

May 31, 2007

Luis S.N. Reyes
Interim Superintendent of Education
Guam Public School System
Government of Guam:

In planning and performing our audit of the financial statements of Guam Public School System (GPSS) for the year ended September 30, 2006, on which we have issued our report dated May 31, 2007, we developed the following recommendations concerning matters related to its internal control. Our recommendations are summarized below:

Finding 1 – Payments

Condition: For one of 221 samples tested, we noted an invoice from Triple J Enterprise was included in the batch of invoices for check number 269449 to Defense Logistics Agency. Therefore, Defense Logistics Agency was overpaid by \$8,293, and a liability to Triple J Enterprise still exists for the same amount.

Recommendation: The Comptroller should strengthen internal controls to ensure that the name of the payee agrees with the name on the supporting vendor invoice(s) prior to disbursement.

Finding 2 – Fixed Assets

Condition: The following vehicle identification numbers (VINs) were not accurately reported in the fixed asset listing:

<u>License #</u>	<u>Per Business Office Records</u>	<u>Per Vehicle</u>
1088	1GBM7H1J7MJ11022970	1GBM7H1J7MJ102970
4033	1FTZR44U74PB23065	1FTZR44U54PB04577

Recommendation: The Comptroller should strengthen internal controls to ensure that the fixed asset inventory schedule is properly reconciled to property records at the Business Office and that discrepancies are immediately corrected.

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This report is intended solely for the information and use of the Guam Education Policy Board and management of the Guam Public School System and the Office of the Public Auditor of Guam.

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

Very truly yours,

