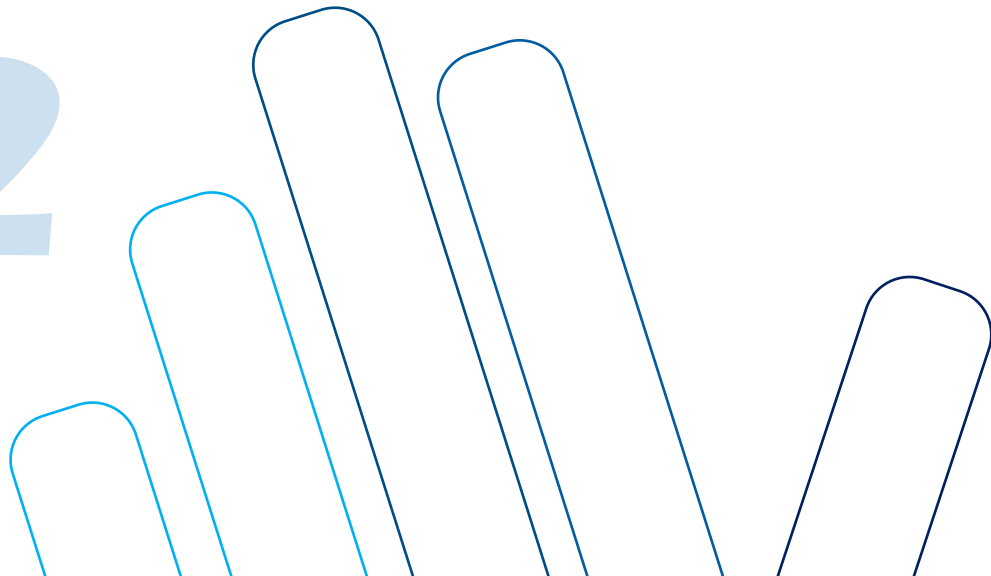


**Annual Work Plan**  
**CY 2020**

**2020**





# **Annual Work Plan**

## **Calendar Year 2020**

January 2020

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Our annual work plan provides the vision and framework for the activities of the Office of Public Accountability (OPA) for the calendar year (CY) 2020. This plan supports OPA's five-year Strategic Plan covering CY 2019-2023.

Our Strategic Plan commits to building on our relationship with stakeholders and aims to increase the value they see in the audit reports and other OPA-provided services.



# MOTTO

Auditing for Good Governance

# VISION

The Government of Guam is a model for good governance with OPA leading by example as a model robust audit office.

# MISSION

To ensure public trust and good governance in the Government of Guam, we conduct audits and administer procurement appeals with objectivity, professionalism, and accountability.



# CONTENTS

Introduction

01

Audit Work Plan

Performance Audits 03  
Financial Audits 05  
Procurement Appeals 06  
Monitoring and Evaluation 07

02

Other Tasks

08

This report contains the Office of Public Accountability's  
upcoming engagements for the calendar year 2020.

Please have the pleasure of reading this report as we put  
our greatest efforts to deliver to you an informative  
account of what is ahead for our office.

# INTRODUCTION

The Office of Public Accountability is an instrumentality of the Government of Guam (GovGuam), independent of the executive, legislative, and judicial branches.

The Public Auditor is mandated by 1 GCA §1908 to conduct post-audits of all the transactions and accounts of all departments, offices, corporations, authorities, and agencies in all the branches of GovGuam. The Public Auditor may also conduct such other audits or reviews as he deems necessary.

As of CY 2019, we have comprised of 10 Auditors, Public Auditor, and an Administrative Services Officer.

In CY 2019, we released nine performance audits, had oversight on twenty-four financial audits, and administered eleven procurement appeals.

We will discuss more of the results of our CY 2019 performance in our Annual Report.



OPA was created on July 20, 1992 through Public Law 21-122. The office has been in existence for 27 years now.

# WHAT WE DO

We primarily conduct performance audits, have oversight over financial audits, and adjudicate procurement appeals.

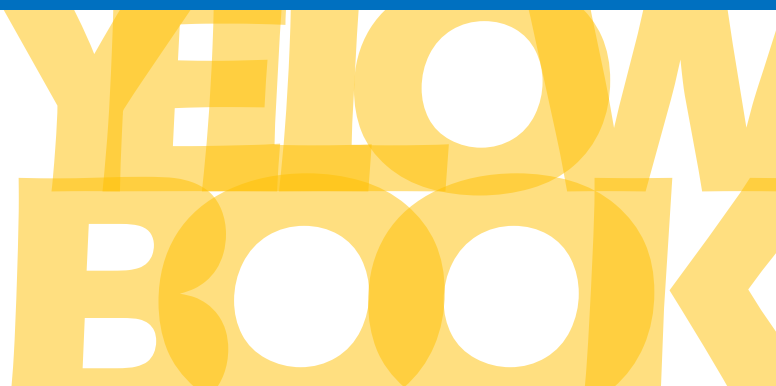
We work with GovGuam departments and agencies to improve their performance and ensure transparency and accountability of government funds for the benefit of our community.

We seek to achieve independent and nonpartisan assessments that promote accountability and efficient, effective management throughout GovGuam.

We exercise professional judgment in the execution of our annual work plan.

We follow Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States in carrying out our performance audits.

Where applicable, we also follow the International Standards of Supreme Audit Institutions issued by the International Organization of Supreme Audit Institutions (INTOSAI).





# AUDIT WORK PLAN

# MONTHS

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For the past months, our office was busy putting together this annual plan. The culmination of our work is our planned engagements for CY 2020.

As the end of CY 2019 approached, we got to work.

We first solicited GovGuam agencies and department heads, public officials, and the general public for performance audit topic suggestions. We considered their responses in our plan.

Our office held series of audit plan meetings. In one of our meetings, we each presented performance audit topics. We compiled all these topics, including those we solicited, and rate them.

We collectively agreed on the top ten audit topics based on our ranking and independently did a risk assessment for each.

Throughout our process, the Public Auditor participated and had oversight over the work.

In the following pages, we present our planned engagements for CY 2020.

We have ten planned performance audits, about twenty financial audits, and two on-going procurement appeals. Besides these, we handle legislative mandates, investigative duties, and various administrative responsibilities.

Our 2020 will be full of wonderful things coming from our hard work.

# IN THE MAKING

# PERFORMANCE AUDITS

### On-going Performance Audits

As of December 31, 2019, we reassessed the status of our performance audits for CY 2019. We collectively agreed to continue the five engagements and will carry out the audits in CY 2020.

Agency	Audit Topic
1. Gov't Wide	Public Safety Overtime Analysis
2. MCOG	Guam Island Fair and 75 <sup>th</sup> Liberation Day Festivities
3. COA	Use Tax Collection Follow-up Audit
4. DRT	Hotel Occupancy Tax Collections
5. Autonomous Agencies	Pay Raises (Part B)

We are committed to complete the performance audits we planned for CY 2019. We complete and start new performance audits as resources permit.

### New Performance Audits

Through extensive deliberations with staff and the Public Auditor, audit requests from stakeholders, and risk assessments, we establish a performance audit annual plan to determine which government entities and programs to review.

We all conducted risk assessments independently for each of the ten topics with the following criteria:

- Financial Impact **30%**
  - Is there a high financial impact? What is the estimated potential loss of revenue or cost savings?
- Public Concern or Social Impact **25%**
  - Is the audit topic a high interest to the community, whether social, political, environment, etc.?
- Program Risk **25%**
  - What is the likelihood that the program will fail, poor control, or the program will not meet its goals?
- Leadership Interest **20%**
  - What is the interest in the program by public officials or government department management team?

Our risk assessment aided us in defining the importance of each audit topic and decided where to invest our limited resources. As a result, we collectively came up with our performance audits engagements for CY 2020.

# PERFORMANCE AUDITS

## CY 2020

	Agency	Audit Topic
1	MCOG	2019 Guam Liberation Game Rooms*
2	GMHA	Physicians Services Contract
3	DRT	Waiver of Interest Fees on Business Privilege Tax
4	DRT	Short-term Vacation Rentals*
5	DPHSS	Affordable Care Act*
6	Government -Wide	Controls Over Government-Issued Credit Cards
7	DPHSS	Medically Indigent Program/Medicaid Program
8	DPHSS	Proper Billing of Counterfeit Products
9	MCOG	Validity of Disbursements of Non-Appropriated Funds*
10	GEPA	Oversight on Chemical Disposal

\* Part of CY 2019 Annual Work Plan. OPA will still carry this audit in CY 2020.

# FINANCIAL AUDITS

Financial audits are essential in assessing the overall financial condition and performance of GovGuam as a whole, its component units, and agencies. It determines the reasonableness and fair representation of the entity's annual financial statements.

The Public Auditor, through 1 GCA §1908, may contract services from independent auditing firms to conduct financial audits of GovGuam, its component units, and agencies.

OPA has oversight on these GovGuam financial audit engagements.

## Financial Audits CY 2020

We will oversee at least twenty-five financial audits of GovGuam agencies and departments, including the consolidated government-wide audit. These agencies have a fiscal year ending September 30.

The financial audits include the review of the Single Audit Reports of certain agencies and departments which disbursed federal grants.

- Chamorro Land Trust Commission
- Department of Chamorro Affairs
- Government of Guam Retirement Fund
- Government-Wide (GovGuam)
- Guahan Academy Charter School
- Guam Ancestral Land Commission
- Guam Community College
- Guam Department of Education
- Guam Economic Development Authority
- Guam Housing and Urban Renewal Authority
- Guam Housing Corporation
- Guam International Airport Authority
- Guam Memorial Hospital Authority
- Guam Power Authority
- Guam Preservation Trust
- Guam Solid Waste Authority
- Guam Visitors Bureau
- Guam Waterworks Authority
- iLearn Academy Charter School
- Port Authority of Guam
- Public Broadcasting Service Guam
- Science is Fun and Awesome Learning Academy
- Territorial Highway Fund
- Tourist Attraction Fund
- University of Guam

OPA is striving to have all GovGuam financial audits issued no later than March 31st or six months after the end of the fiscal year.

# PROCUREMENT APPEALS

The Public Auditor, under 1 GCA §1909 (k), hears and decides an appeal by a protestant about a decision issued by the head of a purchasing agency.

The Public Auditor may assign a procurement appeal to one of the contracted Hearing Officers. Like the newly elected Public Auditor, Hearing Officers are Guam-licensed attorneys.

OPA engages the Hearing Officers to prevent potential conflicts and get expert advice.

## Resolving Procurement Appeals

Procurement appeals to OPA are complaints by aggrieved persons against the purchasing agency's decision on:

- a) Protest of method, solicitation or award;
- b) Debarment or suspension;
- c) Contract or breach of contract controversy; or
- d) Award determination during a pending protest or appeal.

Our goal is to resolve procurement appeals within 90 to 120 days from filing and decide within 30 to 60 days upon conclusion of the appeal hearing.

## On-going Procurement Appeals in CY 2019

We handle procurement appeals when filed at our office for the Public Auditor to hear and decide. We cannot determine how many appeals will be filed in any period.

In CY 2019, of the eleven procurement appeals filed, two are on-going:

- 19-011: Basil Food Industrial Services Corporation vs. General Services Agency
- 19-010: GlidePath Marianas Operations Inc. vs. Guam Power Authority

As of this writing of our CY 2020 Annual Work Plan, we have not received any procurement appeals.

# MONITORING AND EVALUATION

## Audit Plan Not Set in Stone

We may adjust our annual work plan based on input from the Public Auditor because of emerging issues, availability of resources, or other circumstances.

Adjustments to our annual work plan may occur based on the audit requests received from stakeholders.

The plan is amenable to change due to the investigation of potential fraud, conflicts of interest, or other irregularities that come to our attention.

To monitor our progress towards our annual work plan, our dashboard includes a summary of the status of all ongoing performance audits and forecast for the next three months. It also summarizes the progress of financial audit releases and procurement appeals, and the status of the agencies' implementation of performance audit recommendations.

We assign a staff to update the status of each on-going projects and updates the dashboard at the end of every month.

## We Keep Moving Forward

We are committed to providing a supportive environment for our employees and recognize quality, responsiveness, and professionalism in the workforce.

We ensure that all of our auditors comply with the Yellow Book's minimum Continuing Professional Education (CPE) requirement. The Yellow Book requires for auditors to maintain 80 hours of CPE every two years.

Our office is a member of the Pacific Association of Supreme Audit Institutions (PASAI) and Association of Pacific Islands Public Auditors (APIPA).

In CY 2020, our office will undergo a Peer Review. This Peer Review is independently done by a team selected by APIPA.

For the past reviews, our office has consistently received a rating of Pass. This means our performance audits have been conducted in compliance with the Yellow Book standards.

# OTHER TASKS

## Legislative Mandates

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Several enacted mandates require OPA to audit specific government-related activities, become a member of certain oversight commissions and committees, prepare and submit certain reports periodically (e.g., budget, annual report, etc.), and receive various reports and other information from GovGuam agencies and departments.

OPA has a Legislative Mandates Committee that is responsible for monitoring mandates involving OPA. This committee updates the Public Auditor quarterly, or as frequent as determined necessary, to seek approval of the committee's recommendations and disposition of the legislative mandates.

## Citizen Concerns

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The OPA has a hotline phone number that provides a confidential way for citizens and government employees to share their concerns and report improper government activities, such as illegal acts (e.g., corruption, bribery, theft, or fraud), misuse or abuse of government property or time, and gross misconduct, incompetence, or inefficiency.

OPA has an Investigative Committee that is responsible for receiving hotline tips or citizen concerns and monitoring the hotline database. This committee provides quarterly updates to the Public Auditor. However, for more credible and urgent hotline tips or citizen concerns, the committee immediately brings it to the Public Auditor's attention. Ultimately, the Public Auditor decides on the course of action to address or close the hotline tip or citizen concern.

## Administrative

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Although OPA has an Administrative Services Officer, all other employees take part in the office administrative tasks.

These tasks include:

1. Policy/procedure development and modifications
2. Strategic planning
3. Data and Information Technology activities
4. Office Procurement
5. Timekeeping
6. Other administrative duties

## In Closing

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The people of Guam and GovGuam rely on OPA to serve as their guardian to ensure the effective and efficient administration and management of public funds and programs.

OPA continually strives to conduct as many audits and mandates, render decisions on procurement appeals within a reasonable time, and address hotline tips and citizen concerns even with its limited resources.

Similar with our five-year Strategic Plan, we hope that we will receive support from all our stakeholders to implement successfully our CY 2020 annual work plan.

OFFICE OF PUBLIC ACCOUNTABILITY



Benjamin J.F. Cruz  
PUBLIC AUDITOR





## Annual Work Plan Calendar Year 2020

### ACKNOWLEDGEMENTS

**Key contributions to this report were made by:**

Christian Rivera, Audit Staff  
Thyrza Bagana, CGFM, Audit Supervisor  
Benjamin J.F. Cruz, Public Auditor

### MISSION STATEMENT

**To ensure public trust and good governance in the Government of Guam, we conduct audits and administer procurement appeals with objectivity, professionalism, and accountability.**

### VISION

**The Government of Guam is a model for good governance with OPA leading by example as 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](http://www.opaguam.org)
- Call our office at 475-0390
- Fax our office at 472-7951
- Or visit us at Suite 401, DNA Building in Hagåtña;

**All information will be held in strict confidence.**



**LET'S BEGIN**