

**Office of Public Accountability
Annual Report**

Calendar Year 2016

June 2017



Office of Public Accountability Annual Report

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June 2017

Distribution:

Governor of Guam

Lt. Governor of Guam

Speaker, 34th Guam Legislature

Senators, 34th Guam Legislature

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Message from the Public Auditor



Hafa Adai!

To the Citizens of Guam, Un Dangkulu Na Si Yu'us Ma'ase' for electing me to a 5th term as your Public Auditor. The trust and confidence you bestowed upon me these past 16 years has been heartwarming and sincerely appreciated. I ask for your continued trust as I begin the next phase of this journey.

To the people of Guam, the theme and vision we have espoused this past decade is that Guam can and should be the model for good governance in the Pacific. We aspire for the Office of Public Accountability (OPA) to be a model robust audit office.

Guam's strategic location makes it the center of Micronesia. As the largest economy in Micronesia, Guam should be setting the example for good governance in the Pacific. For Guam to improve its governance, as we have said before, the Government of Guam (GovGuam) must make significant investments in technology.

GovGuam's current financial management system (FMS) is a relic of the 1980s. Department of Revenue and Taxation continues to manually input gross receipts tax (GRT) forms. Who does this in today's technologically driven

world? GovGuam is a billion dollar government and, as such, we should be accounting to the people of Guam promptly, not nine months after the fiscal year ends. We understand the Governor and the Department of Administration seek a new FMS, and we look forward to supporting them in this major technological advance.

To help OPA become a model audit office, we will participate in the Performance Measurement Framework (PMF) sponsored by the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI) and PASAI (Pacific Association of Supreme Audit Institutions). The PMF assessment will help identify our strengths and weaknesses; our ongoing relevance to citizens and the Legislature; and strengthen the accountability, transparency, and integrity of government entities.

All the good work we have done these past 16 years would not have been possible without outstanding crews. Fortunately, the senior officers of OPA, Yuka, Rodalyn, and



2017 Inauguration – (L-R) Honorable Robert Torres (Chief Justice of the Supreme Court of Guam), the Public Auditor, Honorable Ray Tenorio (Lt. Governor), and Honorable Benjamin Cruz (34th Guam Legislature Speaker)

Llewelyn have been with me for over 12 years. We are steadily building our middle management team who average over six years with OPA. Thank you OPA staff for your professionalism, dedication, commitment and hard work.

One of the reasons I decided to run again was to push for the adoption of the OPA Compensation Study. The institutional memory of OPA is vested in a handful of staff that could be easily wiped out with the election of a new Public Auditor. While it is important for a new Public Auditor to have the flexibility to bring in his/her staff, we must bring a balance in preserving the institutional memory and traditions of OPA.

Again, to the People of Guam, thank you for the privilege and honor you have given me as your Public Auditor. I look forward to serving you for the next four years.

Senseramente,

Doris Flores Brooks, CPA, CGFM
Public Auditor



2009 Inauguration – (L-R) Honorable Robert Torres (Chief Justice of the Supreme Court of Guam), Honorable Judith Won Pat (30th Guam Legislature Speaker), the Public Auditor, and Honorable Felix Camacho (Governor)



2005 Inauguration – (L-R) Honorable Mark Forbes (28th Guam Legislature Speaker), the Public Auditor, Honorable Felix Camacho (Governor), and Honorable F. Philip Carbullido (Chief Justice of the Supreme Court of Guam)



2013 Inauguration – (L-R) Honorable Benjamin Cruz (32nd Guam Legislature Vice Speaker), the Public Auditor, Honorable Edward Calvo (Governor), Honorable F. Philip Carbullido (Chief Justice of the Supreme Court of Guam)



2001 Inauguration – (L-R) Honorable Antonio Unpingco (26th Guam Legislature Speaker), Honorable Carl Gutierrez (Governor), the Public Auditor, and Honorable Benjamin Cruz (Chief Justice of the Supreme Court of Guam)



The Office of Public Accountability

The Office of Public Accountability (OPA) was established by Public Law (P.L.) 21-122 in July 1992. OPA is an instrumentality of the Government of Guam (GovGuam), independent of the executive, legislative, and judicial branches.

At OPA, we seek to:

- Achieve independent and nonpartisan assessments that promote accountability and efficient, effective management throughout GovGuam; and
- Serve the public interest by providing the Governor of Guam, the Guam Legislature, and the People of Guam with dependable and reliable information, unbiased analyses, and objective recommendations on how best to use government resources in support of the well being of our island and its constituents.

Our Motto

“Auditing for Good Governance”

Our Mission

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

Our 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.



OPA – (Back L-R) Yukari Hechanova, Frederick Jones, Doris Flores Brooks, Jerrick Hernandez, Ira Palero, Christian Rivera, and Michele Brillante; (Front L-R) Llewelyn Terlaje, Amacris Legaspi, Edlyn Dalisay, Thyrsa Bagana, Marisol Andrade, Andriana Quitugua, Rodalyn Gerardo, and Clariza Roque.



Year in Review

Despite staffing challenges, OPA continued its commitment and dedication to “Auditing for Good Governance” by:

- Issuing 11 performance audits, which collectively
 - Identified over \$20.4 million (M) in questioned costs and other financial impacts (e.g., lost/unrealized revenues).
 - Provided 25 recommendations to improve accountability, effectiveness and efficiency;
- Administering 15 procurement appeals; and
- Monitoring and overseeing the issuance of 23 financial audits (the government-wide audit and its component units).

Performance Audits

In 2016, we issued the following 11 performance audits:

1. Guam Legislature, Capitol District Fund
2. Guam's Readiness for the 12th Festival of Pacific Arts (FESTPAC)
3. Office of the Attorney General, Child Sup-

- port Enforcement Program Follow-Up
4. Government of Guam Retirement Fund, Effect of Non-Base Pay on Retirement Annuity
5. Offices of the Governor and Lt. Governor's Employees' Pay Adjustments
6. Department of Revenue and Taxation, Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees
7. Guam Veterans Affairs Office, Non-Appropriated Funds Follow-Up
8. Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers
9. Chamorro Land Trust Commission, Municipal Golf Course Lease Agreements
10. Office of Public Accountability's Status of Audit Recommendations
11. Department of Administration, Returned Checks Follow-Up Audit

Procurement Appeals

In 2016, 15 procurement appeals were filed with OPA, as follows:





- Three appeals were against the General Services Agency (GSA);
- Three against Guam Department of Education (GDOE);
- Two against the Department of Public Works (DPW);
- Two against the Guam Visitors Bureau (GVB); and
- One each against Guam Community College (GCC), the Guam Solid Waste Authority (GSWA), Guam Waterworks Authority (GWA), Guam Power Authority (GPA), and the Guam Economic Development Authority/Chamorro Land Trust Commission (GEDA/CLTC).

We addressed the 15 appeals as follows:

- Ten decisions were rendered, of which two favored the appellant, three favored the government, and five were split;
- One appeal was dismissed because the procurement's funding was no longer available;
- Three appeals were dismissed due to settlements between the Appellant and the Purchasing Agency; and
- One is on stay pending the Superior Court's decision on non-recusal.



The subjects and dollar values of these appeals ranged from miscellaneous surplus salvage items at \$15 thousand (K) to lease financing for the design, renovation, rehabilitation, construction, and maintenance of public schools at \$100M.

Financial Audits

Overall, we saw the following improvements in the fiscal year (FY) 2015 financial audits that were issued in 2016:

- Fewer findings (which involve deficiencies in internal control and/or noncompliance with provisions of laws, regulations, contracts, or grant agreements; fraud; or abuse);
- Decrease in questioned costs;
- Fewer management letter comments over financial reporting; and
- More entities qualifying as low-risk auditees.

Of the 23 FY 2015 financial audits issued in 2016,

- All 23 received unmodified “clean” opinions over their financial reporting;
- None were issued any later than nine months (or June 30th) after the fiscal year end; and
- The only questioned cost was that of GovGuam, for only \$348.

Compliance Reports

Of the 23 financial audits issued in 2016 for FY 2015, the following 10 were subjected to a Single Audit (report on compliance for each major federal program):

1. Guam Waterworks Authority (GWA),
2. Port Authority of Guam (PAG),
3. Guam International Airport Authority (Airport)
4. Guam Community College (GCC),
5. University of Guam (UOG),
6. Guam Power Authority (GPA),
7. Guam Department of Education (GDOE),
8. Guam Housing and Urban Renewal Authority (GHURA),
9. Guam Memorial Hospital Authority (GMHA), and
10. GovGuam.

From the 10 GovGuam audits subjected to a Single Audit,



- Questioned costs decreased from \$271K in FY 2014 to only \$348 in FY 2015; and
- Entities qualifying as low-risk auditees increased from two in FY 2014 to the following four in FY 2015:
 1. GCC,
 2. PAG,
 3. UOG, and
 4. Airport.

Staff Time Composition

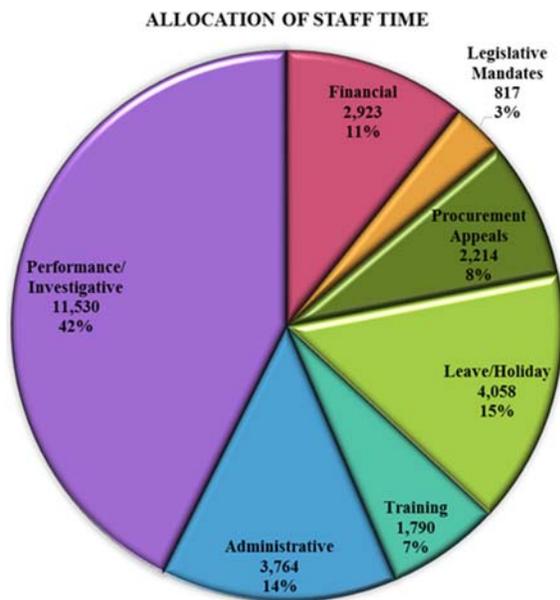
As of December 31, 2016, OPA had 15 full-time staff consisting of

- The Public Auditor;
- The Deputy Public Auditor;
- Two Audit Supervisors;
- Ten Staff Auditors; and
- One Administrative Officer.

Refer to Appendix 6 for OPA’s Organizational Chart.

Out of the total hours available to OPA staff in CY 2016, OPA staff spent

- 42% on performance/investigative audits;
- 11% on financial audits;
- 8% on procurement appeals; and
- 3% on legislative mandates.



The rest of their time was spent on training (7%), administrative tasks (14%), and leave/holidays (15%).

Who Audits the Auditor?

OPA’s financial statements are included in GovGuam’s independent, government-wide financial audit. OPA has not received any management letter comments in connection with its financials. See Appendix 1 for OPA’s 2016 financial statements.

In addition, Government Auditing Standards require independent peer reviews every three years to assure audit organizations are complying with professional standards and legal requirements.



The Association of Pacific Islands Public Auditors (APIPA) conducted OPA’s last peer review in October 2014. This review marked OPA’s 5th “Full Compliance” rating and the 2nd time no Management Letter was issued. OPA’s next peer review is scheduled for 2017.

Strengthening Independence

Several shortcomings were identified following an October 2014 self-assessment of OPA’s independence. OPA scored high in SAI head independence because the Public Auditor is elected, but scored low for constitutional framework, financial and organizational independence, and autonomy.

The assessment was part of the Pacific Association of Supreme Audit Institu-

tions’ (PASAI) Strategic Plan 2014-2024 where SAIs should

- Have available the necessary and reasonable resources;
- Manage their own budgets and staff hiring without interference or control from the government and its agencies; and
- Be independent in the organization and management of their offices.

Since the self-assessment, two public laws have addressed OPA independence. Effective January 2017, P.L. 33-226 grants OPA independence over the recruitment, hiring, and retention of its personnel. Effective October 1, 2015, P.L. 33-66 exempts OPA from the Bureau of Budget and Management Research (BBMR) allotment control.

However, pursuant to P.L. 33-185, OPA was the only elected office not authorized to carry over unused funds from FY 2016 into FY 2017. The elected offices for the Governor of Guam, the Guam Legislature, the Attorney General (AG), and the Mayors as well as UOG, GCC, the Commission on Decolonization, and the Judiciary of Guam were allowed.

FY 2016 Budget Execution

OPA’s FY 2016 appropriation was \$1.6M and expenditures totaled \$1.5M, with salaries and benefits making up 67%. All other expenditures were made up of the following:

| Expenditures | % of Total | FY 2016 | FY 2015 |
|-----------------------|---------------|---------------------|---------------------|
| Salaries and Benefits | 67.0% | \$ 1,030,982 | \$ 872,926 |
| Contractual Services | 16.5% | 254,051 | 162,456 |
| Rent | 7.6% | 117,659 | 107,723 |
| Equipment | 4.2% | 63,886 | 81,415 |
| Supplies | 1.7% | 26,568 | 5,994 |
| Travel | 0.8% | 12,922 | 14,501 |
| Miscellaneous | 2.0% | 30,175 | 26,495 |
| Communications | 0.2% | 2,659 | 1,889 |
| Utilities | 0.0% | - | 1,025 |
| Total | 100.0% | \$ 1,538,902 | \$ 1,274,424 |

FY 2017 Budget Request

For OPA’s FY 2017 budget, we requested that the Legislature:

- (1) Approve OPA’s lump sum budget of \$1,459,230 to allow for flexibility;
- (2) Approve OPA’s new positions pursuant to the OPA Compensation Study;
- (3) Approve the carryover of unused funds from FY 2016 into the FY 2017 budget appropriation;
- (4) Continue to exempt OPA from BBMR allotment control;
- (5) Approve a salary adjustment for the Public Auditor; and
- (6) Amend legislation to require Board or Commission meeting audio files be posted on the respective agency’s website with a link posted on the OPA website.



When OPA was not authorized to carry over unused funds into FY 2017, we lost approximately \$550K in lapses from FY 2012 and FY 2013. We respectfully requested carry over authorization in our FY 2018 budget request for the recruitment and implementation of the OPA Compensation Study.



Performance Audits Overview

Performance audits provide independent analysis on a specific program

- To assist management and public officials in improving program performance and operations (e.g., effectiveness, economy, efficiency, and compliance); and
- To improve public accountability and transparency.

In 2016, we issued 11 performance audits. The graph below shows a comparison of planned hours per audit to actual hours. Collectively, these audits identified over \$20.4M in financial impacts to our government. Financial impacts include questioned costs, unrealized revenues, potential savings, unreported amounts, and un-reconciled differences.

Report No. 16-01: Guam Legislature Capitol District Fund

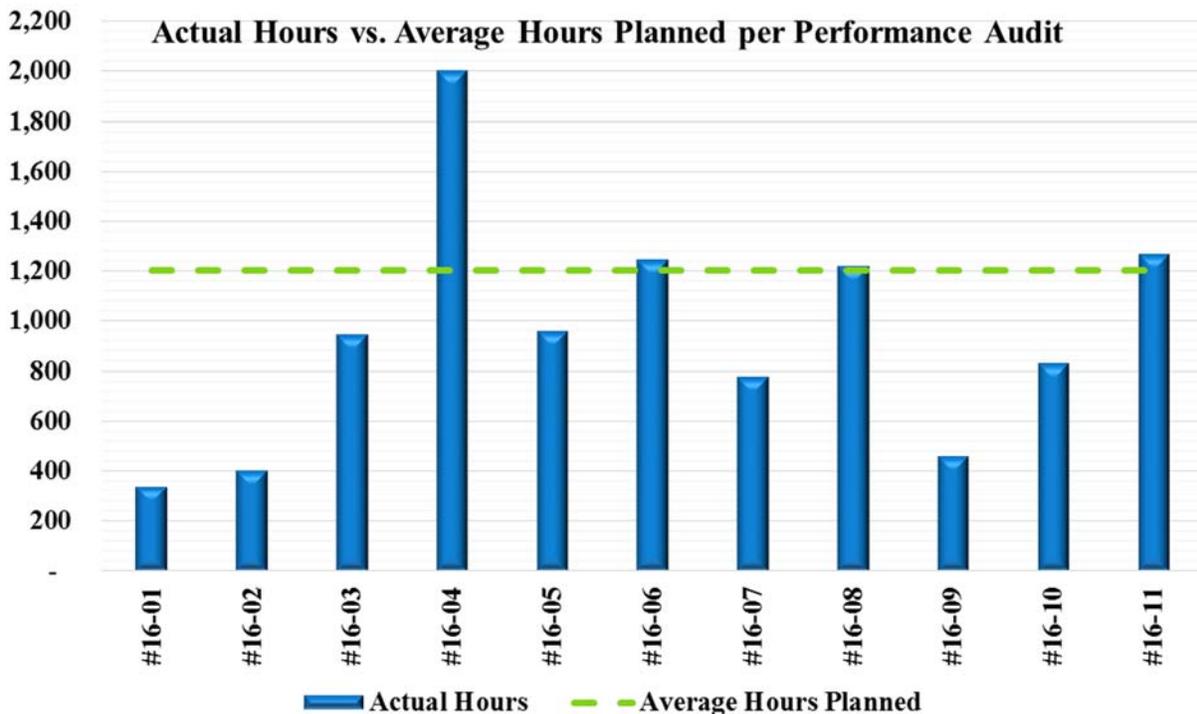
- This audit was requested by the Governor of Guam.
- The Fund's receipts and disbursements

from August 2008 through December 2015 were made in accordance with law.

- An internal control matter identified at the beginning of the audit, whereby only one signature was needed for check disbursements, was corrected to require two signatures.



- Fund receipts included \$1.5M from the U.S. Postal Service for the Hagatna Post Office lease and \$762K in General Fund reimbursements for the 31st and 32nd Guam Legislature's annual leave lump sum pay outs.
- Fund disbursements included \$161K for construction costs for the Guam Legislature Building; \$30K for the Hagatna Post Office lease agreement broker's fee; and



- \$3K for the construction loan interest.
- No recommendations were made.

Report No. 16-02: Guam’s Readiness for the 12th Festival of Pacific Arts (FESTPAC)

- Conducted as part of OPA’s Audit Plan.
- A \$1.1M shortfall was projected if the FESTPAC Coordinating Committee did not obtain additional funding.
- Title 5 Guam Code Annotated (GCA) §5150 was violated because the Pacific festival huts procurement was not reviewed by the AG, resulting in a \$2.2M questioned cost.



- Logistical goods and services intended to be provided through the event management services contract would exceed the contract’s \$800K cap.
- Stronger internal controls were needed.
- Recommended the Committee (1) revisit its finances, (2) obtain the AG review for the Pacific festival huts procurement, and (3) ensure adequate controls were in place.

Report No. 16-03: Office of the Attorney General Child Support Enforcement Program Follow-Up

- A follow-up from prior audits issued in 2003 and 2006.
- Significant improvements in reconciling balances of the child support bank account, the Department of Administration (DOA), and the Child Support Enforcement Division (CSED).



- No substantial decreases in undistributed child support collections within the last five years (greater than 60% are uncashed & stale-dated) because escheatment law is not clear.
- The Absent Parent Automated System Information’s (APASI) system has not adequately supported CSED and needs updating.
- No recommendations were made because CSED already began efforts to review undistributed support payments and upgrade APASI.

Report No. 16-04: Government of Guam Retirement Fund Effect of Non-Base Pay on Retirement Annuity

- Conducted as part of OPA’s Audit Plan.
- GovGuam spent \$41.1M for Defined Benefit (DB) members’ non-base pay (e.g., overtime, hazardous pay, night differential, and holiday pay) from FY 2011 to FY 2015.
- Certain DB members can spike their annuities by including non-base pay in their retirement annuity calculations.

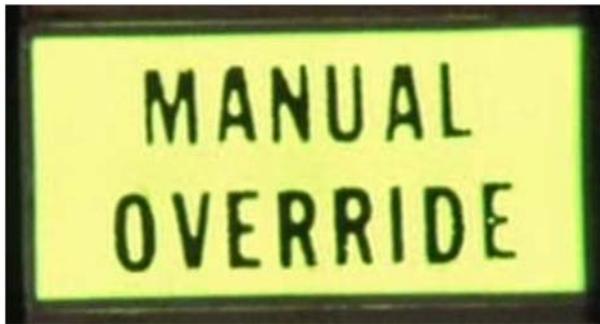




- Eight sampled DB members who elected non-base pay inclusion increased their annuities by an average of 55% or \$30K.
- Recommended that (1) the Board reevaluate the benefit of including non-base pay in the calculation of retirement annuities; (2) the GovGuam Retirement Fund (GGRF) find ways to simplify documentation efficiency and effectiveness; and (3) GGRF adjust a retiree’s understated annuity and pay the amount owed.

Report No. 16-05: Offices of the Governor & Lt. Governor Employees’ Pay Adjustments

- Requested by the Vice Speaker of the 33rd Guam Legislature.
- GovGuam paid \$888K for pay adjustments to 106 Governor’s and Lt. Governor’s Office employees.
- AG determined that \$743K in December 2014 pay adjustments to 106 employees were illegal.



- In December 2015, \$409K was paid to 68 remaining employees as one-time single pay period salary adjustments to repay earlier pay adjustments.
- Six employees received overpayments totaling \$12K.
- Three recommendations were made, of which one was to establish and implement control measures to prevent errors in processing pay adjustments.

Report No. 16-06: Department of Revenue & Taxation Government of Guam Limited Gaming Tax & Guam Memorial Hospital

Authority Trust Fund Fees

- Requested by a Senator of the 33rd Guam Legislature.
- Reported balances between the Department of Revenue & Taxation (DRT) and DOA had variances of \$572K in Limited Gaming Tax (LGT) and \$2.3M in GMHA Trust Fund Fees.



- Gambling winnings were not consistently reported and DRT did not assess \$189K in penalties for 34 gaming entities’ failure to file.
- Liberty, Symbolix, and Match Play gaming entities did not consistently file and pay both gaming taxes. Six Liberty and Symbolix gaming entities did not pay \$17K LGT during FY 2014 – FY 2015.
- Cockfighting LGT transactions, amounting to \$32K, were reported to DRT during unlicensed periods.
- Several recommendations were made to address reconciliation, monitoring, compliance, and to explore electronic filing options.

Report No. 16-07: Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up

- Follow-up initiated in response to a Senator’s concerns about OPA’s 2012 audit.
- Gross mismanagement of funds led to questioned costs of \$8K for missing documents and \$282K for disbursements without approvals.
- Petty cash was used to circumvent the formal procurement process. Procure-



ment rules were not followed.

- Administrator 2 was sole bank signatory.
- Mandated reports not submitted.
- Six recommendations were made to include (1) relinquish non-appropriated fund (NAF) bank accounts and record-keeping to the Department of Military Affairs or DOA; (2) reconcile and submit burial reimbursement claims to the U.S. Department of Veterans Affairs; and (3) submit and post mandated reports.

Report No. 16-08: Government of Guam’s Effectiveness in Addressing Individuals with Multiple Social Security Numbers

- Requested by a Senator of the 33rd Guam Legislature.
- DRT, Department of Public Health & Social Services (DPHSS) and GHURA have not conducted risk assessments for the potential misuse of multiple social security numbers (SSN).



- DRT, DPHSS, and GHURA were unaware that the Social Security Administration (SSA) can/has legitimately issued more

than one SSN to an individual.

- Although criminal justice system representatives encountered individuals with multiple SSNs, aliases, and dates of birth, this information is not shared outside of law enforcement entities, citing (1) Privacy Act, (2) no requirement to track/report this information, and (3) limitations to system-generated data.
- Recommended that DRT, DPHSS, and GHURA officials work with SSA, law enforcement agencies, and Crime Stoppers to determine earned income tax credit (EITC) and welfare benefits eligibility and reduce improper claims.
- Also recommended that DPHSS ensure no household members are fleeing felons or convicted of a drug felony.

Report No. 16-09: Chamorro Land Trust Commission Municipal Golf Course Lease Agreements

- Requested by a Senator of the 33rd Guam Legislature.
- The 2014 lease agreement with Company B did not include the required authorizations of the Legislature, Governor, Lt. Governor, and AG; or property appraisals.
- The 1989 lease was improperly assigned to Companies B and C.
- The opportunity to raise rental revenue by \$11.8M for the next 25 years was missed.





- Company B was delinquent in rent and property taxes and did not submit required reports.
- Recommended that the CLTC require and obtain Company B's annual independent financial audits.
- After the audit report was issued, the AG opined that the lease renewal was valid.

Report No. 16-10: Office of Public Accountability's Status of Audit Recommendations

- OPA's 4th report on the status of audit recommendations.
- Issued 30 audit reports between 2012 to 2015, containing 64 recommendations. Twenty recommendations were still open.
- The 30 reports collectively identified financial impacts of \$78.8M, of which \$20.7M were unrealized revenues, \$6.0M were questioned costs, and \$52.1M were other financial impacts.
- Noncompliance issues, inadequate monitoring, and financial impacts will continue until government managers realize the importance and benefits of effective internal controls.



The Public Auditor has yet to force implementation authorized in 1 GCA to file actions in the Superior Court of Guam. Recommendations should be implemented by the entity and not be imposed by court order.

Report 16-11: Department of Administration Returned Checks Follow-Up Audit

- A follow-up from 2004 and 2006 audits.
- Amount of outstanding DRT returned checks is unknown due to the lack of a master listing and missing physical checks or supporting documents.
- Lost revenues of \$745K for DRT and \$1.3M for DOA due to minimal collection efforts.
- DOA inconsistently applied proper accounting standards for tax receivables.



- DOA, DRT, and CSED's State Disbursement Unit (SDU) did not maximize remedies to collect on returned checks.
- Recommended that (1) DRT management monitor and oversee its returned checks process; (2) DOA and SDU reconcile accounts on a monthly basis; and (3) DOA, DRT, and SDU maximize available legal remedies.

2017 Audit Plan

We annually establish an Audit Plan to determine which government entities and programs to review based on

- Extensive discussions with staff,
- Audit requests from stakeholders, and
- Risk assessments.

To determine where we will invest OPA's limited resources, audit topics are selected by identifying high risk areas of loss or possible



mismanagement of funds based on the following factors:

1. Financial Impact (lost revenues or cost savings);
2. Public Concern and Social Impact;
3. Program Risk (likelihood that program will not meet its goals, i.e., poor controls); and
4. Leadership Interest (from public officials and top management)



of 2017 included

1. OPA's Status of Legislative Mandates (*Issued January 2017 – OPA Report No. 17-01*)
2. Analysis of Government of Guam Leases (*Issued January 2017 – OPA Report No. 17-02*)
3. DPW Inventory Management and Control
4. Guam Professional Engineers, Architects and Land Surveyors (PEALS) Board Non-Appropriated Funds
5. Gross Receipts Tax Exemptions
6. GSA Procurement Compliance
7. DRT Tobacco Tax & Alcoholic Beverage Tax
8. DPW Road Maintenance Audit
9. 12th Festival of Pacific Arts (FESTPAC) – Part II

The Audit Plan is a flexible guide that can accommodate other audits, based on priority, requests from elected officials, and staff availability.

The 2017 Audit Plan includes

- DOA Health Insurance Benefits;
- GMHA Billing and Collections;
- Public Safety Agencies' Overtime;
- DRT Non-Profit Organizations Gaming Taxes; and
- Requests from government officials.

Every year, we request input from all agency heads and public officials on what entities and programs should be reviewed. However, only few responses are received. We encourage the people of Guam to provide input on what government entity or program they feel should be audited.

Audits in Progress at the beginning

Performance Audit Summary

Since 2001, OPA issued 162 performance audit reports, made 671 recommendations, and identified over \$242.6M in financial impacts. The highest number of reports issued by OPA was 19 in 2006 when OPA employed the highest number of staff. Refer to the table below for details.

| Calendar Year | Reports Issued | Recommendations Issued | Financial Impact | No. of Employees |
|---------------|----------------|------------------------|------------------|------------------|
| 2001 | 3 | 31 | \$354K | 9 |
| 2002 | 9 | 96 | \$3.5M | 9 |
| 2003 | 11 | 77 | \$26.8M | 11 |
| 2004 | 14 | 91 | \$16.4M | 14 |
| 2005 | 9 | 49 | \$6.2M | 17 |
| 2006 | 19 | 76 | \$20.9M | 18 |
| 2007 | 18 | 51 | \$24.3M | 11 |
| 2008 | 10 | 28 | \$9.7M | 10 |
| 2009 | 7 | 6 | \$1.4M | 13 |
| 2010 | 9 | 38 | \$22.6M | 15 |
| 2011 | 12 | 39 | \$11.3M | 14 |
| 2012 | 9 | 24 | \$4.3M | 12 |
| 2013 | 6 | 17 | \$16.6M | 14 |
| 2014 | 7 | 10 | \$10.6M | 11 |
| 2015 | 8 | 13 | \$47.3M | 13 |
| 2016 | 11 | 25 | \$20.4M | 15 |
| Totals | 162 | 671 | \$242.6M | |



Procurement Appeals Overview

Procurement appeals are complaints by aggrieved persons against the Purchasing Agency's decision on a

- Protest of method, solicitation or award;
- Debarment or suspension;
- Contract or breach of contract controversy;
- Award determination during a pending protest or appeal; or
- Other matter.



16-001: Morrico Equipment vs. GSWA

Fifteen procurement appeals were brought before OPA in 2016. Of the 15, we

- Rendered decisions on 10 appeals, of which two favored the appellant, three favored the government, and five were split;
- Dismissed three after the Appellant and Purchasing Agency settled via stipulated agreement;
- Dismissed one due to the procurement's funding no longer being available; and
- One is on stay pending the Superior Court's decision on non-recusal.

Detailed summaries of the procurement appeals filed in 2016 can be found in Appendix 2.

OPA strives to

1. Resolve appeals within 90 to 120 days from the time of filing; and
2. Issue decisions within 30 to 60 days after the hearing.

Six appeals were resolved in less than 90 days from the time of filing, two within 90 to 120 days, six after 120 days, and one is on stay.



16-004: Technologies for Tomorrow vs. GDOE

Six appeals took more than 120 days to resolve due to the following:

- Scheduling conflicts with the parties, the hearing officer, and/or the Public Auditor;
- Formal hearings took more than one day to complete; and
 - 16-002 (1-A GuamWEBZ vs GCC) spanned two days
 - 16-003 and 16-005 (TLK Marketing Co. Ltd. vs GVB) spanned three days
 - 16-006 and 16-008 (Basil Food Industrial Services Corporation vs GSA) spanned four days
 - 16-007, with 16-011 (Core Tech International Corp. vs DPW) spanned 11 days
- Several appeals were consolidated.



16-007 & 16-011: Core Tech vs. DPW

Two decisions were issued in less than 30 days upon conclusion of the appeal hearing, six within 30 to 60 days, and two after 60 days.



Of the 15 appeals, three each were filed against GSA and GDOE; two each against DPW and GVB; and one each against GPA, GSWA, GCC, GWA, and GEDA/CLTC.

The subjects and dollar values of these appeals ranged from:

- Lease Financing for Design, Renovation, Rehabilitation, Construction, & Maintenance of Public Schools, \$100M;
- Lajuna Point Residential Community in Yigo, \$9M;
- Meals for the Elderly Nutrition Program, \$6.8M;
- Third Party Fiduciary Agent, \$2.5M;
- Lease of Multifunction Devices, \$2M;
- Korean Tourism Destination Marketing Services, \$660K;
- Wireless Network Installation Services, \$431K;
- Rear Loader Refuse Packer Bodies, \$269K;
- Diesel Fuel & Regular Unleaded Gasoline, \$241K;
- Website Services, \$69K; and
- Miscellaneous Surplus Salvage Items, \$15K.

| Appeal No. | Procurement Value | Days to Issue Decision | Days Resolved |
|----------------|-------------------|------------------------|---------------|
| 16-001 | \$ 269,280 | 31 | 109 |
| 16-002 | \$ 69,300 | 46 | 147 |
| 16-003 | \$ 660,000 | 54 | 164 |
| 16-004 | \$ 430,688 | ** | 25 |
| 16-005* | See 16-003 | 54 | 124 |
| 16-006 | \$ 6,838,603 | 64 | 142 |
| 16-007 | \$ 100,000,000 | 46 | 152 |
| 16-008* | See 16-006 | 64 | 121 |
| 16-009 | \$ 9,000,000 | ** | *** |
| 16-010 | \$ 2,037,870 | 1 | 69 |
| 16-011* | See 16-007 | 46 | 104 |
| 16-012 | \$ 2,546,327 | ** | 21 |
| 16-013 | \$ 241,145 | ** | 63 |
| 16-014 | n/a | ** | 16 |
| 16-015 | \$ 15,100 | 28 | 85 |
| Average | | 43 | 96 |

*Consolidated appeal

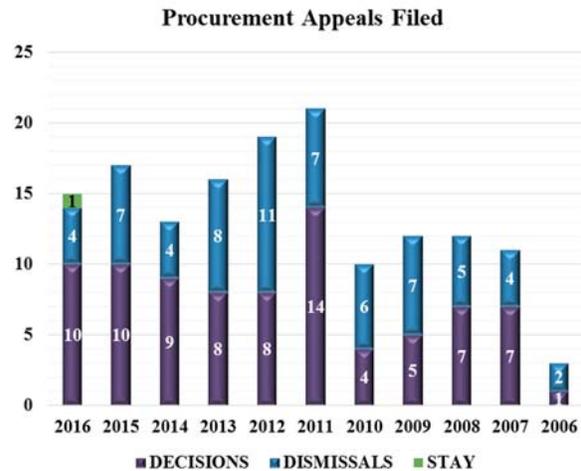
**No formal hearing held

***Appeal is on stay, pending the Superior Court's decision.

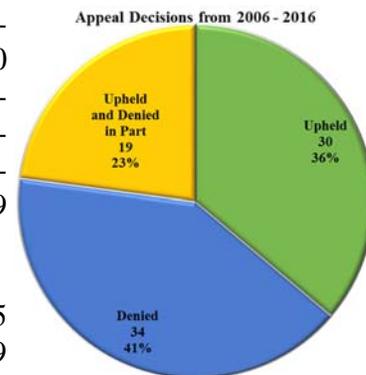
Summary of Appeals

Since OPA was mandated with this responsibility in September 2005, 149 procurement appeals have been filed with the OPA. From 149,

- 83 decisions were issued,
- 65 appeals were dismissed, and
- One is stayed pending the Superior Court of Guam's decision on non-recusal.



Of the 83 decisions issued, 30 favored the appellant, 34 favored the government, and 19 were split.

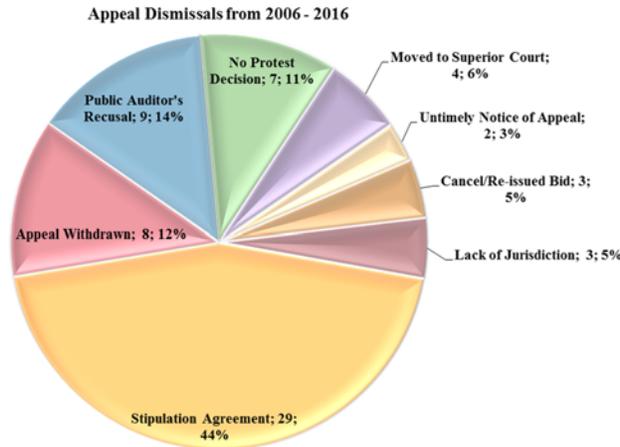


Among the 65 dismissals, 29 resulted from mutual agreement between the appellant and purchasing agency, 9 from the Public Auditor's recusal, 8 from the appellant withdrawing the appeal, and 7 lacked the purchasing agency's decision on the appellant's protest. In order for OPA to review an appeal, the purchasing agency must first issue a decision on the vendor's protest.

The remaining 12 dismissals resulted from the appeals moving to the Superior Court,



cancellation or reissuance of the bid, lack of jurisdiction, and untimely notice of appeal.



On average, nearly 14 appeals per year are filed with OPA. GSA had the most appeals filed against them with 43 of the 149 total appeals. GDOE followed with 33 appeals.

Procurement Appeals Improve the Procurement Process

Aggrieved vendors have been deliberative and reflective and invest time, money, and effort to file an appeal. The Public Auditor concluded that vendors continue to closely scrutinize the government of Guam procurement process. Vendors are analyzing bids and specifications and challenging premature disqualifications. These efforts help strengthen and improve the procurement process.

A common misconception is that appeals prolong the overall procurement process. However, appeals have been resolved generally within 90 to 120 days. We also encourage parties to mutually agree to resolve their procurement issues.

Procurement appeals have revealed the need for further government procurement training. GCC has courses on the procurement process as required by P.L. 32-131 (codified in Guam Procurement Law). All GovGuam procurement personnel must take these training courses.

OPA Hearing Officers

The Public Auditor assigns each time-sensitive procurement appeal to one of three OPA Hearing Officers who are licensed attorneys. This pool is established to handle the workload and preclude potential conflicts. There are cost savings from hiring contractual attorneys on an as-needed basis versus a full-time staff attorney.



OPA Hearing Officers may also provide other legal advice and services as requested by the Public Auditor.

| Agency | No. of Procurement Appeals Filed |
|--------------------|----------------------------------|
| GSA | 43 |
| GDOE | 33 |
| GPA | 13 |
| GIAA | 9 |
| DPW | 8 |
| GMH | 6 |
| GSWA | 5 |
| GVB | 5 |
| PAG | 5 |
| GCC | 4 |
| UOG | 4 |
| GHURA | 3 |
| GGRF | 2 |
| GWA | 2 |
| DCA | 2 |
| GEDA & CLTC | 2 |
| DMHSA | 1 |
| GSA & DOE | 1 |
| DOA | 1 |
| Grand Total | 149 |



Financial Audits Overview

Financial audits provide independent assessments of

- An entity's overall annual performance and financial health; and
- Whether the entity's financial statements are fairly presented in compliance with applicable professional standards.

With limited staff resources, the Public Auditor has continued contracting GovGuam's financial audits to independent Certified Public Accountant (CPA) firms. This partnership was established before the Public Auditor took office in 2001.

We monitor and oversee the work of the contracted audit firms to ensure GovGuam annual financial audits of all entity's are issued by June 30th (or nine months) after fiscal year end [1 GCA, Chapter 19, §1909(a)].

We envision the Government of Guam as the model for good governance in the Pacific and are encouraging legislation to require financial audits be completed no later than six months (or March 31st) after fiscal year end.

All 23 FY 2015 financial audits issued in 2016 were issued by June 30th. Ten of these audits were issued by March 31st.

All government financial audits must include a report on internal control over financial reporting and on compliance, whether or not findings are identified. The financial statements of all 23 FY 2015 GovGuam entities/funds received unmodified (or "clean") opinions.

Also required is an additional report on compliance for each major federal program (or "Single Audit") for those government entities that expended more than \$500K in federal grants during FY 2015. Effective FY 2016, the threshold is raised to \$750K.

Of the 23 entities/funds audited for FY 2015 and issued in 2016, the following 10 were subjected to a Single Audit:

1. GWA,
2. PAG,
3. Airport,
4. GCC,
5. UOG,
6. GPA,
7. GDOE,
8. GHURA,
9. GMHA, and
10. GovGuam.

Over the years, we have seen overall improvements in most government entities' financial audits with





- Fewer findings;
- Decreased questioned costs;
- More entities qualifying as low-risk auditees; and
- Fewer management letter comments.

Financial Reporting Compliance

The following entities were the remaining 13 not subjected to a Single Audit, because they did not receive any federal grants in FY 2015:

1. CLTC
2. Department of Chamorro Affairs (DCA)
3. Guam Ancestral Lands Commission (GALC)
4. GEDA
5. GGRF
6. Guam Housing Corporation (GHC)
7. Guam Highway Fund (GHF)
8. Guam Preservation Trust (GPT)
9. GSWA
10. GVB
11. Mayors' Council of Guam (MCOG)
12. PBS Guam (KGTF)
13. Tourist Attraction Fund (TAF)

Of the 13, the following 7 are identified for having no findings over their FY 2015 financial reporting: GEDA, GGRF, GHC, GPT, GVB, PBS Guam (KGTF), and TAF.

The other six entities had a collective of 10 findings over financial reporting.

- CLTC's four findings concerned untimely collections and no monitoring of accounts receivable; inadequate internal controls for coral extraction royalties; no office space lease agreement; and untimely reimbursements from DOA.
- MCOG's two findings concerned a lack of formal NAF procurement rules and regulations and policies and procedures to monitoring non-profit organizations (NPO) and the Senior Centers.
- DCA's one finding concerned untimely expense recordation.
- GALC's one finding concerned untimely collections and no monitoring of accounts receivable.
- GHF and GSWA each had one finding concerning noncompliance with Guam procurement requirements.

Single Audit Compliance

Of the 10 entities that required a Single Audit for FY 2015, the following six are identified for having zero findings over their compliance for major federal programs: GCC, Airport, GMHA, GWA, PAG, and UOG.



The other four entities accumulated 15 findings.

- GovGuam received a modified opinion and eight findings that concerned no reconciliation of electronic welfare benefits; lack of monitoring administrative costs reporting; no welfare benefits eligibility re-determinations; noncompliance with procurement requirements; no welfare program applicant files maintenance; not submitting an Annual Report; inadequate equipment management; and incomplete supporting documentation for certain program costs and a procurement transaction.
- GHURA received a modified opinion and four findings that concerned missing tenant eligibility documentation; missing signatures on an application and inspection reports; and failure to include a family member under the housing voucher.
- GPA’s one finding, as well as GDOE’s two findings, concerned noncompliance with procurement requirements. Both entities were otherwise issued a clean opinion on their compliance over major federal programs.

Questioned Costs

A questioned cost arises from the

- Alleged violation of a law, regulation, or the terms and conditions of a Federal

award;

- Inadequate documentation of costs at the time of the audit; or
- Unreasonable and wasteful expenditure of funds.

We have seen significant improvements by the reduction in questioned costs from \$271K in FY 2014 audits to \$348 in FY 2015.

Low-Risk Auditee

One of OPA’s goals is for all the GovGuam entities subject to a Single Audit to qualify as a low-risk auditee. In order to qualify as a *low-risk auditee*, an agency must meet the following conditions for three consecutive audit periods:

1. Single Audits are performed annually;
2. Unmodified “clean” opinion on financial statements;
3. No material weaknesses per generally accepted government auditing standards (GAGAS);
4. No substantial doubt to continue as a going concern; *and*
5. None of the federal programs have material weaknesses, questioned costs exceeding 5% of total federal awards expended, or a modified opinion.

Out of 10 entities, the following qualified as



low-risk auditees for FY 2015:

1. GCC – maintained status for 15 years;
2. PAG – maintained status for two years;
3. UOG – achieved status again, since losing it in FY 2012; and
4. Airport – achieved status for the first time.

The other six – GovGuam, GHURA, GDOE, GMHA, GWA, and GPA – did not qualify as low-risk auditees because

- GovGuam received several qualified opinions and material weaknesses concerning no eligibility re-determinations and file maintenance for the welfare program, as well as inadequate equipment management, plus a questioned cost of \$348.
- GHURA received a modified opinion due to a material weakness concerning missing tenant eligibility documentation.
- GDOE had material weaknesses in the preceding two audit periods, plus a questioned cost of \$2,285.
- In one preceding audit period, GMHA received a qualified opinion, one material weakness, and a questioned cost of \$224K.

However, both GWA and GPA qualified as low-risk auditees in their FY 2016 financial audits.

Auditees with Non-Federal Funding

This year, of the 13 entities not subject to a Single Audit, we recognize those entities that achieved a similar low-risk status by receiving unmodified “clean” opinions on their financial statements for three consecutive periods (FY 2013, FY 2014, and FY 2015) and had no material weaknesses, significant deficiencies, *and* questioned costs. Those entities are:

1. GVB
2. GGRF
3. PBS Guam (KGTF)
4. GHC
5. GEDA

Management Letter

Separate letters are issued to management by the independent auditor to report deficiencies related to internal control over financial reporting, information technology (IT), and other matters.

Twenty-one entities each received management letters with a collective of 90 comments pertaining to financial reporting and other matters. The most common pertained to reconciliation, inadequate/missing documentation, nonmoving/inactive accounts, procurement, fixed assets, contracts oversight, federal compliance, and monitoring of construction in progress. Six entities received a collective of 33 comments on their IT issues.

Procurement of Financial Audit Services

Title 1 GCA, Chapter 19, §1908 authorizes the Public Auditor to acquire independent financial audit services from Certified Public Accounting firms. GovGuam entities work with OPA to issue requests for proposals (RFP) to procure the services.

During 2016, we issued eight RFPs in conjunction with UOG, GGRF, DOA (for the government-wide financial audit, as well as for TAF with GHF), GPT, CLTC with GALC, GEDA, and DCA. The eight RFPs resulted in contracts for three fiscal years (FY 2016 to FY 2018) with an option to renew for one additional fiscal year of professional audit services.

Summary of Financial Audits

Since 2001, OPA provided oversight to 316 financial audits which identified 1,993 findings and \$64.1M in questioned costs.

Refer to Appendix 3 for a summary of the FY 2015 financial audits released in 2016.

Legislative Mandates

In addition to financial oversight responsibilities and audit activities, we also respond to legislative mandates and requests to review other government-related activities.

As of September 2016, 173 mandates have expanded the Public Auditor and OPA’s duties and responsibilities. Of the 173 mandates,

- 45 required OPA to conduct audits;
- 1 required OPA to hear and decide procurement appeals;
- 63 required OPA to provide oversight, approval, or conduct a specific activity;
- 10 required OPA to be a member of a committee, group, or task force; and
- 54 required various GovGuam agencies to submit reports and other information to OPA.



The mandate which transferred from the Procurement Appeals Board to OPA the responsibility to hear and decide all appeals of procurement decisions (P.L. 28-68) was the most significant. From FY 2006 to FY 2016, 149 procurement appeals were filed with OPA, an annual average of nearly 14 appeals. For more statistics on appeals filed with OPA, refer to the Procurement Appeals Overview section of the report. Prior to P.L. 28-68, procurement appeals had to be decided in the Superior Court.

OPA addressed 153 mandates and 20 remain open as recurring mandates. Of the 20, 15 require GovGuam agencies to submit reports or other information to OPA, while the other five require OPA to conduct an audit.

One of the five is included in GovGuam’s annual financial audit*, and one is included in GDOE’s annual financial audit**. Due to limited resources, OPA is assessing the feasibility of conducting the other three audits.

1. P.L. 30-221 Beverage Container Recycling Deposit Fund
2. P.L. 32-023 Farmers’ Cooperative Association of Guam
3. P.L. 32-060 Non-Profit Organizations Operating any Gaming Activity
4. P.L. 32-205 Police Patrol Vehicle and Equipment Revolving Fund*
5. P.L. 33-07 First Generation Trust Fund**

OPA Report No. 17-01, *OPA’s Status of Legislative Mandates* details the additional mandates that expanded OPA’s role and responsibilities and is posted on our website, www.opaguam.org.





OPA Hotline (47AUDIT; 472-8348)

OPA Hotline provides a confidential way for citizens and government employees to share their concerns and report improper government activities, such as

- Illegal acts (such as corruption, bribery, theft, or fraud);
- Misuse or abuse of government property or time; and
- Gross misconduct, incompetence, or inefficiency.



Information received on the Hotline helps us assess risks and determine where to focus OPA’s limited resources. All information provided to OPA is held in the strictest confidence. Disclosing privileged communication or information violates 1 GCA §1909.1 as a felony of the third degree.

In 2016, OPA received one hotline tip and 41 citizen concerns. Of the 25 that remain open,

- 8 were forwarded to the respective entity’s internal auditors or external financial auditors;
- 8 are ongoing with OPA; and
- 9 have yet to be addressed.

Although responses may not be immediate, we take all concerns seriously. With limited staff resources, it is often difficult to quickly research, interview, and follow-up on hotline tips and citizen concerns.

Furthermore, all the information needed to respond to a hotline tip or citizen concern may not have been provided. For a tip or concern to be considered, we suggest that the submission include as much details to answer the following:

- Who?
- What?
- Where?
- When?
- How?

We received a total of 1,381 hotline tips since the establishment of the OPA Hotline in 2001. The number of hotline tips received ranged from a high of 177 tips in 2004 to a low of 23 tips in 2012. Refer to Appendix 4 for more details.

Anyone who wishes to submit a hotline tip or express a concern may do so by:

- Calling 47AUDIT (472-8348);
- Visiting www.opaguam.org;
- Faxing sufficient and relevant information to 472-7951; or
- Contacting any of the OPA staff by phone at 475-0390 or in person.

Help make a difference in our government by contacting the OPA Hotline.

HOTLINE/CITIZEN CONCERN REPORT FORM

Email Address

Agency *

Information reported *

j c h e h
 Enter what you see in the CAPTCHA image *

Staffing Level Challenges

As of December 2016, OPA had 15 full-time staff and 6 vacancies. The current staffing is comprised of 12 auditors, our Administrative Officer, the Deputy Public Auditor, and the Public Auditor. More than a decade ago, in 2006, OPA had 18 full-time staff, the highest, in the unclassified service.

Of the 12 auditors, 8 are recent hires averaging less than 2 years of OPA service. The 4 more senior auditors have between 7 to nearly 14 years OPA experience, leaving a significant experience gap between the junior and senior auditors.

From 2012 through 2016, OPA lost 14 full-time staff consisting of:

- 3 Administrative Officers,
- 1 Management Analyst IV,
- 1 Management Analyst III,
- 3 Auditor IIIs,
- 1 Auditor II, and
- 5 Auditor Is.

The Auditor IIIs and Management Analysts averaged nearly 13 years of audit experience ranging from 9 to 20 years.



Staffing shortages due to difficulties with recruitment, compensation, promotion, and retention have challenged OPA for many years.

In January 2017, P.L. 33-226 was enacted to give OPA hiring autonomy. OPA was finally given much needed relief from years of inefficiencies in hiring under DOA’s Human Resource Division because of inadequate compensation and the lengthy hiring process.



OPA Compensation Study

OPA and Dr. Karri Perez, PMP, SPHR, GPHR of Leading Edge Consulting Group developed the 2014 OPA Compensation Study to address compensation, promotion, and retention.

OPA is now working with DOA to establish new OPA positions per 4 GCA §6303. We are targeting implementation by FY 2018 with \$110K in estimated costs in the first year.

OPA auditors will be more appropriately known as “Accountability Auditors” separate from GovGuam auditors who mainly conduct limited-scope audits within their respective organizations.

The Public Auditor’s statutorily-set salary has not been adjusted since 2006 and requests parity with the elected Attorney General’s salary. In November 2014, P.L. 32-208 adjusted the salaries of elected officials except the Public Auditor.



Staff Qualifications

The Public Auditor supports and encourages personal and professional development for OPA staff.

All 15 OPA staff have Bachelor degrees and 5 staff are certified professionals or hold advanced degrees. Some hold 2 or more certifications:

- 3 Certified Public Accountants (CPA);
- 4 Certified Government Financial Managers (CGFM);
- 4 Certified Government Auditing Professionals (CGAP);
- 2 Certified Internal Auditors (CIA);
- 2 Chartered Global Management Accountants (CGMA);
- 1 Certified Internal Control Auditor (CICA); and
- 1 Masters in Business Administration (MBA)

Management by Certified Professionals – (Front L-R) Doris Flores Brooks, CPA, CGFM; and Yukari Hechanova, CPA, CIA, CGFM, CGAP, CGMA; (Back L-R) Llewelyn Terlaje, CGFM, CGAP; and Rodalyn Gerardo, CIA, CGFM, CPA, CGAP, CGMA.



Of the 15 staff, 5 are currently pursuing a CPA, CGFM, or Certified Fraud Examiner (CFE) certification and 1 is an MBA candidate.

Certification Pay

P.L. 33-18 allows a 15% increase in base pay for CPAs and a 10% increase in base pay for CGFMs, CFEs, and CIAs within OPA, UOG, GDOE, and the line agencies, effective October 1, 2015. Already, three staff received a 15% increase for their CPA certification and one staff received a 10% increase for her CGFM certification.

Staff Development

Auditors are required to maintain professional competence through 80 hours of continuing professional education (CPE) every two years. At least 24 CPE hours must be related to government auditing or the government environment (U.S. Government Accountability Office's 2011 Government Auditing Standards). Guam law requires GovGuam to budget for the required training for GovGuam accounting and auditing personnel (5 GCA §20304).

In 2016, OPA auditors averaged 67 CPE hours each.

OPA professional development is funded largely by technical assistance grants from the U.S. Department of the Interior's Office of Insular Affairs (DOI-OIA).

DOI-OIA Training Grant

In March 2015, we received a new training grant of \$76K. We appreciate DOI-OIA's continued support for OPA and other APIPA members, because it has allowed OPA to

- Participate in the Department of the Interior's Office of Inspector General (DOI-OIG) internship program,
- Fund training seminars and conferences, and



- Purchase various certification review materials.

DOI-OIG’s “Lakewood Experience”

In 2016, auditors Maria Thyrza Bagana and Michele Brillante attended a two-week training at the DOI-OIG office in Lakewood, Colorado. Unlike the prior internship program that other OPA staff attended, Lakewood Experience consists of coaching by an OIG team leader, classroom training, and a case study with exercises covering various phases of a performance audit.

Since 2005, OPA sent several of its staff to intern at DOI-OIG regional offices in Albuquerque, New Mexico; Denver, Colorado; Sacramento, California; and the Recovery Oversight Office in Herndon, Virginia. There was a four-year pause in DOI-OIG’s internship training from 2012 until the 2016 pilot of the Lakewood Experience.

Conferences and Trainings

In 2016, OPA staff attended various trainings with hosts such as the Graduate School USA, APIPA, PASAI, Association of Government Accountants (AGA), Diversity Leadership Consultants, Council of State Governments (CSG), DOI-OIG, National State Auditors Association, International Organisation of Supreme Audit Institutions (INTOSAI), Guam Society of Certified Public Accountants, and Ernst & Young LLP.

Professional Achievements

UOG Internship Program

In 2016, OPA continued its partnership with UOG’s Accounting Internship Program by providing 150 hours of on-the-job experience for interns Demeliz Judan, Erwin Dayao, and Rudd Gudmalin. The interns were exposed to governmental auditing by conducting research, preparing and completing work papers, and observing financial audit meetings and procurement appeals.

Henry Toll Fellowship Program

The Public Auditor was selected to participate in CSG’s 2016 Henry Toll Fellowship Program – one of U.S.’s premier leadership development programs for state government officials. CSG fosters exchanges of insights and ideas to help shape public policy and is the only organization to serve all three branches of state government.





Professional Affiliations

OPA is proudly affiliated with several professional organizations in the auditing and accounting profession, such as the Pacific Association of Supreme Audit Institutions (PASAI), the Association of Pacific Islands Public Auditors (APIPA), and the Association of Government Accountants (AGA).



PASAI

PASAI is a regional organization of 28 audit institutions in the Pacific who are aligned with the goals of the Pacific Plan to achieve stronger national development through better governance. Guam has been a member of PASAI since May 2006. The Public Auditor is a past chairperson of the PASAI governing board and currently represents Micronesia on the board.

In May 2016, Audit Supervisor Rodalyn Gerardo and Auditor Clariza Roque were among 23 participants from Pacific audit offices that participated in a PASAI Regional TeamMate Workshop in Auckland, New Zealand. At this workshop, we learned that Guam is the only entity using TeamMate for performance audits, whereas all others are using TeamMate for financial audits.



PASAI Trainings & Cooperative Audits

For the past six years, PASAI has funded various trainings for several staff in performance auditing and other workshops.

We have also participated in the development of PASAI's Performance Audit Manual, Strategic Management and Operational Guidelines, and two PASAI cooperative audits: the Solid Waste Management Audit (issued June 2010) and the Public Debt Audit (issued April 2014).

In November 2016, Audit Supervisor Llewelyn Terlaje was selected by the INTOSAI Development Initiative (IDI) to attend a development meeting in Budapest, Hungary for the IDI Global Programme on Supreme Audit Institutions (SAI) Fighting Corruption. Representatives from six INTOSAI regions were present at this global initiative, and Llewelyn was the only one selected to represent PASAI.



Performance Measurement Framework

INTOSAI developed a Performance Measurement Framework (SAI PMF) to assist SAIs in assessing their performance against the International Standards for Supreme Audit Institutions (ISSAIs) and other established international good practices for external public auditing.

We engaged with PASAI in OPA’s first performance measurement review based on the SAI PMF. Guam is being assessed by two auditors from the Republic of the Marshall Islands (RMI) and PASAI’s Director of Practice Development. Similarly, Deputy Yukari Hechanova and Rodalyn will assess the Federated States of Micronesia (FSM) Office of the National Public Auditor.

APIPA

APIPA is a regional organization that was founded by the audit organizations of five Pacific island nations, including Guam, and has since expanded to 12 Pacific island nation’s audit organizations. APIPA is made possible by the ongoing, generous support of DOI-OIA.



In July 2016, the Public Auditor, Audit Supervisor Llewelyn Terlaje, and auditors Andriana Quitugua and Christian Rivera attended APIPA’s 27th Annual Conference in Pohnpei, FSM, where the theme was *Fishing Together for a Pacific Free of Corruption and Poverty*.



In October 2016, OPA hosted the first APIPA Executive Meeting held outside of the annual APIPA conference. This Executive Meeting brought together the 10 Public Auditors from Guam, FSM, the Commonwealth of the Northern Marianas Islands (CNMI), the Republic of Palau, RMI, American Samoa, Pohnpei, Kosrae, Chuuk, and Yap.

AGA

AGA is a nationally recognized professional membership organization focused on advancing government accountability, and of which our staff are proud members. Over the years, several held key leadership positions in the Guam Chapter Executive Committee .



Some staff are members of other nationally recognized professional organizations, e.g., the American Institute of Certified Public Accountants, the Institute of Internal Auditors, and the Association of Certified Fraud Examiners.



OPA Website

OPA’s website was launched to provide reliable and transparent information about our government’s financial condition. Posted on our website, in as close to real-time as possible, are

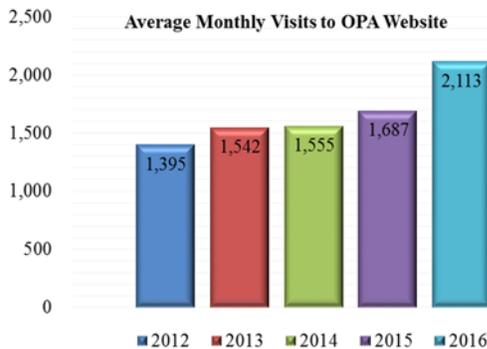
- OPA’s performance audits;
- Financial audits of GovGuam entities;
- Procurement appeals’ filings and audios;
- Citizen Centric Reports (CCR);
- Audio recordings of government Board and Commission meetings;
- OPA budget and expenditure reports; and
- OPA staffing patterns

Refer to Appendix 5 for this year’s OPA Website in Review.



Our website, www.opaguam.org, features user-friendly navigation, organized content, and mobile device accessibility.

In 2016, our website averaged 2,113 visits per month, increasing 25% compared to 2015’s average of 1,687 per month. Also, our website saw a 13% increase in page views from an average of 5,236 per month in 2015 to 5,916 per month in 2016.



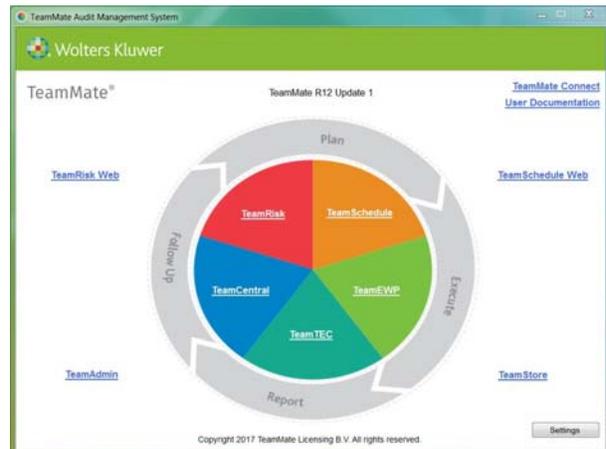
Disclaimer: Guam OPA is ***not*** affiliated, connected, endorsed by, or officially associated with guamopa.org. Any contents published, endorsed, or supported by guamopa.org is in ***no way affiliated*** with Guam OPA. The official website of Guam OPA is opaguam.org. Our email accounts using the domain @guamopa.org are ***no longer active***. Please email employees using the domain @guamopa.com. We apologize for any inconvenience.

Technology Roadmap

OPA utilizes information technology to improve our processes and efficiently manage audits and procurement appeals.

Transition to Work Paper Automation

We began using TeamMate audit management software with the tracking of FY 2015 financial audits and our 2016 performance audits. Many audit organizations are embracing automation with software for electronic work papers. DOI-OIG and several PASAI members are using TeamMate.



GovGuam also needs to invest in IT. DRT and DOA need a new and integrated financial management system and more online filing and collaboration. While taxpayer confidentiality is important, accurately recording and reporting taxes and revenues is just as essential.

Public Outreach & Community Service

Important aspects of OPA’s Strategic Plan include increasing public awareness, improving government efficiency and effectiveness, and promoting better understanding of OPA’s mission, work, and impact. We participated in various community and outreach efforts such as the Kusinan Kamalen Karidat, the Relay for Life Purplicious Challenge, and GCC’s Accounting Conference.

From February to March 2016 – and for the first time ever – the Public Auditor and staff joined in the Department of Parks and Recreation’s annual Coed Volleyball League, Tano Division.

Our team, *Net Assets*, ended the league on a positive note, as a majority of the other nine teams voted Net Assets for the Good Sportsmanship Award.

We also participated in the Government of Guam’s Relay for Life Purplicious Challenge for cancer awareness in March 2016. In celebration of Mes Chamoru, our office doors were decorated with representations of Chamorro legends while incorporating as much purple as possible into the story.



Rodalyn and Michele delivered a presentation on OPA’s audit process to the accounting students at GCC’s 5th annual Accounting for the Future Conference in April 2016.



In September 2016, OPA staff fed the hungry at the Kusinan Kamalen Karidat in Hagatna.

Throughout the year, the Public Auditor accepted various speaking engagements, such as at the Guam Chamber of Commerce, AGA, and the UOG Public Administration class. She presented topics, such as OPA’s role in GovGuam, the procurement appeals process, and GovGuam’s finances.



Office of Public Accountability
Government of Guam
Statements of Net Position
As of September 30, 2016, 2015, and 2014

| | 9/30/2016 | Restated 9/30/2015 | Restated 9/30/2014 |
|---|-------------------------|-------------------------|-----------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Cash and cash equivalents | \$ 424,183 | \$ 446,122 | \$ 433,903 |
| Receivables, net: | | | |
| Federal Agencies | 21,437 | 7,024 | 18,700 |
| Travel Due from OPA Staff | 639 | 2,988 | |
| Federal Receiver | - | 15,000 | 20,000 |
| NASACT | - | 2,000 | |
| Other - DOA Appropriation | 185,184 ¹ | 242,849 ³ | 118,819 ⁵ |
| Total Receivables | <u>207,260</u> | <u>269,862</u> | <u>157,519</u> |
| Capital Assets | 147,549 | 147,549 | 147,549 |
| Less Accumulated Depreciation | (147,549) | (143,776) | (139,190) |
| Total Capital Assets: | <u>-</u> | <u>3,773</u> | <u>8,359</u> |
| Total Assets | <u>\$ 631,443</u> | <u>\$ 719,757</u> | <u>\$ 599,780</u> |
| Deferred outflows of resources from pension | 226,770 | 10,461 | - |
| Total assets and deferred outflows of resources | <u>\$ 858,213</u> | <u>\$ 730,218</u> | <u>\$ 599,780</u> |
| LIABILITIES AND FUND BALANCES (DEFICIT) | | | |
| Accrued Annual and Sick Leave | \$ 140,717 ² | \$ 121,429 ⁴ | 69,006 ⁶ |
| Payable- Other | 77,519 | 41,830 | 15,040 |
| Deferred Revenue - Appropriation | - | 222,108 | 118,819 |
| Deferred Revenue - Federal Grants | 209 | - | - |
| Net Pension Liability | <u>1,580,645</u> | <u>1,410,051</u> | <u>1,537,989</u> |
| Total Liabilities | <u>1,799,089</u> | <u>1,795,418</u> | <u>1,740,853</u> |
| Deferred inflows of resources from pension | - | 40,337 | 91,927 |
| Total liabilities and deferred inflows of resources | <u>\$ 1,799,089</u> | <u>\$ 1,835,755</u> | <u>\$ 1,832,780</u> |
| Net Position: | | | |
| Net investment in capital assets | - | 3,773 | 8,359 |
| Unrestricted | (940,876) | (1,109,310) | (1,241,359) |
| Total Net Position | <u>\$ (940,876)</u> | <u>\$ (1,105,537)</u> | <u>\$ (1,233,000)</u> |
| | <u>\$ 858,213</u> | <u>\$ 730,218</u> | <u>\$ 599,780</u> |

Footnotes:

| | FY 2016 | FY 2015 | FY 2014 |
|--------------------------|--------------------------------|--------------------------------|--------------------------------|
| 1,3,5 Personnel Svcs | \$ - | \$ 222,108 | \$ 118,819 |
| Operations | 185,184 | 20,741 | - |
| Appropriation Balance: | <u>\$ 185,184 ¹</u> | <u>\$ 242,849 ³</u> | <u>\$ 118,819 ⁵</u> |
| 2,4,6 Accrued Sick Leave | \$ 75,034 | 65,840 | \$ 38,611 |
| Accrued Annual Leave | 65,683 | 55,590 | 30,395 |
| | <u>\$ 140,717 ²</u> | <u>\$ 121,429 ⁴</u> | <u>\$ 69,006 ⁶</u> |

Reviewed by:

Llewelyn Terlaje, CGFM, CGAP
Audit Supervisor

Approved by:

Doris Flores Brooks, CPA, CGFM
Public Auditor



Office of the Public Accountability
Government of Guam
Statements of Revenues, Expenses,
and Changes in Net Position
For the Twelve Months Ending September 30, 2016, 2015, and 2014

| | 10/1/15-9/30/16 | Restated 10/1/14-9/30/15 | Restated 10/1/13-9/30/2014 |
|---|------------------------|-----------------------------|-------------------------------|
| Revenues: | | | |
| Federal Grants | \$ 16,732 | \$ 3,770 | \$ 42,343 |
| Interest Income | 2,304 | 3,052 | 3,432 |
| Other Income | 9,685 | 3,957 | 2,802 |
| Total revenues | <u>28,720</u> | <u>10,779</u> | <u>48,577</u> |
| Expenses by Object: | | | |
| Salaries | \$ 764,529 | \$ 641,737 | \$ 625,994 |
| Benefits | 266,453 | 231,189 | \$ 228,879 |
| Net Pension Expense | (86,052) | (189,989) | (45,755) |
| Accrued Leave | 19,287 | 52,424 | (949) |
| Subtotal: | <u>964,217</u> | <u>735,361</u> | <u>808,169</u> |
| Rent | 117,659 | 107,723 | 107,723 |
| Contractual Services | 237,319 | 162,456 | 171,391 |
| Supplies | 26,568 | 5,994 | 4,511 |
| Utilities and Telephone | 2,659 | 2,914 | 2,879 |
| Equipment & Furniture Expensed | 63,886 | 81,416 | 17,191 |
| Travel | 12,922 | 14,501 | 18,301 |
| Training | 16,626 | 13,342 | 12,921 |
| Depreciation | 3,773 | 4,586 | 4,586 |
| Other | 3,863 | 6,501 | 5,073 |
| Total expenses | <u>1,449,493</u> | <u>1,134,794</u> | <u>1,152,746</u> |
| Excess (deficiency) of revenues and appropriations over expenditures | <u>(1,420,773)</u> | <u>(1,124,015)</u> | <u>(1,104,169)</u> |
| Other financing sources (uses): | | | |
| Transfers In - appropriation received to date | 1,611,851 ¹ | 1,259,204 ² | 1,176,832 ³ |
| Federal Grant Expenses - Auditor Technical Assistance | (16,732) | (3,770) | (42,393) |
| APIPA Peer Review Expense | - | (3,957) | - |
| Other Expense | (9,685) | - | - |
| Changes in Net Position | <u>164,661</u> | <u>127,463</u> | <u>30,270</u> |
| Net Position: | | | |
| Beginning of the year | (1,105,537) | (1,233,000) | 412,401 |
| Prior Period Adjustment | - | - | (1,675,671) |
| End of the Year | <u>\$ (940,876)</u> | <u>\$ (1,105,537)</u> | <u>\$ (1,233,000)</u> |

Footnotes:

1.2.3 Transfers In from DOA:

| | | | |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Personnel Svcs - Salaries & Benefits | \$ 1,030,982 | \$ 872,926 | \$ 854,873 |
| Operations | 580,869 | 386,278 | 321,959 |
| Total Transfers In: | <u>\$ 1,611,851¹</u> | <u>\$ 1,259,204²</u> | <u>\$ 1,176,832³</u> |

Reviewed by:


Llewelyn Terlaje, CGFM, CGAP
Audit Supervisor

Approved by:


Doris Flores Brooks, CPA, CGFM
Public Auditor



| | | | |
|--|--------------------------------|--|-----------------------------------|
| Appeal No.: OPA-PA-16-001 | | Purchasing Agency: GSWA | Appellant: Morrico Equipment LLC |
| Appeal Relative To: Rear Loader Refuse Packer Bodies | | Appeal Value: \$269K | |
| Procurement Issue: Restricted competition and Violation of procurement stay | | Decision: UPHELD | |
| <ul style="list-style-type: none"> • Consolidated with OPA-PA-15-014 and OPA-PA-15-017; • Morrico alleged that <ul style="list-style-type: none"> (a) GSWA's delivery time specification unnecessarily restricted competition; (b) GSWA cancelled the 1st IFB and reissued a 2nd IFB while a stay of procurement was in effect for the 1st IFB. | | <ul style="list-style-type: none"> • OPA determined that <ul style="list-style-type: none"> (a) GSWA could not have rejected Morrico's lower price bid based on the failure to meet the delivery time specification with no evidence that an emergency situation existed to overcome the preference for lower price bids; (b) GSWA's cancellation of the 1st IFB and reissuance of the 2nd IFB violated procurement law; • Superior Court agreed with OPA in December 2016. • In January 2017, the District Court of Guam Chief Judge disagreed with OPA, because conforming to local law may not always be possible. • Morrico is appealing the order to the 9th Circuit Court of Appeals. | |
| Appeal Filed: January 4, 2016 | Appeal Closed: April 22, 2016 | Appeal Duration: 109 days | |
| Appeal No.: OPA-PA-16-002 | | Purchasing Agency: GCC | Appellant: 1-A GuamWEBZ |
| Appeal Relative To: Website Services | | Appeal Value: \$69K | |
| Procurement Issue: Non-conformance to IFB requirements | | Decision: UPHELD IN PART AND DENIED IN PART | |
| <p>GuamWEBZ alleged that</p> <ul style="list-style-type: none"> (a) the awarded bidder, WSI, was not a responsible bidder because it had not had a valid Guam Business License since it expired in June 2013; (b) WSI was not a responsible bidder because (1) it is not qualified for the Local Procurement Preference and (2) WSI submitted two bids; and (c) Some bid evaluators made errors in the evaluation process. | | <ul style="list-style-type: none"> (a) WSI was a responsible bidder and Guam WEBZ claims to the contrary lack merit; (b) Protest concerning WSI's submission of two bids was untimely filed; and (c) GCC's evaluation was unfair, improper, and violated the IFB and procurement law and regulations. | |
| Appeal Filed: March 28, 2016 | Appeal Closed: August 22, 2016 | Appeal Duration: 147 days | |
| Appeal No.: OPA-PA-16-003 & OPA-PA-16-005 | | Purchasing Agency: GVB | Appellant: TLK Marketing Co. Ltd. |
| Appeal Relative To: Tourism Destination Marketing Representation Services in the Republic of Korea | | Appeal Value: \$660K | |
| Procurement Issue: Non-conformance to RFP requirements & Collusion | | Decision: DENIED | |
| <p>TLK alleged that</p> <ul style="list-style-type: none"> (a) the awarded offeror, Happy Idea Company Inc. (HIC) did not satisfy the RFP's experience requirement of five years minimum; (b) its 1st protest was timely, which automatically triggered a stay; (c) GVB colluded with the awarded offeror to deprive the offerors of their right to protest; (d) GVB did not obtain Board approval after negotiations of the contract with the selected offeror; and (e) HIC failed to disclose the involvement of GVB's former General Manager (GM) in this RFP. | | <ul style="list-style-type: none"> • OPA determined that <ul style="list-style-type: none"> (a) HIC met the RFP's experience requirement; (b) the issue of timely protests was resolved with GVB's stipulations that TLK's 1st and 2nd protests were timely filed; (c) there was no evidence of collusion to deprive offerors of their right to protest; (d) GVB Board authorized its GM to negotiate and contract with the highest-rated and most qualified offeror; and (e) HIC was not required to disclose its involvement with GVB's former GM. • TLK appealed OPA's decision to the Superior Court. | |
| Appeal Filed: April 22, 2016 June 1, 2016 | Appeal Closed: October 3, 2016 | Appeal Duration: 164 days 124 days | |



| | | |
|---|-----------------------------|---|
| Appeal No.: OPA-PA-16-004 | Purchasing Agency: GDOE | Appellant: Technologies for Tomorrow, Inc. |
| Appeal Relative To: E-Rate Internal Connections - Wireless Local Area Network (WLAN) Installation Services | | Appeal Value: \$431K |
| Procurement Issue: Non-conformance to IFB requirements <ul style="list-style-type: none"> TFT alleged that <ul style="list-style-type: none"> GDOE failed to objectively evaluate bid submissions. the awarded bidder, Docomo Pacific, was nonresponsive. | | Dismissal: STIPULATION AGREEMENT <ul style="list-style-type: none"> Appeal was dismissed and IFB was cancelled in its entirety, because GDOE's funding source for procurement was no longer available. |
| Appeal Filed: May 9, 2016 | Appeal Closed: June 3, 2016 | Appeal Duration: 25 days |

| | | |
|--|---------------------------------|--|
| Appeal No.: OPA-PA-16-006 & OPA-PA-16-008 | Purchasing Agency: GSA | Appellant: Basil Food Industrial Services Corporation |
| Appeal Relative To: Congregate & Home-Delivered Meals for the Elderly Nutrition Program | | Appeal Value: \$6.8M |
| Procurement Issue: Contract Termination (16-006) & Invalid Emergency Procurement (16-008) Basil claimed that <ul style="list-style-type: none"> GSA's termination of Basil's contracts was invalid; and GSA's emergency procurement contract to SH Enterprises (SH) was improperly solicited and improperly awarded. | | Decision: 16-006 - DENIED 16-008 - UPHHELD <ul style="list-style-type: none"> OPA determined that <ul style="list-style-type: none"> GSA's termination of Basil's contracts was valid and permissible because of Basil's repeated food code violations; and the emergency procurement contracts awarded to SH were invalid because of GSA's failure to obtain at least three informal price quotations. Basil appealed OPA's decision to the Superior Court; |
| Appeal Filed: June 7, 2016 June 28, 2016 | Appeal Closed: October 27, 2016 | Appeal Duration: 142 days 121 days |

| | | |
|---|----------------------------------|--|
| Appeal No.: OPA-PA-16-007 OPA-PA-16-011 | Purchasing Agency: DPW | Appellant: Core Tech International Co. |
| Appeal Relative To: Lease Financing for Design, Renovation, Rehabilitation, Construction, & Maintenance of Public Schools, Beginning with SSSH | | Appeal Value: \$100M |
| Procurement Issue: Non-conformance to RFP requirements CTI alleged that <ul style="list-style-type: none"> DPW violated procurement regulations by allowing the awarded offeror, Guam Educational Facilities Foundation, Inc. (GEFF), to submit four new proposals; DPW was not allowed to modify the RFP after selection of the Best Qualified Offeror; the Offeror must be Bondable and a 100% Performance and Payment Bond must be obtained by the Offeror or its Prime Contractor; the involvement of FOL Guam, LLC and E.C. Development is a Conflict of Interest which had to be disclosed; the indefinite delivery, indefinite quantity (IDIQ) contract bypasses the RFP's \$100M limit; and DPW failed to maintain a Complete Procurement Record; | | Decision: UPHHELD IN PART AND DENIED IN PART DPW must either (1) cancel the RFP in its entirety or (2) cancel the award to the awarded offeror and thoroughly re-evaluate the proposals, because of the following: <ul style="list-style-type: none"> Subsequent cost proposals submitted by GEFF during negotiations did not violate RFP considerations; The RFP allows for the scope of work and fee estimate to be negotiated to perform the required services, once an Offeror is selected; DPW violated the RFP by allowing GEFF's subcontractor to provide the payment and performance bonds; GEDA Board of Directors Chairman's financial interest in the RFP requires him to recuse himself from participating in this RFP process; The IDIQ Contract must include the \$100M limit; DPW violated procurement law with no communications log and no sound recordings of negotiations to complete the Procurement Record; |
| Appeal Filed: June 23, 2016 August 10, 2016 | Appeal Closed: November 22, 2016 | Appeal Duration: 152 days 104 days |



| | | |
|--|---|---|
| Appeal No.: OPA-PA-16-009 | Purchasing Agency: GEDA/CLTC | Appellant: Purestone, LLC |
| Appeal Relative To: Lajuna Point Residential Community, Yigo, Guam | | Appeal Value: \$9M |
| Procurement Issue: RFP Cancellation | | Stay: Pending Superior Court Decision on Non-Recusal |
| <ul style="list-style-type: none"> • Purestone alleged that <ul style="list-style-type: none"> (a) GEDA and CLTC's basis for terminating the RFP was flawed; (b) GEDA and CLTC's RFP cancellation was done without the mandatory provisions of procurement law and was not in the best interests of Guam; (c) GEDA and CLTC did not act in good faith in this RFP's administration; and (d) this appeal be dismissed based on the Public Auditor's recusal, because of a conflict of interest in this RFP. | | <ul style="list-style-type: none"> • OPA determined that <ul style="list-style-type: none"> (a) the appeal shall continue with required filings and a formal hearing; and (b) the Public Auditor's disqualification/recusal is not required, because there is no showing of actual bias in this matter. • Purestone appealed OPA's decision to the Superior Court. • Appeal was stayed, pending a decision from the Superior Court. |
| Appeal Filed: July 13, 2016 | Appeal Closed: --/--/-- | Appeal Duration: --- days |
| Appeal No.: OPA-PA-16-010 | Purchasing Agency: GDOE | Appellant: Xerox Corporation |
| Appeal Relative To: Lease of Multifunction (Copy, Print, Scan, & Fax) Devices | | Appeal Value: \$2M |
| Procurement Issue: Rejection of All Bids | | Dismissal: STIPULATION AGREEMENT |
| <p>Xerox asserted that</p> <ul style="list-style-type: none"> (a) GDOE has the authority to set the terms of bidders' price proposals; (b) Guam Procurement Law does not constrain GDOE from using federal supply schedules; (c) GDOE has not satisfied the test to cancel a bid; and (d) OPA has the authority to determine the contract's legality. | | <ul style="list-style-type: none"> • Based on Xerox and GDOE's Stipulation to Dismiss Appeal, OPA dismissed this appeal without prejudice. |
| Appeal Filed: August 10, 2016 | Appeal Closed: October 18, 2016 | Appeal Duration: 69 days |
| Appeal No.: OPA-PA-16-012 | Purchasing Agency: GDOE | Appellant: Alvarez & Marsal Public Sector Services, LLC |
| Appeal Relative To: Third Party Fiduciary Agent | | Appeal Value: \$2.5M |
| Procurement Issue: Non-conformance to RFP requirements and Disqualification of OPA to hear appeal | | Dismissal: STIPULATION AGREEMENT |
| <p>Alvarez & Marsal asserted that</p> <ul style="list-style-type: none"> (a) OPA is disqualified from hearing and ruling on this appeal, because OPA's Deputy Public Auditor served as an evaluator on the proposals submitted for this RFP; (b) GDOE's last-minute decision to extend the deadline for proposal submissions was prejudiced against Alvarez & Marsal; (c) GDOE failed to evaluate the proposals in accordance with the requirements of the RFP and procurement regulations; (d) the awarded bidder's bid did not meet the material or minimum RFP requirements; (e) the competitive sealed bidding process was violated with the public release of information concerning the bids opened on the extended deadline; and (f) GDOE did not act in good faith in this RFP's administration. | | <ul style="list-style-type: none"> • Based on the Stipulation to Dismiss Appeal Without Prejudice between Alvarez & Marsal and GDOE, OPA dismissed this appeal without prejudice. |
| Appeal Filed: August 19, 2016 | Appeal Closed: September 9, 2016 | Appeal Duration: 21 days |



| | | |
|---|---|---|
| Appeal No.: OPA-PA-16-013 | Purchasing Agency: GWA | Appellant: IP&E Holdings LLC |
| Appeal Relative To: Diesel Fuel Oil No.2 and Automotive Gasoline, Regular Unleaded | | Appeal Value: \$241K |
| Procurement Issue: Non-conformance to IFB requirements | | Decision: UPHELD IN PART AND DENIED IN PART |
| <p>IP&E asserts that</p> <p>(a) GWA was required to use the estimated quantities provided in the IFB for evaluation and award rather than factors unknown to bidders; and</p> <p>(b) GWA should award IP&E as the lowest responsive and responsible bidder overall, based on the estimated quantities provided in the IFB.</p> | | <p>(a) GWA was required to use the estimated quantities of gallons of diesel and unleaded gasoline provided in the IFB for evaluation and award rather than unknown factors; and</p> <p>(b) GWA shall award the contract for diesel to IP&E as the lowest responsive bidder for diesel; and shall award the contract for unleaded gasoline to Mobil as the lowest responsive bidder for unleaded gasoline.</p> |
| Appeal Filed: September 21, 2016 | Appeal Closed: November 23, 2016 | Appeal Duration: 63 days |
| Appeal No.: OPA-PA-16-014 | Purchasing Agency: GSA | Appellant: ST Corporation |
| Appeal Relative To: Janitorial and Hardware Supplies | | Appeal Value: \$--- |
| Procurement Issue: Good Faith Negotiations | | Dismissal: STIPULATION AGREEMENT |
| <p>ST asserted that</p> <p>(a) Four days before bid submission, GSA issued an amendment to the IFB that significantly altered the nature of the products that would be estimated under the IFB;</p> <p>(b) GSA's denial of ST's protest ignored the timing and the nature of the amendments GSA issued in this IFB; and</p> <p>(c) GSA violated procurement law by ignoring the stay automatically initiated by ST's protest.</p> | | <ul style="list-style-type: none"> Based on ST and GSA's Stipulated Motion and Order for Dismissal of Procurement Appeal, OPA dismissed this appeal. |
| Appeal Filed: November 28, 2016 | Appeal Closed: December 14, 2016 | Appeal Duration: 16 days |
| Appeal No.: OPA-PA-16-015 | Purchasing Agency: GPA | Appellant: Trans Steel Management |
| Appeal Relative To: Miscellaneous Surplus Salvage Items | | Appeal Value: \$15K |
| Procurement Issue: Non-conformance to IFB requirements | | Decision: UPHELD IN PART AND DENIED IN PART |
| <p>As the only company to submit a bid by the IFB deadline, Trans Steel asserted that</p> <p>(a) GPA should repeal its letter to 4 J's Equipment, Inc., in which 4 J's is awarded the IFB; and</p> <p>(b) GPA should make the award to Trans Steel.</p> | | <ul style="list-style-type: none"> OPA determined that <ul style="list-style-type: none"> (a) GPA's award to 4 J's on the reissued IFB was improper and void due to its untimely bid submission; (b) GPA's rejection of Trans Steel's bid on the reissued IFB was proper, due to its failure to meet the IFB's minimum acceptable price. GPA should reissue the bid. |
| Appeal Filed: December 15, 2016 | Appeal Closed: March 10, 2017 | Appeal Duration: 85 days |

Appendix 3: FY 2015 Financial Audits Summary



| # | Auditee | Issue Date | Internal Control over Financial Reporting | | | | Total Financial Reporting Findings |
|------------------------------|-----------------|------------|---|----------------------------|---------------------------------|---------------|------------------------------------|
| | | | Opinion | No. of Material Weaknesses | No. of Significant Deficiencies | Noncompliance | |
| 1 | GWA | 1/25/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 2 | PAG | 2/3/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 3 | GVB | 3/2/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 4 | GGRF | 3/3/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 5 | GIAA | 3/4/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 6 | PBS Guam (KGTF) | 3/6/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 7 | GHC | 3/8/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 8 | GCC | 3/15/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 9 | UOG | 3/22/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 10 | TAF | 3/31/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 11 | GHF | 4/1/2016 | Unmodified | 0 | 0 | 1 | 1 |
| 12 | GPA | 4/3/2016 | Unmodified | 0 | 1 | 0 | 1 |
| 13 | MCOG** | 4/5/2016 | Unmodified | 0 | 0 | 2 | 2 |
| 14 | GEDA | 4/26/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 15 | GPT | 5/12/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 16 | GALC | 5/19/2016 | Unmodified | 1 | 0 | 0 | 1 |
| 17 | CLTC | 5/23/2016 | Unmodified | 3 | 0 | 1 | 4 |
| 18 | GSWA (SWOF) | 6/7/2016 | Unmodified | 0 | 0 | 1 | 1 |
| 19 | GDOE | 6/9/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 20 | DCA | 6/13/2016 | Unmodified | 0 | 1 | 0 | 1 |
| 21 | GHURA | 6/26/2016 | Unmodified | 0 | 0 | 0 | 0 |
| 22 | GMHA | 6/27/2016 | Unmodified | 0 | 2 | 0 | 2 |
| 23 | GOVGUAM | 6/30/2016 | Unmodified | 1 | 1 | 0 | 2 |
| Subtotals for FY 2015 | | | | 5 | 5 | 5 | 15 |
| Totals since 2001 | | | 316 | | | | |



| Single Audit* (Compliance for Major Federal Programs) | | | | | | | | | |
|---|-----------------|------------|------------|----------------------------|---------------------------------|-----------------------------|------------------------|----------------------------------|--------------------|
| # | Auditee | Issue Date | Opinion | No. of Material Weaknesses | No. of Significant Deficiencies | Total Single Audit Findings | Total Questioned Costs | Total Federal Award Expenditures | Low-Risk Auditee?* |
| 1 | GWA | 1/25/2016 | Unmodified | 0 | 0 | 0 | \$ - | \$ 3,586,637 | No |
| 2 | PAG | 2/3/2016 | Unmodified | 0 | 0 | 0 | \$ - | \$ 66,729,182 | Yes |
| 3 | GVB | 3/2/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 4 | GGRF | 3/3/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 5 | GIAA | 3/4/2016 | Unmodified | 0 | 0 | 0 | \$ - | \$ 19,268,664 | Yes |
| 6 | PBS Guam (KGTF) | 3/6/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 7 | GHC | 3/8/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 8 | GCC | 3/15/2016 | Unmodified | 0 | 0 | 0 | \$ - | \$ 16,635,567 | Yes |
| 9 | UOG | 3/22/2016 | Unmodified | 0 | 0 | 0 | \$ - | \$ 34,992,971 | Yes |
| 10 | TAF | 3/31/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 11 | GHF | 4/1/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 12 | GPA | 4/3/2016 | Unmodified | 0 | 1 | 1 | \$ - | \$ 3,091,299 | No |
| 13 | MCOG** | 4/5/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 14 | GEDA | 4/26/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 15 | GPT | 5/12/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 16 | GALC | 5/19/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 17 | CLTC | 5/23/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 18 | GSWA (SWOF) | 6/7/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 19 | GDOE | 6/9/2016 | Unmodified | 0 | 2 | 2 | \$ - | \$ 65,523,019 | No |
| 20 | DCA | 6/13/2016 | n/a | n/a | n/a | 0 | \$ - | \$ - | n/a |
| 21 | GHURA | 6/26/2016 | Modified | 1 | 3 | 4 | \$ - | \$ 43,371,296 | No |
| 22 | GMHA | 6/27/2016 | Unmodified | 0 | 0 | 0 | \$ - | \$ 3,420,528 | No |
| 23 | GOVGUAM | 6/30/2016 | Modified | 3 | 5 | 8 | \$ 348.00 | \$ 294,758,573 | No |
| Subtotals for FY 2015 | | | | 4 | 11 | 15 | \$ 348 | \$ 551,377,736 | 4 |
| Totals since 2001 | | | | | | | \$ 64,139,246 | | |

*Only those entities that received substantial federal awards/grants undergo a Single Audit.



| # | Auditee | Issue Date | Management Letter Comments | |
|------------------------------|-----------------|------------|---|------------------------|
| | | | Deficiencies & Other Matters Over Financial Reporting | Information Technology |
| 1 | GWA | 1/25/2016 | 4 | 7 |
| 2 | PAG | 2/3/2016 | 8 | 8 |
| 3 | GVB | 3/2/2016 | 3 | 0 |
| 4 | GGRF | 3/3/2016 | 0 | 0 |
| 5 | GIAA | 3/4/2016 | 5 | 3 |
| 6 | PBS Guam (KGTF) | 3/6/2016 | 1 | 0 |
| 7 | GHC | 3/8/2016 | 2 | 0 |
| 8 | GCC | 3/15/2016 | 0 | 0 |
| 9 | UOG | 3/22/2016 | 5 | 0 |
| 10 | TAF | 3/31/2016 | 1 | 0 |
| 11 | GHF | 4/1/2016 | 2 | 0 |
| 12 | GPA | 4/3/2016 | 5 | 4 |
| 13 | MCOG** | 4/5/2016 | 3 | 0 |
| 14 | GEDA | 4/26/2016 | 3 | 0 |
| 15 | GPT | 5/12/2016 | 2 | 0 |
| 16 | GALC | 5/19/2016 | 1 | 0 |
| 17 | CLTC | 5/23/2016 | 3 | 0 |
| 18 | GSWA (SWOF) | 6/7/2016 | 2 | 0 |
| 19 | GDOE | 6/9/2016 | 6 | 5 |
| 20 | DCA | 6/13/2016 | 5 | 0 |
| 21 | GHURA | 6/26/2016 | 10 | 0 |
| 22 | GMHA | 6/27/2016 | 3 | 6 |
| 23 | GOVGUAM | 6/30/2016 | 16 | 0 |
| Subtotals for FY 2015 | | | 90 | 33 |
| Totals since 2001 | | | 880 | |

**Data does not include the individual findings and questioned costs cited in each municipality's individual management letter. Out of 19 municipalities, five had no findings in fiscal year 2015, while the remaining 14 municipalities had issues with cash receipts, cash disbursements, and/or procurement regulations.



| Agencies or Programs | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | TOTAL |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Guam International Airport Authority | 0 | 1 | 3 | 0 | 0 | 0 | 2 | 0 | 0 | 3 | 5 | 2 | 10 | 13 | 12 | 22 | 73 |
| Department of Education | 3 | 1 | 7 | 2 | 3 | 3 | 1 | 18 | 9 | 46 | 17 | 14 | 9 | 11 | 13 | 13 | 170 |
| Department of Public Works | 3 | 2 | 0 | 1 | 2 | 2 | 1 | 0 | 6 | 15 | 9 | 3 | 3 | 10 | 11 | 14 | 82 |
| Guam Power Authority | 0 | 1 | 2 | 2 | 2 | 1 | 0 | 1 | 2 | 7 | 6 | 4 | 5 | 6 | 12 | 4 | 55 |
| Department of Corrections | 6 | 6 | 1 | 2 | 1 | 2 | 3 | 2 | 5 | 1 | 1 | 2 | 2 | 2 | 11 | 10 | 57 |
| Guam Memorial Hospital Authority | 1 | 0 | 6 | 0 | 0 | 1 | 4 | 2 | 2 | 2 | 1 | 7 | 4 | 1 | 11 | 8 | 50 |
| Government of Guam Retirement Fund | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 3 | 3 | 1 | 15 | 1 | 6 | 0 | 30 |
| Department of Administration | 1 | 0 | 2 | 2 | 1 | 2 | 5 | 0 | 0 | 3 | 1 | 2 | 4 | 5 | 6 | 5 | 39 |
| Mayors Council of Guam | 2 | 1 | 0 | 2 | 2 | 1 | 2 | 0 | 5 | 11 | 8 | 9 | 4 | 6 | 2 | 7 | 62 |
| Guam Housing and Urban Renewal Authority | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 2 | 1 | 6 | 10 | 3 | 2 | 3 | 29 |
| Guam Waterworks Authority | 2 | 0 | 2 | 1 | 0 | 0 | 0 | 1 | 0 | 7 | 5 | 12 | 4 | 7 | 4 | 3 | 48 |
| Guam Fire Department | 1 | 1 | 1 | 1 | 0 | 0 | 2 | 0 | 3 | 1 | 2 | 1 | 6 | 4 | 3 | 4 | 30 |
| Guam Mass Transit Authority | 1 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3 | 5 | 5 | 4 | 22 |
| Department of Public Health and Social | 2 | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 0 | 1 | 4 | 5 | 0 | 4 | 8 | 33 |
| Guam Telephone Authority | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 9 | 3 | 3 | 1 | 18 |
| Office of the Attorney General | 0 | 0 | 1 | 0 | 0 | 1 | 2 | 0 | 1 | 1 | 3 | 3 | 4 | 9 | 1 | 0 | 26 |
| Guam Police Department | 0 | 2 | 2 | 0 | 2 | 1 | 0 | 1 | 0 | 2 | 1 | 0 | 2 | 3 | 3 | 5 | 24 |
| Guam Visitors Bureau | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 3 | 5 | 1 | 1 | 5 | 22 |
| Superior Court of Guam | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 3 | 2 | 4 | 4 | 2 | 4 | 2 | 24 |
| University of Guam | 3 | 0 | 2 | 3 | 0 | 0 | 1 | 1 | 2 | 2 | 1 | 0 | 4 | 3 | 3 | 2 | 27 |
| Port Authority of Guam | 0 | 0 | 0 | 3 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 3 | 3 | 4 | 1 | 3 | 20 |
| Department of Land Management | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3 | 0 | 1 | 4 | 10 |
| Office of the Governor | 1 | 1 | 0 | 0 | 0 | 0 | 2 | 2 | 5 | 0 | 1 | 0 | 4 | 3 | 1 | 0 | 20 |
| Department of Parks & Recreation | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 7 | 4 | 1 | 1 | 1 | 1 | 5 | 24 |
| Department of Labor | 0 | 6 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 3 | 2 | 1 | 16 |
| Guam Economic Development Authority | 0 | 2 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 4 | 0 | 1 | 13 |
| General Services Agency | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 2 | 2 | 3 | 3 | 3 | 0 | 1 | 16 |
| Other Agencies and Programs | 13 | 8 | 9 | 10 | 5 | 12 | 13 | 19 | 18 | 40 | 37 | 29 | 47 | 31 | 22 | 28 | 341 |
| Totals | 42 | 35 | 43 | 33 | 23 | 30 | 42 | 54 | 62 | 160 | 112 | 116 | 177 | 144 | 145 | 163 | 1,381 |

Appendix 4: Hotline Tips Statistics

Appendix 5: Website in Review




OPA has Released the Guam Waterworks Authority's (GWA) FY 2015 Financial Audit

Date: 12:00, Monday, January 25, 2016
 Agency: Guam Waterworks Authority
 Category: Financial Audit

The Office of Public Accountability has released the Guam Waterworks Authority's (GWA) FY 2015 Financial Statements, Report on Compliance and Internal Controls, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Government of Guam Retirement Fund's FY 2015 Financial Statements

Date: 10:00, Thursday, March 03, 2016
 Agency: Government of Guam Retirement Fund
 Category: Financial Audit

The Office of Public Accountability has released the Government of Guam Retirement Fund's FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Port Authority of Guam's (PAG) FY 2015 Financial Statements

Date: 11:00, Wednesday, February 03, 2016
 Agency: Port Authority of Guam
 Category: Financial Audit

The Office of Public Accountability has released the Port Authority of Guam's (PAG) FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letters, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam International Airport Authority's FY 2015 Financial Statements

Date: 14:45, Friday, March 04, 2016
 Agency: Guam International Airport Authority
 Category: Financial Audit

The Office of Public Accountability has released the Guam International Airport Authority's FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Visitors Bureau's (GVB) FY 2015 Financial Statements

Date: 14:00, Wednesday, March 02, 2016
 Agency: Guam Visitor's Bureau
 Category: Financial Audit

The Office of Public Accountability has released the Guam Visitors Bureau's FY 2015 Financial Statements and Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has Released the Guam Educational Telecommunication Corporation's (PBS Guam) FY 2015 Financial Audit

Date: 12:00, Sunday, March 06, 2016
 Agency: KCTF (PBS Guam)
 Category: Financial Audit

The Office of Public Accountability has released the Guam Educational Telecommunication Corporation's (PBS Guam) FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Tourist Attraction Fund (TAF) FY 2015 Financial Statements

Date: 10:00, Thursday, March 31, 2016
Agency: Tourist Attraction Fund
Category: Financial Audit

The Office of Public Accountability has released the Tourist Attraction Fund (TAF) FY 2015 Financial Statements and Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance

[View Details](#)



OPA has released the Guam Highway Fund (GHF) FY 2015 Financial Statements

Date: 00:00, Friday, April 01, 2016
Agency: Guam Highway Fund
Category: Financial Audit

The Office of Public Accountability has released the Guam Highway Fund (GHF) FY 2015 Financial Statements and Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Power (GPA) FY 2015 Financial Statements

Date: 12:00, Sunday, April 03, 2016
Agency: Guam Power Authority
Category: Financial Audit

The Office of Public Accountability has released the Guam Power Authority (GPA) FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Housing Corporation's FY 2015 Financial Audit

Date: 00:00, Tuesday, March 08, 2016
Agency: Guam Housing Corporation
Category: Financial Audit

The Office of Public Accountability has released the Guam Housing Corporation's FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Community College's (GCC) FY 2015 Financial Audit

Date: 16:00, Tuesday, March 15, 2016
Agency: Guam Community College
Category: Financial Audit

The Office of Public Accountability has released the Guam Community College's (GCC) FY 2015 Financial Statements, Report on Compliance and on Internal Controls, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the University of Guam's (UOG) FY 2015 Financial Audit

Date: 16:00, Tuesday, March 22, 2016
Agency: University of Guam
Category: Financial Audit

The Office of Public Accountability has released the University of Guam's (UOG) FY 2015 Financial Statements, Report on Internal Control and on Compliance, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)

Appendix 5: Website in Review



OPA has released the Mayor's Council of Guam's (MCOG) Non-Appropriated Funds FY 2015 Financial Audit

Date: 12:00, Tuesday, April 05, 2016
 Agency: Mayor's Council of Guam
 Category: Financial Audit

The Office of Public Accountability has released the Mayor's Council of Guam's (MCOG) Non-Appropriated Funds FY 2015 Financial Statements, Report on Compliance and on Internal Control, Management Letters, and Letter to Those Charged with Governance.

[View Details](#)

OPA has released the Guam Economic Development Authority (GEDA) FY 2015 Financial Audit

Date: 12:00, Tuesday, April 26, 2016
 Agency: Guam Economic Development Authority
 Category: Financial Audit

The Office of Public Accountability has released the Guam Economic Development Authority (GEDA) FY 2015 Financial Statements and Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)

OPA Report No. 16-01, Guam Legislature Capitol District Fund

Date: 12:00, Wednesday, April 20, 2016
 Agency: Guam Legislature
 Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-01, Guam Legislature Capitol District Fund.

[View Details](#)

OPA Report No. 16-03, Office of the Attorney General, Child Support Enforcement Program Follow-Up

Date: 11:00, Wednesday, April 27, 2016
 Agency: Office of the Attorney General
 Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-03, Office of the Attorney General, Child Support Enforcement Program Follow-Up

[View Details](#)

OPA Report No. 16-02, Guam's Readiness for the 12th Festival of Pacific Arts (FESTPAC)

Date: 00:00, Monday, April 25, 2016
 Agency: Government of Guam
 Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-02, Guam's Readiness for the 12th Festival of Pacific Arts (FESTPAC).

[View Details](#)

OPA Report No. 16-04, Effect of Non-Base Pay on Retirement Annuity

Date: 11:00, Tuesday, May 03, 2016
 Agency: Government of Guam Retirement Fund
 Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-04, Effect of Non-Base Pay on Retirement Annuity

[View Details](#)

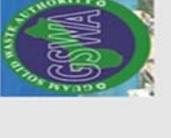


OPA has released the Guam Preservation Trust (GPT) FY 2015 Financial Audit

Date: 15:00, Thursday, May 12, 2016
 Agency: Guam Preservation Trust
 Category: Financial Audit

The Office of Public Accountability has released the Guam Preservation Trust (GPT) FY 2015 Financial Statements, Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Government of Guam Solid Waste Operations Fund (SWOF) FY 2015 Financial Audit

Date: 11:45, Tuesday, June 07, 2016
 Agency: Guam Solid Waste Authority
 Category: Financial Audit

The Office of Public Accountability has released the Government of Guam Solid Waste Operations Fund (SWOF) FY 2015 Financial Statements and Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Ancestral Lands Commission (GALC) FY 2015 Financial Audit

Date: 00:00, Friday, May 20, 2016
 Agency: Guam Ancestral Lands Commission
 Category: Financial Audit

The Office of Public Accountability has released the Guam Ancestral Lands Commission (GALC) FY 2015 Financial Statements and Report on Compliance and Internal Control, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA Report No. 16-05, Offices of the Governor and Lt. Governor's Employees' Pay Adjustments

Date: 11:00, Wednesday, June 08, 2016
 Agency: Offices of the Governor and Lieutenant Governor
 Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-05, Offices of the Governor and Lt. Governor's Employees' Pay Adjustments.

[View Details](#)



OPA has released the Chamorro Land Trust Commission (CLTC) FY 2015 Financial Audit

Date: 00:00, Monday, May 23, 2016
 Agency: Chamorro Land Trust Commission
 Category: Financial Audit

The Office of Public Accountability has released the Chamorro Land Trust Commission (CLTC) FY 2015 Financial Statements and Report on Compliance and Internal Control, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Department of Education (GDOE)'s FY 2015 Financial Audit

Date: 11:00, Thursday, June 09, 2016
 Agency: Department of Education
 Category: Financial Audit

The Office of Public Accountability has released the Guam Department of Education (GDOE)'s FY 2015 Financial Statements and Management Letter.

[View Details](#)

Appendix 5: Website in Review




OPA has released the Department of Chamorro Affairs Non-Appropriated Fund (DCANAF) FY 2015 financial audit

Date: 11:45, Monday, June 13, 2016
 Agency: Department of Chamorro Affairs
 Category: Financial Audit

The Office of Public Accountability has released the Department of Chamorro Affairs Non-Appropriated Fund (DCANAF) FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Memorial Hospital Authority's (GMHA) FY 2015 Financial Audit

Date: 14:30, Monday, June 27, 2016
 Agency: Guam Memorial Hospital Authority
 Category: Financial Audit

The Office of Public Accountability has released the Guam Memorial Hospital Authority's (GMHA) FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



UOG RFP No. P15-16 for Independent Financial Audit Services

Date: 06/13/2016
 Category: Request for Proposal

The University of Guam (UOG) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit (to include the Single Audit Act Provision) of its financial operations for fiscal years 2016, 2017, and 2018.

[View More Details](#)



OPA has released the Government of Guam's (GovGuam) FY 2015 Financial Statements

Date: 12:00, Thursday, June 30, 2016
 Agency: Government of Guam
 Category: Financial Audit

The Office of Public Accountability has released the Government of Guam's (GovGuam) FY 2015 financial statements.

[View Details](#)



OPA has released the Guam Housing and Urban Renewal Authority's (GHURA) FY 2015 financial audit.

Date: 00:00, Sunday, June 26, 2016
 Agency: Guam Housing and Urban Renewal Authority
 Category: Financial Audit

The Office of Public Accountability has released the Guam Housing and Urban Renewal Authority's (GHURA) FY 2015 Financial Statements, Report on Compliance and Internal Controls, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Government of Guam (GovGuam)'s FY 2015 Single Audit Reports

Date: 12:00, Friday, July 01, 2016
 Agency: General Services Agency
 Category: Financial Audit

The Office of Public Accountability has released the Government of Guam (GovGuam)'s FY 2015 Single Audit Reports, Management Letter, and Letter to Those Charged with Governance.

[View Details](#)



OPA has released the Guam Department of Education's (GDOE) FY 2015 Single Audit Reports

Date: 08/02, Saturday, July 02, 2016
Agency: Department of Education
Category: Financial Audit

The Office of Public Accountability has released the Guam Department of Education's (GDOE) FY 2015 Single Audit and Letter to Those Charged with Governance.

[View Details](#)



OPA has released OPA Report No. 16-06, Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees

Date: 12/00, Tuesday, August 23, 2016
Agency: Department of Revenue and Taxation
Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-06, Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees.

[View Details](#)



Government of Guam Retirement Fund (GGRF) for Independent Financial Audit Services

Date: 07/19/2016
Category: Request for Proposal

The Government of Guam Retirement Fund (GGRF) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit (to include the Single Audit Act Provisions) of its financial operations for fiscal years 2016, 2017, and 2018. You may click the following link to download the Request for Proposal (RFP) or pick-up an RFP package at:

Government of Guam Retirement Fund
 Director's Office
 424 Route 8
 Maize, Guam 96910

[View More Details](#)



Guam Preservation Trust (GPT) for Independent Financial Audit Services

Date: 08/29/2016
Category: Request for Proposal

The Guam Preservation Trust (GPT) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit of its financial operations for fiscal years 2016, 2017, and 2018. You may click the following link to download the Request for Proposal (RFP) or pick-up an RFP package at its Main Office at 167 Padre Palomo Street, Hagatna, Guam 96910.

[View More Details](#)



Department of Administration (DOA) RFP for Independent Financial Audit Services

Date: 08/22/2016
Category: Request for Proposal

The Department of Administration (DOA) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit (to include the Single Audit Act Provisions) of its financial operations for fiscal years 2016, 2017, and 2018. You may click the following link below to download the RFP, or pick-up an RFP Package at the Department of Administration (DOA) Director's Office.

[View More Details](#)



Chamorro Land Trust Commission and Guam Ancestral Lands Commission for Independent Financial Audit Services

Date: 08/29/2016
Category: Request for Proposal

The Chamorro Land Trust Commission (CLTC) and the Guam Ancestral Lands Commission (GALC) are soliciting proposals from a U.S. Certified Public Accounting Firm for an audit of their Non-Appropriated Funds for fiscal years 2016, 2017, and 2018. You may click the following link to download the Request for Proposal (RFP) or pick-up an RFP package at their Main Office at 590 S. Marine Corps Drive, ITC Building, Suite 733, Tamuning Guam 96913.

[View More Details](#)

Appendix 5: Website in Review




Department of Administration (DOA) for Independent Financial Services of the Tourist Attraction Fund (TAF) and Guam Highway Fund (GHF)

Date: 09/19/2016
Category: Request for Proposal

The Department of Administration (DOA) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit (to include the Single Audit Act Provision) of its financial operations of the Tourist Attraction Fund (TAF) and Guam Highway Fund (GHF) for fiscal years 2016, 2017, and 2018.

You may click the link below to download the RFP or pick-up a package at the DOA Director's Office.

[View More Details](#)



OPA has released OPA Report No. 16-09, Chamorro Land Trust Commission Municipal Golf Course Lease Agreements

Date: 00-00, Thursday, December 01, 2016
Agency: Chamorro Land Trust Commission
Category: Compliance Audit

The Office of Public Accountability has released OPA Report No. 16-09, Chamorro Land Trust Commission Municipal Golf Course Lease Agreements.

[View Details](#)



GEDA is soliciting proposals for Independent Financial Auditing Services

Date: 09/27/2016
Category: Request for Proposal

The Guam Economic Development Authority (GEDA) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit (to include the Single Audit Act Provision) of its financial operations for fiscal years 2016, 2017, and 2018. You may visit www.investguam.com or click the following link to download the Request For Proposal (RFP) or pick-up an RFP package at:

Guam Economic Development Authority
509 S. Marine Corps Dr.
Suite 511 TTC Building
Tamuning, Guam 96913

[View More Details](#)



The Department of Chamorro Affairs (DCA) is soliciting proposals from a U.S. Certified Public Accounting Firm

Date: 12/19/2016
Category: Request for Proposal

The Department of Chamorro Affairs (DCA) is soliciting proposals from a U.S. Certified Public Accounting Firm for an audit of its Non-Appropriated Funds for fiscal years 2016, 2017, and 2018. You may click the following link to download the RFP or pick-up the package at the DCA's President's Office:

Tretyke Professional Building
1st floor, 194 Hernan Cortez Avenue
Hagatna, Guam

Notice of Change in Request for Proposal Number

Attention: The RFP number for the Department of Chamorro Affairs advertisement is incorrectly advertised as DCA2016-01 on the Post Guam newspaper published on December 19, 2016. This notice hereby corrects the advertisement RFP number to DCA2017-01. No amendment has been made on the RFP packet.

You may click the link below to download the RFP.

[View More Details](#)



OPA has released OPA Report No. 16-07, Guam Veterans Affairs Office Non-Appropriated Funds Follow Up Audit

Date: 15-00, Thursday, September 29, 2016
Agency: Guam Veterans Affairs Office
Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-07, Guam Veterans Affairs Office Non-Appropriated Funds Follow Up Audit.

[View Details](#)



OPA has released OPA Report No. 16-10, Office of Public Accountability's Status of Audit Recommendations

Date: 00-00, Thursday, December 29, 2016
Agency: Government Wide
Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-10, Office of Public Accountability's Status of Audit Recommendations.

[View Details](#)



OPA has released OPA Report No. 16-08, Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers.

Date: 00-00, Wednesday, October 12, 2016
Agency: Government of Guam
Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-08, Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers.

[View Details](#)



OPA has released OPA Report No. 16-11, Department of Administration Returned Checks Follow-Up Audit

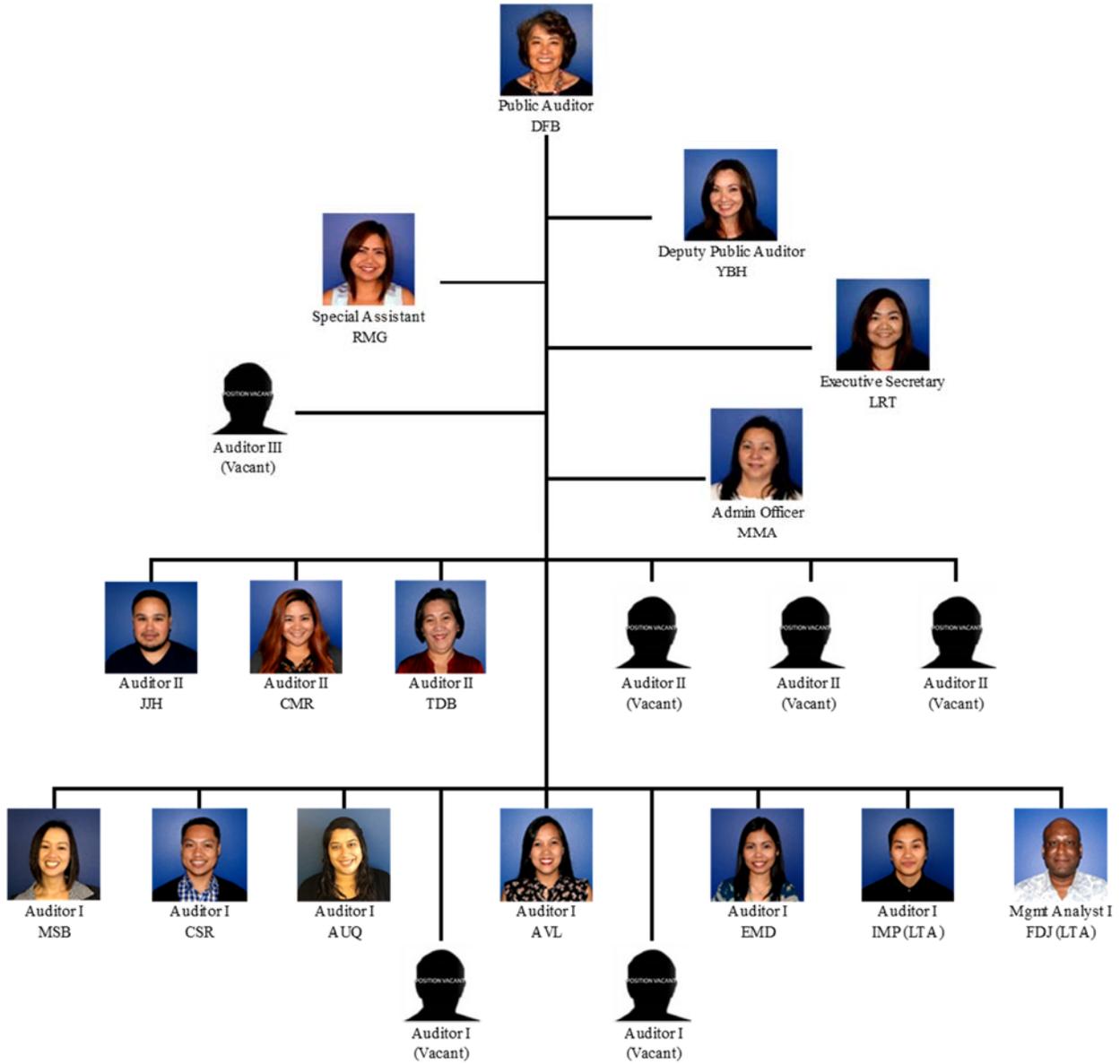
Date: 16-45, Friday, December 30, 2016
Agency: Department of Administration
Category: Performance Audit

The Office of Public Accountability has released OPA Report No. 16-11, Department of Administration Returned Checks Follow-Up Audit.

[View Details](#)



As of January 9, 2017





**Office of Public Accountability
2016 Annual Report
June 2017**

ACKNOWLEDGEMENTS

Key contributions to this report were made by:

Michele Brillante, Audit Staff
Yukari Hechanova, CPA, CIA, CGFM, CGAP, CGMA, Deputy Public Auditor
Doris Flores Brooks, CPA, CGFM, Public Auditor

MISSION STATEMENT

**To ensure the 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 visit us at Suite 401, DNA Building in Hagåtña**

All information will be held in strict confidence.