Office of Public Accountability

Ufisinan I Kuinentan Pupbliku

A REPORT TO OUR CITIZENS for FISCAL YEAR 2017

1 About OPA

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 GOALS
**Protect** the independence of OPA.  
**Deliver** impactful, reliable, and quality reports.  
**Recruit and retain** qualified staff.  
**Increase** public knowledge and trust of OPA’s mission, work, and impact.

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.

About the Office of Public Accountability

The Office of Public Accountability (OPA) was established as an instrumentality of the Government of Guam, independent of the executive, legislative, and judicial branches by Public Law 21-122 in July 1992. The OPA seeks to achieve independent and nonpartisan assessments that promote accountability and efficient, effective management throughout the Government of Guam. The OPA seeks to serve the public interest by providing the Governor of Guam, the Guam Legislature, and the People of Guam with dependable and reliable information, unbiased analysis, and objective recommendations on how best to use government resources in support of the well being of our island and its constituents.

The OPA is led by a non-partisan, elected Public Auditor that audits GovGuam programs, oversees GovGuam financial audits, and hears and decides on procurement appeals. For more information, you can visit our website at [www.opaguam.org](http://www.opaguam.org).

Leadership

**Public Auditor**
Doris Flores Brooks, CPA, CGFM

**Deputy Public Auditor**
Yukari Hechanova, CPA, CIA, CGFM, CGAP, CGMA

**Special Assistant & Audit Supervisor**
Rodalyn Gerardo, CIA, CGFM, CPA, CGAP, CGMA, CICA

**Executive Secretary & Audit Supervisor**
Llewelyn Terlaje, CGAP, CGFM, CFE

Staff

**Administrative Services Officer**
Marisol Andrade

**Auditor III/Accountability Auditor III**
Thyrza Bagana, CGFM  
Edlyn Dalisay, CPA  
Vincent Duenas  
Jerrick Hernandez, CGAP, CICA  
Clariza Roque, CICA

**Accountability Auditor II**
Michele Brillante  
Amacris Legaspi

**Accountability Auditor I**
Frederick Jones  
Ira Palero  
Andriana Quitugua, CFE  
Christian Rivera  
Vanessa Valencia
Our Performance—CY 2017 Highlights

Initiation of Performance Audits

<table>
<thead>
<tr>
<th>Performance Audits</th>
<th>CY 2014</th>
<th>CY 2015</th>
<th>CY 2016</th>
<th>CY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Hours / Audit Issued</td>
<td>1,250</td>
<td>908</td>
<td>950</td>
<td>1,357</td>
</tr>
<tr>
<td>Avg. Hours Budgeted</td>
<td>1,100</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>% of Avg. Budgeted</td>
<td>114%</td>
<td>76%</td>
<td>79%</td>
<td>113%</td>
</tr>
</tbody>
</table>

Procurement Appeals

<table>
<thead>
<tr>
<th>Timeliness of Resolve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolved Within 120 days</td>
</tr>
<tr>
<td>Resolved After 120 days</td>
</tr>
<tr>
<td>Unresolved*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Timeliness of Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Within 30 days</td>
</tr>
<tr>
<td>Decision After 30 days</td>
</tr>
<tr>
<td>No Decision**</td>
</tr>
</tbody>
</table>

Financial Audits

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financial Audits</td>
<td>24</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Clean Opinion on Financial Statements</td>
<td>23</td>
<td>22</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Issued in 9 Months (June 30)</td>
<td>19</td>
<td>21</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Issued Past Due (after June 30)</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Received Federal Funding</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Questioned Costs</td>
<td>$85,924</td>
<td>$270,770</td>
<td>$348</td>
<td>$502,457</td>
</tr>
<tr>
<td>Low-Risk Auditees</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Total Non-Federal Funded</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>IPA Recognition</td>
<td>n/a</td>
<td>n/a</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: Issuance of performance audits, procurement appeals, and financial audits are reported on a calendar year basis.
The FY 2017 budget was $1.4 million (M) with OPA expenditures of $1.5M, which resulted in the use of cash reserves.

Of the $1.5M expended, salaries and benefits comprised $1.2M, or 77%, a slight increase from the previous year due to the hiring of two additional employees.

Contractual services, equipment, supplies, and miscellaneous expenses decreased from the prior fiscal year.

Note: OPA’s financials are included in GovGuam’s government-wide financial audit. A separate opinion is not issued. OPA’s complete financial information can be found at www.opaguam.org.
VISION

OPA is a model, robust audit office.
- To issue impactful, reliable, and quality performance audit reports.
- To resolve procurement appeals expeditiously.

GovGuam is the model for good governance in the Pacific.
- For all GovGuam agencies receiving federal funding to qualify as low-risk auditees.
- For all GovGuam agencies not receiving federal funding to achieve a similar low-risk status (OPA Recognition) for clean audit opinions, no material weaknesses, no significant deficiencies, and no questioned costs for three consecutive fiscal years.
- No questioned costs in all GovGuam financial audits.
- All GovGuam financial audits released within six months after fiscal year end.

FUTURE OUTLOOK
- Implement recommendations from the independent assessment of OPA based on the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative’s Performance Measurement Framework sponsored by the Pacific Association of Supreme Audit Institutions (PASAI), which:
  - Provides a holistic overview of OPA’s performance against international standards and good practices.
  - Identifies OPA’s strengths and weaknesses.
  - Assesses OPA’s capacity development needs.
  - Identifies OPA’s value and benefit to the people of Guam.
  - Measures OPA’s performance over time.
- Issue performance audits to improve the accountability, transparency, effectiveness, efficiency, and economy of government programs and agencies.
- Monitor the General Fund’s balance and find ways to reduce revenue loss, enhance revenue collections, and identify cost savings.
- Resolve appeals within 120 days of filing.
- Render decisions within 30 days of the hearing’s conclusion.
- Issue GovGuam and component unit financial audits within 6 months after the fiscal year to provide more timely information.

CHALLENGES
- OPA’s Strategic Plan to be updated with technical assistance from PASAI.
- GovGuam’s financial management information system is a relic of the 1980s despite being a billion dollar enterprise. The Department of Revenue and Taxation (DRT) manually processes tax revenues.
- As described in the SAI PMF, OPA’s independence is exposed to potential interference because there is no legal protection specified in the Organic Act of Guam. It is possible that future legislation can be passed removing such independence currently enjoyed by the OPA.
- Reduction in federal taxes, coupled with worldwide, geopolitical instability and financial uncertainty has led to revenues being adversely affected.

We want to hear from you! Do you like this report? Would you like to see any other information? Please let us know by contacting Vincent Duenas at 475-0390 ext. 206 or vduenas@guamopa.com.