



# OFFICE OF PUBLIC ACCOUNTABILITY STATUS OF AUDIT RECOMMENDATIONS

## ANALYSIS

*January 1, 2016 to December 31, 2021*

**OPA Report No. 23-01  
January 2023**





# **Office of Public Accountability's Status of Audit Recommendations**

**Analysis  
As of December 2021**

**OPA Report No. 23-01  
January 2023**

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**EXECUTIVE SUMMARY**  
**Office of Public Accountability's Status of Audit Recommendations**  
**OPA Report No. 23-01, January 2023**

This is the fifth report on the implementation status of audit recommendations issued by the Office of Public Accountability (OPA). Title 1 Guam Code Annotated (GCA) §1912 requires the affected Government of Guam (GovGuam) agencies to prepare corrective action plans and endeavor to implement OPA audit recommendations by the beginning of the following fiscal year.

Our review of OPA's status of audit recommendations revealed that between calendar years (CY) 2016 and 2021, 55 audit reports were issued with 182 recommendations that focused on fund accountability, program efficiency and effectiveness, procurement, personnel, and non-appropriated funds. Of the 182 recommendations, 123 are still open, a 32% closure rate.

The 55 reports were initiated as a result of OPA risk-based assessments, Legislative Mandates, requests from government officials, follow-ups on previously issued audits, and OPA hotline tips. These reports collectively identified financial impacts of \$794 million (M), of which \$266.6M were unrealized revenues and \$242M were questioned costs. The remaining \$286M were other financial impacts that resulted from significant costs from returned checks that were overstated, heavy equipment inventory management, gross receipts tax exemptions, lack of accounting for a \$400K contribution to GFA, overpayments of tobacco tax, lack of verification on refunds related to health insurance contracts, and deficit balances in some inactive Special Revenue Funds, among others. The following table summarizes the status of OPA recommendations between CY 2016 and 2021.

**OPA Audit Recommendations between CY 2016 and 2021**

Initiated By:	Reports Issued		Audit Recommendations				Total Financial Impact
	Count	% to Total	Closed	Open	Total	% to Total	
OPA	23	42%	31	72	103	57%	\$ 761,779,600
Mandate	9	16%	4	7	11	6%	300,008
Request	14	25%	8	36	44	24%	26,534,025
Follow-up	7	13%	6	9	15	8%	-
Hotline	2	4%	9	-	9	5%	3,038,944
<b>Total</b>	<b>55</b>	<b>100%</b>	<b>59</b>	<b>123</b>	<b>182</b>	<b>100%</b>	<b>\$ 794,001,343</b>

**Status of Audit Recommendations Issued Between CY 2001 to 2015**

Between CY 2001 and CY 2015, OPA issued 151 reports with 646 audit recommendations to improve government operations. These reports identified total financial impacts of \$222.2M. As of December 2022, of the 646 audit recommendations, 619 have been closed. OPA is working with the auditees to close the remaining 27 open recommendations.

One way we measure the effectiveness of our reports towards improving GovGuam's accountability, operations, services, and governance is by tracking the implementation status of our recommendations. OPA audits are tools that help management achieve their objectives by providing oversight over operations, such as reporting how government money was spent or whether agencies complied with laws, rules, and regulations. Our audits also provide GovGuam managers with insight of potential

operational risks and foresight into possible opportunities. Over time, these audits should improve governance of GovGuam programs. Our previous reports on the status of audit recommendations included the following:

- **OPA Report No. 07-18, Status of Audit Recommendations** *issued in December 2007*  
The first status report on recommendations for audits issued between CY 2001 and 2006 covered 65 audit reports. These reports made 420 recommendations with \$74.1M in total financial impact. All recommendations have been closed.
- **OPA Report No. 10-02, Status of Audit Recommendations** *issued in May 2010*  
The second status report on recommendations for audits issued between CY 2007 and CY 2009 covered 35 audit reports. There were 85 recommendations with \$35.4M in total financial impact. As of December 2022, six recommendations remain open.
- **OPA Report No. 12-09, Status of Audit Recommendations** *issued in December 2012*  
The third status report on recommendations for audits issued in CY 2010 and 2011 covered 21 reports. There were 77 recommendations with \$33.9M in total financial impact. As of December 2022, one recommendation remains open
- **OPA Report No. 16-10, Status of Audit Recommendations** *issued in December 2016*  
The fourth status report on recommendations for audits issued between CY 2012 and 2015 covered 30 reports. There were 64 recommendations with \$78.8M in total financial impact. As of December 2022, twenty recommendations remain open.

Ultimately, management is responsible for implementing recommendations and should ensure their agencies are committed to sustaining an effective internal control environment. Elected officials and governing bodies should encourage implementation through effective oversight.

### **Conclusion**

OPA continues to send periodic reminders and follow-up letters to GovGuam entities to implement these open recommendations. We have continued to observe internal control deficiencies stemming from government managers not recognizing the importance and benefits of effective internal controls. OPA's recommendations are intended to improve controls in the affected entities and management must accept the responsibility for implementing the recommendations. It is to each entity's benefit to embrace the internal control framework and its components as described by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and adopted by the U.S. Comptroller General, Government Accountability Office in the Standards for Internal Control in the Federal Government.

Until a general understanding is embraced, audit findings such as insufficient monitoring and noncompliance with laws and regulations, will continue along with the financial impact. A key factor in improving accountability in achieving an entity's mission is to implement an effective internal control system.

While 1 GCA § 1913 allows OPA to file actions in the Superior Court of Guam to force the implementation of the recommendations, OPA has yet to exercise this arduous and costly remedy.



Benjamin J.F. Cruz  
Public Auditor

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## Introduction

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This report presents the status of recommendations issued by the Office of Public Accountability (OPA) in calendar years (CY) 2016 to 2021 as of December 2022. This report also provides an update on open recommendations issued in prior audits between CY 2001 and CY 2015. This is the fifth report on the implementation status of OPA recommendations with the first report issued in December 2007, the second in May 2010, the third in December 2012, and the fourth in December 2016.

The scope and methodology are detailed in Appendix 1.

## Background

Audit recommendations address the causes of unfavorable conditions. They are intended to increase efficiency and effectiveness of government programs and operations, to enhance revenues, and to protect against the loss or misuse of government assets and resources. Accordingly, OPA's recommendations to audited government agencies address a broad range of issues. According to Section 9.23 of the Government Auditing Standards:

*“Auditors should recommend actions to correct deficiencies and other findings identified during the audit and to improve programs and operations when the potential for improvement in programs, operations and performance is substantiated by the reported findings and conclusions. Auditors should make recommendations that flow logically from the findings and conclusions, are directed at resolving the cause of identified deficiencies and findings, and clearly state the actions recommended.”*

According to Title 1 of the Guam Code Annotated (GCA) § 1912, the Executive, Legislative, and Judicial branches of GovGuam are to prepare corrective action plans for audit recommendations, document the progress of implementations, endeavor to complete implementation no later than the beginning of the next fiscal year (FY), and to transmit this information to the Public Auditor.

Pursuant to 1 GCA § 1913, the Public Auditor may elect to take action if recommendations are not implemented, specifically:

“In the event the Governor, the Committee on Rules of the legislature, or the presiding Judge of the Superior Court of Guam:

- a) Fails to implement the required corrective action plan: or
- b) Fails to provide a satisfactory explanation as to why such recommendations have not been implemented to the Public Auditor; or
- c) The Public Auditor has not concurred with the non-implementation on account of the provided explanation; the Public Auditor may file in the Superior Court of Guam an action for a Writ of Mandate to force the implementation of the recommendations and the attendant corrective action plan.”

Although allowed, OPA has yet to file such actions in the Superior Court of Guam because of the burden and costs involved.

## Prior Audit Recommendations Reports

- **OPA Report No. 07-18, Status of Audit Recommendations** *issued in December 2007*  
OPA issued its first status report on audit recommendations for audit reports issued between CY 2001 and 2006. During this six-year period, OPA issued 65 reports with 420 recommendations that identified \$74.1 million (M) in financial impact. All recommendations have been closed.
- **OPA Report No. 10-02, Status of Audit Recommendations** *issued in May 2010*  
The second status report covered audits issued between CY 2007 and 2009. During this three-year period, OPA issued 35 reports with 85 recommendations that identified \$35.4M in financial impact. As of January 2023, 6 recommendations remain open.
- **OPA Report No. 12-09, Status of Audit Recommendations** *Issued in December 2012*  
The third status report covered audits issued between CY 2010 and 2011. During this two-year period OPA issued 21 reports with 77 recommendations that identified \$33.9M in financial impact. As of January 2023, 1 recommendation remains open.
- **OPA Report No. 16-10, Status of Audit Recommendations** *Issued in December 2016*  
The fourth status report covered audits between CY 2012 and 2015. During this four-year period OPA issued 30 reports with 64 Recommendations that identified \$78.8M in financial impact. As of January 2023, 20 recommendations remain open.

OPA maintains an internal tracking system to monitor the implementation and resolution of audit recommendations and periodically sends reminders and follow-up letters to agencies' management to encourage implementation of these recommendations.

## Classification of Audit Recommendations

In this fifth OPA Status of Audit Recommendations report, we expanded the classification of the status of our audit recommendation as follows:

### Closed Recommendations

- **Implemented** – Action needed has been completed and addressed all aspects of the action needed, including enactment of relevant legislation.
- **Not Implemented** – Action needed has been considered but has not been implemented due to certain limitations in the current structure, environment, or policies and the likelihood of implementation is remote.
- **Consolidated or Other** – Action needed was not assessed and recommendation was reevaluated due to subsequent events or new information that we considered.

### Open Recommendations

- **Partially Implemented** – Action needed is in development, or started but not yet completed and only addressed part of the action needed.

- *Open* – Action or plan of action has yet to be made by the department or agency, or response from the department or agency has not been submitted to OPA as of January 2023.

Prior to this report, audit recommendations were defined as follows:

- *Open recommendations* – No action, incomplete action or plan of action has yet to be made by the department or agency.
- *Closed recommendations* – The department or agency has taken sufficient action to implement or have been determined as no longer applicable or relevant due to changes in the system or processes.

One way we measure the effectiveness of our reports towards improving GovGuam’s accountability, operations, services, and governance is by tracking the implementation status of our recommendations. OPA audits are tools that help management achieve their objectives by providing oversight over operations, such as reporting how government money was spent or whether agencies complied with laws, rules, and regulations. Our audits also provide GovGuam managers with insight of potential operational risks and foresight into possible opportunities. Over time, these audits should improve governance of GovGuam programs.

## Results of Audit

Between January 2016 and December 2021, OPA issued 55 reports with 182 recommendations to help improve GovGuam’s overall operations and accountability. As of January 2023, 59 recommendations or 32% have been closed while 123 or 68% remain open.

**Table 1: CY 2016 to 2021 Audit Reports and Recommendations Issued**

Year Issued	No. of Reports	Number and Status of Recommendations			% Closed to Total
		Closed	Open	Total Recommendations	
2016	11	4	21	25	16
2017	9	12	11	23	50
2018	8	10	24	34	32
2019	9	6	40	46	17
2020	9	10	26	35	26
2021	9	17	2	19	87
Total:	55	59	123	182	32%

The 55 reports collectively identified financial impacts worth \$794M, of which \$242M were questioned costs, \$266.6M were unrealized revenue, and \$285.2M were other financial impacts. Appendix 2 shows the breakdown of the total financial impact per year.

OPA categorizes financial impact as questioned costs, unrealized revenues, and other financial impact as follows:

- *Questioned costs* are expenditures of funds that are unsupported, unallowable, or otherwise improper.
- *Unrealized revenues* are funds that could have been collected but were not.
- *Other financial impacts* are amounts identified, but do not fit the first two categories. Examples are potential or actual savings that an auditee could realize; tax credits that do not require appropriations or compete with the annual budget’s spending priorities; unreconciled differences; and unreported amounts that are required to be reported by law.

### Audit Recommendations CY 2016 ~ CY 2021

Between CY 2016 and CY 2021, OPA issued 55 reports encompassing performance audits, analyses, and legislative mandates, which identified total financial impacts of \$794M. These reports made 182 recommendations to improve accountability and operational effectiveness and efficiency. Table 2 summarizes the status of these audit recommendations. Table 3 shows the total financial impact per calendar year. We have also categorized the recommendations by administration. In 2019, we provided the Office of the Governor a list of the open audit recommendations from the prior audit.

**Table 2: Recommendation Status by Count**

Recommendation Status	Year Issued							Total	Overall Total
	Calvo Administration			Total	Leon Guerrero Administration				
	2016	2017	2018		2019	2020	2021		
<b>Closed:</b>									
Implemented	4	12	10	26	6	10	17	33	59
Not Implemented	-	-	-	-	-	-	-	-	-
Consolidated or Other	-	-	-	-	-	-	-	-	-
<b>Open:</b>									
Partially Implemented	-	-	-	-	-	-	-	-	-
Open	21	11	24	56	40	25	2	67	123
<b>Total Recommendations</b>	<b>25</b>	<b>23</b>	<b>34</b>	<b>82</b>	<b>46</b>	<b>35</b>	<b>19</b>	<b>100</b>	<b>182</b>
<b>No. of Reports Issued</b>	<b>11</b>	<b>9</b>	<b>8</b>	<b>28</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>27</b>	<b>55</b>

**Table 3: Total Financial Impact**

Calendar Year	2016	2017	2018	Total	2019	2020	2021	Total	Overall Total
Financial Impact	Calvo Administration				Leon Guerrero Administration	Total			
	\$ 20,404,432	\$ 666,650,173	\$ 47,158,751	\$734,213,356	\$ 51,513,061	\$ 1,958,030	\$ 6,316,864	\$59,787,955	\$ 794,001,311

The \$794M in total financial impacts identified in the 55 reports included the following:

- 1) \$2.2M in questioned costs pertaining to the procurement of the FESTPAC festival huts.
- 2) \$11.8M in unrealized revenues from CLTC not appraising the municipal golf course and missing opportunities to increase rental revenue prior to the 2014 Lease.
- 3) \$1.8M in unrealized revenues and in other financial impact due to lost DOA and DRT revenues and inaccurate ledgers pertaining to returned checks, \$181.9M in questioned costs, \$210.7M unrealized revenues, and \$14.7M in other financial impacts pertaining to the DRT's Gross Receipts Tax exemptions.
- 4) \$254M in potential savings pertaining to DPW's Unsystematic Pavement Management System for Village Streets.
- 5) \$40.1M in unrealized revenues from DRT's forgone property tax revenues and revenue leakages.
- 6) \$5M in other financial impact from the lack of verification of refunds in the GovGuam health insurance contracts.

- 7) \$39M in questioned costs and \$907K in other financial impact pertaining to the DOA Special revenue funds.
- 8) \$2.6M in other financial impact from DRT's lack of collections of Limited Gaming Tax from NPOs.
- 9) \$4.1M in questioned costs and \$2.4M in potential savings in regards to UOG's Cancer Trust Fund.
- 10) \$2.6M in questioned costs pertaining to GPA & GWA's Unclassified Employees' Pay Raises and Bonuses.
- 11) \$1.6M in unrealized revenues due to unrecorded receivables of Use Tax and lack of independent verification of collections as well as no record of Use Tax Exemptions.
- 12) \$3M in questioned costs from the Government of Guam COVID-19 Payroll Expenses.
- 13) \$3M in question costs stemming from the emergency procurement of the Government of Guam Procurement of Hotels Used for COVID-19 Quarantine.

Refer to Appendix 3 for the full listing of reports with financial impacts.

### **Audit Recommendations by Addressee**

Overall, the 55 reports encompassed a variety of audits, analyses, and reviews. An agency affected by a recommendation is referred to as "addressee" and may be affected by more than one OPA report and multiple recommendations. From CY 2016 to CY 2021, DRT was affected by 10 reports, the most of all GovGuam agencies, followed by the DOA with eight reports. As of January 2023, the addressees below received one or more recommendations covered 45 out of 55 reports. Ten out of 55 reports did not have audit recommendations.

#### Department of Administration

1. Offices of the Governor and Lt. Governor's Employees' Pay Adjustments (16-05)
2. Department of Administration Returned Checks Follow-up Audit (16-11)
3. Government of Guam Health Insurance Contracts Analysis (18-05)
4. Department of Administration Special Revenue Funds (19-02)
5. University of Guam Guam Cancer Trust Fund (19-08)
6. Government of Guam Use Tax on Air Cargo (20-01)
7. Government of Guam Public Safety Overtime (20-03)
8. Government of Guam Coronavirus Relief Fund Expenditures (20-08)

#### Department of Revenue and Taxation

1. Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees (16-06)
2. Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers (16-08)
3. Department of Administration Returned Checks Follow-Up Audit (16-11)
4. Department of Revenue and Taxation Gross Receipts Tax Exemptions (17-08)
5. Department of Revenue and Taxation Real Property Tax Assessments and Exemptions (18-03)
6. Department of Revenue and Taxation Tobacco Tax (18-04)

7. Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax (19-03)
8. Department of Revenue and Taxation Bonded Warehouses for Tobacco Products (19-07)
9. Government of Guam Use Tax on Air Cargo (20-01)
10. 75<sup>th</sup> Liberation Day Carnival Games of Chance (20-02)

#### Legislature

1. Department of Administration Special Revenue Funds (19-02)
2. Government of Guam Procurement Training and Certification (19-04)
3. Governor and Lieutenant Governor's Transition Fund (19-06)
4. Department of Revenue and Taxation Bonded Warehouses for Tobacco Products (19-07)
5. Government of Guam Public Safety Overtime (20-03)
6. 75<sup>th</sup> Guam Island Fair and Liberation Day Carnival Procurement (20-07)
7. Ethics in Government Program As Mandated by Public Law 28-76 (21-05)

#### Department of Public Works

1. Department of Public Works Heavy Equipment and Related Parts Inventory Management (17-04)
2. Department of Public Works Village Streets Management Strategy (17-09)
3. Department of Public Works Inventory Management of Consumable Parts, Supplies, and Materials Inventory (18-07)

#### Guam Memorial Hospital Authority

1. Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees (16-06)
2. Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts (19-01)
3. Government of Guam Legal Fees and Services Analysis (19-05)

#### Office of the Attorney General

1. Department of Administration Returned Checks Follow-Up Audit (16-11)
2. Guam Power Authority and Guam Waterworks Authority Unclassified Employees' Pay Raises and Bonuses (19-09)
3. Government of Guam COVID-19 Payroll Expenses (21-01)

#### Port Authority of Guam

1. Port Authority of Guam Unclassified Employees' Pay Raises and Bonuses (20-04)
2. Port Authority of Guam Back Wages Series, Part A (21-03)
3. Port Authority of Guam Back Wages Series, Part B (21-09)

#### Guam Customs and Quarantine Agency

1. Department of Revenue and Taxation Tobacco Tax (18-04)
2. Government of Guam Use Tax on Air Cargo (20-01)

Department of Public Health and Social Services

1. Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers (16-08)
2. Government of Guam Legal Fees and Services Analysis (19-05)

Guam Housing and Urban Renewal Authority

1. Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers (16-08)
2. Guam Housing and Urban Renewal Authority Unclassified Employees' Pay Raises and Bonuses (20-05)

General Services Agency

1. General Services Agency Procurement Practices (17-05)
2. Government of Guam Procurement of Hotels Used for COVID-19 Quarantine (21-06)

Guam Regional Transit Authority

1. Guam Regional Transit Authority Procurement and Billing of Public Transit Services (18-01)
2. Guam Regional Transit Authority Non-Appropriated Funds (18-06)

Department of Corrections

1. Government of Guam Public Safety Overtime (20-03)

Department of Land Management

1. Department of Revenue and Taxation Real Property Tax Assessments and Exemptions (18-03)

A.B. Won Pat Airport Authority

1. Government of Guam Legal Fees and Services Analysis (19-05)

Chamorro Land Trust Commission

1. Chamorro Land Trust Commission Municipal Golf Course Lease Agreements (16-09)

Government of Guam Retirement Fund

1. Effect of Non-Base Pay on Retirement Annuity (16-04)

Guam Board of Registration for Professional Engineers, Architects and Land Surveyors

1. Guam Registration Board of Professional Engineers, Architects, and Land Surveyors Funds and Financial Practices Follow-Up Audit (17-03)

Guam Community College

1. Government of Guam Procurement Training and Certification (19-04)
2. Government of Guam Procurement Training and Certification Program (20-09)

#### Guam Economic Development Authority

1. Guam Economic Development Authority Qualifying Certificate Community Cash Contributions (18-08)

#### Guam Ethics Commission

1. Ethics in Government Program As Mandated by Public Law 28-76 (21-05)

#### Guam Football Association

1. Guam Football Association Soccer Stadium Contributions (18-02)

#### Guam Homeland Security

1. Government of Guam Procurement of Hotels Used for COVID-19 Quarantine (21-06)

#### Guam Police Department

1. Government of Guam Public Safety Overtime (20-03)

#### Guam Veterans Affairs Office

1. Guam Veterans Affairs Office Non-Appropriated Funds Follow Up Audit (16-07)

#### Guam Waterworks Authority

1. Government of Guam Legal Fees and Services Analysis (19-05)

#### Mayor's Council of Guam

1. Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements (20-06)

#### University of Guam

1. University of Guam Guam Cancer Trust Fund (19-08)

See Appendix 5 for audit Recommendations addressed to the Guam Legislature and the Governor that recommended changes in or pertaining to the law. Most of these recommendations have been closed as “not implemented” as there was no progress or expected progress on these items moving forward.

### **Reports by Audit Initiation**

Of the 55 reports issued between CY 2016 and CY 2021, 22 or 40% were initiated by OPA after risk assessments, 9 or 16% were mandated by law, 15 out of 27% were requests, 7 or 13% were follow-ups to previous audits, and 2 or 4% was a hotline tip. Table 4 shows reports by audit initiation, as well as the corresponding recommendation status.

**Table 4: Reports by Audit Initiation between CY 2016 and CY 2021**

Initiated By:	No. of Reports	% to Total	No. and Status of Recommendations					Total
			Closed			Open		
			Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open	
OPA	23	42%	31		1		71	103
Mandate	8	15%	4				7	11
Request	15	27%	5	1	2		36	44
Follow-up	7	13%	4		2		9	15
Hotline	2	4%	6		3		-	9
<b>Total</b>	<b>55</b>	<b>100%</b>	<b>50</b>	<b>1</b>	<b>8</b>		<b>123</b>	<b>182</b>

### OPA Initiated Audits

1. Effect of Non-Base Pay on Retirement Annuity (16-04)
2. Office of Public Accountability's Status of Audit Recommendations (16-10)
3. Office of Public Accountability's Status of Legislative Mandates (17-01)
4. Government of Guam Analysis of Government of Guam Leases (17-02)
5. Department of Public Works Heavy Equipment and Related Parts Inventory Management (17-04)
6. General Services Agency Procurement Practices (17-05)
7. Department of Revenue and Taxation Gross Receipts Tax Exemptions (17-08)
8. Department of Public Works Village Streets Management Strategy (17-09)
9. Department of Revenue and Taxation Real Property Tax Assessments and Exemptions (18-03)
10. Department of Revenue and Taxation Tobacco Tax (18-04)
11. Guam Regional Transit Authority Non-Appropriated Funds (18-06)
12. Department of Public Works Inventory Management of Consumable Parts, Supplies, and Materials Inventory (18-07)
13. Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts (19-01)
14. Department of Administration Special Revenue Funds (19-02)
15. Government of Guam Legal Fees and Services Analysis (19-05)
16. Governor and Lieutenant Governor's Transition Fund (19-06)
17. University of Guam Guam Cancer Trust Fund (19-08)
18. Government of Guam Use Tax on Air Cargo (20-01)
19. Government of Guam Public Safety Overtime (20-03)
20. Government of Guam COVID-19 Payroll Expenses (21-01)
21. Port Authority of Guam Back Wages Series, Part A (21-03)
22. Government of Guam Procurement of Hotels Used for COVID-19 Quarantine (21-06)
23. Port Authority of Guam Back Wages Series, Part B (21-09)

## Mandated Audits

1. Government of Guam Submission of Citizen-Centric Reports for FY 2016 & FY 2015 Compliance Audit (17-07)
2. Government of Guam Procurement Training and Certification (19-04)
3. 75<sup>th</sup> Guam Island Fair and Liberation Day Carnival Procurement (20-07)
4. Government of Guam Coronavirus Relief Fund Expenditures (20-08)
5. Status of the Government of Guam Coronavirus Relief Fund Expenditures (21-02)
6. Status of the Government of Guam Coronavirus Relief Fund Expenditures as of December 31, 2020 (21-04)
7. Ethics in Government Program As Mandated by Public Law 28-76 (21-05)
8. Government of Guam Submission of Citizen-Centric Reports for FY 2017 thru FY 2020 (21-07)
9. Government of Guam Compliance with Standard Operating Procedures as Mandated by Public Law 34-05 (21-08)

## Audit Requests

1. Guam Legislature Capitol District Fund (16-01)
2. Offices of the Governor and Lt. Governor's Employees' Pay Adjustments (16-05)
3. Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees (16-06)
4. Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers (16-08)
5. Chamorro Land Trust Commission Municipal Golf Course Lease Agreements (16-09)
6. Guam Regional Transit Authority Procurement and Billing of Public Transit Services (18-01)
7. Government of Guam Health Insurance Contracts Analysis (18-05)
8. Guam Economic Development Authority Qualifying Certificate Community Cash Contributions (18-08)
9. Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax (19-03)
10. Department of Revenue and Taxation Bonded Warehouses for Tobacco Products (19-07)
11. Guam Power Authority and Guam Waterworks Authority Unclassified Employees' Pay Raises and Bonuses (19-09)
12. 75<sup>th</sup> Liberation Day Carnival Games of Chance (20-02)
13. Port Authority of Guam Unclassified Employees' Pay Raises and Bonuses (20-04)
14. Guam Housing and Urban Renewal Authority Unclassified Employees' Pay Raises and Bonuses (20-05)
15. Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements (20-06)

## Follow-Up Audit

1. Office of the Attorney General, Child Support Enforcement Program Follow-Up (16-03)
2. Guam Veterans Affairs Office Non-Appropriated Funds Follow Up Audit (16-07)
3. Department of Administration Returned Checks Follow-Up Audit (16-11)
4. Government of Guam Procurement Training and Certification Program Follow-Up Audit (20-09)

5. 12<sup>th</sup> Festival of the Pacific Arts Follow-Up Audit (17-06)
6. Guam Registration Board of Professional Engineers, Architects, and Land Surveyors Funds and Financial Practices Follow-Up Audit (17-03)
7. Analysis of Government of Guam Leases (17-02)

**Hotline**

1. Guam’s Readiness for the 12<sup>th</sup> Festival of the Pacific Arts (FESTPAC) (16-02)
2. Guam Football Association Soccer Stadium Contributions (18-02)

**Reports by Audit Focus**

Table 5 below summarizes the 55 audit reports with 182 recommendations between CY 2016 and CY 2021 by audit focus.

**Table 5: Reports by Audit Focus CY 2016 ~ CY 2021**

Audit Focus	No. of Reports	% to Total	No. and Status of Recommendations					Total
			Closed			Open		
			Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open	
Program Efficiency and Effectiveness	28	51%	28	1	2		46	77
Personnel	8	15%	18	-	-		12	30
Non-Appropriated Funds		-	-	-	-		-	-
Fund Accountability	13	24%	4	-	-		56	60
Procurement	6	11%	5	-	1		9	15
<b>Total</b>	<b>55</b>	<b>100%</b>	<b>55</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>123</b>	<b>182</b>

**Open Audit Recommendations CY 2001 ~ CY 2015**

Between CY 2001 and CY 2015, OPA issued 151 with 646 audit recommendations to improve government operations. These reports identified total financial impacts of \$222.2M. As of January 2023, of the 646 audit recommendations, 626 have been closed. OPA is working with the auditees to close the remaining 20 open recommendations as shown in Table 6 below. Refer to Appendix 4 for the details of the open and partially implemented recommendations.

**Table 6: Open Recommendations between CY 2012 and CY 2015**

Year Issued	Report No.	Report Title	No. of Open Recommendations		
			Open	Partially Implemented	Total
2012	12-04	GMHA Compensation Controls	-	2	2

Year Issued	Report No.	Report Title	No. of Open Recommendations		
			Open	Partially Implemented	Total
	12-05	GovGuam Payroll-Related Demand Runs and Special Payments	1	-	1
	12-06	GovGuam Analysis of Top Ten Vendors	1	-	1
2013	13-01	DRT GRT Exemptions	-	2	2
	13-02	GEDA QC Program	2	-	2
	13-04	GMHA Compensation Controls for Employees' Salaries Below \$100,000	-	3	3
2014	14-01	GovGuam Public Debt	-	1	1
	14-05	GovGuam Merit Bonus Program	-	1	1
2015	15-01	GovGuam Use Tax Exemptions and Collections	-	1	1
	15-02	GovGuam Layon Landfill Tax Credit Program	-	1	1
	15-04	DOL Unpaid Back Wages	-	1	1
	15-05	Recycling Revolving Fund	-	1	1
	15-06	GovGuam Tax Credit Programs	2	1	3
		<b>Total</b>	<b>6</b>	<b>14</b>	<b>20</b>

### Management's Lack of Understanding of Internal Controls

As this is our fifth report on the status of OPA recommendations, we have continually observed that government managers have not recognized the importance and benefits of implementing effective internal controls (checks and balances). In our reports from CY 2016 to CY 2021, we found ineffective billing and collection systems, loss of government revenues, deficient control procedures over non-appropriated funds, and lack of monitoring and oversight over government programs, i.e., non-productive and special payroll payments and procurement procedures.

Until a general understanding is embraced, audit findings such as insufficient monitoring and noncompliance with laws and regulations will continue along with the financial impacts. A key factor in improving accountability in achieving an entity's mission is to implement an effective internal control system.

The standards for Internal Control in the Federal Government issued by the U.S. Comptroller General, Government Accountability Office, is a valuable and straightforward guide for government managers. It provides the framework for an internal control system and describes the five components of internal control and the related principles. These standards and principles were adopted from revised Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COSO first released the framework in 1992 and it has been broadly accepted as the leading framework for designing and implementing internal controls as well as assessing its effectiveness.

It was updated in 2013 to include 17 principles representing the fundamental concepts associated with each of the five components of internal control.

Effective internal controls provide reasonable, not absolute, assurance that errors or fraud will be prevented or detected in a timely manner. Government managers, not auditors, have a fundamental responsibility to develop and maintain effective internal controls within their agencies so that goals and objectives are met, and resources are safeguarded and used economically and efficiently. Management is also responsible for ensuring the organization is committed to sustaining an effective internal control environment. However, everyone within an organization, including the governing body, internal auditors, and other personnel, are responsible for good internal control.

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## Conclusion

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Between January 2001 and December 2021, OPA issued 206 reports with 828 audit recommendations to help improve the overall operations of GovGuam. To date, 82% or 678 recommendations have been closed through the agency's actions, the agency's submission of corrective action plans, the passage of legislation, or were determined by OPA to be no longer applicable under certain circumstances. As of January 2023, 67% or 123 recommendations are still open.

OPA will continue to provide periodic reminders and follow-up letters to agencies' management to encourage implementation of the 150 open recommendations.

We have continued to observe internal control deficiencies stemming from government managers not understanding the importance of effective internal controls. OPA's recommendations are intended to improve controls in the affected entities and management must accept the responsibility for implementing the recommendations. It is each entity's benefit to embrace the internal control framework and its components.

Until a general understanding is embraced, audit findings such as insufficient monitoring and noncompliance with laws and regulations, will continue along with the financial impact. A key factor in improving accountability in achieving an entity's mission is to implement an effective internal control system.

Although cost may cause managers to avoid implementing effective controls, ultimately, management is responsible for meeting objectives. In considering costs versus benefits, managers should allocate resources in areas of greatest risk, complexity, or other factors relative to achieving the entity's objectives.

Elected officials and governing bodies can also encourage implementation through effective oversight.

While 1 GCA §1913 allows OPA to file actions in the Superior Court of Guam to enforce the implementation of the recommendations, OPA has yet to exercise this arduous and costly remedy. We look forward to working with the agencies in resolving the remaining outstanding audit recommendations.

OFFICE OF PUBLIC ACCOUNTABILITY



Benjamin J.F. Cruz

Public Auditor

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## Appendix 1: Objective, Scope, and Methodology

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We reviewed the documentation submitted to OPA pertaining to recommendations issued from January 1, 2001 through December 31, 2021. We also reviewed the recommendations follow-up database maintained and updated periodically by OPA staff. The internal database was used to summarize the status of audit recommendations as of January 2023.

The following factors are considered prior to initiating audits: (1) enhancement of accountability systems and transparency of government operations; (2) inherent risks and results of risk assessments; (3) increasing efficiency, effectiveness, and performance of public services; (4) improvement of public policies and operational practices; (5) financial impact; and (6) social impact.

OPA audits are initiated through several methods:

- *Request*: Audits can be initiated at the written request of government officials.
- *Legislative Mandate*: Audits mandated by law and require OPA to conduct specific audits, reviews, or analyses.
- *OPA-Initiated*: Audits internally initiated resulting from consideration of risk factors prior to initiating audits.
- *Hotline*: Audits initiated from hotline tips, which are integral to OPA’s ability to further its mission of “*Auditing for good governance.*”
- *Spin-Off*: Audits derived from existing engagements, but were separated because the findings were not aligned with the nature or objective of the original engagement.
- *Follow-Up*: Audits based on whether an entity implemented the recommendations made in a previously issued audit report.

We conducted this performance audit in accordance with generally accepted government auditing standards contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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**Appendix 2:**  
**Prior Audit Coverage**

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**OPA Report No. 07-18, Status of Audit Recommendations** *issued in December 2007*

OPA issued its first status report on audit recommendations for audit reports issued between CY 2001 and 2006. During this six-year period, OPA issued 65 reports with 420 recommendations that identified \$74.1 million (M) in financial impact. All recommendations have been closed.

**OPA Report No. 10-02, Status of Audit Recommendations** *issued in May 2010*

The second status report covered audits issued between CY 2007 and 2009. During this three-year period, OPA issued 35 reports with 85 recommendations that identified \$35.4M in financial impact. As of January 2023, six recommendations remain open.

**OPA Report No. 12-09, Status of Audit Recommendations** *issued in December 2012*

The third status report covered audits issued between CY 2010 and 2011. During this two-year period, OPA issued 21 reports with 77 recommendations that identified \$33.9M in financial impact. As of January 2023, one recommendation remains open.

**OPA Report No. 16-10, Status of Audit Recommendations** *issued in December 2016*

The fourth status report covered audits between CY 2012 and 2015. During this four-year period, OPA issued 30 reports with 64 recommendations that identified \$78.8M in financial impact. As of January 2023, 20 recommendations remain open.

## Appendix 3: CY 2001~ CY 2021 Financial Impact Summary

Year Issued	No. of Reports	No. of Recommendations	Financial Impact			
			Questioned Costs	Unrealized Revenue	Others	Total
2001	3	31	\$354,490.00	\$-	\$-	\$354,490.00
2002	9	96	3,326,827.00	145,496.00	5,973.00	3,478,296.00
2003	11	77	20,262,045.00	2,495,850.00	4,070,292.00	26,828,187.00
2004	14	91	13,102,656.00	2,602,595.00	655,802.00	16,361,053.00
2005	9	49	2,434,330.00	1,045,536.00	2,706,022.00	6,185,888.00
2006	19	76	6,751,426.00	3,237,794.00	10,938,428.00	20,927,648.00
2007	18	51	1,308,995.00	6,484,259.00	16,489,457.00	24,282,711.00
2008	10	28	9,687,839.00	-	-	9,687,839.00
2009	7	6	1,081,539.00	305,482.00	-	1,387,011.00
2010	9	38	19,539,597.00	-	3,060,375.00	22,599,972.00
2011	12	39	4,021,767.00	271,098.00	6,994,675.00	11,287,540.00
2012	9	24	4,130,871.00	26,175.00	166,679.00	4,323,725.00
2013	6	17	897,888.00	15,696,245.00	-	16,594,133.00
2014	7	10	337,683.00	4,945,911.00	5,295,526.00	10,579,120.00
2015	8	13	633,991.00	3,658.00	46,662,870.00	47,300,519.00
2016	11	25	6,446,075.00	13,887,379.00	70,978.00	20,404,432.00
2017	9	23	182,303,624.00	210,704,479.00	273,642,070.00	666,650,173.00
2018	8	34	1,209,160.00	40,396,566.00	5,553,025.00	47,158,751.00
2019	9	46	45,599,615.00	-	5,913,446.00	51,513,061.00
2020	9	35	310,635.00	1,647,395.00	-	1,958,030.00
2021	9	19	6,211,214.00	-	105,650.00	6,316,864.00
<b>Total</b>	<b>206</b>	<b>828</b>	<b>\$ 329,952,267.00</b>	<b>\$ 303,895,918.00</b>	<b>\$ 382,331,268.00</b>	<b>\$ 1,016,179,443.00</b>

Notes:

1. Savings identified were included as part of "Others" column of the financial impact.
2. Refer to Appendix 4 for the financial impact of individual reports between CY 2016 and CY 2021.

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021 Page 1 of 20**

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations					Financial Impact					
	Closed		Consolidated or Other	Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented		Partially Implemented	Open						
<b>No. 16-01, Guam Legislature Capitol District Fund</b> April 2016 / Initiated by OPA / Auditee: Guam Legislature Fund deposits and disbursements appear to have occurred in accordance with authorizations and guidelines. Internal control matters identified at the outset of this audit have been addressed.	-	-	-	-	-	-	-	-	-	-	
<b>No. 16-02, Guam's Readiness for the 12th Festival of Pacific Arts (FESTPAC)</b> April 2016 / Initiated by Hotline / Auditee: CAHA Our audit found that with one month away from the 12 <sup>th</sup> FESTPAC, the Coordinating Committee faces several challenges.			3	-	-	3	\$2,194,995.00	-	-	\$2,194,995.00	
<b>No. 16-03, Office of the Attorney General Child Support Enforcement Program Follow-Up</b> April 2016 / Initiated by Follow-Up / Auditee: OAG We found CSED has made significant improvements since the first OPA audit of the Office of the Attorney General's Child Support Enforcement Program in November 2003.	-	-	-	-	-	-	-	-	-	-	
<b>No. 16-04, GovGuam Retirement Fund Effect of Non-Base Pay on Retirement Annuity</b> May 2016 / Initiated by OPA / Auditee: GGRF Members from the top 10 agencies in FY 2015 who elected to include non-base pay in their annuity calculation showed that they were able to spike their retirement annuity.	-	-	-	-	3	3	-	-	\$244,979.00	\$244,979.00	

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 2 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations					Financial Impact					
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 16-05, Offices of the Governor and Lt. Governor's Employees' Pay Adjustments</b> June 2016 / Initiated by Request / Auditee: OOG After the AG found the December 2014 retroactive pay adjustments to 106 employees to be illegal, the Governor and Lt. Governor decided to give 68 employees still employed with the Governor's and Lt. Governor's offices one-time single pay period salary adjustments matching the prior year's adjustments.	-	-	-	-	3	3	\$805,824.00	-	-	-	\$805,824.00
<b>No. 16-06, Department of Revenue and Taxation Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees</b> August 2016 / Initiated by Request / Auditee: GGW Manual processes do not ensure that LGT and GMHA Trust Fund Fees are accurately collected and allocated to GMHA, GDOE, DPR, and MCOG.	-	-	-	-	2	2	-	\$206,114.00	\$2,910,277.00	-	\$3,116,391.00
<b>No. 16-07, Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up</b> September 2016 / Initiated by Follow-Up / Auditee: GVAO GVAO NAFs were grossly mismanaged and not accounted for in accordance with the applicable laws, regulations, and best practice and we questioned all \$290,000 in NAF operating disbursements.	-	-	-	-	6	6	\$290,000.00	-	-	-	\$290,000.00
<b>No. 16-08, Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers</b> October 2016 / Initiated by Request / Auditee: GGW No procedures in place to effectively assess and address the possible misuse of multiple SSNs to obtain EITC and welfare benefits.	-	-	-	-	4	4	-	-	-	-	-

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 3 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations					Financial Impact					
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 16-09, Chamorro Land Trust Commission Municipal Golf Course Lease Agreements</b> December 2016 / Initiated by Request / Auditee: CLTC The 1989 Lease, the initial lease agreement, was executed and authorized pursuant to public law. However, the 2014 Lease was not. CLTC did not obtain current property valuations for the golf course to determine rental amounts and there may have been missed opportunities to increase rental revenue for the 2014 Lease's term. Several provisions of the lease agreements were not complied with.	-	1	-	-	-	1	-	-	\$11,815,766.00	-	\$11,815,766.00
<b>No. 16-10, Office of Public Accountability's Status of Audit Recommendations</b> December 2016 / Initiated by OPA / Auditee: GovGuam As of December 2016, 4% or 27 recommendations are still open. Among the 27 open recommendations, 14 are partially implemented.	-	-	-	-	-	-	-	-	-	-	-
<b>No. 16-11, Department of Administration Returned Checks Follow-Up Audit</b> December 2016 / Initiated by follow up / Auditee: DOA DRT's handling of returned checks has worsened compared to the conditions noted in our 2006 audit. In addition, while we noted some improvements made by DOA and SDU in handling their own returned checks, there were several deficiencies that remained.	-	-	-	-	3	3	-	-	\$1,865,499.00	\$70,978.00	\$1,936,477.00

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 4 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. of Recommendations						Financial Impact				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 17-01, Office of Public Accountability's Status of Legislative Mandates</b> January 2017 / Initiated by Mandate / Auditee: GovGuam During the past 16 years, from January 2001 to September 2016, 90 public laws with 173 separate mandates have expanded OPA's primary duties and responsibilities.	-	-	-	-	-	-	-	-	-	-	
<b>No. 17-02, Government of Guam Analysis of Government of Guam Leases</b> January 2017 / Initiated by OPA / Auditee: GovGuam In just a little over a decade, GovGuam nearly doubled its annual cost for leasing commercial space (office and other), going from \$6.8 million (M) for 493,701 sq. ft. in FY 2004 to \$12.5M for 493,097 sq. ft. in FY 2015. Majority of GovGuam's commercial leases were for office space at \$11.8M, while other commercial lease space was \$692 thousand (K) in FY 2015.	-	-	-	-	2	2	-	-	-	-	
<b>No. 17-03, Guam Registration Board of Professional Engineers, Architects, and Land Surveyors Funds and Financial Practices Follow-Up Audit</b> July 2017 / Initiated by follow-up / Auditee: PEALS Our follow-up audit found that the PEALS Board addressed five of the six recommendations provided in OPA Report No. 11-07. OPA's recommendation to close the separate PEALS Board Revolving Fund checking account has not been addressed.	3	-	-	-	1	4	\$25,119.00	-	\$8,077.00	\$33,196.00	

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 5 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations					Financial Impact					
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 17-04, Department of Public Works Heavy Equipment and Related Parts Inventory Management</b> September 2017 / Initiated by OPA / Auditee: DPW Our audit of DPW heavy equipment and related parts inventory found many indicators of potential ethical violations, fraud and misuse.	4	1	-	-	-	5	\$282,506.00		-	\$4,917,118.00	\$5,199,624.00
<b>No. 17-05, General Services Agency Procurement Practices</b> November 2017 / Initiated by OPA / Auditee: GSA We concluded that GSA's practices on: · Procurement planning did not comply with Guam Procurement Law and Regulations; · Competitive sealed bids did comply with the Guam Procurement Law and Regulations based on 11 POs related to nine competitive sealed bids tested; and · Small purchases, sole source, and emergency procurements did not comply with the Guam Procurement Law and Regulations based on 29 POs tested.	1	-	-	-	7	8	-		-	-	-
<b>No. 17-06, 12th Festival of Pacific Arts (FESTPAC) Follow-Up Audit</b> December 2017 / Initiated by follow-up/ Auditee: CAHA In our second FESTPAC audit, we found that three agencies, CAHA, GVB, and Department of Administration (DOA), accounted for portions of FESTPAC funds, but no agency was assigned to account for FESTPAC funds overall.	3	-	-	-	-	3	\$89,093.00		-	-	\$89,093.00

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 6 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations					Financial Impact					
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 17-07, Government of Guam Submission of Citizen Centric Reports for FY 2016 &amp; FY 2015</b> December 2017 / Initiated by Mandate / Auditee: GovGuam Our audit determined that as of December 7, 2017, of the 57 entities required to submit CCRs pursuant to 1 GCA Ch. 19 §1922(a), at least 89% of the entities issued their CCRs, pursuant to the legislative intent of the law. Specifically, 51 entities (or 89%) issued their FY 2016 CCRs, which is a decrease from the 52 entities (or 91%) that issued their FY 2015 CCRs.	-	-	-	-	-	-	-	-	-	-	
<b>No. 17-08, Department of Revenue &amp; Taxation Gross Receipts Tax Exemptions</b> December 2017 / Initiated by OPA / Auditee: DRT We were unable to determine the effect on revenues for FY 2012 and 2013. Despite the impact on revenues, there is limited review or oversight of tax exemptions by DRT.	-	-	-	-	1	1	\$181,906,906.00	\$210,704,479.00	\$14,716,875.00	\$407,328,260.00	
<b>No. 17-09, Department of Public Works Village Streets Management Strategy</b> December 2017 / Initiated by OPA / Auditee: DPW We found that the Division did not have an effective management strategy to protect and prolong the life of village streets and ensure taxpayer dollars were utilized in the most cost-effective manner for roads in most need of repair.	3	-	-	-	-	3		\$254,000,000.00	-	\$254,000,000.00	

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 7 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations						Financial Impact				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 18-01, Guam Regional Transit Authority Procurement and Billing of Public Transit Services</b> February 2018 / Initiated by Request / Auditee: GRTA Our audit found that the GRTA procurement for the outsourced management and operations of public transit services did not comply with applicable laws and regulations and GRTA's billing review was inadequate to identify overcharges.	1	-	-	-	3	4	\$590,956.00	-	-	-	\$590,956.00
<b>No. 18-02, Guam Football Association Soccer Stadium Contributions</b> March 2018 / Initiated by Hotline / Auditee: GFA · GFA officials did not follow FIFA and AFC Codes of Ethics provisions related to conflicts of interest; · Department of Parks and Recreation (DPR) failed to create a Memorandum of Understanding (MOU) on the use of the Northern Soccer Stadium; · GFA significantly delayed remitting the Event Admission Assessment Fee; and · GVB did not request for an accounting of the \$400K funds granted to GFA.	6	-	-	-	-	6	\$432,361.00	-	-	\$411,588.00	\$843,949.00
<b>No. 18-03, Department of Revenue and Taxation Real Property Tax Assessments and Exemptions</b> May 2018 / Initiated by OPA / Auditee: DRT Based on the DRT-provided certified tax rolls for 2012 to 2016, we found that although levied property taxes increased by an average of \$7.0M after the 2014 mass re appraisal, GovGuam had unrealized revenues averaging \$8.5M per year due to revenue leakages and foregone revenues.	-	-	-	-	8	8	\$185,843.00	-	\$40,198,964.00	-	\$40,384,807.00

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 8 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 18-04, Department of Revenue and Taxation Tobacco Tax</b> May 2018 / Initiated by Hotline / Auditee: DRT Our audit found that although tobacco tax legislation allows DRT to know how much tax should be reported and paid, unlike other self-reported BPTs, the Guam Customs and Quarantine Agency (CQA) and DRT's policies and procedures for assessing tobacco tax provide opportunities for underreporting and fall short of ensuring that all tobacco taxes are paid.	1	-	-	-	2	3	-	-	\$142,350.00	\$82,409.00	\$224,759.00
<b>No. 18-05, Government of Guam Health Insurance Contracts Analysis</b> June 2018 / Initiated by Request / Auditee: DOA From FY 2014 to FY 2017, GovGuam's total medical health insurance premiums amounted to \$320.4 million (M) or \$80.1M annually. Whereas total medical claims amounted to \$197.2M from FY 2014 to FY 2016 (FY 2017 claims still pending), or \$65.7M annually. Per subscriber, average premium was \$6,751 while the average claim was \$5,612.	-	-	-	-	2	2	-	-	-	\$4,996,384.00	\$4,996,384.00
<b>No. 18-06, Guam Regional Transit Authority Non-Appropriated Funds</b> August 2018 / Initiated by OPA / Auditee: GRTA Our audit found that the GRTA Fund was not properly managed and accounted for in accordance with applicable laws, regulations, and best practices. GRTA management did not prioritize internal controls over the Fund to reduce risks of theft and misuse of GRTA's program income. As a result, \$55 thousand (K) in GRTA bus fares reported by the Contractor were not deposited into the Fund.	-	-	-	-	5	5	-	-	\$55,252.00	-	\$55,252.00

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 9 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 18-07, Department of Public Works Inventory Management of Consumable Parts, Supplies, and Materials Inventory</b> December 2018 / Initiated by OPA / Auditee: DPW Our audit found that DPW Supply Warehouse's three inventory management systems did not produce accurate inventory records to properly account for and safeguard DPW's consumable inventories. The Supply Warehouse used stock cards, Excel spreadsheets, and the RTA simultaneously to account for DPW's inventories.	3	-	-	-	-	3	-	-	-	\$44,644.00	\$44,644.00
<b>No. 18-08, Guam Economic Development Authority Qualifying Certificate Community Cash Contributions</b> December 2018 / Initiated by Request / Auditee: GEDA There was a lack of monitoring on certain community cash contributions; and GEDA has wide discretion over the allocation of community cash contributions, resulting in a 73% (or \$2.2M) allocation to itself for marketing and economic development purposes.	-	-	-	-	3	3	-	-	-	\$18,000.00	\$18,000.00
<b>No. 19-01, Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts</b> February 2019 / Initiated by OPA / Auditee: GMHA The Hospital's billing and collection practices for true self-pay accounts did not comply with the applicable law, rules and regulations, and policies and procedures, thereby giving the opportunity for patients and/or guarantors to avoid paying their hospital bills. From January 1, 2017, through June 30, 2018, the Hospital billed \$22.1M to 7,516 true self-pay patients, of which 90% or \$19.8M remained uncollected.	-	-	-	-	5	5	-	-	-	\$32.00	\$32.00

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 10 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	No. Of Recommendations						Financial Impact				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Open	Open						
<b>No. 19-02, Department of Administration Special Revenue Funds</b> March 2019 / Initiated by OPA / Auditee: DOA The Legislature, DOA, and the Agency Directors need to address the ineffective fund management and noncompliance with the SRFs' utilization, purpose, and transfers. Improper use of SRFs could negatively affect public health, safety, and deprive social and economic benefits for which these SRFs were created. We questioned the \$39.8M expenditures from these funds.	2	-	-	-	8	10	\$38,939,672.00	-	-	\$907,570.00	\$39,847,242.00
<b>No. 19-03, Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax</b> March 2019/ Initiated by Request / Auditee: DRT Based on the NPO's financial statements for the calendar years (CY) 2014 through 2017, the top five NPOs generated \$81.3 million (M) in gross revenues from Bingo activities or an average of \$20.3M per CY. These gross receipts are subject to a four percent (4%) LGT per Title 11 GCA §5201(a). However, per Title 3 GARR §7102(q), the LGT applies to gross receipts less payouts for any Bingo winnings.	-	-	-	-	4	4	-	-	-	\$2,620,951.00	\$2,620,951.00
<b>No. 19-04, Government of Guam Procurement Training and Certification</b> April 2019 / Initiated by OPA / Auditee: GovGuam Our review of GovGuam's compliance with the mandated procurement training and certification found that as of CY 2018, only 42 of the 62 GovGuam agencies have at least one employee who obtained Module 1 certification, the basic requirement of the procurement training. Only 26 of those 42 agencies have at least one employee who obtained certification in all four modules.	1	-	-	-	3	4	-	-	-	-	-

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 11 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 19-05, Government of Guam Government of Guam Legal Fees and Services Analysis</b> August 2019 / Initiated by OPA / Auditee: GovGuam Our analysis of the cost of legal fees and services of Government of Guam (GovGuam) agencies, autonomous and semi-autonomous agencies, and public corporations identified \$78 million (M) spent on legal services from FY 2013 to FY 2018. Of this amount, \$32.6M was spent for contracted legal services, \$43.8M for government-hired attorney compensation, and \$1.6M for OAG reimbursement by GovGuam entities.	1	-	-	-	-	1	-	-	-	-	-
<b>No. 19-06, Governor and Lieutenant Governor's Transition Fund</b> October 2019 / Initiated by OPA / Auditee: GOV Our audit of the Governor and Lieutenant Governor's Transition Fund found that the Transition Committee raised \$691 thousand (K) in funds and spent \$665K. Of the \$665K spent, \$418K (or 63%) was used for the inauguration ceremony and celebration and \$247K (or 37%) was used for other transition costs.	-	-	-	-	3	3	-	-	-	-	-
<b>No. 19-07, Department of Revenue and Taxation Bonded Warehouses for Tobacco Products</b> November 2019 / Initiated by Request / Auditee: DRT Our audit found that DRT still has not submitted any rules, regulations, and formally adopted policies that establish the official requirements for granting certification to and monitoring bonded warehouses for tobacco products.	-	-	-	-	5	5	-	-	-	-	-

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 12 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS					FINANCIAL IMPACT					
	Closed		Consolidated or Other	Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented		Partially Implemented	Open						
<b>No. 19-08, University of Guam Guam Cancer Trust Fund</b> December 2019 / Initiated by OPA / Auditee: UOG Our audit of the GCTF, from FY 2014 through FY 2018 found inefficiencies, violations and noncompliance with GCTF governing laws, program objectives and lack of documentation. These resulted in ineffective management of revenues, questionable GCTF awards and payouts, and undetermined program results.	-	-	-	-	10	10	\$4,095,190.00	-	\$2,384,925.00	-	\$6,480,115.00
<b>No. 19-09, Guam Power Authority and Guam Waterworks Authority Unclassified Employees' Pay Raises and Bonuses</b> December 2019 / Initiated by Request / Auditee: GPA & GWA Our audit of the GPA and GWA unclassified employees' pay raises and bonuses from October 2014 to September 2019 found that CCU did not comply with the Open Government Law.	-	-	2	-	2	4	\$2,564,753.00	-	-	-	\$2,564,753.00
<b>No. 20-01, Government of Guam Use Tax on Air Cargo</b> January 2020 / Initiated by OPA / Auditee: DRT, DOA, CQA Our audit of GovGuam's Use Tax data and processes from October 1, 2016 through December 31, 2018 found significant flaws and deficiencies in its manual processes. This includes the control, assessment, and recording of incoming cargoes; recording of assessments, exemptions, and collection of Use Tax; and data interface.	2	-	-	-	10	12	-	\$10,627.00	\$1,642,395.00	-	\$1,653,022.00

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**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 13 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS					FINANCIAL IMPACT					
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 20-02, 75th Liberation Day Carnival Games of Chance</b> March 2020 / Initiated by Request / Auditee: DRT Our audit of the 75th Liberation Day Carnival Games of Chance found that gaming operations, under the oversight of the Department of Revenue and Taxation (DRT), generally complied with the governing laws, rules, and regulations. However, we identified some deficiencies in DRT's oversight functions and certain operational violations with Public Law (P.L.) 35-10 and tax law. Specifically, we identified: (1) DRT personnel lacked the expertise in game room operations; (2) backup withholding on gambling winnings was not conducted placing heavy reliance on winners to self-report to DRT on their income tax filings; (3) gaming operators permitted the use of cash to be used during games which was a violation of P.L. 35-10; and (4) concerns for the personal safety of DRT employees assigned to provide oversight over gaming activities.	-	-	-	-	1	1	-	-	\$5,000.00	-	\$5,000.00
<b>No. 20-03, Government of Guam Public Safety Overtime</b> May 2020 / Initiated by OPA / Auditee: DOC, GPD, DOA Our analysis of GovGuam's public safety overtime identified that the GFD, GPD, and DOC accounted for 84%, or an average of \$8.2M a year (or \$40.8M cumulatively) of GF overtime expenditures over five years from October 1, 2014 through September 30, 2019. The GF averaged \$9.7M a year (or \$48.4M cumulatively) of overtime expenditures during that period.	-	-	-	-	3	3	-	-	-	-	-

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**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 14 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 20-04, Port Authority of Guam Unclassified Employees' Pay Raises and Bonuses</b> July 2020 / Initiated by Request / Auditee: PAG Our audit of the PAG unclassified employees' pay raises and bonuses found that the PAG Board of Directors generally complied with the Open Government Law. We did not find any bonuses given to unclassified employees in our review of executive and general session minutes as well as personnel action forms.	-	-	-	-	1	1	-	-	-	-	-
<b>No. 20-05, Guam Housing and Urban Renewal Authority Unclassified Employee's Pay Raises and Bonuses</b> September 2020 / Initiated by Request / Auditee: GHURA Our audit of the GHURA unclassified employees' pay raises and bonuses found that the GHURA Board of Commissioners generally complied with the Open Government Law in granting pay raises and bonuses to unclassified employees. We did not find any bonuses given to unclassified employees in our review of executive and general session minutes as well as personnel action forms.	3	-	-	-	1	4	-	-	-	-	-
<b>No. 20-06, Mayors' Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements</b> September 2020 / Initiated by Request / Auditee: MCOG Our review of MCOG's NAF financial reports for 19 municipalities and the MCOG Revolving Fund found that most Mayor's offices were unaware of the different mandated reporting requirements.	-	-	-	-	6	6	-	-	-	-	-

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 15 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS					FINANCIAL IMPACT					
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 20-07, 75th Guam Island Fair and Liberation Day Carnival Procurement</b> October 2020 / Initiated by Mandate / Auditee: MCOG Our audit found that the Committee did not comply with Guam procurement rules and regulations for purchases of major goods and services for the Fair. Specifically, we found: (1) no procurement records for purchases totaling \$234K and (2) improper procurement method used for \$66K purchases. These resulted in total questioned costs of \$300K.	-	-	-		2	2	\$300,008.00	-	-	-	\$300,008.00
<b>No. 20-08, Government of Guam Coronavirus Relief Fund Expenditures Part I</b> November 2020 / Initiated by Mandate / Auditee: GovGuam Our audit found that GovGuam generally followed the policies and procedures provided by the CRF Guidance for State, Territorial, Local and Tribal Governments (herein referred to as "Guidance"). This is relative to the eligibility, necessity, and reasonableness of expenditures in its response to the COVID-19 pandemic. However, GovGuam lacked written specific processes and control activities governing the CRF. Additionally, the Spending Plan allocation of funds to the agencies was generally based on the criteria of eligible expenditures outlined in the Guidance.	-	-	-	-	2	2	-	-	-	-	-

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**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 16 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 20-09, Government of Guam Procurement Training and Certification Program</b> December 2020 / Initiated by Follow-Up / Auditee: GovGuam Our follow-up review audit of the GovGuam compliance with GCC's Procurement Training and Certification Program found that as of September 30, 2020, an additional 201 GovGuam employees obtained Module 1 training, 31 obtained Module 2, 27 obtained Module 3, and 31 obtained Module 4. This brings the overall total of GovGuam employees to 575 for Module 1, 228 for Module 2, 201 for Module 3, and 204 for Module 4.	2	-	2	-	-	4	-	-	-	-	-
<b>No. 21-01, Government of Guam COVID-19 Payroll Expenses</b> January 2021 / Initiated by OPA / Auditee: GovGuam Our audit of the COVID-19 payroll expenses found that between March 14, 2020, and May 11, 2020, two GovGuam agencies utilized Rule 8.406 double pay provision to compensate their employees while 45 departments and agencies used E.O. 2020-08 Differential Pay Policy. GovGuam employees were paid \$10.4M for differential, double, and other pay in response to the state of emergency due to COVID-19. This pay was in addition to the regular pay that GovGuam employees continued to receive during the closure and suspension of GovGuam services.	1	-	-	-	2	3	\$3,043,875.00	-	-	-	\$3,043,875.00

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**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 17 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 21-02, Status of the Government of Guam Coronavirus Relief Fund Expenditures</b> January 2021 / Initiated by OPA / Auditee: GovGuam	-	-	-	-	-	-	-	-	-	-	-
<b>No. 21-03, Port Authority of Guam Back Wages Series Part A</b> February 2021 / Initiated by OPA / Auditee: PAG Our performance audit of Employee Q’s back wages found significant deficiencies in the basis of Port’s calculations for back wages, Medicare tax, retirement contribution, and interest charge that resulted in overpayments of at least \$96K in back wages and \$18K in interest for a total of \$114K. While Port’s legal remedies with Employee Q were generally made in accordance with administrative and judicial review judgments and orders, we found instances of potential noncompliance with applicable laws, regulations, and internal policies, as well as lapses in Port’s internal processes in executing Employee Q’s legal remedies.	5	-	-	-	-	5	\$113,835.00	-	-	-	\$113,835.00
<b>No. 21-04, Status of the Government of Guam Coronavirus Relief Fund Expenditures as of December 31, 2020</b> February 2021 / Initiated by OPA / Auditee: GovGuam	-	-	-	-	-	-	-	-	-	-	-

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 18 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 21-05, Ethics in Government Program As Mandated by Public Law 28-76</b> May 2021 / Initiated by Mandate / Auditee: GovGuam Our compliance audit found that majority of the elected and appointed officials attended the ethics in government program training in accordance with P.L. 28-76:	3	-	-	-	-	3	-	-	-	-	-
<b>No. 21-06, Government of Guam Procurement of Hotels Used for COVID-19 Quarantine Audit</b> July 2021 / Initiated by OPA / Auditee: GovGuam Our audit of the emergency procurement of COVID-19 quarantine and isolation facilities found that the initial procurement conducted by the Office of the Governor did not comply with Guam Procurement Law with the following deficiencies: (1) improper procuring authority, (2) conflict of interest with one of the awarded facilities, (3) incomplete procurement record, and (4) contract issues. Therefore, we questioned total costs of \$3M for the initial procurement.	-	-	1	-	-	1	\$3,032,000.00	-	-	-	\$3,032,000.00

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 19 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 21-07, Government of Guam Submission of Citizen-Centric Reports for FY 2017 Through FY 2020</b> October 2021 / Initiated by Mandate / Auditee: GovGuam As of October 8, 2021, our audit determined the following pursuant to the legislative intent of 1 GCA Ch. 19 §1922: • 55 of 65 entities (or 85%) issued their FY 2020 CCRs. Of the 55, 36 entities fully complied by timely submitting their CCRs to both OPA and Speaker. Also, posting the CCR on their websites. The remaining 19 entities were partially compliant for issuing their CCR but only met some requirements.	-	-	-	-	-	-	-	-	-	-	
<b>No. 21-08, Compliance with Standard Operating Procedures as Mandated by Public Law 34-05</b> December 2021 / Initiated by Mandate / Auditee: GovGuam  Our review of compliance with GovGuam’s SOPs found that 97% of agencies complied with the SOP mandate, which requires an agency document its SOPs for operational functions and performing routine activities, and post said SOPs on its designated website for public view. Specifically, we found 72 agencies documented and posted at least one of its SOPs on its designated website for public view. Two agencies, namely the Department of CHamoru Affairs (DCA) and Guam Recovery Office (GRO), did not document or post its SOPs on its designated website.	-	-	-	-	-	-	-	-	-	-	

**Appendix 4:**

**Audit Recommendations Status by Report Number CY 2016 ~ CY 2021** Page 20 of 20

Report No., Title Issue Date / Initiated By / Auditee Agency Deficiency Noted	NO. OF RECOMMENDATIONS						FINANCIAL IMPACT				
	Closed			Open		Total	Questioned Costs	Potential Savings	Unrealized Revenue	Others	Total
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open						
<b>No. 21-09, Port Authority of Guam Back Wages Series, Part B</b> December 2021 / Initiated by OPA / Auditee: PAG The Port's reinstatement of Employee S and Employee T were generally made in accordance with administrative and judicial review judgments and orders. Additionally, the legal remedies stipulated in the Agreement to Satisfy Judgment and Settlement Agreement were generally complied with by the Port. However, in our review of documentation provided and analysis of processes executed to satisfy legal remedies, we found deficiencies in documentation, deviations from certain provisions of Port Personnel Rules and Regulations (PRR) and internal policies, deficiencies in calculations resulting in discrepancies and overpayments, conflicting Notification of Personnel Action (NPA), non-deduction of withholding tax for back wages and other matters of concern.	7	-	-	-	-	7	\$21,504.00	-	-	\$105,650.00	\$127,154.00

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2016	16-04	Effect of Non-Base Pay on Retirement Annuity	GGRF	1	We recommend the GGRF Board of Directors address the disparity that has been cited in this audit by reevaluating the benefit of the inclusion of non-base pay for the purposes of calculating retirement annuities	Open
		Effect of Non-Base Pay on Retirement Annuity		2	We recommend GGRF pay the amount owed and adjust the understated annuity for the sampled GMHA retiree moving forward in accordance with Title 4 of the Guam Code Annotated (GCA) Chapter 8 § 8122.1.	Open
		Effect of Non-Base Pay on Retirement Annuity		3	We recommend the record keeping process be reviewed by GGRF management to find ways to simplify the documentation efficiency and effectiveness.	Open
	16-05	Offices of the Governor and Lt. Governor's Employees' Pay Adjustments	DOA	1	We recommend that the DOA Director and GGRF Director or their designees reconcile the retirement contributions relative to the December 2014 and 2015 pay adjustments.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2016	16-05	Offices of the Governor and Lt. Governor's Employees' Pay Adjustments	DOA	3	We recommend that the DOA Director should establish and implement control measures to prevent errors in processing pay adjustments. Such control measures should include: a. Updated signature cards should be kept on file to ensure that the authorizing officials on GGIs and other personnel-related files are duly authorized to effectuate personnel actions. b. The NPA should be required before payroll can be processed. c. Prior written authorization should be obtained before the creation of a new special payroll program within the AS400 and the created program should be deactivated when no longer needed to prevent future unauthorized use. d. The work dates utilized in processing pay adjustments should match the authorized dates of the NPAs.	Open
		Offices of the Governor and Lt. Governor's Employees' Pay Adjustments	GGRF	1	We recommend that the DOA Director and GGRF Director or their designees reconcile the retirement contributions relative to the December 2014 and 2015 pay adjustments.	Open
		Offices of the Governor and Lt. Governor's Employees' Pay Adjustments	GGRF	2	We recommend that the GGRF Director review and determine the effect of the December 2014 and 2015 pay adjustments on the 106 employees' retirement annuities.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2016	16-06	Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees	DRT	1	We recommend DRT to consider as they address the gaming taxes: a. Reconcile with the DOA AS400 on a monthly basis; b. Aggressively follow-up with gaming entities to issue Forms W-2G to gambling winners; c. Explore electronic filing options for Form 3260 for monthly filings, even for zero gaming gross receipts, to ensure accountability of each entity’s gaming activity and readily available data; d. Review variances in GMHA Trust Fund Fees reporting in relation to LGT as part of their monitoring process; and e. Properly classify limited gaming activity licenses to compile listing of potential filers.	Open
		Government of Guam Limited Gaming Tax and Guam Memorial Hospital Authority Trust Fund Fees	GMHA	2	We recommend that GMHA submit quarterly reports in compliance with P.L. 32-60 to ensure funds are used for their intended purpose.	Open
	16-07	Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up	VAO	1	Relinquish the NAF bank accounts and record-keeping to the DMA or DOA. DMA or DOA may then facilitate review of receipts, review of disbursements prior to check disbursements (including petty cash replenishment), and preparation of bank reconciliation.	Open
		Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up	VAO	2	Administer a nominal (i.e., no more than \$500) petty cash fund at GVAO properly segregating incompatible duties.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2016	16-07	Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up	VAO	3	Immediately reconcile and submit reimbursement claims to USDVA for veteran burials from January 2015 as the two-year allowable filing period is fast approaching. Moving forward, the Commission, DMA, or DOA should institute a regular review monitoring procedure to ensure that burial reimbursement claims are accurately and timely processed.	Open
		Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up	VAO	4	Immediately notify the bank to correct the signatories and explicitly require at least two signatures on all NAF disbursements.	Open
		Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up	VAO	5	Prepare the required reports and post to the GVAO website immediately to comply with the law.	Open
		Guam Veterans Affairs Office Non-Appropriated Funds Follow-Up	VAO	6	Establish fundamental internal controls at GVAO to improve checks and balances, accountability, and oversight on the NAFs.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2016	16-08	Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers	DRT, DPHSS	1	We recommend that DRT, DPHSS, and GHURA officials enter into discussions with SSA regarding a data exchange agreement that would assist the agencies in eligibility determinations, including data on any additional SSN issued to the applicant or benefit recipients.	Open
		Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers	DRT, DPHSS	2	We recommend that DRT, DPHSS, and GHURA officials meet with the criminal justice agencies to ascertain the magnitude of possible misuse of multiple SSNs and how best they can share data, in order to reduce or slow the growth of improper EITC claims and welfare benefits.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2016	16-08	Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers	DRT, DPHSS	3	We recommend that DRT, DPHSS, and GHURA officials enlist the assistance of Crime Stoppers, which provides means and incentives to citizens who volunteer vital information leading to indictments or arrests.	Open
		Government of Guam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers	DPHSS	4	We recommend that DPHSS practice due diligence subsequent to the initial issuance of benefits to ensure that no household members are fleeing felons or have been convicted of a drug felony.	Open
	16-11	Department of Administration Returned Checks Follow-Up Audit	DRT	1	We recommend management monitor and oversee DRT's returned checks process.	Open
		Department of Administration Returned Checks Follow-Up Audit	DOA, SDU	2	We recommend DOA management take responsibility to coordinate with SDU to reconcile the GL with their SL on a regular basis (preferably monthly).	Open
		Department of Administration Returned Checks Follow-Up Audit	DOA, SDU , DRT	3	We recommend all three agencies implement procedures to maximize remedies as provided by laws and regulations governing returned checks.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2017	17-02	Government of Guam Analysis of Government of Guam Leases	Gov	1	Assign an agency to monitor and annually report to the Governor and Legislature all Government of Guam leases, including each entity’s leased space, location, square footage, lease price, contract expiration date, services provided, and rationale for space.	Open
		Government of Guam Analysis of Government of Guam Leases	Gov	2	Designate a lead agency for GovGuam Building construction to ensure accountability of the project.	Open
	17-03	Guam Registration Board of Professional Engineers, Architects, and Land Surveyors Funds and Financial Practices Follow-Up Audit	PEALS Board & Management	4	Coordinate with the Compiler of Laws to update their rules and regulations.	Open
	17-05	General Services Agency Procurement Practices Compliance Audit	GSA	1	Strengthen relationships with using agencies through focused trainings, timely communication, and outreach.	Open
		General Services Agency Procurement Practices Compliance Audit	GSA	2	Document and monitor effectiveness of GSA’s planning efforts.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2017	17-05	General Services Agency Procurement Practices Compliance Audit	GSA	3	Seek operational support from DOA Director to address issues of high turnover and insufficient staff resources.	Open
		General Services Agency Procurement Practices Compliance Audit	GSA	4	Implement an approval limit to fully delegate certain procurements.	Open
		General Services Agency Procurement Practices Compliance Audit	GSA	5	Obtain written guidance from the Attorney General on whether emergency Procurement Law and Regulations are applicable to procurements with pending appeals, as well as how to process the necessary documents.	Open
		General Services Agency Procurement Practices Compliance Audit	GSA	6	Challenge agencies' requests for sole source on federally funded requisitions. Require documentation as to solicitation or how a vendor was selected.	Open
		General Services Agency Procurement Practices Compliance Audit	GSA	7	Formally update SOPs.	Open

## Open and Partially Implemented Audit Recommendations by Calendar Year

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2017	17-08	Department of Revenue and Taxation Gross Receipts Tax Exemptions	DRT	1	We recommend DRT management and BPT branch staff to: · Analyze GRT data and resolve system errors by conducting in-house corrections; · Regularly review GRT data and investigate any irregularities; and · Work with policymakers to develop a more comprehensive and systematic strategy to review all tax expenditures on a regular basis.	Open
2018	18-01	Guam Regional Transit Authority Procurement of Public Transit Services	GRTA	1	Work with the AG's office to formalize a contract with the vendor for public transit services. The contract should address, among other safeguards, a prescribed billing format that ensures sufficient data for validating the charges, and confirms rates for billing GRTA provided and contractor-provided equipment.	Open
		Guam Regional Transit Authority Procurement of Public Transit Services	GRTA	2	Formalize GRTA's review process for invoices to ensure accuracy and correspond with the terms of the purchase order and contract.	Open
		Guam Regional Transit Authority Procurement of Public Transit Services	GRTA	3	Seek clarification from the Attorney General's office on the appropriateness of charges for contractor-provided equipment.	Open
	18-03	Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DRT	1	Immediately settle the PIN issue with the systems provider and strive to identify, correct and update tax assessment records of all real properties on Guam.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2018	18-03	Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DRT	2	Enforce remedies provided by law particularly on deeding and auctioning delinquent properties. If needed, DRT should submit legislation to allow them to auction properties.	Open
		Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DRT	3	Request BOE to review and approve the reduction in values of real property.	Open
		Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DRT	4	Strictly enforce MOA by providing DLM the certified tax roll for property taxes assessed for CLTC properties	Open
		Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DRT	5	Establish an MOA with DPW pertaining to the coordination of information for new constructions and renovations.	Open
		Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DRT	6	Coordinate a solution to ensure that information on real properties interface with each other to capture all taxable properties and levy taxes on them.	Open

## Open and Partially Implemented Audit Recommendations by Calendar Year

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2018	18-03	Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DLM	1	Immediately settle the PIN issue with the service provider.	Open
		Department of Revenue and Taxation Real Property Tax Assessments and Exemptions	DLM	2	Strictly enforce the MOA by providing DRT information pertaining to CLTC leases	Open
	18-04	Department of Revenue and Taxation Tobacco Tax	DRT	1	Revise the processing of tobacco released to authorized warehouses, to include reconciliation of the wholesaler's GRT-3 filing with the quantities and weights of the tobacco already recorded with the tracer and withdrawal forms, as well as the recording of a tax receivable and deferred revenue;	Open
		Department of Revenue and Taxation Tobacco Tax	DRT, CQA	2	Coordinate and reconcile tax filings to tobacco shipments at least annually.	Open
	18-05	Government of Guam Health Insurance Contracts Analysis	DOA	1	Consider shifting some of the premiums to the subscribers rather than having the government shoulder most of it.	Open
		Government of Guam Health Insurance Contracts Analysis	DOA	2	Assign staff to verify the refunds/no refunds reported by the Carriers.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2018	18-06	Guam Regional Transit Authority Non-Appropriated Funds	GRTA	1	To adopt proper control activities including establishing effective policies and SOPS, maintaining a check register, and performing bank reconciliations.	Open
		Guam Regional Transit Authority Non-Appropriated Funds	GRTA	2	Send appropriate staff to Fund management or other similar training.	Open
		Guam Regional Transit Authority Non-Appropriated Funds	GRTA	3	Include specifications for the process of depositing bus fares collected by the Contractor in its formal contract, including more detailed reporting of bus fares and ticket sales (i.e., cash, check, and credit card payments) collected by the Contractor and each subcontractor to allow GRTA to reconcile against deposits.	Open
		Guam Regional Transit Authority Non-Appropriated Funds	GRTA	4	Assign staff to actively monitor receipts and verify the completeness of bus fare deposits.	Open
		Guam Regional Transit Authority Non-Appropriated Funds	GRTA	5	Be more transparent and accountable by reporting the Fund's activity to those charged with governance including the GRTA Board, and if requested by the Legislature, Governor, or OPA.	Open

## Open and Partially Implemented Audit Recommendations by Calendar Year

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2018	18-08	Guam Economic Development Authority Qualifying Certificate Community Cash Contributions	GEDA	1	Indicate the specific amounts or percentages of allocation on the current active certificates and on the qualifying certificates to be issued going forward.	Open
		Guam Economic Development Authority Qualifying Certificate Community Cash Contributions	GEDA	2	Create a monitoring system of projects and expenses related to economic development.	Open
		Guam Economic Development Authority Qualifying Certificate Community Cash Contributions	GEDA	3	Advertise the availability of funding.	Open
2019	19-01	Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts	GMHA	1	Create a policy on the: · Implementation and review of rate changes; and · Account referral process to the Collection Agency, including how the analysis should be done and when to refer accounts.	Open
		Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts	GMHA	2	Enforce the execution of: · A credit arrangement before the patient's discharge and define who is in charge of performing them; and · The law requirements of providing partial and interim bills to patients.	Open
		Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts	GMHA	3	Evaluate whether review and/or corrections should be performed on outstanding patient bills.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2019	19-01	Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts	GMHA	4	Provide formal training and setting target outputs for the Credit & Collection Supervisor and Collections Staff.	Open
		Guam Memorial Hospital Authority Billing and Collections of True Self-Pay Accounts	GMHA	5	Assess, based on the current conditions of the Hospital, whether reinstating a Financial Counselor will help improve the collection process.	Open
	19-02	Department of Administration Special Revenue Funds	DOA	1	Strictly comply with the provisions of the SRFs' enabling legislations on deposits, use for intended purposes, fund transfer restrictions, disbursements, and transfer approvals	Open
		Department of Administration Special Revenue Funds	DOA	2	Refrain from borrowing cash (funds) from the SRFs to fund general government expenses without prior authorization and approval from Agency Directors or Fund Administrators.	Open
		Department of Administration Special Revenue Funds	DOA	3	Ensure that all interfund borrowings must be paid before the end of the fiscal year.	Open
		Department of Administration Special Revenue Funds	DOA	5	Develop written plans, policies, and procedures, to ensure consistency in the opening, closing, interfund transfers, accounting, monitoring, reconciliation, and reporting of special fund accounts.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2019	19-02	Department of Administration Special Revenue Funds	DOA	6	Establish and implement fund management controls to ensure that SRFs are effectively managed and used for its intended purpose.	Open
		Department of Administration Special Revenue Funds	DOA	7	Recommend to the Legislature the repeal or closure of existing inactive or duplicated SRFs and comply with the prior audit recommendations on their repeal or closures.	Open
		Department of Administration Special Revenue Funds	Legislature	8	Ensure that enabling legislations clearly define the agency and administrators, and their roles and responsibilities in managing SRFs when creating new SRFs.	Open
		Department of Administration Special Revenue Funds	Legislature	9	Ensure that enabling legislations are consistent in requiring separate bank accounts for SRFs to strictly enforce the no commingling of funds.	Open
	19-03	Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax	DRT	1	Amend the definition of "gross receipts" in GARR to identify all gaming activities revenue inclusive of payments for winnings;	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	Recommendation		Status
				No.	Description	
2019	19-03	Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax	DRT	2	Update Form 3260 to include reporting of the NPO's gaming gross income, payouts, and LGT exemption	Open
		Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax	DRT	3	Consider electronic filing options for Form 3260	Open
		Department of Revenue and Taxation Non-Profit Organization Limited Gaming Tax	DRT	4	Dedicate staff resources to ensure complete filing and payment of all LGT due	Open
	19-04	Government of Guam Procurement Training and Certification	Directors and Administrators of Line and Autonomous Agencies, Mayors, Executive and Legislative Officials	1	Obtain the required procurement training and certification.	Open
	19-04	Government of Guam Procurement Training and Certification	Directors and Administrators of Line and Autonomous Agencies, Mayors, Executive and Legislative Officials	2	Review their procurement teams and ensure that each employee has the required training and certifications according to their procurement capacity.	Open
	19-04	Government of Guam Procurement Training and Certification	Legislature	3	Work with the Administration to revive the Guam Procurement Advisory Council.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2019	19-06	Governor and Lieutenant Governor's Transition Fund	Legislature	1	Require the transition report include a listing of fixed assets of the Governor and Lieutenant Governor's offices that will be transferred to the incoming administration	Open
		Governor and Lieutenant Governor's Transition Fund	Legislature	2	Specify whether the Transition Fund is subject to Guam Procurement Law	Open
		Governor and Lieutenant Governor's Transition Fund	Legislature	3	Require the Transition Committee to submit the financial reports to the Office of Public Accountability, simultaneous with the submission to the Governor and the Guam Legislature	Open
	19-07	Department of Revenue and Taxation Bonded Warehouses for Tobacco Products	Legislature	1	Repeal the bonded warehouse provision for tobacco tax.	Open
		Department of Revenue and Taxation Bonded Warehouses for Tobacco Products	DRT	2	Re-evaluate conclusion on the taxation of free tobacco products and seek the Attorney General of Guam's opinion concerning the Master Settlement Agreement's authority and impact over Guam's taxation of tobacco products.	Open
		Department of Revenue and Taxation Bonded Warehouses for Tobacco Products	DRT	3	Evaluate the circumstances in which tobacco wholesalers are selling tobacco at a discount.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2019	19-07	Department of Revenue and Taxation Bonded Warehouses for Tobacco Products	DRT	4	Verify if Wholesaler Z's amended tax liability was accurate and complete.	Open
		Department of Revenue and Taxation Bonded Warehouses for Tobacco Products	DRT	5	Create and implement a policy that all unusual and/or substantial amendments to tax liabilities be examined and verified for accuracy and completeness.	Open
	19-08	University of Guam Guam Cancer Trust Fund	UOG	1	Strictly comply with the legislative requirement to maintain a separate deposit account for GCTF	Open
		University of Guam Guam Cancer Trust Fund	UOG	2	At the end of fiscal year, establish and communicate among each other, funds available for award to the grantees, administrative expenses and investment	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2019	19-08	University of Guam Guam Cancer Trust Fund	DOA	3	Strictly enforce grant payouts on a reimbursement basis with sufficient documentation;	Open
		University of Guam Guam Cancer Trust Fund	DOA	4	Conduct and document grant application evaluation process based on established criteria, and maintain record of the results of evaluation, recommendation, and the President's approval	Open
		University of Guam Guam Cancer Trust Fund	DOA	5	Strictly monitor compliance of grantees' reportorial requirements, progress reports, and results of the grant, as well as conduct site visits	Open
		University of Guam Guam Cancer Trust Fund	DOA	6	Conduct review and make necessary updates on GCTF Rules and Regulations especially on direct personnel costs, startup costs, outreach programs, administration costs, and fiscal manager fees	Open
		University of Guam Guam Cancer Trust Fund	DOA	7	Resolve issues on apparent conflict of interest	Open
		University of Guam Guam Cancer Trust Fund	DOA	8	Conduct an independent review/audit of grantees' invoices, receipts and other reimbursement documents prior to processing of checks for grant payouts.	Open
		University of Guam Guam Cancer Trust Fund	DOA	9	Refrain from borrowing funds from the Healthy Futures and remit to UOG the full appropriated amount for GCTF	Open
		University of Guam Guam Cancer Trust Fund	DOA	10	Issue a separate check allotment for GCTF.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2020	20-01	Government of Guam Use Tax on Air Cargo	DRT	1	Provide sufficient resources to prioritize processing of Use Tax forms and reduce backlog.	Open
		Government of Guam Use Tax on Air Cargo	DRT	2	Meet with CQA on issues regarding taxpayer's information on Use Tax Assessment Forms.	Open
		Government of Guam Use Tax on Air Cargo	DRT	3	Provide updated Use Tax training to CQA personnel.	Open
		Government of Guam Use Tax on Air Cargo	CQA	4	Maintain a record of exemptions and supervisory reviews	Open
		Government of Guam Use Tax on Air Cargo	CQA	5	Update SOP to define threshold in assessing cargoes subject to personal exemption for better policy guidance	Open
		Government of Guam Use Tax on Air Cargo	CQA	6	Aggressively pursue the acquisition of a CMIS	Open
		Government of Guam Use Tax on Air Cargo	DOA	9	Verify Use Tax collections against TPS.	Open
		Government of Guam Use Tax on Air Cargo	DRT, DOA	10	DRT coordinate with DOA to establish and book the Use Tax receivable for consolidation in the GovGuam Financial Statements.	Open
		Government of Guam Use Tax on Air Cargo	CQA, DRT, DOA	11	Consult with the Office of Technology on the interface the CQA and DRT systems.	Open
		Government of Guam Use Tax on Air Cargo	CQA, DRT, DOA	12	Incorporate a control numbering sequence on the Use Tax Assessed Forms	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
2020	20-02	75th Liberation Day Carnival Games of Chance	DRT	1	We recommend DRT to: · Empanel the Gaming Control Commission in compliance with Section 6 of P.L. 32-60. · Request additional funding to address the issue of personnel expertise and technology and properly regulate the gaming industry. · Provide proper and adequate training to DRT personnel assigned to oversee the game room operations. · Implement exclusion or ejection of disreputable personalities from the gaming activities. · Dedicate staff resources to enforce on-site tax withholding on taxable gambling winnings.	Open
	20-03	Government of Guam Public Safety Overtime	DOA, GPD, DOC	1	Ensure overtime payouts are done equitably and timely amongst the public safety agencies.	Open
		Government of Guam Public Safety Overtime	Legislature	2	Require the Guam Fire Department be subjected to the same overtime reporting requirements imposed on the Department of Corrections and Guam Police Department.	Open
		Government of Guam Public Safety Overtime	DOC, GPD, Legislature	3	Verify and certify the timely and non-timely submissions of their monthly or quarterly overtime reports.	Open
	20-04	Port Authority of Guam Unclassified Employees' Pay Raises and Bonuses	PAG	1	Consistently ratify all pay adjustments for P AG unclassified employees on a going-forward basis	Open
	20-05	Guam Housing and Urban Renewal Authority Unclassified Employees' Pay Raises and Bonuses	GHURA	4	Develop policies and procedures to ensure consistency in the evaluation process of the Executive Director and Deputy Director.	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATION		Status
				No.	Description	
	20-06	Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements	MCOG Officers or designee	1	Timely comply with the MCOG Revolving Fund quarterly reporting requirement according to 5 GCA §40135.1(f)	Open
		Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements	MCOG Executive Director or designee	2	Encourage the use of their NAF SOP to assist each Mayor's office staff with their annual reporting requirements under 5 GCA §40135(e)	Open
		Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements	Respective Mayors and/or Vice Mayors	3	Appropriate staff (including, but not limited to, the respective Mayors, Vice Mayors, and Administrative Assistants) attend accounting, financial reporting, or other similar training, regularly or as needed	Open
		Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements	Respective Mayors and/or Vice Mayors	4	NPOs submit their missing NAF annual reports and comply with the NPO reporting requirements going forward	Open
		Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements	MCOG Executive Director or designee	5	Work with the Mayors and Vice Mayors to identify what specific events in 5 GCA §40115.1 require reports	Open
		Mayor's Council of Guam Non-Appropriated Funds' Compliance with Reporting Requirements	MCOG Executive Director or designee	6	Timely submit their event reports to DRT, I Maga'lahaen Guåhan, the Speaker of I Liheslatura, and OPA	Open

**Open and Partially Implemented Audit Recommendations by Calendar Year**

Year Issued	Report No.	Report Title	Primary Addressee	RECOMMENDATIONS		Status
				No.	Description	
2020	20-07	75th Guam Island Fair and Liberation Day Carnival Procurement	Legislature	1	Amend the law to remove MCOG and replace them with an entity equipped with the resources and capability to provide effective oversight and assume full responsibilities of the Fair.	Open
		75th Guam Island Fair and Liberation Day Carnival Procurement	Legislature	2	Remove OPA as a Committee member due to the inherent impairment to audit Fair activities as mandated.	Open
	20-08	Government of Guam Coronavirus Relief Fund Expenditures Part I	DOA	1	Design and implement control activities by adopting policies and procedures for CRF and other federal financial assistance moving forward.	Open
		Government of Guam Coronavirus Relief Fund Expenditures Part I	DOA	2	Satisfactorily comply with monthly reporting requirement for all COVID-19 related expenditures	Open
2021	21-01	Government of Guam COVID-19 Payroll Expenses	OAG	1	Review the circumstances surrounding the application of the double pay provision for the GPA and GWA and determine if reimbursement is necessary for employees that received the double pay.	Open
		Government of Guam COVID-19 Payroll Expenses	OAG	2	Review the circumstances surrounding the application of the compensatory leave credits for the GWA and determine if reimbursement is necessary for employees that received this benefit.	Open

Open Recommendations	122
Partially Implemented Recommendations	<u>0</u>
Total	<u><u>122</u></u>

**Audit Recommendations Addressed to the Guam Legislature and the Governor**

Year Issued	Report No.	Report Title	Addressee	RECOMMENDATION		Status
				No.	Description	
2017	17-02	Government of Guam Analysis of Government of Guam Leases	Gov	1	Assign an agency to monitor and annually report to the Governor and Legislature all Government of Guam leases, including each entity's leased space, location, square footage, lease price, contract expiration date, services provided, and rationale for space.	Open
		Government of Guam Analysis of Government of Guam Leases	Gov	2	Designate a lead agency for GovGuam Building construction to ensure accountability of the project.	Open
2019	19-02	Department of Administration Special Revenue Funds	Legislature	8	Ensure that enabling legislations clearly define the agency and administrators, and their roles and responsibilities in managing SRFs when creating new SRFs.	Open
		Department of Administration Special Revenue Funds	Legislature	9	Ensure that enabling legislations are consistent in requiring separate bank accounts for SRFs to strictly enforce the no commingling of funds.	Open
		Department of Administration Special Revenue Funds	Legislature	10	Immediately act on recommendations to repeal inactive funds.	Open
	19-04	Government of Guam Procurement Training and Certification	Legislature	3	Work with the Administration to revive the Guam Procurement Advisory Council.	Open

**Audit Recommendations Addressed to the Guam Legislature and the Governor**

Year Issued	Report No.	Report Title	Addressee	RECOMMENDATION		Status
				No.	Description	
2019	19-06	Governor and Lieutenant Governor's Transition Fund	Legislature	1	Require the transition report include a listing of fixed assets of the Governor and Lieutenant Governor's offices that will be transferred to the incoming administration	Open
		Governor and Lieutenant Governor's Transition Fund	Legislature	2	Specify whether the Transition Fund is subject to Guam Procurement Law	Open
		Governor and Lieutenant Governor's Transition Fund	Legislature	3	Require the Transition Committee to submit the financial reports to the Office of Public Accountability, simultaneous with the submission to the Governor and the Guam Legislature	Open
	19-07	Department of Revenue and Taxation Bonded Warehouses for Tobacco Products	Legislature	1	Repeal the bonded warehouse provision for tobacco tax.	Open
		Government of Guam Public Safety Overtime	Legislature	2	Require the Guam Fire Department be subjected to the same overtime reporting requirements imposed on the Department of Corrections and Guam Police Department.	Open
		Government of Guam Public Safety Overtime	Legislature	3	Verify and certify the timely and non-timely submissions of their monthly or quarterly overtime reports.	Open

**Audit Recommendations Addressed to the Guam Legislature and the Governor**

Year Issued	Report No.	Report Title	Addressee	RECOMMENDATION		Status
				No.	Description	
2020	20-07	75th Guam Island Fair and Liberation Day Carnival Procurement	Legislature	1	Amend the law to remove MCOG and replace them with an entity equipped with the resources and capability to provide effective oversight and assume full responsibilities of the Fair.	Open
		75th Guam Island Fair and Liberation Day Carnival Procurement	Legislature	2	Remove OPA as a Committee member due to the inherent impairment to audit Fair activities as mandated.	Open

**Appendix 7:**  
**Report by Audit Focus CY 2016~CY 2021**

Audit Focus	NO. OF RECOMMENDATIONS						Total Financial Impact
	Closed			Open		Total	
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open		
Program Efficiency and Effectiveness	28	1	-		48	77	\$ 727,666,833.00
Personnel	18	-	-		12	30	6,655,421.00
Non-Appropriated Funds	-	-	-	-	-	-	-
Fund Accountability	4	-	-	-	56	60	54,062,973.00
Procurement	4	-	1	-	10	15	5,616,096.00
<b>Total</b>	<b>54</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>126</b>	<b>182</b>	<b>\$ 794,001,323.00</b>

**Program Efficiency and Effectiveness**

Report No. and Title	NO. OF RECOMMENDATIONS						Total Financial Impact
	Closed			Open		Total	
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open		
No. 16-04, Effect of Non-Base Pay on Retirement Annuity	-	-	-	-	3	3	\$244,979.00
No. 16-08, GovGuam's Effectiveness in Addressing Individuals with Multiple Social Security Numbers	-	-	-	-	4	4	-
No. 16-09, CLTC Municipal Golf Course Lease Agreements	1	-	-	-	-	1	11,815,766.00
No. 16-10, OPA Status of Audit Recommendations	-	-	-	-	-	-	-
No. 16-11, DOA Returned Checks Follow-Up Audit	-	-	-	-	3	3	1,936,477.00

**Program Efficiency and Effectiveness**

Report No. and Title	NO. OF RECOMMENDATIONS					Total	Total Financial Impact
	Closed			Open			
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open		
No. 17-01, OPA Status of Legislative Mandates	-	-	-	-	-	-	-
No. 17-02, GovGuam Analysis of GovGuam Leases	-	-	-	-	2	2	-
No. 17-03, Guam PEALS Board Funds and Financial Practices Follow-Up Audit	3	-	-	-	1	4	33,196.00
No. 17-04, DPW Heavy Equipment and Related Parts Inventory Management	4	1	-	-	-	5	5,199,624.00
No. 17-07, GovGuam Submission of Citizen Centric Reports for FY 2016 & FY 2015	-	-	-	-	-	-	-
No. 17-08, DRT Gross Receipts Tax Exemptions	-	-	-	-	1	1	407,328,260.00
No. 17-09, DPW Village Streets Management Strategy	3	-	-	-	-	3	254,000,000.00
No. 18-01, GRTA Procurement and Billing of Public Transit Services	1	-	-	-	3	4	590,956.00
No. 18-02, Guam Football Association Soccer Stadium Contributions	6	-	-	-	-	6	843,949.00
No. 18-03, DRT Real Property Tax Assessments and Exemptions	-	-	-	-	2	2	40,384,807.00
No. 18-04, DRT Tobacco Tax	1	-	-	-	2	3	224,759.00

**Program Efficiency and Effectiveness**

Report No. and Title	NO. OF RECOMMENDATIONS						Total Financial Impact
	Closed			Open		Total	
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open		
No. 18-05, GovGuam Health Insurance Contracts Analysis	-	-	-	-	2	2	4,996,384.00
No. 18-07, DPW Inventory Management of Consumable Parts, Supplies, Materials Inventory	3	-	-	-	-	3	44,644.00
No. 18-08, GEDA Qualifying Certificate Community Cash Contributions	-	-	-	-	3	3	18,000.00
No. 19-01, GMHA Billing and Collections of True Self-Pay Accounts	-	-	-	-	5	5	32.00
No. 19-04, GovGuam Procurement Training and Certification	1	-	-	-	3	4	-
No. 19-07, DRT Bonded Warehouses for Tobacco Products	-	-	-	-	4	4	-
No. 20-02, 75th Liberation Day Carnival Games of Chance	-	-	-	-	1	1	5,000.00
No. 20-09, GovGuam Procurement Training and Certification Program	2	-	-	-	2	4	-
No. 21-05, Ethics in Government Program As Mandated by Public Law 28-76	3	-	-	-	-	3	-
No. 21-07, GovGuam Submission of Citizen Centric Reports For FY 2017 through FY 2020	-	-	-	-	-	-	-
No. 21-08, GovGuam Compliance with Standard Operating Procedures as Mandated by Public Law 34-05	-	-	-	-	-	-	-
<b>Total</b>	<b>28</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>77</b>	<b>\$727,666,833</b>

**Appendix 7:**  
**Report by Audit Focus CY 2016~CY 2021**

**Personnel**

Report No. and Title	NO. OF RECOMMENDATIONS						Total Financial Impact
	Closed			Open		Total	
	Implemented	Not Implemented	Consolidated or Other	Partially Implemented	Open		
No. 16-05, Office of the Governor and Lt. Governor's Employees' Pay Raises and Adjustments	-	-	-	-	3	3	\$805,824.00
No. 19-09, GPA & GWA Unclassified Employees' Pay Raises and Bonuses	2				2	4	2,564,753.00
No. 20-03, GovGuam Public Safety Overtime	-	-	-	-	3	3	-
No. 20-04, PAG Unclassified Employees' Pay Raises and Bonuses	-	-	-	-	1	1	-
No. 20-05, GHURA Unclassified Employees' Pay Raises and Bonuses	3	-	-	-	1	4	-
No. 21-01, Government of Guam COVID-19 Payroll Expenses	1	-	-	-	2	3	3,043,875.00
No. 21-03, PAG Back Wages Series, Part A	5	-	-	-	-	5	113,835.00
No. 21-09, PAG Back Wages Series, Part B	7	-	-	-	-	7	127,154.00
<b>Total</b>	18			12		30	\$6,655,441.00

**Appendix 7:**  
**Report by Audit Focus CY 2016~CY 2021**

**Fund Accountability**

Report No. and Title	NO. OF RECOMMENDATIONS					Total	Total Financial Impact
	Closed		Consolidated or Other	Open			
	Implemented	Not Implemented		Partially Implemented	Open		
No. 16-01, Guam Legislature Capitol District Fund	-	-	-	-	-	-	-
No. 16-06, GovGuam Limited Gaming Tax and GMHA Trust Fund Fees	-	-	-	-	2	2	\$ 3,116,391.00
No. 16-07, GVAO Non-Appropriated Funds Follow Up Audit	-	-	-	-	6	6	290,000.00
No. 18-06, GRTA Non-Appropriated Funds	-	-	-	-	5	5	55,252.00
No. 19-02, DOA Special Revenue Funds	2	-	-	-	8	10	39,847,242.00
No. 19-03, DRT Non-Profit Organization Limited Gaming Tax	-	-	-	-	4	4	2,620,951.00
No. 19-06, Governor and Lt. Governor's Transition Fund	-	-	-	-	3	3	-
No. 19-08, UOG Guam Cancer Trust Fund	-	-	-	-	10	10	6,480,115.00
No. 20-01, GovGuam Use Tax on Air Cargo	2	-	-	-	10	12	1,653,022.00
No. 20-06, MCOG Appropriated Funds' Compliance with Reporting Requirements	-	-	-	-	6	6	-
No. 20-08, GovGuam Coronavirus Relief Fund Expenditures	-	-	-	-	2	2	-
<b>Total</b>	<b>4</b>				<b>56</b>	<b>60</b>	<b>\$54,063,023</b>

**Appendix 7:**  
**Report by Audit Focus CY 2016~CY 2021**

**Procurement**

Report No. and Title	NO. OF RECOMMENDATIONS					Total	Total Financial Impact
	Closed		Consolidated or Other	Open			
	Implemented	Not Implemented		Partially Implemented	Open		
No. 16-02, Guam's Readiness for the 12th Festival of the Pacific Arts (FESTPAC)	3	-	-	-	-	3	\$ 2,194,995.00
No. 17-05, GSA Procurement Practices	-	-	-	-	8	8	-
No. 17-06, 12th Festival of Pacific Arts (FESTPAC) Follow-up	-	-	-	-	-	-	89,093.00
No. 19-05, GovGuam Legal Fees and Services Analysis	1	-	-	-	-	1	-
No. 20-07, 75th Guam Island Fair and Liberation Day Carnival Procurement	-	-	-	-	2	2	300,008.00
No. 21-06, GovGuam Procurement of Hotels Used for COVID-19 Quarantine	-	1	-	-	-	1	3,032,000.00
<b>Total</b>	<b>4</b>	<b>1</b>			<b>10</b>	<b>15</b>	<b>\$ 5,616,096.00</b>

# OFFICE OF PUBLIC ACCOUNTABILITY STATUS OF AUDIT RECOMMENDATIONS Report No. 23-01, January 2023

## ACKNOWLEDGEMENTS

### *Key contributions to this report were made by:*

Thomas Quichocho, Audit Staff  
Vincent Duenas, Audit Supervisor  
Benjamin J.F. Cruz, Public Auditor

## MISSION STATEMENT

To ensure public trust and good governance in the Government of Guam, we conduct audits and administer procurement appeals with objectivity, professionalism and accountability.

## VISION

The Government of Guam is a model for good governance with OPA leading by example as a model robust audit office.

## 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.

## REPORTING FRAUD, WASTE, AND ABUSE

- Call our HOTLINE at 47AUDIT(472.8348)
- Visit our website at [www.opaguam.org](http://www.opaguam.org)
- Call our office at 475.0390
- Fax our office at 472.7951
- Or visit us at Suite 401 DNA Building in Hagåtña

All information will be held in strict confidence.



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