Gmail

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Office of Public Accountability Citizen-Centric Report

2 messages

Vincent Duenas <vduenas@guamopa.com> Mon, Aug 27, 2018 at 3:36 PM
To: "Benjamin J.F. Cruz" <senator@senatorbjcruz.com>, Office of Public Accountability <admin@guamopa.com>
Cc: "Mrs. Yukari B. Hechanova, CGFM, CPA, CIA" <yhechanova@guamopa.com>, Rodalyn Gerardo <rgerardo@guamopa.com>, "Mrs. Llewelyn Restuvog Terlaje, CGAP" <lterlaje@guamopa.com>

Hafa Adai Speaker Cruz and Acting Public Auditor Hechanova,

As required by Public Law 30-127, attached is the Office of Public Accountability's FY 2017 Citizen-Centric Report. You may also view the report on OPA's website at http://opaguam.org/sites/default/files/opa_fy_2017_ccr.pdf. Should you have any questions, please feel free to contact me directly. Thank you.

Speaker Benjamin J.F. Cruz

AUG 27 2018

Time: 4:03 PM File No

Received By

GCM 34-18-2265

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Vincent Duenas

Auditor

Office of Public Accountability - Guam

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OPA CCR 2017.pdf
1727K

Benjamin J.F. Cruz <senator@senatorbjcruz.com> Mon, Aug 27, 2018 at 4:03 PM
To: Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: "<rennae@guamlegislature.org>" <rennae@guamlegislature.org>, BENJAMIN CRUZ <speaker@senatorbjcruz.com>

08/27/18	08/27/18	Office of Public Accountability	Office of Public Accountability Citizen-Centric Report. *Emailed	34-18-2265

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Speaker Benjamin J.F. Cruz
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Office *of* Public Accountability

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A REPORT TO OUR CITIZENS for FISCAL YEAR 2017

OUR MISSION

To ensure public trust and assure good governance, we conduct audits and administer procurement appeals, independently, impartially, and with integrity.

OUR VISION

The Government of Guam is the model for good governance in the Pacific.

OPA is a model, robust audit office.

OUR GOALS

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

OUR CORE VALUES

OBJECTIVITY:
To have an independent and impartial mind.

PROFESSIONALISM:
To adhere to ethical and professional standards.

ACCOUNTABILITY:
To be responsible and transparent in our actions.



About the Office of Public Accountability

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

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

Leadership

Public Auditor
Doris Flores Brooks, CPA, CGFM

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

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

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

Staff

Administrative Services Officer
Marisol Andrade

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

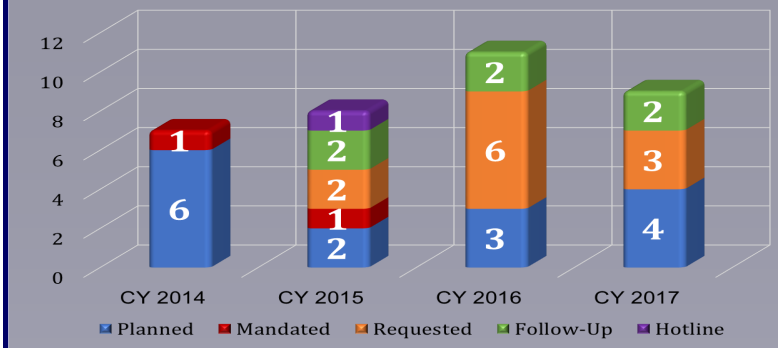
Accountability Auditor II
Michele Brillante
Amacris Legaspi

Accountability Auditor I
Frederick Jones
Ira Palero
Andriana Quitugua, CFE
Christian Rivera
Vanessa Valencia

Suite 401, DNA Building 238 Archbishop Flores St. Hagatna, Guam 96910
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Doc. No. 34GL-18-2265.*

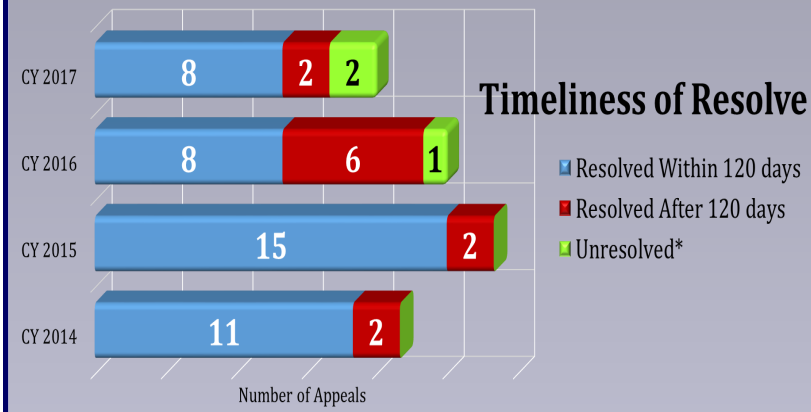
Our Performance—CY 2017 Highlights

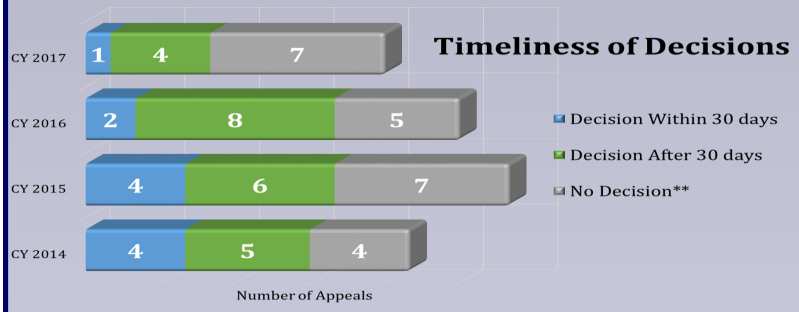
Initiation of Performance Audits



Performance Audits	CY 2014	CY 2015	CY 2016	CY 2017
Avg. Hours / Audit Issued	1,250	908	950	1,357
Avg. Hours Budgeted	1,100	1,200	1,200	1,200
% of Avg. Budgeted	114%	76%	79%	113%

Procurement Appeals





***Unresolved because appeal is stayed, pending Superior Court's decision.**
****No decision because appeal was dismissed or stayed.**

Financial Audits

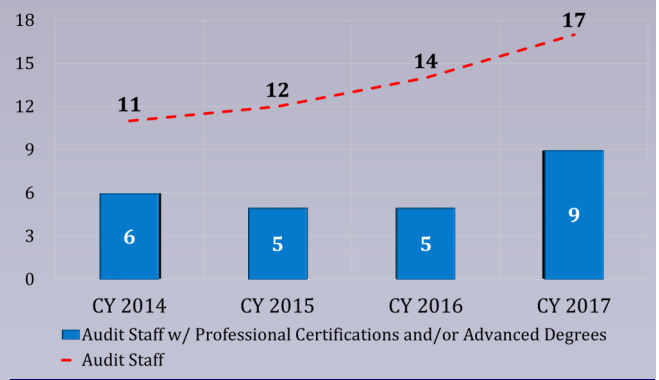
Oversight on Financial Audits	FY 2013	FY 2014	FY 2015	FY 2016
Total Financial Audits	24	23	23	23
Clean Opinion on Financial Statements	23	22	23	23
Issued in 9 Months (June 30)	19	21	23	23
Issued Past Due (after June 30)	5	2	0	0
Total Received Federal Funding	10	10	10	10
Questioned Costs	$85,924	$270,770	$348	$502,457
Low-Risk Auditees	**1**	**2**	**4**	**6**
Total Non-Federal Funded	14	13	13	13
OPA Recognition	n/a	n/a	5	6



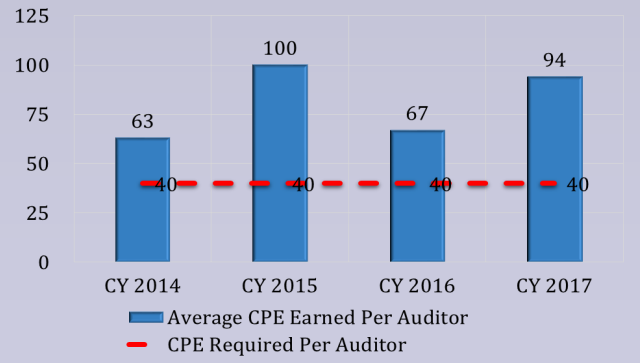
Allocation of Staff Time

Staff Input	% of Available Hours	2014	2015	2016	2017
Direct Hours					
Performance/ Investigative	43%	8,752	7,277	11,530	14,200
Procurement Appeals	5%	1,618	2,294	2,214	1,551
Legislative Mandates	4%	2,344	933	817	1,209
Financial	9%	3,639	3,016	2,923	2,911
Total Direct Hours	61%	16,353	13,520	17,484	19,871
Indirect Hours Administrative & Training	25%	7,863	7,529	5,554	8,401
Leave & Holiday	14%	4,488	3,319	4,058	4,688
Total	100%	28,704	24,368	27,096	32,960

Audit Staff Qualifications & Professional Achievements



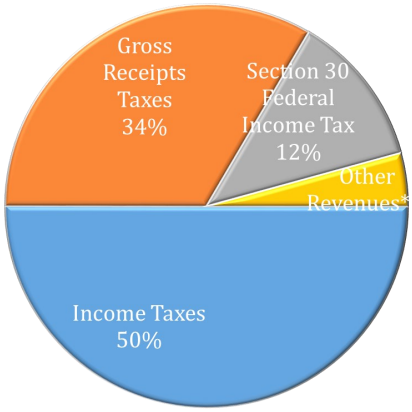
Continuing Professional Education



Note: Issuance of performance audits, procurement appeals, and financial audits are reported on a calendar year basis.

Our Finances—FY 2017 Highlights

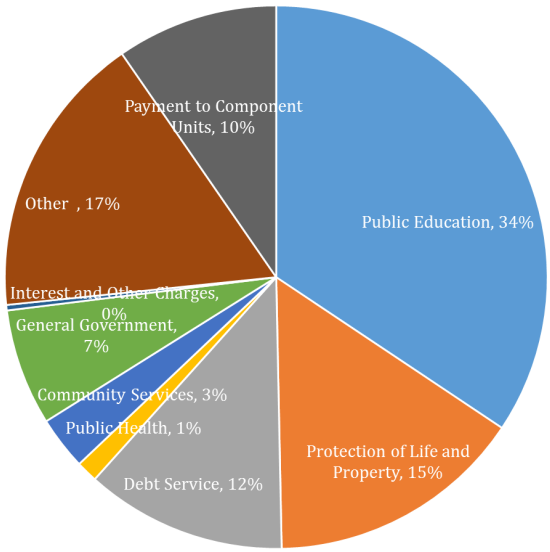
Government of Guam Revenues - Where Did Government Funds Come From?



Government of Guam Revenues	FY 2017	FY 2016	Dollar
Income Taxes	$354,709,313	$343,836,465	$10,872,848
Gross Receipts Taxes	237,133,647	238,304,786	(1,171,139)
Section 30 Federal Income Tax	87,154,735	78,467,450	8,687,285
Other Taxes	2,835,998	2,937,715	(101,717)
Subtotal Taxes	**$681,833,693**	**$663,546,416**	**$18,287,277**
Other Revenues	9,898,017	5,869,099	4,028,918
Charges and Fines	4,883,000	6,345,507	(1,462,507)
Licenses and Permits	5,475,813	5,916,066	(440,253)
Intergovernmental	6,925,146	4,065,459	2,859,687
Subtotal Other Revenues	**$27,181,976**	**$22,196,131**	**$4,985,845**
Total Revenues	**$709,015,669**	**$685,742,547**	**$23,273,122**

Government of Guam Expenditures - Where Did the Government Spend It?

Government of Guam Expenditures	FY 2017	FY 2016	Dollar Change
Public Education	245,570,666	232,160,033	13,410,633
Protection of Life and Property	109,465,723	109,012,247	453,476
Debt Service	85,595,078	80,992,439	4,602,639
Public Health	9,120,943	17,175,741	(8,054,798)
Community Services	22,646,320	24,374,862	(1,728,542)
General Government	49,581,264	52,987,296	(3,406,032)
Interest and Other Charges	2,353,609	4,051,995	(1,698,386)
Other	121,488,136	104,660,496	16,827,640
Payment to Component Units	68,823,606	109,007,853	(40,184,247)
Total Expenditures	**714,645,345**	**734,422,962**	**(19,777,617)**
Other Financing Sources (Uses), Net	38,360,543	62,047,043	(23,686,500)
Transfers in from other funds	54,050,838	36,939,566	17,111,272
Transfers out to other funds	42,686,057	48,729,408	(6,043,351)
Net Change in Fund Balance (Deficit)	**$32,730,867**	**$13,366,628**	**$19,364,239**
Fund Balances (Deficit) at Beginning of Year	(105,733,499)	(119,100,127)	13,366,628
Fund Balances (Deficit) at End of Year	**($73,002,632)**	**($105,733,499)**	**$32,730,867**



Note: An independent government-wide financial audit was conducted by Deloitte & Touche, LLP, which resulted in an unmodified (clean) opinion on GovGuam's financial audit. Complete financial information can be found at www.opaguam.org.

OPA Expenditures - Where Did We Spend It?

- The FY 2017 budget was $1.4 million (M) with OPA expenditures of $1.5M, which resulted in the use of cash reserves.
- Of the $1.5M expended, salaries and benefits comprised $1.2M, or 77%, a slight increase from the previous year due to the hiring of two additional employees.
- Contractual services, equipment, supplies, and miscellaneous expenses decreased from the prior fiscal year.

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

Expenditures	% of Total	FY 2017	FY 2016	FY 2015
Salaries and Benefits	77%	$1,164,060	$1,030,982	$872,926
Contractual Services	13%	196,883	254,051	162,456
Rent	8%	120,971	117,659	107,723
Travel	1%	16,331	12,922	14,501
Equipment	1%	10,581	63,886	81,415
Miscellaneous	0%	3,029	30,175	26,495
Communications	0%	2,491	2,659	2,914
Supplies	0%	244	26,568	5,994
Total	**100%**	**$1,514,590**	**$1,538,902**	**$1,274,424**

Staffing Levels	FY 2017	FY 2016	FY 2015
Actual Employees	17	15	13
Budgeted Positions	21	21	21
% of Budgeted Positions	81%	71%	62%

Doc. No. 34GL-18-2265.*



VISION

OPA is a model, robust audit office.

- To issue impactful, reliable, and quality performance audit reports.
- To resolve procurement appeals expeditiously.

GovGuam is the model for good governance in the Pacific.

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

FUTURE OUTLOOK

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

CHALLENGES

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

OFFICE OF PUBLIC ACCOUNTABILITY
GUAM

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

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