

Office of the Public Auditor

Annual Report

Calendar Year 2008

May 2009



OFFICE OF THE PUBLIC AUDITOR

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Distribution:

Governor of Guam
Speaker, 30th Guam Legislature
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Calendar Year 2008 was challenging for the Office of the Public Auditor, not only in terms of the growing number and complexity of

our responsibilities, but also because of the manpower constraints we faced. Yet, despite the constraints, we maintained this office's record of integrity and professionalism. The professionalism, dedication, and commitment of the OPA staff brought about the contents of this annual report and we are proud to present it to the people of Guam.

Our goals will always be to improve the efficiency and effectiveness of our government, to promote ethics, integrity, and transparency, and to assure our people that this government indeed works in their behalf and in their interest.

Some have described the Office of the Public Auditor as the watchdog of government. I prefer the description "monitor," as we scrutinize government activities, track public expenditures, identify problems, offer remedies, and provide recommendations and assistance when and where needed. Auditors are no longer simply "bean counters." Government auditing has become more comprehensive and complex. It involves oversight, insight, foresight, and for Guam OPA, procurement appeals. This report details our efforts in these areas.

In July 2008, for the first time, all government of Guam financial audits were issued on time and without qualification. This happened because OPA made the entities individually and collectively accountable.

My goal is to assist every agency to continue to produce timely and unqualified "clean" audits. Accountability and transparency must be the norm in our government. As the monitoring force, we called meetings, required progress updates, established deadlines, reviewed and questioned findings, and followed up on audit responses and resolutions. With the participation of audited entities, we reviewed, revised, and issued the reports. Today, the information about government revenues, expenditures, contracts, and salaries is available at OPA and agency websites.

To ensure the caliber and quality of our work in the people's behalf, I again call our government leaders to restore and preserve our independence and to grant us the staffing independence we need. Specifically, we need the same authorities already granted to the Department of Revenue and Taxation and the Office of the Attorney General.

Senseramente,

Doris Flores Brooks, CPA, CGFM
Public Auditor



OPA staff at the 2009 Public Auditor Inauguration, (from left to right) Llewelyn Restuvog, Franklin Cooper-Nurse, Theresa Gumataotao, Rodalyn Marquez, Public Auditor Doris Flores Brooks, Deputy Public Auditor Yukari Cabrera, Vincent Duenas, Maripaz Perez, Anne Camacho, and Lourdes Perez.

Year In Review

I am pleased to report on the performance of the Office of the Public Auditor (OPA) for Calendar Year 2008. The OPA was established by Public Law (P.L.) 21-122 on July 20, 1992. The OPA is an instrumentality of the government of Guam, independent of the executive, legislative, and judicial branches. Our motto is “Auditing for better Government” and our mission is:

To improve the public trust, we audit assess, analyze, and make recommendations for accountability, transparency, effectiveness, efficiency, and economy of the government of Guam, independently, impartially, and with integrity.

Eight Years of Improving Public Accountability

December 31, 2008 marked the completion of my second consecutive term as the island’s first elected Public Auditor. Over the eight years, we have issued 92 audit reports, which made 420 recommendations to improve government performance. These audits collectively had a financial impact totaling \$117 million (M). See appendix 3. The common findings in our audits include a lack of understanding among government managers of the importance of internal controls, or checks and balances, such as monitoring, separation of duties, establishing a control environment, and ensuring accurate and timely recording of transactions. Several of our reports have led to investigations, indictments, plea agreements, and convictions.



Since OPA's inception, our audits have focused on uncovering fraud, waste, and abuse in our government. The OPA will continue to focus resources in these areas as warranted. However, government auditing is evolving; it has become a more complex and comprehensive activity. In my third term, the OPA looks to provide better **oversight**, **insight**, and **foresight** for our government. Our audits will focus on economy, efficiency, accountability, and transparency in all instrumentalities of the government of Guam.

Operational Performance

OPA Receives Highest Peer Review

Calendar Year 2008 began with the assessment of the OPA's fourth independent quality control review, or peer review. The *Government Auditing Standards*, issued by the Comptroller General of the United States, require audit organizations to undergo a quality control review, or peer review, every three years. The OPA's first peer review occurred in August 1999; the second was in November 2002, the third was in May 2005, and the fourth was in April 2008.

The 2008 review team consisted of Mike Sablan, CNMI Public Auditor; Gertrude Gootinan, Yap State Public Auditor; and Chuck Hester, a consultant with the U.S. Department of Agriculture (USDA), Graduate School. After a week of reviewing our audit processes, documentation, and qualifications, the review team gave the OPA a rating of Full Compliance.

Full Compliance is the highest of three rating levels audit organizations can achieve. This is the OPA's third consecutive Full Compliance rating and has been in full

compliance with the *Government Auditing Standards* since 2002. A management letter issued with the peer review report identified three areas for improvement. These include the need for Financial Audit Reviews, Management Representations, and CPE requirements. See **Appendix 2** for the Peer Review Report and Management Letter.

Updated Three-Year Strategic Plan

One of the highlights of 2008 was the updating of the OPA's three-year Strategic Plan in May. The OPA embarked on a week-long session funded by a U.S. Department of the Interior training grant conducted by Dr. Lowell "Duke" Kuehn, a USDA Graduate School consultant. A key element of our Strategic Plan was the adoption of a vision statement. Our vision statement is:

"Guam is the model for good governance in the Pacific."

The OPA established this vision along with new goals and objectives to serve as a framework for the strategic direction of the office, for guidance in future audits, and to energize and inspire all staff to accomplish common goals. Our Strategic Plan focuses on five goals and objectives:

- Maintain the independence of OPA.;
- Deliver timely, reliable, and nonpartisan reports;
- Advance staff competence;
- Increase public knowledge of OPA's mission and work; and
- Build and improve relations with government entities.

OPA established five core values in our Strategic Plan to serve as guiding principles as we execute the mandates of OPA's enabling legislation. These values are:

- Independence



- Accountability
- Integrity
- Transparency
- Impartiality

Our updated Strategic Plan is available on our website at www.guamopa.org.



**Dr. Duke Kuehn
Facilitating OPA's
Three-Year Strategic
Plan**

Budget Execution

The OPA's original budget appropriation for fiscal year (FY) 2008 was \$1,177,239. However, because of our inability to hire new staff, and our continued financial prudence, OPA personnel lapses amounted to \$320,692, or approximately 27% of our budget. In August, Governor Felix P. Camacho exercised his budget transfer authority and transferred the \$320,692 from OPA to other government agencies. The OPA lapses could have contributed to deficit reduction, but were instead used to cover over expenditures in other departments. The budgetary process tends to reward entities that overspend at the expense of those that are frugal.

With a budget of only \$856K, we completed 10 audits, analyses, and reports that identified \$9.6M in questioned costs, and supervised, monitored and reviewed 18 financial audits that identified \$3.3M in questioned costs. That equates to a return on investment of 1,110% for every dollar appropriated to OPA. The OPA spent 80% of its total budget on salaries and benefits, 9% on rent, 5% on contractual services, and

less than 5% on various other expenses. See Table 1 for a summary of expenditures.

Table 1: 2008 Summary of OPA Expenditures

Expenses	Amount	% of Total
Salaries & Benefits	\$ 657,339	80%
Rent	74,026	9%
Contractual	42,837	5%
Travel	7,081	1%
Supplies	7,801	1%
Equipment	22,937	2%
Telephone & Utilities	6,090	1%
Miscellaneous	3,352	1%
Total	\$821,463	100%

For FY 2009, the OPA was appropriated \$1,108,676. With our current staff comprised of nine full time employees and eight vacancies, we again expect to have personnel lapses of over \$300K, about 30% of our total appropriation. The lapses can be used toward deficit reduction, but if transferred to other entities deficit reduction will not occur. In earlier budget laws, the executive branch was prohibited from transferring any OPA lapses, while lapses were instead allowed to be carried forward.

Audit Highlights for 2008



**OPA staff with procurement appeals
hearing officers**

With a skilled core of dedicated professionals, the OPA continued its commitment to "Auditing for Better Government." We conducted 10 performance and legislatively mandated audits. The 10 audits collectively identified over \$9.6M in questioned costs involving



possible fraud at the Guam Police Department (GPD) and misspent procurement expenditures at the Guam Public School System (GPSS) and the Department of Public Works (DPW). Our audit reports included 28 recommendations to the audited government entities to improve accountability and operational efficiency. Of the 10 audits, analyses, and reviews, five were mandated by law, four were self-initiated, and one was undertaken at the request of a department head. See list below for our report classification summary.

Performance Audits:

- Government of Guam Wide Overtime
- DPW Landfill Design Contract
- GPSS Procurement of Construction and Air-Conditioning
- Department of Administration Promissory Notes

Mandated Audits:

- GPSS Textbook Management Pursuant to P.L. 29-106
- GPSS Payroll Analysis for FY 2008
- Three quarterly financial reports submitted by government entities pursuant to P.L. 29-19

Audit Request:

- GPD Records and Identification Section's Revenue Collections

Over the last two years, mandated audits and audit requests from government officials have consumed more than 30% of OPA's work hours, leaving little time for our workforce to focus on high risk audit areas. Audit requests from government agencies must often go unanswered because of our limited staff. We received 27 requests in 2008.

Audit Plan for 2009

The OPA develops its Audit Work Plan annually. The seven-member audit staff works collectively to provide insight on what government entities and programs to review. In assessing the audit selection, we consider high risk topics and the loss or possible mismanagement of funds. Over the last eight years, we have found high risk audit areas widespread among the various government entities and programs. Our audits have consistently shown:

- Lack of understanding of the importance of internal controls, or checks, and balances;
- Lack of monitoring and oversight;
- Improper procurement; and
- Lack of financial reporting.



Public Auditor and staff during the annual audit plan meeting

After extensive deliberations we estimated our total available auditing hours would be 7,700. Yet, despite limited resources, the OPA remains committed to performing its mandated duties, as well as to attend to self-initiated audits that, in our professional judgment, would be relevant, informative, timely, and have a positive impact on the government and the people of Guam. The OPA Audit Work Plan for 2009 follows:

Mandated Audits to be undertaken:

- Quarterly Reports (3)
- Chamorro Land Trust Commission (CLTC) Commercial Leases
- GPSS Meals Program



Performance Audits to be initiated:

- Medically Indigent Program (MIP)
- Leave Sharing
- Government Facilities Review
- Ongoing review of Federal Receivership Activities
- Responses to Audit Requests as Appropriate

Our Work Plan attempts to allow for flexibility and is not necessarily limited to the aforementioned audits; other audits can be initiated based on priority and the availability of staff.

Move to Classification Service

In November 2008, the Superior Court ruled that the Guam Legislature may designate to an agency the power and authority to establish personnel rules and regulations consistent with the merit system; the Civil Service Commission; Judicial Council; boards and commissions of autonomous and independent instrumentalities of the government of Guam. The OPA was not given similar independent compensatory authority. The Legislature has not granted the OPA authority to establish, hire, or compensate non-merit employees.

Current law sets the compensation levels for OPA staff to be determined by the Director of the Department of Administration according to the Hay Study.

In February 2008, the OPA submitted proposed legislation to the 29th Guam Legislature to establish a new classification and compensation system for OPA staff. The proposed classification and pay plan would replace the existing Hay system with one patterned after the federal government system applicable to the U.S. Department of

the Interior, Office of Inspector General's system. However, the 29th Guam Legislature did not act on the proposal.

In 2009, OPA restructured the proposal and submitted it to the 30th Guam Legislature in hopes of gaining the same legislative support the Department of Revenue and Taxation received for authority to follow the Internal Revenue Service's federal pay structure for its employees.

To date, OPA continues to have a shortage of staff to address legislative mandates. OPA resubmitted its proposed compensation and pay plan as part of the FY 2009 budget proposal in hopes that the 30th Guam Legislature will remedy OPA's plight.



Remaining OPA Audit Staff subsequent to the departure of the Deputy Public Auditor

Performance Audits

Department of Administration Promissory Notes (OPA Report No. 08-01)

In FY 2007, the government of Guam reported a General Fund deficit of \$524M. The substantial deficit resulted in a cash crisis that affected line agency operations and left vendor contractual obligations unpaid. Through legislation, the government of Guam established a promissory note program as a financial alternative for the lack of available cash.



- In just one year, 22 promissory notes totaling \$3.2M were issued.
- Over 60% of these notes, or \$1.9M, was issued to GPSS vendors for janitorial, photocopying, security, and air conditioning services.
- In January 2008, nearly \$2.2M was used to offset gross receipt taxes.
- The audit found as many as 25 instances in which vendors sold their promissory notes to other businesses to use as tax credits, thereby reducing cash receipts for other government of Guam obligations.

Two recommendations were made: (1) restrict the use of vendor promissory notes to agencies receiving General Fund appropriations; and (2) require DRT to provide quarterly and annual reports to the Legislature detailing the number of promissory notes issued and the total amount of tax credits used as offsets for the remaining promissory note balances.



Public Auditor and staff pose after a performance audit training.

FY 2008 Quarterly Reports (OPA Report No. 08-02, 08-05, 08-07)

The FY 2008 Budget Act required 58 entities to submit various reports manually, electronically, and to be posted on the

entity's website. P.L. 29-02 placed a 20% salary reduction penalty for directors, deputies, and Chief Financial Officers who fail to comply with the reporting requirements.

- In the First Quarter, 45 entities (78%) complied with all the reporting requirements.
- The Second Quarter showed improvement; 49 entities (84%) complied with all the requirements.
- In the Third Quarter, the Tax Review Commission was added to make 59 agencies, 49 entities or 83% were in full compliance.

To date, no agency head or related staff has been penalized with a 20% salary reduction for non-compliance with the reporting requirements.

Analysis of GPSS's FY 2008 Payroll (OPA Report No. 08-03)

P.L. 29-19 authorized \$157.2M for GPSS personnel expenditures and an additional \$1.2M for salary increments and teacher reclassifications for fiscal years 2006 and 2007.

We estimate GPSS will have a \$7.6M surplus in its personnel budget. This projected surplus is based on the amount appropriated and is not based on GPSS' cash disbursement submission. P.L. 29-19 contained no provision allowing GPSS to use its excess payroll appropriation for operational needs, thus Bill 268 was introduced in the 29th Guam Legislature to allow GPSS to transfer funds. Given the school system's massive obligations, we support Bill 268 and GPSS' need to use its surplus for contractual, past retirement fund, and utility payments.



GPSS Procurement of Construction and Air-Conditioning (OPA Report No. 08-04)

GPSS is authorized to procure goods and services outside of General Service Agency (GSA), pursuant to Title 5 Guam Code Annotated (GCA) §5125, but not outside Guam Procurement Law.

- Between fiscal years 2003 and 2006, GPSS issued 718 purchase orders totaling \$13.2M to air-conditioning and construction vendors.
- GPSS did not award these contracts in accordance with procurement laws.
- Emergency procurement was used excessively and unnecessarily for non-emergencies. GPSS used emergency procurement for 105 to 423 days after the emergency and issued multiple invoices to the same vendor on the same day.
- Questioned costs totaling \$2.9M resulted from a lack of separation of duties, excessive emergency procurement, and artificial division of POs.
- OPA concluded that GPSS cannot effectively or efficiently process construction and air-conditioning procurements without improving its internal controls.

Recommendations were made to automate GPSS procurement process and for GSA to periodically monitor and provide oversight and review of GPSS procurements.

DPW Landfill Design (OPA Report No. 08-06)

The Department of Public Works did not have controls to ensure that the landfill design contract, Project No. DPW-SW-2004, was procured according to Guam procurement laws and regulations. Our audit found:

- Minimal documentation, monitoring, training, and planning. The integrity of the procurement process could not be ascertained.
- No independent government estimate to justify that DPW contracted for necessary services at a fair and reasonable price.
- In May 2005, a private engineering firm was awarded a \$1.3M contract to develop design plans, specifications and estimates. The contract grew to \$6.7M and was amended six times in 19 months.
- There was no justification as to why the cumulative cost for design and development exceeded the negotiated price by \$3.1M or 135%.
- The \$6.7M landfill design contract was not funded at the outset. \$5M was transferred from other agencies to four of the five accounts set up to fund the landfill design contract.



Evaluation of GPD Records and Identification Section's Revenue Collection (OPA Report No. 08-08)

This audit was conducted at the request of the Chief of Police. Based on the records available for our review, we determined that \$29,747 in documented receipts from



October 1, 2007 to July 31, 2008 was not reported to the Treasurer of Guam or deposited. Receipts for the fiscal year 2007 were missing. We also found that more than 6,100 sequentially numbered transaction receipts were missing; they were either torn or cut from register tapes and not included with the daily deposit records. We identified five employees who prepared the daily depositor's report, and found notable discrepancies ranging from \$1 to \$1,761 only in the reports prepared by one employee. The matter was referred to the Attorney General's Office for further review/action.

We learned that the chiefs of the Administration and Operations divisions did not adequately review, oversee, or monitor the Records and ID Section. As a result, an employee was able to override the collection, reconciliation, deposit, and record-keeping processes, and arbitrarily remove GPD from DOA's Point-of-Sale system in 2007. The lack of oversight and monitoring created an opportunity for the theft of government funds. The potential for theft at the Records and ID Section was further exacerbated by the practice of utilizing a stand-alone cash register accessible to all employees, including temporarily-assigned police cadets.

The GPD employee was terminated and, in April 2009, was indicted on 32 counts of:

- Theft of property held in trust as a 2nd degree felony;
- Theft of property held in trust as a 3rd degree felony;
- Theft of property held in trust as a misdemeanor;
- Tampering with public records as a 3rd degree felony; and
- Official misconduct.

GPSS Textbook Management (Report No. 08-09)

The audit found that former and current GPSS Superintendents¹ did not:

- Establish district-wide standard operating procedures (SOPs) for textbook management and accountability, as required by Guam Education Policy Board Policy No. 601;
- Ensure a reliable inventory to efficiently and effectively acquire, distribute, and account for textbooks;
- Ensure that locally-funded textbooks are managed as well as federally-funded textbooks.

The former and current Superintendents also failed to oversee and monitor the management of textbooks by the Associate Superintendent of Division of Curriculum and Instruction (C&I). Textbook management is a continuous process and monitoring that process should be a requirement for all Superintendents. Accountability should be constantly manifested, despite turnover.

In comparison to the management and accountability of federally-funded Direct Instruction textbooks, C&I does not track or monitor locally-funded textbooks, or provide guidance for textbook management among schools. To fill the void, the four schools we assessed took it upon themselves to develop and adopt their own policies and procedures to manage and account for textbooks. These efforts, while not uniform, provide a degree of accountability which we applaud. The same practices and procedures that apply to federally-funded textbooks should be applied to locally-funded textbooks as well.

¹ There have been at least six different Superintendents at GPSS since 2004.



Government of Guam Wide Overtime Analysis (Report No. 08-10, December 2008)

The government of Guam General Fund expended \$40M in overtime compensation in the six years between October 1, 2002 and September 30, 2008. Overtime in the government of Guam ranks well above that of other U.S. cities. Most of the overtime occurred within the public safety agencies, namely the GPD, Guam Fire Department (GFD), and the Department of Corrections (DOC).

Overtime for public safety personnel is a nation-wide norm. However, the overtime accrued by Guam's public safety personnel is more than double those of other comparable U.S. state agencies.

Of the \$40M spent for overtime, GPD, GFD, and DOC averaged \$6M annually. Overtime costs in these agencies ranged from 15% to 21% of their total personnel budgets.

We also found that overtime among like positions in these agencies was inequitably distributed and overtime payments were made up to five months late.

P.L. 29-105 authorized a 40% compensation increase for public safety and law enforcement personnel over the next four years. As a result, overtime cost will continue to escalate. It is incumbent upon the chiefs of GPD and GFD and the director of DOC to ensure that overtime is scrutinized, equitably distributed, monitored, and controlled.

Financial Audits

Financial audits are a key element in the review of government entities. They are conducted in order to provide reasonable assurance that the financial statements of the

government, as a whole, fairly present its financial position, the results of its operations, and its cash flows in conformity with generally accepted accounting principles.

Title 1 G.C.A. §1909 requires the annual financial audit of all government of Guam departments, agencies, and instrumentalities to be issued no later than nine months after end of the fiscal year (i.e., June 30th). Section 1908 grants the OPA authority to select and engage independent auditors.

OPA procures all financial audits through a Request for Proposal (RFP), contracts with independent CPA firms, and oversees the work. OPA encourages all CPA firms willing and capable of conducting governmental financial audits to submit proposals.

The Public Auditor and her staff work closely with the contracted firms to ensure that the financial audits are informative, comprehensive, and in compliance with *Government Auditing Standards*.



In 2008, 18 financial audits were issued; 88 findings were identified, 77 management letter comments were made, and \$3.3M in questioned costs were found. At \$2.8M, the questioned costs in the audit of the General Fund were the highest. GPSS had \$509,950 in questioned costs. See Appendix 4 for details by audit.



OPA has worked closely with DOA and the autonomous entities to resolve questioned costs for all Executive Branch agencies. Between FY 2002 and 2007, DOA resolved \$52.2M, leaving \$7M in questioned General Fund costs. We commend DOA for the continual effort to resolve these questioned costs.

Table 2: Government of Guam Questioned Cost

FY	# of Findings	Questioned Costs		
		Current Year	Resolved	Cumulative
2007	26	2,802,408	1,478,722	7,084,374
2006	37	2,773,997	7,522,338	5,760,688
2005	33	584,348	15,212,478	10,509,029
2004	30	514,486	16,977,796	25,137,159
2003	30	1,243,982	10,983,850	41,600,469
2002	109	\$4,258,861	\$21,471	\$51,340,337
Total	265	\$12,178,082	\$52,196,655	

Questioned Costs of Audited Entities

The OPA tracks financial audit information based on the audits completed during a calendar year. From calendar years 2001 to 2008, a total of 1,613 findings were identified, with over \$55M in questioned costs.

Table 3: Audit Entities Findings and Questioned Costs

CY	# of Findings	Questioned Costs
2008	88	\$ 3,312,358
2007	136	4,057,666
2006	188	443,204
2005	236	2,112,369
2004	485	13,073,265
2003	260	22,355,335
2002	181	10,080,662
2001	39	\$14,594
Total	1,613	\$ 55,449,453

FY 2007 Financial Audit - First Unqualified "Clean" Opinion

The timely completion of all financial audits has been the Public Auditor's expressed goal since taking office in 2001. The information contained in each report should be timely, relevant, and useful to administrators, policy makers, and the public.

The FY 2007 audits of the government of the Guam were issued on time and, for the first time ever, with an unqualified "clean" opinion. This was a historic feat that was accomplished as a result of OPA oversight, and the collaborative efforts among OPA, DOA, DRT, GMHA, the autonomous agencies, and the independent auditors.

The first timely issuance was the FY 2005 audit released in June 2006. The FY 2006 government of Guam audit report also was issued timely and included all component units. However, these audits had qualified opinions.

Consequence of Untimely Audits

The U.S. Office of Management and Budget's (OMB) Circular No. A-133 sets standards for consistency and uniformity of financial audits.² Local government agencies that expend more than \$500,000 of federal funds in a fiscal year are required to submit audits no later than nine months after the fiscal year. Guam law sets the same standards and deadlines. Failure to comply

² OMB Circular No. A-133 was issued pursuant to the Single Audit Act of 1984 as amended, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and non-profit organizations expending federal awards. Subpart B of A-133 sets a threshold amount of \$500,000 (effective December 31, 2003) for federal monies that are expended during a year to be audited.



can result in a loss of federal awards or the declaration of the agency as a “high risk grantee,” meaning it will be subject to special conditions, depending on the situation.

In September 2003, the U.S. Department of Education declared GPSS a high-risk grantee for failing to submit financial audits for fiscal years 1998 through 2002. Although GPSS has received unqualified or clean opinions for the last three years, it remains on high risk status because of its weak internal controls, Board policy decisions affecting curriculum, and the instability of the Superintendent position.

General Fund Deficit at \$510 Million

The government’s financial position continues to deteriorate as actual expenditures have consistently exceeded actual revenues. While the government of Guam deficit decreased by \$14M, from \$524M in 2006 to \$510M in 2007, the \$510M deficit represents 99% of FY 2007 General Fund revenues.

In 2007, actual revenues of \$514.4M exceeded the budgeted revenues by \$19.2M. In 2006, actual revenues of \$432.5M were \$11.1M less than the budgeted amount of \$443.6M.

Total revenues of \$514.4M and total expenditures and net transfers of \$517.6M resulted in an operational deficit of \$3.2M. However, a \$17.2M audit adjustment reduced the Earned Income Tax Credit judgment, resulting in a positive change of \$14M General Fund balance for the year.

The impending military buildup is a catalyst for growth. However, if all increases in revenues go entirely to fund current operations, leaving little, if any, new cash to

pay past debt, cash shortfall problems will continue.

Our government should continue to increase its revenues, increase tax collections, and contain its spending in order to have the cash to pay down the deficit.

Performer and A.F.T.E.R. Analysis

The Performer and A.F.T.E.R. Analysis was developed by Crawford & Associates P.C. of Oklahoma City. A Performer rating communicates a broad assessment of a government’s financial health on a scale from 1 to 10, with 10 being the most favorable. In FY 2007, Guam’s Performer rating was 2.66, an improvement over its lowest score of 1.32 in FY 2003. Guam’s scores over the last five years are as follows:

<u>FY</u>	<u>Overall Performer Reading</u>
2007	2.66
2006	2.21
2005	2.86
2004	1.70
2003	1.32
2002	2.04

The primary reason for the low score is the government of Guam’s half-a-billion dollar deficit, which is attributed to the following:

- Cost of Living Allowance Judgment of \$123.6M;
- \$30M additional Earned Income Tax Credit provision;
- Tax refund liability of \$258M;
- Unfunded pension liability of \$134.5M; and
- Continuous over expenditures.

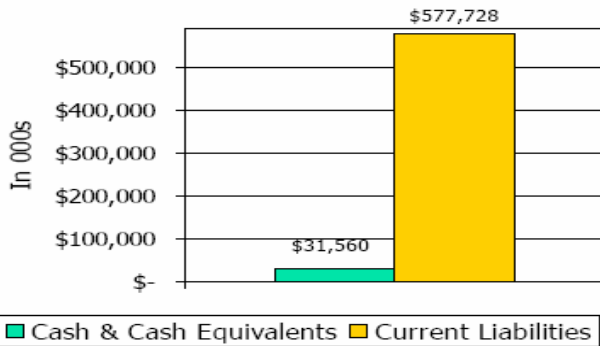
The FY 2007 Performer score is better than FY 2006 due to a \$17.2M adjustment,



which reduced the Earned Income Tax Credit.

The Performer indicates that the government of Guam owes \$1.16 for every \$1 in assets it owns, and has only five cents in cash and short-term investments available to pay for every \$1 in obligations to vendors, tax refunds, and other current debts.

Cash and Cash Equivalents Compared to Current Liabilities



The Audit Findings, Timeliness and Exception Resolution (A.F.T.E.R.) Analysis indicates the government’s progress towards eliminating its most significant findings and exceptions, along with tracking the timeliness of submission to the Federal Clearinghouse. Compared to 2006, improvements were found in the following areas in 2007:

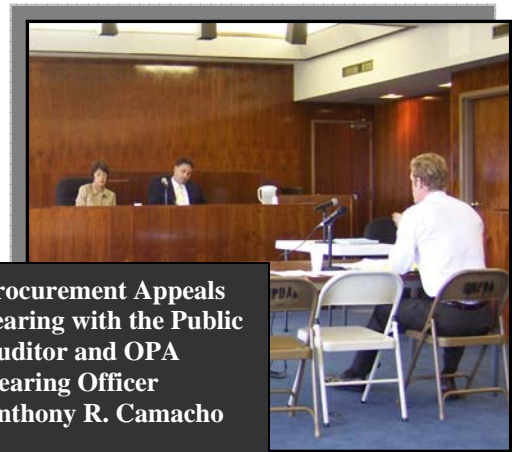
- Financial statement opinion qualifications declined from 2 to none;
- Major Federal Program Qualifications/Exceptions declined from 13 to 10;
- Number of A-133 Findings declined from 35 to 24;
- Percentage of Repeat A-133 Findings declined from 8.6% to 2.9%; and
- Number of Qualifications/Exceptions Related to Component Units declined from 1 to none.

Despite these improvements cumulative Questioned Costs increased from \$5.8M to \$7.1M

Procurement Appeals

Since OPA first accepted appeals in October 2006, 26 appeals have been filed; three in calendar year (CY) 2006, 11 in CY 2007, and 12 in CY 2008. During CY 2008, OPA addressed 18 appeals alone. Of the 26 appeals from 2006 to 2008:

- Eleven received decisions following a hearing;
- Five received decisions on the record;
- Four were dismissed due to the recusal of the Public Auditor; and
- Six were dismissed due to voluntary cancellation or resolution by the party and agency.



Procurement Appeals hearing with the Public Auditor and OPA Hearing Officer Anthony R. Camacho

Procurement issues ranged from bidder responsiveness, bidder responsibility, methods of source selection, procedures for award, and differences between bid rejection versus cancellation.

Based on the decisions issued, OPA determined that there is a fragmented understanding of the government procurement process. Of the 16 decisions



issued, 13 were held in favor of the appealing party or private vendor, either in part or in whole. Only three favored government agency decisions.

Appeals decisions, which overturned government agency decisions include:

Agency Decisions Overturned
▪ OPA-PA-06-003 – LP Ganacias Enterprises, Inc. vs. General Services Agency (GSA)
▪ OPA-PA-07-002 – Emissions Technologies, Inc. vs. Guam Power Authority (GPA)
▪ OPA-PA-07-005 – Jones and Guerrero Co. Inc. dba J&G Construction vs. Guam Memorial Hospital Authority (GMHA)
▪ OPA-PA-07-006 – Great West Retirement Services vs. Government of Guam Retirement Fund
▪ OPA-PA-07-009 – Pacific Security Alarm vs. GMHA
▪ OPA-PA-07-011 - JMI Medical Systems vs. GMHA
▪ OPA-PA-08-003 – Island Business Systems and Supplies vs. GPSS
▪ OPA-PA-08-004 – O&M Energy vs. GPA
▪ OPA-PA-08-006 – Oceania Collection Services vs. Department of Chamorro Affairs
▪ OPA-PA-08-007 – Guam Publications, Inc. vs. GSA
▪ OPA-PA-08-008 – Latte Treatment Center vs. Department of Mental Health and Substance Abuse
▪ OPA-PA-08-011 – Island Business Systems and Supplies vs. GPSS
▪ OPA-PA-08-012 – Island Business Systems and Supplies vs. GSA

Appeals decisions, which upheld government agency decisions include:

Agency Decisions Upheld
▪ OPA-PA-07-007- Dick Pacific Construction vs. Guam International Airport Authority
▪ OPA-PA-07-010 -Far East Equipment Company vs. GSA / Port Authority of Guam
▪ OPA-PA-08-009 – Captain Hutapea and Assoc. vs. Guam Housing and Urban Renewal Authority

See Appendix 5, for a summary of these appeals filed and their corresponding decisions.

Decisions taken to Superior Court

Following the issuance of a decision, parties have 14 days to exercise their right to appeal a decision to the Superior Court. To date, three OPA decisions have been appealed to the Superior Court. The decisions appealed include:

OPA Decisions Appealed to Superior Court
▪ OPA-PA-06-003 - L.P. Ganacias Enterprises vs. GSA
▪ OPA-PA-07-002- Emissions Technologies, Inc. vs. GPA
▪ OPA-PA-08-011 - Island Business Systems and Supplies vs. GPSS

Two of three decisions remain open, while a judgment was issued for appeal OPA-PA-07-002 in December 2008. In Special Proceedings Case No. SP 160-70, the Superior Court ruled that OPA's 07-002 decision was invalid since the 15-day deadline for the disappointed vendor to file the appeal with OPA had expired. Further, the court ruled that a business license did not need to be submitted at the close of the RFP since negotiations and acceptance of a price offer were not yet final. OPA had initially denied the appeal on the grounds that the awarded bidder did not submit a business license at the RFP's closing.



OPA Hearing Officer Robert G.P. Cruz presiding over a pre-hearing conference.

Three OPA Hearing Officers

For each decision, the OPA includes the findings of its Hearing Officer(s), who are



licensed attorneys, as proof that the decision is grounded in substantial evidence and is not arbitrary or capricious. The OPA has contracted three attorneys to handle its growing caseload, as the number of appeals from 2007 to 2008 remained steady.

OPA's three Hearing Officers for procurement appeals are attorneys Robert G.P. Cruz, Anthony R. Camacho, and Charles D. Stake.

Pictured Right:
OPA Hearing Officers Anthony Camacho and Charles Stake



Pictured Left: OPA Hearing Officer Robert G.P. Cruz

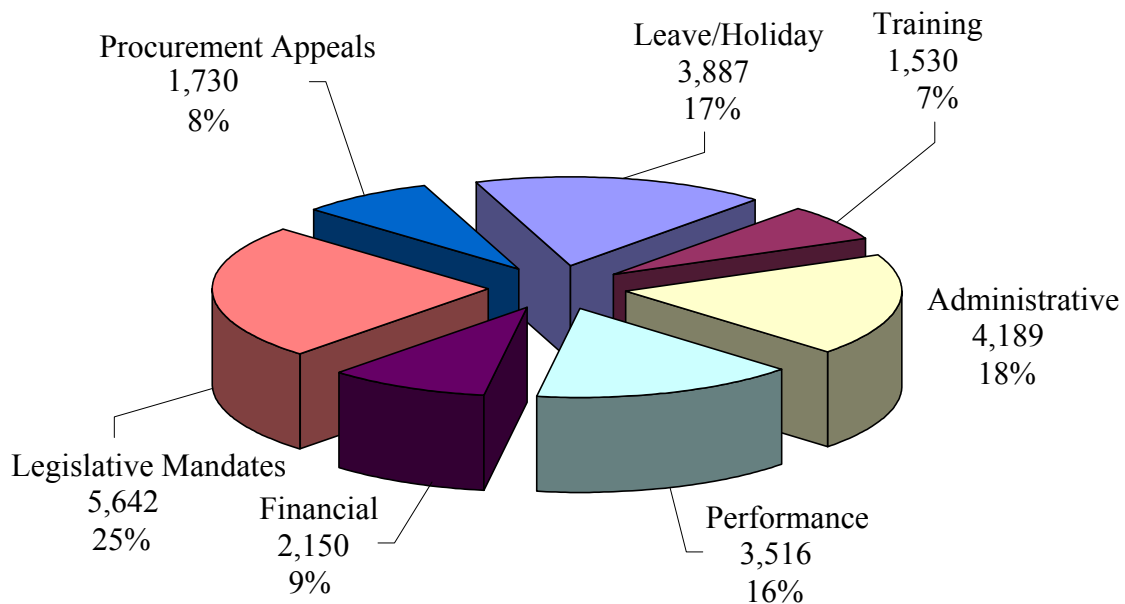
Staffing

Staff Hours

In 2008, OPA employees cumulatively spent almost 65%, or 11,308 out of 22,644 available man-hours, on performance, financial, other audits and reviews. Procurement appeals accounted for 1,730, or 8%. The remaining hours were devoted to staff training, administration, and government holidays and leave.

OPA was staffed by 11 full time employees in 2008. Six are auditing professionals with credentials as Certified Public Accountants (CPAs), Certified Government Financial Managers (CGFMs), Certified Internal Auditors (CIAs), and Certified Government Auditing Professional (CGAPs). In addition to the auditing staff, the OPA employs one individual who performs administrative functions. All employees of the OPA hold either a Bachelor's or Master's degrees, or both, in various disciplines. These include Accounting, Public Administration, Business Administration, Organizational Management, Political Science, Finance and Economics, and International Business.

2008 OPA Staff Hours Distribution





Staff Development

Government Auditing Standards (“The Yellow Book”) require auditors to complete 80 hours of Continuing Professional Education (CPE) credits every two years, of which 24 hours must be government-related. CPE credits are mandatory for the maintenance of professional competence. Title 5 G.C.A. §20304 also requires CPE credits for all government auditors and accountants.

Since taking office, the Public Auditor has been a strong proponent for continuing professional development and compliance with the highest standards of the auditing profession. To this end, she has made every effort to secure training opportunities for the staff.

The USDA Graduate School provides the majority of CPE credits for OPA staff under the Pacific Islands Training Initiative (PITI) grant, funded by the U.S. Department of the Interior’s Office of Insular Affairs. The Graduate School, annually conducts at least 40 hours of audit training to OPA and other audit offices, in particular the Association of Pacific Islands Public Auditors (APIPA).

In 2008, Ms. Mary Beth Saenz, CPA, CIA, conducted a week-long course entitled “The Audit Documentation Series - Planning, Programs, Working Papers and Presenting (results)” at the Guam OPA. The topics included (1) planning the audit, (2) audit evidence, (3) effective working papers, and (4) reporting audit results.

OPA staff received an average of 112 CPE hours after attending some of the following training sessions:

- Ethical Decision Making for Auditors & Finance Officers
- Procurement & Grant Fraud Training Workshop
- Performance Measurement Symposium
- Auditing Central Services Cost Allocation Plans & Indirect Cost Rate Proposals
- Introduction to IT Auditing
- Emerging Issues in Government Auditing and Accounting
- Leadership Development Series



We thank DOI’s Office of Insular Affairs for the continued funding of the PITI initiative and Mr. Nikolao Pula, Acting Deputy Assistant Secretary, for his continued support. We also thank the USDA Graduate School for providing the PITI training. In particular, Mr. Stephen Latimer and Mr. Jason Abuchon, have been most responsive to OPA’s training requirements.

The Public Auditor supports personal professional development and encourages her staff to strive to earn nationally recognized certifications. As mentioned earlier, OPA’s auditing staff hold credentials as CPAs, CIAs, CGFMs, and CGAPs. In 2008, four OPA employees achieved such career milestones.

Certified Public Accountant

OPA Auditor Rodalyn Marquez, CIA, CGFM, completed all the requirements



established by the Guam Board of Accountancy and was licensed as Certified Public Accountant in Guam. Rodalyn was OPA's first intern from the University of Guam's Accounting Internship Program in 2002. She earned a Bachelor's degree in Accounting and joined the OPA in January 2003. Since then, she has also earned credentials as a CGFM, CIA, and CGAP.



a Bachelor's degree in Business Management, with a minor in Finance and Economics, from UOG.

Five Years of Dedicated Service

Four employees were recognized in 2008 for five years of outstanding and dedicated service to the OPA. Auditors Rodalyn Marquez, Vincent Duenas, Theresa Gumataotao, and Maripaz Perez have been with the OPA since 2003.

Vincent Duenas earned a BA in Political Science and minored in Public Administration at UOG in 2001. He is currently working toward a Master's degree in Public Administration at UOG.

Theresa Gumataotao earned her BA in Political Science and Economics from Gonzaga University in 2003 and earned the CGFM designation in June 2007.



Certified Government Auditing Professional

Deputy Assistant Public Auditor Yuka Cabrera became OPA's first CGAP in November 2008. She is also a CPA, CGFM, and CIA. Yuka holds a Bachelor's degree in Accounting from UOG and has been with OPA since 2001. She now serves as Internal Auditor for the Guam Waterworks Authority.

Maripaz Perez is the third OPA auditor to earn CGAP credentials. Maripaz joined the OPA in November 2004 and earned CGFM certification in April 2007.

Executive Master of Business Administration



Auditor Franklin Cooper-Nurse was recently awarded a Master's degree in Business Administration from Troy University in Alabama. Frank joined the OPA in 2004 and was promoted to Auditor II in 2008. Frank holds

Maripaz holds a Bachelor's degree in International Business from UOG and a Master's degree in Organizational Management from the University of Phoenix.





Farwell to the Deputy Public Auditor

In February of 2009, the OPA lost a key manager of the office. Yukari Cabrera was hired in June 2001, and was the longest serving employee until her departure. Yuka



was recruited by Guam Waterworks Authority to head its newly formed internal audit division. We not only lost Yuka but also her husband

Manny Hechanova who we termed as our “shadow” employee. Manny provided on call troubleshooting assistance to OPA for the computer server, and other IT related technical assistance. OPA staff expresses it heartfelt appreciation to Yuka for her nearly eight years of dedicated and professional service.

Public Outreach

Increasing public awareness and understanding of OPA’s mission, work, and impact is an important part of OPA’s Strategic Plan. In 2008, OPA conducted training for two audited agencies.

GPD Records and ID Revenue Collections

After the release of OPA Report No. 08-08, Guam Police Department Records and Identification Section’s Revenue Collections, the Public Auditor together with Rodalyn Marquez and Vincent Duenas made a presentation to GPD for improving cash management in the Records and ID Section. The presentation included a discussion on the importance of internal controls and a briefing of the results of OPA’s evaluation.

GPSS Textbook Management



Picture taken during the OPA training to GPSS officials.

The Public Auditor, Deputy Assistant Public Auditor Yuka Cabrera and Auditor Maripaz Perez made a presentation to GPSS for improving textbook management. The presentation included a discussion on the importance of internal controls and a briefing of the results of OPA’s evaluation.

OPA Guest Speakers for Career Day

In February, auditors Theresa Gumataotao, Franklin Cooper-Nurse, and Llewelyn Restuvog were Career Day speakers at F.B. Leon Guerrero Middle School. They spoke with students about the mission of the office and the day-to-day activities of an auditor.





OPA Hotline

The OPA receives many tips, questions, and/or concerns from residents about possible government misconduct, fraud, and abuse. Information from the public is a crucial element in the audit process. Tips help OPA assess risks in the different areas of the government and where to focus its limited resources.

Pursuant to 1 G.C.A. § 1909.1(b) and (d), information received by the OPA alleging criminal activity or wrongful use of government funds or property is privileged. Disclosing privileged communication or information is a third degree felony. We assure the public that any and all information provided to OPA is held in the strictest confidence.

OPA received 62 tips and concerns in 2008, a decline from 157 the previous year and the lowest number since the hotline's establishment in 2001. Since the retirement of OPA's only investigator in May 2007, nearly 98% of the tips went unaddressed. The investigator's departure has left a gaping hole in OPA's ability to respond and resolve these hotline tips. Although staff is assigned additional duties to handle hotline tips, the effort necessary to follow-up, investigate, and coordinate with the Attorney General's Office for indictment and prosecution requires full time attention. Given its limited resources, the OPA will evaluate whether an investigative section is workable at this time.

In 2006, OPA received 112 tips and cleared 85% of them when there was an investigator on board. See Appendix 8 for the number of hotline calls logged from 2001 through 2007. The OPA thanks all those who took the initiative to contact our office and share information with us. Anyone who wishes to

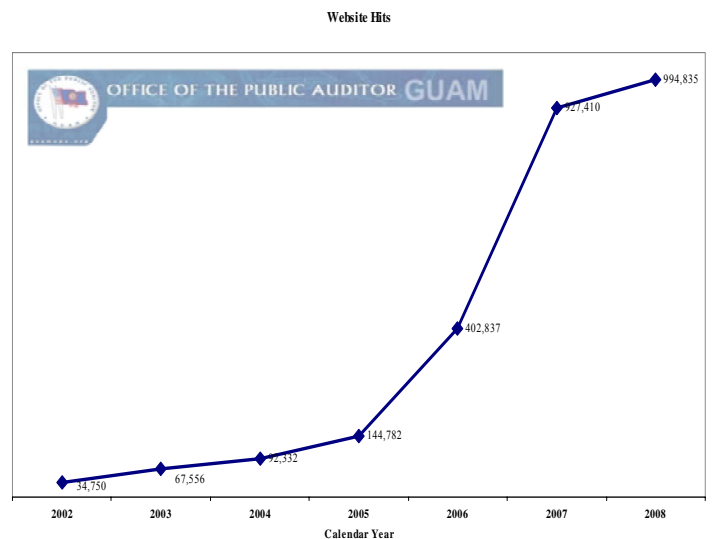
submit a tip or express a concern may do so by:

- Calling our office Hotline, 47AUDIT (472-8348),
- Faxing sufficient and relevant information to our office at 472-7951;
- Logging onto our website, www.guamopa.org; or
- Contacting any OPA employee by phone or in person. Our phone number is 475-0390.

OPA Website

Since its inauguration in January 2002, the OPA's website, www.guamopa.org, has become a "virtual office" for the relevant government agencies, accounting and auditing professionals, and the general public to access the overall finances of our government. In addition to performance and financial audit information, the OPA website contains budget, expenditure, and staffing patterns required by the various budget acts. In 2008, we posted 57 audits and information releases.

The public's appetite for government transparency and accountability is evident in the number of "hits" to the OPA website.





Hits have increased steadily every year since its inception, from 34,750 in 2002 to 994,835 in 2008.

More and more people are visiting our website for general information on the government's finances, expressing interest in our work, and relying on the quality and importance of the information we provide.

We welcome the public's interest and encourage suggestions to improve the website. See Appendix 9 for OPA's 2008 website in review.

OPA Mandates

In addition to its financial oversight responsibilities and audit activities, the OPA has received several requests and legislative mandates to partake in or review other government-related activities. More than 34 public laws have expanded OPA's primary duties and added to its responsibilities.

Notably, a great deal of audit time is being consumed conducting compliance reviews of the quarterly reports required by the annual budget acts. Beginning with the FY 2006 Budget Act, agency reporting requirements were tasked to OPA to review whether or not the required entities complied with the order to submit quarterly financial reports, staffing patterns, prior year obligations, and other special reports manually, electronically, and on their websites. This quarterly work requires the assignment of two audit staff to review the reports, determine compliance, and report the findings every three months. The number of entities required to report and the number of reports OPA is required to review continues to increase.

Appendix 6 lists OPA's mandated activities.



Office of the Public Auditor Government of Guam Governmental Funds Balance Sheet/ Statement of Net Assets Years Ended September 30, 2008 and 2007								
			2008 (Unaudited)			2007		
	General Fund	Adjustments	Statement of Net Assets	General Fund	Adjustments	Statement of Net Assets		
ASSETS								
Cash and cash equivalents	\$ 265,514	\$ -	\$ 265,514	\$ 204,052	\$ -	\$ 204,052		
Receivables, net:								
Federal agencies	-	-	-	18,266	-	18,266		
Travel Due from OPA Staff	4,396	-	4,396	-	-	-		
Other - DOA Appropriation	48,194	-	48,194	22,792	-	22,792		
Capital Assets, net of accumulated depreciation	-	46,373	46,373	-	35,523	35,523		
Total assets	\$ 318,103	\$ 46,373	\$ 364,476	\$ 245,110	\$ 35,523	\$ 280,633		
LIABILITIES AND FUND BALANCES (DEFICIT)								
Accounts Payable	\$ 244	\$ -	\$ 244	\$ 7,355	\$ -	\$ 7,355		
Payable to federal agencies	519	-	519	-	-	-		
Accrued annual and sick leave	-	62,495	62,495	-	73,858	73,858		
Total liabilities	\$ 763	\$ 62,495	\$ 63,258	\$ 7,355	\$ 73,858	\$ 81,213		
FUND BALANCES								
Fund balances:								
Unreserved	317,341	(317,341)	-	237,755	(237,755)	-		
Total fund balances	317,341	(317,341)	-	237,755	(237,755)	-		
Total liabilities and fund balances	\$ 318,103			\$ 245,110				
NET ASSETS								
Net assets:								
Invested in capital assets		46,373	46,373		35,523	35,523		
Unrestricted		254,845	254,845		163,897	163,897		
Total net assets		\$ 301,219	\$ 301,219		\$ 199,420	\$ 199,420		



Office of the Public Auditor								
Government of Guam								
Statements of Revenues, Expenses, and Changes in Fund Balance/								
Statement of Activities								
Years Ended September 30, 2008 and 2007								
			2008 (Unaudited)			2007		
			General Fund	Adjustments	Statement of Activities	General Fund	Adjustments	Statement of Activities
Revenues:								
Use of money and property			\$ 7,261	\$ -	\$ 7,261	\$ 7,065	\$ -	\$ 7,065
Federal contributions			44,395	-	44,395	38,303	-	38,303
Other			-	-	-	-	-	-
Total revenues			51,656	-	51,656	45,368	-	45,368
Expenditures by Object:								
Salaries			554,565	-	554,565	785,892	-	785,892
Benefits			155,221	-	155,221	233,023	-	233,023
Leave Accrued			(11,363)	-	(11,363)	-	4,887	4,887
Travel			10,689	-	10,689	11,820	-	11,820
Contractual services			160,294	-	160,294	78,242	-	78,242
Rent			74,026	-	74,026	81,602	-	81,602
Supplies			8,162	-	8,162	6,659	-	6,659
Equipment			11,771	-	11,771	17,171	-	17,171
Furniture			1,885	-	-	-	-	-
Utilities and Telephone			6,647	-	6,647	6,718	-	6,718
Capital outlays			-	-	-	-	-	-
Depreciation			-	12,050	12,050	-	14,459	14,459
Other			3,905	-	3,905	4,312	-	4,312
Total expenditures			975,802	12,050	987,852	1,225,438	19,346	1,244,784
Other financing sources (uses):								
Transfers in from other funds			1,037,995	-	1,037,995	1,223,722	-	1,223,722
Transfers out to other funds			-	-	-	-	-	-
Total other financing sources (uses)			1,037,995	-	1,037,995	1,223,722	-	1,223,722
Excess (deficiency) of revenues and appropriations								
over (under) expenditures			113,849	(113,849)	-	43,652	(43,652)	-
Change in net assets				101,799	101,799		24,306	24,306
Fund balance/ net assets:								
Beginning of the year			203,492	-	199,420	194,103	-	175,114
End of the year			\$ 317,341	\$ -	\$ 301,219	\$ 237,755	\$ -	\$ 199,420



ASSOCIATION OF PACIFIC ISLANDS PUBLIC AUDITORS

April 30, 2008

The Honorable Felix P. Camacho, Governor
Governor of Guam
Office of the Governor
R. J. Bordallo Complex
Adelup, Guam 96910

RECEIVED
OFFICE OF THE PUBLIC AUDITOR

DATE: 6/23/08

TIME: 11:45AM

BY: ac

Dear Governor Camacho:

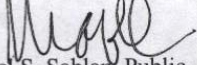
Attached for your reference is the final report on the Government of Guam's Office of the Public Auditor pursuant to a Peer (Quality Control) Review done by our team of auditors from the Association of Pacific Islands Public Auditors (APIPA). External quality control reviews of all audit offices issuing audit reports guided by government auditing standards (GAS) are required at least every three years. Because of this requirement, your Public Auditor initiated and contracted with APIPA.

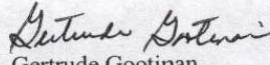
Your Public Auditor's office was determined to be in full compliance with government auditing standards for the period reviewed. Full compliance is the highest of three possible ratings issued in an external quality control review. The report now becomes public information and may be made accessible to any interested person(s). The working papers and other supporting documentation accumulated during our review will be maintained by the Public Auditor's office.

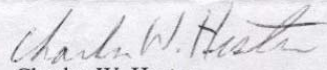
For your information, the expenses of the Peer (Quality Control) Review were borne by the U.S. Department of Interior's Office of Insular Affairs.

It was a privilege working with the staff of the Public Auditor's office, most especially Mrs. Brooks, the Public Auditor. Each member of Mrs. Brooks' office was most cooperative and helpful to the team and exemplifies the highest standards of the auditing profession.

Respectfully Submitted,


Michael S. Sablan, Public Auditor
Office of the Public Auditor
Commonwealth of the Northern
Mariana Islands
Team Leader
APIPA Peer Review Team

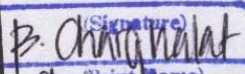

Gertrude Gootinan,
Public Auditor, Yap State Public
Auditor's Office, FSM
Team Member
APIPA Peer Review Team


Charles W. Hester,
Technical Consultant
APIPA Peer Review Team

Attachment

Cc: Mrs. Doris Flores Brooks
Guam Public Auditor

RECEIPT ACKNOWLEDGMENT

GUAM LEGISLATURE REPRODUCTION/MAIL ROOM		BY: 
DATE: <u>6-23-08</u>	(Print Name)	
TIME: <u>4:00</u> AM PM	Central Files	
RECEIVED BY: <u>FA</u>	Date: <u>6/23/08</u>	Time: <u>12:00P</u>



ASSOCIATION OF PACIFIC ISLANDS PUBLIC AUDITORS

April 30, 2008

Mrs. Doris Flores Brooks
Guam Public Auditor
Office of the Public Auditor
238 Archbishop Flores Street
Suite 401, DNA Building
Hagatna, GU 96910

RECEIVED
OFFICE OF THE PUBLIC AUDITOR

DATE: 6/23/08

TIME: 11:45 AM

BY: AC

Dear Mrs. Brooks:

A peer review of the Government of Guam's Office of the Public Auditor (OPA) has been completed for audits issued during the period from May 1, 2005 through December 31, 2007. A report has been issued dated April 30, 2008 stating the OPA's overall level of compliance with *Government Auditing Standards* (GAGAS). This letter to management is to offer certain observations and suggestions stemming from the peer review. This letter is to be read in conjunction with the opinion report.

The following observations and suggestions are made to enhance the OPA's demonstrated adherence to government auditing standards:

- **Financial Audit Reviews.** OPA has developed procedures, which include a Financial Audit Review Checklist, to ensure compliance with its mandate to direct and supervise all financial and management audits. The procedures require that all working papers, including the Checklist, be initialed and dated. Included in the Checklist is the requirement to complete the Uniform Guide for Initial Reviews of A-133 Audit Reports published by the President's Council on Integrity & Efficiency. On at least two of the assignments reviewed by the Team, the Checklist was not fully initialed and dated. In addition, on one of the assignments the Uniform Guide was not included in the working papers.

We suggest that the Public Auditor remind the staff to ensure that the Financial Audit Review Checklist is fully initialed and dated by the end of each assignment. We also suggest that the staff be reminded to complete the Uniform Guide for Initial Reviews of A-133 Audit Reports for each assignment.



Mrs. Brooks
April 30, 2008
Page 2 of 3

- **Management Representations.** GAGAS states that when planning an audit, auditors should ask management to identify previous audits, attestation engagements, and other studies that directly relate to the audit objectives and follow up on recommendations. On at least two of the assignments reviewed by the Team, the working papers only stated that steps were taken to follow up on prior OPA audit recommendations. The working papers did not indicate that management was asked to identify previous audits, attestation engagements or studies performed by organizations other than OPA.

We suggest that the Public Auditor remind the staff to request formal representations as to whether other organizations have performed audits, attestation engagements, or other studies directly related to the audit objectives. If management identifies previous audits, attestation engagements or other studies related to the audit objectives, the staff should follow up on recommendations to ensure they have been implemented.

- **CPE Requirements.** The qualification/competence standards in GAGAS states that staff assigned to perform the audit or attestation engagement must collectively possess adequate professional competence for the tasks required. To meet these standards audit organizations should have a program to ensure that its staff maintains professional proficiency through continuing professional education and training (CPE). The audit organization should maintain documentation of the education and training completed.

We noted that the CPE program documentation was not consistently maintained in that we were unable to find certificates to support the credit hours recorded for some of the staff for the period reviewed. In addition, during the period we found some certificates from CPE training organizations which were not signed by the instructor.

We suggest that the Public Auditor remind the staff to obtain signed certificates of completion for all CPE credit hours claimed and provide them to the OPA.

The above suggestions have been discussed with management and staff of the Office of the Public Auditor during the exit conference conducted on April 11, 2008. The Public Auditor concurred with our observations, and has taken steps to implement our suggestions. In order to provide the reader with a fair and



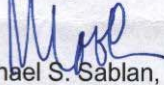
Mrs. Brooks
April 30, 2008
Page 3 of 3

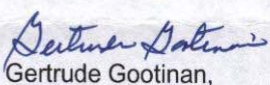
balanced discussion of the issues, the Public Auditor's comments are attached to this letter and should be read in conjunction with our suggestions.


This letter should be made an integral part of the Opinion Report when it is submitted to the oversight body.

In closing we would like to thank you and your staff for the professional courtesies and cooperation extended to us during our review.

Respectfully Submitted,


Michael S. Sablan, Public Auditor
Office of the Public Auditor
Commonwealth of the Northern
Mariana Islands
Team Leader
APIPA Peer Review Team


Gertrude Gootinan,
Public Auditor, Yap State
Public Auditor's Office, FSM
Team Member
APIPA Peer Review Team


Charles W. Hester,
Technical Consultant
APIPA Peer Review
Team



OPA Report No.	Report	Date of Release	Type of Release	Questioned Costs	Unrealized Revenue	Recommendations	Findings
OPA Report No. 08-10	Government of Guam Wide Overtime Performance Audit for the period October 1, 2002 through September 30, 2008	12/30/2008	Performance Audit	\$ -	\$ -	2	4
OPA Report No. 08-09	Guam Public School System Textbook Management Pursuant to P.L. 29-106	10/30/2008	Legislative Mandate	-	-	2	3
OPA Report No. 08-08	Evaluation of Guam Police Department Records and Identification Section's Revenue Collections	10/29/2008	Evaluation	29,747	-	4	2
OPA Report No. 08-07	Submission of 3rd Quarter Financial Reports Pursuant to Public Law 29-19	10/1/2008	Legislative Mandate	-	-	3	0
OPA Report No. 08-06	Department of Public Works Landfill Design Contract	9/15/2008	Performance Audit	6,734,543	-	6	4
OPA Report No. 08-05	Submission of 2nd Quarter Financial Reports Pursuant to Public Law 29-19	8/11/2008	Legislative Mandate	-	-	1	0
OPA Report No. 08-04	Guam Public School System Procurement of Construction and Air-Conditioning	6/30/2008	Performance Audit	2,923,549	-	8	6
OPA Report No. 08-03	Guam Public School System's FY 2008 Payroll Analysis	6/16/2008	Legislative Mandate	-	-	0	0
OPA Report No. 08-02	Submission of 1st Quarter Financial Reports Pursuant to Public Law 29-19	6/13/2008	Legislative Mandate	-	-	0	0
OPA Report No. 08-01	Department of Administration's Promissory Notes	5/19/2008	Performance Audit	-	-	2	3
2008 Totals	10 reports			\$ 9,687,839	\$ -	28	22



Appendix 3: Waste, Abuse, and Questionable Amount identified in 2007 (Page 1 of 2)

OPA Report No.	Report	Date of Release	Type of Release	Financial Impact	Unrealized Revenue	Recommendations
OPA Report No. 07-18	Status of OPA Audit Recommendations	12/31/2007	Follow-Up Audit	\$ -	\$ -	0
OPA Report No. 07-17	Fiscal Year 2007 Quarterly Financial Reports Summary	12/28/2007	Legislative Mandate	-	-	2
OPA Report No. 07-16	Submission of FY 2007 4 th Quarter Financial Reports	12/26/2007	Legislative Mandate	-	-	0
OPA Report No. 07-15	Government of Guam Tax Credit Programs	11/27/2007	Performance Audit	797,867	-	0
OPA Report No. 07-14	DOA's Travel Advances	11/20/2007	Performance Audit	1,128,737	-	10
OPA Report No. 07-13	Government of Guam Debt Ceiling Recalculation per Public Law 29-19	10/23/2007	Legislative Mandate	-	-	0
OPA Report No. 07-12	Government of Guam Vehicle Fleet Inventory	10/04/2007	Performance Audit	-	-	6
OPA Report No. 07-11	Submission of FY 2007 3 rd Quarter Financial Reports	9/26/2007	Legislative Mandate	-	-	0
OPA Report No. 07-10	Government of Guam Debt Ceiling calculation	9/21/2007	Legislative Request	-	-	0
OPA Report No. 07-09	DOA's COLA Fund Transfers Pursuant to P.L. 28-151	8/10/2007	Performance Audit	9,000,000	-	0
OPA Report No. 07-08	DPW Commercial Tipping Fees	8/09/2007	Legislative Request	484,816	-	9
OPA Report No. 07-07	Submission of FY 2007 2 nd Quarter Financial Reports	7/12/2007	Legislative Mandate	-	-	0
OPA Report No. 07-06	GGARP/SPIMA Bingo Activities	6/21/2007	Legislative Request	29,992	-	5
OPA Report No. 07-05	Retirement Fund Cola	5/09/2007	Legislative Request	-	-	0



OPA Report No.	Report	Date of Release	Type of Release	Financial Impact	Unrealized Revenue	Recommendations
OPA Report No. 07-04	Submission of FY 2007 1st Quarter Financial Reports	4/10/2007	Follow-Up Audit	-	-	0
OPA Report No. 07-03	GPSS Follow-Up of FY 2007 Payroll Analysis	3/21/2007	Legislative Mandate	-	-	0
OPA Report No. 07-02	Office of the Attorney General's Financial Condition and Historical Data	3/12/2007	Legislative Mandate	-	-	0
OPA Report No. 07-01	FY 2007 Cash Disbursement Schedule for the Guam Public School System	2/20/2007	Performance Audit	-	-	0
2007 Totals	18 reports			\$ 11,441,412	\$ -	45



Appendix 3: Waste, Abuse, and Questionable Amounts identified in 2006 (Page 1 of 2)

OPA Report No.	Report	Date of Release	Type of Release	Financial Impact	Unrealized Revenue	Recommendations
OPA Report No. 06-19	OAG's Child Support Enforcement Program	Dec, 2006	Performance Audit	\$ 6,692,552	\$ -	8
OPA Report No. 06-18	DPR's Paseo Stadium Lease Agreement	Dec, 2006	Performance Audit	1,111,488	-	7
OPA Report No. 06-17	GPSS's Utilities	Dec, 2006	Legislative Mandate	-	-	1
OPA Report No. 06-16	ALC's Non-Appropriated Funds	Dec, 2006	Legislative Mandate	172,419	-	7
OPA Report No. 06-15	Submission of FY 2006 4th Quarter Financial Reports	Dec, 2006	Legislative Mandate	-	-	6
OPA Report No. 06-14	GVB Credit Cards and Travel	Nov, 2006	Performance Audit	280,505	-	5
OPA Report No. 06-13	Guam Public School System Payroll Analysis	Oct, 2006	Legislative Mandate	2,923,549	-	8
OPA Report No. 06-12	GHURA Credit Card and Related Travel Expenditures	Oct, 2006	Performance Audit	76,841	-	4
OPA Report No. 06-11	Emergency Executive Orders and Certificates of Emergency	Oct, 2006	Audit Request	89,183	-	6
OPA Report No. 06-10	Submission of Amended FY 2006 3rd Quarter Financial Reports	Sept, 2006	Legislative Mandate	-	-	1
OPA Report No. 06-09	Submission of FY 2006 2nd Quarter Financial Reports	Jul, 2006	Legislative Mandate	-	-	0
OPA Report No. 06-08	Ethics in Government Program as Mandated by P.L. 28-76	Jul, 2006	Legislative Mandate	-	-	2
OPA Report No. 06-07	DPR's Unresolved Audit Recommendations	Jul, 2006	Follow-Up	21,080	-	6
OPA Report No. 06-06	DOA's Returned Checks	Jun, 2006	Follow-Up	2,430,573	-	9
OPA Report No. 06-05	Supreme Court of Guam, OPG's Ward Trust Accounts	May 2006	Performance Audit	208,337	-	8



Appendix 3: Waste, Abuse, and Questionable Amounts identified in 2006

OPA Report No.	Report	Date of Release	Type of Release	Financial Impact	Unrealized Revenue	Recommendations
OPA Report No. 06-04	DOA's Stale Dated Checks	May, 2006	Performance Audit	4,230	-	2
OPA Report No. 06-03	DOA's Dormant and Inactive Funds	Apr, 2006	Legislative Mandate	9,835,025	-	7
OPA Report No. 06-02	Submission of FY 2006 1st Quarter Financial Reports Pursuant to P.L. 26-68	Dec, 2006	Legislative Mandate	-	-	1
OPA Report No. 06-01	Internal Controls over Accounting and Reporting of a Non-Profit Organization	Jan, 2006	Audit Request	5,415	-	0
2006 Totals	19 reports			\$ 23,851,197	\$ -	76



Appendix 3: Waste, Abuse, and Questionable Amounts identified in 2005 (Page 1 of 1)

OPA Report No.	Report	Date of Release	Type of Release	Financial Impact	Unrealized Revenue	Recommendations
OPA Report No. 05-09	CLTC's Non-Appropriated Funds	Dec, 2005	Audit Request	\$ 2,587,794	-	9
OPA Report No. 05-08	SCOG's Judicial Building Fund	Dec, 2005	Audit Request	1,653,047	-	5
OPA Report No. 05-07	Government of Guam's Salary Increments	Dec, 2005	Audit Request	-	-	0
OPA Report No. 05-06	Port Authority of Guam Goodwill and Morale Association	Dec, 2005	Audit Request	40,317	-	9
OPA Report No. 05-05	Government of Guam Leases	Oct, 2005	Performance Audit	-	-	5
OPA Report No. 05-04	Dededo Mayor's Office Non-Appropriated Funds	Sept, 2005	Performance Audit	1,500,747	-	10
OPA Report No. 05-03	GEDCA's Credit Card Charges & Related Travel Expenditures	Aug, 2005	Performance Audit	340,005	-	1
OPA Report No. 05-02	CAHA's Non-Appropriated Funds	Jun, 2005	Performance Audit	63,978	-	8
OPA Report No. 05-01	GFD's Emergency Procurement of Fire Trucks Pursuant to P.L. 27-99	May, 2005	Legislative Mandate	-	-	2
2005 Totals	9 reports			\$ 6,185,888	\$ -	49



OPA Report No.	Report	Date of Release	Type of Release	Financial Impact	Unrealized Revenue	Recommendations
OPA Report No. 04-14	GSA's Competitive Sealed Bidding, Sole Source, and Emergency Procurement Functions	Dec, 2004	Performance Audit	\$ 4,407,320	\$ -	9
OPA Report No. 04-13	DOA's Dededo Buffer Strip Revolving Fund	Dec, 2004	Performance Audit	1,294,815	-	8
OPA Report No. 04-12	DOA's Health and Human Services and Youth Tobacco and Education Prevention Fund	Oct, 2004	Performance Audit	-	-	11
OPA Report No. 04-11	Chamorro Village Non-Appropriated Funds	Oct, 2004	Performance Audit	218,673	-	8
OPA Report No. 04-10	GTA's Privatization	Sept, 2004	Legislative Mandate	-	-	0
OPA Report No. 04-09	OAG's FY 2004 Budget Allotment, and Expenditures Reconciliation	Sept, 2004	Audit Request	-	-	0
OPA Report No. 04-08	GSA's Blanket Purchase Agreements Procurement Function	Jul, 2004	Performance Audit	3,398,229	-	10
OPA Report No. 04-07	DOA's Bounced Checks	Jul, 2004	Performance Audit	1,698,228	-	11
OPA Report No. 04-06	DCA's Non-Appropriated Funds	Jun, 2004	Audit Request	616,704	-	13
OPA Report No. 04-05	GSA's Small Purchases Procurement Function	Mar, 2004	Performance Audit	3,835,906	-	2
OPA Report No. 04-04	DOA's Special Revenue Funds Part I	Mar, 2004	Performance Audit	528,108	-	5
OPA Report No. 04-03	DOE's Staffing Structure	Feb, 2004	Audit Request	-	-	1
OPA Report No. 04-02	GGRF's Supplement to FY 200 & 2001 Report on Compliance and Internal Controls	Feb, 2004	Performance Audit	363,070	-	7
OPA Report No. 04-01	GWA's Water Meter Procurement	Feb, 2004	Legislative Mandate	-	-	6
2004 Totals	14 Reports			\$ 16,361,053	\$ -	91



OPA Report No.	Report	Date of Release	Type of Release	Questioned Costs	Unrealized Revenue	Recommendations
OPA Report No. 03-10	GFD's Enhanced 911 Emergency Reporting System Fund	Dec, 2003	Performance Audit (hotline)	\$ 1,426,000	\$ -	11
OPA Report No. 03-09	OAG's Child Support Enforcement Program	Nov, 2003	Audit Request	3,221,671	-	9
OPA Report No. 03-08	GIAA's Supplement to FY 2002 Report on Compliance and Internal Controls	Sept, 2003	Performance Audit	8,462,344	-	4
OPA Report No. 03-07	GSA's Tendan Gobetnu	Aug, 2003	Legislative Mandate	2,871,000	-	4
OPA Report No. 03-06	GPD's Asset Forfeiture Fund	Aug, 2003	Audit Request	973,059	-	13
OPA Report No. 03-05	GWA's Typhoon Chata'an Expenditures	May, 2003	Audit Request	217,433	-	10
OPA Report No. 03-04	Liberation Day Committee Funds and Activities	May, 2003	Audit Request	3,230,589	-	13
OPA Report No. 03-03	DOC's Overtime and Payroll Practices	May, 2003	Performance Audit	4,063,272	-	7
OPA Report No. 03-02	GMHA's Procurement of Radiology Services and Equipment	Apr, 2003	Performance Audit	1,513,819	-	1
OPA Report No. 03-01	GPD's Safe Streets Foundation	Feb, 2003	Audit Request	849,000	-	5
2003 Totals	10 Reports			\$ 26,828,187	\$ -	77



Appendix 3: Waste, Abuse, and Questionable Amounts identified in 2002 and 2001

OPA Report No.	Report	Date of Release	Type of Release	Questioned Costs	Unrealized Revenue	Recommendations
OPA Report No. 02-08	DOC's Overtime Practices Interim Report	Nov, 2002	Hotline Request	\$ -	\$ -	4
OPA Report No. 02-07	DLM's Permit for Use of Matapang Beach Park	Nov, 2002	Hotline Request	1,535,650	-	5
OPA Report No. 02-06	GIAA's Credit Card and Travel	Nov, 2002	Hotline Request	1,042,242	-	15
OPA Report No. 02-05	DPHSS's Child Care Development Fund Program	Nov, 2002	Legislative Mandate	56,399	-	14
OPA Report No. 02-04	GTA's Accounts Receivable and Accounts Payable	Jun, 2002	Hotline Request	-	-	5
OPA Report No. 02-03	DPR's Parks and Recreation Revolving Fund	May, 2002	Hotline Request	176,468	-	25
OPA Report No. 02-02	GMTA's Procurement Issues	Apr, 2002	Performance Audit	45,804	-	5
OPA Report No. 02-01	Southern High School's Non-Appropriated Funds	Mar, 2002	Hotline Request	171,733	-	23
2002 Totals	8 Reports			\$ 3,028,296	\$ -	96

OPA Report No.	Report	Date of Release	Type of Release	Questioned Costs	Unrealized Revenue	Recommendations
OPA Report No. 01-03	DPR's Employees' Association	Nov, 2001	Hotline Request	\$ 70,327	\$ -	5
OPA Report No. 01-02	Mayor's Offices of Barrigada, Chalan Pago-Ordot, and Inarajan	Oct, 2001	Audit Request	248,314	-	20
OPA Report No. 01-01	GMTA's Credit Card	Jul, 2001	Hotline Request	35,849	-	6
2001 Totals	3 Reports			\$ 354,490	\$ -	31



	Auditee	Issue Date	# of Findings	Management Comment(s)	Questioned Costs	Number of Employees	Salaries and Wages	Auditing Firm	Audit Costs	Legal Costs
1	Guam International Airport Authority	28-Jan-08	1	6	\$ -	205	\$ 13,001,664	Ernst and Young	\$ 78,000	\$ 585,000
2	Port Authority of Guam	4-Feb-08	0	8	\$ -	325	\$ 11,685,736	Deloitte	\$ 30,000	\$ 174,923
3	Guam Economic Development and Commerce Authority	11-Mar-08	0	1	\$ -	23	\$ 1,464,831	Deloitte	\$ 24,469	\$ 287,522
4	Government of Guam Retirement Fund	12-Mar-08	0	4	\$ -	47	\$ 1,962,038	Burger & Comer	\$ 26,000	\$ 224,806
5	Guam Preservation Trust Fund	17-Mar-08	2	3	\$ -	4	\$ 232,942	Ernst and Young	\$ 12,502	\$ 4,790
6	Guam Educational Telecommunications Corporation (KGTF)	20-Mar-08	10	0	\$ -	22	\$ 690,698	Deloitte	\$ 10,000	\$ 3,789
7	Tourist Attraction Fund (1)	31-Mar-08	0	0	\$ -	7	\$ 48,698	Deloitte	\$ 18,000	\$ -
8	Territorial Highway Fund	1-Apr-08	0	0	\$ -	118	\$ 6,058,394	Deloitte	\$ 18,000	\$ -
9	Guam Housing Corporation	2-Apr-08	4	3	\$ -	25	\$ 1,257,722	J Scott Magliari	\$ 24,500	\$ 6,227
10	Guam Power Authority	9-May-08	5	15	\$ -	517	\$ 27,044,467	Deloitte	\$ 78,000	\$ 105,981
11	Guam Waterworks Authority	12-May-08	8	12	\$ -	251	\$ 15,062,666	Deloitte	\$ 52,000	\$ 85,728
12	Guam Visitors Bureau	5-Jun-08	0	2	\$ -	29	\$ 1,133,394	Deloitte	\$ 12,500	
13	Guam Community College	12-Jun-08	1	3	\$ -	223	\$ 14,148,884	Deloitte	\$ 20,300	\$ 87,307
14	University of Guam	20-Jun-08	0	4	\$ -	759	\$ 37,149,917	Burger & Comer	\$ 38,000	\$ 57,921



	Auditee	Issue Date	# of Findings	Management Comment(s)	Questioned Costs	Number of Employees	Salaries and Wages	Auditing Firm	Audit Costs	Legal Costs
15	Guam Housing and Urban Renewal Authority	23-Jun-08	6	4	\$ -	108	\$ 4,826,381	J Scott Magliari	\$ 46,567	\$ 86,202
16	Guam Memorial Hospital Authority	25-Jun-08	6	8	\$ -	897	\$ 83,198,052	J Scott Magliari	\$ 58,440	\$ 243,559
17	Government of Guam General Purpose Financial Statements & Single Audit Reports	30-Jun-08	26	4	\$ 2,802,408	3,956	\$ 234,957,736	Deloitte	\$ 377,000	\$ -
18	Guam Public School System	1-Jul-08	19	0	\$ 509,950	4,048	\$ 141,047,226	Deloitte	\$ 141,700	\$ 102,520
TOTAL			88	77	\$ 3,312,358	11,564	\$ 594,971,446		\$ 1,065,977	\$ 2,056,275



Purchasing Agency: Guam Waterworks Authority							
APPEAL NO: OPA-PA-06-001	Appellant: Rex International, Inc.						
Awarded Bidder: n/a							
Procurement: GWA Project No. S100-004-LOC -- Design and Construction of Chaot-Agana Relief Sewer Modifications							
Main Grievance:	<table border="1"> <thead> <tr> <th>Procurement Area at Issue:</th> <th>Decision</th> <th>Decision Summary</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> • Rex International, Inc. protested GWA's decision to debar the company for performing substandard work on the Chaot project and failing to complete the project within a 180-day timeframe. Rex denied the charges and argued that their work was satisfactory under the project terms as changes to the scope of work were made and safety warnings breached by others were beyond their control. </td> <td> <ul style="list-style-type: none"> • Debarment </td> <td> <ul style="list-style-type: none"> • DISMISSED: Rex International voluntarily withdrew the appeal and OPA subsequently dismissed. </td> </tr> </tbody> </table>	Procurement Area at Issue:	Decision	Decision Summary	<ul style="list-style-type: none"> • Rex International, Inc. protested GWA's decision to debar the company for performing substandard work on the Chaot project and failing to complete the project within a 180-day timeframe. Rex denied the charges and argued that their work was satisfactory under the project terms as changes to the scope of work were made and safety warnings breached by others were beyond their control. 	<ul style="list-style-type: none"> • Debarment 	<ul style="list-style-type: none"> • DISMISSED: Rex International voluntarily withdrew the appeal and OPA subsequently dismissed.
Procurement Area at Issue:	Decision	Decision Summary					
<ul style="list-style-type: none"> • Rex International, Inc. protested GWA's decision to debar the company for performing substandard work on the Chaot project and failing to complete the project within a 180-day timeframe. Rex denied the charges and argued that their work was satisfactory under the project terms as changes to the scope of work were made and safety warnings breached by others were beyond their control. 	<ul style="list-style-type: none"> • Debarment 	<ul style="list-style-type: none"> • DISMISSED: Rex International voluntarily withdrew the appeal and OPA subsequently dismissed. 					

Appeal Filed: 10/30/2006

Appeal Closed: 11/29/2006



Purchasing Agency: Port Authority of Guam			
APPEAL NO: OPA-PA-06-002		Appellant: Far East Equipment Company, LLC	
Awarded Bidder: n/a			
Procurement: Multi-Step Sealed Bid No. PAG 06-001 -- Fabrication and Installation of One (1) or Two (2) New Dockside Container Handling Gantry Crane(s)			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> Far East asserted that they were not given reasonable time to prepare their bid, as answers to their submitted questions on the bid and a notice of amended specifications and a new bid section were received only three to four days before the bid deadline. Far East argued that when changes to a bid are made, reasonable extensions are due to all competing bidders. PAG denied Far East's request for an extension. 	<ul style="list-style-type: none"> Amendments to Invitations for Bids 		<ul style="list-style-type: none"> OPA dismissed the appeal after PAG and Far East filed a stipulation and order to dismiss following PAG's announcement of bid cancellation. PAG moved to cancel and re-issue the bid to avoid further delays in the procurement of the gantry cranes.

Appeal Filed: 1/24/2006

Appeal Closed: 2/27/2006



Purchasing Agency: GSA / Office of Homeland Security			
APPEAL NO: OPA-PA-06-003		Appellant: L.P. Ganacias Enterprises, Inc.	
Awarded Bidder: S.E.S. USA Inc.			
Procurement: GSA Purchase Order Nos. PO66A06288 and PO66A06304 -- Early Warning System / Outdoor PA System for Guam Office of Homeland Security (OHS).			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> GSA awarded the contract for the purchase of an early warning system to S.E.S. USA, Inc., as sole-source procurement. 	<ul style="list-style-type: none"> Sole-Source Procurement / Policy in Favor of Local Procurement 	<ul style="list-style-type: none"> L.P. Ganacias' appeal was upheld and GSA was ordered to cancel and redo the bid competitively. GSA's procurement record was insufficient to justify sole-source procurement. 	<ul style="list-style-type: none"> There was no evidence in the record that GSA made any attempt to determine if a warning system could be purchased or made available locally prior to awarding the contract to the off-island vendor (S.E.S.), or that GSA made any price comparisons between local vendors and S.E.S. USA, Inc.

Appeal Filed: 2/19/2006

Appeal Closed: 3/12/2007



Purchasing Agency: University of Guam (UOG)			
APPEAL NO: OPA-PA-07-001		Appellant: Jones and Guerrero Co. Inc. dba Island Business Systems and Supplies (IBSS)	
Awarded Bidder: Xerox Corporation			
Procurement: UOG Bid No. P09-07 -- Document Management Equipment and Software (i.e., copier machine)			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> IBSS contended that the bid was tailored to Xerox specifications and did not allow for competition. 	<ul style="list-style-type: none"> Maximum Practicable Competition 	<ul style="list-style-type: none"> DISMISSED: UOG, filed a request to dismiss the appeal since they were going to cancel the bid in its entirety and re-issue. 	

Appeal Filed: 2/19/07

Appeal Closed: 2/26/07



Purchasing Agency: Guam Power Authority (GPA)			
APPEAL NO: OPA-PA-07-002		Appellant: Emissions Technologies Inc. (ETI)	
Awarded Bidder: TRC Environmental			
Procurement: GPA-RFP-07-002 - Continuous Emission Monitoring System			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> ETI argued that the evaluation results GPA used to determine that TRC was the best bid offeror were biased and should be re-done. 	<ul style="list-style-type: none"> Licensing / Awards or Rejection of Proposals / GPA Special Reminder to Prospective Individual / Firms 	<ul style="list-style-type: none"> ETI's appeal was upheld and GPA was ordered to cancel the award to TRC and proceed with the procurement in accordance with 5 G.C.A. §5451. 	<ul style="list-style-type: none"> The OPA found that GPA's consideration of TRC for award was not consistent with Guam's procurement laws or GPA's Special Reminder to Prospective Bidders placed within the RFP, which required submission of a Guam business license at closing. TRC had not obtained a Guam business license prior to the RFP closing as required. No biased evaluation was found.

Appeal Filed: 4/20/2007

Appeal Closed: 8/1/2007



Purchasing Agency: Guam International Airport Authority (GIAA)			
APPEAL NO: OPA-PA-07-003		Appellant: Maeda Pacific Corporation	
Awarded Bidder: BME & Sons, Inc.			
Procurement: GIAA -FY-06-04-5 -- Demolition and Remediation of Block 3			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Maeda Pacific Corporation argues GIAA's rejection of their bid due to their failure to submit C68 and C11 contractor and/or subcontractor licenses and the resumes of their key personnel. Maeda qualified these omissions as minor informalities. 	<ul style="list-style-type: none"> Responsibility 	<ul style="list-style-type: none"> DISMISSED: Maeda Pacific Corporation voluntarily withdrew the appeal and requested a dismissal. 	

Appeal Filed: 5/31/2007

Appeal Closed: 6/26/2007



Purchasing Agency: Guam Memorial Hospital Authority (GMHA)			
APPEAL NO: OPA-PA-07-004		Appellant: Teal Pacific, LLC	
Awarded Bidder: No award			
Procurement: GMHA BID-008-2007 - Portable X-Ray Machine			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Teal Pacific, LLC protested GMHA's cancellation of their bid after bid opening arguing GMHA's rationale to cancel and re-bid. 	<ul style="list-style-type: none"> Bid Specifications / Cancellation and Rejection of an IFB 	<ul style="list-style-type: none"> DISMISSED: Recusal of the Public Auditor, as her husband and the principal of Teal Pacific hold a physician-patient relationship. 	

Appeal Filed: 6/7/2007

Appeal Closed: 1/17/2008



Purchasing Agency: Guam Memorial Hospital Authority (GMHA)			
APPEAL NO: OPA-PA-07-005		Appellant: Jones and Guerrero Co. Inc. dba J&G Construction (J&G)	
Awarded Bidder: J&B Modern Tech			
Procurement : GMHA No. 005-2007 -- Warehouse Expansion Project			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> J&G argued GMHA's rejection of their bid as non-responsive. J&G asserted that its bid was both responsible and responsive and should have been awarded as the lowest bidder. 	<ul style="list-style-type: none"> Responsiveness and Responsibility 	<ul style="list-style-type: none"> J&G's appeal was upheld in part and denied in part. OPA determined that the bid was responsive. GMHA was ordered to re-evaluate the proposal to determine whether J&G was a responsible bidder. No order was made to award directly to J&G. GMHA's rejection of the bid was not in compliance with Guam procurement laws and regulations. 	<ul style="list-style-type: none"> J&G's Statement of Qualification was missing necessary information, i.e., resumes, manager and superintendent experiences, personnel resources, and equipment available, attesting to the bidder's experience and current ability to perform. These are factors of responsibility and almost parallel the criteria set in law. The issue of responsiveness is weighed when GMHA evaluates how J&G offered or promised to perform under the IFB's scope. Again, to determine what (equipment) and who (professional personnel) J&G will use to perform the project proposed goes back to the issues of responsibility, not responsiveness.

Appeal Filed: 6/21/2007

Appeal Closed: 2/12/2008



Purchasing Agency: Government of Guam Retirement Fund (GGRF)			
APPEAL NO: OPA-PA-07-006		Appellant: Great-West Retirement Services (Great-West)	
Awarded Bidder: Administrative Services Corporation (ASC)			
Procurement: GGRF-928-06 Investment Management and Plan Administration related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Great-West, contended that GGRF arbitrarily and capriciously terminated contract negotiations and offered no explanation as to why its price proposals were not "fair and reasonable." 	<ul style="list-style-type: none"> Competitive Selection Procedures for Award of Professional Services Contracts - considering (a) determination that the offeror is best qualified and (b) successful negotiation of fair and reasonable compensation 	<ul style="list-style-type: none"> Great-West's appeal was upheld. GGRF was ordered to resume negotiations. OPA found that GGRF's termination of negotiations lacked justification as no price analysis or explanation was offered for the "reasonable" rates GGRF preferred. 	<ul style="list-style-type: none"> GGRF countered that Great-West failed to lower the fee proposal of .27% re-valued assets to .25% during price negotiations and was therefore not responsive. However, no analysis was provided to Great-West or was contained in the procurement record to explain why the .25% firm price re-valued assets was fair and reasonable over the .27% offered by Great West. OPA further found that ASC (the party initially awarded) agreed to the .25% fee re-valued assets, but other areas, particularly trustee rates, in their proposal were higher.

Appeal Filed: 6/22/2007

Appeal Closed: 3/13/2008



Purchasing Agency: Guam International Airport Authority (GIAA)			
APPEAL NO: OPA-PA-07-007		Appellant: Dick Pacific Construction Co. Ltd (Dick Pacific)	
Awarded Bidder: Rex International, Inc.			
Procurement: GIAA-C09-FY07 -- Utilities Improvements - Water System			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Dick Pacific argued that GIAA's rejection of their bid, which was significantly lower than the next lowest bidder, was contrary to the best interest of GIAA and was not in accordance with procurement rules and regulations. Dick Pacific did not submit a C41 license or the resumes of the key professionals to perform the work as required by the bid, arguing they were "mere informalities." 	<ul style="list-style-type: none"> Responsiveness 	<ul style="list-style-type: none"> Dick Pacific's appeal was denied. GIAA's rejection was proper because Dick Pacific failed to submit the required documents and was non-responsive. 	<ul style="list-style-type: none"> Dick Pacific justified the omission of its C41 license by arguing it was not required since its A and B licenses authorized it to perform reinforcing steel work not exceeding 35% of the total project. Dick Pacific estimated the steel work required by the project to be only 4.49%. The justification did not excuse or exempt Dick Pacific from having to submit the information and documents required of all bidders.

Appeal Filed: 8/2/2007

Appeal Closed: 1/18/2008



Purchasing Agency: Guam Public School System (GPSS)			
APPEAL NO: OPA-PA-07-008		Appellant: Advanced Management Inc. (AMI)	
Awarded Bidder: JRN Air-Conditioning and Refrigeration Inc.			
Procurement: GPSS IFB 006-2007 – Preventative Maintenance and Repair of Split-Type Air Conditioning Units for Various Public Schools and Support Facilities			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> • AMI argued that JRN’s pricing to perform the maintenance work was not in compliance with prevailing wage laws, which require contractors to pay their workers fair wages and health and welfare contributions. Therefore, the award to JRN prejudiced bidders whose pricing was based on prevailing wage rates, as required by law and the IFB. 	<ul style="list-style-type: none"> • Prevailing Wage Determination 	<ul style="list-style-type: none"> • DISMISSED: GPSS and AMI signed a stipulation to dismiss agreeing that (1) GPSS would require future contractors to certify bid proposals for compliance with the applicable prevailing wage and benefit laws; and (2) GPSS would coordinate a meeting with the Attorney General, the Department of Labor, the General Services Agency, AMI, and other government organizations and/ or vendors to discuss future procedures for awarding contracts to ensure that awarded vendors pay employees applicable prevailing wages and benefits. Further, since AMI did not file an initial protest with GPSS but appealed directly to OPA, the appeal was dismissed on jurisdictional grounds. In accordance with 5 G.C.A §5425 (e), jurisdiction over an appeal requires evidence of the previous filing of a formal protest to, and denial by, the awarding entity in accordance with 5 G.C.A §5425 (e). 	

Appeal Filed: 9/10/2007

Appeal Closed: 11/16/2007



Purchasing Agency: Guam Memorial Hospital Authority (GMHA)			
APPEAL NO: OPA-PA-07-009		Appellant: Pacific Security Alarm (PSA), Inc.	
Awarded Bidder: No award			
Procurement: GMHA 023-2007 - Removal and Replacement of Fire Alarm System			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> PSA argued that GMHA acted in bad faith by canceling the IFB due to a lack of funds after bid opening and that a re-bid of the project at a later date would disadvantage the bidders whose prices had already been disclosed. PSA recommends GMHA offer the lowest bidder an "intent to award" until funding becomes available or to adjust the scope/quantities of the project to come within available funds. 	<ul style="list-style-type: none"> Rejection vs. Cancellation of Bids 	<ul style="list-style-type: none"> PSA's appeal was upheld. GMHA improperly canceled the IFB after opening. OPA determined that GMHA was correct in not proceeding due to funding as PSA proposed an amount over budget. 	<ul style="list-style-type: none"> GMHA acted in good faith in canceling the IFB as PSA proposed an amount over budget. GMHA's explanations as to why it was not feasible to adjust the quantities for the project were reasonable. However, OPA found the post-opening cancellation contrary to GMHA's procurement regulations. Cancellations should only occur before bid opening and rejections should only occur after bid opening. If bid offers exceed budgeted amounts, they are to be rejected after opening not canceled. The Public Auditor also determined that PSA was prejudiced by the improper cancellation of the IFB and the public opening of its bid, which places it at a substantial competitive disadvantage when GMHA re-solicits the project.

Appeal Filed: 11/16/2007

Appeal Closed: 4/11/2008



Purchasing Agency: GSA / Port Authority of Guam (PAG)			
APPEAL NO: OPA-PA-07-010		Appellant: Far East Equipment Company, LLC (Far East)	
Awarded Bidder: Morricco Equipment Co.			
Procurement : GSA/PAG 07-006 Item #4.1 – 40,000# Forklift			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Far East argued that GSA improperly awarded a contract to a bidder who should have been rejected as non-responsive. Far East contended that they offered the same type of equipment as the awarded bidder, were lower priced, and were incorrectly rejected as being non-responsive. 	<ul style="list-style-type: none"> Responsiveness 	<ul style="list-style-type: none"> Far East’s appeal was denied. OPA found that GSA’s rejection was proper, as Far East did not meet the bid requirements for minimum horse power and fork length. The winning bidder, Morricco, met the minimum bid specifications. 	<ul style="list-style-type: none"> Far East was non-responsive in its bid for the 40,000 pound fork lift to be purchased by PAG. In later briefs, Far East admitted that while it did not meet the minimum specifications, the amounts were negligible, but maintained that, as lowest bidder, it still should have won the contract. The OPA determined that PAG is not required to purchase cheaper, alternative equipment. Bidders considered for award must be both responsive and responsible.

Appeal Filed: 11/20/2007

Appeal Closed: 8/1/2008



Purchasing Agency: Guam Memorial Hospital Authority (GMHA)			
APPEAL NO: OPA-PA-07-011		Appellant: JMI Medical Systems Inc.	
Awarded Bidder: Medpharm			
Procurement : GMHA Bid 024-2007 - Automated Microbiology Analyzer			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> JMI's position was that Medpharm's bid should have been rejected as non-responsive and the award should have been given to JMI as the next lowest bidder. JMI also appealed GMHA's purchase of two analyzers because the advertised bid was only for one. 	<ul style="list-style-type: none"> Responsiveness / Halting procurement during pendency of Appeal pending with OPA 	<ul style="list-style-type: none"> JMI's appeal was upheld in part and denied in part. OPA found that GMHA's selection of Medpharm as responsive to the bid was proper, but procuring the analyzers while the appeal was still pending was not proper. The Public Auditor overturned the purchase of the second, unannounced and non-competitively procured, analyzer. 	<ul style="list-style-type: none"> JMI was not the lowest bidder, therefore, GMHA was correct in rejecting JMI's bid and awarding the contract to Medpharm. However, in violation of 5 G.C.A. §5425(g), GMHA did not stay the procurement after JMI timely filed an appeal. Secondly, GMHA improperly purchased a second analyzer from Medpharm after publicly inviting bids for only one. Proceeding with a purchase under appeal, without the written determination of the Attorney General or designated Deputy Attorney General, is a violation of procurement law and procedure under Chapter 5 §5425(g).

Appeal Filed: 12/12/2007

Appeal Closed: 1/16/2009



Purchasing Agency: GSA / Port Authority of Guam (PAG)			
APPEAL NO: OPA-PA-08-001		Appellant: Far East Equipment Company, LLC (Far East)	
Awarded Bidder: No award			
Procurement: GSA/PAG 07-007 -- New Dockside Container Handling Gantry Crane			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Far East argued that the evaluation of its proposal was flawed and its rejection was unfair. GSA rejected Far East's proposal as being non-responsive and high priced. Right to amend or cancel bids / Right to reissue bids / Right to reject bids DISMISSED: Due to the Public Auditor's personal impairment with PAG's attorneys. 			

Appeal Filed: 1/14/2008

Appeal Closed: 1/30/2008



Purchasing Agency: GSA / Port Authority of Guam (PAG)			
APPEAL NO: OPA-PA-08-002		Appellant: Far East Equipment Company, LLC (Far East)	
Awarded Bidder: Matson Navigation and Horizon Lines			
Procurement: Matson Navigation & Horizon Lines' Unsolicited Offer for Gantry Cranes			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Far East protests PAG's acceptance of Matson's unsolicited offer to purchase new container handling gantry cranes, under specific terms, arguing that the law requires all unsolicited offers to undergo competitive sealed bidding before any award or acceptance can commence. 	<ul style="list-style-type: none"> Unsolicited Offers 	<ul style="list-style-type: none"> DISMISSED: Due to the Public Auditor's personal impairment with PAG's attorneys. 	

Appeal Filed: 1/22/2008

Appeal Closed: 2/7/2008



Purchasing Agency: Guam Public School System (GPSS)			
APPEAL NO: OPA-PA-08-003		Appellant: Jones and Guerrero Co. Inc. dba Island Business Systems and Supplies (IBSS)	
Awarded Bidder: Xerox Corporation			
Procurement: Procurement Unknown at the Time of Appeal -- Copier Machines and Related Supplies			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> IBSS appealed GPSS's failure to respond to its protest. In their protest IBSS requested for a public examination of the procurement files to determine how GPSS procures copiers and by what method the award to Xerox was made for GPSS's copier leasing services. 	<ul style="list-style-type: none"> Authority to resolve protested solicitations and awards 	<ul style="list-style-type: none"> No decision was made on the merits of IBSS' appeal, as GPSS failed to respond to IBSS' protest. GPSS was ordered to issue a decision on the protest. The appeal was re-filed and decided on its merits in OPA-PA-08-011. 	<ul style="list-style-type: none"> The Public Auditor did not have jurisdiction to hear IBSS's appeal because GPSS failed to produce a decision on IBSS' December 4, 2007 protest. GPSS's failure to produce a decision violated 5 G.C.A. §5425(c) and (d) and 2 G.A.R., Div. 4, Chap. 9, §9101(g) and undermines the integrity of the procurement process. Accordingly, the Public Auditor ordered GPSS's Superintendent to produce the decision no later than seven (7) days after the date of the order.

Appeal Filed: 2/7/2008

Appeal Closed: 7/14/2008



Purchasing Agency: Guam Power Authority (GPA)			
APPEAL NO: OPA-PA-08-004		Appellant: O&M Energy	
Awarded Bidder: Taiwan Electrical and Mechanical Engineering Services Inc. (TEMES)			
Procurement : GPA-013-07 -- Performance Management Contracts Cabras 1 & 2 Steam Power Plants			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> O&M protested GPA's disqualification of its price proposal, which was based on exceptions similarly contained in its technical proposal, which GPA deemed qualified. The criteria GPA used to reject O&M's price were not in the bid documents and O&M was never notified that GPA would use the exceptions contained in its price proposal as a basis for disqualification. 	<ul style="list-style-type: none"> Evaluation of an IFB / Waiver of bid irregularities 	<ul style="list-style-type: none"> O&M's appeal was upheld in part and denied in part. OPA determined that the criteria for price proposals were not made clear and GPA was incorrect to reject O&M's proposal. GPA was ordered to cancel and re-do the multi-step bid with clarification on limits for escalation rates, discounts, and other costs. 	<ul style="list-style-type: none"> OPA found that the documents summarizing GPA's rationale for finding O&M to be non-responsive failed to demonstrate that O&M's exceptions could not be waived, resulting in an award to a higher bidder, at a cost of more than \$6M. The Public Auditor found this unacceptable. GPA might have been justified in rejecting O&M as non-responsive if an analysis showing more substantial savings to GPA and it ratepayers had been performed. Agencies may waive deficiencies if omissions or irregularities are not significant. In this matter, there was a vast difference between the accepted and rejected. O&M's bid was \$6,058,150.20, much less than TEMES's proposal.

Appeal Filed: 3/7/2008

Appeal Closed: 9/30/2008



Purchasing Agency: University of Guam (UOG)			
APPEAL NO: OPA-PA-08-005		Appellant: Guam Cleaning Masters (GCM)	
Awarded Bidder: No Award			
Procurement: Bid No. P11-08 -- Student Housing Custodial Services			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> GCM protested UOG's cancellation of bid (due to insufficient funds) because the bids and already been opened and GCM would have been prejudiced in a re-bid. Right to amend or cancel bids DISMISSED: The issue was resolved and GCM and UOG signed a joint stipulation to dismiss. 			

Appeal Filed: 4/15/2008

Appeal Closed: 6/26/2008



Purchasing Agency: Department of Chamorro Affairs (DCA)			
APPEAL NO: OPA-PA-08-006		Appellant: Oceania Collection Services, Inc.	
Awarded Bidder: Guam Marianas Collection Agency			
Procurement: RFP No. CV08-007 – Bad Debt Collection Services			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> Lowest bidder, Oceania protested DCA's award to Guam Marianas Collection. 	<ul style="list-style-type: none"> Requirement of Good Faith (All parties involved in negotiation, or administration of territorial contracts are required to act in good faith) / Methods of Source Selection (differences of an IFB vs. RFP) 	<ul style="list-style-type: none"> Oceania's appeal was upheld; DCA was ordered to cancel the bid. OPA found the procurement process flawed as DCA issued an RFP instead of an IFB. Further, DCA improperly awarded a contract to a late, higher priced bidder. 	<ul style="list-style-type: none"> DCA's procurement process was flawed. Rather than use an Invitation for Bid (IFB), as required by 5 G.C.A. §5211, DCA issued a Request for Proposal (RFP). At opening, DCA improperly allowed oral bid proposals together with written proposals to be considered. Although Oceania was the lowest bidder they were disqualified for a late bid offered orally rather than in writing at bid opening. DCA was instructed to re-bid the contract as an Invitation for Bid.

Appeal Filed: 5/5/2008

Appeal Closed: 11/7/2008



Purchasing Agency: GSA / Guam Election Commission			
APPEAL NO: <u>OPA-PA-08-007</u>		Appellant: Guam Publications Inc. Publisher of the Pacific Daily News (PDN)	
Awarded Bidder: Marianas Variety			
Procurement: GSA-012-08 -- Advertisement for "Election Notices Pursuant to Title 3 GCA & Publication of Board Meetings Pursuant to the Open Government Law."			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> • PDN protested GSA's award to Marianas Variety on grounds that ad size (5 columns by 15 inches) and distribution specifications were biased. PDN also alleged that Variety's bid lacked a Statement of Qualifications, which was required by the bid, and so should have been disqualified. 	<ul style="list-style-type: none"> • Responsiveness 	<ul style="list-style-type: none"> • PDN's appeal was upheld and GSA was ordered to cancel the award. 	<ul style="list-style-type: none"> • GSA's most significant error was requiring a Statement of Qualifications as a material part of its the bid. In plain language, GSA's IFB stated that if a Statement of Qualifications was not submitted, bidders would be disqualified. Since the Variety did not submit the required statement, OPA found that the Variety was non-responsive. The Public Auditor found no merit in PDN's argument that, without a specification for distribution numbers, GSA could not accurately assess whether the Variety's bid was the lowest. The IFB requested unit costs per ad. OPA found that GSA could determine the lowest bidder by comparing the unit costs submitted. Based on the unit costs submitted, Marianas Variety was the lowest bidder.

Appeal Filed: 5/14/2008

Appeal Closed: 9/5/2008



Purchasing Agency: Department of Mental Health and Substance Abuse (DMHSA)			
APPEAL NO: OPA-PA-08-008		Appellant: Latte Treatment Center (LTC)	
Awarded Bidder: Associates in Clinical Psychology (ACP) - Dr. Marc Zackhiem			
Procurement: RFP / DMHSA 014-08 - pertaining to Therapeutic Group Home Services for Children and Adolescents			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> In their protest, LTC alleged a host of irregularities with DMHSA's RFP. The concerns focused on contract breaches, ethics violations, responsibility of the awarded vendor, and tailored language in the RFP. LTC's protest for DMHSA's tailored RFP language centered on the required proof for (1) the non-existence of sexual misconduct and (2) a Guam licensed psychologist on staff. LTC also argued that DMHSA failed to keep complete and accurate procurement records of the solicitation. 	<ul style="list-style-type: none"> Responsibility / Record of Procurement Actions / Certification of Record 	<ul style="list-style-type: none"> LTC's appeal was upheld. DMHSA was ordered to cancel and re-issue the RFP. 	<ul style="list-style-type: none"> The Public Auditor found (1) no fault in the RFP's prohibition against the employment of sex offenders or the requirement for Guam licensure for psychologists as each are required by law; (2) DMHSA should have granted their employee's request for recusal from the evaluation and scoring process to avoid any appearance of impropriety, even though no breach of ethical standards was later found; and (3) DMHSA failed to conduct a thorough responsibility inquiry on ACP and to create and maintain a procurement record, thus compromising the integrity of the RFP.

Appeal Filed: 5/30/2008

Appeal Closed: 2/26/2009



Purchasing Agency: Guam Housing and Urban Renewal Authority (GHURA)			
APPEAL NO: OPA-PA-08-009		Appellant: Captain, Hutapea, & Associates (CH&A)	
Awarded Bidder: PCR Environmental			
Procurement: RFP GHURA-RP&E-08-002 - Guam Comprehensive Housing Study 2008			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> CH&A argued that PCR did not have the experience, professional designations, market data, or expertise to complete the services required by the RFP and should not have been selected as the best offeror. 	<ul style="list-style-type: none"> Competitive Selection Procedures for Award of Professional Services Contracts - considering (a) determination that the offeror is best qualified. 	<ul style="list-style-type: none"> CH&A's appeal was denied. OPA determined that GHURA correctly awarded the RFP to the most responsible and responsive bidder. 	<ul style="list-style-type: none"> CH&A's allegations had no merit. OPA determined that PCR had the experience and expertise to fulfill the requirements of the RFP as the RFP solicited for a comprehensive housing study and the development of an interactive housing model, not real estate consulting or analysis reports, which CH&A argued to be requirements of the RFP. PCR's team members have experience developing, refining, and conducting comprehensive housing studies and developing interactive housing models. Finally, CH&A alleged that PCR had no market data to complete the housing study. OPA cited that GHURA's RFP allowed for the collection of current market data from other sources.

Appeal Filed: 6/5/2008

Appeal Closed: 10/24/2008



Purchasing Agency: Guam Memorial Hospital Authority (GMHA)			
APPEAL NO: OPA-PA-08-010		Appellant: Teal Pacific, LLC	
Awarded Bidder: No Award			
Procurement: GMHA Bid 026-2008 - VCT X-Ray Tube for CT Scan			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> Teal Pacific, LLC alleged that other bidders were privy to information that allowed them to offer more competitive bids as the winning bidder would receive GMHA's old CT Tube Scan, valued at \$20,000, in exchange for a new CT Tube. Teal argues that GMHA failed to include this information as a material term in its IFB. Material Terms to be included in an IFB. DISMISSED: Recusal of the Public Auditor, as her husband and the principal of Teal Pacific currently hold a physician-patient relationship. 			

Appeal Filed: 7/1/2008

Appeal Closed: 7/28/2008



Purchasing Agency: Guam Public School System (GPSS)			
APPEAL NO: OPA-PA-08-011		Appellant: Jones and Guerrero Co. Inc., dba Island Business Systems and Supplies (IBSS)	
Awarded Bidder: Xerox Corporation			
Procurement: Document Services Agreement (DSA) No. 7002364 with XEROX.			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> IBSS argues that GPSS improperly sole-sourced and extended a copier contract to Xerox as there was no record of GPSS soliciting the services and equipment required by their contract (DSA) and no record of Xerox being awarded the contract (DSA) as the result of such a solicitation. 	<ul style="list-style-type: none"> Methods of Source Selection / Policy in Favor of Local Procurement 	<ul style="list-style-type: none"> The appeal of IBSS was upheld and GPSS was ordered to cancel the contract. GPSS could not provide any evidence to justify its sole source award to Xerox. 	<ul style="list-style-type: none"> GSA entered into a sole-source contract with Xerox purported because of equipment, accessories, and replacement part compatibility. However, there was no evidence that GPSS could not procure copying services or equipment from other vendors. A requirement for a particular proprietary item does not justify sole-source procurement if there is more than one potential bidder for that item. Bid specifications should seek to promote overall economy for the purposes intended, encourage competition and not be unduly restrictive. GPSS violated Guam Procurement Law by limiting its copying services, equipment, and software to the Xerox brand via sole-source procurement.

Appeal Filed: 7/24/2008

Appeal Closed: 11/28/2008



Purchasing Agency: GSA			
APPEAL NO: OPA-PA-08-012		Appellant: Jones and Guerrero Co. Inc., dba Island Business Systems and Supplies (IBSS)	
Awarded Bidder: Xerox Corporation			
Procurement: Request for Quotation Nos. 08002241, 08002249, 08002251, 08002252, 08002255, and 08002256.			
Main Grievance	Procurement Area at Issue	Decision	Decision Summary
<ul style="list-style-type: none"> GSA rejected IBSS on the grounds that it had authority to purchase supplies from the Federal Supply Schedule Program (FSSP) using the RFQ method, pursuant to 5 G.C.A. §5122. GSA argued that it developed the RFQ method and the practice was affirmed by an Attorney General's opinion in 2008. 	<ul style="list-style-type: none"> Methods of Source Selection 	<ul style="list-style-type: none"> IBSS' appeal was upheld. The Public Auditor held that GSA's Request for Quote (RFQ) procedures were not in accordance with Guam Procurement Laws and Regulations. 	<ul style="list-style-type: none"> GSA is authorized to purchase supplies, services, or equipment from the United States Government when the cost is 10% less than from other contractors. However, GSA must still solicit proposals or bids, as prescribed by Guam's procurement laws and regulations in order to determine price differentials. GSA used its previous RFQ method to calculate the 10% differential and did not solicit competitive proposals i.e. small purchase, invitation for bid, request for proposal, or emergency procurement source selections. This was contrary to procurement laws which stipulate soliciting proposals to determine price differentials between federal and local suppliers.

Appeal Filed: 9/12/2008

Appeal Closed: 2/10/2009



Purchasing Agency: Guam International Airport Authority (GIAA)			
APPEAL NO: OPA-PA-09-001		Appellant: Mega United Corp.	
Awarded Bidder: United Mechanical			
Procurement : IFB# GIAA-C01-FY09 Toilet Ventilation Renovation Project			
Main Grievance:	Procurement Area at Issue:	Decision	Decision Summary
<ul style="list-style-type: none"> Mega United Corp. argued that, despite their "failure to submit resumes of their personnel and that their listed projects are not of similar nature," GIAA inappropriately rejected their bid, which was significantly lower than the next lowest bid. Mega argued that being disqualified for missing resumes was only a technicality and not in the best interest of the government and GIAA. 	<ul style="list-style-type: none"> Responsiveness and Responsibility 	<ul style="list-style-type: none"> DISMISSED: Mega United Corp. filed its protest with GIAA and OPA concurrently. OPA's jurisdiction over an appeal commences only after a formal protest is lodged and denied by the awarding entity, as stipulated by 5 G.C.A §5425 (e). 	

Appeal Filed: 1/22/2009

Appeal Closed: 1/26/2009



- P.L. 25-119 requires the Public Auditor to conduct an annual audit of each municipality's Municipal Litter and Defacement Fund.
- P.L. 25-143 requires OPA to audit the Guam Educational Radio Foundation (KPRG-FM 89.3). In the absence of audited financial statements, KPRG is to provide a full accounting of the funds appropriated by P.L. 25-143.
- P.L. 25-164 requires an audit of the Village Streets Fund (VSF) administered by the Mayor's Council of Guam.
- P.L. 26-70 required the OPA to be an observer in the government's attempt to sell the Guam Telephone Authority (GTA).
- P.L. 26-83 requires GVB to allow the Public Auditor to audit all the Bureau's funds and matching cash, and the in-kind contributions of its membership.
- P.L. 26-85 created a Line of Credit Repayment Fund under the Public Auditor's purview.
- P.L. 26-116 opens all records relative to the recovery from Typhoon Chata'an and Typhoon Halong to the Public Auditor for auditing.
- P.L. 26-120 requires the Guam Police Department to furnish the OPA with detailed financial reports of its Asset Forfeiture Fund.
- P.L. 26-135, required OPA to be a member of the Advance Federal Funding Work Group. The Work Group dissolved on December 31, 2002.
- P.L. 26-144, required the Guam Waterworks Authority to outsource the maintenance and operation of water wells, booster pump stations, meters, etc., and the Public Auditor to observe the outsourcing process.
- P.L. 26-169, which established the Guam State Clearinghouse under the Office of the Lieutenant Governor and the Advance Federal Funding Work Group to advise him on matters pertaining to federal grants, required the Public Auditor to be a member of the Work Group.
- P.L. 26-170 requires the Child Mental Health Initiative Grant Fund to be annually audited by OPA.
- P.L. 27-01 authorized the OPA to assess transactions of Typhoon Pongsona-related expenditures incurred by the government of Guam.
- P.L. 27-06 requires the Executive Branch to furnish OPA with a written report of General Fund emergency appropriation expenditures.
- P.L. 27-22 required expense reports of the \$9M appropriation related to Supertyphoon Pongsona be submitted to the OPA.
- P.L. 27-10 appoints the Public Auditor (or designee) as a member of the newly created Cost Reduction Task Force, whose purpose is to determine the most effective means by



which to consolidate the purchasing power of the entire government of Guam.

- P.L. 27-27 required the Public Auditor to receive an annual financial audit of the “exempted funds” (authorized to be retained by the Guam Baseball Federation, to include stadium sponsorship revenues, and the Municipal Stadium Operations Fund).
- P.L. 27-35 requires the Public Auditor to certify \$3,323,763, which is to be paid to DOC, DPW, GEPA, and GFD for past due employment compensation. The funding for compensation shall be taken from the Community Advancement Fund.
- P.L. 27-37 required the Municipal Recycling Program Fund to be annually audited by the Public Auditor.
- P.L. 27-45 requires the Public Auditor to receive a detailed report of all transfers, expenditures, and reimbursement directly related to Super-Typhoon Pongsona. This report shall list details for all and any departments or agencies including the Mayor’s Council.
- P.L. 27-47 required the Public Auditor to receive an expenditure and progress report of all funds appropriated to the Guam System of Care Council (GSOCC) by P.L. 27-47. The GSOCC is mandated to submit reports biannually.
- P.L. 27-58 required the Public Auditor to receive an annual report of the activities of the Guam Board of Accountancy. This report shall include a listing of all current licensees.
- P.L. 27-85 required the Public Auditor to receive an annual copy of the financial statements issued by the Guam Football (Soccer) Association.
- P.L. 27-86 required the Public Auditor to receive a detailed report of the authorized expenditures from the Sports Tourism Committee of the Guam Visitors Bureau.
- P.L. 27-99 waived procurement requirements outlined in the Guam Procurement Law for a period of 180 days, appropriated \$600,000 to GFD, and required OPA to be an observer throughout the emergency procurement of fire trucks and related equipment.
- P.L. 27-106 required each Mayor to submit a report of receipts, expenditures, and applications of funds to the Public Auditor on the fifth day of the first month of every fiscal quarter.
- P.L. 27-119 required the Public Auditor to be a member of the Government of Guam Procurement Review Commission.
- P.L. 27-148 authorizes OPA to audit the Guam Recycling Fund. This fund is administered by the Guam Environmental Protection Agency.
- Executive Order 2003-19 required the OPA to inspect documentation related to the procurement of legal representation pursuant to the designation of 8,000 acres of federal land.
- P.L. 28-44 required the Public Auditor to receive an annual report detailing receipts, collections, and amounts of the



Commercial Mobile Radio Service accounts and the Enhanced 911 Emergency System surcharges.

- P.L. 28-68 required the Public Auditor (1) to audit the net proceeds received by the sponsoring organization of the Liberation Day carnival; (2) to maintain oversight over the conduct of the FY 2005 annual audit; (3) receive quarterly reports of the receipt, expenditure, and application of non-appropriated funds handled by each Mayor; (4) to audit the Chamorro Land Trust Operations Fund; (5) to conduct an audit for regulatory compliance every two years of the Public Market Fund; (6) receive quarterly reports of the Guam Medical Referral Offices specifically funded by P.L. 28-68; (7) to hear and decide all appeals of decisions that arise under 5 G.C.A. Section 5425, formerly heard by the Procurement Appeals Board; (8) to submit quarterly reports, in written and electronic format, containing full disclosure of all funds under its purview and administration for the preceding quarter; and (9) to submit quarterly reports required by P.L. 28-68.
- P.L. 28-76 required the Public Auditor to develop standards for the "ethics in government program" until the Guam Ethics Commission is appointed and functioning.
- P.L. 28-78 required the Public Auditor to receive a quarterly report from the office of Veteran's Affairs describing the solicitation, acceptance, utilization, and administration of gift, bequests, and donations.
- P.L. 28-149 required the Public Auditor to approve the GPSS projected schedules of monthly cash disbursements for each school, division, and program, by expenditure category for the fiscal year and for the Superintendent of

Education to submit the following reports to the Public Auditor: (1) Over-expenditure report of funds reflected in the GPSS FY 05 financial audit report; (2) Local funds expended in FY 05-06 for federally-funded program activities and expenditures; (3) GPSS internal audit report; and (4) a breakdown of funds expended from the School Capital Facilities Reserve Fund.

- P.L. 28-150 required the OPA to administer the \$304,110 appropriated from the General Fund to DOA for the FY 2006 government of Guam General Purpose Financial Statements and Single Audit Report and to oversee the annual audit.
- Pursuant to P.L. 28-149 and P.L. 28-150, also known as the FY 2007 Budget Act, 56 entities were required to submit at least two types of general reports: the quarterly financial report and monthly staffing pattern reports. These two general reports are to be submitted manually and electronically, and be posted on the entity's website.

Additional requirements of P.L. 28-150: (1) Each Mayor shall submit a report to the Public Auditor regarding the receipts, expenditures, and applications of funds; (2) each Guam Medical Referral Office shall provide monthly reports on its activities and expenditures; and (3) the OPA shall examine the appropriate records, certify the deappropriation, and remittance of funds and report thereon to I Maga'lahi and the Speaker, and the Director of BBMR shall promptly effectuate deappropriation.

For autonomous and semi-autonomous agencies not receiving legislative appropriations, the OPA shall ensure that the financial statement of the non-compliant entity



reflects the 5% liability to the General Fund, if remittance is not

- P.L. 28-171 required the Director of DPW to transfer from the Recycling Revolving Fund 3% of the total amount collected during that fiscal year (no later than 10 days after the end of each fiscal year), to fund one FTE at GEPA. The fund shall be subject to audits by the Public Auditor.
- P.L. 29-02 required: (1) OPA to provide notice to all directors of their responsibility of submitting financial reports three days before the end of each quarter. The Public Auditor shall prepare letters attesting to the failure to comply that caused the salary reduction for placement in each of the aforementioned responsible officials' respective personnel files; (2) the Public Auditor be an ex officio member of the Commission on Modernization of the Government of Guam for the 21st Century and Beyond (COM-21); (3) the Public Auditor to be a member of the Special Economic Service work group to discuss and develop recommendations on economic policy, provide technical assistance to the Office of Finance and Budget, and share information relative to the state of the economy; and (4) OPA to track quarterly reports from the Administrator of the Guam Medical Referral Office pertaining to gifts received from donors.
- P.L. 29-19 required OPA to:
 1. Track report from the Superintendent of Education regarding all local funds expended in Fiscal Year 2007 for federally-funded programs, the details of such expenditures by object class, the number of FTEs working in said programs, the amounts reimbursed by

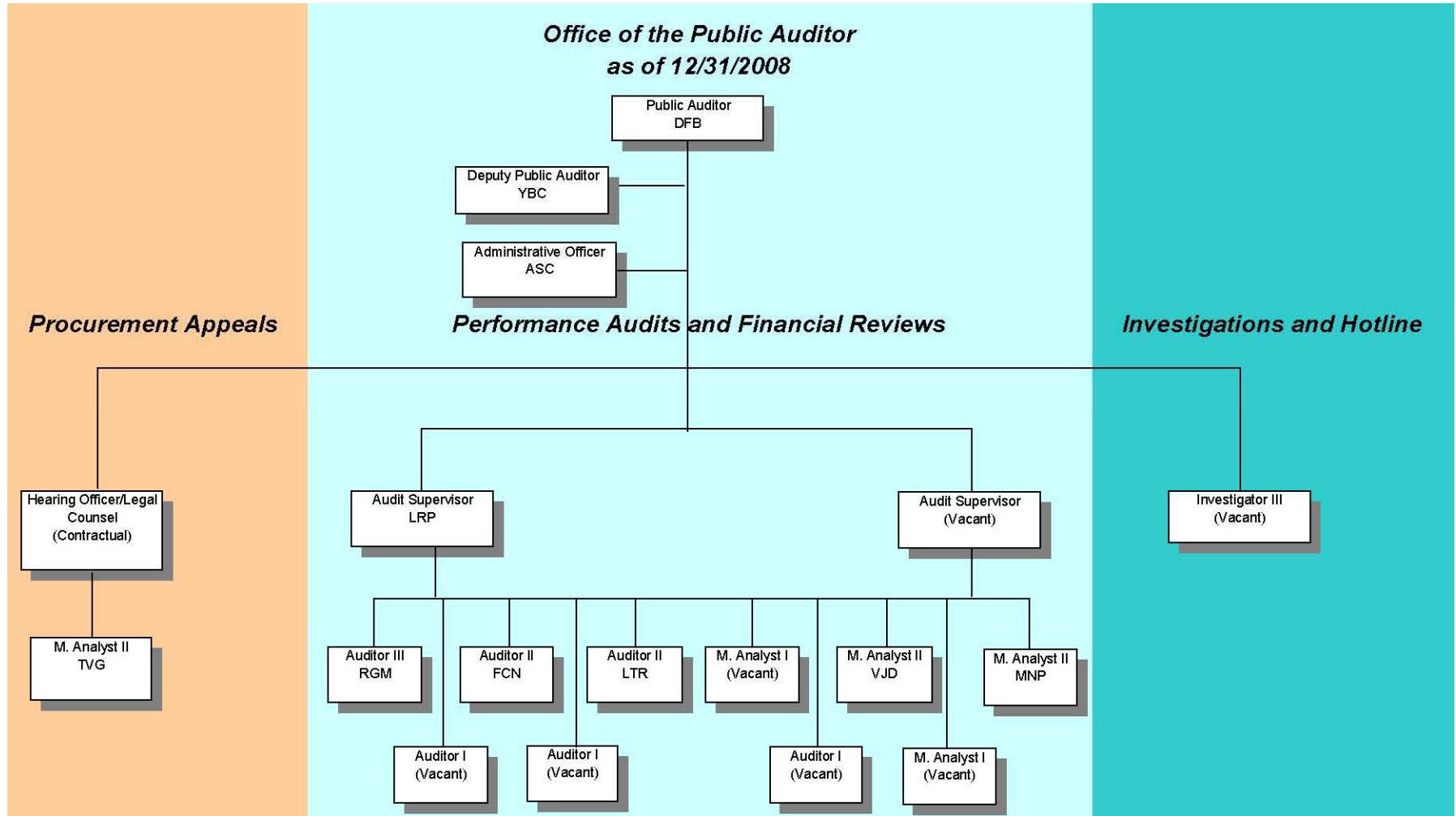
1. federal funds and the amounts that have not or will not be reimbursed by federal funds.
 2. Oversee the GPSS annual audit and administer funds for this purpose.
 3. Track quarterly reports from each mayor regarding the receipt, expenditure, and application of said funds in the previous quarter.
 4. Track quarterly reports from the Guam Medical Referral Office regarding its activities and expenditures.
 5. Provide advisory services to the Superintendent of Education.
 6. Ensure GPSS contains audit supplementary information.
 7. Track general quarterly reports required by all entities.
 8. Track personnel action forms for director's pay-reductions due to non-compliance with quarterly reporting, and prepare memorandum attesting to director's non-compliance.
 9. Audit Recycling Revolving Fund.
- P.L. 29-31 required:
 1. The incumbent Public Auditor shall assist the Public Auditor-elect in the preparation of his or her new duties.
 2. During this transition period, assist the Public Auditor-elect in acquainting with the operations of the Office and all necessary functions that come with holding the office.
 3. The incumbent Public Auditor shall provide all documents at the request of the Public Auditor-elect necessary for the preparation of assuming office.
 4. The Public Auditor-elect, if deemed necessary, is authorized to appoint a Committee which shall be of assistance during the transition period between election and assumption of office, although no funds shall be appropriated for the purposes of transition.



5. All property, equipment, and documents belonging to the Office shall not be removed by the exiting Public Auditor.

- P.L. 29-106 required the Public Auditor to conduct a thorough financial and management audit of textbook acquisition, use, processes, costs and accountability at the Guam Public School System. The audit report shall be submitted to I Liheslaturan Guahan, I Maga'Lahen Guahan, and the Guam Education Policy Board no later than sixty (60) days after the enactment of this law, and shall include specified recommendations for reforms.
- P.L. 29-113 required OPA to conduct a management audit of the Meals Reimbursement Program. The Public Auditor shall conduct a comprehensive financial and management audit of the costs and benefits of the Meals Reimbursement Program and the legally mandated privatization of cafeteria services and maintenance services at the Guam Public System encompassing the period since the initiation of the privatized services to the present. The audit report shall be presented to the Guam Legislature, the Governor and the Guam Education Policy Board no later than sixty (60) days after the enactment of this law. The audit report shall contain specific recommendations for any necessary reform in order to save taxpayer dollars.
- P.L. 29-113 also required the Public Auditor to conduct a financial and management audit of cost and benefits of the commercial leases of the Chamorro Land Trust Commission encompassing the period since the initiation of the commercial lease program to the present. The Audit report shall be presented to the Guam Legislature and the Governor no later than sixty (60) days after the enactment of this law.

- P.L. 29-116 required the Administrator, no later than ten (10) days after the end of each fiscal year, to transfer from the Recycling Revolving Fund three percent (3%) of the total amount collected during that fiscal year to fund one (1) FTE employee at the Guam Environmental Protection Agency. The Fund shall be subject to audits by the Public Auditor."
- P.L. 29-123, Section 20. Authorizes the Payment of Prior Years' Obligations. The Office of the Public Auditor shall deliver notice to the Speaker of I Liheslaturan Guahan of each proposed expenditure as mandated in this Section. The expenditure will be effective if no action is taken by I Liheslaturan Guahan. Disapproval of any proposed expenditure by I Liheslatura shall be exempt from 2 GCA §2103. At the end of each quarter, each department shall report to I Liheslatura, and post on its website, all payments of the previous quarter's prior year(s) obligations by payee, date of payment, amount of payment, purpose of the expenditure and the reason for non-payment in the prior year.





Appendix 8: Hotline Calls Logged in 2001 through 2008

(Page 1 of 1)

Agencies or Programs	2008	2007	2006	2005	2004	2003	2002	2001	TOTAL
Guam International Airport Authority	0	3	5	2	10	13	12	22	67
Guam Public School System	9	45	17	14	9	11	13	13	131
Department of Public Works	6	14	9	0	3	10	11	14	67
Guam Power Authority	2	7	6	3	3	10	11	14	56
Department of Corrections	5	1	1	2	2	2	11	10	34
Guam Memorial Hospital Authority	2	2	1	7	4	1	11	8	36
Government of Guam Retirement Fund	0	3	3	1	15	1	6	0	29
Department of Administration	0	3	1	2	4	5	6	5	26
Mayors Council of Guam	5	11	8	9	4	6	2	7	52
Guam Housing and Urban Renewal Authority	0	2	1	6	10	3	2	3	27
Guam Waterworks Authority	0	7	5	12	4	7	4	3	42
Guam Fire Department	3	1	2	1	6	4	3	4	24
Guam Mass Transit Authority	0	0	0	1	3	5	5	4	18
Department of Public Health and Social Services	2	0	1	4	5	0	4	8	24
Guam Telephone Authority	0	0	0	1	9	3	3	1	17
Office of the Attorney General	1	1	3	3	4	9	1	0	22
Guam Police Department	0	2	1	0	2	3	3	5	16
Guam Visitors Bureau	1	2	0	3	5	1	1	5	18
Superior Court of Guam	0	3	2	4	4	2	4	2	21
University of Guam	2	2	1	0	4	3	3	2	17
Port Authority of Guam	0	0	1	3	3	4	1	3	15
Department of Land Management	0	0	0	1	3	0	1	4	9
Office of the Governor	5	0	1	0	4	3	1	0	14
Department of Parks and Recreation	1	7	4	1	1	1	1	5	21
Department of Labor	0	0	0	0	2	3	2	1	8
Guam Economic Development Authority	0	0	0	0	2	4	0	1	7
General Services Agency	0	2	2	1	3	3	0	1	12
Other Agencies and Programs	18	39	37	35	49	27	23	18	246
Total	62	157	112	116	177	144	145	163	1076

*32 GPSS concerns from single source not included

*64 UOG concerns from single source not included



January 17, 2008

The Office of the Public Auditor has issued an "Order of Dismissal" for appeal No. OPA-PA-07-004 In the appeal of Teal Pacific LLC relative to Guam Memorial Hospital Authority (GMHA) IFB Nos. 008-2007 and 016-2007, portable x-ray machines.

[Click here for Order of Dismissal](#)

January 18, 2008

The Office of the Public Auditor has released the decision on the procurement appeal of the Guam International Airport Authority's Utilities Improvement (Water System)

[Click here for Decision](#)

[Click here for Findings and Recommendations of Hearing Officer](#)

January 21, 2008

The Office of the Public Auditor is inviting proposals from qualified persons or businesses for website services. You may click the following links to download the Request for Proposal or pick up a package at:

Office of the Public Auditor
DNA Building Suite 401
238 Archbishop Flores St.
Hagatna, GU 96910

[RFP 08-01 Announcement](#)

[Website Services](#)

January 28, 2008

The Office of the Public Auditor has released the Guam International Airport Authority's FY 2007 Financial Statements, Reports on Compliance/Internal Controls, and Management Letter

[Highlights](#)

[FY 2007 Financial Statements](#)

[FY 2007 Report on Compliance and Internal Control](#)

[FY 2007 Management Letter](#)



January 31, 2008

The Office of the Public Auditor has issued an "Order of Dismissal" for appeal NO. OPA-PA-08-001 In the appeal of Far East Equipment Company LLC relative to the solicitation of IFB GSA/PAG 07-007 New Dockside Container Handling Gantry Crane.

[Click here for Order of Dismissal](#)



February 4, 2008

The Office of the Public Auditor has released the Port Authority of Guam's FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [FY 2007 Financial Statements](#)
- [FY 2007 Report on Compliance/Internal Controls](#)
- [FY 2007 Management Letter](#)



February 8, 2008

The Office of the Public Auditor has issued an "Order of Dismissal" for appeal NO. OPA-PA-08-002 In the appeal of Far East Equipment Company LLC relative to Matson Navigation Company and Horizon Lines' Unsolicited Proposal of Gantry Cranes for the Jose D. Leon Guerrero Commercial Port (the Port Authority of Guam).

- [Click here for Order of Dismissal](#)

February 12, 2008

The Office of the Public Auditor will hold a Hearing on Thursday, February 21, 2008 at 1:00 PM to hear OPA-PA-07-009 filed by Pacific Security Alarm Systems Inc., relative to the decision on protest of method, solicitation or award of the Guam Memorial Hospital Authority's Invitation for Bid (IFB) No. 023-2007 Removal and Replacement of Fire Alarm System Project. The Hearing will take place on the 6th Floor, DVR Conference Room, DNA Building, 238 Archbishop Flores Street, Hagatna, Guam.

- [Click here for Scheduling Order](#)
- [Click here for Notice of Hearing](#)

March 10, 2008

The Office of the Public Auditor is pleased to release the Performeter and A.F.T.E.R. Analysis, a synopsis of the Government of Guam's financial condition as of September 30, 2006.

- [Summary of the Performeter](#)
- [Performeter and AFTER Analysis](#)

March 11, 2008

The Office of the Public Auditor has released the Guam Economic Development and Commerce Authority's FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements and Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)





March 12, 2008

The Office of the Public Auditor has released the Government of Guam Retirement Fund's FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter.

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Control](#)
- [2007 Management Letter](#)



March 14, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-07-006 in the appeal of Great West Retirement Services relative to the procurement of RFP No. GGRF-028-06 Government of Guam Retirement Fund Investment Management and Plan Administration related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan.

- [Click here for Decision](#)
- [Click here for Findings and Recommendations of the Hearing Officer](#)

March 17, 2008

The Office of the Public Auditor has released the Guam Preservation Trust's FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



March 20, 2008

The Office of the Public Auditor has released the Guam Educational Telecommunications Corporation (KGTF Channel 12) FY 2007 Financial Statements and Report on Compliance/Internal Controls

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)



March 27, 2008

The Office of the Public Auditor has released a notification to all departments and agencies with respect to their 2nd Quarter reporting requirement responsibilities required by Public Law 29-19.

- [Click here for the notification](#)
- [Click here for the agency requirements](#)



March 31, 2008

The Office of the Public Auditor has released the Tourist Attraction Fund FY 2007 Financial Statements and Report on Compliance and Internal Controls

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)



April 1, 2008

The Office of the Public Auditor has released the Territorial Highway Fund's FY 2007 Financial Statements and Report on Compliance and Internal Control

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)



April 2, 2008

The Office of the Public Auditor has released the Guam Housing Corporation's FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements, Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



April 11, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-07-009 in the appeal of Pacific Security Alarm, Inc. relative to the procurement of GMHA Invitation for Bid (IFB) No. 023-2007 Removal and Replacement of Fire Alarm System Project.

- [Click here for Decision](#)
- [Click here for Findings and Recommendations of the Hearing Officer](#)

April 30, 2008

The Office of the Public Auditor has released its 2007 Annual Report

- [2007 Annual Report](#)





May 9, 2008

The Office of the Public Auditor has released the Guam Power Authority's FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



May 5, 2008

The Public Auditor has responded to a letter written by the Honorable Benjamin J.F. Cruz, Senator, 29th Guam Legislature, regarding an audit of the Office of the Public Auditor and attorney fees.

- [Click here for response](#)

May 6, 2008

The Office of the Public Auditor will hold a Hearing on Tuesday, May 13, 2008 at 10:00 AM to hear OPA-PA-07-010 appeal filed by Far East Equipment Company relative to the decision on protest of method, solicitation or award of the General Services Agency and Port Authority of Guam's (GSA/PAG) 07-006 Forklift Bid. The Hearing will take place on the 6th Floor, DVR Conference Room, DNA Building, 238 Archbishop Flores Street, Hagatna, Guam.

May 12, 2008

The Office of the Public Auditor has released the Guam Waterworks Authority FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



May 19, 2008

The Office of the Public Auditor has released OPA Report 08-01 - Department of Administration's Promissory Notes Program as of September 30, 2007

- [Executive Summary](#)
- [Full Report](#)





June 4, 2008

The Office of the Public Auditor is soliciting proposals for a legal counsel and procurement appeals hearing officer. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Office of the Public Auditor
Suite 401, DNA Building
238 Archbishop Flores St.
Hagatna, GU 96910

- [RFP 08-02 Announcement](#)
- [OPA RFP 08-02 \(Legal Services\)](#)

June 5, 2008

The Office of the Public Auditor has released the Guam Visitors Bureau FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements and Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



FY2007 AUDIT REPORT

June 6, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Memorial Hospital Authority for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Guam Memorial Hospital Authority
850 Governor Carlos Camacho Road
Oka, Tamuning, Guam 96913

- [GMH-RFP-004-2008 Announcement](#)
- [GMH-RFP-004-2008 \(Audit Services\)](#)

June 12, 2008

The Office of the Public Auditor will hold a Hearing on Tuesday, August 26, 2008 at 10:00 AM to hear OPA-PA-08-004 appeal filed by O&M Energy, S.A. relative to the decision on protest of method, solicitation or award of the Guam Power Authority Multi-Step Bid #GPA-013-07 IFB for Performance Management Contract of Cabras 1 & 2 Steam Power Plant. The Hearing will take place on the 6th Floor, DVR Conference Room, DNA Building, 238 Archbishop Flores Street, Hagatna, Guam.

- [OPA-PA-08-004 Notice of Hearing](#)



June 13, 2008

The independent auditors of the government of Guam released their results of limited auditing procedures with respect to the financial statements of the Guam Legislature, the Unified Courts of Guam, and the Office of the Public Auditor.

➤ [Click here for Letter](#)

June 13, 2008

The Office of the Public Auditor has released OPA Report 08-02 - Submission of 1st Quarter Financial Reports Pursuant to Public Law 29-19

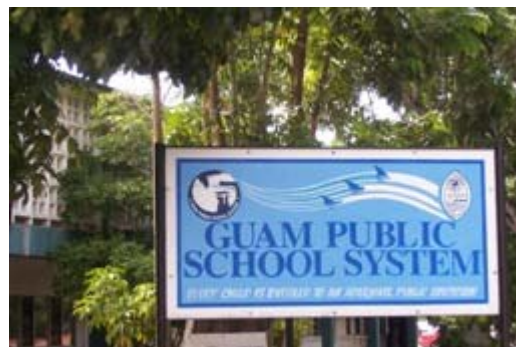
➤ [Executive Summary](#)
➤ [Full Report](#)



June 16, 2008

The Office of the Public Auditor has released OPA Report 08-03 - Guam Public School System's FY 2008 Payroll Analysis

➤ [Executive Summary](#)
➤ [Full Report](#)



June 18, 2008

The Public Auditor has submitted testimony on Bill 207 - An act making appropriations for the operations of the Executive Branch of the government of Guam for Fiscal Year ending September 30, 2009 and making other appropriations, and establishing Miscellaneous and Administrative Provisions.

➤ [Click here for testimony on Bill 207](#)

June 18, 2008

The Office of the Public Auditor has released the Guam Community College FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

➤ [Highlights](#)
➤ [2007 Financial Statements](#)
➤ [2007 Report on Compliance and Internal Controls](#)
➤ [2007 Management Letter](#)





June 20, 2008

The Office of the Public Auditor has released the University of Guam FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



June 23, 2008

The Office of the Public Auditor has released the Guam Housing and Urban Renewal Authority FY 2007 Financial Statements and Report on Compliance and Internal Controls

- [Highlights](#)
- [2007 Financial Statements and Report on Compliance and Internal Controls](#)



June 24, 2008

The Guam Office of the Public Auditor has received a full compliance rating for its 2008 Quality Control Review.

- [Click here for Press Release](#)
- [Peer Review Report](#)
- [Management Response](#)
- [Transmittal to the Governor of Guam](#)
- [Transmittal to the Speaker of the Guam Legislature](#)



June 25, 2008

The Office of the Public Auditor has released the Guam Memorial Hospital Authority FY 2007 Financial Statements, Report on Compliance and Internal Controls, and Management Letter

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)
- [2007 Management Letter](#)



June 30, 2008

The Office of the Public Auditor has released OPA Report 08-04 - Guam Public School System Procurement of Construction and Air-Conditioning

- [Executive Summary](#)
- [Full Report](#)





July 1, 2008

The Office of the Public Auditor has released the Guam Public School System FY 2007 Financial Statements and Report on Compliance and Internal Controls

- [Highlights](#)
- [2007 Financial Statements](#)
- [2007 Report on Compliance and Internal Controls](#)



July 3, 2008

The Office of the Public Auditor has released the Basic Financial Statements, Single Audit Reports, and Management Letter of the Government of Guam for the fiscal year ended September 30, 2007.

- [Highlights](#)
- [2007 Basic Financial Statements](#)
- [2007 Single Audit Reports](#)
- [2007 Management Letter](#)



July 10, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam International Airport Authority for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

GIAA Executive Offices
Main Terminal, 3rd Floor

- [GIAA Audit Services Announcement](#)
- [GIAA Request for Proposal \(Audit Services\)](#)

July 14, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-08-003 in the appeal the Procurement of Copier Machines, Copier Products, Copier Supplies and Related Services by GPSS

- [Click here for Decision](#)
- [Click here for Findings and Recommendations of Hearing Officer](#)

July 15, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Power Authority for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Guam Power Authority
Materials Management Office
Harmon, Guam

- [GPA Audit Services Announcement](#)
- [GPA Request for Proposal \(Audit Services\)](#)



July 18, 2008

The Office of the Public Auditor has released a notification to all departments and agencies with respect to their 3rd Quarter reporting requirement responsibilities required by Public Law 29-19.

- [Click here for the notification](#)
- [Click here for the agency requirements](#)

August 1, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-07-010 in the appeal of Far East Equipment Company LLC relative to the procurement of GSA/PAG 07-006 Forklift Bid.

- [Click here for Decision](#)
- [Click here for Findings and Recommendations of the Hearing Officer](#)

August 11, 2008

The Office of the Public Auditor has released OPA Report 08-05 - Submission of 2nd Quarter Financial Reports Pursuant to Public Law 29-19

- [Executive Summary](#)
- [Full Report](#)



August 18, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Community College for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Guam Community College
Kulehon Kuminidat Guahan
Sesame Street
Mangilao, Guam 96923

- [GCC Audit Services Announcement](#)
- [GCC Request for Proposal \(Audit Services\)](#)

August 19, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Waterworks Authority for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Guam Waterworks Authority
Procurement Division
578 North Marine Corps Drive
Tamuning, Guam 96913

- [GWA Audit Services Announcement](#)
- [GWA Request for Proposal \(Audit Services\)](#)



September 3, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Visitors Bureau for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Guam Visitors Bureau
401 Pale San Vitores Road
Tumon, Guam

- [GVB Audit Services Announcement](#)
- [GVB Request for Proposal \(Audit Services\)](#)

September 5, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-08-007 in the appeal of Guam Publications Inc. relative to the procurement of Invitation for Bid (IFB) No. GSA-012-08 Advertisement Notices Pursuant to Title 3 G.C.A. and Publication of Board Meetings Pursuant to the Open Government Law.

- [Click here for Decision](#)
- [Click here for Findings and Recommendations of the Hearing Officer](#)

September 15, 2008

The Office of the Public Auditor has released OPA Report 08-06 - Department of Public Works Landfill Design Contract



- [Executive Summary](#)
- [Full Report](#)

September 19, 2008

The Public Auditor has responded to a letter written by the Honorable Edward J.B. Calvo, Senator, 29th Guam Legislature, relative to the disposition of tax receivables due to the government.

- [Click here for response](#)

September 24, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Public School System for audit services. You may click the following links to download the Request for Proposal (RFP) or pick-up an RFP package at:

Guam Public School System
Supply Management Office
P.O. Box DE
Hagatna, Guam 96910

- [GPSS Audit Services Announcement](#)
- [GPSS Request for Proposal \(Audit Services\)](#)



September 29, 2008

The Office of the Public Auditor is inviting bids from qualified persons or businesses for copier equipment. You may click the following links to download the Invitation for Bid or pick up a package at:

Office of the Public Auditor
Suite 401, DNA Building
238 Archbishop Flores St.
Hagatna, GU 96910

- [OPA IFB Announcement](#)
- [OPA IFB \(Copier Equipment\)](#)

September 30, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-08-004 in the appeal of the Guam Power Authority's solicitation for the Performance Management Contract of Cabras 1 & 2 Steam Power Plant

- [Click here for Decision](#)
- [Click here for Findings and Recommendations of the Hearing Officer](#)

October 1, 2008

The Office of the Public Auditor has released OPA Report 08-07 - Submission of 3rd Quarter Financial Reports Pursuant to Public Law 29-19

- [Executive Summary](#)
- [Full Report](#)

October 9, 2008

The Office of the Public Auditor will hold a Hearing on Tuesday, October 21, 2008 at 10:00 AM to hear OPA-PA-07-011 appeal filed by JMI Medical Systems Inc. relative to the decision on protest of method, solicitation or award of the Guam Memorial Hospital Authority Bid 024-2007 - Automated Microbiology Analyzer. The Hearing will take place on the 4th Floor, Suite 401 DNA Building, 238 Archbishop Flores Street, Hagatna, Guam.

- [OPA-PA-07-011 Notice of Hearing](#)

October 17, 2008

The Office of the Public Auditor is rescheduling the Hearing for the OPA-PA-07-011 appeal filed by JMI Medical Systems Inc. relative to the decision on protest of method, solicitation or award of the Guam Memorial Hospital Authority Bid 024-2007 - Automated Microbiology Analyzer to Friday, October 31, 2008 at 10:00 am. The Hearing will take place on the 4th Floor, Suite 401 DNA Building, 238 Archbishop Flores Street, Hagatna, Guam.

- [OPA-PA-07-011 Notice of Rescheduled Hearing](#)



October 21, 2008

The Office of the Public Auditor has released a notification to all departments and agencies with respect to their 4th Quarter reporting requirement responsibilities required by Public Law 29-19.

- [Click here for the notification](#)
- [Click here for reporting requirements](#)
- [Click here for frequently asked questions](#)

October 24, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-08-009 in the appeal of Captain, Hutepea, and Associates regarding the Guam Housing and Urban Renewal Authority's Request for Proposal # GHURA-RP&E-08-002 for a Guam Comprehensive Housing Study.

- [Click here for Decision](#)
- [Click Here for Findings and Recommendations of Hearing Officer](#)

October 27, 2008

The Office of the Public Auditor is rescheduling the Hearing for the OPA-PA-07-011 appeal filed by JMI Medical Systems Inc. relative to the decision on protest of method, solicitation or award of the Guam Memorial Hospital Authority Bid 024-2007 - Automated Microbiology Analyzer to Thursday, October 30, 2008 at 1:00 pm. The Hearing will take place on the 4th Floor, Suite 401 DNA Building, 238 Archbishop Flores Street, Hagatna, Guam.

- [OPA-PA-07-011 Notice of Rescheduled Hearing](#)

October 29, 2008

The Office of the Public Auditor has released OPA Report 08-08 - Evaluation of Guam Police Department Records and Identification Section's Revenue Collections

- [Executive Summary](#)
- [Full Report](#)



October 30, 2008

The Office of the Public Auditor has released OPA Report 08-09, Guam Public School System Textbook Management Pursuant to P.L. 29-106.

- [Executive Summary](#)
- [Full Report](#)





November 5, 2008

The Office of the Public Auditor is seeking applications from qualified persons for the positions of:

- [Auditor I](#)
 - [Auditor II](#)
 - [Auditor III](#)
 - [Chief Auditor](#)
 - [Application Form](#)
-

November 7, 2008

The Office of the Public Auditor is soliciting proposals on behalf of the Department of Administration (DOA) for an audit (to include the Single Audit Act Provision) of its financial operations for FY 2009 ~ FY 2011. You may click the following links to download the RFP or pick up an RFP Package at:

Government of Guam
Department of Administration
Director's Office
Manuel F.L. Guerrero Bldg.
212 Aspinall Avenue
Hagatna, Guam 96910

- [GovGuam RFP Notice](#)
 - [GovGuam RFP \(Audit Services\)](#)
-

November 7, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-08-006 in the appeal of Oceania Collection Services Inc. regarding the Department of Chamorro Affairs Chamorro Village solicitation of Bad Debt Collection Services through RFP No. CV-08-007.

- [Click here for Decision](#)
 - [Click Here for Findings and Recommendations of Hearing Officer](#)
-

November 13, 2008

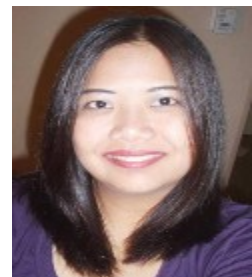
The Public Auditor has released her statement on Court Ruling (Special Proceeding 192-07).

- [Public Auditor's Statement on Court Ruling](#)
 - [Decision and Order \(Special Proceeding 192-07\)](#)
-

November 17, 2008

OPA announces the professional certification of Auditor III Rodalyn Marquez as a Certified Public Accountant (CPA)

- [Click here for News Release](#)





November 18, 2008

The Office of the Public Auditor Presented "Improving GPD Records & ID Section's Cash Management Processes" at the GPD Training Room in Tiyan.

[Click Here for Presentation](#)

November 28, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-08-011 in the appeal of Town House Department Stores Inc. dba Island Business Systems & Supplies regarding the Guam Public School System, Document Services Agreement Renewal Amendment Number 17.

[Click here for Decision](#)
[Click Here for Findings and Recommendations of Hearing Officer](#)

December 12, 2008

The Office of the Public Auditor has released the Decision on appeal OPA-PA-07-005 in the appeal of Jones and Guerrero Co. Inc., dba J&G Construction regarding Guam Memorial Hospital Authority's Invitation for Bid No. GMHA 005-2007, Warehouse Extension Project.

[Click here for Decision](#)
[Click here for Findings and Recommendations of Hearing Officer](#)

December 17, 2008

The Department of Interior Office of Inspector General has released two separate audits on the tax collection activities of the government of Guam

[Tax Collection Activities, Government of Guam: Revitalized Tax Collection and Enforcement Effort Needed](#)
[Guam's Tax Collection Activities: Office of Insular Affairs Involvement Needed to Achieve Lasting Improvements](#)

December 29, 2008

The Office of the Public Auditor has released a notification to all departments and agencies with respect to their 1st Quarter reporting requirement responsibilities required by Public Law 29-113.

[Click here for the transmittal letter](#)
[Click here for the notification](#)
[Click here for reporting requirements](#)



December 30, 2008

The Office of the Public Auditor Presented "Improving GPSS's Textbook Management" at the Agana Heights Elementary School Library.

[Click Here for Presentation](#)





December 30, 2008

The Office of the Public Auditor has released OPA Report No. 08-10 Government of Guam Wide Overtime Performance Audit for the period of October 1, 2002 through September 30, 2008.

➤ [Executive Summary](#)

➤ [Full Report](#)



Do you suspect fraud, waste, or abuse in a government agency or department? Contact the Office of the Public Auditor:



- **Call our HOTLINE at 47AUDIT (472-8348);**
- **Visit our website at www.guamopa.org;**
- **Call our office at 475-0390;**
- **Fax our office at 472-7951;**
- **Or visit us at the PNB Building, Suite 401
In Hagåtña**

All information will be held in strict confidence.