

## Stages of an Audit

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Each year, OPA develops an audit plan to determine specific audits to be prioritized based on the risk level of loss and mismanagement of funds. The audits encompass the following general phases:

- **Survey** - We perform an initial evaluation of the topic to determine the feasibility, materiality, and cost-benefit. We conduct interviews with the agency to gain an understanding of the operation. Throughout the audit, auditors meet with the agency to discuss initial findings, issues identified, and areas needing further audit work.
- **Fieldwork** - We gather more information regarding the issues identified. Testing is conducted and results are shared with the agency.
- **Reporting** - We provide a draft report, which includes findings and recommendations. An exit meeting is held with the agency. The agency's written response is included in the final audit report. The report is then distributed to the agency and stakeholders and posted on OPA's website.
- **Recommendations Follow-up** - Agencies are required to prepare a corrective action plan, document progress, and endeavor to implement recommendations no later than the beginning of the next fiscal year. OPA contacts pertinent agency officials for the status of the implementation of recommendations.

## Auditor's Expectation

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The audit is a joint effort between the agency and OPA with the goal of improving the effectiveness, efficiency, and proper usage of government funds. It is the expectation of the audit team that the agency will fully cooperate and work closely with the auditors. It is important that the agency has an open mind and maintains a professional attitude throughout the audit.

OPA expects the agency to have open communication with the audit team, timely review the findings, and provide feedback on each finding. This will allow the audit team to look further into the specific issue discussed while the audit is still on-going. It is also advised that the agency provide its expectations to the auditors and insight on the program being audited.

## 10 Tips for a Successful Audit

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1. Understand the objective of the audit.
2. Notify your staff that the audit has started.
3. Be responsive to requests for meetings with the auditors.
4. Provide documents and other information in a timely manner.
5. Provide access to IT systems.
6. Maintain open communication with the auditors.
7. Encourage your staff to keep you informed of any issues that auditors bring to their attention.
8. Ask the auditors for additional information if you do not understand the facts or conclusions of the issues.
9. Review the preliminary findings and provide feedback.
10. Complete an action plan to remedy any findings in the audit report.

## How to Use Your Audit Report

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The Audit report is a useful tool to improve the performance of the agency. Our findings are intended to help correct errors, strengthen controls, and reduce risk. To make the most of it, the agency should:

- Review the report and provide timely feedback.
- Communicate the findings not only to the leadership team, but also to the staff.
- Evaluate the feasibility of the recommendation and formulate plans for corrective action.
- Monitor the implementation of corrective action plans.
- Communicate the result of the implementation to the auditors.

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(671) 47AUDIT (28348)*

*Office of Public Accountability*

## GUIDE TO OPA SERVICES

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### Our Mission

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

### Our Vision

The Government of Guam is the model for good governance in the Pacific.  
OPA is a model robust audit office.

### Our Core Values

#### Objectivity

To have an independent and impartial mind.

#### Professionalism

To adhere to ethical and professional standards.

#### Accountability

To be responsible and transparent in our actions.

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## Performance Audits

A performance audit is an assessment of whether management is performing its duties economically and efficiently, whether programs are achieving their intended purpose, and whether the agency has complied with applicable laws and regulations. This is akin to a doctor looking into a particular area, such as your heart, liver, kidney, etc.

## Why Conduct Performance Audits?

Title 1 of the Guam Code Annotated (GCA) §1908 requires the Public Auditor to conduct post audits of all the transactions and accounts of all departments, offices, corporations, authorities, and agencies in all of the branches of the Government of Guam (GovGuam). The Public Auditor may also conduct or cause to be conducted such other audits or reviews as she deems necessary.

OPA conducts audits to ensure transparency and accountability, and the effective and efficient management of public funds and programs. We endeavor to provide independent, nonpartisan, accurate and timely assessments of GovGuam's financial and operating activities in accordance with Generally Accepted Government Auditing Standards.

## Who Conducts the Performance Audits?

The OPA staff is composed of the Public Auditor, Deputy Public Auditor, Audit Supervisors, Auditors, and an Administrative Officer. All have a Bachelor's Degree while some have a graduate degree and certifications, including Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Government Financial Manager (CGFM), Certified Government Auditing Professional (CGAP), and Chartered Global Management Accountant (CGMA).

Government Auditing Standards require auditors to maintain their professional competence through Continuing Professional Education (CPE). Auditors are required to obtain 80 hours of CPEs in a two-year period, with a minimum of 20 hours each year.

**“Auditing for Good Governance”**

## Financial Audits

Financial audits are essential in assessing the overall financial performance and health of government entities and to determine the accuracy, completeness, and fair representation of the entity's financial statements annually. This is akin to having an annual general health check-up.

## Financial Auditors

Title 1 GCA §1908 authorizes the Public Auditor to acquire independent auditing services to conduct financial audits. Any Certified Public Accounting Firm or CPA who contracts with GovGuam to perform a financial audit is responsible for the following:

- Determining whether financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.
- Determining compliance with the Single Audit Act, if applicable.
- Preparing a letter of recommendations to management.
- Determining compliance with specific requirements.

To help the auditors conduct a successful audit, agencies should refer to the 10 tips in this brochure.

## OPA Oversight

Title 1 GCA §1909(a) requires all financial audits to be issued by June 30th (9 months after year-end). OPA's goal is to issue financial audits no later than 6 months after year-end. OPA also strives for all agencies to not have any material weaknesses or significant deficiencies and/or become low-risk auditees.

After the selection of the audit firm, OPA remains involved in a monitoring and oversight role over the audit process. OPA holds an entrance conference, status conferences, and an exit conference as part of this process. These meetings provide the opportunity to ask questions, receive updates on the progress of the audit, and to be informed of any areas of concern.

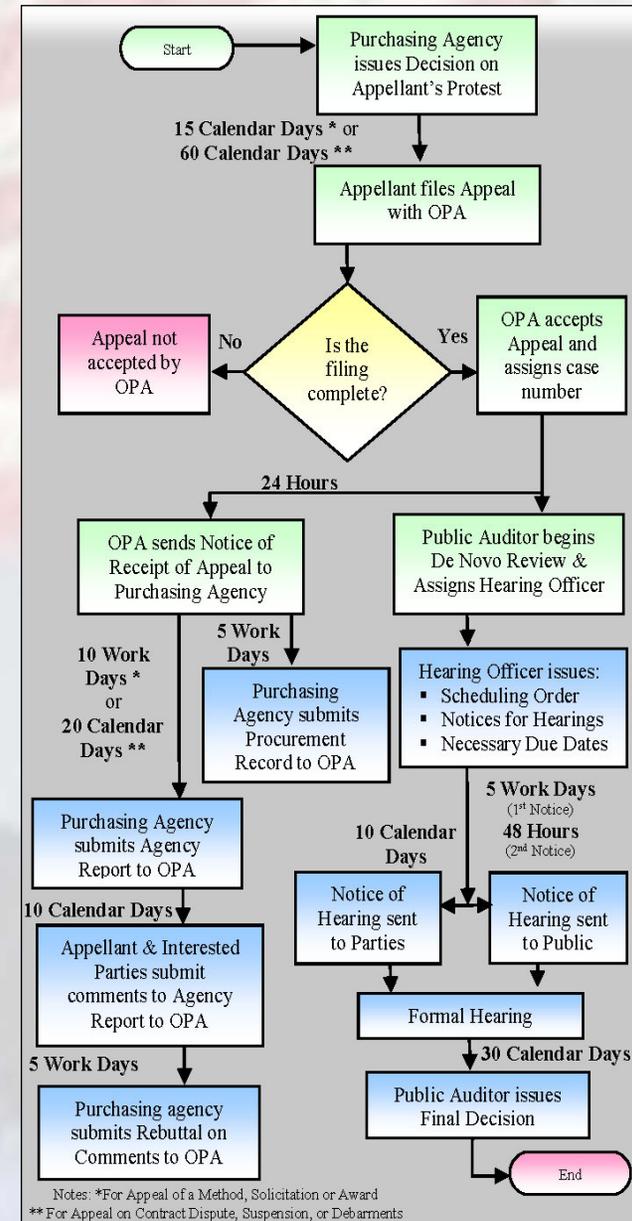
All reports are subject to review and approval by OPA prior to issuance. OPA also prepares highlights to provide an overview of the agency's financial performance.

## Legislative Mandates

OPA also responds to legislative mandates and requests to review other government-related activities.

## Procurement Appeals

The Public Auditor, under 1 GCA §1909(k), shall hear and decide procurement appeals. In accordance with 5 GCA §5701, the Public Auditor has adopted rules of procedure for procurement appeals outlined as follows:



OPA's goal is to issue procurement appeal decisions within 30 to 60 days after the appeal's formal hearing. Further, OPA strives to resolve appeals within 90 to 120 days of an appeal's filing.