

OFFICE OF PUBLIC ACCOUNTABILITY
Doris Flores Brooks, CPA, CGFM
Public Auditor

May 16, 2014

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina Trentai Dos Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

32-14-1648
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 5.19.14
Time: 8:20am
Received by: [Signature]

Dear Speaker Won Pat:

Hafa Adai! In accordance with 1 G.C.A. § 1909, transmitted herewith is one copy of the Office of Public Accountability's Annual Report for Calendar Year 2013.

For your convenience, you may also view and download the report in its entirety at www.guamopa.org.

Senseramente,

Doris Flores Brooks, CPA, CGFM
Public Auditor

2014 MAY 19 AM 8:58
[Signature]

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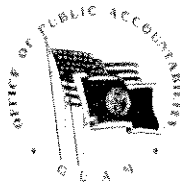
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OFFICE OF PUBLIC ACCOUNTABILITY
Doris Flores Brooks, CPA, CGFM
Public Auditor

Office of Public Accountability Annual Report

Calendar Year 2013

May 2014

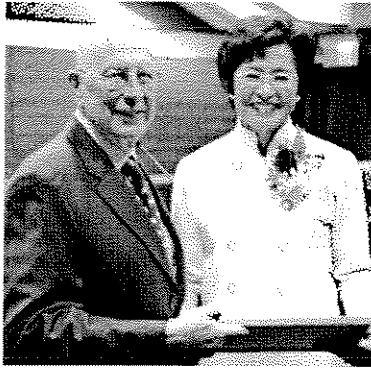
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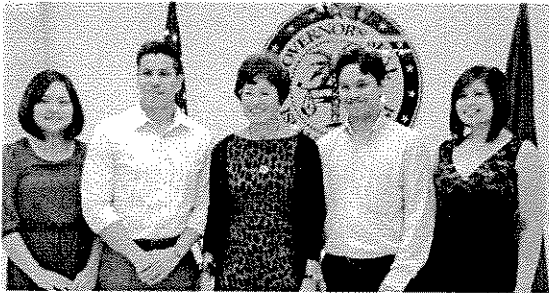


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Public Auditor

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Objectivity • Professionalism • Accountability

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Message from the Public Auditor



Hafa Adai!

I am pleased to report on my 13th year as your elected Public Auditor.

Over the past several years, I have reported that adequately staffing OPA is a continuing challenge. In 2013, we again lost another audit

supervisor with over 10 years of experience. He went to GWA for a \$15,000 increase in salary. Even with the implementation of the Hay Study in February 2014, the salary levels for OPA audit supervisors is still not competitive to salaries offered by GWA and other autonomous agencies. OPA now has just three audit supervisors with average ten years auditing experience.

As a result of these staffing challenges, we issued just six performance audits. However, these audits collectively identified \$15.6 million (M) in lost revenues and \$898,000 in local questioned costs. These audits made 16 recommendations to improve the governance of these audited programs, including proposed changes to law.

For Procurement Appeals, we timely addressed 16 appeals—rendering decisions in 8 appeals, resolving by mutual agreement 5 appeals, dismissing 2 appeals, and one appeal moved to Superior Court.

We continue to see improvements in the timely issuance of financial audits of government agencies. Of the 24 financial audits that were issued for FY 2012, 11 were issued within 6 months, 10 within 9 months, and 3 after 9 months. All but four of the reports were unqualified or clean. There are over 40 states and 4,000 local jurisdictions that regularly issue clean financial audits within six months after the fiscal year end. Therefore, the best practice goal is to have all financial audits have clean opinions and be issued within 6 months after the fiscal year.

We have 10 agencies subject to an A-133 audit, better known as the Single Audit because they have expended in excess of \$500,000 in Federal grants. Of these 10 agencies, 5 had qualified opinions on compliance due to material weaknesses and/or significant deficiencies. Only the Guam Community College is a "low risk" auditee. The long-term goal is for all agencies not to have material weaknesses or significant deficiencies and to become low risk auditees.

To address our staffing problems we contracted a personnel consultant who has reevaluated our position descriptions and proposed higher compensation. We will join a number of agencies that are appealing to the Department of Administration's inadequacies in the Hay Study. This study will also be submitted to the Governor and the Guam Legislature for their review and approval.

With the update of our strategic plan, our motto now is "auditing for good governance" and our goal is for OPA to be a model robust audit office that promotes good governance in our government. In 2014, we will undertake several new initiatives: the transition to electronic working papers and participation in Pacific Association of Supreme Audit Institutions (PASAI) Performance Measurement Framework—both of which should result in greater enhancements and efficiencies to our programs.

We were pleased to host the 16th PASAI Congress last September. Representatives from over 25 Pacific nations and territories met in Guam to adopt PASAI's long-term strategic plan (2014-2024), that will provide guidance and direction as to how audit institutions can improve accountability, transparency, and governance. As the Chairperson of PASAI, I look forward to working with my colleagues in the new direction outlined in our strategic plan.

Senseramente,

Doris Flores Brooks, CPA, CGFM
Public Auditor



The Office of Public Accountability

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

OPA seeks to: (1) achieve independent and nonpartisan assessments that promote accountability and efficient, effective management throughout GovGuam; and (2) 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.

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.



The OPA Staff. First Row, L-R: Rodalyn Gerardo, Public Auditor Doris Flores Brooks, Franklin Cooper-Nurse, and Llewelyn Terlaje. Second Row, L-R: Ashley Gaerlan, Jocelyn Untalan, Rachel Field, Travis Carbon, Jerrick Hernandez, Clariza Roque, Joy Bulatao, and Thyrsa Bagana. Not Pictured: Michele Brilante and Anissa Acfalle.



Year in Review

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

- Issuing 6 performance audits that collectively identified over \$16.6M in questioned costs and lost revenues;
- Making 16 recommendations to the audited government entities to improve accountability and operational effectiveness and efficiency;
- Administering 16 procurement appeals;
- Monitoring and providing oversight in the issuance of 24 financial audits (the government-wide audit and its component units); and
- Issuing 2 Requests for Proposals (RFP) for financial audit services.

Performance Audits

Performance audits are audits that improve the effectiveness and efficiency of government operations. Of the 6 performance audits we completed in 2013, we provided:

Insight Reviews

1. Department of Revenue and Taxation’s (DRT) Gross Receipts Tax
2. Guam Economic Development Authority’s (GEDA) Qualifying Certificate Program
3. DRT’s Real Property Taxes
4. Guam Memorial Hospital Authority’s (GMHA) Compensation Controls for Employees’ Salaries Below \$100,000
5. Government of Guam (GovGuam) Wide Personnel Costs Analysis

Oversight Reviews

1. GovGuam Wide Submission of Citizen-Centric Reports Pursuant to P.L. 31-77

Procurement Appeals

During 2013, 16 appeals were filed with OPA. Five involved the General Services



Public Auditor and Staff celebrating and giving thanks at the annual Thanksgiving Luncheon.

Agency (GSA), five involved the Guam Department of Education (GDOE), three involved the Guam International Airport Authority (GIAA), two were from the Guam Power Authority (GPA) and one from the GMHA. Of the 16 appeals, 8 received decisions, 5 were dismissed after Appellant and Purchasing Agency’s resolution via stipulated agreements, 1 moved to the Superior Court and then to the Supreme Court, 1 was dismissed because OPA lacked jurisdiction, and 1 was dismissed because it was an untimely appeal. Appeals ranged from air conditioning units and maintenance to police patrol vehicles, school buses, cleaning and custodial services, fire alarm system and repair, bucket trucks, fuel supply, specialty retail concession, and portable kidney machines. The dollar value of these appeals ranged from: over \$11.9M for air conditioning equipment and maintenance, \$456K for bucket trucks, over \$300K of police cars, and \$380K for a portable kidney machine.

Financial Audits

Financial audits are a key element in assessing the annual overall financial performance and health of government entities and to determine the accuracy, completeness, and fair representation of the entity’s financial statements.

There were 24 financial audit reports issued in calendar year 2013. Of the 24, 11 reports were issued within six months after fiscal



year end. Of these 11, the Mayors Council of Guam (MCOG) had a qualified audit opinion. For MCOG, \$126K of deposits and \$118K disbursements were not verifiable for FY 2011.

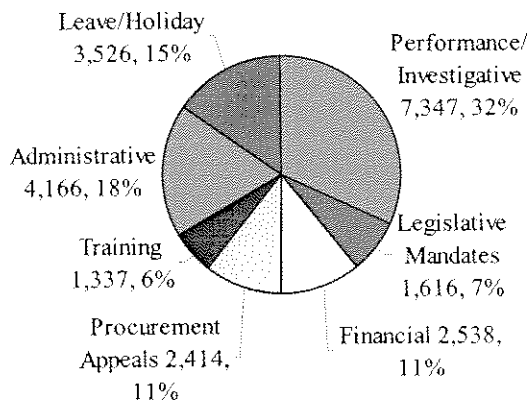
Compliance

There are two types of compliance reports issued. All agencies undergo a report on compliance and internal control over financial reporting, resulting in 24 compliance reports issued in 2013. In addition, agencies that expend more than \$500,000 in federal grant funds are subject to an A-133 audit, better known as the Single Audit.

Findings consist of material weaknesses, significant deficiencies, and management letter comments.

Staff Time Composition

As of December 31, 2013, OPA had 14 full-time staff. The OPA staff spent most of the 22,944 available hours in CY 2013 on performance audits, financial reviews, legislative mandates, and procurement appeals.



Who Audits the Auditor?

Government Auditing Standards require an audit organization to undergo a quality control review (peer review) every three years. OPA was audited for the fifth time by the Association of Pacific Islands Public Audi-

tors (APIPA) in October 2011 and is preparing for its next audit in October 2014. Additionally, independent auditors Deloitte & Touche annually audit OPA’s financial statements as part of the annual Government-Wide financial audit, and have not issued any management letter comments for the last several years.

FY 2013 Budget Execution

For FY 2013, OPA’s total appropriation was \$1.1M and expenditures were \$1.1M. OPA’s expenditures primarily consisted of salaries and benefits (68%), contractual services (15%), and rent (9%). See table below and Appendix I for financial statements.

Expenses	FY 2013	
	(unaudited)	FY 2012
Salaries and Benefits	\$ 770,774	\$ 792,913
Rent	\$ 102,594	\$ 102,594
Contractual	\$ 166,148	\$ 170,876
Training	\$ 14,188	\$ 16,828
Equipment	\$ 17,966	\$ 8,233
Travel	\$ 11,110	\$ 12,487
Supplies	\$ 7,575	\$ 7,674
Telephone and Utilities	\$ 2,781	\$ 3,174
PASAI Congress	\$ 40,642	\$ -
Miscellaneous	\$ 2,479	\$ 3,167
Totals	\$ 1,136,257	\$ 1,117,946

BBMR Allotment Control

In FY 2013, OPA was the only elected office not exempted from the Bureau of Budget and Management Research (BBMR) allotment control. We have been given this exemption for the past 12 budget cycles as other elected offices. The Legislature, the Mayor’s Council, the elected AG, and the Judiciary were all exempted. We sincerely thank the Legislature as the exemption was again granted in FY 2014. OPA respectfully requests the Legislature continue to give OPA the same privilege given to other elected offices and the Judiciary and be exempted from BBMR allotment control in FY 2015.

At the end of FY 2013, OPA had remaining



reserves of \$85K. However, unlike past years, the Legislature did not allow us to carry over the funds. In prior years, OPA was granted authority to carryover unused funds of \$176K in FY 2012, \$305K in FY 2011, and \$182K in FY 2010. Because of recruitment difficulties, OPA anticipates personnel lapses for FY 2014 before any carry over of funds.

Independence

One way to render an audit office ineffective is by lack of adequate funding. For an effective audit office to function independently, it must have the adequate funding, financial autonomy, and staff resources in order to perform the work required.

In our FY 2015 budget request, OPA asked that the Legislature: (1) continue to approve a lump sum budget for flexibility; (2) approve OPA's Compensation Study; (3) be given the authority to hire a Deputy Public Auditor and Executive Secretary in the unclassified service; (4) be allowed to hire staff conditionally subject to post-audit by DOA; (5) continue to have the same privilege as other elected offices and be exempt from

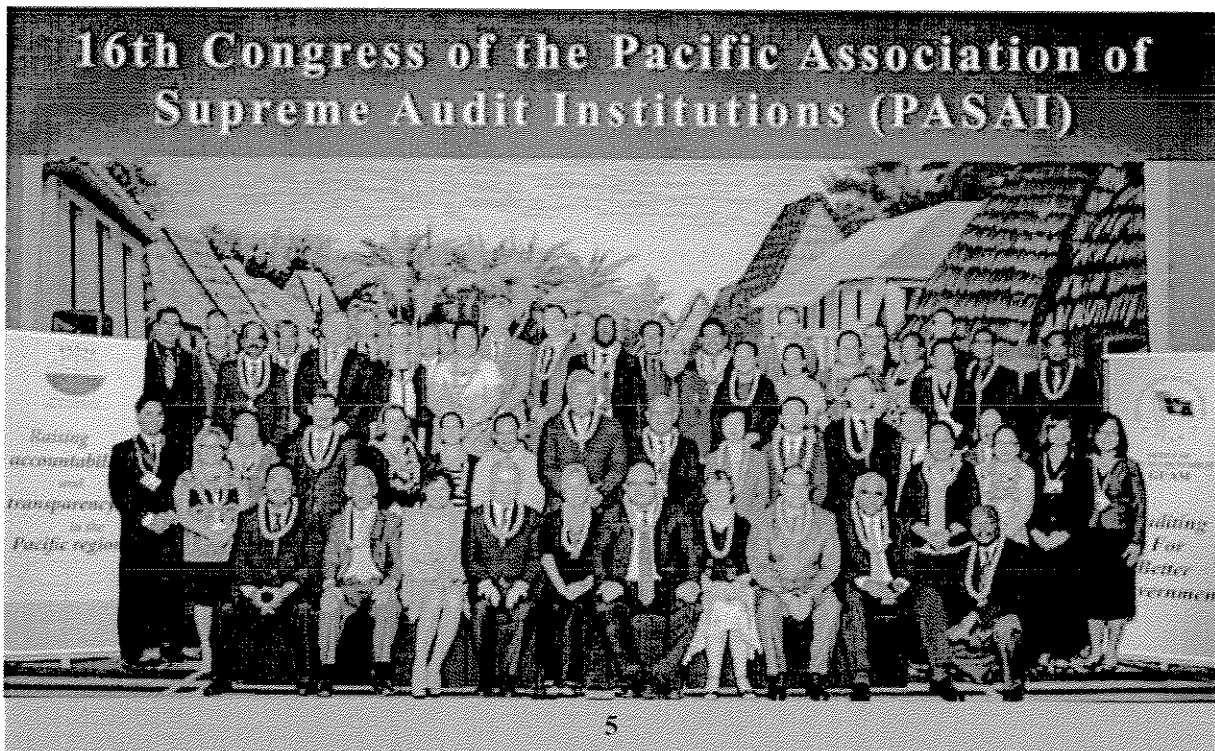
BBMR allotment control; and (6) approval to carry over personnel lapses from FY 2014 into the FY 2015 budget appropriation.

Three of the requests addressed the staffing challenges OPA has experienced over the past years. This would give OPA greater staffing autonomy that independent audit organizations require.

PASAI Congress

OPA hosted the 16th PASAI Congress from September 10 to 13, 2013 at the Sheraton Laguna Resort. On the opening day of the Congress, the Chairperson of the 15th Congress Francois Monti, the President de la Chambre of New Caledonia handed the gavel to incoming Chairperson Doris Flores Brooks, Guam's Public Auditor.

The Congress was attended by the heads or representatives of 24 Supreme Audit Institutions (SAI) from PASAI, the SAI of China, the Office of Inspector-General of the U.S. Department of Interior, the United Nations Development Program, and a number of PASAI development partners including AusAID, the INTOSAI Development Initiative, the New Zealand Ministry of Foreign





Performance Audits Overview

In 2013, OPA issued six performance audits that collectively identified over \$16.6M in questioned costs and other financial impacts. The following is a synopsis of these audits. Refer to the table below for performance audits statistics.

Report No. 13-01: DRT's Gross Receipts Tax (GRT) Exemptions

We found that DRT has not processed GRT forms and assessed taxes and exemptions since March 2011 due to a breakdown in DRT's system and optical image scanner, along with the expiration/termination of the service agreement with the contracted vendor. GRT and exemption data was incomplete, possibly unreliable, and lacking necessary information for management and elected leaders to make sound decisions related to GRT.

We recommended the Governor, Legislature, DRT, and DOA Director:

1. Establish a tax administration task force to develop an action plan for revitalizing DRT and ensuring complete filing and payment of all taxes due to Guam.
2. Establish a financial management task

force to develop an action plan for the acquisition of updated financial management systems at both DRT and DOA; and

3. Establish and meet a target date to fully transition to e-filing of GRT taxes and other related taxes.

Report No. 13-02: GEDA's Qualifying Certificate (QC) Program

Our audit of GEDA's QC Program revealed:

- The total financial impact of the QC program is unknown after 50 years in existence;
- QCs awarded to the insurance industry are more generous and are awarded regardless of the economic impact to Gov-Guam;
- A tax benefit may have been granted to an ineligible QC beneficiary; and
- Tax benefits were not processed in accordance with law.

The conditions occurred because GEDA did not develop a reliable and complete database and did not utilize QC program statistics; part of the QC's law intent was to establish Guam as a financial/insurance center for the Pacific; GEDA did not verify whether beneficiaries met certain requirements; DRT processed applications without independent

Report No.	Report Title	Questioned Costs	Financial Impact		# of Recommendations
			Lost Revenues	Total	
#13-01	Department of Revenue and Taxation Gross Receipts Tax Exemptions	\$ -	\$ -	\$ -	3
#13-02	Guam Economic Development Authority Qualifying Certificate Program	\$ -	\$ -	\$ -	3
#13-03	Department of Revenue and Taxation Real Property Taxes	\$ 858,240	\$ 15,696,245	\$ 16,554,485	6
#13-04	Guam Memorial Hospital Authority Compensation Controls for Employees' Salaries Below \$100,000	\$ 39,648	\$ -	\$ 39,648	4
#13-05	Government of Guam Wide Personnel Costs Analysis	\$ -	\$ -	\$ -	0
#13-06	Government of Guam Wide Submission of FY 2012 Citizen-Centric Reports Pursuant to Public Law 31-77	\$ -	\$ -	\$ -	0
Totals		\$ 897,888	\$ 15,696,245	\$ 16,594,133	16



review and verification; and both GEDA and DRT were untimely in their review of beneficiary compliance to QC terms and application of tax benefits.

We recommended:

1. GEDA and DRT collaborate to compile, analyze, and post data on the QC program;
2. The Governor, the Legislature, and the GEDA and DRT Directors to revisit the QC law for elimination of the application of QCs to the domestic insurance industry; and
3. DRT, as the tax administrator, to perform its own due diligence in determining the appropriate tax benefits of eligible QC beneficiaries.

Report No. 13-03: DRT's Real Property Taxes

Our audit identified \$15.7M in unrealized, lost and forgone tax revenues and \$858 thousand (K) in questioned costs based on testing and analytical review. Guam property tax rates are among the lowest in 50 United States & District of Columbia and property values are the lowest. Real property tax exemptions and reduced tax rates for senior citizens and home exemptions represents \$2.6M annually or \$13.2M in the past five years.

We recommended for the DRT Director to work with the Governor and Legislature to:

1. Enact legislation that allows DRT to utilize current market values for new construction, renovations, and current sales;
2. Place a moratorium on senior citizens and home exemptions until the reappraisal is updated; and
3. Increase the eligibility for senior citizens for reduced tax rates from 55 to 65.

We also recommended the DRT Director to:

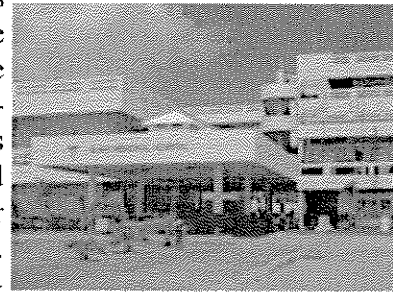
1. Issue the request for proposal for the

valuation reappraisal;

2. Establish a communication protocol with DLM and DPW to include updated assessment of real properties; and
3. Conduct interviews on exemptions.

Report No. 13-04: Guam Memorial Hospital Authority Compensation Controls for Employees' Salaries Below \$100,000

GMHA has experienced fluctuating staffing levels and a number of vacancies in several departments which have fostered the need for additional hours worked and overtime for its employees. Between calendar years 2010 and 2012, GMHA paid a total of \$121M to 1,304 individuals who were compensated less than \$100K. Our audit found that GMHA's compensation controls were better managed for personnel who were paid less than \$100K compared to those compensated greater than \$100K.



In OPA's previous audit (OPA Report No. 12-04), GMHA was found to have weak basic controls to ensure authorized and accurate compensation to personnel who were paid more than \$100K annually. GMHA's controls were better managed for employees receiving less than \$100K, however, we found:

- Certain exempt employees were compensated \$9K in overtime and \$31K in additional straight-time pay;
- Four Housekeeping employees consistently worked over 3,000 hours annually, of which 2 received \$115K in overtime over a 3-year period; and
- Part-time employees were compensated as high as 316% over their base pay.

We recommended that GMHA's Director:

1. Amend classification of exempt positions



- to reflect the CFR requirements of said duties;
- 2. Restrict positions considered “exempt” from overtime compensation; and
- 3. Formally adopt a Safe Hours of Work Policy to ensure the safety of patients and employees.

We also reiterated our previous recommendation to automate certification and weekend pay within its payroll system.

Report No. 13-05: GovGuam-Wide Personnel Costs Analysis

Personnel costs and employee counts among 53 agencies have generally increased over the five-year period from FY 2008 to FY 2012. Growth occurred in some agencies, with the largest growth occurring in the priority areas of public education, public safety, and public health.

We found that between FY 2008 to FY 2012:

- Personnel costs increased by \$86M or 15%;
- Number of GovGuam employees increased by 402 employees or 3%;
- The average salary of a GovGuam employee increased from \$38.1K in 2008 to \$40.6K in FY 2012; and
- Of the 12,282 GovGuam employees in FY 2012, 252 employees from 21 agencies received a salary over \$100K.

While personnel costs and employee counts generally increased, the largest growth in personnel costs went into the priority areas of education, health, and public safety which is in line with the past and current administration policies.

Report No. 13-06: GovGuam-Wide Submission of FY 2012 Citizen-Centric Reports (CCR) Pursuant to Public Law 31-77

Pursuant to P.L. 31-77 Chapter XIII Section 24, the OPA submitted a complete list of CCRs for FY 2012. The OPA found:

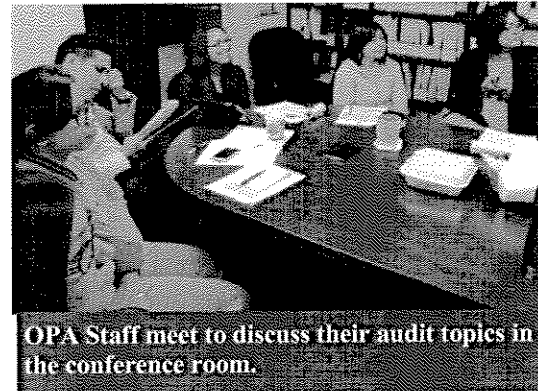
- 24 entities completed their CCR reports;

- 24 entities did not submit a FY 2012 CCR as of December 27, 2013;
- Five entities submitted a CCR but did not post on their website; and
- All FY 2012 CCR reports are posted on OPA’s website.

It appears that agencies rely on OPA to issue reminder notices as evidenced by the 45% compliance rate. Although the CCR promotes accountability and transparency, OPA does not believe that it is the best use of our limited resources to monitor the CCR reporting compliance as agencies are familiar with the law.

2014 Audit Work Plan

OPA annually develops an Audit Work Plan to determine which government entities and



OPA Staff meet to discuss their audit topics in the conference room.

programs to review. When conducting audits, we apply a risk-based approach to audit selection; identifying those areas that have the highest risk of loss or possible mismanagement of funds. The OPA has enhanced its system of review wherein auditors assess various audit topics and rank each selection on the basis of the following factors:

- Financial Impact (Lost Revenue, Cost Savings);
- Public Concern and Social Impact;
- Likelihood of Poor Control;
- Program Risk; and
- Leadership Interest.



Each factor is assigned a weighted percentage, then scored by the auditors, and averaged to determine priority ranking. This process ensures objective results and aids OPA in making decisions of where to invest its limited resources.

Audits in Progress in 2014 include:

1. Department of Corrections Cost per Prisoner and Overcrowding;
2. GovGuam Retirement Fund Effect of Non-Base Pay on Annuities; and
3. Tax Credits (three-part audit to include Tiyan Campus and Layon Landfill tax credits)
4. Merit Bonus
5. GovGuam Use Tax Part B

Our Work Plan is a guide and not necessarily limited to the aforementioned audits. We have allowed for flexibility and may initiate other audits based on priority, requests from elected officials, and staff availability. We encourage the people of Guam to provide input as to what government agency or program they feel should be audited.

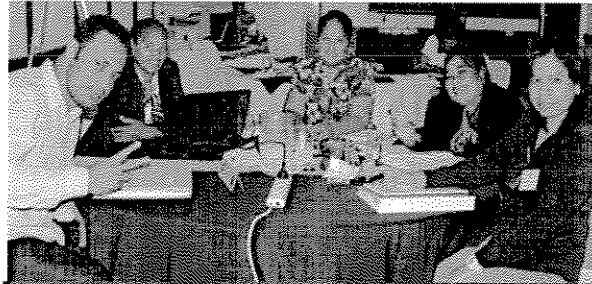
Performance Audit Summary

Since 2002, OPA issued 137 performance audit reports, made 586 recommendations, and identified \$176.2M in financial impacts.

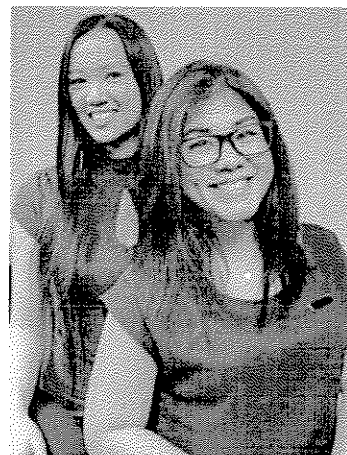
Calendar Year	Reports Issued	Recommendations Issued	Financial Impact
2013	6	16	\$16.6M
2012	9	25	\$ 4.3M
2011	12	39	\$14.5M
2010	9	37	\$22.6M
2009	7	6	\$ 1.2M
2008	10	28	\$ 9.6M
2007	18	45	\$33.3M
2006	19	76	\$20.9M
2005	9	19	\$ 6.2M
2004	14	91	\$16.4M
2003	11	77	\$26.8M
2002	13	127	\$ 3.8M
Totals	137	586	\$176.2M



OPA New Staff. Pictured L-R: Anissa Acfalle, Administrative Officer and Thyrsa Bagana, Auditor.



OPA Auditor Joy Bulatao with participants of the PASAI Tier 2 Government Auditing Training in Nadi, Fiji.



OPA New Staff. Pictured L-R: Michele Brillante, Auditor and Ashley Gaerlan, Auditor.



Procurement Appeals Overview

Sixteen procurement appeals were brought before OPA in 2013. Of the 16 appeals, 8 received decisions, 5 were dismissed after Appellant and Purchasing Agency's resolution via stipulated agreements, 1 moved to Superior Court and then to Supreme Court, 1 was dismissed because OPA lacked jurisdiction, and 1 was dismissed because it was an untimely appeal.

APPEALS	2013
DECISIONS	
Upheld	6
Upheld and Denied In Part	2
Subtotal:	8
DISMISSALS	
Stipulation Agreement	5
Moved to Superior Court	1
Untimely Notice of Appeal	1
Lack of Jurisdiction	1
Subtotal:	8
TOTAL APPEALS FILED:	16

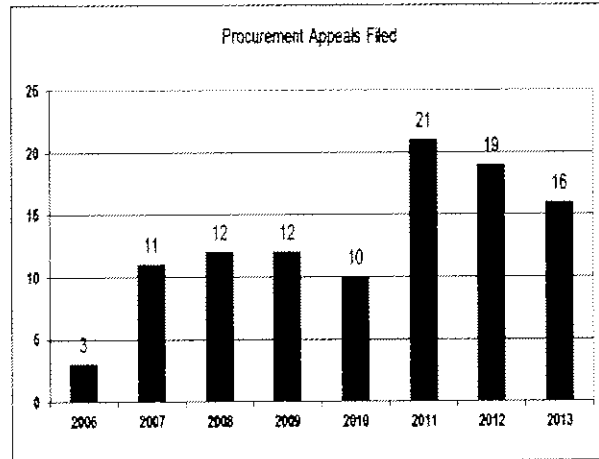
The appeals ranged from air conditioning units and maintenance to police patrol vehicles, school buses, cleaning and custodial services, fire alarm system and repair, bucket trucks, fuel supply, specialty retail concession, and a portable kidney machine. The dollar value of these appeals was \$16.5M and ranged from air conditioning equipment and maintenance of over \$11.9M, bucket trucks of \$456K, police cars of over \$300K, and a portable kidney machine of \$380K.

The goal of OPA is to issue timely procurement decisions. Appeals should be resolved within 90 to 120 days of the appeal filing. Correspondingly, decisions should be rendered within 30 to 45 days of the conclusion of appeal hearing. Of the eight decisions issued, they ranged from 42 days to 173 days for an average of 90 days. The one appeal that took 173 days was due to continued postponement by both parties.

Five appeals were GSA, 5 were DOE, 3 were GIAA, 2 were GPA, and 1 was for GMHA. A common theme among several of the 2013 appeals filed dealt with the violation of the automatic stay. Three agencies, GIAA, GMHA, and DOE did not honor the 14 day automatic stay before awarding the selected vendor. A summary of the 2013 Procurement Appeal decisions can be found in Appendix 2.

Summary of Appeals

104 appeals have been filed with the OPA since our office was mandated with this responsibility in October 2006. Of the 104 appeals, 54 decisions were issued and 50 were dismissed. Dismissals can range from stipulated agreements, appeals withdrawn, and public auditor recusal.



Of the 54 decisions issued, 24 favored the appellant, 23 favored the government, and 7 were split. Of the 50 dismissals, 23 resulted from mutual agreement between the appellant and purchasing agency, 6 from appellant withdrawing the appeal, 6 from the Public Auditor's recusal, and 6 lacked the purchasing agency's decision on the appellant's protest. For OPA to review an appeal, the agency must first deny the protest of the vendor. The remaining nine dismissals resulted from the appeals moving to Superior Court, untimely notices of the Appeal, cancellation,



and lack of jurisdiction. Refer to the following table below for a summary and Appendix 2 for more details.

APPEALS	Totals
DECISIONS	
Upheld	24
Denied	22
Upheld and Denied In Part	8
Subtotal:	54
DISMISSALS	
Stipulation Agreement	23
Appeal withdrawn	6
Public Auditor Recusal	6
No Protest Decision	6
Moved to Superior Court	3
Untimely Notice of Appeal	2
Cancel/Re-issue Bid	2
Protest Decision Released	1
Lack of Jurisdiction	1
Subtotal:	50
TOTAL APPEALS FILED:	104

Based on the issues raised from procurement appeals, the Public Auditor concluded that a lack of understanding of the government procurement process coupled with more training is needed to ensure compliance with procurement laws, rules, and regulations.

Of the 104 appeals filed at OPA, GSA had the most with 29 appeals, followed by DOE with 28 appeals. GIAA had 7, GMH and GPA had 6 appeals each, followed by PAG with 5, and DPW, GHURA, and UOG with 4 each. OPA averages approximately 12 appeals per year.

Procurement Appeals Improves the Procurement Process

A common misconception of filing a procurement appeal and going through the process is that it takes too much time and tends to prolong the procurement process. This is not the case as the appeals that have been filed have generally been resolved within 90 to 120 days and have been instrumental in improving the procurement process .

Vendors have been deliberative and reflective because it costs them time, money, and effort to file an appeal. We thank and applaud the vendors' efforts as they help to strengthen and improve the overall appeals process.



Dora Flores Brooks
Public Auditor speaks to the Guam Rotary Club about the procurement appeal process.



OPA Auditor Rachel Field with participants of the PASAI Tier 2 Government Auditing Training in Nadi, Fiji.

The outcomes of these appeals have brought out the need for training in government procurement. GCC is now holding courses to educate and train government employees on the procurement process.



Financial Audits Overview

Title 1 G.C.A. §1909(a) requires all departments, agencies, and instrumentalities to issue an annual financial audit no later than nine months after the end of the fiscal year (i.e., June 30th). The OPA staff monitors and oversees the work of the contracted audit firms to ensure the timely completion of financial audits. Of the 24 financial audits in 2013, 11 were issued within 6 months after fiscal year end, 10 were issued within 9 months, and 3 were issued after 12 months. Refer to the table below for a summary.

In line with OPA's vision that Guam is the model for good governance in the Pacific, OPA also strives to improve the timely issuance of the government wide financial audit and its component units to six months. Gov-Guam would join over 40 states and over

4,000 jurisdictions, cities, and counties, who issue their audits within six months after fiscal year end. Over the years, we have seen improvements in most government agencies financial audits. The audits were also issued with less questioned costs and management comments.

Low-Risk Auditee

For an entity to be considered low-risk, it shall have been audited as a major program in at least one of the two most recent audit periods and shall have had no audit findings. There has been only one entity, the Guam Community College, who has maintained this designation for twelve years now. One of OPA's goals is to have all agencies become low-risk auditees.

Findings consist of material weaknesses, significant deficiencies, and management letter comments. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than material weakness, yet important enough to merit attention by those charged with governance.

In FY 2013, there were 29 compliance findings consisting of 12 material weaknesses and 17 significant deficiencies among 14 auditees.

#	Auditee	Issue Date	Financial Statement	Compliance Findings	
			Opinion	# of Material Weaknesses	# of Significant Deficiencies
1	MCOG 2011	01/17/13	Qualified	1	2
2	GIAA	01/30/13	Unqualified	1	0
3	GHC	02/11/13	Unqualified	0	1
4	KGTF (PBS Guam)	02/19/13	Unqualified	0	0
5	GVB	02/21/13	Unqualified	0	0
6	PAG	02/25/13	Unqualified	0	1
7	GGRF	03/05/13	Unqualified	0	0
8	GCC	03/07/13	Unqualified	0	0
9	UOG	03/11/13	Unqualified	0	1
10	GEDA	03/14/13	Unqualified	0	0
11	GPT	03/19/13	Unqualified	0	1
12	TAF	04/02/13	Unqualified	0	0
13	GPA	04/11/13	Unqualified	0	1
14	THF	04/15/13	Unqualified	0	0
15	LDC 2011	05/13/13	Qualified	1	1
16	DCA	05/21/13	Unqualified	1	2
17	GMH	05/23/13	Unqualified	3	0
18	GWA	06/10/13	Unqualified	0	1
19	GHURA	06/27/13	Unqualified	0	0
20	DOE	07/01/13	Unqualified	0	1
21	SWOF	09/11/13	Unqualified	0	1
22	MCOG 2012	11/05/13	Qualified	1	2
23	LDC 2012	12/04/13	Unqualified	1	1
24	GovGuam	07/08/13; 07/13/13	Unqualified	3	1
Totals				12	17



In an “unqualified” or “clean” opinion, the independent auditor states that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles (GAAP). Meanwhile, in a “qualified” opinion, the auditor expresses reservations about the fair presentation of the financial statements in conformity with GAAP. All entities have unqualified or “clean” opinions on the financial statements, except for the NAF audits of MCOG, and LDC. For financial reports issued in 2014, the terminology has changed from “unqualified” to “unmodified” and “qualified” to a “modified” opinion.

Financial Reporting Compliance

All agencies undergo a review on internal control over financial reporting and compliance and other matters. In 2013, there were 12 material weaknesses and 17 significant deficiencies over financial reporting compliance. The agencies identified to have a combination of material weakness and significant deficiencies over financial reporting and compliance and other matters were as follows:

- GovGuam had three material weaknesses and one significant deficiency. The material weaknesses pertained to GovGuam’s continued struggle with recording and maintaining fixed assets, inability to close its books timely, and DRT’s inability to determine the amount of income tax liability on a regular basis;
- DCA had one material weakness and two significant defi-

ciencies. The material weaknesses pertained to lack of internal control system for the preparation of financial statements;

- MCOG had a total of two material weakness and two significant deficiencies in its FY 2011 and FY 2012 audits. The material weakness pertained to lack of accounting and financial reporting policies and procedures; and
- LDC had a total of two material weaknesses and two significant deficiencies in its FY 2011 and FY 2012 audits. The material weaknesses pertained to lack of accounting and financial reporting policies and procedures.
- GIAA had one material weakness which was pertaining to the recording of assets and liabilities. In addition, PAG, GHC, UOG, GPT, GPA, GMHA, GWA, DOE, and SWOF had only significant deficiencies.

Compliance reports that did not identify either material weaknesses or significant deficiencies were PBS Guam, GGRF, GVB, GCC, GEDA, TAF, THF, and GHURA.

Federal Awards Findings (A-133)						
#	Auditee	Issue Date	Opinion	# of Material Weaknesses	# of Significant Deficiencies	
1	GIAA	01/30/13	Unqualified	0	0	
2	PAG	02/25/13	Unqualified	0	0	
3	GCC	03/07/13	Unqualified	0	0	
4	UOG	03/11/13	Qualified	2	0	
5	GPA	04/11/13	Unqualified	0	2	
6	GMH	05/23/13	Qualified	1	1	
7	GWA	06/10/13	Unqualified	0	1	
8	GHURA	06/27/13	Qualified	4	7	
9	DOE	07/01/13	Qualified	2	1	
10	GovGuam	07/08/13; 07/13/13	Qualified	3	0	
Totals				12	12	



Single Audit Compliance

In addition, agencies that expend more than \$500,000 in federal grants are subject to an A-133 Single Audit. For FY 2012, there were 10 agencies who had to undergo a Single Audit. Of the 10, five entities received qualified opinions due to material weaknesses. Twenty-four compliance findings (12 material weaknesses and 12 significant deficiencies) were issued to GovGuam, GDOE, GMHA, UOG, GWA, and GHURA and are described as follows:

1. Government-Wide had three material weaknesses pertaining to the lack of reports and physical inventory of equipment. In addition, a significant deficiency was identified as the Department of Public Health and Social Services is not utilizing the Income Eligibility Veri-

fication System to determine income and resource eligibility of its welfare program applicants;

2. GMHA had one material weakness and one significant deficiency. The material weakness pertained to insufficient documentation in procurement;
3. UOG had two material weaknesses related to the lack of physical inventory of capital assets and lack of sub recipient monitoring to ensure compliance;
4. DOE had two material weaknesses and one significant deficiency; and
5. GHURA had four material weaknesses and seven significant deficiencies

Material weaknesses and significant deficiencies can occur in either or both the compliance report over financial reporting or the A-133 Single Audit, or in both.

#	Auditee	Issue Date	Compliance Findings	Federal Awards Findings (A-133)	Total Questioned Costs	Management Comments
			Total # of Findings	Total # of Findings		
1	MCOG2011	01/17/13	3	0	\$ -	5
2	GIAA	01/30/13	1	0	\$ -	6
3	GHC	02/11/13	1	0	\$ -	3
4	KGITF (PBS Guam)	02/19/13	0	0	\$ -	5
5	GVB	02/21/13	0	0	\$ -	3
6	PAG	02/25/13	1	0	\$ 7,096	6
7	CCRF	03/05/13	0	0	\$ -	1
8	GCC	03/07/13	0	0	\$ -	1
9	UOG	03/11/13	1	2	\$ -	1
10	GEDA	03/14/13	0	0	\$ -	0
11	GPT	03/19/13	0	0	\$ -	2
12	TAF	04/02/13	0	0	\$ -	0
13	GPA	04/11/13	1	2	\$ -	8
14	THF	04/15/13	0	0	\$ -	0
15	LDC2011	05/13/13	2	0	\$ 95,585	9
16	DCA	05/21/13	3	0	\$ -	2
17	GMH	05/23/13	3	2	\$ 153,568	15
18	GWA	06/10/13	1	1	\$ -	6
19	GHURA	06/27/13	0	11	\$ 97,751	3
20	DOE	07/01/13	1	3	\$ -	3
21	SWCF	09/11/13	1	0	\$ -	4
22	MCOG2012	11/05/13	3	0	\$ -	5
23	LDC2012	12/04/13	2	0	\$ 96,422	7
24	GovGuam	07/08/13; 07/13/13	4	3	\$ 35,923	5
Totals			28	24	\$ 486,345	100

Questioned Costs

Of the 24 financial audits, five had questioned costs: GMHA (\$154K), GHURA (\$98K), LDC (\$192K), GovGuam (\$36K), and PAG (\$7K). The questioned costs for GMHA was due to insufficient documentation in procurement. Questioned costs for GHURA were related to eligibility requirements and conflicts of interest with their legal counsel. The questioned costs for GovGuam was due to ineligible welfare program recipients.

Management Letter

Auditors may also issue a Management Letter, which identifies deficiencies related to internal control over financial reporting and other matters. Of the agencies that were issued management letters, 101 management letter comments were identified



among 18 auditees. Three auditees, GEDA, TAF, and THF reports were not provided a management letter. GMHA received the most comments of fifteen. LDC had the next highest total comments of nine, followed by GPA with eight comments.

Summary of Financial Audits

Since 2001, OPA provided oversight to 246 financial audit reports which identified 1,869 findings; and \$63.8M in questioned costs. Refer to the table below for a summary.

Calendar Year	# of Reports	# of Findings	Questioned Costs
2013	24	52	\$ 486K
2012	22	47	\$ 114K
2011	19	40	\$ 854K
2010	18	47	\$ 204K
2009	18	70	\$ 3.1M
2008	18	88	\$ 3.3M
2007	18	136	\$ 4.1M
2006	18	188	\$ 4.4M
2005	26	236	\$ 2.2M
2004	25	485	\$ 13.1M
2003	15	260	\$ 22M
2002	14	181	\$ 10.1M
2001	11	39	\$ 15K
Totals	246	1869	\$63.8M

GovGuam Surplus

For the first time in over 15 years, GovGuam ended FY 2012 with a surplus of \$30.1M due primarily to the bond proceeds of \$352.7M and Government Accounting Standards Board Statement No. 54 (GASB 54) implementation. GASB 54 combines the surpluses of non-component units such as DOE, the Guam Legislature, the Judiciary, etc. Record-high revenues of \$596.2M were recorded, while operating expenditures net of transfers amounted to \$615.6M. Included in these expenditures were payments to the Retirement Fund on behalf of GDOE and GMHA for past retirement contributions.



Public Auditor and Audit Supervisors bid farewell to Vincent Duenas as he took on a new role as Internal Auditor at GWA. This was his 10th year with the OPA.

Procurement of Financial Audits

Title 1 G.C.A. §1908 provides the Public Auditor the authority to acquire the services of an independent audit firm to conduct financial audits. OPA procures financial audits through a Request for Proposal (RFP) and all Certified Public Accounting (CPA) firms willing and capable of conducting government financial audits can respond to our RFPs by submitting proposals.

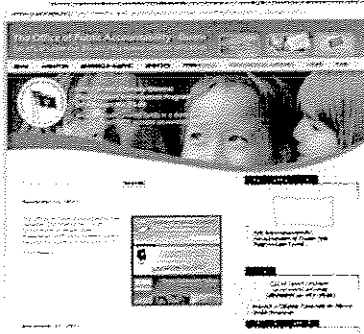
In 2013, OPA issued RFPs for the FY 2013 financial audits of the:

1. Guam Housing Corporation; and
2. Guam Education Telecommunications Corporation (PBS Guam).



OPA Website

Since January 2002, the OPA website (www.guamopa.org) continues to be an important source of reliable information about the financial condition of our government. All OPA audit reports, financial audits, procurement appeals, ARRA guidance, CCR reporting requirements, and audio recordings of Board and Commissions are posted along with other information about OPA. Refer to Appendix 3 for this year's OPA Website in Review.



OPA uses Google Analytics to gather information of website activity, and uses visits instead of hits for a more accurate measurement of website popularity. In 2013, the OPA website had 18,500 visits compared to 16,734 in 2012, an increase of 11%. Refer to the table below for a summary.

Months	Visits		Unique Visitors		Pageviews	
	2013	2012	2013	2012	2013	2012
January	1,472	1,239	718	714	4,830	3,832
February	1,384	1,184	659	620	4,984	3,753
March	1,725	1,543	774	721	5,483	7,678
April	1,647	1,554	732	697	5,399	5,957
May	1,782	1,199	811	620	5,702	4,828
June	1,548	1,111	746	564	5,234	3,866
July	1,448	1,573	676	754	4,297	5,303
August	1,552	1,397	727	748	4,695	5,341
September	1,477	1,280	680	653	4,622	4,560
October	1,666	1,693	693	748	5,633	5,782
November	1,345	1,580	569	795	5,348	4,969
December	1,454	1,381	644	736	4,975	4,645
Totals	18,500	16,734	8,429	8,370	61,202	60,514
Averages	1,542	1,395	702	698	5,100	5,043

Legislative Mandates

In addition to financial oversight responsibilities and audit activities, the Public Auditor and the OPA received several requests and legislative mandates to partake in or review other government-related activities.

As of December 2013, 105 legislative mandates have expanded the Public Auditor and OPA's duties and responsibilities. Of the 105 mandates, we have addressed 57 and 48 remain open as recurring mandates.

OPA Hotline (47AUDIT; 472-8348)

The OPA Hotline continues to be an effective confidential avenue for citizens to communicate questions and/or concerns about possible government waste, abuse, or fraud. Hotline tips help OPA assess areas of risks in the government and determine where to focus resources. We assure the public that all information provided to us is held in the strictest confidence.

The OPA staff addressed all of the 34 hotline tips received in 2013. OPA will continue to address hotline tips as a collateral duty and provide timely responses.

OPA received a total of 1,262 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 5 for more details.

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

- Calling the OPA Hotline at 47AUDIT (472-8348);
- Faxing sufficient and relevant information to 472-7951;



- Visiting the OPA website at www.guamopa.org; or
- Contacting any of the OPA staff by phone at 475-0390 or in person.

Staff Qualifications

As of December 31, 2013, OPA had 14 full-time staff consisting of:

- Public Auditor;
- Three Audit Supervisors;
- Nine Staff Auditors; and
- One Administrative Officer.

Refer to Appendix 5 for OPA's Organizational Chart. Total average years of experience among all audit staff is 4 years. The average tenure amongst senior level staff is about 10 years of audit experience. The remaining audit staff average about 3 years, ranging from less than 1 year to 4 years of audit experience.

OPA's audit staff have the following certifications and degrees, some with two or more:

- Two Certified Public Accountants (CPA);
- One Certified Internal Auditor (CIA);
- Two Certified Government Financial Managers (CGFM);
- Three Certified Government Auditing Professionals (CGAP);
- One Chartered Global Management Accountant (CGMA);
- Two Master's in Business Administration; and
- All staff have a Bachelor's Degree.

Staff continue to work towards achieving certifications and higher degrees as 3 staff have passed at least one of the parts to become a CGFM. Two other staff are also completing the Master's in Business Administration and Public Administration at UOG.

Staff Development

The U.S. Government Accountability Office's 2011 "Government Auditing Standards" require auditors to complete 80 hours of CPE every two years, of which 24 CPE hours must be related to government auditing or the government environment. CPE hours are mandatory for the maintenance of professional competence. Title 5 G.C.A. §20304 also requires CPE hours for all government auditors and accountants.

Since taking office, the Public Auditor has been a strong proponent for continuing professional development and compliance with the highest standards of the auditing profession. To this end, she has made every effort to secure training opportunities for all staff. OPA auditors averaged 73 CPE hours in 2013, which is largely funded by the DOI OIA Training Grant.

DOI-OIA Training Grant. Working with DOI-OIA, the OPA received Grant No. TA-Guam-OPA-2012-8 in May 2012, which will provide up to \$76K in financial assistance for the professional development of the OPA auditors. The grant expires on December 31, 2014.

The training grant's primary purpose has been to send auditors to the DOI OIG internships, and fund local training seminars and certain off-island conferences. The grant funded most training attended by OPA staff in 2013.

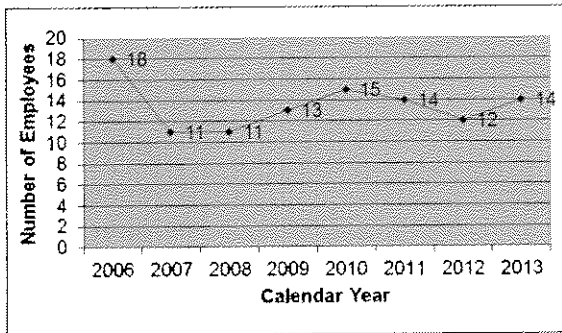
Conferences and Trainings Attended. In 2013, the OPA staff attended several trainings sponsored by: the Association of Government Accountants, PASAI, APIPA, Graduate School, ALGA, GFOA, NSAA, and other relevant trainings.

Difficulty in Recruitment and Retention

OPA's highest staff complement was 18 full-



time staff in 2006. As of December 31, 2013, OPA had 14 full-time staff composed of 12 auditors, one Administrative Officer, and the Public Auditor. Of the 12 auditors, 9 are recently hired with an average of less than 4 years audit experience. The remaining 3 are senior auditors with an average of 10 years audit experience. There is a gap of six years of audit experience between the junior and senior auditors.



Between 2011 and 2013, OPA lost 7 full-time staff consisting of 2 Administrative Officers, 1 Management Analyst III, 3 Auditor III's, and 1 Audit Supervisor. The Auditor III's and Audit Supervisor had an average of 12 years of audit experience ranging from 8 to 20 years. Most have resigned to accept higher salaries from autonomous agencies.

Under the purview of DOA HR, OPA is unable to compete with autonomous entities, the federal government, and the private sector, which have greater personnel flexibility. Autonomous agencies have implemented for several years now, their version of the Hay Study. Currently, OPA has 7 vacancies. OPA continues to face difficulty in recruiting new staff for 2 main reasons:

1. Low pay compensation package; and
2. DOA's lengthy hiring process.

OPA faces difficulty in recruiting new staff due to the bureaucratic and lengthy hiring process. OPA has continuous announcements for Auditor I, II, and III's since April 2011. However, it was only in February and June 2013 that OPA hired three new Auditor I's.

OPA faces difficulty in retaining senior staff due to a low pay compensation package. OPA competes with other government agencies, the federal government, and the private sector. However, OPA is unable to offer attractive salaries to retain senior level audit staff.

OPA Compensation Study

OPA enlisted the services of Dr. Karri Perez, PMP, SPHR, GPHR to review the positions in the agency and make recommendations (if required) on the position descriptions to better reflect the actual level and composition of the tasks within the position. These services were requested based on attrition that OPA is experiencing to autonomous agencies that actually fall within the realm of its oversight, which indicates a problem.

Based on the U.S. Department of Labor—Bureau of Labor and Statistics website, the median paid to accountants and auditors with a minimum of a bachelors degree in the United States is \$61,690. The median salary for the 12 OPA Auditors as of December 31, 2013 is \$34,518, which is \$27K or 44% less than the \$62K U.S. median. The average salary for these 12 Auditors is \$38,018, and ranged from \$32,053 to \$54,329.

In order to retain qualified staff, OPA is requesting Administration and Legislative approval of its compensation study and implementation beginning in FY 2015, which we estimate would cost less than \$100K to implement in the first year. OPA plans to submit the compensation study to the Governor, Legislature, and DOA no later than the second quarter of CY 2014.



PASAI

The Pacific Association of Supreme Audit Institutions (PASAI) is the regional organization of 26 audit institutions in the Pacific. Guam has been a member of PASAI since 2005.

OPA hosted the 16th PASAI Congress from September 10 to 13, 2013 at the Sheraton Laguna Resort. On the opening day of the Congress, the Chairperson of the 15th Congress Francois Monti, the President de la Chambre of New Caledonia handed the gavel to incoming Chairperson Doris Flores Brooks, Guam's Public Auditor.

The Congress was attended by the heads or representatives of 25 Supreme Audit Institutions (SAI) from PASAI, the SAI of China, the Office of Inspector-General of the U.S. Department of Interior, the United Nations Development Program, and a number of PASAI development partners including AusAID, the INTOSAI Development Initiative, the New Zealand Ministry of Foreign Affairs, and the World Bank.

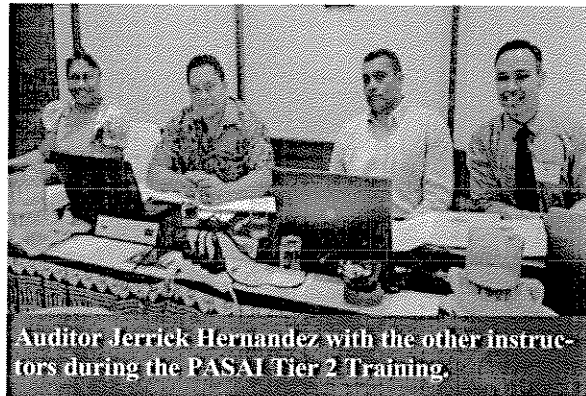
The Congress adopted a new strategic plan for the next ten years. Among the goals are: the public resources of all participating countries and territories are audited in a timely manner, and that government resources are to be assessed for effectiveness and efficiency, to uniformly high standards with enhanced audit impacts and improved audit capacity.

OPA Staff have attended several trainings and workshops sponsored and funded by PASAI. These courses emphasize the skills needed to develop objective, accurate, complete and timely assessments of government entities and programs. In addition, OPA staff have participated in working groups aimed at creating guidelines under the Pacific Regional Audit Initiative (PRAI).

PASAI Trainings

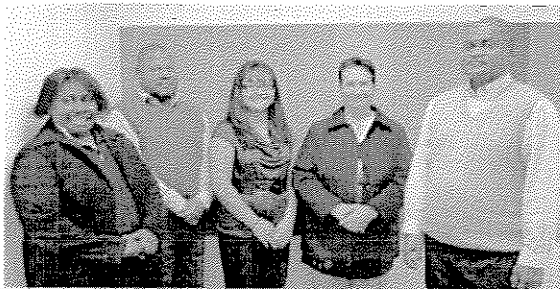
In 2013, OPA staff continued to participate in various trainings and working groups sponsored by PASAI.

Two audit staff, Joy Bulatao and Rachel Field, were selected to attend the Tier 2 Intermediate Government Auditing Training in Nadi, Fiji in May 2013. Auditor Jerrick Hernandez was also selected by PASAI to be an instructor for this workshop.



Auditor Jerrick Hernandez with the other instructors during the PASAI Tier 2 Training.

In October 2013, PASAI published the Strategic Management and Operational Guidelines. Audit Supervisor Llewelyn Terlaje represented Guam OPA and was one of four working group members from Samoa, Papua New Guinea, and Fiji that contributed in producing these guidelines. The purpose of these guidelines is to assist PASAI members in the effective, efficient and economic planning and management of their resources annually and in the long term. It provides guidance to SAIs in establishing and enhancing their strategic management functions.



Audit Supervisor Llewelyn Terlaje with her working group members.



OPA Strategic Planning

With the help of a consultant (funded by the DOI OIA PITI-VITI grant) in October 2013, OPA updated its Strategic Plan for the third time since 2001. The Public Auditor and staff revisited its 2008 Strategic Plan and recommended certain modifications to reflect the current trends and future outlook for the OPA. The OPA finalized its 2013 Strategic Plan in the first quarter of calendar year 2014.



OPA Auditors with Consultant Duke Kuehn.

Public Outreach & Others

Increasing public awareness, improving government efficiency and effectiveness, and promoting better understanding of OPA's mission, work, and impact are important aspects of our Strategic Plan. We strive to build good relations with those charged with governance.

OPA staff participated in various community and outreach efforts such as: sponsoring a company tour for the University of Guam's Junior Accountants Society and participating in the Random Women's Rally wave.

The OPA staff also put together a Christmas Spirit Week that all staff participated in.



OPA Auditors supporting the Random Women's Rally (RaWR) wave.



OPA Auditors Travis Carbon and Jerrick Hernandez speak to the members of UOG's Junior Accountants.



OPA Staff participated in a Christmas Spirit Week where the staff dressed in festive costumes.



Office of Public Accountability
Government of Guam
Statement of Net Assets
Years Ended September 30, 2013 and 2012

	2013 (Unaudited)	2012
<u>ASSETS</u>		
Cash and cash equivalents	\$ 475,998	\$ 436,999
Receivables, net:		
Federal Agencies	12,598	16,554
Federal Receiver	5,000	-
PASAI	1,418	-
Travel Due from OPA Staff	-	-
Other - DOA Appropriation	-	-
Total Receivables	19,017	16,554
Capital Assets	147,549	147,549
Less Accumulated Depreciation	(134,604)	(130,018)
Total Capital Assets:	12,944	17,530
Total Assets	\$ 507,959	\$ 471,083
<u>LIABILITIES AND FUND BALANCES (DEFICIT)</u>		
Accrued Annual and Sick Leave	\$ 69,955	\$ 70,102
Payable- Other	25,643	2,029
Deferred Revenue - Appropriation	-	-
Total Liabilities	95,598	72,131
Fund Balance, End of Quarter	412,361	398,554
Total Liabilities and Fund Balance (Deficit)	\$ 507,959	\$ 470,685
Footnotes:		
	FY 2013	FY 2012
^{1,3} Personnel Svcs	\$ 84,812	\$ -
Operations	-	-
Appropriation Balance:	\$ 84,812	\$ -
^{2,4} Accrued Sick Leave	\$ 30,831	\$ 25,324
Accrued Annual Leave	39,124	44,777
	\$ 69,955	\$ 70,102



Office of the Public Accountability
 Government of Guam
 Statements of Revenues, Expenses,
 and Changes in Net Assets
 Years Ended September 30, 2013 and 2012

	2013 (Unaudited)	2012
Revenues:		
Federal Grants	\$ 20,812	\$ 35,106
Interest Income	3,748	4,486
Other Income	-	4
Total revenues	<u>24,560</u>	<u>39,596</u>
Expenditures by Object:		
Salaries	\$ 559,973	\$ 586,775
Benefits	210,947	209,198
Leave Accrued	(147)	(3,060)
Subtotal:	<u>770,774</u>	<u>792,913</u>
Rent	102,594	102,594
Contractual services	166,148	170,876
Supplies	7,575	7,674
Utilities and Telephone	2,781	3,174
Travel	11,110	12,487
Equipment & Furniture Expensed	17,966	8,233
Training	14,188	16,828
PASAI Congress	40,642	-
Depreciation	4,586	7,819
Other	2,479	3,167
Total expenditures	<u>1,140,842</u>	<u>1,125,764</u>
Excess (deficiency) of revenues and appropriations over (under) expenditures	<u>(1,116,283)</u>	<u>(1,086,169)</u>
Other financing sources (uses):		
Transfers In - appropriation received to date	1,150,503 ¹	1,125,602 ²
Federal Grant Expenses - Auditor Technical Assistance	<u>(20,812)</u>	<u>(35,106)</u>
Net change in fund balance	13,408	4,328
Fund balance at beginning of year	398,953	394,624
Fund balance at end of year	<u>\$ 412,361</u>	<u>\$ 398,952</u>
Footnotes:		
^{1, 2} Transfers In from DOA:		
Personnel Svcs - Salaries & Benefits	\$ 770,921	\$ 795,973
Operations	379,582	329,629
Total Transfers In:	<u>\$ 1,150,503</u> ¹	<u>\$ 1,125,602</u> ²

Appendix 2: Procurement Appeals Synopsis



<p>APPEAL NO: OPA/PA-13-001 Appeal Relative To: Custom Cab-Forward Pumps, Urban/Wildland Interface Pumps, and Extended Service/Maintenance Agreement</p>	<p>Purchasing Agency: GSA Appellant: Morrico Equipment Appeal Value: \$1.4M</p>	<p>Procurement Issue: Non-conformance to IFB requirement</p> <ul style="list-style-type: none"> Morrico requested that the OPA rule that the reason given by GSA for rejecting Morrico's bid proposal and for denying Morrico's protest constitutes an abuse of discretion and that the matter be remanded to with instructions to rescind its rejection and allow Morrico to participate in step two of the Multi-Step Bid. GSA rejected bids of Morrico and MklPac due to non-conformance the 240 day requirement of the IFB. 	<p>Decision: UPHELD.</p> <ul style="list-style-type: none"> GSA did not follow the Multi-Step Sealed Bidding Procedure. Most notably, GSA included in the IFB: <ul style="list-style-type: none"> - A 240 day delivery time that unduly restricted competition. GFD subsequently filed a motion for reconsideration as to the deletion of the 2 inspection trips. The Public Auditor was not persuaded as to the cost effectiveness of two firemen with minimal to no mechanical experience for pre and post inspection trips. However it is not the Public Auditor's role to dictate how agency should spend federal grants allocated to it. Motion for was granted. 	<p>Appeal Filed: January 13, 2013 Appeal Closed: April 19, 2013 Appeal Duration: 96 days</p>
<p>APPEAL NO: OPA/PA-13-002 Appeal Relative To: Air Conditioning Equipment</p>	<p>Purchasing Agency: GDOE Appellant: J&B Modern Tech Appeal Value: \$1M</p>	<p>Procurement Issue: Notice of Suspension</p> <ul style="list-style-type: none"> GDOE suspended J&B for not following through on its warranty regarding a contract for air conditioner units. J&B argued that the suspension was not in accordance with applicable statutes and regulations, the suspension was not in the best interest of GDOE, and the suspension was not fair. 	<p>Decision: UPHELD</p> <ul style="list-style-type: none"> OPA found that the suspension was improper because GDOE failed to comply with procedural requirements under Guam law and J&B was not provided with due process. 	<p>Appeal Filed: March 28, 2013 Appeal Closed: June 14, 2013 Appeal Duration: 79 days</p>
<p>APPEAL NO: OPA/PA-13-003 Appeal Relative To: Air Conditioning Equipment</p>	<p>Purchasing Agency: GDOE Appellant: J&B Modern Tech Appeal Value: \$10.9M</p>	<p>Procurement Issue: Good Faith Negotiations and Cancellation</p> <ul style="list-style-type: none"> This appeal is related to 13-002, as GDOE refused to consider J&B's bid for IFB 008-2013 because of the prior suspension. 	<p>Decision: UPHELD</p> <ul style="list-style-type: none"> Since OPA vacated the suspension in 13-002, it ordered GDOE to consider J&B's bid for IFB 008-2013. 	<p>Appeal Filed: April 5, 2013 Appeal Closed: June 14, 2013 Appeal Duration: 70 days</p>



Appendix 2: Procurement Appeals Synopsis

APPEAL NO: OPA-PA-13-004 Appeal Relative To: Cleaning Services		Purchasing Agency: GIAA Appellant: K Cleaning Services Appeal Value: \$876K
Procurement Issue: Timeliness of bid submission <ul style="list-style-type: none"> • K Cleaning argued that GIAA used confusing language on the to bid, which caused them to submit its bid at the wrong location and • K Cleaning also argued that GIAA failed to inform them of its right to administrative and judicial review, and therefore violated its statutory requirements. 		Decision: UPHeld IN PART AND DENIED IN PART <ul style="list-style-type: none"> • OPA found that K Cleaning Services bid was untimely and GIAA's rejection of said bid was proper. • However, OPA also found that GIAA issued Notices of Award to other bidders prior to final resolution of K Cleaning's protest which violated the automatic stay that should have been in place.
Appeal Filed: May 8, 2013 Appeal Closed: October 28, 2013		Appeal Duration: 173 days
APPEAL NO: OPA-PA-13-005 Appeal Relative To: Fuel Supply Contract		Purchasing Agency: GPA Appellant: VITOL Asia Private Limited Appeal Value:
Procurement Issue: No protest decision <ul style="list-style-type: none"> • VITOL and several other companies submitted bids to supply GPA's requirement for Fuel Oil No. 6 for a two year period. • VITOL protested to GPA but did not received any response. 		Dismissed: STIPULATED AGREEMENT <ul style="list-style-type: none"> • The parties stipulated and agreed that this appeal be dismissed.
Appeal Filed: May 20, 2013 Appeal Closed: August 2, 2013		Appeal Duration: 74 days
APPEAL NO: OPA-PA-13-006 Appeal Relative To: Specialty Retail Concession		Purchasing Agency: GIAA Appellant: DFS Guam L.P. Appeal Value:
Procurement Issue: Conflict of Interest <ul style="list-style-type: none"> • DFS alleges improper conduct on the part of GIAA Board members, employees and staff members in the procurement process. • DFS filed an appeal with OPA and the Superior Court. 		Dismissed: MOVED TO SUPERIOR COURT <ul style="list-style-type: none"> • OPA shall not take any action on an appeal when the appeal is brought to the Superior Court of Guam • The appeal is now pending before the Supreme Court.
Appeal Filed: May 30, 2013 Appeal Closed: June 5, 2013		Appeal Duration: 6 days

Appendix 2: Procurement Appeals Synopsis



<p>APPEAL NO: OPA-PA-13-007 Appeal Relative To: Custodial Services</p>	<p>Purchasing Agency: GIAA Appellant: Able Industries of the Pacific Appeal Value: \$876K</p>
<p>Procurement Issue: Procurement from Nonprofit Corporations</p> <ul style="list-style-type: none"> • Able Industries requested GIAA to award a contract for custodial services under GCA 3110.1 Procurement from Nonprofit Corporations. • Able Industries bid was disqualified due to lack of a bid bond. • GIAA informed Able Industries that it is not required to consider awarding contracts to nonprofits under GARR 3110.1. 	<p>Dismissed: NOT A TIMELY APPEAL</p> <ul style="list-style-type: none"> • Dismissed as Able Industries did not file a timely protest or a timely appeal.
<p>Appeal Filed: June 10, 2013 Appeal Closed: July 23, 2013 Appeal Duration: 43 days</p>	
<p>APPEAL NO: OPA-PA-13-008 Appeal Relative To: School Bus (84 Passenger)</p>	<p>Purchasing Agency: GSA Appellant: Triple J Enterprises Appeal Value: \$388K</p>
<p>Procurement Issue: Non-conformance to IFB requirements</p> <ul style="list-style-type: none"> • Triple J argued that the buses provided by awarded bidder Morrigo did not meet the specifications of the IFB and therefore requested the decision be reversed and that they be awarded the bid as the most responsive bidder. • Triple J noted that as an alternative if the government feels it is the best interest to overlook the deficiencies and discrepancies, they would be willing to discuss a settlement to compensate Triple J for its lost income and opportunity as well as its extra expenses incurred. 	<p>Dismissal: STIPULATED AGREEMENT</p> <ul style="list-style-type: none"> • A settlement agreement was reached between all parties.
<p>Appeal Filed: July 18, 2013 Appeal Closed: September 13, 2013 Appeal Duration: 57 days</p>	



Purchasing Agency: GMHA

Appellant: JMI Edison

APPEAL NO: OPA-PA-13-009

Appeal Relative To: Portable Kidney Machine w/ Reverse Osmosis

Appeal Value: \$381K

Procurement Issue: Timely appeal

- JMI's protest asserted:

(a) the awardee's submission did not provide certification of MedPharm employed technicians who completed certification and were assigned to project;

(b) the awardee's submission was completely dependent upon the expertise and experience of the manufacturer, rather than the offeror

(c) the awardee's failure to provide specific information regarding the required docking station precluded it from obtaining an award, and

(d) the award to MedPharm calls into question the fairness of the procurement process.

- GMHA rejected JMI's Protest as untimely and simultaneously awarded the contract to MedPharm.

Decision: UPHeld IN PART AND DENIED IN PART

- OPA determined that JMI's protest was filed timely, which triggered an automatic stay until final resolution

• GMHA violated the automatic stay when it simultaneously rejected JMI's protest and awarded the contract to MedPharm.

• The OPA admonished GMHA for its violation of JMI's rights and procurement procedures.

• While GMHA's actions were not fair, equitable, or conducive to an open and transparent procurement process, MedPharm did not act fraudulently or in bad faith.

• Unbeknownst to the filing of the appeal, GMHA had already paid and the kidney machine was already on island. Therefore the contract to MedPharm was affirmed in the best interests of the Territory.

- JMI subsequently appealed OPA's decision to the Superior Court.

Appeal Filed: August 2, 2013

Appeal Closed: November 1, 2013

Appeal Duration: 92 days

APPEAL NO: OPA-PA-13-010

Purchasing Agency: GDOE

Appellant: JMI Edison

Appeal Relative To: Air Conditioning Equipment

Appeal Value: \$10.9M

Procurement Issue: Bid Responsiveness

- JMI Edison appealed GDOE's determination that JMI submitted an unresponsive bid due to price detail

• The automatic stay was triggered upon the filing of the appeal, which GDOE and interested third party J&B Modern Tech motioned for reconsideration. The motion was denied and the automatic stay remained.

Decision: UPHeld

- OPA found that JMI's bid was responsive and ordered GDOE to expeditiously evaluate JMI's bid along with the other bidders.

Appeal Filed: August 2, 2013

Appeal Closed: September 25, 2013

Appeal Duration: 54 days

Appendix 2: Procurement Appeals Synopsis



<p>APPEAL NO: OPA-PA-13-011, 012, and 014 Appellants: 13-011 and 012: Triple J Motors 13-014: Cars Plus, LLC Appeal Value: 13-011 and 012 - \$168K 13-014 - \$71K</p>	<p>Purchasing Agency: GSA Appeal Relative To: Police Patrol Vehicles 2013-2104 Interceptors</p>
<p>Dismissal: SETTLEMENT AGREEMENT</p> <ul style="list-style-type: none"> • A Global Settlement Agreement was reached with all parties Inclusive in the agreement was that GSA would ratify and award the sale of 8 interceptors to Triple J Motors and award 2 interceptors to Cars Plus LLC, at their bid price. 	<p>Procurement Issue: Breach of contract / Non-conformance to IFB specifications In OPA-PA-13-011:</p> <ul style="list-style-type: none"> • Triple J was awarded the contract and issued a PO for the IFB. • GSA received a protest from Cars Plus and determined it had merit, and cancelled the IFB and POs awarded to Triple J. <p>In OPA-PA-13-012:</p> <ul style="list-style-type: none"> • GSA issued a new IFB, which Triple J protested the issuance GSA rescind its cancellation of its award and reaffirm its award of <p>In OPA-PA-13-014:</p> <ul style="list-style-type: none"> • Cars Plus argued that it complied with all bid specifications and all information requested. They were the lowest responsive bidder, and should be awarded the contract.
<p>Appeals Filed: 13-011 - September 25, 2013 13-012 - October 2, 2013 / 13-014 - October 22, 2013 Appeal Closed: November 8, 2013 Appeal Duration: 44, 37, and 17 days</p>	
<p>APPEAL NO: OPA-PA-13-013 Appellant: G4S Security Systems Appeal Value: \$500K</p>	<p>Purchasing Agency: GDOE Appeal Relative To: Fire Alarm System and Repair</p>
<p>Decision: UPHeld</p> <ul style="list-style-type: none"> • OPA found that GDOE violated several procurement regulations: <ul style="list-style-type: none"> - Failing to provide G4S a copy of Amendment No.2; and - Failing to waive G4S's Bid omission of the Amendment as a minor informality. • GDOE violated the automatic stay. • OPA ordered GDOE to consider G4S's bid for award and complete the IFB solicitation no later than 30 days after the appeal decision was issued. 	<p>Procurement Issue: Bidder responsiveness - acknowledgement of bid amendment and clarification.</p> <ul style="list-style-type: none"> • G4S bid was rejected by GDOE for inadvertent omission of a photocopy of a bid amendment and a clarification. G4S argued that the omission had no practical effect on the responsiveness of its bid and should have been deemed a minor informality.
<p>Appeal Filed: October 3, 2013 Appeal Closed: January 8, 2014 Appeal Duration: 97 days</p>	



Appendix 2: Procurement Appeals Synopsis

APPEAL NO: OPA-PA-13-015 Purchasing Agency: GPA Appellant: Morrico Equipment, LLC Appeal Value: \$472K Appeal Relative To: Bucket Trucks	
Procurement Issue: Non-conformance to IFB requirement <ul style="list-style-type: none"> Far East Equipment was originally awarded the IFB. However, Far East defaulted and GP A proceeded to the next lowest bidder, Mid Pac Far Morrico argued that Mid Pac cant be the next lowest bidder because it was originally rejected by GP A. 	Decision: UPHELD <ul style="list-style-type: none"> GPA violated the terms of the IFB and procurement regulations by re-awarding the IFB contract to Mid Pac, whose bid could not be the second lowest bid because it was rejected by GP A as being non to the IFB specifications. GP A also did not notify all parties of re- the contract to the Mid Pac Bucket trucks were received from Mid Pac and paid for. Future purchases of trucks to be purchased through Morrico. Morrico was awarded the cost of the bid preparation. Morrico filed a motion to enforce the decision. GP A ordered to re-award contract to Morrico for remaining option years.
Appeal Filed: October 30, 2013 Appeal Closed: January 24, 2014 Appeal Duration: 86 days	
APPEAL NO: OPA-PA-13-016 Purchasing Agency: GDOE Appellant: Teleguam Holdings, LLC Appeal Relative To: Part 6 Wide Area Network Services LIT Appeal Value: \$	
Procurement Issue: Contract performance <ul style="list-style-type: none"> GTA's protest and appeal solely involved the issue of whether Pacific Data Systems properly performed its obligation related to sections of the IFB and not to GDOE's method of source selection, solicitation or award of IFB. 	Dismissal: LACK OF JURISDICTION <ul style="list-style-type: none"> OPA lack jurisdiction to hear the matter because it was an issue of contract performance not source selection.
Appeal Filed: November 19, 2013 Appeal Closed: January 7, 2014 Appeal Duration: 49 days	

Appendix 2: Procurement Appeals Synopsis



Appeal No.	Parties	Procurement	Procurement Value	Status	Action	Date Filed	Date End Days
2013							
OPA-PA-13-001	Morrco/GSA	Custom Cab-Forward Pumps, Urban/Wildland Interface Pumps, and Extended Service/Maintenance Agreement	\$1.4M	Decision	Upheld	01/13/13	04/19/13 96
OPA-PA-13-002	J & B Modern Tech/GDOE	Determination and Notice of Suspension	\$1M	Decision	Upheld	03/27/13	06/14/13 79
OPA-PA-13-003	J & B Modern Tech/GDOE	Air Conditioning Equipment	\$10.9M	Decision	Upheld	04/05/13	06/14/13 70
OPA-PA-13-004	K Cleaning/GIAA	Cleaning Services	\$876K	Decision	Upheld in part and Denied in part	05/08/13	10/28/13 173
OPA-PA-13-005	VITOL/GPA	Fuel Supply Contract	\$	Dismissed	Stipulated Agreement	05/20/13	08/02/13 74
OPA-PA-13-006	DFS/GIAA	Specialty Retail Concession	\$	Dismissed	Moved to Superior Court	05/30/13	06/05/13 6
OPA-PA-13-007	Able Industries/GIAA	Custodial Services	\$	Dismissed	Not a timely appeal	06/10/13	07/23/13 43
OPA-PA-13-008	Triple J/GSA	School Bus (84 Passenger)	\$588K	Dismissed	Stipulated Agreement	07/18/13	09/13/13 57
OPA-PA-13-009	JMI/GMHA	Portable Kidney Machine with Reverse Osmosis	\$381K	Decision	Upheld in part and Denied in part	08/01/13	11/01/13 92
OPA-PA-13-010	JMI/GDOE	Air Conditioning Equipment	\$	Decision	Upheld	08/02/13	09/25/13 54
OPA-PA-13-011	Triple J/GSA	Police Patrol Vehicles 2013-2014 Interceptors	\$295K	Dismissed	Settlement Agreement	09/25/13	11/08/13 44
OPA-PA-13-012	Triple J/GSA	Police Patrol Vehicles 2013-2014 Interceptors	\$74K	Dismissed	Settlement Agreement	10/02/13	11/08/13 37
OPA-PA-13-013	G4S/GDOE	Fire Alarm System and Repair	\$500K	Decision	Upheld	10/03/13	01/08/14 97
OPA-PA-13-014	Cars Plus/GSA	Police Patrol Vehicles 2013-2014 Interceptors	\$71K	Dismissed	Settlement Agreement	10/22/13	11/08/13 17
OPA-PA-13-015	Morrco/GPA	Bucket Trucks	\$472K	Decision	Upheld	10/30/13	01/24/14 86
OPA-PA-13-016	Teleguam/GDOE	Part 6 Wide Area Network Services LIT	\$	Dismissed	Lack of Jurisdiction	11/19/13	01/07/14 49
		TOTAL	\$16.5M				



January 1, 2013

The Office of Public Accountability has issued the Guam Statute's Transparency Commission Report (GSCR) for 2012. The report is available at: www.opa.gov.gu

2012 TRANSPARENCY COMMISSION REPORT

January 2, 2013

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2012 TRANSPARENCY COMMISSION REPORT

January 11, 2013

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2012 TRANSPARENCY COMMISSION REPORT

January 28, 2013

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2012 TRANSPARENCY COMMISSION REPORT

January 28, 2013

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- **2012 FINANCIAL STATEMENTS**
- **2012 REPORT ON COMPLIANCE AND ETHICS**
- **2012 ANNUAL BUDGET**
- **2012 ANNUAL REPORT ON COMPLIANCE AND ETHICS**

February 1, 2013

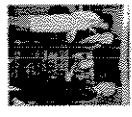
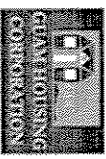
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2012 FINANCIAL STATEMENTS

February 11, 2013

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February 19, 2013

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2012 TRANSPARENCY COMMISSION REPORT

February 20, 2013

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2012 TRANSPARENCY COMMISSION REPORT

February 21, 2013

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2012 TRANSPARENCY COMMISSION REPORT

February 28, 2013

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February 28, 2013

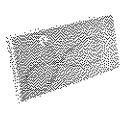
The Office of Public Accountability has issued the Guam Statute's Transparency Commission Report (GSCR) for 2012. The report is available at: www.opa.gov.gu

2012 FINANCIAL STATEMENTS

March 8, 2013

The Office of Public Accountability has issued the Guam Statute's Transparency Commission Report (GSCR) for 2012. The report is available at: www.opa.gov.gu

- **2012 FINANCIAL STATEMENTS**
- **2012 REPORT ON COMPLIANCE AND ETHICS**
- **2012 ANNUAL BUDGET**
- **2012 ANNUAL REPORT ON COMPLIANCE AND ETHICS**





MAY 21, 2013

The Office of Public Accountability has reviewed the Guam Department of Education (DOED) FY 2012 Strategic Statement, Report on Construction and Financial Control, Management Letter, and Letter to State Government.

- 1. **REPORT**
- 2. **2012 Strategic Statement**
- 3. **2012 Report on Construction and Financial Control**
- 4. **2012 Management Letter**
- 5. **2012 Letter to State Government**

MAY 24, 2013

The Office of State Accountability is reviewing quarterly reports of the Guam Housing Corporation (GHC) for the first three quarters of FY 2013 through 3/31/2013. Quarterly reports include information on the progress of its major projects, including the 1000-unit affordable housing project in the Piti area.

- 1. **REPORT**
- 2. **2013 Quarterly Reports**

MAY 31, 2013

The Office of State Accountability has reviewed the Guam Department of Health (GDOH) FY 2012 Financial Report, Report on Construction and Financial Control, Management Letter, and Letter to State Government.

JUNE 10, 2013

The Office of State Accountability has reviewed the Guam Veterans Affairs (GVA) FY 2012 Financial Report, Report on Construction and Financial Control, Management Letter, and Letter to State Government.

- 1. **REPORT**
- 2. **2012 Financial Statement**
- 3. **2012 Report on Construction and Financial Control**
- 4. **2012 Management Letter**
- 5. **2012 Letter to State Government**

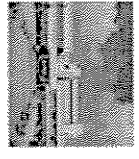
JUNE 14, 2013

The Office of State Accountability has reviewed the Government of Guam (GOG) FY 2012, regarding the report of the Auditor General (AG) concerning the operations of the GOG. The AG's report includes findings on the GOG's financial statements, internal control, and compliance with laws and regulations.

JUNE 21, 2013

The Office of State Accountability has reviewed the Guam Housing and Urban Renewal Authority (GHURA) FY 2012 Financial Report, Report on Construction and Financial Control, Management Letter, and Letter to State Government.

- 1. **REPORT**
- 2. **2012 Financial Statement**
- 3. **2012 Report on Construction and Financial Control**
- 4. **2012 Management Letter**
- 5. **2012 Letter to State Government**



JUNE 1, 2013

The Office of Public Accountability has reviewed the Guam Department of Education (DOED) FY 2012 Strategic Statement, Report on Construction and Financial Control, Management Letter, and Letter to State Government.

- 1. **REPORT**
- 2. **2012 Strategic Statement**
- 3. **2012 Report on Construction and Financial Control**
- 4. **2012 Management Letter**
- 5. **2012 Letter to State Government**

JUNE 8, 2013

The Office of Public Accountability has reviewed the Government of Guam (GOG) FY 2012 Financial Statement and Letter to State Government.

- 1. **REPORT**
- 2. **2012 Financial Statement**
- 3. **2012 Letter to State Government**

JUNE 9, 2013

The Office of Public Accountability has reviewed the Government of Guam (GOG) FY 2012 Strategic Report and Management Letter.

- 1. **REPORT**
- 2. **2012 Strategic Report**
- 3. **2012 Management Letter**

AUGUST 8, 2013

The Office of Public Accountability has reviewed the 1000-unit Affordable Housing Project in Piti, Guam.

- 1. **REPORT**
- 2. **2013 Progress Report**

AUGUST 12, 2013

The Office of State Accountability has reviewed the 2012 Guam Green Report prepared by Piti, Inc.

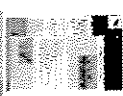
- 1. **REPORT**
- 2. **2012 Green Report**

AUGUST 26, 2013

The Office of State Accountability (OSCA) seeks to improve the accuracy and reliability of the information reported to the public by the various agencies of the GOG. The OSCA is currently reviewing the information reported by the various agencies of the GOG.

- 1. **REPORT**
- 2. **2013 Progress Report**

- 1. **REPORT**
- 2. **2013 Progress Report**



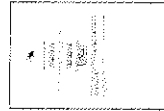
Appendix 3: Website in Review



August 30, 2013

The Guam Environmental Authority (GEA) is extending the public requirements and availability of assessment files in the matter of the cleanup of ongoing and pending air management areas of the National Security Agency Department of Information Systems at Guam. You may click the following links to download the file or go to a copy of the file.

- [WATER TREATMENT](#)
- [WATER TREATMENT](#)
- [WATER TREATMENT](#)
- [WATER TREATMENT](#)
- [WATER TREATMENT](#)
- [WATER TREATMENT](#)



October 14, 2013

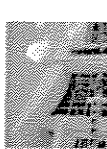
The Office of Public Accountability (OPA) is seeking information to update its current vehicle to include its design, location, and use. The information may be used for future planning and may also be used to update the current vehicle design and location.

- [Vehicle Design](#)
- [Vehicle Location](#)
- [Vehicle Use](#)

October 24, 2013

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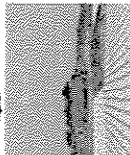
- [Vehicle Design](#)
- [Vehicle Location](#)
- [Vehicle Use](#)



October 31, 2013

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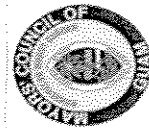
- [Vehicle Design](#)
- [Vehicle Location](#)
- [Vehicle Use](#)



November 4, 2013

The Office of Public Accountability (OPA) is seeking information to update its current vehicle to include its design, location, and use. The information may be used for future planning and may also be used to update the current vehicle design and location.

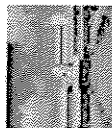
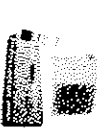
- [Vehicle Design](#)
- [Vehicle Location](#)
- [Vehicle Use](#)



November 13, 2013

The Public Association of Guamanian Multi-Generations (PAGMG) is seeking information to update its current vehicle to include its design, location, and use. The information may be used for future planning and may also be used to update the current vehicle design and location.

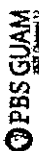
- [Vehicle Design](#)
- [Vehicle Location](#)
- [Vehicle Use](#)



November 27, 2013

The Office of Public Accountability (OPA) is seeking information to update its current vehicle to include its design, location, and use. The information may be used for future planning and may also be used to update the current vehicle design and location.

- [Vehicle Design](#)
- [Vehicle Location](#)
- [Vehicle Use](#)





December 7, 2011

The Office of Public Accountability has reviewed reports from various members of Congress to provide insight into the activities of the U.S. Postal Service for 2011 through 2016. For more information, please visit the OPA website at www.opa.gov.

Office of Public Accountability
U.S. Department of Justice
200 Alexander Plaza, SE
Washington, DC 20002

* OPA-11-013-001 Announcement

December 7, 2011

The Office of Public Accountability has reviewed OPA Report No. 11-014, "Audit: Veterans Benefits Agency Compensation Center for Beneficiary Services Review FY09-10."

* OPA-11-013-001 Announcement

* [L&L Report](#)

December 7, 2011

Veterans Affairs (VA) has received a report from the Government Accountability Project (GAP) regarding the VA's handling of the 2011 National Security Agency (NSA) audit. The report, titled "The NSA Audit: A Review of the VA's Handling of the NSA Audit," was released on December 7, 2011. The report details the VA's handling of the NSA audit and the impact on the VA's operations.

* [L&L Report](#)

December 4, 2011

The Office of Public Accountability has reviewed a report from the Government Accountability Project (GAP) regarding the VA's handling of the 2011 National Security Agency (NSA) audit. The report, titled "The NSA Audit: A Review of the VA's Handling of the NSA Audit," was released on December 4, 2011. The report details the VA's handling of the NSA audit and the impact on the VA's operations.

* [L&L Report](#)

* [2011 National Security Agency \(NSA\) Audit](#)

* [2011 National Security Agency \(NSA\) Audit](#)

* [2011 National Security Agency \(NSA\) Audit](#)

The Office of Public Accountability has reviewed a report from the Government Accountability Project (GAP) regarding the VA's handling of the 2011 National Security Agency (NSA) audit. The report, titled "The NSA Audit: A Review of the VA's Handling of the NSA Audit," was released on December 4, 2011. The report details the VA's handling of the NSA audit and the impact on the VA's operations.

* [2011 National Security Agency \(NSA\) Audit](#)

December 23, 2011

The Office of Public Accountability has reviewed OPA Report No. 11-015, "Government of Guam: Water Pollution Control Program."

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

* [L&L Report](#)

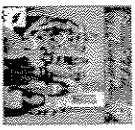
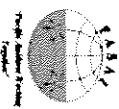
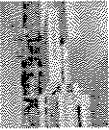
* [L&L Report](#)

* [L&L Report](#)

December 11, 2011

The Office of Public Accountability has reviewed OPA Report No. 11-016, "Government of Guam: Water Pollution Control Program."

* [L&L Report](#)



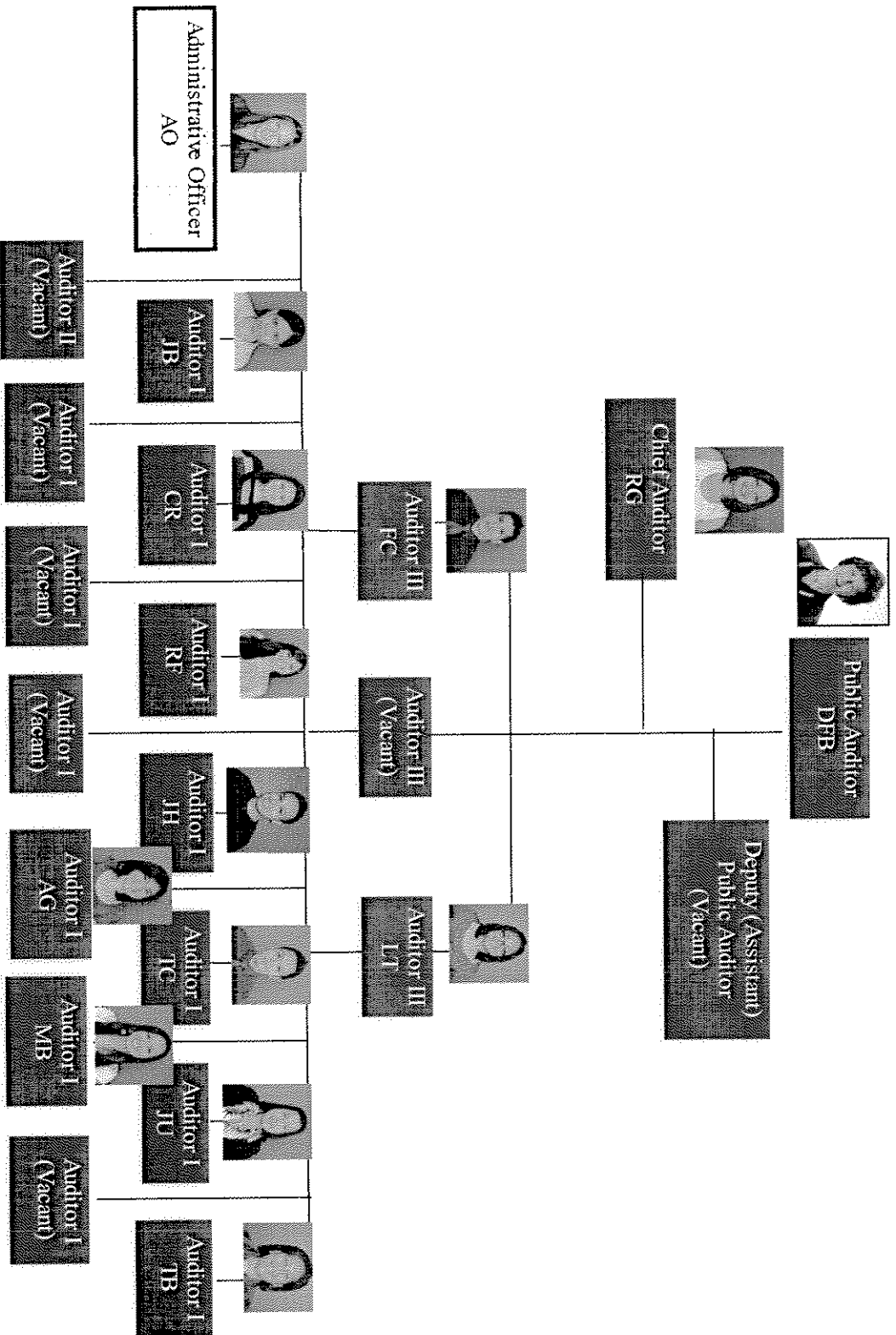
Appendix 4: Hotline Tips Statistics

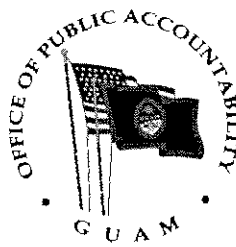


Agencies or Programs	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	TOTAL
Guam International Airport Authority	0	0	0	2	0	0	3	5	2	10	13	12	22	69
Department of Health	2	2	5	1	3	9	16	17	14	9	11	15	11	159
Department of Public Works	1	2	2	1	0	6	15	9	3	3	10	11	14	77
Guam Power Authority	2	3	1	6	1	3	7	6	4	5	6	12	3	52
Department of Corrections	2	1	2	3	2	5	1	1	2	2	2	11	10	44
Guam Memorial Hospital Authority	0	0	1	4	0	2	2	7	7	4	1	11	8	43
Government of Guam Retirement Fund	0	0	0	1	0	0	3	3	1	15	1	6	0	30
Department of Administration	2	1	2	5	0	6	3	1	2	4	5	6	5	36
Mayors Council of Guam	2	2	1	2	0	5	11	8	9	4	6	2	7	59
Guam Housing and Urban Renewal Authority	1	0	0	0	0	0	2	1	6	10	3	2	3	29
Guam Waterworks Authority	1	0	0	0	1	0	7	5	12	4	7	4	3	44
Guam Fire Department	1	0	0	2	0	3	1	2	1	6	4	7	4	27
Guam Mass Transit Authority	0	1	0	0	0	0	0	0	1	3	5	5	4	19
Department of Public Health and Social Services	7	7	1	1	2	2	9	1	4	5	8	4	3	30
Guam Telephone Authority	1	0	0	0	0	0	0	0	1	9	3	3	1	18
Office of the Attorney General	0	0	1	2	0	1	1	3	3	2	9	1	0	25
Guam Police Department	0	2	1	0	1	0	2	1	0	2	3	3	5	20
Guam Visitors Bureau	0	0	0	0	0	0	2	0	3	5	1	1	5	18
Superior Court of Guam	0	0	0	0	3	0	3	2	4	4	2	4	2	24
University of Guam	3	0	0	1	1	2	2	1	0	3	5	3	2	22
Port Authority of Guam	3	1	1	0	0	0	0	1	3	3	4	1	3	20
Department of Fish and Management	0	0	0	0	0	0	0	0	0	3	0	1	0	9
Office of the Governor	0	0	0	2	2	5	0	1	0	4	3	1	0	18
Department of Parks & Recreation	0	0	0	1	0	1	2	4	1	1	1	1	5	22
Department of Labor	0	0	0	0	1	0	0	0	0	2	3	2	1	9
Guam Economic Development Authority	1	1	1	0	1	0	0	0	0	2	4	0	1	11
General Services Agency	0	0	1	1	0	0	2	2	3	3	3	0	1	16
Other Agencies and Programs	19	5	12	13	19	18	49	37	29	47	53	42	23	311
Total	33	23	30	42	54	62	160	112	116	177	144	145	163	1,261



Office of Public Accountability
as of December 31, 2013





Office of Public Accountability
2013 Annual Report
May 2014

ACKNOWLEDGEMENTS

Key contributions to this report were made by:

Rodalyn Gerardo, Audit Supervisor
Jerrick Hernandez, Auditor-In-Charge
Rachel Field, Audit Staff
Doris Flores Brooks, CPA, CGFM, Public Auditor

MISSION STATEMENT

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

VISION

The Government of Guam is the model for good governance in the Pacific.

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.guamopa.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.