

Management Letter

University of Guam

Year ended September 30, 2024



June 6, 2025

Management
University of Guam

In planning and performing our audit of the financial statements of the University of Guam (the University) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we identified deficiencies in internal control and other matters (as described above):

Timely submission of federal grant progress report

Condition:

The University has not submitted one project progress report in a timely manner in relation to assistance listing number 11.307 Economic Adjustment Assistance.

Specific Award Conditions require the University to submit project progress reports on a quarterly basis no later than 15 days following the end of the quarterly periods ending December 31, March 31, June 30 and September 30.

Recommendation:

Management should ensure compliance with Specific Award Conditions.

Required Notifications for TEACH Grant

Condition:

The University did not have procedures to demonstrate that required written notifications are sent to student or parent when TEACH funds are being credited to a student's account.

34 CFR 668.165(a)(2) requires the following notification:

- (1) the anticipated date and amount of the disbursement;
- (2) the student's right or parent's right to cancel all or a portion of that TEACH Grant or TEACH Grant disbursement and have the loan proceeds or TEACH Grant proceeds returned to the U.S. Department of Education; and
- (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the TEACH Grant or TEACH Grant disbursement.

Recommendation:

Management should implement procedures and controls to ensure compliance with required notifications in accordance with federal regulations.

Non-performance of User Access Review

Condition:

The University does not perform regular review of user access on information technology systems.

Recommendation:

Management may consider revisiting policies and procedures on user access management and include regular access review to address the risk of inappropriate access and ensure system access remains appropriate.

Lack of Change Management Policies and Procedures

Condition:

The University lacks written change management policies and procedures, particularly on the approval and testing of information technology systems changes. Additionally, we were not able to verify approval of changes to the systems during the scope period due to lack of documentation.

Recommendation:

Management may consider developing policies and procedures on change management and include requirements on the approval and testing of system changes, both on the hardware and software configurations.

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This communication is intended solely for the information and use of management and the Board of Regents of the University, others within the organization and the Guam Office of Public Accountability, and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Ernst + Young LLP

June 6, 2025