

*Internal Control and Compliance*

**Guam Waterworks Authority**  
(A Component Unit of the Government of Guam)

*Year ended September 30, 2025*



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Guam Waterworks Authority  
(A Component Unit of the Government of Guam)

Internal Control and Compliance

Year ended September 30, 2025

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## Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management of Guam Waterworks Authority and  
The Commissioners of the Consolidated Commission on Utilities

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Guam Waterworks Authority (GWA), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise GWA’s basic financial statements (collectively referred to as the “financial statements”), and have issued our report thereon dated June 3, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered GWA’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GWA’s internal control. Accordingly, we do not express an opinion on the effectiveness of GWA’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether GWA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ernst + Young LLP*

June 3, 2026



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## Report of Independent Auditors on Compliance for the Major Federal Programs; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Management of Guam Waterworks Authority and  
The Commissioners of the Consolidated Commission on Utilities

### **Report of Independent Auditors on Compliance for Each Major Federal Program**

#### ***Qualified and Unmodified Opinions***

We have audited Guam Waterworks Authority's (GWA's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of GWA's major federal programs for the year ended September 30, 2025. GWA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Qualified Opinion on ALN 15.875 - Economic, Social, and Political Development of the Territories***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, GWA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on ALN 15.875 - *Economic, Social, and Political Development of the Territories* for the year ended September 30, 2025.

#### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, GWA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

#### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GWA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for the major federal program. Our audit does not provide a legal determination of GWA's compliance with the compliance requirements referred to above.

*Matters Giving Rise to Qualified Opinion on ALN 15.875 - Economic, Social, and Political Development of the Territories*

As described in the accompanying schedule of findings and questioned costs, GWA did not comply with the requirements regarding ALN 15.875 - Economic, Social, and Political Development of the Territories as described in finding number 2025-001 for Procurement, Suspension and Debarment and 2025-002 for Equipment and Real Property Management.

Compliance with such requirements is necessary, in our opinion, for GWA to comply with the requirements applicable to those programs.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to GWA's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GWA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GWA's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding GWA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of GWA’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of GWA’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on GWA’s response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. GWA’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 for Procurement, Suspension and Debarment and Equipment and Real Property Management, respectively, of ALN 15.875 - Economic, Social, and Political Development of the Territories to be material weaknesses.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on GWA's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. GWA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of GWA as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise GWA's basic financial statements. We have issued our report thereon dated June 3, 2026, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Ernst + Young LLP*

June 3, 2026

**Guam Waterworks Authority**  
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards

Year ended September 30, 2025

<u>Federal Grantor/Passed-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Environmental Protection Agency</b>			
Direct Award:			
Environmental Protection Consolidated Grants for the Insular Areas - Program Support	66.600		\$ 12,528,954
Passed-Through from Guam Environmental Protection Agency:			
Environmental Protection Consolidated Grants for the Insular Areas - Program Support	66.600	M00906324	<u>141,805</u>
Total U.S. Environmental Protection Agency			<u>12,670,759</u>
<b>U.S. Department of Interior</b>			
Direct Award:			
Economic, Social, and Political Development of the Territories	15.875		752,449
Passed-Through from Government of Guam - Department of Administration:			
Economic, Social, and Political Development of the Territories	15.875	D19AP00019	<u>1,028,111</u>
Total U.S. Department of Interior			<u>1,780,560</u>
<b>Federal Emergency Management Agency</b>			
Passed-Through from Guam Homeland Security/Office of Civil Defense			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4495	37,673
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4715 Typhoon Mawar	<u>1,025,713</u>
Total Federal Emergency Management Agency			<u>1,063,386</u>
<b>U.S. Department of Treasury</b>			
Passed-Through from Government of Guam - Department of Administration:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	5682C219978AR302	<u>658,643</u>
Total U.S. Department of Treasury			<u>658,643</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$16,173,348</u></b>

Guam Waterworks Authority  
(A Component Unit of the Government of Guam)

Notes to the Schedule of Expenditures of Federal Awards

Year ended September 30, 2025

**1. Scope of Audit**

Guam Waterworks Authority (GWA) is a component unit of the Government of Guam (GovGuam). GWA is subject to the regulations of the Guam Public Utilities Commission (PUC). GWA became an autonomous agency in 1996 under Public Law 23-119. Only the transactions of GWA are included within the scope of the Single Audit.

**Programs Subject to Single Audit**

The Schedule of Expenditures of Federal Awards (the Schedule) presents each Federal program related to the U.S. Environmental Protection Agency, the U.S. Department of Interior, the Federal Emergency Management Agency (FEMA), and the U.S. Department of the Treasury.

During the year ended September 30, 2025, GWA reported FEMA Public Assistance (Assistance Listing Number 97.036) expenditures on the SEFA amounting to \$1,025,713 that were incurred in 2023. The grant was awarded in 2025 by Guam Homeland Security/Office of Civil Defense, as pass-through for FEMA, for Typhoon Mawar recovery costs.

**2. Basis of Presentation**

The accompanying Schedule includes the federal award activity of GWA for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As the Schedule presents only a selected portion of the operations of GWA, it is not intended to and does not present the financial position, changes in net position, or cash flows of GWA.

**3. Summary of Significant Accounting Policies**

**Basis of Accounting**

Expenditures reported on the Schedule are presented on the accrual basis of accounting, consistent with the manner in which GWA maintains its accounting records. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. All expenses and capital outlays are reported as expenditures. GWA has not elected to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance. GWA did not subaward federal funds to subrecipients during the fiscal year ended September 30, 2025.

Guam Waterworks Authority  
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs

Year ended September 30, 2025

**Section I—Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ **Yes**        X   **No**

Significant deficiency(ies) identified?

\_\_\_\_\_ **Yes**        X   **None reported**

Noncompliance material to financial statements noted?

\_\_\_\_\_ **Yes**        X   **No**

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

  X   **Yes**      \_\_\_\_\_ **No**

Significant deficiency(ies) identified?

\_\_\_\_\_ **Yes**        X   **None reported**

Type of auditor’s report issued on compliance for major federal programs:

ALN 66.600

Unmodified

ALN 15.875

Qualified

ALN 97.036

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ **Yes**        X   **No**

Identification of Major Programs:

**Assistance Listing Number(s)**

**Name of federal program or cluster**

66.600

Environmental Protection Consolidated Grants for the Insular Areas - Program Support

15.875

Economic, Social, and Political Development of the Territories

97.036

Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Guam Waterworks Authority  
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Schedule of Findings and Questioned Costs, continued

Dollar threshold used to distinguish between  
Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee?  X  Yes      No

**Section II—Financial Statement Findings**

No matters were reported.

**Section III—Federal Award Findings and Questioned Costs**

<b>Finding No.</b>	<b>Assistance Listing Number</b>	<b>Requirement</b>	<b>Questioned Cost</b>
2025-001	15.875	Procurement, Suspension and Debarment	\$333,198
2025-002	15.875	Equipment and Real Property Management	\$303,960

Guam Waterworks Authority  
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Schedule of Findings and Questioned Costs, continued

**Finding No.:** 2025-001  
Federal Agency: U.S. Department of Interior  
AL Program: Economic, Social, and Political Development of the Territories  
Award No.: D22AP00317 and D20AP00137  
Area: Procurement, Suspension and Debarment  
Questioned Cost: \$333,198

Criteria:

2 CFR § 200.214 requires non-federal entities to ensure that vendors are not suspended or debarred from participating in federal programs. This verification must be performed by:

- Checking the System for Award Management (SAM) Exclusions list,
- Obtaining a certification from the vendor, or
- Including a clause or condition in the transaction that the vendor is not suspended or debarred.

Condition:

During testing of 8 procurement transactions, we noted that GWA did not perform or document suspension and debarment verification for 2 vendors. The total disbursements associated with these vendors amounted to \$333,198.

Cause:

GWA did not consistently implement procedures or controls to ensure that suspension and debarment checks are performed and documented for all applicable vendors.

Effect or Potential Effect:

Failure to perform and document suspension and debarment verification increases the risk that GWA may contract with vendors that are ineligible to receive federal funds, resulting in noncompliance with federal regulations and potential questioned costs.

Recommendation:

We recommend that GWA strengthen its procurement controls by implementing and enforcing procedures to ensure that suspension and debarment verification is performed and properly documented for all applicable vendors prior to contract award. This may include requiring SAM checks, maintaining evidence of verification, and providing periodic training to procurement personnel.

Identification as a Repeat Finding: Not applicable.

Guam Waterworks Authority  
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Schedule of Findings and Questioned Costs, continued

**Finding No.:** 2025-001, continued  
**Federal Agency:** U.S. Department of Interior  
**AL Program:** Economic, Social, and Political Development of the Territories  
**Award No.:** D22AP00317 and D20AP00137  
**Area:** Procurement, Suspension and Debarment  
**Questioned Cost:** \$333,198

Views of Responsible Officials:

GWA acknowledges inconsistent implementation of procedures that required suspension and debarment verifications for 2 of the 8 procurement transactions tested and concurs with the recommendation to strengthen its procurement controls to address this finding.

During FY2025, GWA implemented corrective actions including an immediate directive issued in April 2025 to comply with updated procurement procedures formally approved in September 2025. These procedures included standardized checklists, required vendor certification forms and mandatory SAM.gov verification procedures for all federally funded procurements. Training was conducted to required personnel in October 2025 and subsequently expanded to a broader audience in December 2025. All related SOPs and guidance materials were also made available through the employee intranet.

Management also directed staff to retrospectively perform and document SAM.gov verifications for certain procurements initiated prior to implementation of the revised procedures. However, due to procurement management and personnel transitions, the retrospective review was not fully completed for the sampled procurements. Subsequent checks confirmed that the vendors were not suspended or debarred.

GWA will continue reinforcing monitoring procedures to ensure all required compliance documentation is timely completed and retained in the procurement files.

Guam Waterworks Authority  
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Schedule of Findings and Questioned Costs, continued

**Finding No.:** 2025-002  
**Federal Agency:** U.S. Department of Interior  
**AL Program:** Economic, Social, and Political Development of the Territories  
**Award No.:** D22AP00317  
**Area:** Equipment and Real Property Management  
**Questioned Cost:** \$303,960

Criteria:

2 CFR § 200.313(d) requires non-federal entities to maintain accurate property records for equipment acquired with federal funds. Such records must include, at a minimum, a description of the property, serial number or other identification number, source of funding, acquisition date, cost, location, use and condition, and ultimate disposition data.

Condition:

We identified that 8 electric vehicles, with a total cost of \$303,960, acquired during the fiscal year ended September 30, 2025, were not included in the federally funded fixed asset register.

Cause:

GWA did not consistently follow established procedures to ensure that all federally funded equipment acquisitions were recorded in the federally funded fixed asset register in a timely and complete manner.

Effect or Potential Effect:

Failure to maintain complete and accurate records for federally funded equipment increases the risk of noncompliance with federal regulations. It may also result in improper tracking, safeguarding, and reporting of assets, potentially leading to questioned costs and audit findings.

Recommendation:

We recommend that GWA strengthen its controls over equipment and real property management by implementing procedures to ensure that all federally funded asset acquisitions are promptly and accurately recorded in the Federally Funded Fixed Asset Register. Management should also perform periodic reconciliations between procurement records and the asset register and provide training to responsible personnel to ensure compliance with federal requirements.

Identification as a Repeat Finding: Not applicable.

Guam Waterworks Authority  
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Schedule of Findings and Questioned Costs, continued

**Finding No.:** 2025-002, continued  
**Federal Agency:** U.S. Department of Interior  
**AL Program:** Economic, Social, and Political Development of the Territories  
**Award No.:** D22AP00317  
**Area:** Equipment and Real Property Management  
**Questioned Cost:** \$303,960

Views of Responsible Officials:

GWA concurs with the finding. The eight electric vehicles identified in the finding were properly procured, capitalized and recorded in the Authority's main fixed asset register; however, due to an administrative oversight, the assets were not included in the federally funded fixed asset register during FY2025.

Following discussions with personnel involved in the transaction processing and asset recording, GWA determined that established internal procedures were generally followed; however, due to staffing constraints at the time, the assets were not properly coded with the applicable federally funded identifier when added to the Authority's main fixed asset register. As a result, the assets were inadvertently omitted from the federally funded fixed asset register.

Management notes that the omission was limited to the federally funded fixed asset register and did not affect the existence, safeguarding or operational use of the assets. The vehicles were physically accounted for, supported by procurement and payment documentation and properly reflected in the Authority's general accounting records.



## GUAM WATERWORKS AUTHORITY

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### **Finding 2025-001**

#### **Corrective Action Plan:**

Management will complete the retrospective review of applicable federally funded procurements to ensure required suspension and debarment verifications are documented and retained in the procurement files. In addition, Procurement supervisory personnel will implement periodic compliance reviews to verify that required SAM.gov verifications are completed, documented and maintained prior to contract execution. Additionally, the Internal Audit team will conduct random reviews of federally funded procurement files to ensure compliance with the SOPs and to verify that proper documentation is maintained.

**Expected completion date:** September 30, 2026

#### **Point of contact for Follow-Up:**

Diana Hayashi, Buyer Supervisor II  
Rita Aquiningoc, Program Coordinator III  
Janet Taitano-Arroyo, Internal Auditor



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### **Finding 2025-002**

#### **Corrective Action Plan:**

GWA has updated the federally funded fixed asset register to include the omitted assets and has implemented additional procedures to strengthen compliance with 2 CFR § 200.313(d). Corrective actions include the following:

1. Finance personnel will review capital asset additions to identify federally funded assets and ensure the appropriate federally funded asset code is assigned when recorded in the Authority's main fixed asset register.
2. Federally funded assets will be recorded in the federally funded fixed asset register and periodically reconciled to related procurement and capital expenditures records to ensure completeness and accuracy.
3. A supervisory review process has been enhanced to verify that federally funded asset codes are properly assigned prior to posting and that federally funded assets are accurately reflected in the federally funded fixed asset register. Additionally, at the general ledger level, fund source identifiers will be incorporated into the asset close-out journal entry process to further strengthen visibility and review of federally funded asset activity.
4. Finance personnel responsible for asset recording will be briefed on federal property management requirements and revised internal procedures related to federally funded asset coding, tracking and reporting.

GWA believes these corrective measures adequately address the control gap identified in the finding and will ensure compliance with 2 CFR § 200.313(d) on a prospective basis.

**Expected completion date:** September 30, 2026

#### **Point of contact for Follow-Up:**

Bryan Iriarte, Accountant III  
Josephine Sanalila, Accountant III  
Sandra Santos, Controller



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### Summary Schedule of Prior Year Audit Finding

Year ended September 30, 2025

**Finding No:** 2024-001  
**Federal Agency:** U.S. Environmental Protection Agency  
**AL No. and Title:** 66.600 – Environmental Protection Consolidated Grants for the Insular Areas – Program Support  
**Area:** Procurement, Suspension and Debarment  
**Status:** Resolved

GWA implemented corrective actions in response to the prior-year finding, including formal procurement procedures requiring suspension and debarment verifications, updates to procurement templates and training of applicable personnel. The U.S. Environmental Protection Agency reviewed the corrective actions and formally determined that the prior-year finding was resolved and closed.