Office of the Public Auditor

Fiscal Year 2008
Budget Presentation
29th Guam Legislature

April 2007
Mission Statement

• We audit, assess, and analyze government activities with integrity, independence, and impartiality to improve the accountability, effectiveness, and efficiency of the Government of Guam.

• Our motto is “Auditing for Better Government”
Mission Statement cont.

• We seek to serve the public interest by providing the Governor, the Legislature and the people of Guam with reliable and unbiased analysis and recommendations to improve government operations in support of the fiscal well-being of our island and our people.
Year 2006 in Review

• OPA issued 19 audits, analyses, and other reviews in calendar year 2006. These reports identified over $5.1 million (M) in questioned costs, waste, abuse, and forgone revenues and another $5.2M in un-reconciled differences in accounts. These reports made 76 recommendations to improve the accountability and operational efficiency of the audited entities.

• Eight audits were mandated by public law: the review of dormant funds, standards for ethics in government, four reports on the quarterly financial reporting by government entities, and two reports on GPSS cash flow analyses.
Audits Completed in CY 2006

- Three follow-up reviews of agencies on the status of audit recommendations: Department of Parks and Recreation, Department of Administration Returned Checks, and Office of the Attorney General Child Support Enforcement Program.
- Three audits of non-appropriated funds: Office of the Public Guardian Ward Trust Accounts, Guam Ancestral Lands Commission, and a non-profit organization as a public service for our community.
- Two credit cards audits were conducted at GHURA and GVB.
Audits Completed in 2006

• Other reports included the audit of Emergency Executive Orders and Emergency Certificates, DOA Stale-Dated Checks, and the DPR Paseo Stadium Lease Agreement.

• Dormant & Inactive Funds Audit
  – P.L. 28-68 required the Compiler of Laws & OPA to conduct a review of all inactive funds
  – 70 funds recommended for repeal, transferring $6.2M in fund balances to the General Fund. None of these funds have cash.
  – 14 Funds to be consolidated – six at Chamorro Land Trust Commission and six funds at GEPA
Audits Completed in 2006

- Dormant & Inactive Funds Audit, continued
  - P.L. 28-150 allowed for the repeal of 36 dormant funds with fund balances of $3.4M.
  - We urge the legislature to repeal the other 34 funds with minimal activities of $2.8M.
  - Elimination of these funds will allow for more efficiency at DOA, eliminating the burden of maintaining, reconciling and reporting so many funds with nominal revenues & expenditures.
Audits Completed in 2006

- Quarterly Financial Reporting by Agencies
  - P.L. 28-68 required quarterly reporting by 52 entities of the government or be subject to a 5% deappropriation.
  - This was the first time the Guam Legislature required regular reporting by GovGuam entities. We applaud the Legislature for this transparency initiative.
  - We found that entities overall had difficulty meeting the quarterly reporting requirements. Many entities relied on BBMR to submit reports on their behalf.
  - Many entities submitted only a lump sum expenditure report, which provides little meaningful information for review and analysis.
Audits Completed in 2006

- Recommendation to include a standard financial reporting format, such as the budget digest

- **GPSS Cash Flow Analyses**
  - FY 2007 Budget Act required the Public Auditor to approve the cash draw down schedule of GPSS.

  - *Government Auditing Standards* prohibit auditors from performing management functions. Instead, OPA provided analyses of past expenditures and estimated costs of payroll, benefits and utilities.

  - We estimated $152.3M for payroll & $14.3M for utilities, leaving only $6.2M for all other obligations.
Audits Completed in 2006

• GPSS Cash Flow Analyses, continued
  – GPSS continues to have cash flow problems as its FY 2005 deficit was $42M and $51M in liabilities that have not been funded
  – GPSS cash receipts are affected by the overall General Fund deficit of $344M.

• Ethics in Government Program
  – P.L. 28-76 required that all elected and appointed officials attend an ethics course.
Audits Completed in 2006

- Ethics in Government Program, continued
  - *Ethics in the Public Sector* seminar was well received with 120 participants, including the Governor and Lt. Governor, the Speaker and nine senators, the Public Auditor, the Attorney General, 22 village mayors and vice mayors, 49 department heads and deputies, and 36 board or commission members.
  - Recommendation that Ethics training be provided to all government employees.
- DOA Returned Checks Follow-up
  - OAG Child Support Division does not maintain accounting system to record, monitor, and collect returned child support checks.
Audits Completed in 2006

• DOA Returned Checks Follow-up continued
  – DRT placed restrictions on OPA and did not allow
    OPA to review returned checks at DRT unlike in the
    prior audit where OPA had access.
  – Returned checks of $2.1M outstanding at 9/30/05.
  – $3M reduction in returned checks or 59% compared to
    $5.1M outstanding at 6/30/03.
  – $239,307 returned checks written-off.
  – Un-reconciled differences between DOA & DRT
    subsidiary records reduced by $2.6M.
Audits Completed in 2006

- Dept. of Parks & Recreation Follow-up
  - No oversight & control over Revolving Fund, resulting in unrealized revenues of $21,080.
  - DPR Commission did not meet regularly to provide oversight over the management and operations of DPR.
  - DPR employee was charged with misapplication of entrusted funds and was subsequently barred from ever working for the government of Guam.

- OAG Child Support Program Follow-up
  - Arrears of $94.8M reported in FY 2005 to the federal government could not be substantiated.
  - For 12 cases tested, differences of $1.3M found.
Audits Completed in 2006

- Child Support Enforcement Program Follow-up, continued
  - Deficiencies identified in prior audit not addressed.
  - Undistributed collections (unidentified child support checks) at DOA were $6.5M, while the OAG APASI system reported $2.5M and the child support bank account had $2.8M. These accounts should be equal, but are not reconciled.
  - OAG APASI wrote off $3M in undistributed child support payments.
  - No supporting documentation for $3M in TANF reimbursements made on behalf of child support recipients.
Audits Completed in 2006

- Office of the Public Guardian Ward Trust Accounts
  - Public Guardian had sole custody over all accounts with no independent checks and balances.
  - Did not maintain an electronic database and complete master listing of accounts.
  - No annual financial reports for five accounts.
  - Did not close the estates of seven deceased wards or file a final accounting.
  - Recommended that the accounting of trust accounts be performed by the Superior Court.
Audits Completed in 2006

• Non-appropriated Funds of the Guam Ancestral Lands Commission
  – Did not establish rules and regulations for issuing licenses resulting in favorable terms for certain licensees.
  – 445,201 sq. meters of land were issued to private companies at disparate rates ranging from a low of 1 cent to $2 per sq. meter per month.
  – One license for 404,686 sq. meters was issued for 1 cent per sq. meter per month.
  – $131K in lost revenue not collected and $42K in questioned costs.
Audits Completed in 2006

• Review of Cash Controls for a Non-Profit Organization
  – This audit was performed as a public service to assist other non-profit organizations in the handling of cash and proper record keeping.

• GHURA Credit Card Audit
  – We found that while internal controls over the use of credit cards were adequately designed, management and oversight of credit cards were insufficient to ensure proper authorization, approval, and review.
    – $40,124 in credit card charges did not have supporting documentation.
    – $36,135 procured without three quotations.
Audits Completed in 2006

• GVB Credit Card Audit
  – GVB management did not monitor, review, and provide oversight over credit card expenditures.
  – GVB’s policy of providing 50% advance per diem and charging hotel and other expenses to credit cards resulted in $138,403 in excess per diem.
  – $106,929 in questionable credit card charges that were not authorized, reconciled, and reported.

• DOA Stale-Dated Checks
  – Control of stale-dated checks issued were adequate; however, recommendations made to strengthen internal controls, improve operational efficiency, and reconcile child support checks issued by OAG with DOA.
Audits Completed in 2006

- Emergency Executive Orders
  - Of the $3.1M expended under emergency executive orders, only $1M or 33% was spent on natural disasters and catastrophic events, while $2.1M or 67% was spent on non-disaster emergencies such as school gym repairs, overtime litigation and purchase of school buses.
  - Recommendation to eliminate Emergency Certificates as there were no central control, were not uniformly numbered, and they duplicate Emergency Executive Orders.
Audits Completed in 2006

• Emergency Executive Orders, continued
  – We found that the Department of Law (OAG) emergency procurement for lease space was general in nature.

• However, the long-term procurement for lease space was restrictive and tailored to fit the emergency landlord. Only one vendor submitted a bid for the long-term lease, compared to three vendors during the emergency period. The landlord that leased space during the emergency period secured the long-term lease.
Audits Completed in 2006

- Paseo Stadium Tax Credit Program
  - This program was poorly managed by DPR and not scrutinized by GEDCA & DRT.
  - Tax credits of $1M were given to only one business without the benefit of competition.
  - The tax credits were given without review as to appropriateness or cost.
  - DRT may have over-applied $297K in tax credits as DRT did not follow the law.
  - $61.9K in unauthorized disbursements, $25,160 estimated revenue not remitted, and $21,830 utilities not paid.
Questioned Costs, Waste and Abuse Identified by OPA

$10.3M in 2006
$  8M in 2005
$  26M in 2004
$  20M in 2003
$  9M in 2001 and 2002

TOTAL: $73.3M

• Questioned costs, waste & abuse, lost revenue opportunities, and un-reconciled accounts identified by OPA audits
Financial Audits
Issued in 2006

• 1 GCA §1909(a) requires all financial audits to be issued by June 30 (9 months after year end).
• Federal Single Audit Act deadline is also 9 months after year end.
• The FY 2005 audit of the government of Guam was issued June 30, 2006, the first timely issuance in the history of our government.
• The audit had two qualifications, the non-submission of the audit of Guam Memorial Hospital and the inability of the auditors to verify tax-related balances at DRT.
Financial Audits
Issued in 2006

- The qualification on tax-related balances will continue as long as DRT holds the position that the financial auditors cannot review tax records.

- OPA’s legislation under 1 GCA §1909 (b) excludes OPA authority to review income tax collections. DRT has taken the position that OPA is also not allowed to review local taxes, such as gross receipts tax and real property tax.

- We reviewed, analyzed, and expanded upon 20 financial audits of autonomous agencies and the General Fund that identified:
  - $4.4M in questioned costs
  - 188 audit findings and 79 management letter comments
Financial Audits
Issued in 2006

• The bulk of the questioned costs came from GMH at $2.4M & GPSS at $1.5M.

• General Fund questioned costs were $584K.

• DOA resolved prior year questioned costs of $15.2M in FY 2005. Remaining unresolved questioned costs for the General Fund in FY 2005 was $10.5M.

• Over the past 6 years we have seen improvement in the financial audits with more timely issuance, lower questioned costs, and fewer audit findings.

• However, the accounting infrastructure continues to be weak at most government entities; particularly, GPSS and GMH.
Financial Audits

- **CY 2005**
  - 26 Financial Audits Issued
  - $2.1M in Questioned Costs
  - 236 Audit Findings
  - 21 Management Letter Comments
- **CY 2004**
  - 25 Financial Audits Issued
  - $13.1M in Questioned Costs
  - 485 Audit Findings
  - 29 Management Letter Comments
Financial Audits

• CY 2003
  – 14 Financial Audits Issued
  – $22.4M in Questioned Costs
  – 260 Audit Findings

• CY 2002
  – 13 Financial Audits Issued
  – $10M in Questioned Costs
  – 181 Audit Findings

• CY 2001
  – 11 Financial Audits Issued
  – 39 Audit Findings
  – $15K in Questioned Costs
General Fund Deficit

- The General Fund has serious fiscal problems because actual expenditures have consistently exceeded actual revenues. We have an overall deterioration in assets, liabilities, and fund balance; and a going-concern problem which may result in a qualified opinion in FY 2006, depending on materiality and FY 2006 changes.

- Tax refunds at the end of FY 2005 were $207M compared to $31M at FY 1997.

- The General Fund has been placed on a credit watch by Standard & Poors because of its liquidity crises.
Indictments from Audits

• Based on our audits, six government officials and one off-island attorney were indicted in 2006 and are awaiting criminal trial:
  – Three former officials at GEDCA: the Finance and Administrative Director, Chief Financial Officer, and Business Development Director were indicted for fraudulent use of credit cards as a felony, theft of property, and official misconduct.
  – Two former Port Authority of Guam employees: the former President and former Treasurer of the PAG Goodwill and Morale Association were charged with conspiracy and theft as a felony.
Indictments from Audits

– The former Administrative Director of the Superior Court was indicted for unlawful influence as a felony, conspiracy for unlawful influence as a felony, theft of property held in trust, and official misconduct.

– An off-island attorney was indicted for conspiracy of unlawful influence as a felony relating to the case involving the former Administrative Director of the Superior Court.
Indictments from Audits

• Based on prior year audits, one government official was found guilty and two were dismissed at trial. All three have appealed to the Supreme Court of Guam, while two others are awaiting trial:

  – Former GIAA Executive Manager was convicted of fraudulent use of a credit card and official misconduct. This case is on appeal to the Guam Supreme Court.

  – Former Retirement Fund Director and former Governor were indicted for theft by deception, conspiracy, and official misconduct. The indictments were dismissed by the Superior Court. The OAG is appealing the decision to the Supreme Court of Guam.
Indictments from Audits

- The former Chief of Staff to the Governor was indicted for theft by deception, conspiracy, and official misconduct, and is awaiting trial.

- The former Deputy Administrator of Guam Memorial Hospital was indicted for official misconduct and improper influence over a notary and is awaiting trial.
Convictions from Audits

- Based on our audits, four government officials entered into plea agreements, and one was found guilty at trial.
  - GMTA Director & GIAA Deputy Director entered into plea agreements for credit card abuse.
  - Former Asst. Recreation Administrator entered into a plea agreement for misapplication of entrusted funds.
  - Former Deputy Director of CLTC entered into a plea agreement for official misconduct and misapplication of entrusted funds.
  - Former Deputy Director of GMTA was convicted of fraudulent use of a credit card and official misconduct.
The OPA Website [www.guamopa.org](http://www.guamopa.org) provides the people of Guam access to all OPA audit reports and financial audits of government entities, thus providing public accountability and transparency in our government.

- Each year, more people access the OPA website. In 2006, we received 402,837 recorded hits, a 178% increase over 2005 of 144,782 and the largest number thus far. In 2002, the first year of the website, total hits were 34,750.
- The website includes budget and expenditure information and staffing patterns, as required by the FY 2007 Budget Act.
Auditing for Better Government

• For the first three years, OPA audits focused on uncovering waste and abuse and possible fraud; we will continue to focus resources in these areas.

• In our fourth and fifth years, we performed accountability and internal controls audits of non-appropriated funds.

• In our sixth year, we conducted audits mandated by public laws, as well as our core accountability, compliance, and follow-up reviews of past audits and implementation of recommendations.

• In our seventh year, our focus will be on tax credits, tax exemptions, and other areas affecting our ever-growing General Fund deficit of $344M, which is expected to exceed $500M at the end of FY 2006.
Additional Responsibilities

• The Legislature passed over 32 laws affecting and expanding the role of OPA:
  – Procurement Appeals Hearing Officer.
  – Established standards for Ethics training for elected and appointed public officials & coordinated the Ethics seminar.
  – High risk monitoring of Guam Public School System federal grants.
Additional Responsibilities

- Biennial compliance audit of the Public Market Revolving Fund and triennial audit of the GPD Asset Forfeiture Fund.

- Reporting center for certain funds:
  - Emergency declaration expenditures
  - Typhoon expenditures
  - Mayors’ non-appropriated funds - quarterly
  - Veterans Affairs donations - quarterly
  - GPD Asset Forfeiture Fund - annually
  - Guam Football (Soccer) Federation and Guam Baseball Federation - annually
Investigative Section

- Until recently, Guam was one of the few Pacific Public Auditor Offices that did not have an investigative section.
- We hired our first investigator in May 2004 to handle our HOTLINE tips and to follow-up and coordinate our audits with the Attorney General’s Office for indictment and prosecution.
- Prior to 2004, OPA staff addressed over 40% of our HOTLINE tips and concerns. In 2006, our investigator addressed over 85% of HOTLINE tips and concerns. In 2006, we experienced the lowest number of HOTLINE tips ever or 112. In 2004, there were 175, the highest number, and 163 tips in 2001, the first year of the HOTLINE.
HOTLINE Tips

- The drop in HOTLINE tips can be attributed to the deterrence factor where more government workers have entered into plea agreements or were found guilty at trial, and government employees are becoming more aware that wrong actions have consequences.

- HOTLINE tips are addressed through investigation, audits, forwarding them on to financial auditors, or deemed insufficient to pursue further action.
Training Grant

• Working with Dept. of the Interior Office of Inspector General (DOI OIG), we applied for and received a $152,350 reimbursable training grant from DOI Office of Insular Affairs (DOI OIA) for auditor and investigator training at DOI OIG. To date, we have expended $150K of this grant.

• A supplemental reimbursable training grant for $66,500 was approved by DOI OIA in Feb. 2007 to expire in June 2008.

• Three staff attended the IG Academy for basic non-investigator training at Glynco, GA.
Training Grant

• Five staff received 8 to 10 weeks of on-the-job training at DOI OIG offices: three at Albuquerque, NM and two at Lakewood, CO.
• Our only Investigator received on-the-job training at the DOI OIG Sacramento, CA office for 6 weeks and two weeks training at the IG Academy in Glynco, GA.
• Two staff are receiving on-the-job training at Lakewood, CO beginning April 2007.
Training and Certification

- Attainment of national certifications and masters degrees is highly encouraged. During 2006, the following certifications and degrees were awarded to OPA staff: 1 CPA, 1 CIA, 2 CGFMs, and 2 MBAs.

- There are 2 staff working toward a Master in Business Administration and a Master in Public Administration.
Audit Staff Composition

Staff of 16

- 4 Certified Public Accountants and 1 CPA candidate
- 2 Certified Internal Auditors and 3 CIA candidates
- 1 Certified Fraud Examiner
- 5 Certified Government Financial Managers and 2 CGFM candidates
- 2 MBAs, 1 Master of Organizational Management, and 1 Master of Accountancy
- 5 Non-Accounting Majors: Political Science, Public Administration, Finance and Economics, Business Administration, and International Business.
Staff Turnover & Retention

• As an elected official, all OPA staff are unclassified. From the initial staff of eight recruited in 2001, only one individual remains. Staff turnover has been a continuing problem. Other government agencies and the private sector have lured staff away with higher salaries.

• In March 2006, with the transfer of Civil Service Commission payroll policies to DOA, DOA determined that OPA unclassified pay adjustments above step 10 should be consistent with the Hay Methodology, which states that staff above step 10 are required to wait two years for an increment above step 10.
Staff Retention

- Classified employees who are promoted receive a minimum 2-step increment, whereas unclassified employees are not allowed to receive a 2-step increment adjustment when promoted.
- Local CPA firms and autonomous agencies continue to provide higher salaries to their staff.
- OPA salaries should remain competitive if we are to retain competent, qualified staff in which hundreds of hours of training have been invested in their professional development.
Staff Retention

• As an elected official, the Civil Service Commission afforded the Public Auditor the authority and flexibility to determine salary increments for staff as those afforded other elected officials. This is consistent with 1 GCA, which states that the OPA is independent from the Executive, Legislative, and Judicial branches.

• We urge the Legislature to eliminate 1GCA § 1907(b), which states that the salaries shall be fixed by DOA in accordance with the Hay Study and allow the Public Auditor to give pay adjustments as are afforded other elected officials.
GovGuam Audit Spending

- GovGuam spends less than ½ penny for every $1 of general revenues for audits or $2.1M: $1M for financial audits and $1.1M for OPA.
- With a $1,102,731 FY 2007 appropriation, we identified $5.1M in questioned costs, waste, abuse, improper procurement, and lost revenue opportunities in 2006 and another $5.2M in unreconciled differences in accounts.
Funding OPA Provides Return on Investment

• DOI Deputy Asst. Secretary David Cohen stated treatment of the territories’ Public Auditors will be a factor in determining discretionary DOI grants.

• Modest increases in OPA funding provides for more audits that increase accountability and transparency; identifies waste and abuse, possible fraud, lost revenue opportunities and potential savings; and increases operational efficiency and effectiveness.
Audits in Progress

- Review of tax credits provided to businesses
- Quarterly financial reporting as mandated by the FY 2007 Budget Act
- Review of commercial solid waste tipping fees
- Comparative analysis of the Superior Court ordered COLA Settlement
- Review of bingo funds at senior citizens centers
- Review of vehicle inventory
- Review of GPSS capital & maintenance procurement
High Risk Areas

• When conducting audits, we apply a risk-based approach to audit selection; identifying those areas that have the highest risk of loss or possible mismanagement of funds.
• High risk areas have been small entities that have checking accounts. OPA audits of these entities have consistently shown:
  – Lack of understanding of the importance of internal controls, checks and balances;
  – Lack of monitoring and oversight; and
  – Improper procurement and lack of financial reporting.
FY 2007 Appropriation

- With the FY 2007 Budget Appropriation of $1,102,731, we have a staff of 16 and one part-time employee.
- We express our heartfelt appreciation and thank the Legislature for its support of OPA.
- The Legislature separately appropriated $134,014 for the Procurement Appeals division at OPA. This appropriation provided for the funding of an attorney and partial funding for the administrative assistant.
FY 07 Appropriation

- Salaries & Benefits $954,731
- Rent & Janitorial 76,500
- Contractual 30,000
- Travel 9,500
- Supplies 7,000
- Equipment 8,000
- Utilities & Telephone 7,000
- Other 10,000

Total (+$22,395 2005 carryover) $1,102,731
FY 2008 Budget Request

• We request a budget of $1,177,239 a 6.8% increase of $74,508 from our FY 2007 appropriation of $1,102,731. Because of the extreme financial difficulties of our government, we are not requesting any additional staff. The increase mainly reflects increases in mandated benefits and salary increments.

• By comparison, the CNMI OPA has a budget of $2,228,602 with a staff of 31 for a government half the size of Guam.
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Procurement Appeals

• The designation of OPA as the authority for Procurement Appeals was an indication of trust and confidence in OPA. We are humbled by the trust the Legislature has bestowed upon us and have endeavored to ensure fair and balanced procedures for all procurement appeals.

• By having Procurement Appeals as part of the OPA, the majority of administrative support for this new division is performed by OPA staff.

• Cost savings have materialized from being under one agency. Cost savings include no new telephone number, fax number, fax machine, copy machine, website,
use of common equipment, back-up personnel when on leave, historical perspective of procurement through OPA audits, and other tangible savings, as well as intangible benefits.

- If Procurement Appeals were a separate entity, the above costs would have been incurred.
- In FY 2006, the first year of its establishment, Procurement Appeals received $100,000 and expended $78,000. For FY 2007, the appropriation was increased to $134,014 while the carryover of $22,000 was not allowed.
Procurement Appeals

- Procurement Appeals became fully operational and able to accept appeals in October 2006 when the rules of procedures were promulgated through the AAA.
- The Procurement Appeals Hearing Officer brings over 17 years of legal experience to this new division. The Hearing Officer also serves as OPA’s legal counsel.
- We plan to conduct procurement training for government employees involved in procurement to identify common problems in procurement and educate procurement officers.
Procurement Appeals

- By being pro-active in providing training for procurement officers and identifying common procurement violations, we hope to avoid an increase in the number of procurement protests and serve more as a deterrent.
- Long term goal—update procurement laws, rules, and regulations so that procurement for the government of Guam may take full advantage of technological advances into the 21st century.
- We applaud the Legislature for taking on procurement reform. The Hearing Officer is a member of Senator Ishizaki’s roundtable discussions.
Procurement Appeals

• 3 procurement appeals were filed with OPA in 2006:
  – First appeal was dismissed on request of the debarred vendor.
  – Second appeal was dismissed on request by the Commercial Port, which agreed to re-bid the gantry crane and allow more time to bid.
  – Third appeal went to a hearing. In March 2007, the Hearing Officer and the Public Auditor ruled that the sole source procurement by the Office of Homeland Security through GSA was inappropriate and recommended that the contract with the off-island vendor be terminated.
Procurement Appeals

- Subsequently, the off-island vendor whose contract was recommended to be terminated appealed the decision to the Superior Court.
- The dismissals of the other two cases are an indication of the deterrence effect the Procurement Appeals process has on potential disputes. This process provides a less costly means to resolve protests.
- Two appeals have thus far been filed in 2007; the entity decided to re-bid in the first appeal, and the second appeal may go to hearing.
FY 07 Appropriation
Procurement Appeals

- Salaries & Benefits $119,014
- Rent 8,660
- Contractual 4,640
- Equipment 1,000
- Supplies 700

Total $134,014
FY 2008 Budget Request

Procurement Appeals

• We request a budget of $173,193. The increase of $39,179 from FY 2007 reflects the full funding of the administrative assistant and court recorder fees for four estimated hearings and travel/training for the Hearing Officer.

• Because Procurement Appeals is still relatively new, the expected number of appeals and hearings is unknown. We have budgeted for 4 hearings, although past trends show we can expect closer to 12, with potential transcription fees of $26,000.
Procurement Appeals
FY 2008 Budget Request

- Salaries & Benefits $140,129
- Contractual 13,400
- Office Space 8,664
- Travel 8,000
- Equipment 2,300
- Supplies 700

Total $173,193
FY 2007 Budget Comparison

**CNMI**
- Total Govt. Revenues: $214.9M
- Budget: $2.2M
- Staff: 31 (18 in audit, 5 investigators, 3 in compliance, 2 legal, 2 admin. & PA)
- PA Salary: $100,000
- Formula: 1% Total Govt. Revenues/$1M base
- Financial Audits paid by agencies

**GUAM**
- FY 05 Total Govt. Revenues: $1.2 billion
  - Autonomous Entities - $567M
  - General & Special Rev. Funds - $658M
- Budget Actual: $950K Audit & Investigation + $100K Procurement Appeals
- Staff: 18 ½ (13 in audit, 1 investigator, 2 admin, 1 attorney, 1 part-time & PA)
- PA Salary: $100,000
- Formula: None
- Financial Audits paid by autonomous agencies