

**BURGER & COMER, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees  
Government of Guam Retirement Fund

In planning and performing our audit of the financial statements of the Government of Guam Retirement Fund (the "Fund"), a component unit of the Government of Guam, administered by the Government of Guam Retirement Fund Board of Trustees (the "Board"), as of and for the year ended September 30, 2021 we considered Fund'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 its internal control over financial reporting.

*A control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

*A material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A separate report dated March 25, 2022 contains our report on reportable conditions in its internal control. This letter does not affect our report dated March 25, 2022, on the financial statements of the Government of Guam Retirement Fund.

The following comments and recommendations are intended solely for the information and use of the Board of Trustees, management, and others within the organization and should not be used by anyone other than these specified parties.

**DC Plan Participant Files**

Observation

DC Plan participant files, which are maintained by a third-party administrator (TPA), are not consistent with respect to form and content. Participant files do not contain an index, which would help to standardize the files and make document location more efficient. Additionally, not all documents are mounted and secured, so they could easily be misplaced or drop out of the files.

**Saipan Office**  
Suite 203 MH II Building  
P.O. Box 504053, Saipan, MP 96950  
Tel Nos. (670) 235-8722 (670) 233-1837  
Fax Nos. (670) 235-6905 (670) 233-8214

**Guam Office**  
333 South Marine Corps Drive  
Tamuning, Guam 96913  
Tel Nos. (671) 646-5044 (671) 472-2680  
Fax Nos. (671) 646-5045 (671) 472-2686

**Palau Office**  
PO Box 1266  
Koror, PW 96940  
Tel Nos. (680) 488-8615  
Fax Nos. (680) 488-8616

Some files seem to lack relevant documents. Certain files have become bulky and unmanageable over time.

Recommendation:

GGRF and the TPA should create an index which establishes the minimum requirements for form and content of the participant files.

**Review of Professional Service Provider Relationships**

Observation:

As a public employee retirement system, and due to the dollar amounts and volume of transactions, the fiduciary duties of the governing body and GGRF's unique nature, it is necessary to engage numerous professional service providers. Examples include investment consultants, money managers, insurance companies, financial institutions, actuaries, legal counsel, and third-party administrators. It is considered a best practice for entities to periodically review their relationships with professional service providers, and the terms of their contracts, to ensure that the best combination of service and cost are being obtained from the service providers.

Recommendation:

GGRF should periodically evaluate all service provider relationships to ensure all stated goals are achieved. Some of the current relationships are evaluated quite frequently (e.g., money managers), and some not so frequently. GGRF should make ensure that any proposed changes are made in accordance with applicable procurement regulations and should renew contracts as needed.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Fund personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*Bing & Coon, P.C.*

Tamuning, Guam  
March 25, 2022