



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

Office of the Speaker
ANTONIO R. UNPINGCO

Date: Oct. 21, 1998

Time: 11:15 am

Rec'd by: [Signature]

Print Name: P. Roberto

**Refer to
Legislative Secretary
OCT 21 1998**

The Honorable Antonio R. Unpingco
Speaker
Mina'Bente Kuattro na Liheslaturan Guåhan
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>[Signature]</u>
Time	<u>3:09 pm</u>
Date	<u>10.21.98</u>

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 715 (LS), "AN ACT TO APPROVE AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS", which I have signed into law today as Public Law No. 24-293.

These amendments were promulgated according to the procedure set out by the Administrative Adjudication Law. According to this legislation, the amendments are effective July 1, 1998.

Very truly yours,

[Signature]
Carl T. C. Gutierrez
I Maga'láhen Guåhan
Governor of Guam

Attachment: copy attached for signed bill
original attached for vetoed bill


cc: The Honorable Joanne M. S. Brown
Legislative Secretary

01076

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session

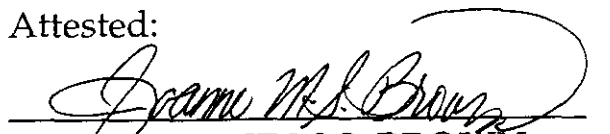
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 715 (LS), "AN ACT TO APPROVE AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS," was on the 2nd day of October, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 9th day of October, 1998,
at 3:05 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 10-21-98

Public Law No. 24-293

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session

Bill No. 715 (LS)

As substituted by the Committee
on Finance and Taxation and as
amended on the Floor.

Introduced by:

A. C. Blaz
A. R. Unpingco
V. C. Pangelinan
T. C. Ada
F. B. Aguon, Jr.
J. M.S. Brown
Felix P. Camacho
Francisco P. Camacho
M. C. Charfauros
E. J. Cruz
W. B.S.M. Flores
Mark Forbes
L. F. Kasperbauer
A. C. Lamorena, V
C. A. Leon Guerrero
L. A. Leon Guerrero
J. C. Salas
A. L.G. Santos
F. E. Santos
J. T. Won Pat

**AN ACT TO APPROVE AMENDMENTS TO THE
GUAM BOARD OF ACCOUNTANCY RULES AND
REGULATIONS.**

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

2 **Section 1. Legislative Findings and Intent.** In accordance with the
3 Administrative Adjudication Law, §9303 of Title 5 of the Guam Code
4 Annotated, *I Liheslaturan Guahan* finds that the proposed amendments
5 submitted by the Guam Board of Accountancy is appropriate and required.

6 **Section 2.** Section 2103(d) of Chapter 2 of Title 25 of the Guam
7 Administrative Rules is hereby *amended* to read as follows:

8	“(d)(1)	Examination Application (initial)	
9		(A) Student of a college or university	
10		and resident of Guam	\$ 50.00
11		(B) Non-Student and resident of Guam	125.00
12		(C) Others	175.00
13	(2)	Administration of Re-examination, per part	50.00
14	(3)	Proctoring fee	150.00
15	(4)	Certification	
16		(A) Initial certification	200.00
17		(B) Reciprocal certification	200.00
18	(5)	Permits to practice in lieu of business license:	
19		(A) Initial permits (individual)	100.00
20		(B) Initial permits (firm)	250.00
21		(C) Renewal of permit (individual)	75.00
22		(D) Renewal of permit (firm)	200.00
23	(6)	Delinquency fee for permit renewal application	
24		received after December 31	\$1.00 per day
25			(minimum \$25.00)

1	(7) Copies of records, per page	.50
2	(8) Applications for reinstatement	250.00
3	(9) Annual reports of the Board, per copy	10.00

4 The amended fees shall be in effect on July 1, 1998."

5 **Section 3.** Section 2104(b)(1)(B) of Title 25 of the Guam Administrative
6 Rules is hereby *amended* to read as follows:

7 "(B) Twenty-four (24) semester hours, or the equivalent, in
8 business administration subjects, which shall include not less than six
9 (6) semester hours in economics, three (3) semester hours in business
10 law and three (3) semester hours in finance. Semester hours in
11 accounting in excess of the minimum requirement of Subsection (1)(A)
12 may be substituted for semester hours of business administration for
13 purposes of this Subsection."

14 **Section 4.** Section 2105(b)(2)(D)(iv) of Title 25 of the Guam
15 Administrative Rules is hereby *amended* to read as follows:

16 "(iv) An internal auditor may gain this experience by working a
17 minimum of two (2) years as an internal auditor under the direct
18 supervision of a certified public accountant, and by working under the
19 direct supervision of an external, independent auditor for two (2) annual
20 audits. The experience gained above may also be under the direct
21 supervision of a certified public accountant employed by government
22 audit agencies in the performance of independent financial audits for
23 two (2) annual audits. Qualifications under this Section (iv) requires a
24 minimum of one hundred sixty (160) hours of auditing work under the
25 direct supervision of the external auditor."


1 **Section 5.** Section 2105(b)(3) is hereby *added* to Title 25 of the Guam
2 Administrative Rules to read as follows:

3 “(3) One (1) year of the two (2) year public accounting experience
4 requirement will be waived under Title 22 Guam Code Annotated
5 §35106(c)(2), *if* the applicant has had not less than thirty (30) semester
6 hours of study in addition to the requirements of Title 22 Guam Code
7 Annotated §35106(c). Such additional study shall be in the field of
8 business or related subjects.”

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session

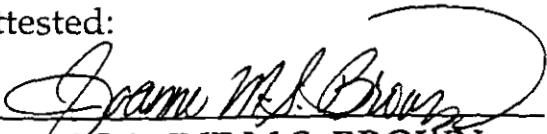
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ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 9th day of October, 1998,
at 3:05 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 10-21-98

Public Law No. 24-293

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session

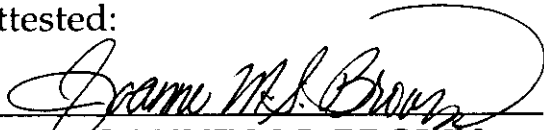
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ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN

Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this 9th day of October, 1998,
at 3:05 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____

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16		(A) Initial certification	200.00
17		(B) Reciprocal certification	200.00
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19		(A) Initial permits (individual)	100.00
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4 The amended fees shall be in effect on July 1, 1998."

5 **Section 3.** Section 2104(b)(1)(B) of Title 25 of the Guam Administrative
6 Rules is hereby *amended* to read as follows:

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8 business administration subjects, which shall include not less than six
9 (6) semester hours in economics, three (3) semester hours in business
10 law and three (3) semester hours in finance. Semester hours in
11 accounting in excess of the minimum requirement of Subsection (1)(A)
12 may be substituted for semester hours of business administration for
13 purposes of this Subsection."

14 **Section 4.** Section 2105(b)(2)(D)(iv) of Title 25 of the Guam
15 Administrative Rules is hereby *amended* to read as follows:

16 "(iv) An internal auditor may gain this experience by working a
17 minimum of two (2) years as an internal auditor under the direct
18 supervision of a certified public accountant, and by working under the
19 direct supervision of an external, independent auditor for two (2) annual
20 audits. The experience gained above may also be under the direct
21 supervision of a certified public accountant employed by government
22 audit agencies in the performance of independent financial audits for
23 two (2) annual audits. Qualifications under this Section (iv) requires a
24 minimum of one hundred sixty (160) hours of auditing work under the
25 direct supervision of the external auditor."

1 **Section 5.** Section 2105(b)(3) is hereby *added* to Title 25 of the Guam
2 Administrative Rules to read as follows:

3 “(3) One (1) year of the two (2) year public accounting experience
4 requirement will be waived under Title 22 Guam Code Annotated
5 §35106(c)(2), *if* the applicant has had not less than thirty (30) semester
6 hours of study in addition to the requirements of Title 22 Guam Code
7 Annotated §35106(c). Such additional study shall be in the field of
8 business or related subjects.”

I MINA' BENTE KUATTRO NA LIHESLA JURAN GUAHAN

1998 (SECOND) Regular Session

Date: 1/2/98

VOTING SHEET

S Bill No. 715
 Resolution No. _____
 Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, Frank B., Jr.	✓			
BARRETT-ANDERSON, Elizabeth				
BLAZ, Anthony C.	✓			
BROWN, Joanne M. S.	✓			
CAMACHO, Felix P.	✓			
CAMACHO, Francisco P.	✓			
CHARFAUROS, Mark C.	1 ✓			
CRUZ, Edwardo J.	✓			
FLORES, William B.S.M.	1 ✓			
FORBES, Mark	✓			
KASPERBAUER, Lawrence F.	✓			
LAMORENA, Alberto C., V	✓			
LEON GUERRERO, Carlotta A.	✓			
LEON GUERRERO, Lou	✓			
PANGELINAN, Vicente C.	✓			
SALAS, John C.	✓			
SANTOS, Angel L.G.	✓			
SANTOS, Francis E.	✓			
UNPINGCO, Antonio R.	✓			
WON PAT, Judith T.	✓			

TOTAL 20 _____

CERTIFIED TRUE AND CORRECT:

 Clerk of the Legislature



MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
Office of the Vice Speaker
ANTHONY C. BLAZ



Chairman,
Finance & Taxation

August 3, 1998

Chairman,
Ethics & Standards

The Honorable Speaker Antonio R. Unpingco
Mina'Bente Kuattro na Liheslaturan Guahan
155 Hesler Street
Hagatna, Guahan 96910

Vice-Chairman,
Committee on Rules

Member,
Judiciary, Public Safety &
Consumer Protection

Dear Mr. Speaker:

Member,
Natural Resources

The Committee on Finance and Taxation, to which was referred *Bill No. 715(LS)*, "An Act to approve the amendments to the Guam Board of Accountancy Rules and Regulations", herein reports back with the recommendation *TO DO PASS BILL NO. 715(LS)*.

Member,
Tourism, Economic
Development, & Cultural
Affairs

Votes of the committee members are as follows:

Member,
Transportation,
Telecommunications &
Micronesian Affairs

10 To Pass

Member,
Guam Finance
Commission

___ Not to Pass

Member,
Commission on Self
Determination

___ To Place in Inactive File

___ Abstain

___ Off-Island

___ Not Available

A copy of the committee's report and other pertinent documents are enclosed for your reference and information.

ANTHONY C. BLAZ

attachments

COMMITTEE ON FINANCE & TAXATION
MINA BENTE KUATTRO NA LIHESLATURAN GUAHAN
 155 Hesler Street, Hagåtña, Guam 96910

Chairman: Vice Speaker Anthony C. Blaz Vice Chairman: Senator Mark Forbes
Ex-Officio Member: Speaker Antonio R. Unpingco

VOTING SHEET ON:

Bill 215 (LS) AN Act FOR
The Proposed Rules & Regulations for the Guam Board of Accountancy.

<u>COMMITTEE MEMBERS</u>	<u>INITIAL</u>	<u>TO APPROVE</u>	<u>NOT TO APPROVE</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
Sen. Anthony C. Blaz <i>Chairman</i>	<u>AW</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mark Forbes <i>Vice-Chairman</i>	<u>MF</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spkr. Antonio R. Unpingco <i>Ex-Officio Member</i>	<u>ARU</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Thomas C. Ada <i>Member</i>	<u>TA</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Joanne M.S. Brown <i>Member</i>	<u>JB</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mark Charfauros <i>Member</i>	<u>MC</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Edwardo J. Cruz <i>Member</i>	<u>EC</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Felix P. Camacho <i>Member</i>	<u>FC</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. William B.S.M. Flores <i>Member</i>	<u>WF</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Lawrence F. Kasperbauer <i>Member</i>	<u>LK</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Alberto A.C. Lamorena, V <i>Member</i>	<u>AL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Carlotta A. Leon Guerrero <i>Member</i>	<u>CL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. John C. Salas <i>Member</i>	<u>JS</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Francis E. Santos <i>Member</i>	<u>FS</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

EXHIBIT "A"

Revisions to Chapter 2, 25 Guam Administrative Rules, Guam Board of Accountancy 25 GAR §2103(d) Fees is amended to reflect new fees for services provided by the board. The amended fees shall be in effect on July 1, 1998. Said amendment of fees are approved. §2103(d) shall now read as follows:

(1) Examination Application (initial)	
(A) Student of a college or university and resident of Guam	\$ 50
(B) Non-Student	175
(2) Administration of Re-examination, per part	50
(3) Proctoring fee	150
(4) Certification	
(A) Initial certification	200
(B) Reciprocal certification	200
(5) Permits to practice in lieu of business license:	
(A) Initial permits (individual)	100
(B) Initial permits (firm)	250
(C) Renewal of permit (individual)	75
(D) Renewal of permit (firm)	200
(6) Delinquency fee for permit renewal application received after December 31	\$1.00 per day (minimum \$25)
(7) Copies of records, per page	.50
(8) Applications for reinstatement	250
(9) Annual reports of the Board, per copy	10

25 GAR §2104.(b)(1)(B) is amended by reducing the number of hours required in finance from six to three. The amended rule shall now read as follows:

“(B) Twenty-four semester hours, or the equivalent, in business administration subjects which shall include not less than six semester hours in economics, three semester hours in business law, and three semester hours in finance. Semester hours in accounting in excess of the minimum requirement of subsection (1)(A) may be substituted for semester hours of business administration for purposes this subsection (1)(B)”

25 GAR §2105.(b) Experience required for initial permit. §2105.(b)(2)(D)(iv) is amended to include the supervision by certified public accountants who work for the government concerning work experience gain by internal auditor. §2105.(b)(2)(D)(iv) is amended to read as follows:

- “iv. An internal auditor may gain this experience by working a minimum of two years as an internal auditor under the direct supervision of a certified public accountant and by working under the direct supervision of an external, independent auditor for two annual audits. The experience gained above may also be under the direct supervision of a certified public accountant employed by government audit agencies in the performance of independent financial audits for two annual audits. Qualifications under this section (iv) requires a minimum of 160 hours of auditing work under the direct supervision of the external auditor.”

25 GAR §2105.(b) Experience required for initial permit. §2105.(b) is amended by adding a new section (3) which shall read as follows:

- (3) One year of the two year public accounting experience requirement will be waived under Title 22 Guam Code Annotated §35106(c)(2), if the applicant has had not less than 30 semester hours of study in addition to the requirements of 22 Guam Code Annotated §35106(c). Such additional study shall be in the field of business or related subjects.

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Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

Committee Report

***Proposed Amendments to the Guam
Board of Accountancy Rules &
Regualtions.***

I. OVERVIEW:

The Committee on Finance and Taxation held a public hearing on Wednesday, July 22, 1998 at 1:30 p.m. in the legislative public hearing room to hear public testimony on *The Proposed Rules & Regulations for the Guam Board of Accountancy*. Public Notice was announced and published in the Saturday, July 18, 1998 and Tuesday, July 21, 1998 issues of the Pacific Daily News.

II. COMMITTEE MEMBERS PRESENT:

The hearing was called to order by the Chairman of the Committee on Finance and Taxation, Vice Speaker Anthony C. Blaz.

Other members of the Committee on Finance and Taxation present were:

Speaker Antonio R. Unpingco, Ex-Officio Member
Senator Eduardo Cruz, Member
Senator Lawrence F. Kasperbauer, Member
Senator Carlotta Leon Guerrero, Member
Senator John C. Salas, Member
Senator W. B. S. M. Flores, Member

Other Senators present were:

Senator Frank B. Aguon, Jr.
Senator Francisco P. Camacho
Senator Lou Leon Guerrero
Senator Vicente C. Pangelinan

Providing Public Testimony:

Ms. Taling Taitano, CPA, Chairperson

Mr. Todd Smith, CPA, Vice Chairperson

SUMMARY OF TESTIMONIES:

Taling Taitano, in her written testimony supported the amendments to the current rules and regulations. She outlined specific areas that will be changed and is attached for review.

COMMITTEE RECOMMENDATION:

The Committee, having conducted a sufficient hearing, recommends TO APPROVE, *The Proposed Rules & Regulations for the Guam Board of Accountancy.*

24th Guam Legislature
Committee on Rules, Government
Reform and Federal Affairs
Senator Mark Forbes, Chairman



JUN 12 1998

FILE COPY

MEMORANDUM

TO: Chairman
Committee on Finance and Taxation ✓

FROM: Chairman *[Signature]*
Committee on Rules, Government Reform and Federal Affairs

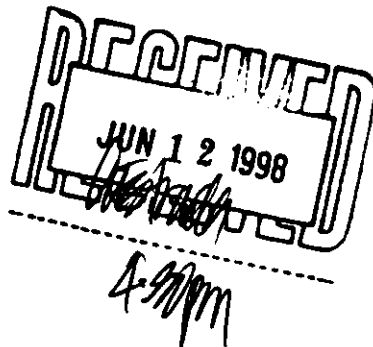
SUBJECT: Messages and Communications- Referral of

The following Message from the Governor is forwarded for your information and appropriate action:

1. From the Guam Board of Accountancy transmitting Proposed Amendments to the Guam Board of Accountancy Rules and Regulations.

MARK FORBES

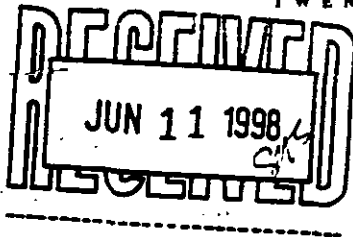
Attachment





MINA' BENTE KUATTRO NA LIHESLATURAN GUAHAN
TWENTY-FOURTH GUAM LEGISLATURE

155 Hesler Street, Agana, Guam 96910



June 11, 1998

Memorandum

To: Chairman, Committee on Rules,
Government Reform and Federal Affairs

From: Legislative Secretary

Subject: Message and Communications- Referral of

The following Message and Communications have been received and are being forwarded to your Committee for information and referral to appropriate committees:

1. Governor's message transmitting the appointment of Gordon Mailloux as a member of the Hagatna Restoration and Redevelopment Authority Board of Commissioners;
2. From the Guam Board of Accountancy transmitting the proposed amendments to the Guam Board of Accountancy Rules and Regulations; and
3. From the Department of Public Health and Social Services transmitting the Rules and Regulations for the Maternity Stay Act.


MARK FORBES
Acting

Attachments (3)

GUAM BOARD OF ACCOUNTANCY

JUN 10 1998

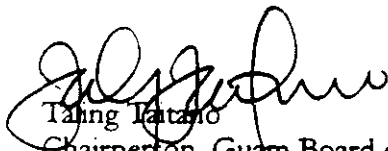
The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Speaker Unpingco:

In accordance with the Administrative Adjudication Law, §9303 of Title 5, Guam Code Annotated, as amended by Public Law No. 24-27, the Guam Board of Accountancy transmits the following: Proposed Amendments to the Guam Board of Accountancy Rules and Regulations.

Attached herewith are the original approval copy, one (1) duplicate, and one (1) copy of the entire record of the public hearing held on September 12, 1996, to be forwarded for recordation with the Legislative Secretary.

Very truly yours,



Taling Ilatano
Chairperson, Guam Board of Accountancy

Attachments

cc: The Honorable Carl T.C. Gutierrez, Governor of Guam
The Honorable Joanne M.S. Brown, Legislative Secretary

00870

OFFICE OF THE LEGISLATIVE SECRETARY ACKNOWLEDGMENT RECEIPT Received By: <u>[Signature]</u> Time: <u>4:00 pm</u> Date: <u>6.10.98</u>
--

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 6/10/98
Time: 2:30 pm
Rec'd by: [Signature]
Print Name: Joanne M.S. Brown

Revisions to Chapter 2, 25 Guam Administrative Rules, Guam Board of Accountancy 25 GAR §2103(d) Fees is amended to reflect new fees for services provided by the board. The amended fees shall be in effect on July 1, 1998. Said amendment of fees are approved. §2103(d) shall now read as follows:

(1) Examination Application (initial)	
(A) Student of a college or university and resident of Guam	\$ 50
(B) Non-Student	175
(2) Administration of Re-examination, per part	50
(3) Proctoring fee	150
(4) Certification	
(A) Initial certification	200
(B) Reciprocal certification	200
(5) Permits to practice in lieu of business license:	
(A) Initial permits (individual)	100
(B) Initial permits (firm)	250
(C) Renewal of permit (individual)	75
(D) Renewal of permit (firm)	200
(6) Delinquency fee for permit renewal application received after December 31	\$1.00 per day (minimum \$25)
(7) Copies of records, per page	.50
(8) Applications for reinstatement	250
(9) Annual reports of the Board, per copy	10

25 GAR §2104.(b)(1)(B) is amended by reducing the number of hours required in finance from six to three. The amended rule shall now read as follows:

“(B) Twenty-four semester hours, or the equivalent, in business administration subjects which shall include not less than six semester hours in economics, three semester hours in business law, and three semester hours in finance. Semester hours in accounting in excess of the minimum requirement of subsection (1)(A) may be substituted for semester hours of business administration for purposes this subsection (1)(B)”

25 GAR §2105.(b) Experience required for initial permit. §2105.(b)(2)(D)(iv) is amended to include the supervision by certified public accountants who work for the government concerning work experience gain by internal auditor. §2105.(b)(2)(D)(iv) is amended to read as follows:

“iv. An internal auditor may gain this experience by working a minimum of two years as an internal auditor under the direct supervision of a certified public accountant and by working under the direct supervision of an external, independent auditor for two annual audits. The experience gained above may also be under the direct supervision of a certified public accountant employed by government audit agencies in the performance of independent financial audits for two annual audits. Qualifications under this section (iv) requires a minimum of 160 hours of auditing work under the direct supervision of the external auditor.”

25 GAR §2105.(b) Experience required for initial permit. §2105.(b) is amended by adding a new section (3) which shall read as follows:

(3) One year of the two year public accounting experience requirement will be waived under Title 22 Guam Code Annotated §35106(c)(2), if the applicant has had not less than 30 semester hours of study in addition to the requirements of 22 Guam Code Annotated §35106(c). Such additional study shall be in the field of business or related subjects.

Revisions to Chapter 2, 25 Guam Administrative Rules, Guam Board of Accountancy 25 GAR §2103(d) Fees is amended to reflect new fees for services provided by the board. The amended fees shall be in effect on July 1, 1998. Said amendment of fees are approved. §2103(d) shall now read as follows:

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- “iv. An internal auditor may gain this experience by working a minimum of two years as an internal auditor under the direct supervision of a certified public accountant and by working under the direct supervision of an external, independent auditor for two annual audits. The experience gained above may also be under the direct supervision of a certified public accountant employed by government audit agencies in the performance of independent financial audits for two annual audits. Qualifications under this section (iv) requires a minimum of 160 hours of auditing work under the direct supervision of the external auditor.”

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**GUAM BOARD OF ACCOUNTANCY
MINUTES OF PUBLIC HEARING
SEPTEMBER 12, 1996
DEPT. OF REVENUE & TAXATION
TIYAN BARRIGADA GUAM**

A public hearing was held on September 12, 1996 at 5:40p.m. at the Department of Revenue & Taxation office, Tiyan Barrigada, Guam.

The purpose of said public hearing was to discuss proposed amendments to the Guam Board of Accountancy Rules and Regulations. The Board of Accountancy, by the authority given thereto by §35104(h) of Title 22 of the Guam Code Annotated, proposes amendments to its rules and regulations in the following areas: 1) educational requirements for CPA, 2) work experience requirements of an internal auditor; 3) work experience requirement partially waived if certain educational requirements are met; and 4) adjustment of fees for licensing, monitoring and regulating accountants on Guam.

Present were Taling Taitano and N. Oscar Miyashita of the Guam Board of Accountancy and Bob Pearson of the AG's office (Dept. of Revenue & Taxation).

No written or oral comments were made.

Public hearing was adjourned at 6:00 p.m.

GUAM BOARD OF ACCOUNTANCY

**P.O. Box 5753
Agana, Guam 96932**

July 22, 1998

The Honorable Anthony C. Blaz
Vice Speaker and Chairman
Committee on Finance and Taxation
Mina' Bente Kuattro Na Liheslaturan Guåhan
155 Hesler Street
Hågat'ña, Guam 96910

Re: Proposed Amendments to the Guam Board of Accountancy Rules and Regulations

Hafa Adai Vice Speaker Blaz!

Thank you very much for this opportunity to testify in favor of the proposed amendments to the Guam Board of Accountancy Rules and Regulations. The Board is recommending the following amendments:

Increase in fees.

As provided in the Public Accountancy Act of 1990 and the Board's Regulations, fees have been established to help cover the cost of administering the law and regulations to ensure that Guam's residents and businesses are provided quality accounting services.

Costs to administer the Certified Public Accountant examination to Guam candidates exceeded \$130 per exam while the Board collects an average of about \$70 from exam candidates. Also, please note that the examination fees currently charged by Guam fall well below examination fees charged elsewhere in the United States.

The Board requests an increase in fees charged for taking the CPA examination and for issuing CPA certificates and CPA permits to establish an independent Board, to cover the costs of current operations, and to improve the level of enforcement of the Act and Regulations with increased administrative support and training of staff and Board members. Specifically, the Board wants to increase its efforts in monitoring the continuing professional education credits, in the timely renewal of Permits to Practice, and in enforcing compliance with the Act in areas such as businesses improperly advertising as Certified Public Accountants.

Reduce the number of hours required in finance from six to three.

One of the conditions of sitting for the CPA exam is graduation from an accredited college or university with a concentration in accounting or equivalent. To qualify for an accounting concentration or equivalent requires six semester hours in finance. We proposed to reduce this to three hours in finance. This amendment will bring the regulations into agreement with the requirements established by the University of Guam to graduate with a degree in Accounting.

Amend the experience requirement for a permit to practice to include experience gained under the direct supervision of a CPA employed by government audit agencies.

Currently experience gained by working a minimum of 2 years as an internal auditor under the direct supervision of a CPA and by working under the direct supervision of the auditee's external, independent auditor for two annual audits meets the experience requirement for a permit to practice as a CPA. We would like to expand this to include experience gained under the direct supervision of a CPA employed by government audit agencies in the performance of independent financial audits for two annual audits. This would include agencies such as the Office of Inspector General and the Office of the Public Auditor.

**TESTIMONY OF THE
GUAM BOARD OF ACCOUNTANCY
TO THE
COMMITTEE ON FINANCE AND TAXATION
MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN**

**PUBLIC HEARING ON
PROPOSED AMENDMENTS TO THE GUAM BOARD OF
ACCOUNTANCY RULES AND REGULATIONS**

JULY 22, 1998

**GUAM BOARD OF ACCOUNTANCY
PUBLIC HEARING**

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PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS

INTRODUCTION:

Both the actual and publicly perceived quality and integrity of Guam's public accountants are of critical importance to the growth and continued health of Guam's economy and the acceptance of Guam's business by both national and international businesses and regulatory agencies. By providing independent audit, tax, and management consulting services to business, nonprofit, and government organizations, public accounting is a vital component of both private enterprise and government. The current Asian financial crisis has occurred, at least partly, because of inadequate financial disclosure and accounting laws. Over the past 30 years, Guam's accounting firms and individual practitioners have achieved increasing acceptance by those who use financial information and by those who need financial advice.

Although Guam began regulating the practice of public accounting in 1957, not until 1967 did a comprehensive public accounting law go into effect. On July 1, 1967, the "Public Accountancy Act of 1967" became effective to regulate the practice of public accounting in the public interest, to create a Board of Accountancy and to prescribe its powers and duties, and to provide penalties for the violation of the provisions of the Act. In May 1990, the 1967 Act was repealed and reenacted as the "Public Accountancy Act of 1990" (Title LVII, Chapter 1, Government Code of Guam), and was amended in 1994.

BOARD OF ACCOUNTANCY:

The Government of Guam administers the practice of public accounting through the Guam Board of Accountancy with some administrative assistance from the Guam Department of Revenue and Taxation. The current Board of Accountancy consists of five members appointed in January and February 1995 by Governor Carl T.C. Gutierrez to 4 year terms. A listing of the Board's members is included as Appendix 1. The Board, with one part-time Administrative Director, administers the 1990 Act (as amended) and Regulations adopted in 1992 by the Board pursuant to Section 54003(h), Title LVII of the Government Code.

PURPOSES OF BOARD

According to the Public Accountancy Act, the purpose of the Act, and the Board of Accountancy is to:

- 1) Promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises;
- 2) Help ensure that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of financial information shall have demonstrated their qualifications to do so;
- 3) Help ensure that persons who have not demonstrated and maintained such qualifications not be permitted to hold themselves out as having such special competence;
- 4) Prescribe and assess the qualifications of practitioners of public accountancy;
- 5) Regulate the professional conduct of practitioners of public accountancy; and,
- 6) Prohibit persons from using titles relating to the practice of public accountancy that are likely to mislead the public as to the status or competence of such persons.

In order to accomplish these purposes, the Board has implemented the following:

- 1) Certifying candidates for and administering the semiannual Certified Public Accountants' examination;
- 2) Certifying the examination results and subsequent applicants for certification;
- 3) Assisting in the issue of annual permits to practice in Guam to Certified Public Accountants which includes ensuring each permittee's compliance with mandated continuing education requirements;
- 4) Compiling listings of accountants and accounting firms permitted to conduct business as Certified Public Accountants on Guam and issuing an annual report of the Board's activities that includes these listings; and
- 5) Ensuring that individuals and firms offering public accounting services in Guam comply with the requirements of the Guam Accountancy Law.

FEE INCREASE

FEES: As provided in the Public Accountancy Act of 1990 and the Board's Regulations, fees have been established to help cover the cost of administering the law and regulations to ensure that Guam's residents and businesses are provided quality accounting services. A listing of fees currently in effect is included as Appendix 2.

The Board requests an increase in fees charged for taking the CPA examination and for issuing CPA certificates and CPA permits to establish an independent Board, to cover the costs of current operations, and to improve the level of enforcement of the Act and Regulations with increased administrative support and training of staff and Board members. Specifically, the Board wants to increase its efforts in monitoring the continuing professional education credits, in the timely renewal of Permits to Practice, and in enforcing compliance with the Act in areas such as businesses improperly advertising as Certified Public Accountants.

Historically, the Board's operating costs were absorbed primarily by the Department of Revenue and Taxation and, to a lesser extent, by the two large, local CPA firms and the Board members. In fact, during 1995 and 1996, two accounting firms had to advance over \$21,000 to allow the Board to administer the CPA examination. In addition, since its creation, the Board's administrative functions had been handled from various private sector professional offices, generally the offices of CPA firms. This situation creates a potential conflict of interest and should not be permitted to continue. Therefore:

1. An Increase In All Fees Charged By The Board Is Needed:

- To establish an independent and effective Board of Accountancy.

2. An Increase in Examination Fees Is Needed Because:

- The cost to administer the Certified Public Accountant examination exceeded \$130 per exam while the Board collected an average of about \$70 from exam candidates.

- The examination fees currently charged by Guam fall well below examination fees charged elsewhere in the United States.

- For example, Hawaii charges \$255 for the initial exam and \$245 for a re-exam including all four parts. Guam currently charges \$50 for the initial exam and \$100 for a four-part re-exam.

3. An Increase in Proctoring Fees Is Needed Because:

- The administrative costs involved in handling large numbers of proctoring candidates need to be recovered.

- The additional revenue will help fund necessary operations of the Board in future years while still allowing proctor candidates to save money and time by taking the CPA exam in Guam instead of in Hawaii or another state.

4. An Increase in Certification and Permitting Fees Is Needed Because:

- The beneficiaries of the improved administration of the Act, the Guam CPAs, should help defray the increased costs of administering the Continuing Professional Education requirements, and

- The Board must cover the costs that will be incurred with enforcing the Accountancy Act, such as the costs of investigations and litigation.

PUBLIC HEARING: On September 12, 1996, the Board held a public hearing to elicit comments on the proposed increase in fees; however, no comments were received at the hearing. Preceding the hearing, the Chairman of the University of Guam's Accounting Department expressed concern to a Board member about the impact of the proposed fee increase for the initial CPA exam on students in their final semester of college who want to take the CPA exam. Therefore, we amended the proposed fee increase to allow for a fee of \$50 for the exam to be administered to college students who are Guam residents.

REDUCTION OF REQUIRED FINANCE HOURS

The amendment is to bring the regulations into agreement with the requirements established by the University of Guam to graduate with a degree in Accounting.

WORK EXPERIENCE

1. The amendment is to clarify that audit experience gained by internal auditors working for a government entity performing independent financial statement audits can qualify as experience meeting the requirements for a CPA.

2. The amendment is to bring the regulations into agreement with the Accountancy Act.

DESCRIPTIONS OF THE BOARD'S FUNCTIONS

EXAMINATIONS: One of the primary functions of the Board is to administer the semiannual examinations to become a Certified Public Accountant. The Uniform Certified Public Accountants' examination is standardized for the entire United States and is prepared and graded by the American Institute of Certified Public Accountants. Most candidates undertake intensive study for up to 6 months to prepare for the examination.

The Board administers the examination primarily to Guam candidates; however, Guam is also a convenient testing site for examination candidates residing in the Commonwealth of the Northern Mariana Islands, Micronesia, Japan, Korea, and China. Although all candidates sitting for the examination on Guam must take all four parts of the examination at one time, candidates are given partial credit if they pass (with a score of 75 or greater) at least two parts of the four part exam and score a minimum of 50 on the parts of the examination not passed. A candidate receiving partial credit retains the partial credit for the next six exams and is required to take only the parts of the examination not passed. Candidates must pass the exam within the next six times they take the test or within the next six times the test is offered.

The University of Guam, Department of Accounting, is working with an affiliated professional accounting school in Japan in offering the graduates of the school the option to take the U.S. CPA examination in Guam. Many Japanese companies want their professional accountants who are assigned duties in the U.S. to have a U.S. CPA. This has the potential to both increase the Board's operating revenues and increase Guam's professional business reputation and visitor arrivals. The Board will continue to work with the University of Guam on this project.

CERTIFICATES: After the Board approves the examination results, as required by Section 54004(a) of the Guam Code, the Department of Revenue and Taxation issues the certificate of "Certified Public Accountant" to any applicant who (1) passed the examination, (2) meets the good character and education requirements of the Act and as established by regulation, and (3) pays the prescribed fees. From April 1968 through December 1996, the Territorial Boards have approved the issue of 265 Certificates of Public Accounting; however, to practice public accounting on Guam, each person must also qualify for and obtain a Permit to Practice.

PERMITS TO PRACTICE: As provided by the Accountancy Act, the Board issues permits to practice as Certified Public Accountants on Guam (in lieu of Business Licenses) to individuals and firms meeting the requirements established by law and rule. A major requirement is that applicants for permits to practice must document either 2

years of experience in the practice of public accountancy or 1 year of experience and 30 semester hours additional study beyond the baccalaureate level. In addition, to renew the permit to practice each individual must accomplish 120 hours of continuing education over a 3-year period including at least 20 hours in each year.

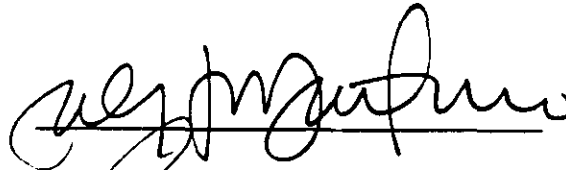
ENFORCEMENT: As provided by the Accountancy Act, the Board is responsible for enforcing the provisions of the Act including investigating and holding hearings relating to unlawful acts by individuals and/or firms performing services covered by the Act without the required permit. The Board can seek injunctions through the Guam courts and/or seek possible criminal proceedings through the Attorney General of Guam. In addition, the Board is also responsible for investigating and holding hearings of potential and/or alleged unlawful or improper act(s) by holders of certificates and permits. Depending on its findings, the Board may revoke or suspend the issue of the certificate and/or permit, reprimand, censure, or limit the scope of practice of the licensee, and/or impose an administrative fine.

CONCLUSION

The Board believes that the Legislature's approval of the Board's request for the increase in fees will complete the transition of the Board's operations to an organizationally independent and self-supporting entity that will assist in the growth of Guam's public accounting profession and will encourage Guam's continued economic growth by pursuing the objectives stated in the Public Accountancy Act. In addition, the other three amendments will bring the regulations into conformance with the Act and clarify the experience requirements for governmental internal auditors.

SUBMITTED TO THE CHAIRMAN AND COMMITTEE ON FINANCE AND TAXATION, LEGISLATURE OF GUAM THIS JULY 22, 1998, BY THE GUAM BOARD OF ACCOUNTANCY:

Ms. Taling Taitano, Chairperson:



Mr. William Prowse, Secretary:



MEMBERS OF THE GUAM BOARD OF ACCOUNTANCY

Ms. Taling Taitano, CPA, Chairperson

Mr. Todd S. Smith, CPA, Vice Chairperson

Mr. William Prowse, CPA, Secretary

Mr. N.Oscar Miyashita, CPA, CPA, Member

Ms. Judith K. Camacho, CPA, Member

APPENDIX 2

SCHEDULE OF CURRENT AND PROPOSED FEES

	<u>Current</u>	<u>Proposed</u>
a) Examination Application (Initial Non-Student):	\$50.00	\$175.00
(Guam Resident Student)	N/A	50.00
b) Administration of Re-Examination, per part:	25.00	50.00
c) Proctoring fee ¹ :	50.00	150.00
d) Initial Certification:	100.00	200.00
Reciprocal Certification:	100.00	200.00
e) Permits to Practice in lieu of Business License:		
(1) Initial permits - Individual:	50.00	100.00
(2) Initial firms - Firm:	100.00	250.00
(3) Renewal of Permit - Individual:	50.00	75.00
(4) Renewal of Permit - Firm:	25.00	200.00
f) Permit Renewal Application Delinquency Fee ² :		see note
g) Copies of Records - per page:	.25	.50
h) Application for Reinstatement:	100.00	250.00
i) Annual Report of the Board - per copy:	10.00	10.00

1 Additional fee to administer the examination to an applicant for another licensing jurisdiction.

2 Applications received after December 31 are subject to the assessment of a \$1.00 per day delinquency fee with a minimum charge of \$25.00.

Pacific Daily News
Saturday, July 18, 1998



NOTICE OF PUBLIC HEARING

Committee on Finance & Taxation Vice Speaker Anthony C. Blaz
MINA' BENTE KUÁTRO NA LIHESLATURAN GUÅHAN
155 HESLER ST. HÅGAT'NÅ, GUAM 96910

WEDNESDAY JULY 22, 1998, 1:30 PM
1 LIHESLATURAN GUÅHAN, PUBLIC HEARING ROOM

PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS

BILL 648: AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO SELL AN ABANDONED PRE-WAR BULL-CART TRAIL IN THE MUNICIPALITY OF TAMUNING.

BILL 649: AN ACT TO REQUIRE PARITY IN HEALTH INSURANCE FOR MENTAL ILLNESS AND CHEMICAL DEPENDENCY.

BILL 653: AN ACT TO ADOPT THE RULES AND REGULATIONS FOR SOLID WASTE COLLECTION, DISPOSAL, PROCESSING, AND RECYCLING FOR THE DIVISION OF SOLID WASTE MANAGEMENT OF THE DEPARTMENT OF PUBLIC WORKS.

BILL 654: AN ACT TO AUTHORIZE AND APPROPRIATE MONEY FROM THE GENERAL FUND TO THE GUAM MASS TRANSIT AUTHORITY FOR THE PURPOSES OF PURCHASING PASSENGER BUSES, MINI BUSES AND MINI VANS FOR THE SERVICIO PARA I MAN AMKO (SPIMA) PROJECT OF THE GOVERNMENT OF GUAM ASSOCIATION OF RETIRED PERSONS (GGARP).

BILL 675: AN ACT TO APPROPRIATE FROM THE MANPOWER DEVELOPMENT FUND TO THE DEPARTMENT OF ADMINISTRATION FOR WORKER'S COMPENSATION COMMISSION LIABILITY OF THE GOVERNMENT OF GUAM.

BILL 700: AN ACT TO AMEND CHAPTER 12, TITLE 12 GCA AND TO ADD NEW SECTIONS 32604 TO ARTICLE 6, CHAPTER 32, TITLE 5, GCA MANDATING THAT OVERALL OPERATIONS AND RATES CHARGED BY CABLE OPERATORS SHALL BE UNDER THE OVERSIGHT, SUPERVISION AND APPROVAL OF THE PUBLIC UTILITIES COMMISSION.

BILL 701: AN ACT TO ADD NEW PROVISIONS TO SECTION 7, P.L. 24-171, THE "TANO'-TA LAND USE PLAN", RELATIVE TO AUTHORIZING UNEXPENDED FY '98 FUNDS FOR IMPLEMENTATION OF THE PLAN TO BE CARRIED OVER TO 1999.

BILL 702: AN ACT TO ESTABLISH A SPECIAL FUND TO BE USED BY THE GOVERNMENT OF GUAM FOR THE COLLECTION AND DISTRIBUTION OF APPROPRIATED FUNDS FOR COMPETITIVE INTERSCHOLASTIC ACTIVITIES. THIS SPECIAL FUND SHALL BE KNOWN AS THE "INTERSCHOLASTIC PARITY FUND," AND SHALL BE USED TO PROVIDE PARITY TO COMPETITIVE INTERSCHOLASTIC ACTIVITIES BASED ON ACADEMIC ACHIEVEMENT.

BILL 703: AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF PARKS & RECREATION OFF-ISLAND SPORTS TRAVEL FUND TO SUBSIDIZE THE COST OF AIR TRAVEL FOR THE GUAM NATIONAL BASEBALL TEAM.

BILL 705: AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO SELL AN ABANDONED PRE-WAR BULL-CART TRAIL IN THE MUNICIPALITY OF DEDEDO.

The Public is invited to attend and present written and/or oral testimony.
Contact the Office of Vice-Speaker Anthony C. Blaz at 472-3557/5860

Pacific Daily News

Tuesday, July 21, 1998



NOTICE OF PUBLIC HEARING

Committee on Finance & Taxation Vice Speaker Anthony C. Blaz
MINA' BENTE KUATRO NA LIHESLATURAN GUÅHAN
155 HESLER ST. HÅGATNA, GUAM 96910

WEDNESDAY JULY 22, 1998, 1:30 PM
I LIHESLATURAN GUÅHAN, PUBLIC HEARING ROOM

**PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY
RULES AND REGULATIONS**

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The Public is Invited to Attend and present written and/or oral testimony.
Contact the Office of Vice-Speaker Anthony C. Blaz at 472-3557/58/60



Committee on Finan & Taxation

F.B. Aguon Jr Vice Speaker Anthony C. Blaz, Chairman

C.A. Leon Puente

B.E. Pangelinan

G.J. Cruz

A.C. Blaz

W.B.S.M. Pilon

C.A. Leon

F.P. Comacho

L.R. Kosman

Salat

Public Hearing

Wednesday, July 22, 1998

Public Hearing Room
158 MESERST, HÁGAT'NA, GUAM 96910

AGENDA

PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS

- ~~BILL 648:~~ AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO SELL AN ABANDONED PRE-WAR BULL-CART TRAIL IN THE MUNICIPALITY OF TAMUNING.
- ~~BILL 649:~~ AN ACT TO REQUIRE PARITY IN HEALTH INSURANCE FOR MENTAL ILLNESS AND CHEMICAL DEPENDENCY.
- ~~BILL 653:~~ AN ACT TO ADOPT THE RULES AND REGULATIONS FOR SOLID WASTE COLLECTION, DISPOSAL, PROCESSING, AND RECYCLING FOR THE DIVISION OF SOLID WASTE MANAGEMENT OF THE DEPARTMENT OF PUBLIC WORKS.
- ~~BILL 654:~~ AN ACT TO AUTHORIZE AND APPROPRIATE MONEY FROM THE GENERAL FUND TO THE GUAM MASS TRANSIT AUTHORITY FOR THE PURPOSES OF PURCHASING PASSENGER BUSES, MINI BUSES AND MINI VANS FOR THE SERVICIO PARA I MANAMKO (SPIMA) PROJECT OF THE GOVERNMENT OF GUAM ASSOCIATION OF RETIRED PERSONS (GGARP).
- ~~BILL 675:~~ AN ACT TO APPROPRIATE FROM THE MANPOWER DEVELOPMENT FUND TO THE DEPARTMENT OF ADMINISTRATION FOR WORKER'S COMPENSATION COMMISSION LIABILITY OF THE GOVERNMENT OF GUAM.
- ~~BILL 700:~~ AN ACT TO AMEND CHAPTER 12, TITLE 12 GCA AND TO ADD NEW SECTIONS 32604 TO ARTICLE 6, CHAPTER 32, TITLE 5, GCA MANDATING THAT OVERALL OPERATIONS AND RATES CHARGED BY CABLE OPERATORS SHALL BE UNDER THE OVERSIGHT, SUPERVISION AND APPROVAL OF THE PUBLIC UTILITIES COMMISSION.
- ~~BILL 701:~~ AN ACT TO ADD NEW PROVISIONS TO SECTION 7, P.L. 24-171, THE "I TANO'-TA LAND USE PLAN", RELATIVE TO AUTHORIZING UNEXPENDED FY '98 FUNDS FOR IMPLEMENTATION OF THE PLAN TO BE CARRIED OVER TO 1999.
- ~~BILL 702:~~ AN ACT TO ESTABLISH A SPECIAL FUND TO BE USED BY THE GOVERNMENT OF GUAM FOR THE COLLECTION AND DISTRIBUTION OF APPROPRIATED FUNDS FOR COMPETITIVE INTERSCHOLASTIC ACTIVITIES. THIS SPECIAL FUND SHALL BE KNOWN AS THE "INTERSCHOLASTIC PARITY FUND," AND SHALL BE USED TO PROVIDE PARITY TO COMPETITIVE INTERSCHOLASTIC ACTIVITIES BASED ON ACADEMIC ACHIEVEMENT.
- ~~BILL 703:~~ AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF PARKS & RECREATION OFF-ISLAND SPORTS TRAVEL FUND TO SUBSIDIZE THE COST OF AIR TRAVEL FOR THE GUAM NATIONAL BASEBALL TEAM.
- ~~BILL 705:~~ AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO SELL AN ABANDONED PRE-WAR BULL-CART TRAIL IN THE MUNICIPALITY OF DEDEDO.



MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
Office of the Vice Speaker
ANTHONY C. BLAZ

Chairman,
Finance & Taxation

July 13, 1998

Chairman,
Ethics & Standards

The Honorable Speaker Antonio R. Unpingco
Mina'Bente Kuattro na Liheslaturan Guahan
155 Hesler Street
Hagatna, Guahan 96910

Vice-Chairman,
Committee on Rules

Member,
Judiciary, Public Safety &
Consumer Protection

Dear Mr. Speaker:

Member,
Natural Resources

The Committee on Finance and Taxation, to which was referred *The Proposed Rules & Regulations for the Guam Board of Accountancy*, herein reports back with the recommendation **TO APPROVE**.

Member,
Tourism, Economic
Development, & Cultural
Affairs

Votes of the committee members are as follows:

Member,
Transportation,
Telecommunications &
Micronesian Affairs

 D

To Approve

Member,
Guam Finance
Commission

Not to Approve

Member,
Commission on Self
Determination

To Place in Inactive File

Abstain

Off-Island

Not Available

A copy of the committee's report and other pertinent documents are enclosed for your reference and information.


ANTHONY C. BLAZ

attachments

COMMITTEE ON FINANCE & TAXATION

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN

155 Hesler Street, Hagåtña, Guam 96910

Chairman: Vice Speaker Anthony C. Blaz Vice Chairman: Senator Mark Forbes
Ex-Officio Member: Speaker Antonio R. Unpingco

VOTING SHEET ON:

The Proposed Rules & Regulations for the Guam Board of Accountancy.

<u>COMMITTEE MEMBERS</u>	<u>INITIAL</u>	<u>TO APPROVE</u>	<u>NOT TO APPROVE</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
Sen. Anthony C. Blaz <i>Chairman</i>	<u>AW</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Mark Forbes <i>Vice-Chairman</i>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Spkr. Antonio R. Unpingco <i>Ex-Officio Member</i>	<u>AO</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Thomas C. Ada <i>Member</i>	<u>TA</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Joanne M.S. Brown <i>Member</i>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Mark Charfauros <i>Member</i>	<u>MC</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Edwardo J. Cruz <i>Member</i>	<u>EJC</u>	<u>2</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Felix P. Camacho <i>Member</i>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. William B.S.M. Flores <i>Member</i>	<u>WF</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Lawrence F. Kasperbauer <i>Member</i>	<u>LAK</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Alberto A.C. Lamorena, V <i>Member</i>	<u>ACL</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Carlotta A. Leon Guerrero <i>Member</i>	<u>CLG</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. John C. Salas <i>Member</i>	<u>JS</u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Sen. Francis E. Santos <i>Member</i>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>



Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

Committee Report

***Proposed Amendments to the Guam
Board of Accountancy Rules &
Regualtions.***

I. OVERVIEW:

The Committee on Finance and Taxation held a public hearing on Wednesday, July 22, 1998 at 1:30 p.m. in the legislative public hearing room to hear public testimony on *The Proposed Rules & Regulations for the Guam Board of Accountancy*. Public Notice was announced and published in the Saturday, July 18, 1998 and Tuesday, July 21, 1998 issues of the Pacific Daily News.

II. COMMITTEE MEMBERS PRESENT:

The hearing was called to order by the Chairman of the Committee on Finance and Taxation, Vice Speaker Anthony C. Blaz.

Other members of the Committee on Finance and Taxation present were:

Speaker Antonio R. Unpingco, Ex-Officio Member
Senator Eduardo Cruz, Member
Senator Lawrence F. Kasperbauer, Member
Senator Carlotta Leon Guerrero, Member
Senator John C. Salas, Member
Senator W. B. S. M. Flores, Member

Other Senators present were:

Senator Frank B. Aguon, Jr.
Senator Francisco P. Camacho
Senator Lou Leon Guerrero
Senator Vicente C. Pangelinan

Providing Public Testimony:

Ms. Taling Taitano, CPA, Chairperson

Mr. Todd Smith, CPA, Vice Chairperson

SUMMARY OF TESTIMONIES:

Taling Taitano, in her written testimony supported the amendments to the current rules and regulations. She outlined specific areas that will be changed and is attached for review.

COMMITTEE RECOMMENDATION:

The Committee, having conducted a sufficient hearing, recommends **TO APPROVE**, *The Proposed Rules & Regulations for the Guam Board of Accountancy*.

24th Guam Legislature
Committee on Rules, Government
Reform and Federal Affairs
Senator Mark Forbes, Chairman



JUN 12 1998

FILE COPY

MEMORANDUM

TO: Chairman
Committee on Finance and Taxation ✓

FROM: Chairman *[Signature]*
Committee on Rules, Government Reform and Federal Affairs

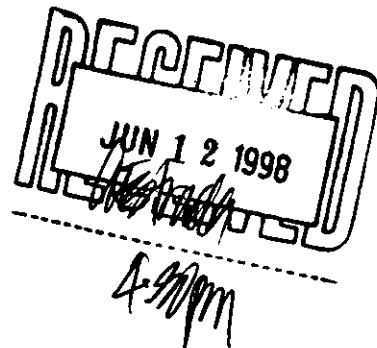
SUBJECT: Messages and Communications- Referral of

The following Message from the Governor is forwarded for your information and appropriate action:

1. From the Guam Board of Accountancy transmitting Proposed Amendments to the Guam Board of Accountancy Rules and Regulations.

MARK FORBES

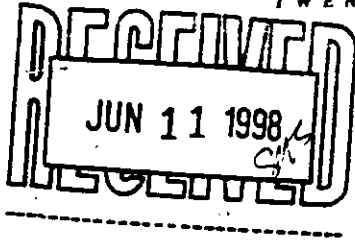
Attachment





MINA' BENTE KUATTRO NA LIHESLATURAN GUÅHAN
TWENTY-FOURTH GUAM LEGISLATURE

155 Hesler Street, Agana, Guam 96910



June 11, 1998

Memorandum

To: Chairman, Committee on Rules,
Government Reform and Federal Affairs

From: Legislative Secretary

Subject: Message and Communications- Referral of

The following Message and Communications have been received and are being forwarded to your Committee for information and referral to appropriate committees:

1. Governor's message transmitting the appointment of Gordon Mailloux as a member of the Hagatna Restoration and Redevelopment Authority Board of Commissioners;
2. From the Guam Board of Accountancy transmitting the proposed amendments to the Guam Board of Accountancy Rules and Regulations; and
3. From the Department of Public Health and Social Services transmitting the Rules and Regulations for the Maternity Stay Act.


MARK FORBES
Acting

Attachments (3)

GUAM BOARD OF ACCOUNTANCY

JUN 10 1998

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Speaker Unpingco:

In accordance with the Administrative Adjudication Law, §9303 of Title 5, Guam Code Annotated, as amended by Public Law No. 24-27, the Guam Board of Accountancy transmits the following: Proposed Amendments to the Guam Board of Accountancy Rules and Regulations.

Attached herewith are the original approval copy, one (1) duplicate, and one (1) copy of the entire record of the public hearing held on September 12, 1996, to be forwarded for recordation with the Legislative Secretary.


Very truly yours,



Taling Ilatano
Chairperson, Guam Board of Accountancy

Attachments

cc: The Honorable Carl T.C. Gutierrez, Governor of Guam
The Honorable Joanne M.S. Brown, Legislative Secretary

00870

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	<u>4:00 pm</u>
Date	<u>6.10.98</u>

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 6/10/98
Time: 2:30 pm
Rec'd by: 
Print Name: Joanne M.S. Brown

Revisions to Chapter 2, 25 Guam Administrative Rules, Guam Board of Accountancy 25 GAR §2103(d) Fees is amended to reflect new fees for services provided by the board. The amended fees shall be in effect on July 1, 1998. Said amendment of fees are approved. §2103(d) shall now read as follows:

(1) Examination Application (initial)	
(A) Student of a college or university and resident of Guam	\$ 50
(B) Non-Student	175
(2) Administration of Re-examination, per part	50
(3) Proctoring fee	150
(4) Certification	
(A) Initial certification	200
(B) Reciprocal certification	200
(5) Permits to practice in lieu of business license:	
(A) Initial permits (individual)	100
(B) Initial permits (firm)	250
(C) Renewal of permit (individual)	75
(D) Renewal of permit (firm)	200
(6) Delinquency fee for permit renewal application received after December 31	\$1.00 per day (minimum \$25)
(7) Copies of records, per page	.50
(8) Applications for reinstatement	250
(9) Annual reports of the Board, per copy	10

25 GAR §2104.(b)(1)(B) is amended by reducing the number of hours required in finance from six to three. The amended rule shall now read as follows:

“(B) Twenty-four semester hours, or the equivalent, in business administration subjects which shall include not less than six semester hours in economics, three semester hours in business law, and three semester hours in finance. Semester hours in accounting in excess of the minimum requirement of subsection (1)(A) may be substituted for semester hours of business administration for purposes this subsection (1)(B)”

25 GAR §2105.(b) Experience required for initial permit. §2105.(b)(2)(D)(iv) is amended to include the supervision by certified public accountants who work for the government concerning work experience gain by internal auditor. §2105.(b)(2)(D)(iv) is amended to read as follows:

- “iv. An internal auditor may gain this experience by working a minimum of two years as an internal auditor under the direct supervision of a certified public accountant and by working under the direct supervision of an external, independent auditor for two annual audits. The experience gained above may also be under the direct supervision of a certified public accountant employed by government audit agencies in the performance of independent financial audits for two annual audits. Qualifications under this section (iv) requires a minimum of 160 hours of auditing work under the direct supervision of the external auditor.”

25 GAR §2105.(b) Experience required for initial permit. §2105.(b) is amended by adding a new section (3) which shall read as follows:

- (3) One year of the two year public accounting experience requirement will be waived under Title 22 Guam Code Annotated §35106(c)(2), if the applicant has had not less than 30 semester hours of study in addition to the requirements of 22 Guam Code Annotated §35106(c). Such additional study shall be in the field of business or related subjects.

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**GUAM BOARD OF ACCOUNTANCY
MINUTES OF PUBLIC HEARING
SEPTEMBER 12, 1996
DEPT. OF REVENUE & TAXATION
TIYAN BARRIGADA GUAM**

A public hearing was held on September 12, 1996 at 5:40p.m. at the Department of Revenue & Taxation office, Tiyan Barrigada, Guam.

The purpose of said public hearing was to discuss proposed amendments to the Guam Board of Accountancy Rules and Regulations. The Board of Accountancy, by the authority given thereto by §35104(h) of Title 22 of the Guam Code Annotated, proposes amendments to its rules and regulations in the following areas: 1) educational requirements for CPA, 2) work experience requirements of an internal auditor; 3) work experience requirement partially waived if certain educational requirements are met; and 4) adjustment of fees for licensing, monitoring and regulating accountants on Guam.

Present were Taling Taitano and N. Oscar Miyashita of the Guam Board of Accountancy and Bob Pearson of the AG's office (Dept. of Revenue & Taxation).

No written or oral comments were made.

Public hearing was adjourned at 6:00 p.m.

GUAM BOARD OF ACCOUNTANCY
P.O. Box 5753
Agana, Guam 96932

July 22, 1998

The Honorable Anthony C. Blaz
Vice Speaker and Chairman
Committee on Finance and Taxation
Mina' Bente Kuattro Na Liheslaturan Guahan
155 Hesler Street
Hågat'ña, Guam 96910

Re: Proposed Amendments to the Guam Board of Accountancy Rules and Regulations

Hafa Adai Vice Speaker Blaz!

Thank you very much for this opportunity to testify in favor of the proposed amendments to the Guam Board of Accountancy Rules and Regulations. The Board is recommending the following amendments:

Increase in fees.

As provided in the Public Accountancy Act of 1990 and the Board's Regulations, fees have been established to help cover the cost of administering the law and regulations to ensure that Guam's residents and businesses are provided quality accounting services.

Costs to administer the Certified Public Accountant examination to Guam candidates exceeded \$130 per exam while the Board collects an average of about \$70 from exam candidates. Also, please note that the examination fees currently charged by Guam fall well below examination fees charged elsewhere in the United States.

The Board requests an increase in fees charged for taking the CPA examination and for issuing CPA certificates and CPA permits to establish an independent Board, to cover the costs of current operations, and to improve the level of enforcement of the Act and Regulations with increased administrative support and training of staff and Board members. Specifically, the Board wants to increase its efforts in monitoring the continuing professional education credits, in the timely renewal of Permits to Practice, and in enforcing compliance with the Act in areas such as businesses improperly advertising as Certified Public Accountants.

Reduce the number of hours required in finance from six to three.

One of the conditions of sitting for the CPA exam is graduation from an accredited college or university with a concentration in accounting or equivalent. To qualify for an accounting concentration or equivalent requires six semester hours in finance. We proposed to reduce this to three hours in finance. This amendment will bring the regulations into agreement with the requirements established by the University of Guam to graduate with a degree in Accounting.

Amend the experience requirement for a permit to practice to include experience gained under the direct supervision of a CPA employed by government audit agencies.

Currently experience gained by working a minimum of 2 years as an internal auditor under the direct supervision of a CPA and by working under the direct supervision of the auditce's external, independent auditor for two annual audits meets the experience requirement for a permit to practice as a CPA. We would like to expand this to include experience gained under the direct supervision of a CPA employed by government audit agencies in the performance of independent financial audits for two annual audits. This would include agencies such as the Office of Inspector General and the Office of the Public Auditor.

**TESTIMONY OF THE
GUAM BOARD OF ACCOUNTANCY
TO THE
COMMITTEE ON FINANCE AND TAXATION
MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN**

**PUBLIC HEARING ON
PROPOSED AMENDMENTS TO THE GUAM BOARD OF
ACCOUNTANCY RULES AND REGULATIONS**

JULY 22, 1998

**GUAM BOARD OF ACCOUNTANCY
PUBLIC HEARING**

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PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS

INTRODUCTION:

Both the actual and publicly perceived quality and integrity of Guam's public accountants are of critical importance to the growth and continued health of Guam's economy and the acceptance of Guam's business by both national and international businesses and regulatory agencies. By providing independent audit, tax, and management consulting services to business, nonprofit, and government organizations, public accounting is a vital component of both private enterprise and government. The current Asian financial crisis has occurred, at least partly, because of inadequate financial disclosure and accounting laws. Over the past 30 years, Guam's accounting firms and individual practitioners have achieved increasing acceptance by those who use financial information and by those who need financial advice.

Although Guam began regulating the practice of public accounting in 1957, not until 1967 did a comprehensive public accounting law go into effect. On July 1, 1967, the "Public Accountancy Act of 1967" became effective to regulate the practice of public accounting in the public interest, to create a Board of Accountancy and to prescribe its powers and duties, and to provide penalties for the violation of the provisions of the Act. In May 1990, the 1967 Act was repealed and reenacted as the "Public Accountancy Act of 1990" (Title LVII, Chapter 1, Government Code of Guam), and was amended in 1994.

BOARD OF ACCOUNTANCY:

The Government of Guam administers the practice of public accounting through the Guam Board of Accountancy with some administrative assistance from the Guam Department of Revenue and Taxation. The current Board of Accountancy consists of five members appointed in January and February 1995 by Governor Carl T.C. Gutierrez to 4 year terms. A listing of the Board's members is included as Appendix 1. The Board, with one part-time Administrative Director, administers the 1990 Act (as amended) and Regulations adopted in 1992 by the Board pursuant to Section 54003(h), Title LVII of the Government Code.

PURPOSES OF BOARD

According to the Public Accountancy Act, the purpose of the Act, and the Board of Accountancy is to:

- 1) Promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises;
- 2) Help ensure that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of financial information shall have demonstrated their qualifications to do so;
- 3) Help ensure that persons who have not demonstrated and maintained such qualifications not be permitted to hold themselves out as having such special competence;
- 4) Prescribe and assess the qualifications of practitioners of public accountancy;
- 5) Regulate the professional conduct of practitioners of public accountancy; and,
- 6) Prohibit persons from using titles relating to the practice of public accountancy that are likely to mislead the public as to the status or competence of such persons.

In order to accomplish these purposes, the Board has implemented the following:

- 1) Certifying candidates for and administering the semiannual Certified Public Accountants' examination;
- 2) Certifying the examination results and subsequent applicants for certification;
- 3) Assisting in the issue of annual permits to practice in Guam to Certified Public Accountants which includes ensuring each permittee's compliance with mandated continuing education requirements;
- 4) Compiling listings of accountants and accounting firms permitted to conduct business as Certified Public Accountants on Guam and issuing an annual report of the Board's activities that includes these listings; and
- 5) Ensuring that individuals and firms offering public accounting services in Guam comply with the requirements of the Guam Accountancy Law.

FEE INCREASE

FEES: As provided in the Public Accountancy Act of 1990 and the Board's Regulations, fees have been established to help cover the cost of administering the law and regulations to ensure that Guam's residents and businesses are provided quality accounting services. A listing of fees currently in effect is included as Appendix 2.

The Board requests an increase in fees charged for taking the CPA examination and for issuing CPA certificates and CPA permits to establish an independent Board, to cover the costs of current operations, and to improve the level of enforcement of the Act and Regulations with increased administrative support and training of staff and Board members. Specifically, the Board wants to increase its efforts in monitoring the continuing professional education credits, in the timely renewal of Permits to Practice, and in enforcing compliance with the Act in areas such as businesses improperly advertising as Certified Public Accountants.

Historically, the Board's operating costs were absorbed primarily by the Department of Revenue and Taxation and, to a lesser extent, by the two large, local CPA firms and the Board members. In fact, during 1995 and 1996, two accounting firms had to advance over \$21,000 to allow the Board to administer the CPA examination. In addition, since its creation, the Board's administrative functions had been handled from various private sector professional offices, generally the offices of CPA firms. This situation creates a potential conflict of interest and should not be permitted to continue. Therefore:

1. An Increase In All Fees Charged By The Board Is Needed:

- To establish an independent and effective Board of Accountancy.

2. An Increase in Examination Fees Is Needed Because:

- The cost to administer the Certified Public Accountant examination exceeded \$130 per exam while the Board collected an average of about \$70 from exam candidates.

- The examination fees currently charged by Guam fall well below examination fees charged elsewhere in the United States.

- For example, Hawaii charges \$255 for the initial exam and \$245 for a re-exam including all four parts. Guam currently charges \$50 for the initial exam and \$100 for a four-part re-exam.

3. An Increase in Proctoring Fees Is Needed Because:

- The administrative costs involved in handling large numbers of proctoring candidates need to be recovered.

- The additional revenue will help fund necessary operations of the Board in future years while still allowing proctor candidates to save money and time by taking the CPA exam in Guam instead of in Hawaii or another state.

4. An Increase in Certification and Permitting Fees Is Needed Because:

- The beneficiaries of the improved administration of the Act, the Guam CPAs, should help defray the increased costs of administering the Continuing Professional Education requirements, and

- The Board must cover the costs that will be incurred with enforcing the Accountancy Act, such as the costs of investigations and litigation.

PUBLIC HEARING: On September 12, 1996, the Board held a public hearing to elicit comments on the proposed increase in fees; however, no comments were received at the hearing. Preceding the hearing, the Chairman of the University of Guam's Accounting Department expressed concern to a Board member about the impact of the proposed fee increase for the initial CPA exam on students in their final semester of college who want to take the CPA exam. Therefore, we amended the proposed fee increase to allow for a fee of \$50 for the exam to be administered to college students who are Guam residents.

REDUCTION OF REQUIRED FINANCE HOURS

The amendment is to bring the regulations into agreement with the requirements established by the University of Guam to graduate with a degree in Accounting.

WORK EXPERIENCE

1. The amendment is to clarify that audit experience gained by internal auditors working for a government entity performing independent financial statement audits can qualify as experience meeting the requirements for a CPA.

2. The amendment is to bring the regulations into agreement with the Accountancy Act.

DESCRIPTIONS OF THE BOARD'S FUNCTIONS

EXAMINATIONS: One of the primary functions of the Board is to administer the semiannual examinations to become a Certified Public Accountant. The Uniform Certified Public Accountants' examination is standardized for the entire United States and is prepared and graded by the American Institute of Certified Public Accountants. Most candidates undertake intensive study for up to 6 months to prepare for the examination.

The Board administers the examination primarily to Guam candidates; however, Guam is also a convenient testing site for examination candidates residing in the Commonwealth of the Northern Mariana Islands, Micronesia, Japan, Korea, and China. Although all candidates sitting for the examination on Guam must take all four parts of the examination at one time, candidates are given partial credit if they pass (with a score of 75 or greater) at least two parts of the four part exam and score a minimum of 50 on the parts of the examination not passed. A candidate receiving partial credit retains the partial credit for the next six exams and is required to take only the parts of the examination not passed. Candidates must pass the exam within the next six times they take the test or within the next six times the test is offered.

The University of Guam, Department of Accounting, is working with an affiliated professional accounting school in Japan in offering the graduates of the school the option to take the U.S. CPA examination in Guam. Many Japanese companies want their professional accountants who are assigned duties in the U.S. to have a U.S. CPA. This has the potential to both increase the Board's operating revenues and increase Guam's professional business reputation and visitor arrivals. The Board will continue to work with the University of Guam on this project.

CERTIFICATES: After the Board approves the examination results, as required by Section 54004(a) of the Guam Code, the Department of Revenue and Taxation issues the certificate of "Certified Public Accountant" to any applicant who (1) passed the examination, (2) meets the good character and education requirements of the Act and as established by regulation, and (3) pays the prescribed fees. From April 1968 through December 1996, the Territorial Boards have approved the issue of 265 Certificates of Public Accounting; however, to practice public accounting on Guam, each person must also qualify for and obtain a Permit to Practice.

PERMITS TO PRACTICE: As provided by the Accountancy Act, the Board issues permits to practice as Certified Public Accountants on Guam (in lieu of Business Licenses) to individuals and firms meeting the requirements established by law and rule. A major requirement is that applicants for permits to practice must document either 2

years of experience in the practice of public accountancy or 1 year of experience and 30 semester hours additional study beyond the baccalaureate level. In addition, to renew the permit to practice each individual must accomplish 120 hours of continuing education over a 3-year period including at least 20 hours in each year.

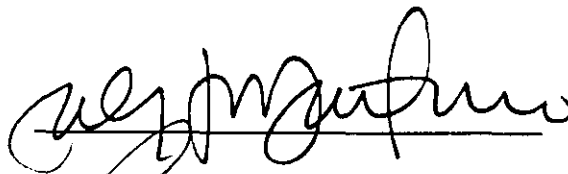
ENFORCEMENT: As provided by the Accountancy Act, the Board is responsible for enforcing the provisions of the Act including investigating and holding hearings relating to unlawful acts by individuals and/or firms performing services covered by the Act without the required permit. The Board can seek injunctions through the Guam courts and/or seek possible criminal proceedings through the Attorney General of Guam. In addition, the Board is also responsible for investigating and holding hearings of potential and/or alleged unlawful or improper act(s) by holders of certificates and permits. Depending on its findings, the Board may revoke or suspend the issue of the certificate and/or permit, reprimand, censure, or limit the scope of practice of the licensee, and/or impose an administrative fine.

CONCLUSION

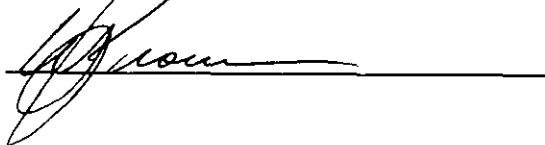
The Board believes that the Legislature's approval of the Board's request for the increase in fees will complete the transition of the Board's operations to an organizationally independent and self-supporting entity that will assist in the growth of Guam's public accounting profession and will encourage Guam's continued economic growth by pursuing the objectives stated in the Public Accountancy Act. In addition, the other three amendments will bring the regulations into conformance with the Act and clarify the experience requirements for governmental internal auditors.

SUBMITTED TO THE CHAIRMAN AND COMMITTEE ON FINANCE AND TAXATION, LEGISLATURE OF GUAM THIS JULY 22, 1998, BY THE GUAM BOARD OF ACCOUNTANCY:

Ms. Taling Taitano, Chairperson:



Mr. William Prowse, Secretary:



MEMBERS OF THE GUAM BOARD OF ACCOUNTANCY

Ms. Taling Taitano, CPA, Chairperson

Mr. Todd S. Smith, CPA, Vice Chairperson

Mr. William Prowse, CPA, Secretary

Mr. N.Oscar Miyashita, CPA, CPA, Member

Ms. Judith K. Camacho, CPA, Member

SCHEDULE OF CURRENT AND PROPOSED FEES

	<u>Current</u>	<u>Proposed</u>
a) Examination Application (Initial Non-Student):	\$50.00	\$175.00
(Guam Resident Student)	N/A	50.00
b) Administration of Re-Examination, per part:	25.00	50.00
c) Proctoring fee ¹ :	50.00	150.00
d) Initial Certification:	100.00	200.00
Reciprocal Certification:	100.00	200.00
e) Permits to Practice in lieu of Business License:		
(1) Initial permits - Individual:	50.00	100.00
(2) Initial firms - Firm:	100.00	250.00
(3) Renewal of Permit - Individual:	50.00	75.00
(4) Renewal of Permit - Firm:	25.00	200.00
f) Permit Renewal Application Delinquency Fee ² :		see note
g) Copies of Records - per page:	.25	.50
h) Application for Reinstatement:	100.00	250.00
i) Annual Report of the Board - per copy:	10.00	10.00

1 Additional fee to administer the examination to an applicant for another licensing jurisdiction.

2 Applications received after December 31 are subject to the assessment of a \$1.00 per day delinquency fee with a minimum charge of \$25.00.

Pacific Daily News
Saturday, July 18, 1998



NOTICE OF PUBLIC HEARING

Committee on Finance & Taxation Vice Speaker Anthony C. Blaz
MINA' BENTE KUÁTRO NA LIHESLATURAN GUÁHAN
155 HESLER ST. HÁGAT'NÁ, GUAM 96910

WEDNESDAY JULY 22, 1998, 1:30 PM
LIHESLATURAN GUÁHAN, PUBLIC HEARING ROOM

PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY RULES AND REGULATIONS

BILL 648: AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO SELL AN ABANDONED PRE-WAR BULL-CART TRAIL IN THE MUNICIPALITY OF TAMUNING.

BILL 649: AN ACT TO REQUIRE PARITY IN HEALTH INSURANCE FOR MENTAL ILLNESS AND CHEMICAL DEPENDENCY.

BILL 653: AN ACT TO ADOPT THE RULES AND REGULATIONS FOR SOLID WASTE COLLECTION, DISPOSAL, PROCESSING, AND RECYCLING FOR THE DIVISION OF SOLID WASTE MANAGEMENT OF THE DEPARTMENT OF PUBLIC WORKS.

BILL 654: AN ACT TO AUTHORIZE AND APPROPRIATE MONEY FROM THE GENERAL FUND TO THE GUAM MASS TRANSIT AUTHORITY FOR THE PURPOSES OF PURCHASING PASSENGER BUSES, MINI BUSES AND MINI VANS FOR THE SERVICIO PARA I MAN AMKO (SPIMA) PROJECT OF THE GOVERNMENT OF GUAM ASSOCIATION OF RETIRED PERSONS (GGARP).

BILL 675: AN ACT TO APPROPRIATE FROM THE MANPOWER DEVELOPMENT FUND TO THE DEPARTMENT OF ADMINISTRATION FOR WORKER'S COMPENSATION COMMISSION LIABILITY OF THE GOVERNMENT OF GUAM.

BILL 700: AN ACT TO AMEND CHAPTER 12, TITLE 12 GCA AND TO ADD NEW SECTIONS 32604 TO ARTICLE 6, CHAPTER 32, TITLE 5, GCA MANDATING THAT OVERALL OPERATIONS AND RATES CHARGED BY CABLE OPERATORS SHALL BE UNDER THE OVERSIGHT, SUPERVISION AND APPROVAL OF THE PUBLIC UTILITIES COMMISSION.

BILL 701: AN ACT TO ADD NEW PROVISIONS TO SECTION 7, P.L. 24-171, THE "I TANO-TA LAND USE PLAN", RELATIVE TO AUTHORIZING UNEXPENDED FY '98 FUNDS FOR IMPLEMENTATION OF THE PLAN TO BE CARRIED OVER TO 1999.

BILL 702: AN ACT TO ESTABLISH A SPECIAL FUND TO BE USED BY THE GOVERNMENT OF GUAM FOR THE COLLECTION AND DISTRIBUTION OF APPROPRIATED FUNDS FOR COMPETITIVE INTERSCHOLASTIC ACTIVITIES. THIS SPECIAL FUND SHALL BE KNOWN AS THE "INTERSCHOLASTIC PARITY FUND," AND SHALL BE USED TO PROVIDE PARITY TO COMPETITIVE INTERSCHOLASTIC ACTIVITIES BASED ON ACADEMIC ACHIEVEMENT.

BILL 703: AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF PARKS & RECREATION OFF-ISLAND SPORTS TRAVEL FUND TO SUBSIDIZE THE COST OF AIR TRAVEL FOR THE GUAM NATIONAL BASEBALL TEAM.

BILL 705: AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO SELL AN ABANDONED PRE-WAR BULL-CART TRAIL IN THE MUNICIPALITY OF DEDEDO.

**The Public is Invited to Attend and present written and/or oral testimony.
Contact the Office of Vice-Speaker Anthony C. Blaz at 472-3557/58,60**

Pacific Daily News
Tuesday, July 21, 1998



NOTICE OF PUBLIC HEARING

Committee on Finance & Taxation Vice Speaker Anthony C. Blaz
MIRIA BENTE KUATRO NA LIHESLATURAN GUÅHAN
135 HESLER ST. HÅGATINÅ GUAM 96910

WEDNESDAY JULY 22, 1998, 1:30 PM
I LIHESLATURAN GUÅHAN, PUBLIC HEARING ROOM

**PROPOSED AMENDMENTS TO THE GUAM BOARD OF ACCOUNTANCY
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