



EXECUTIVE SUMMARY

Government of Guam FY 2009 2nd and 3rd Quarter Financial Reports
Report No. 09-05, September 2009

Public Law (P.L.) 29-113 requires 60 entities of the government of Guam to submit quarterly financial, staffing patterns, and other reports in three formats (manual, electronic, and website posting) during the fiscal year. P.L. 29-113 also requires the Office of Public Accountability (OPA) to review these submissions. The objectives of our review were to determine whether the entities complied with the requirement to post their Fiscal Year (FY) 2009 2nd and 3rd quarter reports on their websites and whether those reports were readily accessible.

Between January 1, 2009 and June 30, 2009, five of the 60 entities did not comply with the website posting requirements of one or more of their 2nd and 3rd quarter reports. Although these entities substantially complied with the posting of their required reports on their website, the following entities were deemed non-compliant due to the following:

- **Department of Mental Health and Substance Abuse (DMHSA)** submitted electronic and manual copies of their 2nd Quarter Staffing Pattern Report, but did not post it on their website;
- **University of Guam (UOG)** submitted electronic and manual copies of their special reports, but did not post them on their website;
- **Guam Visitors Bureau (GVB)** did not post nor submit its Impact of Tourism Expenditures Report in any format; and
- **Department of Corrections (DOC)** submitted their 3rd quarter Prior Year's Obligations (PYO) Report in manual format, but did not post their 2nd and 3rd quarter PYO reports on their website; and
- **Office of Adequate Education Suruhanu (OAES)** did not post nor submit its 2nd and 3rd quarter PYO reports in any format.

In the four years since the enactment of P.L. 29-113, the number of required reports has increased. The following is a summary of compliance with the website posting of the 2nd and 3rd quarter reports of FY 2009:

- **Quarterly Financial Reports.** All 60 entities were in compliance with the posting of their 2nd and 3rd quarter financial reports on their website;
- **Staffing Patterns Reports.** Of the 57 entities required to post 2nd and 3rd quarter staffing pattern reports on their website, only DMHSA did not comply;
- **PYO Reports.** Of the 51 entities required to post PYO reports on their websites, 49 complied. DOC and OAES did not comply;
- **Federal Funding Reports.** All 60 entities posted their federal funding reports on their websites;
- **Non-Appropriated Funds (NAF) Reports.** All 18 entities required to submit NAF Reports complied and posted the reports on their websites;
- **Autonomous and Semi-Autonomous Agency Monthly Reports.** All 15 entities required to submit monthly reports complied and posted the reports on their websites;

- **Special Reports.** Of the 18 entities required to submit and post special reports on their websites, only GVB and UOG did not comply.

Reminder notices were sent to the entities that did not post their reports on their websites. The following entities became compliant after the reminder: the Bureau of Budget and Management Research, the Bureau of Statistics and Plans, the Commission on Decolonization, the Department of Administration (DOA), Department of Public Health and Social Services (DPHSS), the Guam Energy Office, the Guam Fire Department, the Guam International Airport Authority (GIAA), the Guam Medical Referral Office, the Guam Memorial Hospital Authority, the Guam Preservation Trust, the Guam Waterworks Authority (GWA), the Office of the Governor, the Public Utilities Commission (PUC), and the Veterans Affairs Office.

During our review, we discovered that several entities only posted reports for the current quarter, including the Customs and Quarantine Agency and the Judiciary of Guam; however, they agreed to post both their 2nd and 3rd quarter reports on their websites. Although P.L. 29-113 requires the posting of reports only for the current quarter, a majority of the entities archive their previous quarterly reports on their websites. We maintain that archiving quarterly reports promotes accountability and transparency, and bolsters public confidence in government. DOA, DOE, DPHSS, the Guam Economic Development Authority (GEDA), the Guam Housing Corporation (GHC), the Guam Public Library System (GPLS), the Office of the Attorney General, and OPA are some of the entities that have an archive of quarterly reports on their websites.

Generally, we found that more than 90% of the financial reports were readily accessible on the entities' websites. However, as previously noted, navigating the websites of the Guam Environmental Protection Agency (GEPA) and the Guam Power Authority (GPA) required extra effort. The websites of these entities, along with DOE, GPLS, and UOG, were not easily accessible in the 1st Quarter of FY 2009. While DOE, GPLS, and UOG have made significant improvements to making their reports easily accessible, GEPA and GPA have not.

The penalty for noncompliance, as set in the last three budget acts, is a 20% salary reduction for agency directors, deputy directors, and chief financial officers. OPA has reported non-compliance in prior quarters, but no salary reductions have been imposed since the penalty was mandated in 2007.

Additionally, the General Appropriations Act of 2010 (P.L. 30-55), eliminated the general reporting requirements mandated by P.L. 29-113, but certain entities are still required to submit special reports in various formats (written or electronic and website posting). An inordinate amount of government resources (paper, man-hours, fuel for deliveries, etc.) are spent to produce the reports in all formats and is not the most efficient and effective way to ensure the transparency of government finances and activities. We continue to suggest the elimination of written and electronic report submissions (via diskettes and CDs) and limit the reporting requirements to website posting and email notification.



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