

Management Letter

Guam Ancestral Lands Commission
(A Governmental Fund of the Government of Guam)

Year ended September 30, 2023



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Management and the Board of Commissioners
Guam Ancestral Lands Commission

In planning and performing our audit of the financial statements of Guam Ancestral Lands Commission (the “Commission”) as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we noted the following deficiency in internal control (as described above):

Improve Segregation of Duties

Observation:

We observed that there is a lack of segregation of duties in the preparation and posting of journal entries and the presentation of bank reconciliations. The lack of segregation of duties increases the risk that errors will not be detected and increases the risk of misappropriation of cash.

Recommendation:

Where there is a limited number of personnel, the lack of segregation of duties should be compensated by close review and supervision by management. Management should closely review bank reconciliations to ensure that the information is consistent with their understanding of GALC’s activities and investigate any results that differ from expectations.

This communication is intended solely for the information and use of management and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

At this time, we would like to thank all the staff and management of the Commission for their cooperation extended to us during our audit. We would be pleased to discuss the above matters or to respond to any questions at your convenience.

Ernest & Young LLP