

*I Mina'trentai Sietta 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
213-37 (COR) As amended on the Floor	Telo T. Taitague Joanne Brown Jesse A. Lujan William A. Parkinson Chris Barnett Sabina Flores Perez Frank Blas, Jr. Therese M. Terlaje Thomas J. Fisher Christopher M. Dueñas	AN ACT TO ADD A NEW ITEM (1) TO PARAGRAPH (c) OF SECTION 1909 OF CHAPTER 19 OF TITLE 1 OF THE GUAM CODE ANNOTATED RELATIVE TO THE DUTIES OF THE PUBLIC AUDITOR.	12/15/23 8:13 a.m.	12/15/23	Committee on Infrastructure, Economic Development, Simon Sanchez High School, Disability Services, Self-Determination and Historic Preservation, Housing, Public Accountability, and the Guam Buildup	Request: 12/15/23  12/21/23	2/2/24 2:00 p.m.	2/15/24 2:58 p.m.	
	<b>SESSION DATE</b>	<b>TITLE</b>	<b>DATE PASSED</b>	<b>TRANSMITTED</b>	<b>DUE DATE</b>	<b>VETOED</b>	<b>NOTES</b>		
	3/18/24	AN ACT TO ADD A NEW § 1909(c)(1) TO CHAPTER 19 OF TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO THE DUTIES OF THE PUBLIC AUDITOR.	3/22/24	3/22/24	4/3/24	4/3/24	Received: 4/3/24 Mess and Comm. Doc. No. 37GL-24-1882		

LOURDES A. LEON GUERRERO  
GOVERNOR



JOSHUA F. TENORIO  
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN  
OFFICE OF THE GOVERNOR OF GUAM

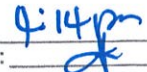
**Transmitted via email to: [speaker@guamlegislature.org](mailto:speaker@guamlegislature.org)**

April 3, 2024

The Hon. Therese M. Terlaje  
*Speaker, I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

37GL-24-1882  
OFFICE OF THE SPEAKER  
THERESE M. TERLAJE

APR 03 2024

Time: 4:14pm  
Received: 

**Re: Bill No. 213-37 (COR) - AN ACT TO ADD A NEW § 1909(c)(1) TO CHAPTER 19 OF TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO THE DUTIES OF THE PUBLIC AUDITOR**

*Håfa Adai* Madam Speaker,

Bill No. 213-37 (COR) authorizes the Public Auditor to establish deadlines for government agencies and instrumentalities to submit financial and program data to the Office of Public Accountability (“OPA”). Failure to meet the OPA’s deadline will result in a Two Hundred Fifty dollars (\$250) fine, to be paid personally by the agency head. The OPA claims the bill is necessary for the OPA to carry out its duties under Guam law. According to the Public Auditor, untimely submissions by government agencies and instrumentalities are the sole cause of delinquent audits.

The agencies most impacted by this bill, including the subject matter experts at our fiscal agencies, were not invited to testify at the hearing for Bill No. 213. Unfortunately, because the Legislature did not engage affected agencies before passing Bill No. 213, the bill does not reflect a clear understanding of the audit process.

The claim that all of the delays in the audit process result from agencies simply missing submission deadlines is not true. Delays often result from the actions of the auditor. This year’s financial audits have not even started because of issues the OPA encountered entering into the contract with the commercial auditing firm. The claim that data is submitted to the auditor and thereafter processed is likewise incorrect. The audit process is an iterative process, requiring multiple cycles of engagement between auditors and agencies as the auditor receives and analyzes data. Agencies



To: Therese M. Terlaje, Speaker  
Fr: Lourdes A. Leon Guerrero, Governor of Guam  
Date: April 3, 2024  
Re: Bill No. 213-37 (COR)

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provide data to the auditor, who will request additional material resulting in the agency submitting additional data. This process is inherent in every audit. Further, every audit is different. Changes in accounting rules occur every year, which impact information requested by the auditor and the format in which agencies must provide the information.

Imposing a fine on agency heads regardless of the *cause* of delays in agency submissions reflects a fundamental lack of understanding of audit processes which are designed to prioritize accuracy and completeness, and seeks to scapegoat agency heads for extensions of the audit timelines that are present in every audit.

I have consistently objected to legislation that imposes personal fines on government employees for failing to meet reporting deadlines. These fines do little to ensure that meaningful reporting is conducted in a timely manner. Instead, they needlessly place additional strain on directors and program heads. Bill No. 213 imposes fines regardless of the cause of the delay and provides no recourse for officials whose agencies cannot submit such information timely, through no fault of their own. This bill is punitive in nature and inherently unfair. It prioritizes expediency over accuracy and incentivizes directors and program heads to submit incomplete information to avoid fines.

As the Legislature is aware, the accuracy of financial reporting is particularly critical, especially to the Legislature's own functions. Accurate financial data is necessary to ensure correct fund balances are provided to the Legislature, identifying the funds ultimately available for appropriation. Additionally, having accurate financial reporting is of significant importance for our reporting to the Federal Government on the use of all federal funds. The same financial data is an important criterion in our credit risk evaluation, which affects our bond rating. Pressuring agency heads to compromise accuracy and completeness for the sake of expediency would put the fiscal strength our government currently enjoys at risk.

More importantly, Bill No. 213 does not require the Public Auditor to work directly with the government agencies or instrumentalities to accomplish a reasonable timeline. The OPA's deadlines are established using the Gantt chart, which does not take into account any existing deadlines, responsibilities, external constraints, unique accounting situations specific to an agency, or changes in accounting standards and rules. While these factors pose challenges unique to each agency or instrumentality, the Public Auditor is not required to take these factors into account when setting his deadlines.

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To: Therese M. Terlaje, Speaker  
Fr: Lourdes A. Leon Guerrero, Governor of Guam  
Date: April 3, 2024  
Re: Bill No. 213-37 (COR)

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A complete and unqualified audit is important to our island. Threatening agency heads with punitive fines will not compel our agencies to produce data in response to auditor inquiries more efficiently. If the Legislature truly wants more efficient performance from our agencies, it should instead work to ensure our agencies have substantial resources and personnel to perform their audit-related tasks.

For the reasons stated above, I must veto Bill No. 213-37 (COR).

*Senseramente,*



**LOURDES A. LEON GUERRERO**

*Maga'hågan Guåhan*

Governor of Guam

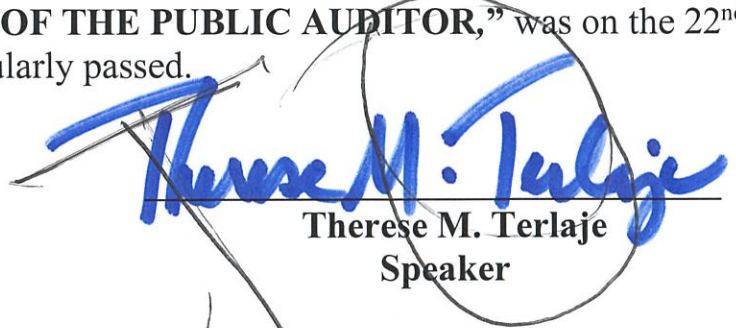
Enclosure(s): Bill No. 213-37 (COR) - VETO

cc via email: The *Honorable* Joshua F. Tenorio, *Maga'låhen Guåhan*, Lt. Governor of Guam  
Compiler of Laws

*I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN*  
2024 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

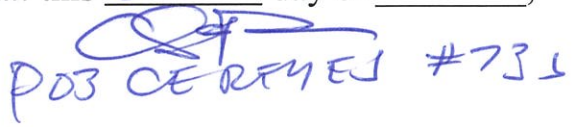
This is to certify that **Bill No. 213-37 (COR)**, “AN ACT TO *ADD A NEW § 1909(c)(1) TO CHAPTER 19 OF TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO THE DUTIES OF THE PUBLIC AUDITOR,*” was on the 22<sup>nd</sup> day of March 2024, duly and regularly passed.

  
Therese M. Terlaje  
Speaker

Attested:

  
Amanda L. Shelton  
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 22<sup>ND</sup> day of MARCH,  
2024, at 8:22 o'clock P.M.

  
POB CERREJES #731

Assistant Staff Officer  
*Maga'håga's Office*

APPROVED:

\_\_\_\_\_  
\_\_\_\_\_  
Lourdes A. Leon Guerrero  
*I Maga'hågan Guåhan*

Date: 4/3/2024

Public Law No. \_\_\_\_\_

2024-21284  
OFFICE OF THE GOVERNOR  
CENTRAL FILES OFFICE  
Rec'd By: Jomichael C. Quinata  
Date: 3/25/24 Time: 8:29 AM

*I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN*  
**2023 (FIRST) Regular Session**

**Bill No. 213-37 (COR)**

As amended on the Floor.

Introduced by:

Telo T. Taitague  
Joanne Brown  
Jesse A. Lujan  
William A. Parkinson  
Chris Barnett  
Sabina Flores Perez  
Frank Blas, Jr.  
Therese M. Terlaje  
Thomas J. Fisher  
Christopher M. Dueñas  
Tina Rose Muña Barnes  
Roy A. B. Quinata  
Joe S. San Agustin  
Dwayne T.D. San Nicolas  
Amanda L. Shelton

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

1           **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2           **Section 1.** A new § 1909(c)(1) and is hereby *added* to Chapter 19 of Title  
3 1, Guam Code Annotated, to read as follows:

4           “(c) To communicate directly with any person or with any department,  
5 officer or person having official relations with the office in any matter relating to the  
6 expenditures of government funds and property or to the settlement thereof; and

7           (1) establish deadlines for submission by every department or  
8 agency head, inclusive of autonomous entities, or head of a program within

1 the government of Guam of all financial or program information under their  
2 control as are necessary to carry out the duties and functions of the Office of  
3 Public Accountability. Failure to submit such information by the required  
4 deadline shall result in the imposition of a Two Hundred Fifty Dollar  
5 (\$250.00) fine against the general manager, director, or head of the agency, in  
6 their personal capacity, per missed deadline which shall be deposited into the  
7 Guam Memorial Hospital Authority Hospital Operations Fund. An additional  
8 fine of Two Hundred Fifty Dollars (\$250.00) shall be assessed against the  
9 general manager, director, or head of the agency, in their personal capacity,  
10 for every thirty (30) days that the reporting requirements are not met.

11 (2) The Public Auditor shall file a report of those general managers,  
12 directors, or heads of the agency who fail to pay the fine imposed herein  
13 within thirty (30) days with the Office of the Attorney General of Guam for  
14 enforcement.”