



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

July 1, 2008

Honorable Benigno R. Fitial  
Governor of the Northern Mariana Islands  
Caller Box 10007  
Saipan, MP 96950

Dear Governor Fitial:

We are pleased with the progress that the Commonwealth of the Northern Mariana Islands Public School System (CNMI PSS) continues to make to improve its programmatic and fiscal accountability. We would also like to recognize the efforts of the CNMI PSS staff under the leadership of Commissioner David Borja to ensure fiscal accountability of Department funds, while continuing to implement corrective actions to address audit findings. The Department will continue to monitor the progress of CNMI PSS, and offer technical assistance to the extent feasible when it is requested by CNMI PSS.

Grant awards made to CNMI PSS for FY 2008 will be awarded subject to the three special conditions enclosed, which the Department will incorporate into CNMI PSS's FY 2008 grant award documents. Based on consistent progress that CNMI PSS has demonstrated, the frequency by which CNMI PSS must submit reports to the Department will be reduced from biennial to annual reporting. 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, such as: reinstating CNMI PSS's "high-risk" status and imposing additional special conditions to CNMI's grant awards.

If you have any questions or require further assistance, have your staff contact Christine Jackson, the primary contact for the Management Improvement Team within the Office of the Secretary, at (202) 260-2516 or via e-mail at [christine.jackson@ed.gov](mailto:christine.jackson@ed.gov).

We are hopeful that CNMI PSS will sustain its progress toward improving the use of, and accountability for Department funds to support educational services to benefit its students. We look forward to continuing to work with you to improve the delivery of Federal education services so that no child in CNMI is left behind.

Sincerely,

Philip A. Maestri  
Director  
Risk Management Service

cc: Dr. David Borja  
Commissioner of Education  
CNMI Public Schools System

Mr. Roman C. Benavente  
Chairman  
Board of Education

Enclosure

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 continue to provide a detailed report on an annual basis that describes its administration of program funds, including both direct and indirect expenditures, and progress of each significant aspect of the programs at the district and State levels. Specifically, CNMI PSS shall also demonstrate how it is addressing the repeat audit findings associated with monitoring and evaluating Department programs, and tracking of property purchased with Department funds. These reports shall be signed by the authorized official of CNMI PSS and submitted to the Department no later than thirty days after the end of the FY 2008 budget period. If a report is not timely or is not considered acceptable by the Department, i.e., does not contain enough information to demonstrate progress, after consultation with CNMI PSS, the Department may restrict the amount of grant funds that can be drawn down until sufficient documentation is provided.

All required reports submitted by CNMI PSS to the Department under these special conditions should be submitted to:

Christine Jackson  
Senior Consultant  
Risk Management Service  
Office of the Secretary  
400 Maryland Avenue, S.W.  
LBJ Building, Room 7E230  
Washington, DC 20202