

Annual Work Plan

CY 2023

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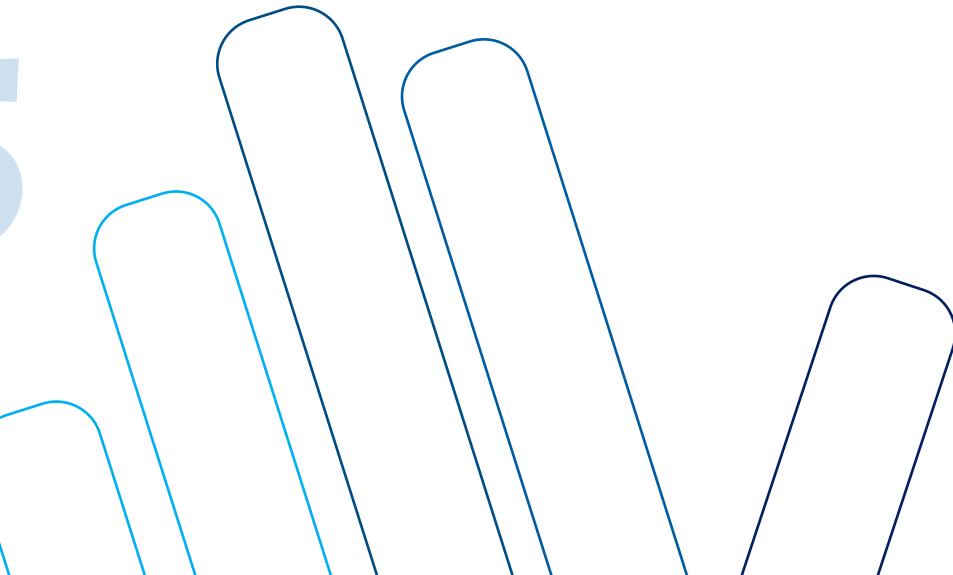
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Annual Work Plan

Calendar Year 2023

January 2023

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

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

MOTTO

Auditing for Good Governance

VISION

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

MISSION

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



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This report contains the Office of Public Accountability's upcoming engagements for calendar year 2023.

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

INTRODUCTION

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

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

As of CY 2022, our team is comprised of 12 Auditors, the Public Auditor, and an Administrative Services Officer.

OPA was created on July 20, 1992 through Public Law 21-122. The office has been in existence for 30 years now.

WHAT WE DO

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

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

In CY 2022, we released seven performance audits, had oversight over 27 financial audits, and administered five procurement appeals.

We will discuss more of the results of our CY 2022 performance in our Annual Report.



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

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

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

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



AUDIT WORK PLAN

MONTHS

For the past two months, our office was busy putting together this annual plan. The culmination of our work resulted in our planned engagements for CY 2023.

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

Our office discussed each proposed performance audit topic, including those we solicited, and independently rated the topics.

We collectively agreed on the top ten audit topics based on our individual ranking and conducted a risk assessment for each topic.

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

Our planned engagements for CY 2023 are listed on the following pages.

We have six planned performance audits, eight ongoing performance audits, and about 25 financial audits. We do not have any pending procurement appeals. We will continue to manage our legislative mandates, investigative duties, and various administrative responsibilities.

We look forward to 2023 as we continue to deliver services to the public with the highest standards of quality in mind.

**IN THE
MAKING**

PERFORMANCE AUDITS

On-going Performance Audits

As of December 31, 2022, we reassessed the status of our performance audits from CY 2022, and eight engagements will carry forward into CY 2023.

Agency	Audit Topic
1. DRT	BPT on Military Contracts
2. DRT	Alcohol and Tobacco Taxes
3. GMHA	Hospital Revenue Management
4. GDOE	Laptop Inventory
5. GDOE	Overtime Payments
6. GOV	Quarantine and Isolation Facilities Utilization
7. OPA	Recommendations Follow-Up
8. CLB	Licensing and Investigation Procedures

We are committed to complete the performance audits we started in CY 2022. We complete and start new performance audits as resources permit.

New Performance Audits

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

We each conducted independent risk assessments for each of the ten topics using the following criteria:

Financial Impact 30%

- Is there a high financial impact? What is the estimated potential loss of revenue or cost savings?

Public Concern or Social Impact 25%

- Is the audit topic of high interest to the community, whether social, political, environmental, etc.?

Program Risk 25%

- What is the likelihood that the program will fail, has poor controls, or will not meet its goals?

Leadership Interest 20%

- What is the interest in the program by public officials or government department management teams?

Our risk assessment process helps us define the importance of each audit topic, to be able to decide where to invest our limited resources. As a result, we collectively came up with our performance audits engagements for CY 2023.

PERFORMANCE AUDITS CY 2023

	Agency	Audit Topic
1	Government -Wide	Education Stabilization Fund
2	GMHA	Physicians Services Contract & Compensation Packages*
3	DRT	Short-Term Vacation Rentals
4	Government -Wide	GovGuam Travel
5	DPW/CLTC	Raceway Mineral Extraction
6	Government -Wide	Credit Card Use

* Part of CY 2022 Annual Work Plan.

FINANCIAL AUDITS

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

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

OPA has oversight of these GovGuam financial audit engagements.

Financial Audits CY 2023

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

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

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

OPA is committed to have all GovGuam financial audits issued no later than February 28th or five months after the end of the fiscal year.

PROCUREMENT APPEALS

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

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

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

Resolving Procurement Appeals

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

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

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

Procurement Appeals in CY 2022

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

In CY 2022, of the five procurement appeals filed, all were dismissed.

- 22-001: Guam Pacific Enterprises, Inc. vs. Department of Education
- 22-002: All Business Enterprises Corp. vs. University of Guam
- 22-003: Guam Pacific Enterprises, Inc. vs. Department of Education
- 22-004: Data Management Resources, LLC vs. Office of the Governor
- 22-005: PTI Pacifica Inc., dba IT&E vs. Guam Fire Department

As of writing the CY 2023 Annual Work Plan, we have not received any procurement appeals.

MONITORING AND EVALUATION

Audit Plan Not Set in Stone

At any time, we may adjust our annual work plan based on input from the Public Auditor due to emerging issues, availability of resources, or other circumstances.

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

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

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

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

We Keep Moving Forward

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

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

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

In CY 2023, our office will undergo a Peer Review which is performed independently with a team of other audit professionals, selected by APIPA.

Our office has consistently received a rating of *Pass* upon completion of all our past Peer Reviews. This means our performance audits have been conducted in compliance with the Yellow Book standards.

OTHER TASKS

Legislative Mandates

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

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

Citizen Concerns

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

OPA has an Investigative Committee that is responsible for receiving hotline tips or citizen concerns and monitoring the hotline database. This committee provides quarterly updates to the Public Auditor; however, urgent hotline tips or citizen concerns are immediately brought to the Public Auditor's attention. The Public Auditor then decides on the course of action to either address or to close the hotline tip or citizen concern.

Administrative

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

These tasks include:

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

In Closing

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

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

Similar to our five-year Strategic Plan, we hope that we will receive support from all our stakeholders to successfully implement our CY 2023 annual work plan.

Si Yu'os ma'åse'!

OFFICE OF PUBLIC ACCOUNTABILITY



Benjamin J.F. Cruz
PUBLIC AUDITOR

LET'S BEGIN