

**Guam Registration Board of
Professional Engineers, Architects, and
Land Surveyors
Funds and Financial Practices Follow-Up Audit**

**Performance Audit
October 1, 2010 through September 30, 2016**

**OPA Report No. 17-03
July 2017**

**Guam Registration Board of Professional Engineers,
Architects, and Land Surveyors
Funds and Financial Practices Follow-Up Audit**

**Performance Audit
October 1, 2010 through September 30, 2016**

**OPA Report No. 17-03
July 2017**

Distribution:

Governor of Guam
Lt. Governor of Guam
Speaker, 34th Guam Legislature
Senators, 34th Guam Legislature
Chairman of the Board, PEALS Board
Director, Department of Administration
Director, Bureau of Budget and Management Research
Guam Media via E-Mail



Table of Contents

	Page
Executive Summary	1
Introduction.....	3
Background.....	3
Results of Audit.....	6
Five of Six Prior Audit Recommendations Addressed.....	6
Revolving Fund Checking Account Remains Open.....	7
Missing Licensee Eligibility Documentation.....	8
Unable to Verify Count of Registrants from FY 2011 to FY 2016.....	10
Deposits Require Additional Internal Controls.....	11
Lack of Segregation of Duties in Handling Deposits and Preparing Reports.....	11
Payment Receipts May Be Altered in QuickBooks.....	12
Expenditures Not Recorded in QuickBooks.....	12
Expenditures Lack Proper Approval.....	13
Other Matters.....	13
Conclusion and Recommendations	14
Classification of Monetary Amounts.....	15
Management Response and OPA Reply	16
Appendices:	
1. Objectives, Scope & Methodology.....	17
2. Prior Audit Coverage.....	18
3. PEALS Fund Revolving Checking Account.....	19
4. PEALS Board Fee Schedule.....	21
5. PEALS Board Management Response.....	22
6. Status of Audit Recommendations.....	24



EXECUTIVE SUMMARY
Guam Registration Board of Professional Engineers, Architects, and Land Surveyors
Funds and Financial Practices Follow-Up Audit
Report No. 17-03, July 2017

Our follow-up audit found that the Registration Board of Professional Engineers, Architects, and Land Surveyors (PEALS Board) addressed five of the six recommendations made in OPA Report No. 11-07. While the PEALS Board made improvements by implementing controls over the receipt of payments, recording, and deposits, we noted the following weaknesses:

- A revolving fund checking account remained open;
- There were missing licensee eligibility documentation;
- We were unable to verify the count of registrants and permit clearances;
- QuickBooks was not utilized to record expenditures; and
- The Board Chairperson did not approve expenditures.

PEALS Board management failed to enforce certain requirements prescribed in Title 22 of the Guam Code Annotated (GCA) Chapter 32 pertaining to approval of expenditures and certain licensure requirements. The accounting infrastructure remains weak because certain controls are not in place and staff have limited knowledge of the QuickBooks Accounting Software's functionalities and features.

Revolving Fund Checking Account Remains Open

In March 2008, a checking account in the name of "PEALS Board" was opened. Although the law allows the PEALS Board to maintain a separate revolving account, OPA Report No. 11-07 recommended the closure of the account due to weak controls identified. We also found that this account has not been reported in the annual Government of Guam-wide financial audit. The PEALS Board Administrator explained that the checking account was used to deposit the wage garnishment of former employees and it was needed to process payments in the event that Department of Administration (DOA) is unable to do so in a timelier manner.

Missing Licensee Eligibility Documentation

Eighteen of the 20 tested professional licensee files were missing at least one required piece of documentation prescribed in 22 GCA Chapter 32, such as proof of U.S. citizenship. In addition, a PEALS Board staff inadvertently destroyed one licensee's record. There is a heightened risk of issuing licenses to potentially unqualified individuals.

Unable to Verify Count of Registrants from FY 2011 to FY 2016

The PEALS Board reported in its annual Citizen Centric Reports decreases in the professional licenses (PL) and Certificates of Authorization (COA) processed between fiscal year (FY) 2011 and FY 2016. PL decreased from 850 to 841, while COA decreased from 115 to 105. In contrast, building permit clearances (PC) data reported at the PEALS Board September 2016 meeting showed a steady increase from 506 to 1,332 in the same period.

We were unable to verify the accuracy of the reported number of PL, COA, and PC from FY 2011 to FY 2016. While the PEALS Board maintained one master database file for the PL and COA,

there was no historical database by fiscal year or any reconciliation to substantiate that the total registration revenues matched with the actual count of registrants per fiscal year. This heightens the risk for fraud, since there is no way to verify the accuracy and completeness of the revenues being reported.

QuickBooks Accounting Software Not Fully Utilized

In response to OPA's previous audit recommendation, the PEALS Board implemented QuickBooks accounting software to improve its processes over receiving payments, recording, and depositing in 2012. Twenty of the 24 tested check payment receipts from FY 2012 to FY 2016 were recorded in QuickBooks, deposited to the Treasurer of Guam, and recorded in DOA's AS400 financial management system.

Unfortunately, no expenditures were recorded in QuickBooks. The PEALS Board Administrator indicated that they rely on DOA to record its PEALS Fund expenditures in the AS400, since DOA is the Government of Guam's official record keeper.

We also noted that the revenues and expenditures of the separate PEALS Board checking account were not recorded in QuickBooks or by DOA. The agency only relies on the monthly bank statements to monitor the activities in this account.

Expenditures Lack Proper Approval

We tested 10 expenditures totaling \$21,057, and all 10 transactions were approved by the Administrator or former Administrative Assistant, but none were approved by the Chairman of the Board as required by 22 GCA § 32111(e).

Conclusion

Although the PEALS Board has made improvements since OPA Report No. 11-07 and addressed five of the six prior audit recommendations, in our professional judgment, the organization continues to have a weak accounting infrastructure. This was evidenced by the non-recording of expenditures in QuickBooks, the reliance on DOA to record expense transactions, lack of review and approval of expenditures by the Board Chairman, lack of reconciliation of reported licensee statistics, and the staff's limited knowledge of QuickBooks functionalities and features. We are also concerned that 90% of the tested licensee records were missing required eligibility documentation, which heightens the risk of issuing licenses to potentially unqualified individuals.

We made four audit recommendations for the PEALS Board as follows: 1) compliance with the law prescribed in 22 GCA Chapter 32, specifically the Board Chairman's approval to release expenditures and the general and discipline-specific eligibility requirements; 2) improve the accounting infrastructure by incorporating the fiscal year-end reconciliation of reported data, the printing, saving, and closing of the pre-numbered QuickBooks receipt after each transaction, and the full utilization of QuickBooks to record all PEALS Fund and PEALS Board Revolving Fund checking account revenues and expenditures; 3) review and simplify the fee structure to avoid confusion in the fee application; and 4) coordinate with the Compiler of Laws to update PEALS Board rules and regulations.

Doris Flores Brooks, CPA, CGFM
Public Auditor



Introduction

This report presents the results of our follow-up audit of the Guam Board of Registration for Professional Engineers, Architects, and Land Surveyors (PEALS Board) from October 1, 2010 through September 30, 2016. The audit objectives were:

- (1) To determine the status and progress of the previous audit recommendations.
- (2) To determine whether the PEALS Board established adequate internal controls over its accounting procedures to ensure accurate and complete financial reporting and that errors, fraud, waste, and abuse are prevented and detected.

The Office of Public Accountability (OPA) released Report No. 11-07, Performance Audit of the Guam PEALS Board Funds and Financial Practices in October 2011. After six years, OPA revisited the PEALS Board to determine what improvements were made.

The audit objectives, scope, methodology, and prior audit coverage are detailed in Appendices 1 and 2.

Background

The PEALS Board was created in August 1960 to regulate the professions of engineering, architecture, and land surveying by establishing standards of practice; ensuring competency, education and experience through examination and enforcing the laws governing the practice of these professions. The PEALS Board adheres to PEALS Law, which is contained in Chapter 32, Title 22 of the Guam Code Annotated (GCA). The latest amendments to the law were effective July 2009 through Public Law (P.L.) 30-35.

In order to safeguard life, health, and property, and to promote public welfare, only individuals registered or exempted under PEALS Law may advertise, offer, or practice engineering, architecture, landscape architecture, and land surveying services on Guam. Such professional practice is considered a privilege granted by the Government of Guam (GovGuam) through the PEALS Board based on the qualifications of the individual as evidenced by the practitioner's non-transferable certificate of registration.

The PEALS Board provides for the proper registration of individuals and businesses wishing to practice engineering, architecture, land surveying, and landscape architecture. There are three types of registration classification for individuals:

- (1) Registration based on graduation, experience, and examination;
- (2) Registration based on experience and examination; and
- (3) Registration based on comity.

The PEALS Board consists of the Director of Public Works and six members appointed by the Governor. The Board is authorized to employ in the classified service an Executive Board Administrator, an Administrative Assistant, and an Investigator. The Department of Administration (DOA) regulates the salaries and terms of classified employment.

PEALS Board Revenues

The PEALS Board collects various fees, including the following:

- (1) Application and examination fees to become a certified Professional Engineer, Architect, or Land Surveyor;
- (2) Issuance and renewal of professional licenses (PL) and certificates of authorization¹ (COA);
- (3) Building permit application clearances or permit clearances² (PC); and
- (4) Penalties and fines.

Fees are collected at the PEALS Board office in Upper Tumon and the Board Administrator, Investigator, or Administrative Assistant deposits payments received into the PEALS Fund via the Treasurer of Guam (TOG). Refer to Appendix 4 for the PEALS Board Fee Schedule.

PEALS Fund

The PEALS Fund is the Board’s primary source of revenue and expenditures, as shown in Chart 1. The DOA processes the PEALS Board’s salaries, rent, and other operational expenditures. This includes expenditures for maintaining membership in the National Council of Examiners for Engineering and Surveying (NCEES) and the National Council of Architectural Registration Boards (NCARB), and the costs for Board delegates to attend meetings of these organizations. The Board also receives a legislative appropriation, which may be expended for any purpose the Board approves as reasonable and necessary for performing its duties. For Fiscal Year (FY) 2016, the appropriation was \$327,061.

Chart 1: PEALS Board Revenue and Expenditures Flow



PEALS Revolving Fund (Non-Appropriated Fund)

The Board had no authority over its funds prior to 1998, thus payments to vendors and dues to the national councils were sometimes delinquent. P.L. 24-263 established the PEALS Revolving Fund

¹ COA is issued by PEALS Board to a corporation, partnership, proprietorship, or limited liability company to legally offer engineering, architecture, landscape architecture or land surveying services.

² PC is a clearance required as part of the building permit application process.

as a remedy in August 1998. The law required the non-appropriated Revolving Fund be maintained separately from government funds and be used to manage day-to-day financial obligations “within the cognizance of the members of the Board.” The Chairperson and Board members are responsible for maintaining, recording, and accounting for the Fund, which is subject to an annual, independent audit.

Results of Audit

Our follow-up audit found that the PEALS Board addressed five of the six recommendations provided in OPA Report No. 11-07. OPA's recommendation to close the separate PEALS Board Revolving Fund checking account has not been addressed. While the PEALS Board made improvements by implementing controls over the receipt of payments, recording, and deposits, we noted the following additional items:

- Eighteen of the 20 tested professional licensee records were missing at least one required piece of documentation, such as proof of U.S. citizenship or required character references. Without adequate documentation, there is a heightened risk that licenses may be issued to potentially unqualified individuals.
- We were unable to verify the number of licensees, COA, and PC reported by the PEALS Board between FY 2011 and FY 2016 due to data reliability limitations.
- All 10 expenditures tested were approved by the Administrator or former Administrative Assistant, but not by the Board Chairperson as required by 22 GCA §32111(e).
- While QuickBooks was implemented to improve PEALS Board's processes over receiving, recording, and depositing payments, no expenditures were recorded in the system. Expenditures are recorded in a separate system, contributing to an inefficient financial reporting process.

PEALS Board management failed to enforce certain requirements prescribed in 22 GCA Chapter 32 pertaining to approval of expenditures and certain licensure requirements. The accounting infrastructure remains weak because certain controls are not in place and staff have limited knowledge of the QuickBooks Accounting Software's functionalities and features.

Five of Six Prior Audit Recommendations Addressed

Of the six recommendations made in OPA Report No. 11-07, the PEALS Board addressed the following five recommendations.

1. ***Immediately require PEALS fees to be recorded and paid directly to the Treasurer of Guam.*** Based on our review of their records, PEALS only receives checks as a form of payment and all checks are written out to TOG. PEALS staff also deposited payments in to the TOG account instead of the Revolving Fund.
2. ***Follow-up on the status of restitution payments to be made by the former employee.*** The PEALS Board has not received any more wage payments through deposit to the checking account since 2012 and two cash payments since 2015. According to PEALS Administrator, additional payments have not been collected because they are unable to locate the employee.
3. ***Notify the bank of the unauthorized use of the Board's name and direct the private organization to cease using the checking account under the guise of the PEALS Board.*** Without full Board knowledge and approval, a "private organization" was granted a \$300 loan from the Revolving Fund and opened another checking account that was also under the name "PEALS Board". According to the former Administrator, the organization was

comprised of volunteer PEALS professionals who organized the PEALS Board's 50th Anniversary celebration in August 2010. However, the Board later learned that the former Board Administrator was also a signatory on the account. According to the PEALS Board's Treasurer, the checking account was intended to be temporary, but the account was still active at the time of our review. In September 2012, OPA received confirmation that this separate checking account was closed as of December 2011.

4. ***Become familiar with DOA policies concerning compensatory time off (CTO) and develop appropriate policies for accrual and use by Board employees.*** The PEALS Board adopted DOA's CTO policies as its own. Therefore, this recommendation was closed.
5. ***Establish information system controls over the recording and issuance of receipts and related deposits.*** In 2012, PEALS Board implemented QuickBooks, an accounting software that combines a variety of accounting processes into one system. The software's primary function is to alleviate the use of multiple tables, spreadsheets, and tracking sheets necessary to document and maintain accounting tasks within a company, as well as generate financial reports on a periodic basis. In addition, the PEALS Board established internal controls over the recording and issuance of receipts and related deposits. Therefore, this recommendation was closed. However, our current audit identified additional areas of concern, which are further detailed within this report.

The final recommendation that has not been addressed advised the PEALS Board to close the Revolving Fund checking account and transfer the balances to the PEALS Fund. The PEALS Board disagreed with the closure, citing that this account will be used for direct deposit of garnished wages. This remaining recommendation is discussed in the following section.

Revolving Fund Checking Account Remains Open

The establishment of a PEALS Board Revolving Fund was authorized by P.L. 24-263 in August 1998. The Revolving Fund is intended for the Board to manage day-to-day financial obligations within the cognizance of the members of the Board. The Fund is maintained separately from other funds of GovGuam, and independent records and accounts are maintained, as prescribed by the Chairman and members of the Board. Additionally, the PEALS Revolving Fund is subject to an annual audit by an independent auditor.

In March 2008, a checking account named "PEALS Board" was opened. OPA Report No. 11-07 identified unauthorized expenditures from the account, which resulted in the recommended closure of this bank account. However, the PEALS Board Administrator explained that the checking account is used to deposit wage garnishment of a former employee.

Between FY 2011 to FY 2016, there were 99 deposits related to wage garnishments amounting to \$4,820 with individual deposits ranging from \$40 to \$100. No further deposits were noted after July 2015. However, there were 32 checks issued from the checking account totaling \$12,139, as shown in Chart 2 below and detailed in Appendix 3.

Chart 2: PEALS Revolving Fund Account Balance

Beg Balance (FY 2011)		\$	11,894
Add Deposits: Wage Garnishment	\$	4,820	
Less: Bank Charges	\$	(89)	
Less: Checks Issued	\$	(12,139)	\$ (7,408)
Ending Balance (FY 2016)		\$	4,487

According to the PEALS Administrator, there were expenditures that required “urgent” payments, which prompted them to issue checks from this account. However, our review of six sampled transactions totaling \$6,231 did not demonstrate that such expenditures were urgent, and one transaction did not have the three quotes required by Title 2 of the Guam Administrative Rules and Regulation (GAR) § 3111(c)(1). The six checks were written for items, such as laptops and desktops, office supplies, and website maintenance.

For example, a check for \$3,866 in November 2011 was issued to a computer vendor for the purchase of laptops and desktops, but there was no documentation on file to express urgency for the purchase nor was there evidence that three quotes were obtained. In addition, one check for \$196 was not approved. Therefore, a total of \$4,062 in questioned costs was identified.

Although the law allows the PEALS Board to maintain a separate revolving account, OPA Report No. 11-07 recommended its closure due to weak controls. In addition, this account has not been reported in the annual GovGuam-wide financial audit.

The PEALS Board staff indicated their concerns with DOA’s untimely processing of their bills and membership payments, which resulted in threats to suspend the PEALS Board memberships by professional organizations. These memberships are necessary for the PEALS Board to administer the professional exams and grant licenses to the individuals and firms applying by comity. Therefore, the PEALS Board Administrator reasoned that the separate checking account is needed to process such payments in the event that DOA is unable to timely process them.

However, with no deposits being made since July 2015 and no dedicated revenue stream, there is a concern as to the sustainability of this account.

Until such time as the PEALS Board management can demonstrate that they have established adequate accounting infrastructure and controls to ensure accountability and transparency of the separate PEALS Board Revolving Fund checking account, OPA discourages the use of this account and suggests that all expenditures be sourced from the PEALS Fund maintained by DOA.

Missing Licensee Eligibility Documentation

Title 22 GCA § 32113 outlines the general eligibility requirements to register as a professional engineer, architect, landscape architect or land surveyor, or for enrollment as an engineer intern or land surveyor intern. Individuals must meet the following requirements:

- (1) Must be a citizen of the United States (U.S.) or a legally admitted alien authorized to work in the U.S.;
- (2) Has good moral character and repute;
- (3) Meets the professional qualifications; and

- (4) Provides five character references for registration as a professional engineer, architect, landscape architect, or land surveyor, or three character references for certification as an engineer intern or land surveyor intern.

Title 22 GCA § 32114 further states that the Board may accept the certified information contained in a valid Council Record issued by the NCEES and Surveying Committee on National Engineering Certification for professional engineer applicants, or a valid Council Record issued by the NCARB for architect applicants in lieu of the same information required by the Board.

In addition to the general requirements, there are several discipline-specific requirements prescribed in the law. The PEALS Board maintains licensee records in order to ensure that each licensee complies with the minimum requirements. According to PEALS Board staff, each licensee record should include a checklist, as well as required documents and forms, which are routed to the Board Members for review and approval. The PEALS Board has an established record-keeping system, which they are continually improving.

We tested 20 licensee records (five per discipline- Engineer, Architect, Landscape Architect, and Land Surveyor) to determine the eligibility of the licensees in accordance with the general and discipline-specific requirements prescribed in 22 GCA Chapter 32. Of the 20 tested licensees, 8 were registered by exam and 12 were registered by comity.³ We found deficiencies in 18 of the 20 licensee records.

Seven of the eight licensees who registered by exam lacked required documentation to prove U.S. citizenship or authorization to work in the U.S. prior to examination registration. According to the PEALS Board Administrator, such documentation was not required to be submitted as long as the applicant completes the form F1, which indicates whether they are either a U.S. Citizen or an Alien authorized to work in the U.S. If they are authorized to work in the U.S., the applicant is also required to indicate their alien number on form F1. However, we noted form F1 indicated that the applicant must submit proof of right to remain and work in the U.S. but this was not strictly enforced by PEALS Board.

For 11 out of the 12 licensees who registered by comity and submitted their NCARB and NCEES records in lieu of the general requirements, we found that they either lacked required documentation to prove U.S. citizenship or authorization to work in the U.S. or the character references submitted to these organizations do not meet the required number of references per 22 GCA § 32113. Moreover, a PEALS staff inadvertently destroyed one registrant's NCEES record; thus, OPA is unable to verify if the individual is qualified or not. Without proper documentation, the PEALS Board has a heightened risk of issuing licenses to potentially unqualified individuals.

We recommend PEALS Board ensure compliance with 22 GCA Chapter 32. Specifically, for licensee eligibility requirements, the PEALS Board should ensure that copies of all required documentation are complete and filed with the licensees' records prior to approving their application to sit for the exams or approving their comity license application. Due to the confidential nature of some of the required documentation, care should also be exercised to ensure

³ Dictionary.com defines comity as the courtesy between nations, as in respect shown by one country for the laws, judicial decisions, and institutions of another. For PEALS Board, registration by comity means that the licensee was previously licensed in another jurisdiction.

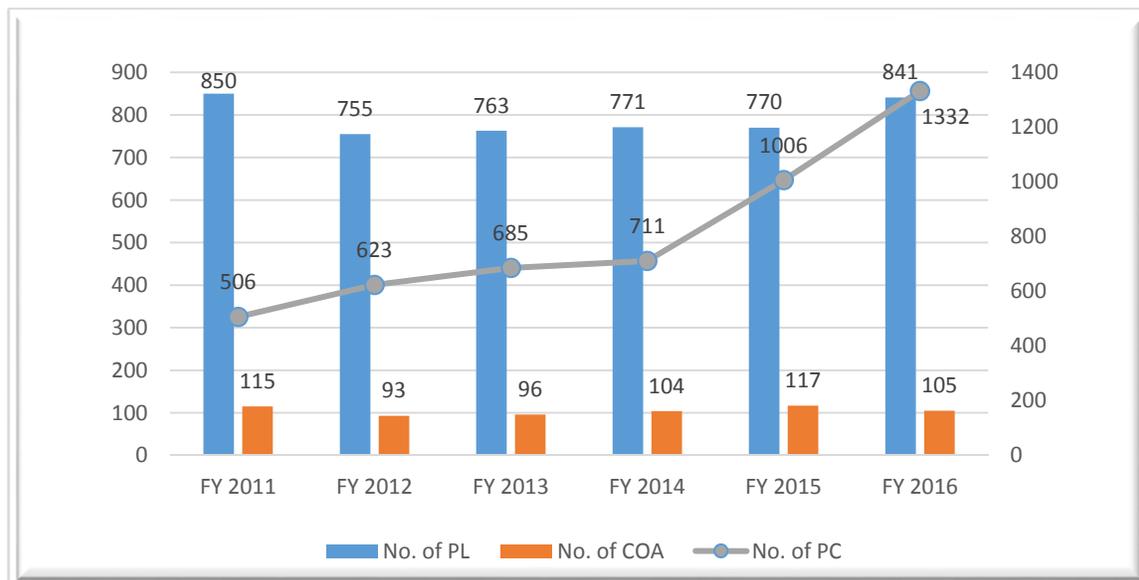
that documentation is kept filed in a secure area and marked as confidential to avoid unauthorized distribution.

Unable to Verify Count of Registrants from FY 2011 to FY 2016

According to the Government Accountability Office’s Standards for Internal Control in the Federal Government (also known as the Green Book), it is management’s responsibility to periodically compare resources with other supporting documentation to help reduce the risk of errors, fraud, misuse, or unauthorized alteration. Transactions should be clearly documented and readily available for examination. Accordingly, PEALS Board’s registration revenues should be periodically reconciled with the licensee database and evidence of such reconciliation retained on file.

The PEALS Board’s Citizen Centric Reports from FY 2011 to FY 2015 reported registration statistics for PL and COA processed per fiscal year. PC are reported at the PEALS Board Meeting. Based on the reported information, PL and COA decreased from FY 2011 to FY 2012, but showed slight increases from FY 2013 to FY 2015. For FY 2016, PL increased by 71, while COA decreased by 12⁴. On the other hand, PC showed an increasing trend from FY 2011 to FY 2016, with significant increases experienced between FY 2014 and FY 2016, as shown in Chart 3.

Chart 3: FY 2011 to FY 2016 Registrant Counts



We reviewed the PEALS Board licensee database, but we were unable to verify the accuracy of the number of PL and COA reported in the legislatively mandated PEALS Board Citizen Centric Reports from FY 2011 to FY 2015. Likewise, our review of the FY 2016 PC database shows discrepancy between the reported amount and the database count. While the PEALS Board maintained one master database file, there was no historical database per fiscal year or any reconciliation of total registration revenues with the actual count of registrants per fiscal year. This

⁴ FY 2016 CCR is not yet issued, but PEALS Board provided the data to OPA.

heightens the risk for fraud since there is no way to verify the accuracy and completeness of the revenues being reported.

Although the licensee statistics are publicly reported annually in the PEALS Board's Citizen Centric Reports, PEALS Board management and staff did not periodically reconcile registration revenues with its licensee database and retain evidence of the reconciliation. Therefore, we recommend the PEALS Board establish a fiscal year-end reconciliation process to ensure the reliability of reported data.

Deposits Require Additional Internal Controls

In OPA Report No. 11-07, we identified incidents of fraud relating to cash receipts, in which OPA recommended that the PEALS Board immediately cease the acceptance of cash payments and require only check payments. Our current audit confirmed that PEALS Board implemented our recommendation.

The PEALS Board policy now states that fees shall be by check or money order and made payable to TOG. All payments received are to be deposited daily to TOG. When making a deposit, the Administrative Assistant prepares a deposit report, which includes the list of receipts, check numbers, and amounts. Upon deposit, TOG provides an acknowledgement receipt that is kept in a file maintained by the Administrative Assistant. The Administrative Assistant also checks the AS400 to confirm that the deposit amounts are posted correctly.

Of the 24 tested payment receipts from FY 2011 to FY 2016, all fees were paid by check and were deposited to the TOG. However, despite PEALS Board's policy to deposit daily, we noted that it took PEALS Board between three and nine days to deposit 12 of the 24 payments (50%) to TOG.

Due to the fraud related to depositing payments identified in OPA Report No. 11-07, it is imperative that established payment and deposit policies are strictly adhered to. Accordingly, we suggest that when there are unavoidable delays in depositing the funds received, the reason for such delay be included in the deposit report and duly approved by the Administrator.

Lack of Segregation of Duties in Handling Deposits and Preparing Reports

The Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control - Integrated Framework notes that key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

During our walkthrough, we observed the lack of segregation of duties in the preparation of deposits to TOG. Specifically, the same person responsible for depositing the funds at TOG also prepares the Deposit Report and primarily receives the payments. Additionally, there was no requirement for another person to review and approve the Deposit Report prior to posting the deposit. Without secondary review, there remains an opportunity for unintentional and undetected errors or fraud. While we recognize assigning primary responsibilities in a small organization is limited, minimal review and monitoring is required to prevent errors or fraud. In order to avoid this risk, we suggest that the PEALS Board include a review of the prepared deposit by a PEALS

Board employee other than the preparer prior to depositing to TOG. PEALS Board concurred and implemented this process effective February 2017.

Payment Receipts May Be Altered in QuickBooks

Since its implementation in 2012, PEALS Board staff utilize QuickBooks to generate pre-numbered receipts and record fee payments and other revenues received for the day. All 24 tested payment receipts were recorded in QuickBooks, deposited to the Treasurer of Guam, and recorded in DOA’s AS400 financial management system, except for those received prior to 2012.

However, during our walkthrough, we observed that the generated payment receipts could be altered without undergoing an approval process. In order to ensure accountability and prevent errors and fraud, we recommend PEALS Board staff print, save, and close the pre-numbered receipt after each transaction. Any need to amend the receipt after it has already been printed should require the receipt to be voided and a new receipt generated. PEALS Board staff should also keep a log of voided receipts including the reason for each void.

Expenditures Not Recorded in QuickBooks

Title 22 GCA § 32110(c) requires the PEALS Board to prepare and submit an annual report of its transactions of the preceding year and a complete statement of receipts and expenditures to the Governor and Legislature. Agency-generated financial reports are important to ensure regular check and balance, monitoring, and timely decision making. PEALS Board revenues and expenditure information are currently maintained in two separate systems, resulting in inefficient reporting processes, as shown in Chart 4. We found that only PEALS Fund revenues are recorded in QuickBooks. The PEALS Board Administrator indicated that they rely on DOA, as GovGuam’s official record keeper, to record its PEALS Fund expenditures in the AS400.

Chart 4: PEALS Board Financial Reporting



We also noted that the revenues and expenditures of the separate PEALS Board Revolving Fund checking account are not recorded in QuickBooks, or by DOA, and are not reconciled on a monthly basis. The agency only relies on the unreconciled monthly bank statements, which are provided at the Board meetings, to monitor the activities of this account. As already noted above, a total of \$12,139 were expended from this account between FY 2011 and FY 2016.

The PEALS Board’s reliance on DOA to record the expenditures of the PEALS Fund, coupled with the unrecorded transactions of the separate PEALS Board Revolving Fund checking account, are indications of a weak accounting infrastructure. By having its revenues and expenditures

recorded in separate systems, the PEALS Board is unable to easily and efficiently generate the required financial reports for the PEALS Fund maintained at DOA and the PEALS Board Revolving Fund maintained by the PEALS Board. Moreover, relying on DOA to record the expenditures and generate the financial report without PEALS performing reconciliation may lead to undetected errors.

Accordingly, we recommend PEALS Board fully utilize QuickBooks to record all PEALS Fund and PEALS Board Revolving Fund checking account revenues and expenditures, which should mirror the DOA-maintained AS400 financial records. In order to fully match, the PEALS Board should also prepare and submit semi-annual financial reports on the PEALS Board Revolving Fund checking account activities to DOA for recording in the AS400.

Expenditures Lack Proper Approval

Title 22 GCA §32111(a) specifies that notwithstanding the Central Accounting Act, all fees and money collected under the provisions of this Chapter *shall* be deposited in a special fund known as the PEALS Fund. This fund shall be kept in a bank licensed to do business on Guam and funds shall be paid out only upon a request for payment or requisition submitted by the Secretary/Treasurer or its personnel, and countersigned by the Chairman of the Board. In addition, 22 GCA § 32111(e) states that the Chairman of the Board is the designated Certifying Officer and shall certify all expenditures from the PEALS Fund.

We tested 10 expenditures totaling \$21,057 from FY 2011 to FY 2016 and saw that these were not approved by the Board Chairman, but were instead approved by either the former Administrative Assistant or the PEALS Board Administrator. The current Board Administrator confirmed that expenditures do not go through the review of the Board Chairman. The current practice is in violation of 22 GCA § 32111(e) and may lead to unauthorized expenditures.

We recommend that the PEALS Board comply with 22 GCA §32111(e) by ensuring the Board Chairman approves requests to release expenditures prior to its submission to DOA. Any deviation from this requirement should be documented in the transaction file and subsequently ratified by the PEALS Board.

Other Matters

During our audit, we observed that the PEALS Board Fee schedule includes approximately 25 varying fees for application, examination/re-examination, initial registrations, renewals, and other fees. The complexity of the PEALS Board Fee Schedule is cumbersome and exacting, which can be prone to errors. We also noted that the Structural, Vertical Forces and Structural, Lateral Forces were not consistent with the revised rates per P.L. 29-02 Exhibit 2. We recommend the PEALS Board review and simplify the fee structure to avoid confusion in the fee application. Refer to Appendix 4 for the PEALS Board Fee Schedule.

We also observed that the PEALS Board Rules and Regulations and the Rules of Professional Conduct on their website (www.guam-peals.org) were not consistent with 25 GAR, Chapter 1. We recommend that the PEALS Board coordinate with the Compiler of Laws to update their rules and regulations.

Conclusion and Recommendations

Our follow-up audit found that the PEALS Board addressed five of the six audit recommendations made in OPA Report No. 11-07 and made improvements in its payments, recording, and deposit processes. However, we found the following:

- Separate PEALS Board Revolving Fund remains open, despite OPA's previous recommendation;
- Missing licensee eligibility documentation;
- Unable to verify count of registrants and permit clearances;
- Board Chairperson does not currently approve all expenditures; and
- QuickBooks not utilized to record expenditures.

PEALS Board management failed to enforce certain requirements prescribed in 22 GCA Chapter 32 pertaining to approval of expenditures and certain licensure requirements. The accounting infrastructure remains weak because certain controls are not in place and staff have limited knowledge of the QuickBooks Accounting Software's functionalities and features.

We recommend the PEALS Board and in particular, the Chairman ensure:

1. Compliance with the law prescribed in 22 GCA Chapter 32, specifically:
 - a. The Board Chairman approve the requests to release expenditures prior to its submission to DOA. Any deviation from this requirement should be documented in the transaction file and subsequently ratified by the PEALS Board.
 - b. PEALS Board should ensure that copies of all required documentation are filed with the licensees' records prior to approving their application to sit for the exams, their comity license application or their annual license renewal. Due to the confidential nature of some of the required documentation, care should be exercised to ensure that documentation is kept filed in a secured area and marked as confidential to avoid unauthorized distribution.
2. Improvement of the accounting infrastructure by incorporating the following:
 - a. The fiscal year-end reconciliation of reported data, such as licensee statistics with registration revenue and other supporting documentation.
 - b. The printing, saving, and closing of the pre-numbered QuickBooks receipt after each transaction. Any need to amend the receipt after it has already been printed should require the receipt to be voided and a new receipt generated. PEALS Board should also keep a log of voided receipts and the reasons thereof.
 - c. Provide QuickBooks training for PEALS Board staff and ensure full utilization of QuickBooks to record all PEALS Fund and PEALS Board Revolving Fund checking account revenues and expenditures, which should mirror the DOA-maintained AS400 financial records. In order to fully match, the PEALS Board should also prepare and submit semi-annual financial reports on the PEALS Board Revolving Fund checking account activities to DOA for recording in the AS400.
 - d. Document these procedures in the PEALS Board Standard Operating Procedures.
3. Review and simplification of the fee structure to avoid confusion in the fee application.
4. Coordination with the Compiler of Laws to update their rules and regulations.

Classification of Monetary Amounts

Finding Description	Questioned Costs	Potential Savings	Unrealized Revenues	Other Financial Impact	Total Financial Impact
1. Five of Six Prior Recommendations Addressed	\$ -	\$ -	\$ -	\$ -	\$ -
2. Revolving Fund Checking Account Remains Open⁵	\$ 4,062	\$ -	\$ -	\$ 2,169	\$ 6,231
3. Missing Licensee Eligibility Documentation	\$ -	\$ -	\$ -	\$ -	\$ -
4. Unable to Verify Count of Registrants from FY 2011 to FY 2016	\$ -	\$ -	\$ -	\$ -	\$ -
5. Payment Receipts May Be Altered in QuickBooks	\$ -	\$ -	\$ -	\$ -	\$ -
6. Expenditures Not Recorded in QuickBooks	\$ -	\$ -	\$ -	\$ 5,908	\$ 5,908
7. Expenditures Lack Proper Approval	\$ 21,057	\$ -	\$ -	\$ -	\$ 21,057
Total	\$ 25,119	\$ -	\$ -	\$ 8,077	\$ 33,196

⁵ Total monetary impact for this category was \$6,231 but with two different classifications. Two of the six items tested amounting to \$4,062 was classified as a questioned cost while the remaining four items amounting to \$2,169 were classified as other financial impact.

Management Response and OPA Reply

We transmitted a draft report to PEALS Board in May 2017 for their official response. We met with the Administrator and several board members to discuss the findings and recommendations contained in the draft report. During our exit meeting, PEALS Board management and board members generally concurred with the findings and recommendations.

In May 2017, we received the official response from PEALS Board indicating that corrective actions will be taken to address and resolve the issues noted in our draft report. See Appendix 5 for PEALS Board's response and Appendix 6 for the Status of Audit Recommendations. We have determined that one of the four recommendations has been addressed and therefore closed.

The legislation creating OPA requires agencies to prepare a corrective action plan to implement audit recommendations, to document the progress in implementing the recommendation and to endeavor to have implementation completed no later than the beginning of the next fiscal year. Accordingly, we will be contacting PEALS Board to provide updates on the corrective action plan indicated in their official response.

We appreciate the cooperation shown by the PEALS Board during the course of this audit.

OFFICE OF PUBLIC ACCOUNTABILITY



Doris Flores Brooks, CPA, CGFM
Public Auditor

Appendix 1:

Objectives, Scope & Methodology

The audit objectives were to:

- (1) To determine the status and progress of the previous audit recommendations.
- (2) To determine whether the PEALS Board established adequate internal controls over its accounting procedures to ensure accurate and complete financial reporting and that errors, fraud, waste, and abuse are prevented and detected.

The scope of the audit includes October 1, 2010 (FY 2011) thru September 30, 2016 (FY 2016).

Audit Methodology

To accomplish our objectives, we reviewed the laws, policies, and prior audits related to PEALS Board. We also performed the following audit procedures:

1. Obtained an understanding of the process and internal controls over the receipt and expenditure of funds by conducting walkthroughs and interviews with the PEALS Board Administrator and Staff.
2. Obtained and analyzed:
 - a. Revenues recorded in QuickBooks;
 - b. Expenditures recorded in AS400 and Bank of Hawaii statements; and
 - c. Licensee eligibility recorded in their MS Access database.
3. Tested 24 (4 for each fiscal year) receipts to determine the following:
 - a. Payments were correct based on the list of fees;
 - b. Payments were deposited to TOG; and
 - c. Payments were deposited timely.
4. Tested 12 expenditures recorded in AS400 (2 each fiscal year) and 8 expenditures from the checking account to determine the following:
 - a. Documentation was complete;
 - b. Expenditure was authorized; and
 - c. Goods or services were properly procured in accordance with GovGuam procurement law and regulations.
5. Tested 20 Licensees recorded in their database (5 for each discipline) to determine the following:
 - a. Licensee is eligible based on 22 GCA Chapter 32;
 - b. Licensee is current with renewals; and
 - c. Licensee is listed in the website roster.

We conducted this audit in accordance with the standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix 2: Prior Audit Coverage

Performance Audit

OPA Report No. 11-07 Performance Audit of the Guam Professional Engineers, Architects and Land Surveyors Board Funds and Financial Practices (issued October 2011)

PEALS Board did not provide oversight or adequately monitor its finances and staff operations. Instead, the Board relied on the integrity of its former Chairperson and Administrator, whose actions were questionable in many cases. As a result, funds were mismanaged, misspent and misappropriated between October 1, 2007 and December 31, 2010. The Board's lack of attention allowed significant and suspicious revenue fluctuations to go unquestioned and inappropriate management actions to be uncorrected. Six recommendations were made as follows:

1. Close the Revolving Fund checking account and transfer the balances to the PEALS Fund.
2. Immediately require PEALS fees to be recorded and paid directly to the Treasurer of Guam.
3. Follow-up on the status of restitution payments to be made by the former employee.
4. Establish information system controls over the recording and issuance of receipts and related deposits.
5. Notify the bank of the unauthorized use of the Board's name and direct the private organization to cease using the checking account under the guise of the PEALS Board.
6. Become familiar with DOA policies concerning CTO and develop appropriate policies for accrual and use by Board employees.

Financial Audit

Based on our review of the Government-Wide financial audits, we did not identify any findings pertaining to the PEALS Board for FY 2011 to FY 2016. During this period, the following revenues and expenditures were reported.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Revenues	\$ 332,282	\$ 301,886	\$ 300,036	\$ 280,561	\$ 291,050	\$ 312,491
Total Expenditures	\$ 160,849	\$ 126,241	\$ 165,456	\$ 224,303	\$ 270,048	\$ 255,197
Surplus	\$ 171,433	\$ 175,645	\$ 134,580	\$ 56,258	\$ 21,002	\$ 57,294

Appendix 3:
PEALS Fund Revolving Checking Account

PEALS Revolving Fund Account Balance

Beg Balance (FY 2011)		\$	11,894
Add Deposits: Wage Garnishment	\$	4,820	
Less: Bank Charges	\$	(89)	
Less: Checks Issued	\$	(12,139)	\$ (7,408)
Ending Balance (FY 2016)		\$	4,487

Breakdown are as follows:

Wage Garnishment		
Date	Remarks	Amount
01/13/2012 to 11/14/2014	ACH Credit - GovGuam Payroll	\$ 4,720
2/17/2015	Customer Deposit	\$ 50
7/22/2015	Customer Deposit	\$ 50
Total		\$ 4,820

Bank Charges		
Date	Remarks	Amount
11/30/2011	ACH Debit - Check Order	\$ 20
7/27/2015	Deposit Item Returned - chargeback	\$ 25
7/27/2015	Service Fee - Deposit item returned	\$ 7
7/27/2015	Deposit Item Returned - chargeback	\$ 25
7/27/2015	Service Fee - Deposit item returned	\$ 7
6/21/2016	Returned Statement Fee	\$ 5
Total		\$ 89

Appendix 3:
PEALS Fund Revolving Checking Account

Checks Issued			
Date	Check no.	Payee	Amount
11/1/2010	132	Payee #17	\$ 88
11/17/2010	133	Payee #18	\$ 80
2/23/2011	134	Payee #1	\$ 200
5/3/2011	135	Payee #2	\$ 58
6/14/2011	136	Payee #3	\$ 105
8/9/2011	137	Payee #4	\$ 75
11/9/2011	138	Payee #5	\$ 3,866
11/15/2011	139	Payee #6	\$ 44
12/16/2011	140	Payee #7	\$ 85
1/10/2012	141	Payee #4	\$ 322
1/10/2012	142	Payee #8	\$ 55
1/19/2012	143	Payee #5	\$ 176
1/24/2012	144	Payee #5	\$ 46
1/26/2012	145	Payee #5	\$ 46
2/28/2012	146	Payee #6	\$ 44
3/13/2012	147	Payee #6	\$ 75
4/11/2012	148	Payee #4	\$ 150
4/11/2012	149	Payee #4	\$ 53
4/15/2012	150	Payee #9	\$ 144
4/17/2012	151	Payee #10	\$ 684
4/20/2012	152	Payee #11	\$ 624
5/14/2012	153	Payee #10	\$ 412
5/25/2012	154	Payee #5	\$ 98
9/18/2012	155	Payee #6	\$ 44
1/15/2013	156	Payee #12	\$ 1,660
4/11/2013	157	Payee #5	\$ 1,000
4/8/2014	158	Payee #4	\$ 348
8/13/2014	159	Payee #12	\$ 1,000
6/15/2015	160	Payee #13	\$ 196
6/15/2015	161	Payee #14	\$ 208
9/29/2015	162	Payee #15	\$ 137
7/8/2016	163	Payee #16	\$ 15
Total			\$ 12,139

Appendix 4: PEALS Board Fee Schedule

I. APPLICATION FEE				
A. Individual	Engineer	Architect	Landscape Architect	Land Surveyor
a. Comity Registration	\$120	\$120	\$120	\$120
b. Examination	\$120	\$120	n/a	\$120
c. Reinstatement	\$120	\$120	\$120	\$120
B. Certificate of Authorization (COA)	\$150	\$150	\$150	\$150

II. REGISTRATION				
A. Renewal (annual)	Engineer	Architect	Landscape Architect	Land Surveyor
B. COA (fees charged per type of service and/or engineering discipline provided)	\$225 (per disc)	\$225	\$225	\$225
C. Expired registration				
- for each annual year	\$225	\$225	\$225	\$225
- plus penalty for each month thereafter	\$25	\$25	\$25	\$25

III. INITIAL REGISTRATION				
A. Initial, 6 months or less from renewal	Engineer	Architect	Landscape Architect	Land Surveyor
B. Initial, 6 months or more from renewal	\$225	\$225	\$225	\$225
C. COA (fee charged per type of service provided)	\$225	\$225	\$225	\$225
D. Emeritus Status	\$50	\$50	\$50	\$50
E. Intern Certificates	\$25	n/a	n/a	\$25

*IV. EXAMINATION AND RE-EXAMINATION				
A. Fundamentals of Surveying (FS)	Engineer	Architect	Landscape Architect	Land Surveyor
B. Principles & Practice of Surveying (PPS)	\$200	n/a	n/a	\$200
C. Structural, Vertical Forces	\$440	n/a	n/a	n/a
D. Structural, Lateral Forces	\$440	n/a	n/a	n/a
E. Special Civil Seismic	\$200 *does not include Prometric Exam Site Fee	n/a	n/a	n/a
F. Guam Land Matters (GLM)	n/a	n/a	n/a	\$75
G. Architect Registration Examination (ARE)	to follow NCARB			
H. Proctor exam for other state Boards (for active military personnel only)	\$150	n/a	n/a	\$150

V. OTHER FEES				
A. Temporary Permit (Individual only)	Engineer	Architect	Landscape Architect	Land Surveyor
B. Replacement/Duplication of certificates	\$150	\$150	\$150	\$150
C. Annual Roster (non-member)	\$25	\$25	\$25	\$25
D. PEALS Board Law	\$30	\$30	\$30	\$30
Other public documents	\$1/first page and \$0.25 for the remaining page			
E. Rules and Regulations	\$30	\$30	\$30	\$30
F. Pocket Registration Card (Replacement)	\$30	\$30	\$30	\$30
G. Building Permit Application Clearance	\$15/plan application checking fee			

VI. The Board shall impose fine/penalty to violators of registration code.
*Subject to change without prior notice

Source: www.guam-peals.org

Note: The audit team noted that the Structural, Vertical Forces and Structural, Lateral Forces exam fees are not consistent with P.L. 29-02 Exhibit 2.

Appendix 5: PEALS Board Management Response



The Guam Board of Registration for
PROFESSIONAL ENGINEERS, ARCHITECTS & LAND SURVEYORS
Inetinon Rihestrasyon Inheneron Profisional, Arkitekto yan Agraransot Tano'

May 10, 2017

Doris Flores Brooks, CPA, CGFM
 Public Auditor
 Office of Public Accountability
 Suite 401, DNA Building
 238 Archbishop Flores Street
 Hagatna, GU 96910

SUBJECT: PEALS Board Response to OPA Draft Audit Report

Hafa Adai Ms. Brooks:

The PEALS Board and Executive Board Administrator (EBA) have reviewed the Draft Audit Report and appreciate your comments and recommendations. The following is our Corrective Action Plan that addresses the Recommendations listed in page 13 and Appendix 7 of the Draft Report:

OPA Recommendation	PEALS Corrective Action Plan	Anticipated Time to Completion	
1	Compliance with law prescribed in 22 GCA Chapter 32:		
a.	The Board Chairman to approve release expenditures prior to submission to DOA.	Beginning in February 2017 the Board Chairman has signed all expenditures submitted to GSA/DOA as the Certifying Officer.	Currently In Effect
b.	The general and discipline specific eligibility requirements.	Beginning in February 2017 the EBA and Administrative Assistant (AA) have required Proof of US Citizenship on all applications and is now Standard Operating Procedure (SOP). With regards to other application requirements, our current SOP is that each application, including renewals, is first reviewed by PEALS staff and any missing documentation is requested from the applicant. All new applications are then reviewed and approved by at least four (4) Board members. Applications for renewal that satisfy documentation requirements and do not have any changes or issues from the previous application are approved by the EBA and PEALS staff. All other applications renewal are reviewed and approved by at least (4) Board members.	Currently In Effect
2	Improve accounting infrastructure:		

718 North Marine Drive Suite 208, Upper Tumon Guam 96015

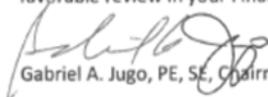
Telephone: (671) 646-3115 Fax: (671) 640-9533 • Website: www.guam-peals.org

**Appendix 5:
PEALS Board Management Response**

	a. Periodic reconciliation of publicly reported data.	The EBA will prepare bi-annual reports showing reconciliation of revenue with registration numbers and submit to the Board. The Board will review and perform verification.	12 months
	b. Printing, saving, and closing of pre-numbered QuickBooks software (QB) receipts after each transaction.	The EBA or PEALS staff will close QB after preparing and entering payments and the EBA will keep a log of all voided receipts. This will become SOP.	Immediately
	c. Full utilization of QB to record all PEALS Fund and PEALS Revolving Fund checking account revenues and expenses.	<p>The EBA and PEALS staff will receive training on the use of QB and enter all expenditures including Revolving Fund checks so that QB will mirror AS400 financial records maintained by DOA. The EBA will also report the Revolving Fund check expenditures to DOA so that it will be included in the annual GovGuam financial audit.</p> <p>These records will be included in the EBA's reports to the Board at each of the six Board meetings of the year. The Board will review and perform verification.</p> <p>Additionally, the Board is in the process of establishing SOP for the use of the Revolving Fund which will require:</p> <ul style="list-style-type: none"> • Two (2) signatures on every check, and • Approval of at least four (4) Board members on any check amount over Two Hundred Dollars. <p>The SOP will be included in the PEALS Rules & Regulations that are currently being updated and are expected to go through the GovGuam AAA process.</p>	12 months

As discussed at our meeting this morning at the PEALS office, it is a goal of the Board and the EBA to utilize the Revolving Fund to reduce the time to pay the Boards' annual dues to the national councils we are mandated to be members of, namely NCEES and NCARB. Currently the time required to make these payments through DOA has caused some concern with the national councils. Any advice you may have for us in achieving this goal would be much appreciated.

Thank you for your cooperation. We are determined to continually improve operations and we hope to receive a favorable review in your Final Audit Report.


Gabriel A. Jugo, PE, SE, Chairman


Ray C. Borja, Executive Board Administrator

Appendix 6: Status of Audit Recommendations

No.	Addressee	Audit Recommendation	Status	Status
1	PEALS Board and Management	Compliance with the law prescribed in 22 GCA Chapter 32, specifically: a) the Board Chairman’s approval to release expenditures and b) the general and discipline-specific eligibility requirements	Implemented	Corrective action was in effect beginning February 2017.
2	PEALS Board and Management	Improve the accounting infrastructure that incorporates the following: a) fiscal year-end reconciliation of reported data; b) printing, saving, and closing of the pre-numbered QuickBooks receipt after each transaction; c) full utilization of QuickBooks to record all PEALS Fund and PEALS Board Revolving Fund checking account revenues and expenditures; and d) document these procedures in the PEALS Board Standard Operating Procedures.	Open	Corrective action plan has been provided and will take effect in 0-12 months.
3	PEALS Board and Management	Review and simplify the fee structure to avoid confusion in the fee application.	Open	Please provide target date and title of official(s) responsible for implementing the recommendation.
4	PEALS Board and Management	Coordinate with the Compiler of Laws to update their rules and regulations.	Open	Please provide target date and title of official(s) responsible for implementing the recommendation.



**Guam Registration Board of Professional Engineers, Architects,
and Land Surveyors
Funds and Financial Practices Follow-Up Audit
Report No.17-03, July 2017**

ACKNOWLEDGEMENTS

Key contributions to this report were made by:
Rodalyn Gerardo, CIA, CGFM, CPA, CGAP, CGMA, Audit Supervisor
Amacris Legaspi, Audit Staff
Doris Flores Brooks, CPA, CGFM, Public Auditor

MISSION STATEMENT

**To ensure public trust and assure good governance,
we conduct audits and administer procurement appeals,
independently, impartially, and with integrity.**

VISION

**The Government of Guam is the model for good governance in the Pacific.
OPA is a model robust audit office.**

CORE VALUES

**Objectivity: To have an independent and impartial mind.
Professionalism: To adhere to ethical and professional standards.
Accountability: To be responsible and transparent in our actions.**

REPORTING FRAUD, WASTE, AND ABUSE

- **Call our HOTLINE at 47AUDIT (472-8348);**
- **Visit our website at www.opaguam.org;**
- **Call our office at 475-0390;**
- **Fax our office at 472-7951; or**
- **Or visit us at Suite 401, DNA Building in Hagåtña.**

All information will be held in strict confidence.