

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
47-38 (COR)	William A. Parkinson	AN ACT TO ADD A NEW § 1909(c)(1), § 1909(c)(2), § 1909(c)(3), AND § 1909(c)(4), TO CHAPTER 19 OF TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO THE DUTIES OF THE PUBLIC AUDITOR.	2/5/25 3:40 p.m.	2/11/25	Committee on Finance and Government Operations.	Request: 2/11/25 2/20/25			



COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

February 20, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 47-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 47-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 47-38 (COR)**

AN ACT TO ADD A NEW § 1909(c)(1), § 1909(c)(2), § 1909(c)(3), AND § 1909(c)(4), TO CHAPTER 19 OF TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO THE DUTIES OF THE PUBLIC AUDITOR.

Department/Agency Appropriation Information	
Dept./Agency Affected: Office of Public Accountability	Dept./Agency Head: Benjamin J.F. Cruz
Department's General Fund (GF) appropriation(s) to date:	\$2,194,843
Department's Other Fund appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$2,194,843

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2024 Unreserved Fund Balance	\$0	\$0	\$0
FY 2025 Adopted Revenues	\$0	\$0	\$0
FY 2025 Appr. (P.L. 37-125)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2025 (if applicable)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

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|---|-----------|-------------------------------|--------------------------------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | / / Yes | / X / No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? | / X / N/A | / / Yes | / / No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | / X / N/A | / / Yes
/ / Yes
/ / Yes | / X / No
/ / No
/ X / No |
| 4. Will the enactment of this Bill require new physical facilities? | | / / Yes | / X / No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
/ X / Requested agency comments not received by due date | | / X / Yes | / / No |
| | | / / Other: | |

Analyst: <u>Prof.</u> Abigail R. Ofeciar, BMA Supervisor	Date: <u>2/18/2025</u>	Director: <u>[Signature]</u> Lester L. Carlson, Jr., Director	Date: <u>FEB 20 2025</u>
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Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 47-38 (COR)

The proposed legislation intends to establish a deadline of one hundred twenty (120) calendar days from the close of the fiscal year for government agencies to submit financial audit documents necessary for the issuance of the annual Government of Guam audit to the Office of Public Accountability (OPA). Any agency director who is unable to meet such deadline may submit a written request for an extension to the OPA with specific reasons for noncompliance as well as a proposed submission date. In return, the OPA shall respond in writing within three (3) business days of receiving the request for extension, which shall specify the revised deadline to submit if approved, or the reasons for denial. The OPA shall transmit its response to the Governor of Guam and the Speaker of the Legislature within forty-eight (48) hours of issuance. In the event that an agency director is unable to meet the prescribed deadline, or the revised deadline if an extension is granted, such agency director's remuneration shall be suspended until such time that the required financial audit documents are submitted. Once the OPA receives the required financial audit documents, the OPA shall notify the Governor of Guam and the Speaker of the Legislature in writing and the suspension of compensation shall be lifted prospectively.

The proposed legislation does not specify a list of agencies to whom the fine applies to, except that it states "All government agencies shall submit all financial audit documents necessary for the issuance of the annual Government of Guam Fiscal Year Audit...". The Bureau notes that the audit process itself does not necessarily involve the submission of financial documents of each government agencies to the OPA. In addition, the withholding of an agency director's remuneration appears excessive and punitive at best.

The Bureau would like to point out that the recent delays in the issuance of the government-wide financial audits are due to reasons that extend beyond the timeliness of the submission of reporting requirements by pertinent government entities. For instance, the delay in the issuance of the FY2022 audit was attributable to the change in auditors and their need to gather information not transferred from the previous auditor. As for the recently issued FY2023 audit, the three-year contract between the government and the auditor for fiscal years 2023, 2024, and 2025 was met with significant delays and was not completed until April 2024. The Bureau further notes that the Department of Administration had expressed difficulties in recruiting and retaining trained accountants by both the government and the auditors to work simultaneously on the component unit audits and the government audit.

The Bureau has not received input on the proposed legislation from the OPA as of the time this fiscal note is prepared.