



GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS  
**OFFICE OF THE V. I. INSPECTOR GENERAL**

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**OFFICE OF THE VIRGIN ISLANDS INSPECTOR GENERAL**  
**Fiscal Year 2022 Budget Proposal**

**INTRODUCTION**

Good afternoon Senator Kurt Vialet, Chairman of the Committee on Finance, members of the Committee, other members of the 34<sup>th</sup> Legislature, staff of the Legislature, ladies and gentlemen in the viewing and listening audience. I am Delia Thomas, Deputy Virgin Islands Inspector General. At the request of our Inspector General, Steven van Beverhoudt, I will deliver the remarks to provide an overview of the proposed Fiscal Year 2022 Budget for the operations of the Office of the Virgin Islands Inspector General (V.I. Inspector General's Office), and we will answer any questions that you might have.

Before I begin our remarks, I would like to thank the extra efforts and considerations provided by the Office of Management and Budget and the Division of Personnel. I want to acknowledge a couple of people who brought a tremendous amount of support and calm to our department when we were in the midst of emotional chaos. While at the same time, work needed to continue, and decisions

made to keep the office operating. First and foremost, a big thank you and gratitude goes to our OMB budget analysis, Mrs. Raquel Benjamin. Your reassurance and guidance were most appreciated. Our interactions with you were nothing short of excellent. Also, from the Division of Personnel, a big thank you goes out to Mrs. Florine Hassel and Ms. Damali Rogers for your efficiency in guiding us through our personnel issues.

To our staff, we would like to commend you for your steadfast efforts to ensure that work continued, even when we were all impacted by the loss of Mark.

### **STATE OF THE V.I. INSPECTOR GENERAL'S OFFICE**

Title 3, Chapter 40 of the Virgin Islands Code, establishes the V.I. Inspector General's Office as the independent auditing arm of the Government of the Virgin Islands (Government). The Code gives the V.I. Inspector General's Office the responsibility of auditing and investigating all three branches of the Government, including the autonomous and semi-autonomous instrumentalities. We are the only Government auditing arm, Local or Federal, situated in the Virgin Islands.

Our mission is “to promote economy, efficiency, and effectiveness, and to further the prevention of fraud, waste, and abuse in the administration of the programs and operations of the Government of the Virgin Islands.”

Fiscal Year 2021 was the most turbulent year in my 32 years with the Office of the Virgin Islands Inspector General. As unforeseen challenges are a part of life, too many in a short period could bring the best of us to our knees. As someone said, “this past year continued to give gifts that no one wanted.” However, life must continue.

We started Fiscal Year 2021 with 18 filled positions, and currently, we are at 15 filled positions within the organization. However, we can report that all our employees are at their correct salary level since adopting the new GS pay plan. At the beginning of 2021, we found it necessary to create an IT Specialist Position and hope to have a person on board by the end of August. Our Organizational Chart can be found on page 10.

We continue to encourage the continued education and professional development of our staff. As a result, we have 8 Certified Fraud Examiners and 5 members with Master’s Degrees, with an additional member currently working on her masters.

Regarding the audit and inspection aspect of our operations, our 2022 Annual Audit Plan Summary can be found on page 11. Because our ongoing assignments took longer than anticipated, no new projects were started in Fiscal Year 2021. We are working hard to have all ongoing reports issued by November 2021.

Also, we continue to make ourselves available to provide assistance to Federal auditors regarding activities they plan on conducting in the Virgin Islands.

In Fiscal Year 2021 to date, the following audits and inspections have either been completed or are progressing through various phases of the audit and inspection process:

- **Audit of Contract Administration at the Virgin Islands Waste**

- **Management Authority**

- The objective of the audit is to determine if Virgin Islands Waste Management Authority officials followed their procurement guidelines in awarding contracts and ensured that contracts were performed in accordance with contract terms and conditions.

- The scope covers fiscal years 2017 through 2019.

- We are currently at the end of our fieldwork stage, summarizing our results and findings to prepare a preliminary draft report.

- **Audit of Contract Administration at the Governor Juan F. Luis**

- **Hospital**

- The objective of the audit is to determine whether the Governor Juan F. Luis Hospital is complying with laws, rules and regulations, and sound procurement practices in its contract administration.

- The scope covers fiscal years 2017 through 2019.

We are currently at the end of our fieldwork stage, summarizing our results and findings to prepare a preliminary draft report.

- **Inspection of Government Controls on the Re-employment of Government Employees**

The objective of the inspection is to determine the controls in place by the Government to identify when a retiree returns to active service.

A preliminary draft report has been submitted for review.

- **Inspection of the Use of GERS Loan Proceeds for the VI Finest Foods/West Bay Supermarket Project**

The objective of the inspection is to determine whether the loan proceeds were used for the intended purposes in accordance with the loan agreement.

A preliminary draft report has been submitted for review.

- **Audit of Revolving Funds Accounts Administered by the Department of Agriculture**

This audit has been initiated based on a request submitted by the current Commissioner of the Department of Agriculture.

The objective is to determine the adequacy of Agriculture's internal controls over the revolving fund and to ensure that funds were collected, deposited and disbursed in accordance with laws and rules and regulations.

This audit is at the end of the fieldwork phase, and results and findings are being developed to prepare a preliminary draft report.

- **Inspection of the WAPA Vitrol Fuel Contracting Process and Transactions**

The objective of the inspection is to determine if WAPA verified the necessity of, and obtained approval for the increased project cost; performed due diligence in undertaking the LPG Conversion Project; and, followed its contract procurement and administrative guidelines.

We are being assisted in this project by the Internal Audit Division of WAPA.

A preliminary draft report has been submitted for review.

Currently, in the area of investigation, there are 4 open investigative cases that could result in referrals to the Department of Justice for consideration or administrative reports with recommendations for administrative action.

To date, in Fiscal Year 2021, we have received 13 complaints alleging wrongdoing by Government officials. Of the total, there were 10 allegations of wrongdoing on St. Thomas and 3 allegations of wrongdoing on St. Crox. Many of the complaints lacked sufficient information, were resolved administratively, or were matters for other departments and agencies.

Regarding training, this past June, the professional staff, through virtual conferencing, attended the Association of Certified Fraud Examiner's 32<sup>nd</sup> Annual Global Conference. We hope to attend, in person, the 33rd Annual Global Conference in Nashville, Tennessee, in June 2022.

## **2022 BUDGET**

We support the Administration's 2022 Fiscal Year Budget recommendations of \$2,773,989. This amount is \$249,875 or about 10% more than the Fiscal Year 2021 appropriation. Fiscal Year 2021 actual expenditures through July 8, 2021, totaled 1,427,316.

The following are our comments relating to each prime account of the Fiscal Year 2022 proposed spending plan. Our Fiscal Year 2022 proposal by sub-accounts is shown on page 12.

**Personnel Services and Fringe Benefits.** The budget proposal provides for 16 filled positions and 4 vacant positions. After this budget was prepared, we had one auditor position become vacant by resignation. Therefore, we currently have 15 filled positions and 5 vacant positions. We are now in the process of filling one of those positions.

The total proposed funding level for personnel and related services is \$2,183,790, or 78.73% of the overall budget request. This amount consists of \$1,555,802 and \$627,988 for Personnel Services and Fringe Benefits, respectively.

<b>Personnel Services</b>	<b>\$1,555,802</b>
<b>Fringe Benefits</b>	<b><u>627,988</u></b>
	<b><u>\$2,183,790</u></b>

**Supplies.** Budgeted supplies costs for Fiscal Year 2022 are estimated at \$55,000 or 1.98% of the overall request.

<b>Supplies</b>	<b><u>\$55,000</u></b>
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**Other Services.** Budgeted other services costs for Fiscal Year 2022 are estimated at \$355,000, or 12.8% of the budget request.

<b>Other Services</b>	<b><u>\$355,000</u></b>
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**Utility Services.** Our utilities costs are estimated at \$50,000, or 1.8% of the Fiscal Year 2022 budget request.

<b>Utility Services</b>	<b><u>\$50,000</u></b>
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**Capital Outlays.** Finally, the budgeted cost of \$130,199 in capital outlays covers replacing investigative equipment and computers for the staff. This amounts to 4.69% of the budget request.

## **SUMMARY**

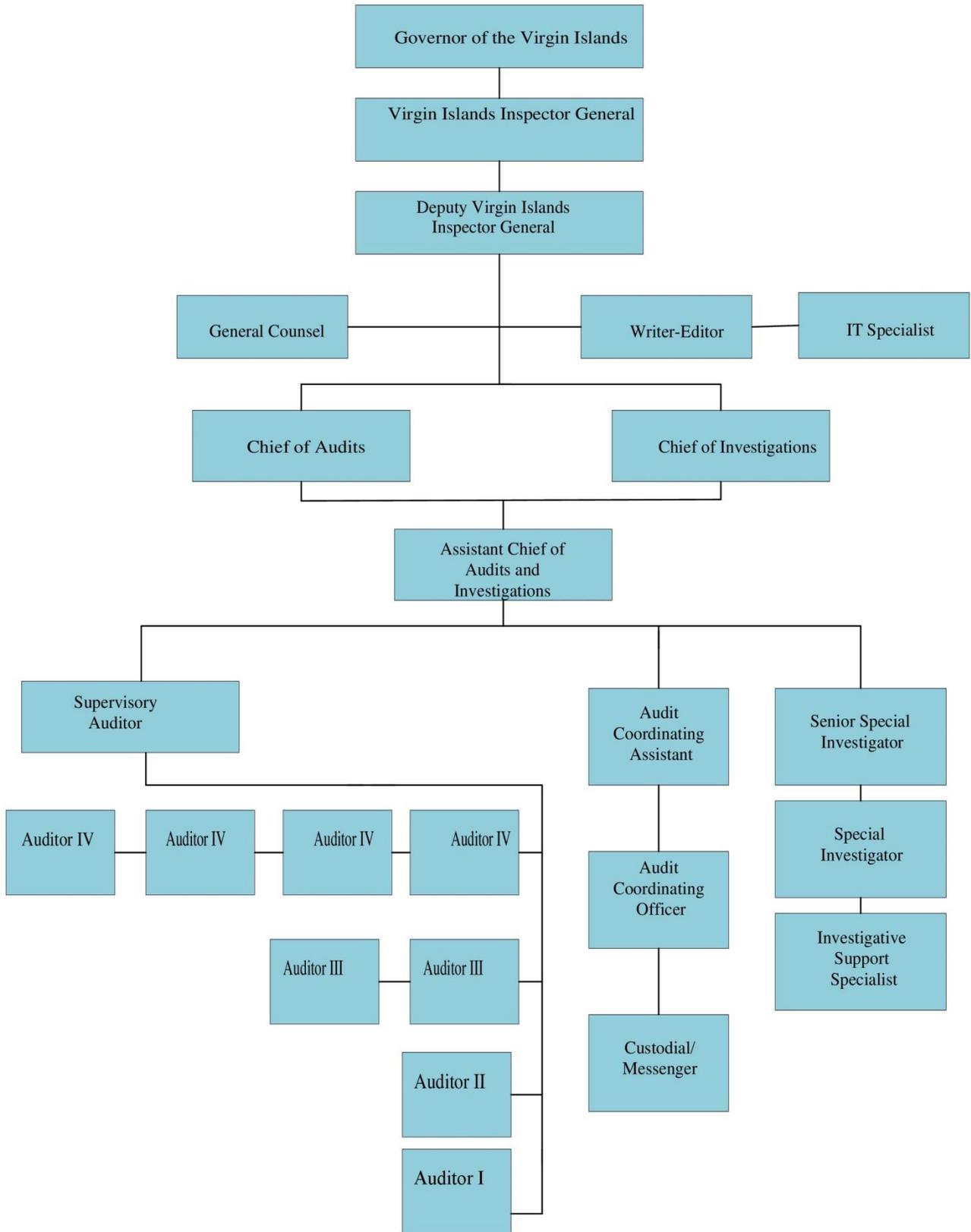
Finally, with the pending retirement of the Inspector General, I can only say that this has been the best 32 years of work experience that I could have ever imagined. He has taught me so much. This is not the way I would have wanted him to walk out the door, but I sense the peace that he has made with his decision, and I respect it.

As a government, our work continues. With the Office of the Inspector General being the only permanent Government audit presence in the Virgin Islands, we must show that we care about our Government's perceived level of integrity. As a result, the need for oversight of Government funds is essential.

We, therefore, ask for your full support of the recommended Fiscal Year 2022 Budget of \$2,773,989.

We thank you for the opportunity to be here today, and we are available to answer any questions that you might have.

**Office of the Virgin Islands Inspector General  
Organizational Chart**



**ANNUAL AUDIT PLAN SUMMARY**

**OFFICE OF THE VIRGIN ISLAND INSPECTOR GENERAL  
FISCAL YEAR 2021**

**RESOURCED AUDITS**

**Staff Days**

**Fiscal Year 2020 Carryover**

Audit of Contract Administration at the VI Waste Management Authority	540
Audit of Contract Administration at the Governor Juan F. Luis Hospital	540
Audit of Specific Accounts for the Department of Agriculture	300
Inspection of Procedures to Control Reemployment of Retired Government Employees	240
Inspection of the Use of Loan Proceeds from the Government Employees Retirement System	240
Audit of the Contract Converting WAPA's fuel Usage to Propane Gas	<u>420</u>
	<u>2,280</u>

**Fiscal Year 2021 New Starts**

No new Starts

**Other**

Special Assignments and Technical Assistance	60
Assistance to Investigations	90
Audit Recommendations Follow-up	30
Audit Work Plans	<u>30</u>
	<u>210</u>

Total Resourced Man-days 2,490

**UNRESOURCED AUDITS**

Contracting Practices of the UVI Research and Technology Park	250
Government Professional Service Contracts	360
Government-wide Travel Practices	420
Government-wide Contracting Practices	300
Government-wide Revenue Collections	300
Government-wide Grant Administration	350
Government-wide Vehicle Purchase and Control Program	325
Government-wide Imprest Funds and Petty Cash Accounts	300
Administrative Functions of the Licensing Division of Licensing and Consumer Affairs	300
Administrative Functions of the Tax Assessor's Office of the Office of the Lt. Governor	300
Administrative Functions of the Corporate Division, Office of the Lt. Governor	300
Administrative Functions of the Permits Division of Planning and Natural Resources	300
Non-Executive Branch Use of Credit Instruments	300
Education Initiative Fund	<u>300</u>

Total Un-resourced Man-days 4,405

**OFFICE OF THE VI INSPECTOR GENERAL FY 2022 BUDGET**

<b>1 PERSONNEL SERVICES</b>			
350001	511000	CLASSIFIED EMPLOYEE SALARIES	\$941,862
350001	511010	UNCLASSIFIED EMPLOYEE SALARIES	\$559,940
350001	514030	LUMP SUM PAYMENTS	\$54,000
<b>TOTAL PERSONNEL SERVICES</b>			<b>\$1,555,802</b>
<b>2 FRINGE BENEFITS</b>			
350002	520010	EMPLOYER CONTRIBUTION RETIREMENT	\$318,286
350002	521000	SOCIAL SECURITY	\$96,460
350002	521100	MEDICARE	\$22,559
350002	522000	HEALTH INSURANCE PREMIUM	\$189,419
350002	522200	WORKERS COMP PREMIUMS	\$1,264
<b>TOTAL FRINGE BENEFITS</b>			<b>\$627,988</b>
<b>3 SUPPLIES</b>			
350003	541000	OFFICE SUPPLIES	\$10,000
350003	541100	OPERATING SUPPLIES	\$10,000
350003	542000	REPAIR AND MAINTENANCE SUP	\$15,000
350003	545200	PROF REF BOOKS & PERIODICALS	\$5,000
350003	546000	DATA PROCESSING SOFTWARE	\$15,000
<b>TOTAL SUPPLIES</b>			<b>\$55,000</b>
<b>4 OTHER SERVICES</b>			
350004	532000	REPAIRS & MAINTENANCE	\$70,000
350004	532100	AUTOMOTIVE REPAIR & MAINTENANCE	\$14,000
350004	533000	RENTAL OF LAND/BUILDING	\$20,000
350004	533020	RENTAL MACHINES/EQUIPMENT	\$5,000
350004	534000	PROFESSIONAL SERVICES	\$50,000
350004	534100	SECURITY SERVICES	\$10,000
350004	534110	TRAINING	\$45,000
350004	535000	COMMUNICATION	\$55,000
350004	536000	TRANSPORTATION-NOT TRAVEL	\$6,000
350004	560000	TRAVEL	\$60,000
350004	560100	PURCHASE BULK AIRLINE TICKETS	\$5,000
350004	564100	OTHER SERVICES NOC	\$15,000
<b>TOTAL OTHER SERVICES</b>			<b>\$355,000</b>
<b>5 UTILITY SERVICES</b>			
350005	530000	ELECTRICITY	\$46,000
350005	531010	WATER	\$4,000
<b>TOTAL UTILITY SERVICES</b>			<b>\$50,000</b>
<b>7 CAPITAL PROJECTS</b>			
350007	571000	BUILDINGS & IMPROVEMENTS	\$0
350007	575000	MACH EQUIP & MISC	\$130,199
<b>TOTAL CAPITAL PROJECTS</b>			<b>\$130,199</b>
<b>TOTAL BUDGET</b>			<b>\$2,773,989</b>