

October 2, 2007

Honorable David B. Cohen
Deputy Assistant Secretary
Office of Insular Affairs
U.S. Dept. of Interior
1849 C. Street N.W.
Washington, D.C. 20240

Re: Association of Pacific Islands Public Auditors (APIPA) Peer Review Grant Request

Dear Mr. Cohen:

At the August 2007 meeting in American Samoa, principals of the Association of Pacific Island Public Auditors requested the Guam Office of the Public Auditor (OPA) to seek, on behalf of APIPA a Technical Assistance Grant from your office to fund the 2008 and 2009 external peer review of the various APIPA member offices. Guam OPA volunteered to administer the grant, if one were awarded, and to coordinate the peer reviews. Present at the American Samoa meeting was Marina Tinitali of your office. *Governmental Auditing Standards* issued by the Comptroller General of the U.S. require that audit organizations that perform audit and attestation engagements must undergo an external peer review of their auditing and attestation practices every three years.

Funding assistance received from your office for the 2004 and 2005 peer reviews was handled by the CNMI Office of the Public Auditor. Prior to the CNMI OPA administration, the USDA Graduate School coordinated the peer reviews. According to Ms. Tinitali, she did not recommend that USDA Graduate School handled the next round of peer reviews hence Guam OPA volunteered.

Based on cost estimates received and analyses performed, APIPA requests \$115,000 to fund the 2008 and 2009 peer reviews. Several of the APIPA principals have indicated that due to limited general fund revenues, budget constraints and mounting deficits in some insular governments they are not in a position to fund the peer review within their respective limited budgets.

We have prepared the enclosed Grant Request Summary and Budget Forecast relating to our request. Our request covers the period 2008 and 2009 and includes travel and per diem for two APIPA peer reviewers per review and one consultant, airfare, per diem based on the federal GSA rate, car rental, and consultancy fees of the consultant for each review. As outlined in the Grant Request Summary, the Guam Office of the Public Auditor would be the

authorized expenditure authority and reimbursement and reconciliation would be performed on a quarterly basis. The first peer review is scheduled to be in November 2007 for American Samoa.

Your support of training in the insular areas and particularly with the Pacific Island Training Initiative has been instrumental in the capacity building of the APIPA offices. We look forward to your favorable consideration of our request. If you need any further documentation or background information, please let me know.

Senseramente,



Doris Flores Brooks, CPA, CGFM
Public Auditor

Encl: Grant Request Summary
Peer Review Budget Forecast

Cc: Edgar Johnson, Director of Technical Assistance
Marina Tinitali, Accountability Policy Specialist
Francis Sefo, APIPA President 2007

Guam Office of the Public Auditor Grant Request Summary

Requesting Agency: Guam Office of the Public Auditor
DNA Bldg. Suite 401
238 Archbishop Flores St.
Hagatna, Guam 96910

Contact Person: Doris Flores Brooks, CPA, CGFM
Public Auditor
(671) 475-0390
dfbrooks@guamopa.org

Purpose: To fund related consultant fees, travel and per diem costs related to *Government Auditing Standards* required Peer Reviews of APIPA members

Amount of Grant Request: \$114,558 rounded to \$115,000

Prior Grant Award: \$99,000

Basis of Reimbursement: Anticipate 30 day funding requirement reconciled to actual expenditures on a quarterly basis.

Starting Date: November 2007

Period Covered: October 2007 thru September 2009

Anticipated First Draw Down Request: December 2007

APIPA
Proposed (Revised) Schedule of Peer (Quality Control) Reviews - Budget Forecast
Pricing Information as of September 17, 2007

| <u>Tentative Performance Date</u> | <u>Last Date to Comply</u> | <u>Audit Location</u> | <u>Auditors</u> | <u>Days Per Diem</u> | <u>Per Diem Rate (GSA)</u> | <u>Per Diem Costs</u> | <u>Plane Fare</u> | <u>Car Rental</u> | <u>Audit Fee</u> | <u>Travel Cost Variance</u> | <u>Costs Low Range</u> | <u>Costs High R.</u> |
|-----------------------------------|----------------------------|---|---|----------------------|--------------------------------|-----------------------|-------------------------|-------------------|------------------|-----------------------------|-------------------------|----------------------|
| Oct/Nov 2007 | 9/30/2008 | American Samoa, Office of the Territorial Auditor | CNMI Yap Consultant | 6 6 6 | 195 195 195 | 1170 1170 1170 | 1,965 2,374 1,526 | 360 360 | 3,000 | | 3,495 3,544 6,056 | |
| Feb/Mar 2008 | 9/30/2008 | Commonwealth of the Northern Mariana Islands, Office of the Public Auditor | Palau FSM National Consultant | 6 6 6 | 219 219 219 | 1314 1314 1314 | 1,041 1,105 2,247 | 360 360 | 3,000 | | 2,715 2,419 6,921 | |
| | | Federated States of Micronesia: | | | | | | | | | | |
| May/June 2009 | 9/30/2009 | National Office of the Public Auditor | Guam RMI Consultant | 6 6 6 | 167 167 167 | 1002 1002 1002 | 1,029 2,343 2,808 | 360 360 | 3,000 | | 2,391 3,345 7,170 | |
| May/June 2009 | 9/30/2009 | Pohnpei State, Office of the State Auditor | Guam RMI Consultant | 6 6 6 | 167 167 167 | 1002 1002 1002 | 0 0 0 | 360 360 | 3,000 | | 1,362 1,002 4,362 | |
| N/A | N/A | Chuuk State, Office of the State Auditor | N/A | | | | | | | | | |
| Apr/May 2009 | 9/30/2009 | Yap State, Office of the State Auditor | Palau Pohnpei State Consultant | 6 6 6 | 283 283 283 | 1698 1698 1698 | 487 1,478 2,742 | 360 360 | 3,000 | | 2,545 3,176 7,800 | |
| Apr/May 2009 | 9/30/2009 | Kosrae State, Office of the State Auditor | Guam ASG Consultant | 6 6 6 | 167 167 167 | 1002 1002 1002 | 1,324 3,234 3,528 | 360 360 | 3,000 | | 2,686 4,236 7,890 | |
| Apr/May 2008 | 9/30/2008 | Government of Guam, Office of the Public Auditor | CNMI Yap State Consultant | 6 6 6 | 229 229 229 | 1374 1374 1374 | 217 1,049 2,304 | 360 360 | 3,000 | | 1,951 2,423 7,038 | |
| Jun/July 2008 | 9/30/2008 | Republic of Palau, Office of the Public Auditor | FSM National Pohnpei State Consultant | 6 6 6 | 246 246 246 | 1476 1476 1476 | 1,466 1,466 2,916 | 360 360 | 3,000 | | 3,302 2,942 7,752 | |
| Apr/May 2009 | 9/30/2009 | Republic of the Marshall Islands, Office of the Auditor General | Palau ASG Consultant | 6 6 6 | 180 180 180 | 1080 1080 1080 | 1,979 2,329 2,494 | 360 360 | 3,000 | | 3,419 3,409 6,934 | |
| | | Controller and Chief Auditor, Apia, Samoa | Has not been assigned. | To Be Determined | | | | | | | | |
| | | Office of the Virgin Islands Inspector General | Has not been assigned. | To Be Determined | | | | | | | | |
| | | | | | TOTALS: | 33,354.00 | 45,451.00 | 6,480.00 | 27,000.00 | | 112,285.00 | |
| | | | | | | | 2,275.55 | | | | | |
| | | | | | | | 47,723.55 | | | | 114,557.55 | |

Lead Office is Listed First.

**APIPA
Proposed (Revised) Schedule of Peer (Quality Control) Reviews**

| <u>Audit Organization</u> | <u>Last Peer Review</u> | | <u>Next Peer Review</u> | | | |
|---|-------------------------|------------------------|-----------------------------|------------------------------|------------------------------------|------------------------|
| | <u>Date of Report</u> | <u>Conducted By</u> | <u>Period To Be Covered</u> | <u>Conducted By *</u> | <u>Tentative Performance Dates</u> | <u>Last Date to Co</u> |
| American Samoa, Office of the Territorial Auditor | 2/28/2005 | CNMI & Yap State | 10/1/2004-9/30/2007 | CNMI & Yap State | Oct/Nov 2007 | 9/30/2008 |
| Commonwealth of the Northern Mariana Islands, Office of the Public Auditor | 12/23/2004 | Yap State & RMI | 10/1/2004-9/30/2007 | Palau & FSM National | Feb/Mar 2008 | 9/30/2008 |
| Federated States of Micronesia: | | | | | | |
| National Office of the Public Auditor | 10/31/2005 | Palau & ASG | 9/1/2005-9/30/2008 | Guam & RMI | May/June 2009 | 9/30/2009 |
| Pohnpei State, Office of the State Auditor | 10/15/2005 | Palau & ASG | 9/1/2005-9/30/2008 | Guam & RMI | May/June 2009 | 9/30/2009 |
| Chuuk State, Office of the State Auditor | N/A | N/A | N/A | N/A | N/A | N/A |
| Yap State, Office of the State Auditor | 7/6/2005 | Guam & Palau | 6/1/2005-9/30/2008 | Palau & Pohnpei State | Apr/May 2009 | 9/30/2009 |
| Kosrae State, Office of the State Auditor | 10/15/2005 | RMI | 8/1/2005-9/30/2008 | Guam & ASG | Apr/May 2009 | 9/30/2009 |
| Government of Guam, Office of the Public Auditor | 5/31/2005 | Pohnpei State & FSM | 5/1/2005-12/31/2007 | CNMI & Yap State | Apr/May 2008 | 9/30/2008 |
| Republic of Palau, Office of the Public Auditor | 7/6/2005 | CNMI & RMI | 6/1/2005-9/30/2007 | FSM National & Pohnpei State | Jun/Jly 2008 | 9/30/2008 |
| Republic of the Marshall Islands, Office of the Auditor General | 12/31/2005 | FSM & Guam | 9/1/2005-9/30/2008 | Palau & ASG or Kosrae | Apr/May 2009 | 9/30/2009 |
| Controller and Chief Auditor, Apia, Samoa | N/A | Has not been assigned. | To Be Determined | | | |
| Office of the Virgin Islands Inspector General | N/A | Has not been assigned. | To Be Determined | | | |

* Lead Office is listed first.

| <u>Audit Organization</u> | <u>Reviews Conducted By</u> | | | |
|---|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|
| | <u>First Round (1997/1998)</u> | <u>Second Round (2001/2002)</u> | <u>Third Round (2004/2005)</u> | <u>Proposed Schedule (2008/2009)</u> |
| American Samoa, Office of the Territorial Auditor | CNMI | Guam & Guam | CNMI & Yap State | CNMI & Yap State |
| Commonwealth of the Northern Mariana Islands, Office of the Public Auditor | FSM National & FSM National | Guam & Guam | RMI & Yap State | Palau & FSM National |
| Federated States of Micronesia: | | | | |
| National Office of the Public Auditor | Palau & Palau | ASG & CNMI | Palau & ASG | Guam & RMI |
| Pohnpei State, Office of the State Auditor | Palau & Palau | ASG & CNMI | Palau & ASG | Guam & RMI |
| Chuuk State, Office of the State Auditor | N/A | N/A | N/A | N/A |
| Yap State, Office of the State Auditor | Not Reviewed | ASG | Guam & Palau | Palau & Pohnpei State |
| Kosrae State, Office of the State Auditor | Not Reviewed | Not Reviewed | RMI | Guam & ASG |
| Government of Guam, Office of the Public Auditor | Pohnpei State & Pohnpei State | Palau & Palau | Pohnpei State & FSM National | CNMI & Yap State |
| Republic of Palau, Office of the Public Auditor | ASG & ASG | CNMI & ASG | CNMI & RMI | FSM National & Pohnpei State |
| Republic of the Marshall Islands, Office of the Auditor General | Guam & Guam | Pohnpei State & Yap State | FSM National & Guam | Palau & ASG or Kosrae State |
| Controller and Chief Auditor, Apia, Samoa | Not Reviewed | Not Reviewed | Not Reviewed | Not Scheduled |
| Office of the Virgin Islands Inspector General | Not Reviewed | Not Reviewed | Not Reviewed | Not Scheduled |