

# Annual Work Plan CY 2024

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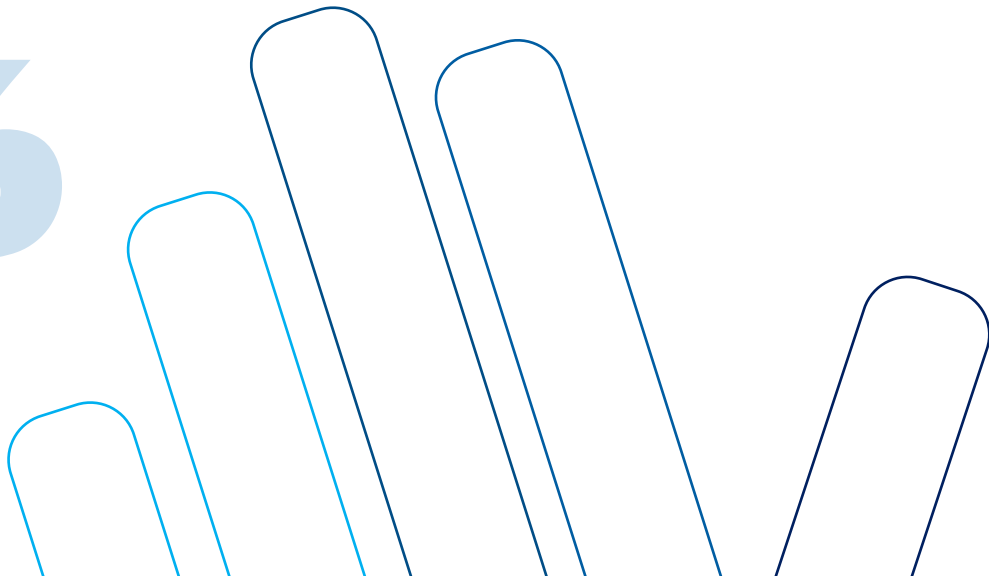
**2024**

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# Annual Work Plan

## Calendar Year 2024

January 2024

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Our Annual Work Plan provides the vision and framework for the activities of the Office of Public Accountability (OPA) for calendar year (CY) 2024. This plan supports OPA's five-year Strategic Plan covering CYs 2024-2028.

Our Strategic Plan serves as the OPA's comprehensive roadmap, which outlines our strategies to accomplish our mission, vision, and strategic objectives. OPA aims to achieve excellence in what we do and ensure that the Government of Guam's (GovGuam) resources are utilized in an effective and efficient manner to benefit and improve the well-being of the people in Guam by delivering value in our audit reports and other OPA-provided services.



# MOTTO

Auditing for Good Governance

# VISION

The Government of Guam is the standard of public trust and good governance.

# MISSION

We independently conduct audits and administer procurement appeals to safeguard public trust and promote good governance for the people of Guam.



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This report contains the OPA's upcoming engagements  
for CY 2024.

We appreciate your interest in reading this report as we  
put our greatest efforts to deliver to you an informative  
account of what is ahead for our office.

# INTRODUCTION

The OPA is an instrumentality of GovGuam, independent of the executive, legislative, and judicial branches.

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

As of CY 2023, our team is comprised of 14 Auditors, the Public Auditor, and an Administrative Services Officer.

In CY 2023, we released 11 performance audits, had oversight on 22 financial audits, and administered six procurement appeals.

We will discuss more of the results of our CY 2023 performance in our Annual Report for CY 2023.



OPA was created on July 20, 1992 through Public Law 21-122. The office has been in existence for 31 years now.

# WHAT WE DO

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

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

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

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

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

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





# AUDIT WORK PLAN

# MONTHS

Our office worked to put together this annual plan for the past two months. The culmination of our work resulted in our planned engagements for CY 2024.

We first solicited performance audit topic suggestions from GovGuam agencies and department heads, public officials, the general public, and OPA staff. We then considered all responses in developing this plan.

Our team discussed each proposed performance audit topic, including those we solicited, and independently rated the topics. We collectively agreed on the top 20 audit topics based on our individual ranking and conducted a risk assessment for each topic based on established criteria.

The Public Auditor participated and had oversight over the work throughout our annual plan process.

Our planned engagements for CY 2024 are listed on the following pages and include:

- Six new performance audits,
- 17 ongoing performance audits,
- 27 financial audits, and
- Two pending procurement appeals.

We will continue to manage our legislative mandates, investigative duties, and various administrative responsibilities.

We look forward to 2024 as we continue to deliver value in the work that we do with the highest standards of quality and professionalism.

# IN THE MAKING

# PERFORMANCE AUDITS

## Ongoing Performance Audits

As of December 31, 2023, we reassessed the status of our performance audits in CY 2023 and 17 audit engagements will carry forward into CY 2024.

Agency	Audit Topic
1. COA	Alcohol Imports Analysis
2. DOAg	Invasive Species Fund
3. DPHSS	Medicaid Program
4. DRT	Compliance with Financial Reporting of Branch Overseeing Non-Profit Organizations
5. DRT	Short-Term Vacation Rentals
6. GDOE	Laptop Inventory
7. GDOE	Education Stabilization Fund
8. GWG	Procurement Training Compliance Report
9. GHURA	GWG Credit Card Use Series, Part C
10. GMHA	Hospital Revenue Management
11. GMHA	Physician Contracts and Compensation Package
12. GSHPO	Guam State Historic Preservation Office Applications Process
13. GVB	Tourism Assistance Program
14. JOG	GWG Credit Card Use Series, Part G
15. PAG	GWG Credit Card Use Series, Part D
16. PDSC	GWG Credit Card Use Series, Part F
17. UOG	GWG Credit Card Use Series, Part E

We are committed to completing the performance audits we started in CY 2023. We start and complete new performance audits as resources permit.

## New Performance Audits

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

The Public Auditor and OPA staff conducted risk assessments independently for each of the 20 audit topics with the following established criteria:

- Financial Impact 30%**
  - Is there a high financial impact? What is the estimated potential loss of revenue or cost savings?
- Public Concern or Social Impact 25%**
  - Is the audit topic a high interest to the community, whether social, political, environmental, etc.?
- Program Risk 25%**
  - What is the likelihood that the program will fail, have poor control, or will not meet its goals?
- Leadership Interest 20%**
  - What is the interest in the program by public officials or the GovGuam entity's management team?

Our risk assessment process helps us define the importance of each audit topic to be able to decide where to invest our limited resources. As a result, we collectively came up with six new performance audit engagements for CY 2024.

# PERFORMANCE AUDITS

## CY 2024

	Agency	Audit Topic
1	GPA	Maintenance of Generators at GWA Water Wells
2	GRTA	Public Transit Bus Procurement and Resource Management
3	GPA	Procurement of Ukudu Power Plant*
4	GovGuam-Wide	Filing and Payment of Withholding Assessment Fee
5	GPD	Audit of GPD's Internal Controls and Procedures
6	DPW	Maintenance of Public Roads and Village Streets

\* Part of CY 2022 Annual Work Plan.

# FINANCIAL AUDITS

Financial audits are essential in assessing the overall financial condition and performance of GovGuam as a whole, its component units, and agencies. Financial audits provide reasonable assurance that the entity's audited financial statements are presented fairly in compliance with applicable professional standards.

The Public Auditor, through 1 GCA §1908, may contract services of independent auditing firms to conduct financial audits of GovGuam, its component units, and agencies. OPA has oversight on these GovGuam financial audit engagements.

GovGuam entities work with our office to issue Requests for Proposals (RFP) to procure financial audit services. In CY 2024, we expect to issue RFPs for financial audits of GovGuam entities whose audit contracts covered up to the fiscal year 2023.

## Financial Audits in CY 2024

In CY 2024, we will oversee at least 27 financial audits of GovGuam agencies and departments, including the consolidated government-wide audit and special revenue funds. These agencies and funds have a fiscal year ending September 30.

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

All financial audits are to be issued by June 30 (nine months after fiscal year-end) pursuant to 1 GCA §1909(a). OPA is committed to having all GovGuam financial audits issued no later than February 28th or five months after the end of the fiscal year.

- A.B. Won Pat International Airport Authority, Guam
- Career Tech High Academy Charter School
- Chamorro Land Trust Commission
- Department of Chamorro Affairs
- Government of Guam Retirement Fund
- Government of Guam Retirement Fund (457 Plan)
- Government of Guam (GovGuam-wide)
- Guahan Academy Charter School
- Guam Ancestral Lands Commission
- Guam Community College
- Guam Department of Education
- Guam Economic Development Authority
- Guam Housing and Urban Renewal Authority
- Guam Housing Corporation
- Guam Memorial Hospital Authority
- Guam Power Authority
- Guam Preservation Trust
- Guam Solid Waste Authority
- Guam Visitors Bureau
- Guam Waterworks Authority
- Healthy Futures Fund
- iLearn Academy Charter School
- Port Authority of Guam
- Public Broadcasting Service Guam
- Science is Fun and Awesome Learning Academy Charter School
- Tourist Attraction Fund
- University of Guam

# PROCUREMENT APPEALS

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

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

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

## Resolving Procurement Appeals

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

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

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

## Procurement Appeals in CY 2023

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

In CY 2023, of the six procurement appeals filed, three were dismissed, one decision was issued, and two are ongoing as of January 2024.

- 23-001: JMSI Electrical Guam LLC vs. Guam Power Authority
- 23-002: Johndel International, Inc. dba JMI-Edison vs. Guam International Airport Authority
- 23-003: Sunleader Guam Co., Ltd. vs. Guam Department of Education
- 23-004: Dooik Eng Co., Ltd. vs. Guam Power Authority
- 23-005: ASC Trust, LLC vs. Government of Guam Retirement Fund
- 23-006: ASC Trust, LLC vs. Government of Guam Retirement Fund

As of the release date of our CY 2024 Annual Work Plan, we have not received any procurement appeals.

# MONITORING AND EVALUATION

## Audit Plan Not Set in Stone

Throughout the year, the Public Auditor and OPA management team conduct periodic evaluations of our annual work plan to identify causes of variations from the plan, compare the benefits derived from audits with their costs, and determine the audits to be assigned to each audit team.

At any time, we may adjust our annual work plan based on input from the Public Auditor due to emerging issues, investigation of potential fraud, conflicts of interest, availability of resources, subsequent audit requests from stakeholders, or other circumstances.

## Monitoring Our Work Progress

To monitor our progress towards our annual work plan, our office maintains a summary of the status of all ongoing performance audits and forecast for the next three months. The summary also monitors the progress of financial audit releases and procurement appeals, and the status of GovGuam entities' implementation of performance audit recommendations. We assign a staff to update the status of ongoing engagements and projects at the end of every month.

## Status of Audit Recommendations

In CY 2024, our office will conduct a follow up review with appropriate GovGuam entities on the status of OPA's prior audit recommendations. We will issue a report on the implementation status of these recommendations.

## We Keep Moving Forward

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

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

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

In CY 2023, our office underwent a Peer Review and received a full compliance rating of Pass. This Peer Review covered performance audits issued from January 1, 2020 to December 31, 2022 and was independently conducted by an external peer review team of auditors selected by APIPA.

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

# OTHER TASKS

## Legislative Mandates

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

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

## Citizen Concerns

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

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

## Administrative

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

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

## In Closing

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

Despite our limited resources, we continually strive to conduct as many audits and mandates, render decisions on procurement appeals within a reasonable time, and address hotline tips and citizen concerns.

We are committed to be a watchdog over government spending to safeguard public trust and promote accountability and transparency in GovGuam for the benefit of our island.

Similar with our five-year Strategic Plan, we are hopeful that we will receive support from all our stakeholders to successfully implement our CY 2024 Annual Work Plan.

OFFICE OF PUBLIC ACCOUNTABILITY



Benjamin J.F. Cruz  
PUBLIC AUDITOR





**LET'S BEGIN**