

GUAM MEMORIAL HOSPITAL AUTHORITY
(A COMPONENT UNIT OF THE
GOVERNMENT OF GUAM)

INDEPENDENT AUDITORS' REPORTS ON
INTERNAL CONTROL AND ON COMPLIANCE

YEAR ENDED SEPTEMBER 30, 2011

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Guam Memorial Hospital Authority:

We have audited the financial statements of the Guam Memorial Hospital Authority (the Authority) as of and for the year ended September 30, 2011, and have issued our report thereon dated March 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2011-1, 2011-2 and 2011-3 to be material weaknesses.

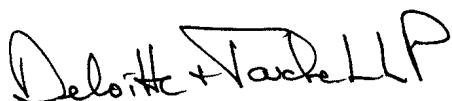
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated March 23, 2012.

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Trustees, the Office of Public Accountability of Guam, federal awarding agencies, the cognizant audit and other federal agencies, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

A handwritten signature in black ink that reads "Deloitte + Staebell LLP". The signature is written in a cursive, slightly stylized font.

March 23, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Trustees
Guam Memorial Hospital Authority:

Compliance

We have audited the Guam Memorial Hospital Authority's (the Authority) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2011. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs (pages 8-9). Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

As described in item 2011-4 in the accompanying Schedule of Findings and Questions Costs, the Authority did not comply with requirements regarding procurement and suspension and debarment that are applicable to its State Energy Program (CFDA# 81.041). Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the previous paragraph, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

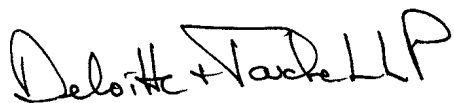
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the Authority's internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-4 to be a material weakness.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses, and accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Guam Memorial Hospital Authority as of and for the year ended September 30, 2011, and have issued our report thereon dated March 23, 2012. Our audit was performed for the purpose of forming our opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (page 6) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Trustees, the Office of Public Accountability of Guam, federal awarding agencies, the cognizant audit and other federal agencies, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.



March 23, 2012

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Programs Selected for Audit
in Accordance with OMB Circular A-133
Year Ended September 30, 2011

The following list specifies programs selected for detailed compliance testing in accordance with applicable OMB Circular A-133 requirements.

<u>Grantor</u>	<u>CFDA #</u>	<u>Amount of Description</u>	<u>Expenditures</u>
U.S. Department of Energy	81.041	ARRA State Energy Program	\$ 380,167
U.S. Department of the Interior	15.875	Economic, Social, and Political Development of the Territories: Compact Impact Grants	<u>2,097,142</u>
		Total program expenditures tested	\$ <u>2,477,309</u>
		Total federal program expenditures	\$ <u>2,744,382</u>
		% of total federal program expenditures tested	<u>90%</u>

**GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)**

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2011

<u>CFDA#</u>	<u>Agency/Program</u>	<u>2011 Federal Expenditures</u>
	<u>U.S. Department of Energy</u>	
	Passed through the Government of Guam:	
81.041	ARRA State Energy Program	\$ 380,167
	Total U.S. Department of Energy	<u>380,167</u>
	<u>U.S. Department of the Interior:</u>	
	Passed through the Government of Guam:	
	Economic, Social and Political Development of the Territories:	
15.875	Compact Impact FY 2007 - Capital Improvement Projects	172,465
15.875	Compact Impact FY 2007 - Building Improvement Projects	3,690
15.875	Compact Impact FY 2007 - FEMA, 10% Match	67,200
15.875	Compact Impact FY 2010 - Pharmaceutical supplies	1,000,000
15.875	Compact Impact FY 2011 - Medical Equipment	<u>853,787</u>
	Total U.S. Department of the Interior	<u>2,097,142</u>
	<u>U.S. Department of Health and Human Services:</u>	
	National Bioterrorism Hospital Preparedness Program:	
93.889	Bioterrorism Hospital Preparedness Grant FY 2009	91,388
93.889	Bioterrorism Hospital Preparedness Grant FY 2010	112,628
93.889	Bioterrorism Hospital Preparedness Grant FY 2011	<u>7,371</u>
		<u>211,387</u>
	Emergency System for Advance Registration of Volunteer Health Professionals (ESAR):	
93.089	ESAR 2009	11,235
93.089	ESAR 2010	<u>44,451</u>
		<u>55,686</u>
	Total U.S. Department of Health and Human Services	<u>267,073</u>
	Total Federal Program Expenditures	<u>\$ 2,744,382</u>
	Reconciliation to the basic financial statements:	
	Pharmaceutical supplies and healthcare services	1,000,000
	Capitalized as property and equipment additions	1,086,837
	Federal program expenditures recorded as nonoperating expenses	<u>657,545</u>
		<u>\$ 2,744,382</u>

See accompanying notes to schedule of expenditures of federal awards.

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2011

(1) Scope of Audit

The Guam Memorial Hospital Authority (the Authority) is a component unit of the Government of Guam, a governmental entity created on July 26, 1977 under Public Law No. 14-29 as an autonomous agency of the Government of Guam. Only the federal expenditures of the Authority are included within the scope of the OMB Circular A-133 audit (the "Single Audit"). The U.S. Department of the Interior has been designated as the Authority's cognizant agency for the Single Audit.

a. Programs Subject to Single Audit

A Schedule of Expenditures of Federal Awards is presented for each Federal program related to the following agencies:

- U.S. Department of Energy
- U.S. Department of the Interior
- U.S. Department of Health and Human Services

(2) Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting, consistent with the manner in which the Authority maintains its accounting records. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. All expenses and capital outlays are reported as expenditures.

b. Matching Costs

Matching costs, i.e., the nonfederal share of certain program costs, are not included in the accompanying Schedule of Expenditures of Federal Awards.

c. Indirect Cost Allocation

The National Bioterrorism Hospital Preparedness Grant allows, upon prior grantor approval, an indirect cost allocation of 10% of certain administrative expenses to be charged against the grant. The Authority did not charge indirect costs against this program during fiscal year 2011.

(3) American Recovery and Reinvestment Act of 2009 (ARRA)

In February 2009, the Federal Government enacted the American Recovery and Reinvestment Act of 2009 (ARRA). As of September 30, 2011, the Authority's expenditures and grant award notification are as follows:

<u>CFDA Program</u>	<u>Grant Amount</u>	<u>FY2011 Expenditures</u>
81.041 ARRA State Energy Program	\$ <u>500,000</u>	\$ <u>380,167</u>

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

Part I - Summary of Auditors' Results Section

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued: | Unqualified |
| Internal control over financial reporting: | |
| 2. Material weakness(es) identified? | Yes |
| 3. Significant deficiency(ies) identified that is not considered to be a material weakness? | None reported |
| 4. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| Internal control over major programs: | |
| 5. Material weakness(es) identified? | Yes |
| 6. Significant deficiency(ies) identified that is not considered to be a material weakness? | None reported |
| 7. Type of auditors' report issued on compliance for major programs: | Qualified |
| 8. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? | Yes |
| 9. The Authority's major programs were as follows: | |

Name of Federal Program	CFDA Number
State Energy Program	81.041
Economic, Social and Political Development of the Territories:	
Compact Impact Grants	15.875
10. Dollar threshold used to distinguish between Type A and Type B Programs, as those terms are defined in OMB Circular A-133:	\$300,000
11. The Authority qualified as a low-risk auditee, as that term is defined in OMB Circular A-133?	No

Part II – Financial Statement Findings Section

Finding Number	Findings
2011-1	Patient Receivables
2011-2	Unbilled Patient Receivables
2011-3	Pharmaceutical Department Inventory

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2011

Section III – Federal Award Findings & Questioned Costs

<u>Reference Number</u>	<u>CFDA Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
2011-4	81.041	Procurement and Suspension and Debarment	\$ 21,817

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2011

Finding No. 2011-1 - Patient Receivables

Criteria: Measures and actions should be undertaken to collect and address long outstanding and increasing receivables.

Condition: During tests of receivables at September 30, 2011, the following were noted:

1. Patient receivables increased by \$36,803,549 (or 20%) from \$182,532,241 at September 30, 2010 to \$219,335,790 at September 30, 2011. Based on the Authority's analysis, estimated uncollectible accounts increased by \$39,419,172 (or 28%) from \$139,145,804 at September 30, 2010 to \$178,564,976 at September 30, 2011.
2. As of September 30, 2011, receivables from self-pay patients alone amounted to \$15.3 million, of which 48% are from individuals without insurance. Further, of the \$15.3 million, approximately 71% is due from individuals who appear to have limited or who have no capacity to pay based on their stated employment status.
3. For the fiscal year ended September 30, 2011, total collections of total gross patient billings is at 50% compared to 55% for the fiscal year ended September 30, 2010. Further, total gross patient billings for fiscal year 2011 decreased by 4.8% from fiscal year 2010, and total collections for fiscal year 2011 decreased by 12% from fiscal year 2010.
4. As of September 30, 2011, receivables from the Government of Guam for healthcare services for which payment are dependent upon funding availability and appropriations amounted to \$3,489,526. Public Law 31-74 passed in June 2011 authorized the payment of \$2,647,402. No payment has been received by GMHA pursuant to this section of the Public Law. As of September 30, 2011, GMHA recorded deferred revenue for the full amount.

Cause: The cause of the above condition appears to be declining economic conditions.

Effect: The effect of the above condition is the potential for inadequate cash flows to meet current obligations.

Recommendation: We recommend that the Authority continue its effort to follow up on outstanding patient receivables and continually review existing collection measures and strategies to further develop other plans to address increasing patient receivables. Further, we recommend that the Authority continue to follow up with the Government of Guam for the \$2.6 million payment pursuant to Public Law 31-74.

Prior Year Status: The matter relating to receivables as described above was reported as a finding in the Single Audit of the Authority for fiscal year 2010.

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2011

Finding No. 2011-1 - Patient Receivables, Continued

Auditee Response and Corrective Action Plan:

The Hospital acknowledges the finding. Managing the growing Patient Receivables has been made more difficult because of the current Government-wide freeze on hiring. The three departments' (Patient Affairs, Patient Registration and Medical Records) duties and responsibilities are billing, collection and clearing the Patient Receivables. However, due to the shortage of personnel, the employee, on a daily basis, had to choose which task is most important to accomplish. The other tasks are backlogged.

For the past month, a focus group has been formed by the Hospital Administrator/CEO to write the specification to outsource Billing and Collection. This is not a new idea. This is also a recommendation made by the Transition Team on December 2009.

The expectation is that the outsource company will do the normal work of Patient Affairs (Billing and Collection) while the remaining employees concentrate on insurance denials, cleaning the Subsidiary Ledgers, and augmenting the other two departments.

Responsible Parties: The Chief Financial Officer will be responsible for the outsourcing process from procurement through the final contract signing. After the successful search, the Business Officer Manager and Collection Supervisor are responsible for overseeing the contract performance.

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2011

Finding No. 2011-2 – Unbilled Patient Receivables

Criteria: Patient receivables should be billed on a timely basis.

Condition: Unbilled receivables increased by \$3,073,506 or 81% from \$3,789,562 at September 30, 2010 to \$6,863,068 at September 30, 2011.

Cause: The cause of the above condition appears to be a lack of adequate billing personnel.

Effect: The effect of the above condition is the potential for increased uncollectible receivables.

Recommendation: We recommend the Authority ensure that patient receivables are billed on a timely basis.

Auditee Response and Corrective Action Plan:

The Hospital acknowledges the finding. The response is the same as to Finding 2011-1, outsourcing the Billing and Collection. This ensures that patient receivables are billed on time.

Responsible Parties: The Business Office Manager is responsible for ensuring that patient receivable are billed on time – before or after the outsourcing.

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2011

Finding No. 2011-3 Pharmaceutical Department Inventory

Criteria: Perpetual inventory records should reflect inventory quantities on-hand. Furthermore, underlying records should reconcile to the general ledger and differences should be investigated and reconciled in a timely manner.

Condition: The Guam Memorial Hospital Authority does not maintain perpetual inventory records for the pharmacy department. Only a year-end physical count is performed and the general ledger is adjusted to reflect the results of the count. Furthermore, detailed reconciliations and investigations of differences are not performed. The Authority addressed certain matters related to these controls by having the pharmacy open and operating on an all day basis. This effectively limits the amount of inventory that had to be transferred out each night to hospital staff. However, basic control issues do not appear effective without some form of perpetual inventory system over material dollar values of inventory.

Cause: The Authority has not been able to implement a perpetual inventory system for the pharmacy.

Effect: Pharmacy inventory balances may potentially be misstated. Furthermore, the potential for misappropriation of assets exists and it appears that such would not be prevented or detected in a timely manner.

Recommendation: The Guam Memorial Hospital Authority management should attempt to maintain perpetual inventory records which reflect quantities on-hand. If it is not possible to establish a perpetual system for all of pharmacy, then perpetual inventory controls should be implemented for key drugs and other high dollar value items while the Authority continues to seek a solution for the entire pharmacy inventory.

Prior Year Status: Lack of adequate controls over pharmaceutical department inventory was reported as a finding in the Single Audits of the Authority for fiscal years 2008, 2009 and 2010.

Auditee Response and Corrective Action Plan:

The Hospital acknowledges the same finding that has been repeated for fiscal years 2008, 2009 and 2010. This demonstrates that there is no focus in solving this.

The Hospital is currently working its Health Information provider, Keane, to meet the deadline for the HER implementation. In addition, commitments have been made to also upgrade all the modules, including the Pharmacy module. However, we think that this will be just a basic and cosmetic upgrade and will not satisfy the need to have the Pharmacy module do the same G/L downloads as the I/M module does on a weekly basis. For the downloads to occur, we will need to pay Keane to modify the program.

Responsible Parties: The Chief Financial Officer, the General Accounting Supervisor, and the MIS Director are responsible to communicate with Keane what is modifications are needed.

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2011

Finding No.: 2011-4
CFDA Program.: 81.041 State Energy Program
Agency: U.S. Department of Energy
Grant: State Energy Program
Requirement: Procurement and Suspension and Debarment
Questioned Cost: \$21,817

Criteria: Federal regulations require that procurement transactions be conducted in a manner providing full and open competition.

Condition: For 1 (or 20%) of 5 transactions tested totaling \$393,499, the contract was not awarded to the lowest and most responsive bidder. The Authority used local vendor preference in selecting the vendor. The difference between the lowest bid amount and award amount is \$21,817. Details are as follows:

<u>Contract Number</u>	<u>Award Amount</u>	<u>Lowest Bid</u>	<u>Difference</u>
IFB-002-2011	\$379,523	\$357,706	\$21,817

Cause: There appears to be weak internal controls over ensuring compliance with applicable procurement requirements.

Effect: The Authority appears to be in noncompliance with applicable federal procurement requirements. Therefore, a total questioned cost of \$21,817 exists.

Recommendation: The Authority should comply with applicable federal procurement requirements.

Auditee Response and Corrective Action Plan:

The Hospital acknowledges the finding. In light of this finding, we learned that GAR Procurement Regulations Section 1104 (local procurement preference) is only applicable when the funding is from GovGuam or local funds.

Responsible Party: The Materials Management Administrator is responsible for the procurement of goods and services and will follow established federal and local laws and guidelines.

GUAM MEMORIAL HOSPITAL AUTHORITY
(A Component Unit of the Government of Guam)

Unresolved Prior Year Findings and Questioned Costs
Year Ended September 30, 2011

Questioned Costs:

For the year ended September 30, 2011, the following questioned costs were noted and prior questioned costs resolved:

	Questioned Costs Set Forth in Prior Audit Report <u>2011</u>	Questioned Costs Resolved for Fiscal Year <u>2011</u>	<u>Questioned Costs at September 30, 2011</u>
Unresolved Questioned Costs FY10	\$ <u>2,026,603</u>	<u>-</u>	\$ 2,026,603
Questioned Costs for FY11			<u>21,817</u>
			<u>\$ 2,048,420</u>

Unresolved Prior Year Findings

As of September 30, 2011, the status of all audit findings included in the Schedules of Findings and Questioned Costs for the year ended September 30, 2010 is as follows:

Finding No. 2010-1 – Not corrected. See corrective action plan to Finding No. 2011-1.

Finding No. 2010-2 – Not corrected. See corrective action plan to Finding No. 2011-3.

Finding No. 2010-3 – Not corrected.

Finding No. 2010-4 – Not corrected.