



## OFFICE OF PUBLIC ACCOUNTABILITY

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April 3, 2024

Honorable Joe S. San Agustin  
Chairman, Committee on General Government Operations and Appropriations  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

### **Subject: Bill No. 227-37 (COR) Testimony**

Håfa adai Chairman San Agustin and Committee Members:

The Office of Public Accountability (OPA) submits this testimony in favor of Bill Number 227-37 (COR), introduced by Senator Joanne Brown and co-sponsored by Senator Telo Taitague.

The intent of this bill is to enhance OPA's statutory mandate to be *independent of the executive, legislative, and judicial branches* by providing OPA full financial independence with the codification of the annual OPA budget appropriation at 0.25% of the General Fund revenues. This will ensure a permanent safeguard against undue influence threats that impact our ability to carry out our responsibilities.

In comparison to other jurisdictions in the area, our neighbors to the north, the Commonwealth of the Northern Mariana Islands Office of the Public Auditor in its Constitution, is guaranteed an annual appropriation of \$500,000 and, in addition, is entitled to 1% of all amounts appropriated for all Government agencies' operations and activities as well as for all capital improvement projects. The Republic of the Marshall Islands (RMI) Office of the Auditor-General also has a similar funding mechanism where they receive 0.8% of all amounts appropriated by the Nitijela of the RMI. The RMI government is also entertaining the idea of increasing that amount to a full 1%.

OPA's independence is critical to assure efficient, effective, and equitable management of resources throughout the government of Guam. We are guided by the Generally Accepted Government Auditing Standards (GAGAS) and International Standards of Supreme Audit Institutions (ISSAI), each upholding the principle that observing integrity, objectivity, and *independence* helps our auditors to serve the public interest and honor public trust. Our standards also dictate that external influence over appointment, compensation, promotion, or restrictions on our funds and resources impairs our independence.

Although not codified as previously proposed, since the passage of the initial provisions to increase our budget for Fiscal Year 2023, we have been able to improve our recruitment and retention efforts without financial impact on operations. With the support and approval of the 36<sup>th</sup> Guam Legislature, we have finally implemented the outdated compensation plan

recommended by the Leading Edge group in 2014, raising salaries to be more competitive with other organizations who, in the past, have recruited auditors from our team.

We recognize that as the government of Guam's budget increases, the demand for accountability increases. As noted in our 2023 Annual Report, we issued 11 performance audits, had oversight over 22 financial audits, and administered six procurement appeals. The performance audits we released in 2023 identified at least \$41 million in financial impact.

We began this year with 17 audit engagements and plan to engage in six more as we continue to oversee 27 financial audits and address procurement appeals. We anticipate added demand for our productivity as the year progresses, and we intend to address these demands in as much as our resources will allow. Although we are working aggressively to achieve these goals, we cannot ignore the fact that our budget for the next fiscal year is subject to the will of this body.

The passage of Bill Number 227-37, and the codification of the OPA's annual budget guarantees our ability to serve the public interest and honor public trust with objectivity, professionalism, and accountability and *without* vulnerability to the political whims of any legislative body or administration.

On behalf of the OPA, thank you Chairman San Agustin and Committee Members, and thank you Senators Brown and Taitague for once again introducing a bill that will advance the independence of the OPA.

Dangkolo na si Yu'os ma'åse',



Benjamin J.F. Cruz  
Public Auditor