in the program application. Similarly, the IDEA Part C grant application includes a Use of Funds section that provides ASDOH's description of planned grant activities. However, the IDEA Part B grant application process for American Samoa and other outlying areas and freely associated States does not include a budget or description of the intended use of funds. As a result, ASDOE and ASG offices reported that assurances from the application are used for the ASDOE IDEA Part B program.

While budgets and assurances provide general information about the program requirements and intended use of funds for a specific program, they do not include sufficient detail to allow ASDOE and ASDOH finance staff or other ASG offices involved in the financial management of the CG and IDEA programs to determine the reasonableness, necessity, or allocability of specific expenditures for Federally-funded programs. Further, budget narratives do not provide information related to the circumstances under which specific expenditures may be allowable or unallowable (e.g., expenditures requiring prior approval).

⁴ IAT's programmatic report, issued on January 24, 2022, also covers this topic for the elements that applied solely to the CG program. This report is cross-cutting across the CG and IDEA programs.

The potential impacts of not having written procedures for determining the allowability of costs include an increased risk of ASDOE and ASDOH making unallowable expenditures, possible audit findings, corrective actions, and potential recovery of funds.

The Department notes that while ASDOE program policies include general considerations for the allowability of costs, those policies lack operational detail with regard to implementation, and are not used by other ASG agencies involved in financial management of the CG and IDEA programs.

Our analysis is based on the documents and information provided by American Samoa, and interviews with American Samoa's staff. Based on this analysis, we find that:

ASDOE and ASDOH do not have written procedures that are reasonably designed to determine the allowability of costs in accordance with cost principles of the OMB Uniform Guidance (2 C.F.R. § 200.302(b)(7)).

REQUIRED ACTION

Within 90 days of receiving this report, ASG (in coordination with ASDOE and ASDOH) must develop and provide written procedures that are reasonably designed to allow ASDOE, ASDOH, and other ASG offices involved in the financial management of the CG and IDEA programs to determine the allowability of costs in accordance with cost principles of the OMB Uniform Guidance.

FISCAL MANAGEMENT: Internal Controls

REQUIREMENT SUMMARY

Under 2 C.F.R. § 200.303, the non-Federal entity must 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.

Internal controls over the following functions were included in this review:

1. Contract oversight. Under the general procurement standards in 2 C.F.R. § 200.318(b), non-Federal entities must maintain oversight ensuring that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders;
2. Record retention (2 C.F.R. §§ 200.334-200.338);
3. Procurement practices, under 2 C.F.R. § 200.317; and
4. Prior Approvals for equipment and other capital expenditures, and participant support costs, under 2 C.F.R. § 200.407.

ISSUE

During our monitoring activities, ASDOE and ASDOH described a number of practices that they implement to ensure effective internal controls over financial functions of the CG and IDEA programs. However, those practices have not in all instances been formalized in a manner that would ensure accountability, provide consistency, and ensure the continuation of those practices in the event of staff turnover.

The OMB Uniform Guidance in 2 C.F.R. § 200.303 requires that a grantee must 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.

ASDOE and ASDOH failed to fulfill this requirement and lacked internal controls, including written policies and procedures, in the following areas:

Oversight of service contracts and related record retention requirements.

ASDOE and ASDOH staff described reasonably designed practices for ensuring that service providers are performing in accordance with contract terms and conditions. ASDOE and ASDOH further provided examples of their practices regarding ongoing communication with contractors, making change orders to contracts as needed, and reviewing reports from contractors prior to making payments for services. We note that ASDOE's oversight is particularly important where contracts involve: (1) the performance of special education related assessments; and (2) the provision of related services under IDEA Part B. In these instances, ASDOE special

education fiscal staff demonstrated that the program's practices also involve coordination with programmatic staff to verify that services billed by the contractor were actually provided. Similarly, ASDOH was able to demonstrate how the program uses a spreadsheet to track service delivery and ensure that payments to vendors align with the delivery of early intervention services provided through contracts.

However, while the practices described by ASDOE and ASDOH staff appear to provide substantive oversight, they are not supported by internal controls, including written operational procedures describing ASDOE's and ASDOH's processes and practices.

Our review of ASDOE's and ASDOH's contract oversight also included a discussion of record retention practices associated with that oversight. ASDOE staff reported that, to the extent practicable, records for program functions such as procurement are stored in ASG's ONESolution financial management system. While ASDOE was able to demonstrate that records are being kept in a secure manner, no formalized written operational procedures were provided. Similarly, ASDOH staff were able to demonstrate that records are being maintained in a combination of electronic and paper formats. However, ASDOH staff reported that the program does not currently have written procedures related to maintaining records. As a result, there is a risk that ASDOE's and ASDOH's practices will not be implemented in the event of staff turnover. Procedures should be established that reflect ASDOE's and ASDOH's current record retention practices including details such as what will be retained, in what manner, by whom, and for how long.

Procurement of small purchases.

ASDOE, ASDOH, and ASG Office of Procurement policies and procedures provided information related to processes and timelines associated with the procurement of goods and services and specified that ASDOE and ASDOH are responsible for a competitive process (submission of quotes from three vendors) for purchase requisitions involving goods and services costing between \$2,500 and \$10,000.

However, those procedures do not provide operational details related to ASDOE's or ASDOH's process for soliciting quotations for requisitions of small purchases. ASDOE and ASDOH policies and procedures do not specify the staff responsible or process to be followed for the solicitation of quotes, development of a Quotation Abstract, or performance of the competitive process that should be followed to ensure that the program uses a selection of vendors as required under ASG Office of Procurement Standard Operating Procedures. As a result, there is an increased risk that those practices will be implemented inconsistently, or in a manner that restricts competition.

Expenditures requiring prior approval from the Department.

ASDOE's and ASDOH's policies and procedures include sections devoted to both internal and external (ASG) approval processes for procurement, including guidance on the practices to be followed for different types of procurement and purchase requisition thresholds. ASDOE and ASDOH IDEA program staff were further able to describe their processes for obtaining OSEP's prior approval when required, and to provide recent examples of the program's receipt of

OSEP's prior approval for expenditures related to the purchase of equipment (Part B of the IDEA) and budget changes (Part C of the IDEA).

However, while the practice of obtaining prior approval for certain expenditures appears to be in place, ASDOE's and ASDOH's procedures do not reflect Federal requirements for program offices to obtain and document prior approval from the Department, before making qualifying budget changes, or expending funds for equipment and other capital expenditures, and participant support costs.⁵ As a result, there is an increased risk that ASDOE and ASDOH will fail to request the Department's prior approval for an expenditure that requires it, and that failure to receive prior approval may result in audit findings, related corrective actions, and the possible recovery of funds.

Similarly, ASDOE made internal amendments to CG projects without receiving prior Department approval. During the COVID-19 pandemic, when travel off-island was not allowed, ASDOE repurposed CG travel funds towards other purchases without submitting amendment requests to the Department for approval first. Once these actions were discovered, the Department communicated with ASDOE that CG amendments must be approved by the Department. Since then, however, ASDOE has not submitted any approvable amendment requests and does not appear to have any standard operating procedures for directing the submission of amendment requests when CG funds need to be reallocated.

Our analysis is based on the documents and information provided by American Samoa, and interviews with American Samoa staff and other stakeholders. Based on this analysis, we find that:

ASDOE and ASDOH do not have a system of internal controls that is reasonably designed to ensure that policies and procedures reflect program practices related to contract oversight, record retention, procurement, and prior approval requirements of the OMB Uniform Guidance (cited above).

REQUIRED ACTIONS

Within 90 days of receiving this report:

Oversight of service contracts and related record retention requirements.

ASDOE and ASDOH must develop and provide written procedures that include practices for ensuring that service providers are performing in accordance with contract terms and conditions. These procedures should also describe how ASDOE and ASDOH maintain ongoing communication with contractors, make change orders to contracts as needed, and review reports from contractors prior to making payments for services. Additionally, formalized written operational procedures must be developed that reflect ASDOE's and ASDOH's current record

⁵ Prior approval requests for participant support costs are also addressed in OSEP's Guidance for Common Prior Approval Requests under IDEA Parts B and C (PDF) (ed.gov) at <https://sites.ed.gov/idea/files/OSEP-Prior-Approval-Guidance-Policy-Support-22-03.pdf>.

retention practices including details such as what will be retained, in what manner, by whom, and for how long.

Procurement of Small Purchases

ASDOE and ASDOH must develop and provide written procedures that include operational details related to their process for soliciting quotations for requisitions of small purchases. These procedures should specify staff responsible or the process to be followed for the solicitation of quotes, development of a Quotation Abstract, or performance of the competitive process that should be followed to ensure that the program uses a selection of vendors (as required under established ASG procurement procedures).

Expenditures requiring prior approval from the Department.

ASDOE and ASDOH must develop and provide written procedures that reflect Federal requirements for program offices to obtain and document prior approval from the Department where required under IDEA and the OMB Uniform Guidance. Additionally, ASDOE's and ASDOH's cost principles should reflect the need for prior approval for specific expenditures.

FISCAL MANAGEMENT: Property Management/ Inventories⁶

REQUIREMENT SUMMARY

Under 2 § C.F.R. 200.313(b), a State must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with State laws and procedures.

ISSUE

Our monitoring activities related to property management and inventory included a review of ASDOE, ASDOH, and ASG Office of Property Management (OPM) policies and procedures, interviews with ASDOE, ASDOH and ASG OPM staff, and the review of documentation illustrating property management practices for the CG and IDEA programs. The activities described by ASDOE, ASDOH and ASG OPM included methods for safeguarding assets purchased for the CG and IDEA programs and ensuring sole use for program purposes. ASDOE, ASDOH, and ASG OPM submissions included templates supporting policies and procedures addressing what to do when assets are lost, stolen, damaged, or no longer needed by the program.

While ASDOE, ASDOH and ASG OPM procedures appear reasonably designed to ensure that assets purchased with Department funds are tagged, used, maintained, and disposed of in accordance with Federal requirements, we identified issues with the inventory and tracking processes used for assets purchased with CG and IDEA funds. Specifically, ASDOE, ASDOH, and ASG OPM policies and procedures do not provide detailed operational procedures regarding the frequency and timing of inventory activities, thresholds for assets included in inventories, and each agency's responsibilities for the inventory process.

ASG OPM reported that its responsibilities include maintaining, updating, and reconciling records of all ASG fixed assets, and confirmed that the ONESolution Fixed Assets Module generates the inventory of record for ASDOE including the CG and IDEA programs. During the site visit, ASG OPM provided inventory listings from ONESolution for the CG, and IDEA programs.

⁶ IAT's programmatic report, issued on January 24, 2024, also covers this topic for the elements that applied solely to the CG program. This report is cross-cutting across the CG and IDEA programs.

A review of ASG OPM's inventories revealed the following issues:

The inventory provided by ASG OPM for the ASDOE's CG program included identifying information and school-level locations for assets purchased with CG grant funds; however, there is a lack of information related to the useful life and depreciation of assets. Consequently, assets are not being removed from the inventory when their value drops below the ASDOE threshold, and the inventories continue to reflect assets that are likely no longer required to be tracked or are no longer in use. We note that the inventory provided for the CG program included over 1,800 pages of assets, including technology devices such as computers, printers, copiers, and cameras that are over 20 years old. As a result, ASDOE's inventory for the CG program contains an excessive number of assets that creates challenges for accurately accounting for qualifying assets purchased with CG funds on an annual basis. The Department further notes that the location for numerous assets, including technology devices purchased for the CG program, continue to be listed in the warehouse, despite having In-Service Dates from 2021 and 2022. The inventories provided by ASDOE raised questions about the process that was used in determining the allowability and necessity of costs.

In addition to not including information related to the useful life and depreciation of assets, the inventory provided by ASG OPM for the ASDOE's special education program does not include information about the specific location of assets purchased with IDEA Part B funds. Instead, the location for all special education assets is listed as "SPED" with no further detail related to the school-level or office location of assets. OSEP notes that ASDOE reported on its use of the Infinity Inventory System to capture information on the specific location of assets, including technology devices belonging to the special education program. However, it was unclear how and when information in ONESolution would be updated to reflect the precise location of assets using information from the Infinity system, or how ASG OPM could collect data through an on-site physical inventory given the limited information currently available in ONESolution. While the inventory provided by ASG Property Management appears to be accurate and complete, it does not calculate depreciation of assets. Further, IDEA Part C staff expressed confusion about the program's role in the inventory process, and indicated that there are no operational procedures to guide their activities related to ensuring that assets purchased with IDEA Part C funds are properly inventoried.

As a result of these conditions, ASDOE, ASDOH, and ASG OPM do not have a complete, fully reconciled inventory for CG and IDEA programs that includes both the location and current values of assets. Further, there is an increased risk that ASDOE and ASDOH will be unaware of assets that are lost, damaged, or stolen.

Our analysis is based on the documents and information provided by ASDOE, ASDOH, and interviews with American Samoa staff. Based on this analysis, the Department finds that:

While ASDOE and ASDOH have taken steps toward developing a property management system that is reasonably designed to safeguard assets and ensure proper use of assets purchased with CG and IDEA funds, their inventories for the CG and IDEA programs are missing key information. Specifically, ASDOE, ASDOH, and ASG OPM do not have a complete, fully

reconciled inventory for CG and IDEA programs that includes both the location and current values of assets.

REQUIRED ACTIONS

Within 90 days of receiving this report, ASG (in coordination with ASDOE and ASDOH) must provide the Department with updated policies and operational procedures for performing physical inventories, including the location and current values of assets and listing the staff and timelines involved. Additionally, within 180 days of receiving this report, ASDOE and ASDOH must provide the Department with an updated, fully reconciled inventory for the CG and IDEA programs.