



OFFICE OF THE PUBLIC AUDITOR

March 16, 2009

Honorable Vicente C. Pangelinan  
Chairman  
Committee on Appropriations, Taxation, Banking  
Insurance, Retirement, and Land  
30<sup>th</sup> Guam Legislature  
155 Hesler Place  
Hagatna, Guam 96910

Subject: FY 2010 Budget Request

Reference: Office of the Public Auditor and Procurement Appeals

Hafa Adai Senator Pangelinan,

In response to your letter dated March 4, 2009 relative to Fiscal Year 2010 budget requests, enclosed are one (1) original, twenty (20) copies, and one (1) electronic format on compact disc (CD) of the budget call documents for the Office of the Public Auditor and Procurement Appeals.

Should your staff have any questions, please contact Anne Camacho at 475-0390 ext. 201.

Senseramente,

Doris Flores Brooks, CPA, CGFM  
Public Auditor

Receipt Acknowledgement:

*Anjelica Okoala* 3/16/09  
Signature / Date

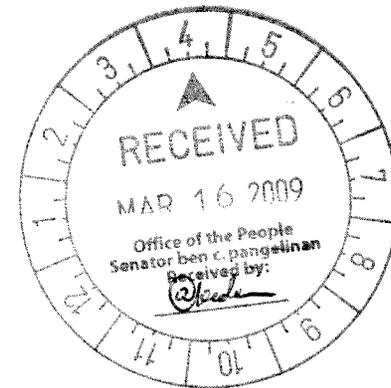






# Office of the Public Auditor

## FY 2010 - Budget Presentation



March 2009



# Mission Statement

- To improve the public trust, we audit assess, analyze, and make recommendations for accountability, transparency, effectiveness, efficiency, and economy of the government of Guam, independently, impartially, and with integrity.
- Our motto: **“Auditing for Better Government”**



# 2008- Year in Review

- The issues of classification, compensation, promotion, and hiring new staff remain our primary concerns.
- OPA operations have been hindered largely due to the shortage of staff.
- Over the last three years OPA staffing has declined 50% going from 18 in FY 2006 to 9 as of March 2009.
- Most recently, the OPA lost its Deputy Public Auditor, and one senior auditor to autonomous agencies, who offered higher compensation.



# 2008- Year in Review

- In spite of these challenges, OPA continued its commitment and dedication to “Auditing for Better Government”, issuing 10 performance audits/legislative mandates.
- The 10 audits collectively identified over \$9.6 million (M) in questioned costs, involving possible fraud at GPD and misspent expenditures for government procurement at GPSS and DPW.
- These reports made **28 recommendations** to the audited government entities to improve accountability and operational efficiency.



# 2008- Year in Review

- In May 2008, the OPA achieved “Full Compliance” in its Quality Control Review performed by APIPA.
- General Auditing Standards, require the OPA to undergo a quality control review every three years. 2008 marked the third consecutive time (since 2002) the OPA received a rating of “Full Compliance” by a peer review team.
- The “Full Compliance” rating is the highest of three levels of compliance given to audit organizations.



# 2008- Year in Review

- OPA's strategic plan was updated yielding a new vision, and new goals and objectives for the next three years. Our mission statement and motto remains the same.
- OPA's Vision: **“Guam is the model for good governance in the Pacific.”**
- Goals:
  - Maintain the independence of OPA
  - Deliver timely, reliable, and nonpartisan reports
  - Advance staff competence
  - Increase public knowledge of OPA's mission and work
  - Build and improve relations with government entities



# 2008- Year in Review

- OPA established five core values in our strategic plan to serve as guiding principles as we execute the mandates of OPA's enabling legislation.
- Independence
- Accountability
- Integrity
- Transparency
- Impartiality



# 2008-Year in Review

- Through extensive deliberations, the OPA established the 2009 Audit Work plan with 7,700 total available auditing hours for the year (based on audit staff of 7).
- OPA Mandates to be completed in 2009:
  - Quarterly Reports (4)
  - CLTC Commercial Leases
  - GPSS Meals Program
- Performance Audits to be Initiated in 2009
  - MIP
  - Leave Sharing
  - Audit of Government Facilities
  - Responses to Audit Requests as Appropriate
  - Ongoing review of Federal Receivership Activities



# 2008- Year in Review

- Government auditing continues to evolve. It has become a more complex and comprehensive activity involving **Oversight, Insight, and Foresight.**
- OPA completed 4 **oversight** reviews during the year:
  - 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter financial reporting requirements
  - GPSS Payroll Analysis,
- 5 audits offered **insight**:
  - GPSS Textbook Management - GPSS Procurement of Construction and Air Conditioning,
  - GPD Records and ID Collections,
  - DPW Landfill Contract, and
  - DOA Promissory Notes
- 1 audit provided **insight** as well as **foresight**:
  - Government of Guam Overtime



# Audits Completed in 2008

- Of the 10 audits, analyses, and reviews, 5 were mandated by public law, 4 were self initiated and 1 came at the request of a Department Head.

## **Mandates**

- GPSS Textbook Management Pursuant to P.L. 29-106
- GPSS Payroll Analysis FY 2008.
- Three quarterly financial reports submitted by government entities (P.L.29-19)



# Audits Completed in 2008

- **OPA initiated four performance audits :**
  - Government of Guam Wide Overtime
  - DPW Landfill Design Contract
  - GPSS Procurement of Construction and Air-Conditioning
  - DOA Promissory Notes



# Audits Completed in 2008

- **The remaining report was done at the request of the Chief of Police:**
  - Evaluation of GPD Records and Identification Section's Revenue Collections

**In a joint effort, OPA auditors worked with GPD's criminal investigation division.**



# Audits Completed in 2008

## Report No. 08-01 Department of Administration's Promissory Notes

The General Fund's deficit continues to impose a cash crisis affecting line agencies' operations, and leaving some vendor's contractual obligations unpaid.

- In one Fiscal Year (2007), the Government of Guam issued 22 promissory notes totaling \$3.2M.
- Over 70% of these notes, or \$1.9M was issued for GPSS vendors for janitorial, photocopying, security and air conditioning services.
- In January 2008, nearly \$2.2M were used to offset gross receipt taxes.
- The audit found as many as 25 transfers occurred where vendors sold promissory note balances to other local business allowing them to claim tax credits, thereby reducing cash receipts for other government of Guam obligations.



# Audits Completed in 2008

## Report Nos. 08-02, 08-05, 08-07, Submission of 1<sup>st</sup>, - 3<sup>rd</sup> Quarterly Financial Reports

- The FY 2008 Budget Act required 58 entities to submit various reports manually, electronically, and to be posted on the entity's website, to avoid penalties.
- P.L. 29-02 placed the de-appropriation penalty of a 20% salary reduction for directors, deputies, and CFOs who fail to comply with the reporting requirements.
- To date, no agency head and related staff have been penalized with a 20% salary reduction for non-compliance with the reporting requirements .
  - In the 1<sup>st</sup> qtr, 45 entities or 78% complied with all the reporting requirements.
  - The 2<sup>nd</sup> qtr showed improvement with 49 entities or 84% complying with all the requirements.
  - In the 3<sup>rd</sup> qtr, the Tax Review commission was added to make 59 agencies and 83% were in full compliance.



# Audits Completed in 2008

## **Report No. 08-03 GPSS Payroll Analysis**

- GPSS' cash disbursement schedule for FY 2008, dated December 6, 2007, totaled \$173.1M for payroll and operating expenditures.
- GPSS allotted \$151.4M to payroll, which was \$7M less than the authorized \$158.3M. We estimated GPSS would have a \$7.6M surplus in its personnel budget.
- OPA supported Bill 268 since GPSS may need to utilize its estimated surplus for other obligations, such as contractual, past retirement obligations, and utility payments.



# Audits Completed in 2008

## **Report No. 08-04, GPSS Procurement of Construction and Air-Conditioning**

- GPSS was authorized to procure goods and services outside of the General Services Agency pursuant to 5 GCA §5125.
- From FY 2003 through FY 2006, GPSS issued 718 purchase orders totaling \$13.2M to air-conditioning and construction vendors.
- GPSS did not award construction and air-conditioning contracts in accordance with Guam Procurement Law.
- Emergency procurement was used excessively and unnecessarily for non-emergencies. GPSS used emergency procurement for 105 to 423 days after the emergency, and had multiple invoices issued to the same vendor on the same day.
- OPA found questioned costs totaling \$2.9M as a result of a lack of separation of duties, excessive emergency procurement, and artificial division of PO's.
- OPA concluded GPSS cannot effectively or efficiently process construction and air-conditioning procurements without improvements in internal control.
- Recommendations were made to automate GPSS procurement process and for GSA to periodically monitor and provide oversight and review of GPSS procurements.



# Audits Completed in 2008

## **Report No. 08-06 Department of Public Works Landfill Design**

- DPW did not have controls to ensure that the landfill design contract. Project No. DPW-SW-2004 was procured according to Guam procurement laws and regulations.
- There was minimal documentation, monitoring, training, and planning. The integrity of the procurement process cannot be ascertained.
- No independent government estimate exists to justify the DPW contracted for necessary services at a fair and reasonable price.
- In May 2005, a private engineering firm was awarded a \$1.3M contract to develop design plans, specifications and estimates. The contract grew to \$6.7M and was amended six times in 19 months.
- There was no justification as to why the cumulative cost for design and development exceeded the negotiated price by \$3.1M or 135%.
- The \$6.7M landfill design contract was not funded from the onset. \$5M in intra agency transfers were made to four of the five accounts tapped for funding the landfill design contract.
- Questioned costs, totaling \$6.7M were identified.



# Audits Completed in 2008

## **Report No. 08-08 Evaluation of Guam Police Department Records and Identification Section's Revenue Collections**

- The audit found that 6,100 sequentially numbered transaction receipts totaling \$29,747 from October 1, 2007 through July 31, 2008, were missing and not reported to TOG or deposited.
- Discrepancies ranging from \$1 to \$1,761 were identified on the reports prepared by one employee. This employee overrode the collection, reconciliation, deposit, and record keeping functions, and even arbitrarily removed GPD from the Department of Administration's Point-of-Sale (POS) system in 2006.
- The Administration Division Chief and the Administration Operations Chief did not provide sufficient review, oversight, and monitoring of the Records and ID Section. The lack of internal controls created an opportunity for the theft of government funds.
- Questioned costs totaling \$29,747 was identified as possible fraud.
- To date, no prosecution has been initiated.



# Audits Completed in 2008

## **Report No. 08-09 GPSS Public School System Textbook Management Pursuant to P.L. 29-106**

- The audit found no reliable inventory exists to efficiently and effectively acquire, distribute, and account for textbooks and that locally-funded textbooks are not managed as well as federally funded textbooks.
- GPSS did not establish district-wide standard operating procedures for textbook management and accountability as required by Guam Education Policy Board Policy No. 601.
- The past and current Superintendents failed to oversee and monitor the Division of Curriculum and Instruction Associate Superintendent's management of textbooks.
- Despite these conditions, the four schools we assessed developed and adopted their own policies and procedures to manage and account for textbooks. These efforts, though not uniform, provided a degree of accountability which we applaud.
- Recommendations included (1) Identifying a District Textbook Coordinator, (2) Compile a district wide textbook inventory, (3) Begin Bar coding textbooks, and (4) reconcile inventory.



# Audits Completed in 2008

## **Report No. 08-10 Government of Guam Wide Overtime for the period October 1, 2002 through September 30, 2008**

- The government of Guam General Fund expended \$40M in overtime compensation in the six-year period from October 1, 2002 to September 30, 2008. With little scrutiny and oversight, annual cost for overtime average \$6M for GPD, GFD and DOC.
- The average overtime for GPD, GFD and DOC ranged between 15% and 21% of their total personnel costs, more than double other U.S. cities.
  - GPD overtime ranged from 11% to 19%, higher than the 4.1% average in Police Departments in U.S. cities.
  - GFD overtime ranged from 13% to 18%, higher than the 7.5% average in Fire Departments in other U.S. cities average.
  - DOC overtime ranged from 9% to 27%, we did not identify a a comparable benchmark.
- We found that overtime among like positions in these agencies was inequitably distributed and overtime payments were made up to five months late.
- With the enactment of P.L. 29-105, annual 10% salary increases are expected for public safety officials over the next four years. As a result, an estimated \$25M in overtime costs is expected. The large amount of overtime will increase employees retirement and pension benefits.



# Summary of Audit Focus

- Since its inception, OPA audits have focused on uncovering fraud, waste, and abuse in our government; OPA will continue to focus resources in these areas as warranted.
- In our fourth and fifth years, we performed accountability and internal control audits of non-appropriated funds.
- In our sixth year, we conducted audits mandated by public laws, follow-up reviews of past audits, and other core accountability and compliance audits.
- In our seventh year and eight years, mandated audits and requests for audits by government officials have averaged over 30% of our shrunken workforce hours.
- In our ninth year, the OPA looks to provide better **oversight**, **insight** and **foresight** for our government. Our audits will focus on economy, efficiency, accountability and transparency of all instrumentalities of the government of Guam.



# High Risk Audit Areas

- 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.
- High risk audit areas have been widespread among various government entities and programs. OPA audits of these entities have consistently shown:
  - Lack of understanding of the importance of internal controls, checks, and balances
  - Lack of monitoring and oversight
  - Improper procurement and
  - Lack of financial reporting



# Financial Impacts Identified by OPA

Financial impacts are the questioned costs, waste and abuse, lost revenue opportunities, dormant bank accounts, unreported amounts, and un-reconciled accounts identified by OPA audits.

<b>2008:</b>	<b>\$ 9.6M</b>
<b>2007:</b>	<b>\$ 33.3M</b>
<b>2006:</b>	<b>\$ 20.9M</b>
<b>2005:</b>	<b>\$ 6.2M</b>
<b>2004:</b>	<b>\$ 16.4M</b>
<b>2003:</b>	<b>\$ 26.8M</b>
<b><u>2001 &amp; 2002:</u></b>	<b><u>\$ 3.8M</u></b>
<b>TOTAL:</b>	<b>\$117M</b>

OPA has recognized a total of \$117M in financial impact to our government over the last eight years.



# Audits in Progress

- Quarterly financial reporting mandated by the FY 2009 Budget Act
- Chamorro Land Trust Commission – Commercial Leases
- GPSS Meals Program
- Medically Indigent Program
- Leave Sharing



# Financial Audits Issued in 2008

- 1 GCA §1909(a) and Federal Single Audit Act require all financial audits to be issued by June 30 (9 months after year end).
- The FY 2007 government of Guam audit was submitted in June 2008, the third consecutive year of timely issuance in our government.
- For the first time ever, the 2007 government of Guam financial audit was issued with an unqualified “clean” opinion, an historic feat.
- This accomplishment was a result of OPA oversight and the collaborative efforts between OPA staff, DOA, DRT, GMHA, autonomous agencies, and independent auditors.



# Financial Audits Issued in 2008

- We supervised, reviewed, and analyzed 18 financial audits of autonomous agencies and the General Fund which identified:
  - \$3.3M in questioned costs
  - 61 audit findings and
  - 48 management letter comments
- Overall, questioned costs decreased by 18 % which is attributed to the resolution of \$607K at GMHA, \$330K at GWA, \$60K at PAG, and \$30K at GPT.
- However, questioned costs increased for both the General Fund and GPSS. General Fund questioned costs increased from \$2.7M to \$2.8M. Questioned costs at GPSS increased from \$245K to \$510K in FY 2007.



# Financial Audits Issued in 2008

- The OPA has worked closely with DOA and the autonomous entities to resolve questioned costs for all Executive Branch agencies.
- Between Fiscal Years 2002 and 2007 DOA resolved \$50.7M, leaving \$5.8M in unresolved General Fund costs.
- The FY 2007 audits were issued timely, with less audit findings, and with lower questioned costs.
- We have seen improvement in certain government agencies these past few years, particularly at Retirement Fund and GMHA.
  - Retirement Fund was commended by independent auditors for its ability to prepare financial statements in their entirety.
  - GMHA received a clean opinion for the first time in 5 years after reconciling accounts receivable, bad debt expenses, and contractual adjustments.



# Financial Audits Issued in 2008

- While there has been improvement in the accounting infrastructure, we still need improvement at some agencies due in part to weak internal controls.
- GPSS and the General Fund were the only FY 2007 audits issued with questioned costs.
- GPSS had questioned costs of \$510K a 108% increase from the \$245K in FY 2006, GPSS remains on high-risk status with the US Dept. of Education.
- General Fund questioned costs in FY 2007 were \$2.8M. Of these questioned costs, \$2.5M or 90% are primarily procurement-related. \$1.5M of the \$2.8M, came from procurement findings at Homeland Security.



# Financial Audits

Over the past eight years, financial audits have improved with timely issuance, lower questioned costs, and fewer findings.

- CY 2008
  - 18 Financial Audits Issued
  - \$3.3M in Questioned Costs
  - 61 Audit Findings and 48 Management Letter Comments
- CY 2007
  - 18 Financial Audits Issued
  - \$4M in Questioned Costs
  - 136 Audit Findings and 66 Management Letter Comments
- CY 2006
  - 19 Financial Audits Issued
  - \$4.4M in Questioned Costs
  - 188 Audit Findings and 79 Management Letter Comments



# Financial Audits

## **Financial audits issued from CY 2005 through CY 2003**

- CY 2005
  - 26 Financial Audits Issued
  - \$2.1M in Questioned Costs
  - 236 Audit Findings and 21 Management Letter Comments
- CY 2004
  - 25 Financial Audits Issued
  - \$13.1M in Questioned Costs
  - 485 Audit Findings and 29 Management Letter Comments
- CY 2003
  - 15 Financial Audits Issued
  - \$22.4M in Questioned Costs
  - 260 Audit Findings



# Financial Audits

- **Financial audits issued in CY 2002 through CY 2001**
- CY 2002
  - 14 Financial Audits Issued
  - \$10M in Questioned Costs
  - 181 Audit Findings
- CY 2001
  - 11 Financial Audits Issued
  - \$15K in Questioned Costs
  - 39 Audit Findings



# General Fund Deficit

- While the government of Guam deficit decreased by \$14M from \$524M in 2006, it still stands at over half a billion \$510M in 2007
- In 2007 actual revenues exceeded the budgeted revenues by \$19.2M, whereas in 2006 actual amounts were \$11.1M less than the budgeted amount of \$443.6M
- Total revenues of \$514.4M and total expenditures and net transfers of \$517.6M resulted in an operational deficit of \$3.2M. However, a \$17.2M audit adjustment reduced the Earned Income Tax Credit judgment resulting in a positive general fund balance for the year.
- The impending military buildup is a catalyst for growth. However, if all increases in revenues go entirely to fund current operations, leaving little, if any, new cash to pay past debt, cash shortfall problems will continue.
- Our government should continue to increase its revenues, contain its spending, or a combination of both in order to set aside cash to pay down the deficit.



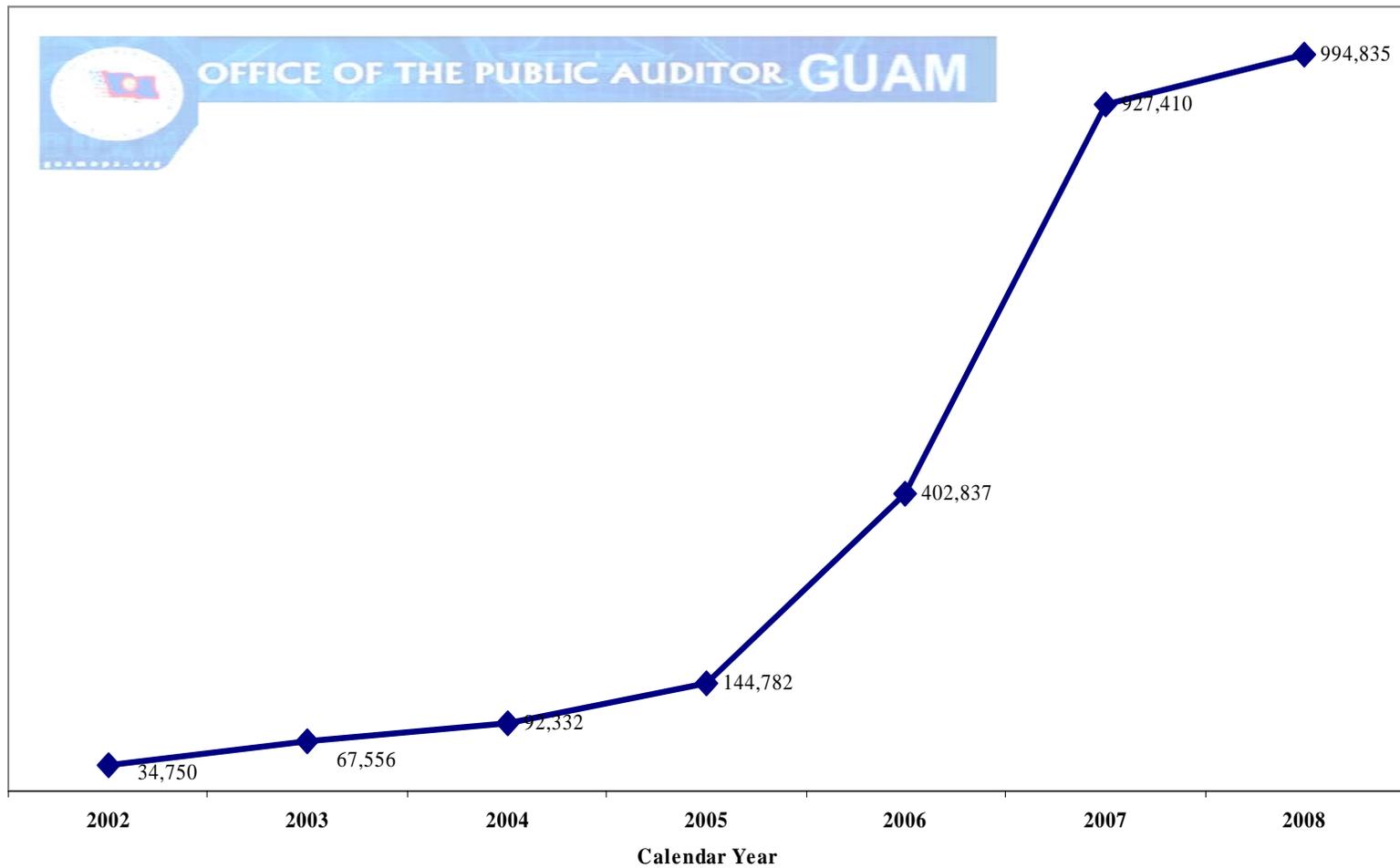
# OPA Website Hits / Visits

- To ensure public accountability and enhance transparency in our government, all OPA audit reports and financial audits of government entities are posted on OPA's website, [www.guamopa.org](http://www.guamopa.org)
- In addition to performance and financial audit information, the OPA website also contains budget, expenditure, and staffing patterns required by the various Budget Acts.
- In 2006 our website recorded 402,837 hits. In 2007, the hits doubled to 927,410. 2008 marks the largest number of website hit thus far totaling 994,835 hits.
- The OPA website has become an important source of reliable transparent information about the financial condition of our government.



# OPA Website Hits / Visits

Website Hits





# HOTLINE Tips

- The OPA HOTLINE provides the public with the means to pass on questions and concerns about our government.
- HOTLINE tips are investigated and addressed accordingly.
- In HOTLINE's first year, 2001, we received 163 tips.
- Our highest number of tips was 175 in 2004 and our lowest number of tips was 62 in 2008. This is the lowest number of tips since the establishment of the hotline in 2001
- OPA's sole investigator addressed more than 85% of the 2006 tips.



# HOTLINE Tips

- With the loss of our Investigator, nearly 98% of our 2007 and 2008 tips have remained unaddressed.
- Now, in addition to audit duties, audit staff are assigned to handle HOTLINE tips and to follow-up and coordinate with the Attorney General's Office for indictment and prosecution.
- OPA will undergo an evaluation as to whether an investigative section is viable at this time given the limited resources.



# Staff Certifications

## **In CY 2007, 18 Staff had these Certifications**

- 4 Certified Public Accountants
- 2 Certified Internal Auditors
- 1 Certified Fraud Examiner
- 7 Certified Government Financial Managers
- 3 Masters of Business Administration
- 1 Master of Arts in Organizational Management

## **As of March 2009, 9 Staff had these Certifications**

- 2 Certified Public Accountants
- 1 Certified Internal Auditors
- 4 Certified Government Financial Managers
- 2 Certified Government Auditing Professionals
- 2 Master of Business Administration
- 1 Master of Arts in Organizational Management



# Training Grant

Working with Department of the Interior's Office of Insular Affairs (DOI/OIA), the OPA received the following

## Technical Assistance Grant No. G-109

<u>Description</u>	<u>Grant Amount</u>	<u>Date Approved</u>
Initial Grant	\$38,100	Oct. 9, 2003
Amendment #1	19,050	Jul. 15, 2004
Amendment #2	95,200	Nov. 3, 2004
Amendment #3	66,500	Feb. 2, 2007
<b>Total Grant G-109:</b>	<b>\$218,850</b>	

- To date, we have expended \$218,773 of this grant leaving a remaining balance of \$77. Overall 7 OPA staff members completed DOI/OIA internships, and 3 staff members attended IG Academy for basic non- investigator training at Glynco, GA. This grant has been closed as of October 31, 2008.

## Technical Assistance Grant No. TA-Guam-OPA-2008-1

<u>Description</u>	<u>Grant Amount</u>	<u>Date Approved</u>
Initial Grant	\$80,000	Feb 19, 2008

- A training grant request for \$80,000 was approved by DOI OIA in Feb. 2008. As of this date, our office has submitted one reimbursement totaling \$4,435 under this grant.
- An extension was requested to extend the grant period to March 2009 through October 31, 2010. This extension has been approved.

March 2009



# GovGuam Audit Spending

- GovGuam spends \$1.8M on audits, or less than a quarter cent of every dollar of general fund and special revenues of \$797.4M on audits.
- The \$1.8M is comprised of \$1M for financial audits and \$865K for OPA.
- With a \$865K appropriation for FY 2008, we completed 10 audits, analyses, and reports that identified \$9.6M in questioned costs; and supervised 18 financial audits that identified \$3.3M in questioned costs.



# Loss of Staff

- From January 2006, OPA went from a staff complement of 18 (15 in audit & 2 in procurement appeals, and 1 investigator) to 9 as of March 2009 (8 in audit and 1 in procurement appeals), a 50% reduction over 3 years.
- The audit side of the house with 8 personnel is less today than in 2001 when there were 9 staff in the first year of the elected PA.



# Hiring via DOA

- In October 2008, OPA submitted requests to DOA HR to hire in the classified service.
- In March 2009, DOA approved the hiring of one new auditor above step and the promotion of three existing staff to step 10.
- Police clearance, drug testing, and other documentation is on going before the actual hiring and promotion can occur in the classified service.



# Hiring via DOA

- We are awaiting the outcome of the second new recruitment above step and the promotion of one existing staff.
- Hiring and promoting staff in the classified service through DOA has been a very time consuming and laborious undertaking. The detailed narrative justifications and production of documents is exhaustive.
- A process of over six months to hire new staff and/or promote existing staff is not conducive to sound personnel management policies.



# Deputy PA Salary Not Comparable

- In December 2008, OPA submitted a request to DOA to reconsider the salary of the Deputy Public Auditor of \$60,528 to be equivalent to that of the DRT Deputy of \$73,020.
- In February 2009, DOA approved an increase from \$60,528 to \$66,364.
- DOA did not find that the Deputy Public Auditor position to be comparable to the DRT Deputy.
- DOA stated that the OPA Deputy position did not meet the know how, complexity and accountability for a higher grade.



# Deputy PA Salary Lowest Among States

- Even with a salary of \$66,364, according to the 2008 edition of Auditing of the States, updated annually by the National Association of State Auditors, out of 52 states and territories, Guam's Deputy salary is the lowest.
- At \$73,020, the Deputy salary would still remain the lowest.



# Existing Salary Ranges Lowest Among States

- Similarly the starting salaries of entry level, middle level and upper level auditors are also the lowest of the 52 states and territories.
- Auditor I - \$24,656 to \$52,170
- Auditor II - \$26,520 to \$56,114
- Auditor III - \$28,768 to \$60,681
- Chief Auditor - \$33,811 to \$71,541



# OPA Staff Recruited to Autonomous Entities

- Since 2006, OPA has lost 9 professional staff.
- Nearly all the 9 individuals left because of significantly higher salaries.
- An Audit Supervisor earning \$71,541 was recruited by UOG for a salary of \$85,500.
- An Auditor II earning \$39,780 was hired by GPA for \$62,765 (M-05B).
- Most recently, the Deputy Public Auditor with a salary of \$60,528 was recruited by GWA for a salary of \$73,596 (M9B). The protracted effort to upgrade the deputy salary took its toll.



# Personnel Flexibility Given to Other Entities

- Autonomous entities have flexibility to hire personnel as appropriate.
- Precedents have been established by statute to allow piece meal legislation.
- Autonomous entities have their own pay plan and most recently GPA, PAG, and GIAA have updated their compensation plans.
- Attorneys at Dept. of Law have a separate pay plan by statute.
- Dept. of Rev. & Tax. in P.L. 29-113 adopted the Federal Internal Revenue Service pay structure.



# Hiring Policies

- We ask Senators to review the hiring policies and practices of DOA to find a more expeditious, efficient and equitable method to hire, promote, recruit, and retain qualified personnel.
- Retention of qualified individuals remains an ongoing challenge. OPA, under the purview of DOA HR personnel management, is unable to respond to autonomous entities who have greater personnel flexibility.



# OPA Compensation Plan

- With this 2010 budget, OPA requests a new Compensation and Classification Plan for OPA personnel by statute. The plan is:
- Patterned after the Federal government pay structure.
- Mirrors the job descriptions of the Department of Interior Office of Inspector General Auditor and Evaluator series.
- Adopts the Federal General Schedule (GS) pay structure.



# OPA Compensation Plan

- Should attract qualified candidates, retain existing professionals, promote career advancement and remain competitive in the market place.
- OPA's competition for entry level and mid level auditors and evaluators are private CPA firms, autonomous entities, and the federal government.



# Hay Methodology

- Maintaining the Hay Methodology requires periodic appropriation to update salary levels.
- Hay Methodology has not been updated in over 15 years.
- Why is GovGuam married to the Hay Methodology?
- Why not adopt the Federal government pay structure?



# Adopt Federal Pay Structure

- Adoption of the Federal GS pay structure does not require appropriation as the GS pay structure is regularly updated.
- Job descriptions for thousands of positions already available.



# DOA Opposition

- DOA is not supportive of OPA's Compensation and Classification Plan.
- DOA HR acknowledges that GovGuam currently lack sufficient compensation levels to be competitive in today's labor market.
- DOA states that this issue cannot be solved through piece-meal legislation that approve differential pay increases for such positions as nurses, lawyers, law-enforcement/public safety, and teachers, but it is done repeatedly.



# DOA Opposition

- DOA classification and compensation staff are not familiar with the federal government methodology and therefore it would be the responsibility of the OPA to administer the methodology for the specific positions.
- OPA seeks to hire staff following the federal pay structure without DOA HR involvement.
- Review and post audit instead would be conducted by the Civil Service Commission.



# DOA Opposition

- Piece meal legislation has been and continues to be the manner in which the vast majority of positions such as nurses, lawyers, law enforcement, public safety, and teachers have received increased compensation while other positions lagged.



# Salary Adjustment for OPA Personnel

- We ask the Legislature to adjust the salaries of OPA personnel via statute similar to what has been enacted in P.L. 29-113 for DRT personnel, with the adoption of the IRS federal GS pay structure.



# Appropriation History

- Over the last 4 years, appropriated funds have varied considerably.
- FY 2006 \$972,395
- FY 2007 \$946,477
- FY 2008 \$856,547 (after Governor's transfer of \$320,692; originally \$1,177,239)
- FY 2009 \$1,108,676



# FY 2010 Budget Request

- Given the General Fund's over half billion deficit and the fiscal challenges of financing the closure of the Ordot Dump and the opening of a new landfill, the FY 2010 Budget leaves little for growth.
- OPA requests a lump sum budget of \$1,100,000 a modest reduction of \$8,676. A 1.13% increase in retirement contribution from 25.20% in FY 2009 to 26.33% for FY 2010 and increases in medical and dental insurance premiums are absorbed within the request.



# Cost of Implementation of New Plan

- The cost of implementation the federal GS pay schedule of \$65K has also been factored in the budget request.



# Personnel Lapses

- For FY 2009, with a staff complement of 9 and 9 vacancies we estimate personnel lapses of \$300K.
- This represents 30% of our appropriation that can be used toward deficit reduction. However if these personnel lapses are transferred to other entities to increase their overall budget as what occurred in FY 2008 deficit reduction will not occur.



# OPA Personnel Lapses

- In FY 2008, personnel lapses of \$321K would have contributed to deficit reduction, however these lapses were transferred out to cover over expenditures in other areas.
- The budgetary process tends to reward entities who are short as over expenditures are covered and penalizes entities who are frugal.



# FY 2010 Budget Request

• Salaries & Benefits	\$ 917,088
• Rent	86,000
• Contractual	50,000
• Travel	12,000
• Supplies	9,312
• Equipment	10,000
• Telephone	7,600
• Miscellaneous	<u>8,000</u>
• Total	\$1,100,000



# Lease to Expire 9/30/09

- After salaries and benefits, the next largest expenditure is rent.
- OPA's lease will expire Sept. 30, 2009. An IFB was issued March 2009. Rent is budgeted at a slight increase to reflect increase in utilities.



# **Office of the Public Auditor**

## **FY 2010 - Budget Presentation / Procurement Appeals**

March 2009

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# Procurement Appeals

- Procurement Appeals became fully operational and OPA began accepting appeals in October 2006, when the rules of procedures were promulgated through the AAA.
- The designation of OPA as the hearing authority for Procurement Appeals indicates trust and confidence in OPA. We are appreciative of the Legislature's trust and will continue to ensure fair and balanced procedures for all procurement appeals.



# Procurement Appeals

- Since OPA first accepted appeals in October 2006, 26 appeals have been filed:
  - 3 appeals were filed in CY 2006
  - 11 appeals were file in CY 2007
  - 12 appeals were file in CY 2008



# Procurement Appeals

- During CY 2008, OPA addressed 18 appeals.
  - Six received Decisions following a Hearing;
  - Five received Decisions on the Record;
  - Three received either a Hearing or Pre-Hearing but remained open at year end;
  - Three were Dismissed due to PA conflict, and
  - One was Dismissed due to resolution by party & agency



# Procurement Appeals

- Of the three which remained open at year end:
  - One received a Hearing in 2008 and the Decision was issued in January 2009, and
  - Two had Hearings in January 2009 and the Decisions were issued in February 2009



# Procurement Appeals

- Beginning in FY 2008, OPA contracted two private attorneys to serve as Hearing Officers and reassigned one audit staff to handle the large workload.
- Prior to hiring two Hearing Officers, the OPA had a single in-house counsel to handle all appeals filed.
- OPA also contracted a third attorney to handle OPA's growing caseload for FY 2009-2011.



# Procurement Appeals

- Having three attorneys allowed OPA to close out a number of pending appeals and move swiftly.
- Conflicts were also considered should any Hearing Officer be in conflict with a specific appellant or appellee involved in an appeal.
- A Year in Review Follows. . .



# Appeals Addressed in 2008

- Dismissals:
  - 08-001 (Far East Equipment vs. GSA / PAG)
  - 08-002 (Far East Equipment vs. GSA / PAG)
    - Both dismissed due to the Public Auditor's personal impairment with PAG's attorneys
  - 08-005 (Guam Cleaning Masters vs. UOG)
    - Appeal resolved between parties and dismissed
  - 08-010 (Teal Pacific LLC vs. GMHA)
    - Dismissed due to the Public Auditor's personal impairment with principal of Teal Pacific



# Appeals Addressed in 2008

- Decisions Issued:
  - 07-005 (Jones and Guerrero vs. GMHA)
    - OPA determined that J&G was responsive but GMHA was ordered to make a determination on whether J&G was responsible. OPA also clarified the differences between responsible and responsiveness and reiterated that an interested bidder must have both to receive an award.
  - 07-006 (Great-West Retirement Services vs. GGRF)
    - The appeal of Great West was upheld and GGRF was ordered to re-enter negotiations with Great West. OPA found that GGRF's termination of price negotiations with Great West lacked justification as no price analysis or explanation was offered for the “reasonable” rates GGRF preferred.



# Appeals Addressed in 2008

- Decisions Issued:
  - 07-007 (Dick Pacific Construction Inc. vs. GIAA)
    - The appeal was denied as OPA found that GIAA properly rejected Dick Pacific's bid as non-responsive for failure to submit a specialty C41 contractor's license and resumes of key engineering staff.
  - 07-009 (Pacific Security Alarm vs. GMHA)
    - The appeal was upheld as GMHA improperly cancelled the IFB after opening. Based on GMHA's rules, GMHA should have "rejected" PSA's bid instead of "cancelling." As a result, PSA became prejudiced by the bid cancellation as it occurred after opening. OPA also determined that GMHA was correct in not going forward due to funding as PSA proposed an amount over budget.
  - 07-010 (Far East Equipment Company vs. PAG)
    - The appeal was denied as OPA found that GSA correctly awarded the bid to Morricco the lowest priced bidder who was both responsible and responsive. Far East was properly rejected as non-responsive.



# Appeals Addressed in 2008

- Decisions Issued:

- 08-003( Jones and Guerrero Co. dba Island Business Systems vs. GPSS)
  - No decision was made on the merits of the appeal, as GPSS failed to respond to IBSS's protest. GPSS was ordered to issue a Decision on the protest, and the appeal was re-filed and decided on its merits in OPA-PA-08-011.
- 08-004 (O&M Energy vs. GPA)
  - The appeal was upheld in part and denied in part. OPA determined that GPA was incorrect to reject O&M on its price as the criteria for price proposals were not made clear. GPA was ordered to cancel and re-do the multi-step bid, with clarification on limits for escalation rates, discounts, and other costs.



# Appeals Addressed in 2008

- Decisions Issued:
  - 08-006 (Oceania Collection Services vs. DCA)
    - The appeal was upheld and DCA was ordered to cancel the bid. OPA found the procurement process flawed as DCA issued an RFP instead of an IFB. Further, DCA improperly awarded a contract to both a late and higher priced bidder.
  - 08-007 (Guam Publications Inc. vs. GSA)
    - The appeal was upheld and GSA was ordered to cancel the award. OPA found that GSA incorrectly awarded the contract to a non-responsive bidder who failed to submit a statement of qualifications.



# Appeals Addressed in 2008

- Decisions Issued:
  - 08-009 (Captain Hutapea & Assoc. vs. GHURA)
    - The appeal was denied as OPA determined that GHURA correctly awarded the RFP to the most responsible and responsive offeror.
  - 08-011 ( Jones and Guerrero Co. dba Island Business Systems vs. GPSS)
    - The appeal was upheld and GPSS was ordered to cancel their contract with Xerox. GPSS could not provide any evidence of competitive procurement in its determination to award Xerox the contract.



# CY 2008 Appeals in Progress

At the close of CY 2008, 3 appeals were in progress:

- 07-011 (JMI Medical Systems vs. GMHA)
  - Decision issued in January 2009
- 08-008 (Latte Treatment Center vs. DMHSA)
- 08-012 (IBSS vs. GSA)
  - Both Decisions issued in February 2009

To date, no appeals remain open.



# Decisions Taken to Superior Court

- Following the issuance of a Decision, parties have 14 days to exercise their right to appeal a Decision to the Superior Court.
- In CY 2008, three OPA Decisions were appealed to the Superior Court:
  - 06-003 (L.P. Ganacias vs. GSA and Guam OHS / filed in March 2007)
    - Appealed by S.E.S. Inc., party whose contract was cancelled as OPA Decision determined that its sole source award was improper.
  - 07-002 (Emissions Technologies Inc. vs. GPA / filed in August 2007 )
    - Appealed by TRC Environmental, party whose contract was cancelled for failure to obtain a Guam business license at the time of RFP submission.
  - 08-011 (IBSS vs. GPSS / filed in December 2008)
    - Appealed by Xerox Corp. whose contract was determined by OPA as invalid since no evidence of competitive procurement for award was provided by GPSS.



## Decisions Taken to Superior Court

- Of the three, only the 07-002 Decision has gone to Hearing in the Superior Court.
- The other two await Hearings.
- The Judgment for the appealed 07-002 Decision was issued in December 2008.
  - The Superior Court ruled that OPA's Decision was invalid.



## Decisions Taken to Superior Court

- According to the Decision and Order re 07-002, the 15-day deadline for the disappointed vendor to file the appeal with OPA had expired. On the business license, the Court did not agree with OPA on the “immediate need” for a business license at the time of the RFP’s closing as negotiations and acceptance of a price offer were still to be developed.
- GPA was allowed to re-enter price negotiations with TRC.



# FY 2010 Budget Request Procurement Appeals

It is the OPA's goal to have its Hearing Officers

- (1) be readily available to handle the time sensitive appeals, considering potential conflicts and time constraints and
- (2) resolve filed appeals within a 90-day time frame.



# FY 2010 Budget Request Procurement Appeals

- In FY 2010, we request a budget of **\$150,000** a decrease of 8% or \$13,106 from FY 2009. The decrease reflects the reduced number of appeals filed in CY 2009 and also recognizes the government's fiscal problems.
  - To date, only one appeal has been filed for CY 2009
  - Despite this, it is difficult to determine if OPA can expect fewer appeals in CY 2009 as appeals can be filed at any time throughout the year.
  - Should the number of appeals decrease lapsed funds will return to the General Fund.



# Procurement Appeals

## FY 2010 Budget Request

• Contractual	\$ 69,872
• Salaries & Benefits	58,628
• Travel	6,000
• Supplies	1,500
• Equipment	6,000
• Rent	7,500
• Misc	500
• Total	<hr/> <b><u>\$150,000</u></b>



# Past Procurement Appeal Appropriations

- FY 2006 \$ 100,000
- FY 2007 \$ 115,000
- FY 2008 \$ 173,193
- FY 2009 \$ 163,106



# Procurement Appeals Savings

- If Procurement Appeals were a separate entity, there would have been additional costs. Cost savings and other benefits include:
  - OPA staff provides administrative support, including back-up personnel when on leave
  - Common Use of OPA equipment, telephone and fax numbers, fax and copy machines, and the website
  - OPA audits provide historical perspective of procurement



# Procurement Appeals Savings

- Cost savings have also been realized through hiring contractual attorneys vs. a full-time attorney:
  - In FY 2007, OPA's full time attorney received a salary of \$80,000 plus benefits of \$21,900
  - In FY 2008, OPA paid two attorneys just under \$70,000 for procurement appeal work
  - Unused funds lapsed and returned to the General Fund



# Proposed Amendments to Procurement Appeals Rules & Law

## Proposed Rule Changes

- Issuing Separate Findings of Fact
  - Amend 2 GAR Section 12110 to eliminate the requirement for the Hearing Officer (HO) to issue a separate Findings of Fact and provide for only one Decision issued by the PA, with guidance from the HO
- Disqualification of Public Auditor
  - Amend 2 GAR Section 12602 to allow for other OPA officers (i.e. audit supervisor or HO) to hear appeals should the PA be disqualified rather than have appeals be taken to Superior Court, provided the alternates are not in conflict.
  - Amend 2 GAR Section 12104 to remove the seven-day deadline requiring parties to file their motion to object to the PA hearing an appeal as the section conflicts with Section 12602 which allows parties to raise these objections at any time prior to hearing.

## Proposed Law Changes

- Decisions of the Public Auditor
  - Amend 5 GCA Section 5702 to allow other officers of OPA (i.e. audit supervisor or HO) to issue a decision once the Public Auditor is disqualified or in conflict and cannot take appropriate action on an appeal .

OPA will go through the AAA for all proposed rule changes and will request any amendments to law to the Legislature.

**Government of Guam  
Fiscal Year 2010 Budget**

Department/Agency Budget Certification

Department/Agency: Office of the Public Auditor and Procurement Appeals

Department/Agency Head: Doris Flores Brooks, CPA, CGFM, Public Auditor

This is to certify that I have carefully reviewed the attached budget documents and find the amounts budgeted are within the Governor's established ceiling and are in order of priority to execute the mission, goals, and objectives of this department for Fiscal Year 2010. I further certify the accuracy of the information contained in this document.

Department/Agency Head: *Doris Flores Brooks* Date: 3/16/09  
(Signature)



**BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
FY 2010 BUDGET DOCUMENT CHECKLIST**

**Department/Agency:** Office of the Public Auditor and Procurement Appeals **Date Received by BBMR:** \_\_\_\_\_  
**Division/Program:** Office of the Public Auditor and Procurement Appeals **Date Reviewed:** \_\_\_\_\_

	<u>Department/Agency</u>		<u>BBMR</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
<u>General</u>				
Is the department/agency request within the Governor's established ceiling?	N/A	_____	_____	_____
Is the summary digest consistent with detail pages?	x	_____	_____	_____
Are the required budget forms attached?	x	_____	_____	_____
a. Agency Budget Certification Form [BBMR ABC]	x	_____	_____	_____
b. Agency Narrative Form [BBMR AN-N1] (See OPA PowerPoint Presentation)	x	_____	_____	_____
c. Decision Package [BBMR DP-1] (See OPA PowerPoint Presentation)	x	_____	_____	_____
d. Program Budget Digest Forms [BBMR BD-1, BBMR TA-1, BBMR 96A]	x	_____	_____	_____
e. FY 2010 (Proposed) Agency Staffing Pattern Forms [BBMR SP-1]	x	_____	_____	_____
f. FY 2009 (Current) Agency Staffing Pattern Forms [BBMR SP-1]	x	_____	_____	_____
g. Federal Program Inventory Form [BBMR FP-1]	x	_____	_____	_____
h. Equipment/Capital Listing & Space Requirement Form [BBMR EL-1]	x	_____	_____	_____
I. Agency Budget Certification Form [BBMR ABC] Has the Department/Agency certified that all amounts budgeted are within the Governor's established ceiling and are in order of priority to execute the mission, goals and objectives of this department for FY 2010?	x	_____	_____	_____
II. Agency Narrative Form [BBMR AN-N1] (See Power Point Presentation)				
1. Is the mission statement correct and consistent with the department/agency's enabling act?	x	_____	_____	_____
2. Are the goals and objectives correct and consistent with the department/agency's mission?	x	_____	_____	_____
III. Decision Package [BBMR DP-1] (See Power Point Presentation)				
1. Is activity description correct?	x	_____	_____	_____
2. Is major objective correct?	x	_____	_____	_____
3. Are short term goals correct?	x	_____	_____	_____
4. Is workload output reflected correctly?	x	_____	_____	_____
IV. Program Budget Digest Forms [BBMR BD-1, BBMR TA-1, BBMR 96A]				
A.) BBMR BD-1				
<u>Personnel Services</u>				
1. Are figures reflected consistent with the attached staffing pattern(s)?	x	_____	_____	_____
2. Are amounts reflected in each column accurate?	x	_____	_____	_____
3. Are computations correct?	x	_____	_____	_____
<u>Operations</u>				
1. Are the amounts reflected under columns, "Governor's Request", for each object category consistent with respective schedules (Schedule A - E) as detailed in the budget digest subforms (BBMR TA-1 & BBMR 96A)?	x	_____	_____	_____
2. Are amounts reflected in each column accurate?	x	_____	_____	_____
3. Are computations correct?	x	_____	_____	_____
<u>Utilities</u>				
Are amounts reflected in each column correct?	x	_____	_____	_____
<u>Capital Outlay</u>				
Are amounts reflected under columns, "Governor's Request", consistent with schedule F as detailed in the budget digest subform, [BBMR 96A)?	x	_____	_____	_____
<u>Full Time Equivalencies (FTEs)</u>				
Are the number of FTEs for both "Unclassified" and "Classified" accurately reflected under each column?	x	_____	_____	_____

**BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
FY 2010 BUDGET DOCUMENT CHECKLIST**

Department/Agency: Office of the Public Auditor and Procurement Appeals  
Division/Program: Office of the Public Auditor and Procurement Appeals

Date Received by BBMR: \_\_\_\_\_  
Date Reviewed: \_\_\_\_\_

	Department/Agency		BBMR	
	Yes	No	Yes	No
<b>B.) BBMR TA-1</b>				
1. Is the purpose/justification for travel defined?	x	_____	_____	_____
2. Is/Are the travel date(s) and number of travelers reflected?	x	_____	_____	_____
3. Is/Are the position title(s) of the traveler(s) reflected?	x	_____	_____	_____
4. Are all columns (Air Fare, Per Diem, Registration, and Total Cost) accurate?	x	_____	_____	_____
<b>C.) BBMR 96A</b>				
1. Are "Items" under schedules B - F listed in detail?	x	_____	_____	_____
2. Is the "Quantity" under schedules B - F reflected for respective items?	x	_____	_____	_____
3. Is the "Unit Price" and "Total Price" accurate for each item under schedules B - F?	x	_____	_____	_____
<b>V. Agency Staffing Pattern Forms [BBMR SP-1]</b>				
1. Are position titles correct?	x	_____	_____	_____
2. Are position numbers reflected?	x	_____	_____	_____
3. Are the salary levels consistent with the Civil Service Commission, Classification and Pay Plan?	x	_____	_____	_____
4. Are filled positions funded?	x	_____	_____	_____
5. Are increment amounts reflected (should be no per Public Law)?	x	_____	_____	_____
6. Are rates reflected under "Benefits" correct?	x	_____	_____	_____
7. Are computations correct?	x	_____	_____	_____
<b>VI. Federal Program Inventory Form [BBMR FP-1]</b>				
Is the form complete and accurate?	x	_____	_____	_____
<b>VII. Equipment/Capital Listing &amp; Space Requirement Form [BBMR EL-1]</b>				
1. Is the description of the equipment and/or capital item(s) detail?	x	_____	_____	_____
2. Is the "quantity" and "percentage of use" reflected?	x	_____	_____	_____
3. Are space requirements descriptive and total space reflected and accurate?	x	_____	_____	_____

**DEPARTMENT:**  
Prepared By: Anne T. S. Camacho, Administrative Officer  
March 16, 2009  
Date

Approved By: Doris Flores Brooks, CPA, CGFM, Public Auditor  
March 16, 2009  
Date

**BBMR ACTION:**

Recommendation  
 Approval  
 Disapproval

\_\_\_\_\_  
Analyst

\_\_\_\_\_  
Date



**Government of Guam  
Fiscal Year 2010 Budget  
Department / Agency Narrative**

**FUNCTION:** Office of the Public Auditor and Procurement Appeals

**DEPT. / AGENCY:** Office of the Public Auditor and Procurement Appeals

**\*\*See Power Point Presentation for Complete Narrative Details\*\***

**MISSION STATEMENT:**

**To improve the public trust, we audit, assess, analyze, and make recommendations for accountability, transparency, effectiveness, efficiency, and economy of government of Guam independently, impartially, and with integrity.**

**GOALS AND OBJECTIVES:**

- 1) Maintain the independence of the Office of the Public Auditor.**
- 2) Deliver timely, reliable, and quality reports.**
- 3) Advance staff competence.**
- 4) Increase public knowledge of OPA's mission, work, and impact.**
- 5) Build and improve relations with audited entities.**





Government of Guam  
Fiscal Year 2010  
Budget Digest

[BBMR BD-1]

Function: Office of the Public Auditor - Procurement Appeals  
Department: Procurement Appeals  
Program: Procurement Appeals

Account Code	Appropriation Classification	FY 2008 Expenditures & Encumbrances	FY 2009 Authorized Level	FY 2010 General Fund	FY 2010 Federal Match Fund(s)	FY 2010 Other Fund I/	FY 2010 Total Req. (C+D+E)	Continuing Benefits												
								FY 2010 January 2010-01	FY 2010 February 2010-02	FY 2010 March 2010-03	FY 2010 April 2010-04	FY 2010 May 2010-05	FY 2010 June 2010-06	FY 2010 July 2010-07	FY 2010 August 2010-08	FY 2010 September 2010-09	FY 2010 Total			
111	Regular Salaries/Increments	\$40,075	\$38,122	\$43,018	\$0	\$0	\$43,018	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$43,018
112	Overtime/Special Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
113	Benefits	12,372	11,900	15,610	0	0	15,610	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
	<b>TOTAL PERSONNEL SERVICES</b>	\$52,447	\$50,022	\$58,628	\$0	\$0	\$58,628	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$3,585	\$58,628
220	TRAVEL- Off-island/Local Mileage Reimbarr.	\$3,608	\$4,000	\$4,000	\$0	\$0	\$4,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,000
230	CONTRACTUAL SERVICES:	71,290	95,100	69,872	0	0	69,872	5,822	5,822	5,822	5,822	5,822	5,822	5,822	5,822	5,822	5,822	5,822	5,822	69,872
233	OFFICE SPACE RENTAL:	0	7,500	7,500	0	0	7,500	624	624	624	624	624	624	624	624	624	624	624	624	7,500
240	SUPPLIES & MATERIALS:	466	1,500	1,500	0	0	1,500	100	100	100	100	100	100	100	100	100	100	100	100	1,500
250	EQUIPMENT:	2,768	3,000	6,000	0	0	6,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	6,000
270	WORKERS COMPENSATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
271	DRUG TESTING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
280	SUB-RECIPIENT/SUBGRANT:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
290	MISCELLANEOUS:	553	1,984	500	0	0	500	6,546	6,546	6,546	6,546	6,546	6,546	6,546	6,546	6,546	6,546	6,546	6,546	6,000
	<b>TOTAL OPERATIONS</b>	\$74,684	\$113,084	\$91,372	\$0	\$0	\$91,372	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$91,372
361	Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
362	Water/ Sewer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
363	Telephone/ Toll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL UTILITIES</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
450		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>TOTAL</b>	\$131,171	\$163,106	\$150,000	\$0	\$0	\$150,000	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$6,546	\$91,372

I/ Specify Fund Source

UNCLASSIFIED	CLASSIFIED
1.00	0.00
0.00	0.00
1.00	1.00

Schedule A - Off-Island Travel

Department/Agency: Office of the Public Auditor  
 Division: Office of the Public Auditor  
 Program: Office of the Public Auditor

Purpose / Justification for Travel				
To attend National State Auditor Association (NSAA) Annual Conference and Association of Government Auditors (ALGA) Annual Conference held in the summer of each year.				
Travel Date: Summer 2010		No. of Travelers: 1		
Position Title of Traveler(s)	Air Fare	Per diem	Registration	Total Cost
Public Auditor (NSAA)	\$ 1,500.00	\$ 1,000.00	\$ 700.00	\$ 3,200.00
Public Auditor (ALGA)	\$ 1,500.00	\$ 1,000.00	\$ 500.00	\$ 3,000.00

Purpose / Justification for Travel				
To attend the Association of Government Accountants (AGA) Annual Professional Development Conference (PDC) held in the summer of each year.				
Travel Date: Summer 2010		No. of Travelers: 1		
Position Title of Traveler(s)	Air Fare	Per diem	Registration	Total Cost
Public Auditor	\$ 1,500.00	\$ 800.00	\$ 600.00	\$ 2,900.00
	\$ -	\$ -	\$ -	\$ -

Purpose / Justification for Travel				
To attend the Association of Pacific Island Public Auditors (APIPA) Annual Conference held in the summer of each year.				
Travel Date: Summer 2010		No. of Travelers: 1		
Position Title of Traveler(s)	Air Fare	Per diem	Registration	Total Cost
Public Auditor	\$ 1,500.00	\$ 800.00	\$ 600.00	\$ 2,900.00
	\$ -	\$ -	\$ -	\$ -

- 1/ Provide justification for multiple travelers attending the same conference / training / etc.
- 2/ Rates must be consistent with Title 5 GCA, Div.2, Ch.23, §23104 and federal Joint Travel Regulations

Schedule A - Off-Island Travel

Department/Agency: Office of the Public Auditor - Procurement Appeals  
 Division: Procurement Appeals  
 Program: Procurement Appeals

Purpose / Justification for Travel				
To attend American Bar Association (ABA) Annual Government Contracts Conference.				
Travel Date: Fall 2010			No. of Travelers: 2	
Position Title of Traveler(s)	Air Fare	Per diem 2/	Registration	Total Cost
Hearing Officer (Primary)	\$ 1,500.00	\$ 1,000.00	\$ 500.00	\$ 3,000.00
Hearing Officer (Secondary)	\$ 1,500.00	\$ 1,000.00	\$ 500.00	\$ 3,000.00

Purpose / Justification for Travel				
To attend Annual Federal Procurement Institute Conference.				
Travel Date:			No. of Travelers: 1	
Position Title of Traveler(s)	Air Fare	Per diem 2/	Registration	Total Cost
	\$ -	\$ -	\$ -	\$ -

Purpose / Justification for Travel				
Travel Date:			No. of Travelers: 1	
Position Title of Traveler(s)	Air Fare	Per diem 2/	Registration	Total Cost
	\$ -	\$ -	\$ -	\$ -

1/ Provide justification for multiple travelers attending the same conference / training / etc.

2/ Rates must be consistent with Title 5 GCA, Div.2, Ch.23, §23104 and federal Joint Travel Regulations

## Schedule B- Contractual

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
Website Hosting/Maintenance	12	1100	\$ 13,200.00	X	
CPA Consulting Services	12	1000	\$ 12,000.00	X	
OPA Legal Services	12	1200	\$ 14,400.00	X	
OPA Leased Copier + Add'l Copy Usage	12	550	\$ 6,600.00	X	
Professional Assn. Memberships	11	300	\$ 3,300.00	X	
Professional Publications Subscriptions	2	250	\$ 500.00	X	
<b>Total Contractual</b>			\$ 50,000.00		

## Schedule C - Supplies &amp; Materials

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
General Office Supplies	12	776	\$ 9,312.00	X	
			\$ -		
			\$ -		
			\$ -		
			\$ -		
<b>Total Supplies &amp; Materials</b>			\$ 9,312.00		

## Schedule D - Equipment

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
Laptop Computers	4	1500	\$ 6,000.00	X	
Laser Printers	4	350	\$ 1,400.00	X	
Monitors	4	300	\$ 1,200.00	X	
Computer Accessories (Flash Drives, USB cables, etc)	10	100	\$ 1,000.00	X	
UPS Power Surge Protectors	4	100	\$ 400.00	X	
			\$ -		
<b>Total Equipment</b>			\$ 10,000.00		

## Schedule E - Miscellaneous

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
OPA Vehicles - General Maintenance and Repairs	12	300	\$ 3,600.00	X	
Computer Antivirus and Maintenance Repairs	9	200	\$ 1,800.00	X	
Public Notice Print Advertising	4	500	\$ 2,000.00	X	
Print Advertising (Procurement Bids, etc)	2	300	\$ 600.00	X	
			\$ -		
			\$ -		
<b>Total Miscellaneous</b>			\$ 8,000.00		

## Schedule F - Capital Outlay

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
<b>Total Capital Outlay</b>			\$ -		

Schedule B- Contractual

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
Hearing Officer	11	5822	\$ 64,042.00	X	
Hearing Officer	1	5830	\$ 5,830.00	X	
			\$ -		
			\$ -		
			\$ -		
			\$ -		
<b>Total Contractual</b>			\$ 69,872.00		

Schedule C - Supplies & Materials

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
General Office Supplies	12	125	\$ 1,500.00	X	
			\$ -		
			\$ -		
			\$ -		
			\$ -		
<b>Total Supplies &amp; Materials</b>			\$ 1,500.00		

Schedule D - Equipment

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
Microphones	2	100	\$ 200.00	X	
Office Furniture: (2) Desk with credenza	2	1400	\$ 2,800.00		X
Office Furniture: (3) Bookshelves	3	500	\$ 1,500.00		
Office Furniture: (2) Lateral File Cabinets	2	750	\$ 1,500.00		
			\$ -		
			\$ -		
<b>Total Equipment</b>			\$ 6,000.00		

Schedule E - Miscellaneous

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
Transcription Fees	1	300	\$ 300.00	X	
Legal procurement reference materials	1	200	\$ 200.00	X	
			\$ -		
			\$ -		
			\$ -		
			\$ -		
<b>Total Miscellaneous</b>			\$ 500.00		

Schedule F - Capital Outlay

Item	Quantity	Unit Price	Total Price	Funded in FY 2009?	
				Yes	No
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
<b>Total Capital Outlay</b>			\$ -		





Government of Guam  
Fiscal Year 2009  
Agency Staffing Pattern  
PROPOSED

FUNCTIONAL AREA: Office of the Public Auditor  
DEPARTMENT/AGENCY: Office of the Public Auditor  
PROGRAM: Office of the Public Auditor

JND: 5100A109959CT001.111.113

Input by Department																			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	
Position Number	Position Title	Name of Incumbent	Grade/Step	Salary	Overtime	Special*	Date	Increment Amt.	(E+F+G+I) Subtotal	(J * 26.33%) Retirement	(L) Retire (DDI) (\$15.52*26PP)	(M) Social Security (6.2% * J)	(N) Medicare (1.45% * J)	(O) Life	(P) Medical (Premium)	(Q) Dental (Premium)	(R) Total Benefits (K thru Q)	(S) (J + R) TOTAL	
1	Public Auditor	Doris Flores Brooks	L-11	\$100,000	\$0	\$0	4/22/2009	1,441	\$100,000	26,330	\$0	\$0	\$1,450	\$174	\$1,381	\$180	\$29,515	\$129,515	
2	Administrative Officer	Anne T. S. Canacho	O-10	41,172	0	0	4/1/2011	1,775	42,613	11,220	0	0	618	174	2,233	270	14,515	57,128	
3	Chief Auditor/Audit Supervisor	Rodilyn May G. Mirquez	K-05	30,820	0	0	4/1/2010	1,233	32,053	13,821	0	0	761	174	3,164	385	18,505	70,797	
4	Auditor I	Jerrick Hernandez	L5-00	49,773	0	0	12/31/2010	2,322	52,095	13,717	0	0	465	174	1,381	180	10,639	42,692	
5	Deputy (Assistant) Public Auditor	Vacant (75% Annual Salary)	K-05	23,115	0	0		1,333	24,348	6,411	0	0	755	174	1,381	180	16,207	68,302	
6	Auditor I/Mgmt. Analyst I	Vacant (75% Annual Salary)	M-10	43,018	0	0	4/1/2011	1,506	44,524	0	2,760	0	646	174	3,607	414	7,601	52,125	
7	Auditor III	Maripaz N. Perez	L-05	16,575	0	0		1,392	17,967	4,731	0	0	261	174	1,381	180	9,487	27,454	
8	Auditor I/Mgmt. Analyst II	Vacant (75% Annual Salary)	K-05	23,115	0	0		1,333	24,348	6,411	0	0	353	174	1,381	180	8,499	32,847	
9	Auditor I/Mgmt. Analyst I	Vacant (75% Annual Salary)	L-10	39,780	0	0	4/1/2011	1,392	41,172	10,841	0	0	597	174	3,607	414	15,633	56,805	
10	Management Analyst II	Vincent Jon Duenas	K-05	23,115	0	0		1,333	24,348	6,411	0	0	353	174	1,381	180	8,499	32,847	
11	Auditor I/Mgmt. Analyst I	Vacant (75% Annual Salary)	L-10	39,780	0	0	10/1/2010	1,392	41,172	10,841	0	0	597	174	3,607	414	15,633	56,805	
12	Auditor II	Franklin J. T. Cooper-Nurse	N-10	34,947	0	0		1,631	36,578	9,631	0	0	530	174	1,381	180	11,896	48,474	
13	Investigator	Vacant (75% Annual Salary)	N-19	63,506	0	0		2,322	65,728	17,306	0	0	953	174	3,607	414	22,454	88,182	
14	Management Analyst IV	Lourdes R. Perez	L-10	39,780	0	0	4/1/2011	1,392	41,172	10,841	0	0	597	174	1,381	180	13,173	54,345	
15	Auditor III	Llewelyn T. Restuvog	M-10	43,108	0	0	4/1/2010	1,434	44,542	11,728	0	0	646	174	3,164	385	16,097	60,639	
16	Auditor III	Gopinath Ramakrishnan	Part-time	4,000	0	0		0	4,900	1,053	0	0	58	174	0	0	1,285	5,285	
17	Special Projects Coordinator	Catherine S. Gault																	
Grand Total:										\$689,152	\$169,731	\$0	\$2,760	\$9,993	\$2,958	\$35,418	\$4,316	\$227,936	\$917,088

Right Differential / Hazardous / Worker's Compensation / etc.  
Salary projections above Step 1 for Vacant Positions are subject to final approval by the DOA Director in accordance with mandated Recruitment Above Step (RAS) requirements.  
Salary requests for Vacant positions project 75% of annual salary to factor in processing time required to (1) recruit classified staff; and (2) prepare and submit Recruitment Above Step (RAS) petitions to DOA HIR for final approval.







Bureau of Budget and Management Research  
Performance Based Budgeting

**STRATEGIC PLAN  
PLANNING PERIOD - FY 2009-2018**

Department: **Office of the Public Auditor and Procurement Appeals**

1. Dept. / Agency Mission (as mandated by public law or Governor's Executive Orders):

**To improve the public trust, we audit, assess, analyze, and make recommendations for accountability, transparency, effectiveness, efficiency, and economy of government of Guam independently, impartially, and with integrity.**

2. Dept. / Agency core values (Over-arching goals):

**Accountability  
Independence  
Transparency  
Impartiality  
Integrity**

3. Dept. / Agency's Vision (10-Year vision): (Determine a realistic, credible, and an idealized view of where or what the organization would like to be in the future):

**Goals:**

- 1) **Maintain the independence of the Office of the Public Auditor.**
- 2) **Deliver timely, reliable, and quality reports.**
- 3) **Advance staff competence.**
- 4) **Increase public knowledge of OPA's mission, work, and impact.**
- 5) **Build and improve relations with audited entities.**

4. Legislative mandates (Missions defined by public laws):

**OPA's enabling legislation is 1GCA, Chapter 19, Sections 1900 to 1921.**

5. Recommended legislative initiatives (Revisions to existing mandates):

- 1) **Proposed Office name change to Office of Public Accountability.**
- 2) **Proposed Compensation and Classification Plan that mirrors federal structure.**
- 3) **Work with Guam Legislature on legislation relative to OPA's mandates pursuant to 1GCA, Chapter 19, Sections 1900 to 1921.**

6. Challenges faced (Major issues that face your departments within the 10-Year Period):

**See Power Point Presentation**

Bureau of Budget and Management Research  
Performance Based Budgeting

7. Dept. / Agency stakeholders: Those who are affected by or who are likely to be interested in the organization's strategic plan and planning process):

**Taxpayers**  
**General Public**  
**U. S. Federal Government**  
**Other Government of Guam Agencies**  
**Media**  
**Investors**

8. Dept. / Agency future environment:

**See Power Point Presentation**

9. Major new initiatives (Major changes we must make):

**See Power Point Presentation**

10. Outcomes (Planned accomplishments):

**See Power Point Presentation**

11. Each outcome must be determined based on the following: by when, how much and who is responsible for each outcome. This must be followed-up by the task that we must do after each outcome.

**See Power Point Presentation**

- A. The outputs produced, by when, how much, who is responsible?
- B. The inputs requested (Must match to outputs):
- C. How will success be measured?
- D. Identify each performance measures for each output and outcome:

**Office of the Public Auditor  
March 16, 2009**

