

*I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN*  
2015 (FIRST) Regular Session

Bill No. 46 -33 (COR )

Introduced by:

D.G. RODRIGUEZ, JR. 

R. J. Respicio 

AN ACT TO ADD A NEW § 6235 TO ARTICLE 2 OF CHAPTER 6, 4 GCA, RELATIVE TO PROVIDING A PAY INCENTIVE TO GOVERNMENT OF GUAM LINE AGENCY'S, THE OFFICE OF PUBLIC ACCOUNTABILITY, AND THE GUAM DEPARTMENT OF EDUCATION EMPLOYEES WHO HAVE OBTAINED CERTIFIED PUBLIC ACCOUNTANT, CERTIFIED GOVERNMENT FINANCIAL MANAGEMENT, CERTIFIED FRAUD EXAMINER, AND CERTIFIED INTERNAL AUDITOR CERTIFICATIONS PURSUANT TO RECOGNIZED NATIONAL STANDARDS TO PRESERVE THE GOVERNMENT OF GUAM'S ABILITY TO RECRUIT AND RETAIN SUCH PROFESSIONALS.

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

2        **Section 1. Legislative Findings and Intent.** The government is at a juncture  
3 where the financial accounting, auditing, budgeting, and management professionals  
4 are needed to ensure that the government's finances, as a whole, are sustainable. *I*  
5 *Liheslaturan Guåhan* recognizes that the government's line agencies, the Office of  
6 Public Accountability, and the Guam Department of Education have difficulties  
7 attracting and retaining certified financial professionals. *I Liheslaturan Guåhan*  
8 would like to equitably compensate the many accounting, auditing, budget, and  
9 management professionals working for the line agencies of the government of Guam,  
10 the Office of Public Accountability, and the Guam Department of Education by

1 recognizing that their certified skills are vital to ensuring that the People of Guam  
2 receive efficient, transparent and honest fiscal operations from their government.

3 The respective profession’s certifications of Certified Public Accountant (CPA),  
4 Certified Government Financial Manager (CGFM), Certified Fraud Examiner (CFE),  
5 and Certified Internal Auditor (CIA), are recognized as marks of excellence in the  
6 accounting profession and persons holding those certifications, are in high demand by  
7 the public and private sectors. *I Liheslaturan Guåhan* also finds that the line agencies  
8 of the government of Guam must retain the qualified CPA’s, CGFMs, CFEs, and  
9 CIAs it has, and must encourage accounting, auditing, budgeting, and management  
10 professionals to obtain such certifications.

11 It is the intent of *I Liheslaturan Guåhan* provide the incentive to advance and  
12 retain the needed financial expertise within the government of Guam.

13 **Section 2.** A new § 6235 is hereby *added* to Article 2 of Chapter 6, Title 4,  
14 Guam Code Annotated, to read:

15 **“§ 6235. Certification Pay Differential for Certified Public Accountant,**  
16 **Certified Government Financial Manager, Certified Fraud Examiner, and**  
17 **Certified Financial Auditor.**

18 The Director of the Department of Administration shall ensure the following  
19 classified and/or unclassified accounting, auditing, budgeting, and management  
20 professional positions within government of Guam line agencies, the Office of Public  
21 Accountability , and the Guam Department of Education *shall* be given incentive pay  
22 compensation as provided pursuant to this this section, to include but not limited to, as  
23 follows:

24 POSITION COMPENSATION  
25 Certified Public Accountant (CPA)

1 Certified Government Financial Manager (CGFM),  
2 Certified Fraud Examiner (CFE)  
3 Certified Internal Auditor (CIA)

4 (a) Definitions, as used in this Section.

5 (1) *Board* means the Guam Board of Accountancy.

6 (2) *Accounting, Auditing, Budgeting, and Management Professional*  
7 means any employee in the government line agencies who are essential for the  
8 delivery, maintenance, and preparation of the financial statement and fiscal  
9 management of the government.

10 (3) *Known-Promotional-Potential (KPP)* means an upward career  
11 mobility in a series of positions within an organization without competition, and  
12 where at an earlier date an employee was selected under a competitive  
13 examination.

14 (4) *Certified Public Accountant (CPA)* means anyone who has passed the  
15 United States of America's national CPA exam and is licensed and practicing  
16 on Guam or who has reciprocity with the Guam Board of Accountancy.

17 (5) *Certified Professional* means anyone who:

- 18 (i) Have passed a nationally recognized exam;  
19 (ii) Is duly certified to practice in their related field;  
20 (iii) Is required to comply with the authorizing board in regards to  
21 continuing professional education; and  
22 (iv) Is required to comply with ethical and other professional standards.

1 (b) Recognition of the Professional Accounting Associations on Accounting  
2 Certification and Leadership. The following are the nationally recognized  
3 professional certification organizations for the respective professions:

4 (1) The American Institute of Certified Public Accountants (AICPA) is  
5 the world's largest association representing the accounting profession. The  
6 AICPA sets forth the Certified Public Accountant (CPA) examination  
7 requirements and monitoring, ethical standards, and auditing standards for the  
8 CPAs licensed to practice within the United States and its territories;

9 (2) The Association of Government Accountants (AGA) is the  
10 organization that establishes the criteria for the Certified Government Financial  
11 Manager (CGFM) exam and the ethical standards that CGFMs must adhere to;

12 (3) The Association of Certified Fraud Examiners (ACFE) is the largest  
13 anti-fraud organization and the organization that establishes the requirements of  
14 the Certified Fraud Examiners (CFE) examination; and

15 (4) The Institute of Internal Auditors (IIA) is the largest global  
16 association of internal auditors and set the examination requirements for the  
17 Certified Internal Auditor (CIA) designation.

18 The AICPA, AGA, ACFE, and IIA are the premier accounting and auditing  
19 organizations and shall be recognized by *I Maga'lahaen Guåhan* and *I Liheslaturan*  
20 *Guåhan* as the professional organizations that establish the rigorous examination  
21 requirements of their perspective certifications for the accounting, government  
22 finance, anti-fraud, and internal audit fields.

23 (c) Certification Pay Differential; Established.

24 (1) All government of Guam line agency, the Office of Public  
25 Accountability, and the Guam Department of Education employees who have

1 obtained a nationally recognized certification as a Certified Public Accountant  
2 (CPA), or a Certified Government Financial Manager (CGFM), or a Certified  
3 Fraud Examiner (CFE), or a Certified Internal Auditor (CIA), *shall* be entitled  
4 to receive a certification pay differential. The Guam licensed and practicing  
5 CPA shall be eligible to receive a fifteen percent (15%) increase. The CGFM,  
6 CFE, and CIA, which are nationally recognized but not required to be Guam  
7 licensed and practicing professionals, shall be eligible to receive a ten percent  
8 (10%) increase.

9 (2) The Director of Administration shall implement a certification pay  
10 differential for all the CPA, CGFM, CFE, and CIA, who are active and  
11 practicing in their area of certification. Accounting, Auditing, Budgeting and  
12 Management professionals who have a national or Guam Board certification,  
13 *shall* be entitled to the minimum certification pay differential, calculated at the  
14 rates above added to the base pay to rectify an inequity in certification pay.

15 (d) Developmental Promotions ('KPP') Designation. Government of Guam  
16 line agencies who recruit professional in accounting, auditing, budgeting, or  
17 management shall be authorized to hire such professionals as "known-promotional-  
18 potential' on CPA, CGFM CIA, or CFE certifications, as provided in the Government  
19 of Guam Personnel Rules and Regulations and Operations Procedure Manual. A  
20 qualified employee shall be entitled to one initial certification pay increase based on  
21 Section 6235.2(a), at minimum, not to exceed 15% of base pay.

22 (e) Implementation. The provisions of this Section *shall* be implemented upon  
23 enactment, and subject to the availability of funds of the employee's agency or  
24 department's funds. The Director of Administration shall transmit a status report

1 every quarter after the enactment of this Act, and upon implementation of the  
2 provisions within this Act.”

3       **Section 3. Severability.** If any provisions of this Act or its application to any  
4 person or circumstance is found to be invalid or contrary to law, such invalidity shall  
5 *not* affect other provisions or applications of this Act which can be given effect  
6 without the invalid provisions or applications, and to this end the provisions of this  
7 Act are severable.