



EXECUTIVE SUMMARY
Office of Public Accountability
Status of Audit Recommendations
OPA Report No. 25-09, September 2025

Our review of the status of Office of Public Accountability (OPA) audit recommendations revealed that between calendar years (CY) 2022 and 2023, 18 audit reports were issued with 83 recommendations that focused on fund accountability, program efficiency and effectiveness, procurement, personnel, and non-appropriated funds. Of the 83 recommendations, 28 are still open as of September 2025, a 66% closure rate.

The 18 reports were initiated as a result of OPA risk-based assessments, Legislative Mandates, requests from government officials, follow-ups on previously issued audits, and OPA hotline tips. These reports collectively identified financial impacts of \$42.0 million (M), of which \$12.8M were unrealized revenues and \$19.4M were questioned costs. The remaining \$9.7M were other financial impacts that resulted from high costs from expenditures related to COVID-19, back wages to reinstated Port Authority of Guam employees, and business privilege tax exemptions, among others. The following table summarizes the status of OPA recommendations between CY 2022 and 2023.

OPA Audit Recommendations between CY 2022 and 2023

Initiated By:	Reports Issued		Audit Recommendations			
	Count	% to Total	Closed	Open	Total	% to Total
OPA	8	44%	23	7	30	36%
Mandate	1	6%	7	-	7	8%
Request	5	28%	18	13	31	37%
Follow-up	2	11%	1	4	5	6%
Hotline	2	11%	6	4	10	12%
Total	18	100%	55	28	83	100%

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

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

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

Status of Audit Recommendations Issued Between CY 2001 and 2021

Between CY 2001 and CY 2021, OPA issued 206 reports with 828 audit recommendations to improve government operations. These reports identified total financial impacts of \$1.01 billion (B). As of September 2025, of the 828 audit recommendations, 754 have been closed. OPA is working with the auditees to close the remaining 74 open recommendations from the prior audits.

Our previous reports on the status of audit recommendations included the following:

- **OPA Report No. 07-18, Status of Audit Recommendations** *issued in December 2007*
The first status report on recommendations for audits issued between CYs 2001 and 2006 covered 65 audit reports. These reports made 420 recommendations with \$74.1M in total financial impact. All recommendations have been closed.
- **OPA Report No. 10-02, Status of Audit Recommendations** *issued in May 2010*
The second status report on recommendations for audits issued between CYs 2007 and 2009 covered 35 audit reports. There were 85 recommendations with \$35.4M in total financial impact. All recommendations have been closed.
- **OPA Report No. 12-09, Status of Audit Recommendations** *issued in December 2012*
The third status report on recommendations for audits issued between CYs 2010 and 2011 covered 21 reports. There were 77 recommendations with \$33.9M in total financial impact. As of March 2025, all recommendations have been closed.
- **OPA Report No. 16-10, Status of Audit Recommendations** *issued in December 2016*
The fourth status report on recommendations for audits issued between CYs 2012 and 2015 covered 30 reports. There were 64 recommendations with \$78.8M in total financial impact. As of April 2025, all recommendations have been closed.
- **OPA Report No. 23-01, Status of Audit Recommendations** *issued in January 2023*
The fifth status report on recommendations for audits issued between CYs 2016 and 2021 covered 55 reports. There were 182 recommendations with \$794M in total financial impact. As of September 2025, 74 recommendations remain open.

Conclusion

Our audit reports from CY 2022 to CY 2023 identified several internal control issues such as ineffective billing and collection systems, loss of government revenues, deficient control procedures over non-appropriated funds, and lack of monitoring and oversight over government programs, i.e., non-productive and special payroll payments and procurement procedures, and made recommendations to correct these deficiencies. Majority of these recommendations have been closed, but 28 remain open for CY 2022 to CY 2023 and 74 open for prior CYs.

Although, it is part of our audit procedures to continue sending periodic reminders and follow-up letters to GovGuam entities to implement all open recommendations, we believe there are three key concepts that can aid in successful audit recommendation implementation:

1. Management recognizing the importance and benefits of implementing effective internal controls (checks and balances),
2. Management having a more proactive approach and being open to the audits and recommendations that aim to improve effectiveness and efficiency within their respective agencies, and
3. Elected officials and governing bodies can also encourage implementation through effective oversight.

Title 1 of GCA §1913 allows OPA to file actions in the Superior Court of Guam to force the implementation of the recommendations. It is not the OPA's intent to exercise this arduous and costly remedy to take when audit recommendations and corrective action plans are not implemented or a satisfactory explanation as to why such recommendations or corrective active plans have not been implemented by the agencies. However, we believe this mechanism is an important option for the extreme situation where agencies refuse to take action on audit recommendations.



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