

**Submission of FY 2006 1<sup>st</sup> Quarter Financial  
Reports Subject to the Deappropriation of  
Funds As Mandated by Public Law 28-68**

**Legislative Mandate  
October 1, 2005 through December 31, 2005**

**OPA Report No. 06-02  
April 2006**



OFFICE OF THE PUBLIC AUDITOR

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Distribution:

Governor of Guam  
Speaker, 28<sup>th</sup> Guam Legislature  
Senators, 28<sup>th</sup> Guam Legislature  
Director, Department of Administration  
Director, Bureau of Budget and Management Research  
U.S. Department of Interior  
Office of Inspector General – Pacific Field Office  
Guam Media via e-mail



OFFICE OF THE PUBLIC AUDITOR

April 17, 2006

Honorable Felix Camacho  
Governor  
Office of the Governor  
P.O. Box 2950  
Hagatna, Guam 96932

Honorable Mark Forbes  
Speaker  
28<sup>th</sup> Guam Legislature  
324 W. Soledad Ave.  
Hagatna, Guam 96910

Subject: Submission of FY 2006 1<sup>st</sup> Quarter Financial Reports Subject to the Deappropriation of Funds As Mandated by Public Law (P.L.) 28-68

Dear Governor Camacho and Speaker Forbes:

Pursuant to P.L. 28-68 Chapter V Section 3, the failure to comply with reporting requirements as mandated in this Act, after the 45<sup>th</sup> day from the original report due date, shall result in the automatic deappropriation of funds of five percent of the appropriations made to the non-compliant entity for EACH requirement not met. The Public Auditor shall certify the deappropriation and report it to the Governor and the Speaker of the Guam Legislature.

Per discussion with the Committee on Finance, Taxation and Commerce, penalty of deappropriation will only apply to non-compliance with quarterly reports specified in Chapter V Section 2 of P.L. 28-68 which mandates that “thirty (30) days after the close of each quarter of Fiscal Year 2006, each department/agency head in the Executive Branch, all autonomous, semi-autonomous agencies and Public Corporations, inclusive of the Public Auditor of Guam, the Attorney General of Guam, the Administrator of the Courts, the Public Defender of Guam, the President of the Mayors Council of Guam, the Superintendent of the Guam Public School System, the President of the University of Guam, the President of the Guam Community College, the Administrator of the Guam Memorial Hospital Authority, the General Manager of the Guam Visitors Bureau, the Administrator of the Guam Economic Development and Commerce Authority, and the Director of the Guam Election Commission, shall submit in written and electronic format (including, but not limited to, diskettes, CD, and/or email) to the Speaker of I Liheslaturan Guahan a report containing full disclosure of ALL funds under its purview and administration for the preceding quarter. Such disclosure shall be in the format of Financial Statements and/or revenue and expenditure reports for each of the funds he or she administers (appropriated, non-appropriated and other sources) or in the format as may be required by I Liheslaturan Guahan ... .”

### **Entities That Submitted 1<sup>st</sup> Quarter Financial Reports**

There were a total of 48 departments and agencies affected by Chapter V Section 2 of P.L. 28-68 as specified in the Committee on Finance, Taxation and Commerce’s Compendium of Required

Reports. Based on our review, we found that of the reports gathered from the Guam Legislature (Legislature), as of March 15, 2006, 40 entities submitted their 1<sup>st</sup> Quarter Financial Reports for the period October 1, 2005 to December 31, 2005.

Of the 40 entities, 25 “department/agency heads” submitted the financial reports in accordance with the above section. See Appendix 1. The other 15 entities’ financial reports were submitted by the Bureau of Budget & Management Research (BBMR) and not by the head of the entity. See Appendix 2.

### **Report Format**

There were inconsistencies in the amount of information that was disclosed in the reports submitted as P.L. 28-68 states that the reports “shall be in the format of Financial Statements and/or revenue and expenditure reports... or in the format as may be required by I Liheslaturan Guahan.” We noted that some reports were itemized as to the nature of the expenditures; however, some reports, such as the ones submitted by BBMR for the 15 entities, disclosed only lump sum expenditures for the funds administered by the entity. A lump sum expenditure report does not sufficiently provide details on expenditure patterns of the entity.

We recommend the Legislature establish a minimum format to provide consistency about the information that should be disclosed in the Quarterly Financial Reports.

### **Entities That Did Not Submit 1<sup>st</sup> Quarter Financial Reports**

There were eight entities that did not submit financial reports for the 1<sup>st</sup> Quarter of fiscal year 2006. They are:

- Judiciary of Guam (Judiciary)
- Guam Housing Corporation
- Guam Housing & Urban Renewal Authority
- Guam International Airport Authority
- Guam Power Authority
- Guam Retirement Fund
- Guam Waterworks Authority
- Port Authority of Guam

Of these eight entities, the Judiciary may be the only entity subject to the penalty of deappropriation. The other seven entities do not receive General Fund appropriations for their operations. During our review, we contacted the Administrator of the Courts and confirmed a 1<sup>st</sup> Quarter Financial Report was not submitted to the Speaker of the Legislature. The Judiciary subsequently submitted a 1<sup>st</sup> Quarter Financial Report on April 11, 2006. See Appendix 3 for the eight entities.

### **Posting of 1<sup>st</sup> Quarter Financial Reports on Websites**

P.L. 28-68 also requires agencies to post the quarterly financial reports on their websites. Of the 42 entities that maintain a website, we identified only five agencies that have complied with this requirement:

- Bureau of Budget and Management Research
- Guam Community College
- Office of the Public Auditor
- University of Guam
- Guam Memorial Hospital Authority

The other 37 entities have not posted 1<sup>st</sup> Quarter Financial Reports on their websites as of March 15, 2006. See Appendix 4. The Guam Visitor's Bureau (GVB) and the Judiciary subsequently posted their 1<sup>st</sup> Quarter Financial Reports on their websites when we had informed them that we did not have any record indicating their 1<sup>st</sup> Quarter reports were submitted to the Speaker of the Legislature. GVB was able to provide evidence that the report was sent via email to the Speaker on February 8, 2006.

### **Entities That Do Not Have a Website**

Pursuant to P.L. 28-057, each government department or agency is required to develop and maintain a homepage or website. The following six entities do not have a website:

- Commission on Decolonization
- Department of Chamorro Affairs
- Department of Integrated Services for Individuals with Disabilities
- Department of Military Affairs
- Guam Ancestral Lands Commission
- Office of the Chief Medical Examiner

Appendices 1, 2, and 3 identify the 48 agencies and departments affected by the submittal of the quarterly reports. We have also indicated the dates the quarterly reports were received by the Speaker of the Legislature. Appendix 4 indicates the entities that did not post 1<sup>st</sup> Quarter Financial Reports on their websites as of March 15, 2006.

Senseramente,



Doris Flores Brooks, CPA, CGFM  
Public Auditor

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**Appendix 1:**  
**Submitted FY 2006 1<sup>st</sup> Quarter Reports (Page 1 of 2)**

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FY 2006 1ST QUARTER REPORTS SUBMITTED BY THE HEAD OF THE ENTITY  
(Pursuant to P.L. 28-68 Chapter V Section 2)  
Due date: January 30, 2006

| ENTITY |  | DATE RECEIVED BY I LIHESLATURAN GUAHAN                              |
|--------|--|---|
| 1      | BUREAU OF BUDGET & MANAGEMENT RESEARCH         | 1/30/06   |
| 2      | BUREAU OF STATISTICS & PLANS                   | 1/31/06<br>1/30/06 - Per report submitted by BBMR                   |
| 3      | CHAMORRO LAND TRUST COMMISSION                 | 2/28/06   |
| 4      | CIVIL SERVICE COMMISSION                       | 1/26/06<br>1/30/06 - Per report submitted by BBMR                   |
| 5      | COMMISSION ON DECOLONIZATION                   | 1/27/06 - Received by the Committee on Finance, Taxation & Commerce |
| 6      | DEPARTMENT OF ADMINISTRATION                   | 2/2/06<br>1/30/06 - Per report submitted by BBMR                    |
| 7      | DEPARTMENT OF AGRICULTURE                      | 2/3/06<br>1/30/06 - Per report submitted by BBMR                    |
| 8      | DEPARTMENT OF CORRECTIONS                      | 1/17/06<br>1/30/06 - Per report submitted by BBMR                   |
| 9      | DEPARTMENT OF LAND MANAGEMENT                  | 2/17/06<br>1/30/06 - Per report submitted by BBMR                   |
| 10     | DEPARTMENT OF PARKS AND RECREATION             | 1/17/06<br>1/30/06 - Per report submitted by BBMR                   |
| 11     | GUAM ANCESTRAL LANDS COMMISSION                | 1/27/06 - Received by the Committee on Finance, Taxation & Commerce |
| 12     | GUAM COMMUNITY COLLEGE                         | 2/3/06  |
| 13     | GUAM CONTRACTORS' LICENSING BOARD              | 1/31/06 - Received by the Committee on Finance, Taxation & Commerce |
| 14     | GUAM EDUCATIONAL TELECOMMUNICATION CORPORATION | 1/31/06<br>1/30/06 - Per report submitted by BBMR                   |
| 15     | GUAM FIRE DEPARTMENT                           | 1/30/06<br>1/30/06 - Per report submitted by BBMR                   |
| 16     | GUAM MEMORIAL HOSPITAL AUTHORITY               | 2/10/06   |
| 17     | GUAM POLICE DEPARTMENT                         | 1/31/06<br>1/30/06 - Per report submitted by BBMR                   |

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**Appendix 1:**  
**Submitted FY 2006 1<sup>st</sup> Quarter Reports (Page 2 of 2)**

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| ENTITY |   | DATE RECEIVED BY I LIHESLATURAN GUAHAN   |
|--------|---|--|
| 18     | GUAM PUBLIC LIBRARY SYSTEM                              | 1/24/06 & 1/26/06<br>1/30/06 - Per report submitted by BBMR  |
| 19     | GUAM PUBLIC SCHOOL SYSTEM                               | 1/30/06<br>1/30/06 - Per report submitted by BBMR  |
| 20     | GUAM VISITOR'S BUREAU                                   | 2/8/06   |
| 21     | MAYORS' COUNCIL OF GUAM                                 | 1/18/06 - Received by the Committee on Finance,<br>Taxation & Commerce<br>1/30/06 - Per report submitted by BBMR |
| 22     | OFFICE OF THE PUBLIC AUDITOR                            | 1/12/06  |
| 23     | PROFESSIONAL ENGINEERS, ARCHITECTS, &<br>LAND SURVEYORS | 2/1/06   |
| 24     | PUBLIC DEFENDER SERVICE CORPORATION                     | 2/7/06   |
| 25     | UNIVERSITY OF GUAM                                      | 1/31/06  |

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**Appendix 2:**  
**FY 2006 1<sup>st</sup> Quarter Reports Submitted by BBMR**

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FY 2006 1ST QUARTER REPORTS SUBMITTED VIA BBMR  
(Pursuant to P.L. 28-68 Chapter V Section 2)  
Submitted January 30, 2006

| ENTITY |   |
|--------|---|
| 1      | CUSTOMS & QUARANTINE AGENCY   |
| 2      | DEPARTMENT OF CHAMORRO AFFAIRS                                      |
| 3      | DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS WITH DISABILITIES |
| 4      | DEPARTMENT OF LABOR   |
| 5      | DEPARTMENT OF LAW/ OFFICE OF THE ATTORNEY GENERAL                   |
| 6      | DEPARTMENT OF MENTAL HEALTH & SUBSTANCE ABUSE                       |
| 7      | DEPARTMENT OF MILITARY AFFAIRS                                      |
| 8      | DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES                       |
| 9      | DEPARTMENT OF PUBLIC WORKS  |
| 10     | DEPARTMENT OF REVENUE & TAXATION                                    |
| 11     | DEPARTMENT OF YOUTH AFFAIRS   |
| 12     | GUAM COUNCIL ON THE ARTS & HUMANITIES AGENCY                        |
| 13     | GUAM ELECTION COMMISSION  |
| 14     | GUAM ENVIRONMENTAL PROTECTION AGENCY                                |
| 15     | OFFICE OF THE CHIEF MEDICAL EXAMINER                                |



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## Appendix 3: FY 2006 1<sup>st</sup> Quarter Reports Not Submitted

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ENTITIES THAT DID NOT SUBMIT FY 2006 1ST QUARTER FINANCIAL REPORTS  
(Pursuant to P.L. 28-68 Chapter V Section 2)  
Due date: January 30, 2006

| ENTITY |   | DATE RECEIVED BY I LIHESLATURAN<br>GUAHAN  |
|--------|---|--|
| 1      | GUAM HOUSING & URBAN RENEWAL<br>AUTHORITY | -  |
| 2      | GUAM HOUSING CORPORATION                  | -  |
| 3      | GUAM INTERNATIONAL AIRPORT AUTHORITY      | -  |
| 4      | GUAM POWER AUTHORITY                      | -  |
| 5      | GUAM RETIREMENT FUND                      | -  |
| 6      | GUAM WATERWORKS AUTHORITY                 | 1/30/06 - Per report submitted by BBMR<br>Note: Partial report submitted - only bonds reported |
| 7      | JUDICIARY OF GUAM                         | 4/11/2006<br>Note: Report was subsequently submitted after<br>notification from OPA            |
| 8      | PORT AUTHORITY OF GUAM                    | -  |

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**Appendix 4:**  
**FY 2006 1<sup>st</sup> Quarter Reports Not Posted on Websites** (Page 1 of 2)

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FY 2006 1ST QUARTER REPORTS NOT POSTED ON THE ENTITY'S WEBSITE  
(Pursuant to P.L. 28-68 Chapter V Section 2)  
Due date: January 30, 2006  
As of March 15, 2006

| ENTITY |   | WEBSITE ADDRESS  |
|--------|---|--|
| 1      | BUREAU OF STATISTICS & PLANS                      | <a href="http://www.spc.int/prism/country/gu/stats/">http://www.spc.int/prism/country/gu/stats/</a>  |
| 2      | CHAMORRO LAND TRUST COMMISSION                    | <a href="http://www.cltcguam.org/">http://www.cltcguam.org/</a>  |
| 3      | CIVIL SERVICE COMMISSION                          | <a href="http://www.geocities.com/civilservicegovguam/home.htm">http://www.geocities.com/civilservicegovguam/home.htm</a>  |
| 4      | CUSTOMS & QUARANTINE AGENCY                       | <a href="http://www.guamcustoms.org/">http://www.guamcustoms.org/</a>  |
| 5      | DEPARTMENT OF ADMINISTRATION                      | <a href="http://www.admin.gov.gu/doa/admin.html">http://www.admin.gov.gu/doa/admin.html</a>  |
| 6      | DEPARTMENT OF AGRICULTURE                         | <a href="http://www.guamdawr.org/">http://www.guamdawr.org/</a><br>Note: Division of Aquatic and Wildlife Resource   |
| 7      | DEPARTMENT OF CORRECTIONS                         | <a href="http://depcor.com/">http://depcor.com/</a>  |
| 8      | DEPARTMENT OF LABOR                               | <a href="http://www.guamdol.net/">http://www.guamdol.net/</a>  |
| 9      | DEPARTMENT OF LAND MANAGEMENT                     | <a href="http://www.admin.gov.gu/dlm/index.html">http://www.admin.gov.gu/dlm/index.html</a>  |
| 10     | DEPARTMENT OF LAW/ OFFICE OF THE ATTORNEY GENERAL | <a href="http://www.guamattorneygeneral.com/">http://www.guamattorneygeneral.com/</a>  |
| 11     | DEPARTMENT OF MENTAL HEALTH & SUBSTANCE ABUSE     | <a href="http://guammhsa.net/">http://guammhsa.net/</a>  |
| 12     | DEPARTMENT OF PARKS AND RECREATION                | <a href="http://www.admin.gov.gu/dpr/hrdhome.html">http://www.admin.gov.gu/dpr/hrdhome.html</a><br>Note: Above is Historic Resources Division website. Need authorization to access DPR Home Page. |
| 13     | DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES     | <a href="http://www.dphss.govguam.net/index.htm">http://www.dphss.govguam.net/index.htm</a>  |
| 14     | DEPARTMENT OF PUBLIC WORKS                        | <a href="http://www.dpwguam.com/">http://www.dpwguam.com/</a>  |
| 15     | DEPARTMENT OF REVENUE & TAXATION                  | <a href="https://www.guamtax.com/index.jsp">https://www.guamtax.com/index.jsp</a>  |
| 16     | DEPARTMENT OF YOUTH AFFAIRS                       | <a href="http://www.guamyouth.org/pages/index.php">http://www.guamyouth.org/pages/index.php</a>  |
| 17     | GUAM CONTRACTORS' LICENSING BOARD                 | <a href="http://www.guamgovernor.net/content/view/108/200/">http://www.guamgovernor.net/content/view/108/200/</a>  |

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**Appendix 4:**  
**FY 2006 1<sup>st</sup> Quarter Reports Not Posted on Websites** (Page 2 of 2)

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| ENTITY |  | WEBSITE ADDRESS  |
|--------|--|--|
| 18     | GUAM COUNCIL ON THE ARTS & HUMANITIES AGENCY         | <a href="http://www.guamcaha.com/">http://www.guamcaha.com/</a>  |
| 19     | GUAM EDUCATIONAL TELECOMMUNICATION CORPORATION       | <a href="http://www.kgtf.org/">http://www.kgtf.org/</a>  |
| 20     | GUAM ELECTION COMMISSION                             | <a href="http://www.guamelection.org/">http://www.guamelection.org/</a>                                      |
| 21     | GUAM ENVIRONMENTAL PROTECTION AGENCY                 | <a href="http://www.guamepa.govguam.net/">http://www.guamepa.govguam.net/</a>                                |
| 22     | GUAM FIRE DEPARTMENT                                 | <a href="http://www.gfde911.org/">http://www.gfde911.org/</a>  |
| 23     | GUAM HOUSING & URBAN RENEWAL AUTHORITY               | <a href="http://www.ghura.org/main/index.htm">http://www.ghura.org/main/index.htm</a>                        |
| 24     | GUAM HOUSING CORPORATION                             | <a href="http://www.guamhousing.org/">http://www.guamhousing.org/</a><br>Note: Site development in progress. |
| 25     | GUAM INTERNATIONAL AIRPORT AUTHORITY                 | <a href="http://guamairport.com/main/">http://guamairport.com/main/</a>                                      |
| 26     | GUAM POLICE DEPARTMENT                               | <a href="http://www.guampd.com/index.htm">http://www.guampd.com/index.htm</a>                                |
| 27     | GUAM POWER AUTHORITY                                 | <a href="http://www.guampowerauthority.com/">http://www.guampowerauthority.com/</a>                          |
| 28     | GUAM PUBLIC LIBRARY SYSTEM                           | <a href="http://www.admin.gov.gu/gpls/index.html">http://www.admin.gov.gu/gpls/index.html</a>                |
| 29     | GUAM PUBLIC SCHOOL SYSTEM                            | <a href="http://www.doe.edu.gu/">http://www.doe.edu.gu/</a>  |
| 30     | GUAM RETIREMENT FUND                                 | <a href="http://ggrf.com/">http://ggrf.com/</a>  |
| 31     | GUAM VISITOR'S BUREAU                                | <a href="http://visitguam.org/">http://visitguam.org/</a>  |
| 32     | GUAM WATERWORKS AUTHORITY                            | <a href="http://www.guamwaterworks.org/">http://www.guamwaterworks.org/</a>                                  |
| 33     | JUDICIARY  | <a href="http://www.justice.gov.gu/">http://www.justice.gov.gu/</a>  |
| 34     | MAYORS' COUNCIL OF GUAM                              | <a href="http://www.mayorscouncilofguam.org/">http://www.mayorscouncilofguam.org/</a>                        |
| 35     | PORT AUTHORITY OF GUAM                               | <a href="http://www.portofguam.com/">http://www.portofguam.com/</a>  |
| 36     | PROFESSIONAL ENGINEERS, ARCHITECTS, & LAND SURVEYORS | <a href="http://www.guam-peals.org/index.html">http://www.guam-peals.org/index.html</a>                      |
| 37     | PUBLIC DEFENDER SERVICE CORPORATION                  | <a href="http://www.guamcourts.org/pdsc/index.html">http://www.guamcourts.org/pdsc/index.html</a>            |

**Do you suspect fraud, waste, or abuse in a government agency or department? Contact the Office of the Public Auditor:**



- Call our HOTLINE at 47AUDIT (472-8348);
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- Call our office at 475-0390;
- Fax our office at 472-7951;
- Or visit us at the PNB Building, Suite 401  
In Hagåtña

**All information will be held in strict confidence.**