

April 20, 2006

The Board of Directors  
Guam Economic Development and Commerce Authority:

In planning and performing our audit of the consolidated financial statements of the Guam Economic Development and Commerce Authority and subsidiary (the Authority) as of and for the year ended September 30, 2005 (on which we have issued our report dated April 20, 2006), we developed the following recommendation concerning a matter related to their internal control. Our recommendation is summarized below:

Finding No. 2005-1 – Travel Authorization

Criteria: All travel should be supported by an approved travel authorization.

Condition: Check no. 34091 (dated 5/18/2005) of \$1,196.42 represented reimbursement for travel. However, we were not provided with the underlying supporting travel authorization.

Cause: The travel authorization was not prepared.

Effect: The transaction has not been documented in accordance with the Authority's policies.

Recommendation: We recommend that the Authority follow existing rules and regulations.

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This report is intended for the information and use of the board of directors, management of GEDCA and the Office of the Public Auditor of Guam.

We wish to express our appreciation for the cooperation of the staff and management of GEDCA during the course of our audit. We would be available to discuss any questions that you may have concerning the above comment at your convenience.

Very truly yours,

