



OFFICE OF THE PUBLIC AUDITOR

**EXECUTIVE SUMMARY**

Submission of FY 2008 4<sup>th</sup> Quarter Financial Reports  
Report No. 09-01, January 2009

For the last three years, the Office of the Public Auditor (OPA) has reviewed compliance with the reporting requirements of various budget acts. In fiscal year (FY) 2008, Public Law (P.L.) 29-19 required the OPA to review submissions of quarterly financial reports, staffing patterns and other reports by government of Guam entities. For the 4<sup>th</sup> quarter, July 1, 2008 through September 30, 2008, all 59 entities generally complied with the reporting requirements.

The penalty for noncompliance is a 20% salary reduction to agency Directors, Deputy Directors, and Chief Financial Officers. OPA reported noncompliance in prior reports, however, the penalty has not been applied as of December 2008.

All 59 entities submitted in one or more of the required formats of quarterly financial reports, staffing patterns, non-appropriated funds reports, non-profit organization activity reports, and special reports. All 15 autonomous agencies submitted monthly revenue and expenditure reports in all three reporting formats. There were no instances where a government entity did not submit any of these required reports.

Based on the improvements noted throughout FY 2008 and the magnitude of reporting requirements, this quarter we focused on whether government entities generally complied with the reporting requirements. In prior quarters, we focused on whether the entities reported in all three reporting formats. Some entities did not submit reports in all three formats or submitted reports past the due date. These insignificant infractions did not detract from the essence of the reporting mandate. The 4<sup>th</sup> quarter improvements in the reporting process should not be marred by the omission of one of the reporting requirements. For example, if an entity posted the report on its website but inadvertently overlooked the electronic reporting requirement, the report is still publicly available to review.

The reporting requirements in the last three years have become increasingly difficult for entities to fully comply with. An inordinate amount of government resources (paper, man-hours, fuel for deliveries, etc.) spent to produce the reports in all formats is not the most efficient and effective way to ensure government entities are transparent with their finances and other activities.

We continue to suggest that the reporting requirements be reduced to only website postings, eliminating the need for written and electronic reports. Reports on websites can be reproduced at the user's option and offer an efficient way to deliver reports. To provide more meaningful information, we also suggest the Bureau of Budget and Management Research conduct periodic analyses of these reports to determine whether current year revenues are sufficient to pay for current year services or whether future taxpayers will assume burdens for previous services.

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