



OFFICE OF PUBLIC ACCOUNTABILITY

REPORT TO OUR CITIZENS

FY 2023 · OCTOBER 2022 - SEPTEMBER 2023

WHO WE ARE

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

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

We seek to 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 to support the well-being of our island and its constituents.

STAFF AS OF DECEMBER 2023

Public Auditor
Benjamin J.F. Cruz

Administrative Services Officer
Marisol Andrade, CGFM

Auditors

Vincent Duenas
Jerrick Hernandez, MA, CGFM, CFE, CICA, CGAP
Joy Esperanza, CGFM
Maria Thyrza Bagana, CGFM, CFE
Maryann Manglona, CPA
Frederick Jones, MBA, CFE

Thomas Eladio Battung, CFE
Mariella Cruz
Ren Erbil Jalandoni, CFE
Selina Maria Onedera-Salas, CGFM
Kayleen Concepcion
Thomas Quichocho
Melissa Ngiralmu, MPA
Donald San Agustin, Jr.



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MISSION

We independently conduct audits and administer procurement appeals to safeguard public trust and promote good governance for the people of Guam.

VISION

GovGuam is the standard of public trust and good governance.

CORE VALUES

Objective
Professional
Accountable

The OPA is a member of the following professional organizations:



OUR PERFORMANCE

CY 2023 · JANUARY 2023 - DECEMBER 2023

11

We issued eleven **performance audits** that identified \$41 million (M) in financial impact.

52

We made fifty-two **recommendations** to GovGuam entities to improve program efficiencies, revenue collection, and government expenses.

22

We provided oversight on twenty-two **financial audits for fiscal year (FY) 2022** (government-wide and component units).

7

We assisted in the procurement process of seven **Request for Proposals issued for independent financial audit services**.

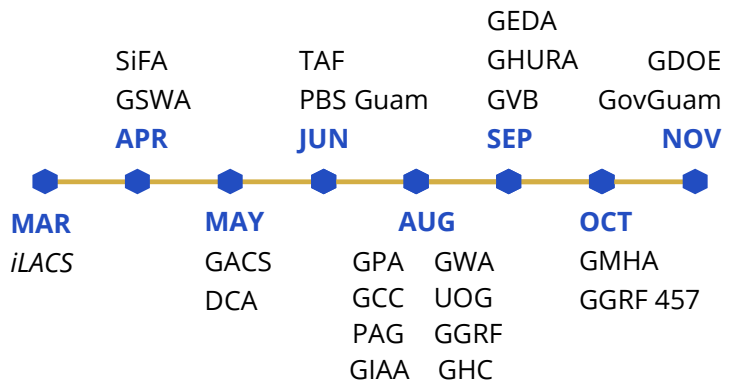
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Our office received six **procurement appeals** in calendar year (CY) 2023. As of December 2023, three appeals were dismissed, one decision was issued, and two appeals were ongoing.

PERFORMANCE AUDITS

1. **Office of Public Accountability** Status of Audit Recommendations
2. **Department of Revenue and Taxation** Assessments and Collections of Excise Taxes for Alcoholic Beverages and Tobacco Products
3. **Department of Revenue and Taxation** Business Privilege Tax on Military Construction Contracts
4. **Guam Department of Education** Overtime Payments
5. **Government of Guam** COVID-19 Quarantine and Isolation Facilities Utilization Analysis
6. **Guam Economic Development Authority** Procurement of Consultant Services for New Hospital Development
7. **Guam Department of Education** Education Stabilization Fund Expenditures [Flash Report]
8. **Chamorro Land Trust Commission** Oversight of the Removal of Coral Material from the Guam International Raceway Park
9. **Guam Contractors License Board** Licensing and Investigation Procedures
10. **Government-wide Credit/Debit Card Use Series, Part I** – Guam Power Authority and Guam Waterworks Authority
11. **Government-wide Credit/Debit Card Use Series, Part II** – Guam Visitors Bureau

FINANCIAL AUDITS ISSUED IN CY 2023 FOR FY 2022



PROCUREMENT APPEALS

APPEAL NO. & SUBJECT	VALUE	STATUS
OPA-PA-23-001 Purchase Order No. PO 28553, Access Control System for Lobby Elevator and Stairway No. 3, Fadian*	\$ -	Dismissed
OPA-PA-23-002 Management & Infrastructure Support Services to Guam International Airport Authority's Baggage Conveyance Systems	\$1.3M	Decision
OPA-PA-23-003 Purchase of Administrative and Instructional Supplies*	\$ -	Dismissed
OPA-PA-23-004 Performance Management Contract for Guam Power Authority's Yigo Diesel Contractors*	\$ -	Dismissed
OPA-PA-23-005 & OPA-PA-23-006 Plan Administration Services Related to the Defined Contribution Retirement System (401(a) Plan) Deferred Compensation Plan and Welfare Benefit Plan*	\$ -	Ongoing

*Monetary value could not be identified

PEER REVIEW

In 2023, OPA achieved a **Full Compliance Rating** – the highest level of compliance attainable – for performance audits released from CY 2020 to 2022. You can view the [peer review report](#) on the OPA's website.



“



I believe in my heart that the work we do is significant and have seen first-hand the impact our audits have made in our government and our island. I wish to acknowledge my staff as the driving force behind all that we have accomplished. [...] I renew my commitment to the people of Guam in being their watchdog over government spending and promoting accountability and transparency.”

- Benjamin J.F. Cruz

Message from the Public Auditor, 2023 Annual Report

FINANCIAL INFORMATION

	FY 2023	FY 2022 (Restated)	↑ ↓
GovGuam Appropriations	\$2,024,805	\$1,653,965	↑
Revenues:			
Federal Grants	\$28,433	\$19,197	↑
Interest Income	\$6,271	\$6,085	↑
Other Income	\$465	\$-	↑
Expenditures by Object:			
Salaries and Benefits	\$1,313,518	\$992,452	↑
Rent	\$128,372	\$128,372	-
Contractual Services	\$85,607	\$79,649	↑
Utilities and Telephone	\$2,514	\$4,141	↓
Equipment & Furniture	\$4,735	\$39,887	↓
Supplies	\$4,667	\$2,295	↑
Training	\$9,876	\$6,694	↑
Other	\$6,657	\$6,757	↓
Federal Grant	\$28,433	\$19,197	↑
Change in Net Position	\$475,594	\$399,802	↑

GENERAL FUND – OPERATIONS

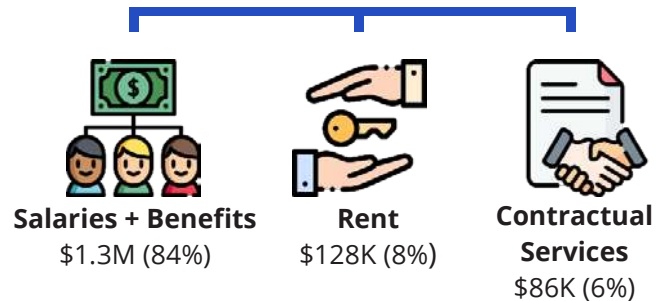
The OPA received about \$371 thousand (K) more in appropriations in FY 2023 compared to FY 2022. GovGuam appropriation-based General Fund revenue is our primary source of funding for our operations. Our expenses increased by 23% – primarily due to higher personnel costs as a result of OPA's implementation of the 2014 Leading Edge Study and update to the General Pay Plan.

The OPA is included in the GovGuam-wide annual financial audit. The audit report can be found at <https://opaguam.org/reports-audits/financial-audits>. You may also view the OPA's detailed financials at <https://opaguam.org/about-us/opa-financial-information>.

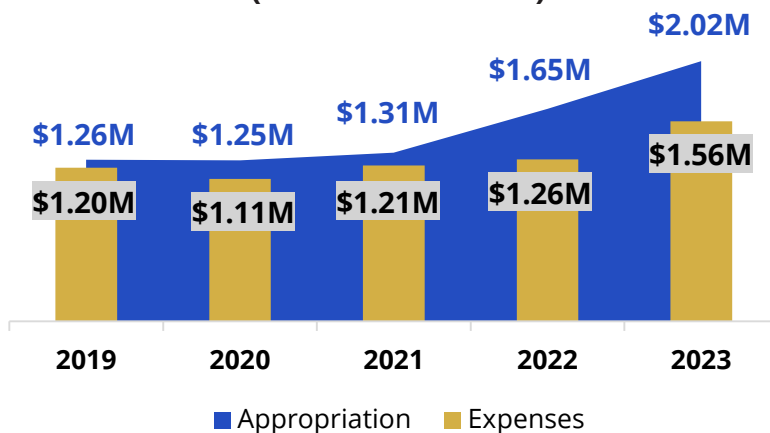
MAJOR EXPENSES



Total Expenditures
\$1.56M



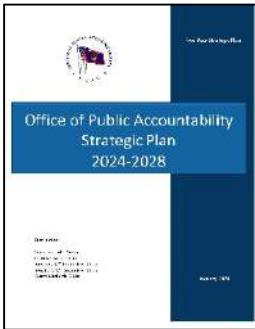
BUDGET APPROPRIATION VS. EXPENSES (FIVE YEAR TREND)



TAP GRANT

In 2019, the United States Department of Interior Office of Insular Affairs awarded the OPA a \$76K Technical Assistance Program (TAP) grant for training and internship programs. As of FY 2023, we have spent \$74K in available funds. The OPA was awarded an additional \$76K TAP grant in 2023. This federal grant gives us the funding capability to allow our employees to continue training with the best in the industry.

CHALLENGES & OUTLOOK



STRATEGIC PLAN 2024 - 2028

The OPA completed its updated Strategic Plan for 2024-2028. To safeguard the public trust and promote good governance in GovGuam, the OPA will endeavor to accomplish the following strategic priorities:

- 1) Protect and enhance the independence of the OPA;
- 2) Timely delivery of impactful and quality audit reports;
- 3) Continue to deliver timely decisions on procurement appeals;
- 4) Foster and enhance public perception and OPA awareness to stakeholders; and
- 5) Recruit and retain competent, high-performing staff to provide impactful and quality service.

BUDGETARY INDEPENDENCE

As part of achieving the OPA's strategic priority #1, protect and enhance the independence of the OPA, we sought support from the 36th Guam Legislature to include a provision in the annual budget of GovGuam that dedicates a continuous appropriation of not less than one quarter of one percent (0.25%) of the annual total General Fund gross revenues of GovGuam for the OPA's future budgets. This would mean that future budgets for the OPA will be determined through a formula and only after all other appropriations are made to the entirety of the government. The provision was included in the OPA's budget as part of the General Appropriations Act of 2023 (P.L. 36-107), effective beginning in FY 2024.

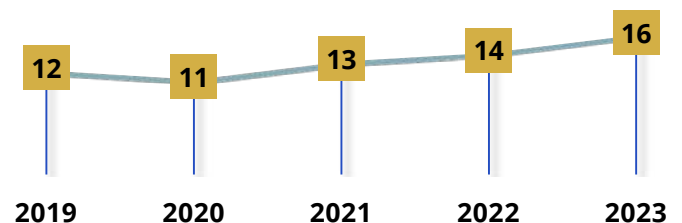
The OPA's FY 2024 budget was calculated per the formula in the General Appropriations Act of 2024 (P.L. 37-42); however, the provision was not explicitly stated in the law as was done in P.L. 36-107. We are seeking the support of members of the 37th Guam Legislature to have the provision formally codified in the Guam Code Annotated, which would ensure funding stability and budgetary and financial independence of the OPA.

STAFF RETENTION

Over the last few years, at least eighteen employees have left the OPA – many receiving double digit increases in salary in their new positions. Several of them held supervisory & managerial level responsibilities in our office. As of December 2023, we recruited two new Accountability Auditor I's.

The OPA continues to recruit and replace vacant positions with new staff. Additionally, the OPA worked with the 36th Guam Legislature at the beginning of FY 2023 to fully implement the [compensation study conducted by Leading Edge in 2014](#). Furthermore, in January 2023, the Department of Administration updated the Competitive Wage Act for the General Pay Plan (GPP), which resulted in a 22% salary adjustment for all GPP employees to bring the pay structure closer to alignment with autonomous agencies within GovGuam.

PERSONNEL COUNT - FIVE YEAR TREND



WE WANT TO HEAR FROM YOU - LET'S STAY CONNECTED!

Do you like this report? Is there any other information you would like to see included? Please let us know by contacting Accountability Auditor II Mariella Cruz at mcruz@guamopa.com. The OPA's previous Citizen-Centric Reports can be found at <https://opaguam.org/about-us/opa-ccr>.

