

SECOND NORTHERN MARIANAS CONSTITUTIONAL CONVENTION

SAIPAN, CM 96950

Telephone
6517/6572

Officers

Herman T. Guerrero, President
Vicente M. Calvo, 1st Vice President
David M. Cing, 2nd Vice President
Marie T. Pangellinan, 3rd Vice President
William B. Malora, Convention Secretary
Juan T. Lizama, Floor Leader

REPORT TO THE CONVENTION BY THE
COMMITTEE ON FINANCE AND OTHER MATTERS

Members

Lorenzo I. Daleon Guerrero
Alonzo Iglisomar
David L. Igitol
Rita H. Inos
Benuste R. Kalpat
Estevan M. King
Luis M. Limes
Jesus P. Mafnas
Paul A. Mangione
James M. Mendiola
Aniceto H. Mundo
Fellicidad T. Ogunoro
Karl T. Reyes
Joaquin A. Tenorio
Francisco Tomokane
William S. Torres
Ramon E. Villagomez
Ignacio Villanueva

Subject: Committee Recommendation No. 3d

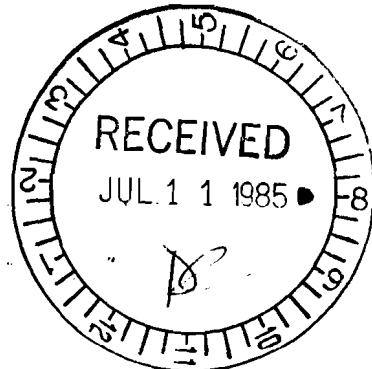
Your Committee on Finance and Other Matters recommends that the Convention meeting in Committee of the Whole adopt the attached proposed constitutional amendment with respect to appointment of a temporary public auditor in the event of a vacancy in the office of Public Auditor.

The proposed amendment is essentially a policy decision on the part of the convention to transfer authority to fill vacancies, from the presiding officer of the senate to the governor to be consistent with existing appointment practices. The Committee added a budgetary provision to ensure the independence of the public auditor. The duties and responsibilities of the public auditor under the proposed amendment remain the same.

Delegate Proposals: Three delegate proposals relating to the public auditor were referred to and carefully considered by your Committee on Finance and Other Matters, Delegate Proposals Nos. 50-85, 83-85, and 104-85. This recommendation conforms fully with the intent of Delegate Proposal No. 50-85.

Delegate Proposal No. 83-85 called for election of the public auditor. The Committee finds no compelling reason to amend the selection of the public auditor from the current appointment process to an elected one. Electing the public auditor would mean that his or her ability to get votes rather than professional competence would be the determining factor in his or her selection. Favoritism toward the right people and leniency in general could often become more important in securing the re-election of the public auditor, than performing a fair, impartial, independent, non-partisan, and competent job. The Committee finds no correlating between ability to secure votes and ability to perform as public auditor.

In addition to changing the appointing authority for vacancies as accepted by your Committee, Delegate Proposal No. 104-85 contains constitutional restrictions which were rejected by your Committee because they may not be feasible to implement given the current state of the auditing profession in the Commonwealth. As the number of local auditors increase, statutory restrictions on the term of temporary appointments may be imposed.




Any comments on the proposed amendment should be debated before by CMC of the whole. Let me know before 11/1/85
Ray Palacios - Finance


Additionally, your Committee also reviewed Delegate Proposal No. 273-95 referred to the Committees on Governmental Institutions and Local Government, which called for resident auditors to be assigned to Rota and Tinian on a full-time basis. Your Committee did not incorporate this proposal in its recommendation because we agree with the testimony of the Public Auditor that there is not a compelling need for this. Under the present set-up the Public Auditor has the flexibility to provide auditing services at the appropriate level. Rather than resident auditors, what is needed is more understanding of financial management practices by executives and administrators.

Therefore, your Committee strongly urges all delegates to support the attached committee recommendation.

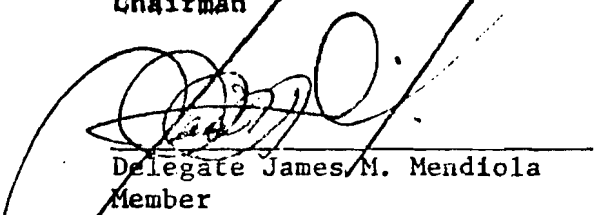
Respectfully submitted,



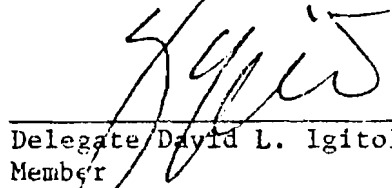
Delegate Lorenzo I. Guerrero
Chairman



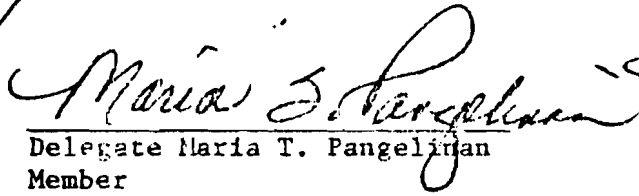
Delegate Rita H. Inos
Vice-Chairman



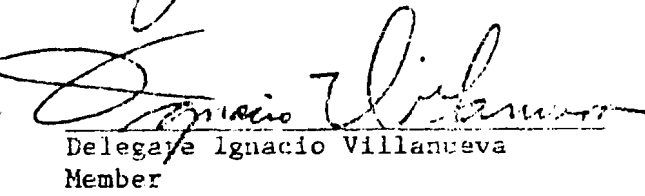
Delegate James M. Mendiola
Member



Delegate David L. Igitol
Member



Delegate Maria T. Pangelinan
Member



Delegate Ignacio Villanceva
Member

A PROPOSED CONSTITUTIONAL AMENDMENT

To amend Section 12 of Article III of the Northern Marianas Constitution, to provide for appointment of a temporary public auditor by the governor in the event of a vacancy in the office of public auditor, and to guarantee the minimum budget of the Public Auditor.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended to read as follows:

1 Effective upon ratification, Section 12 of Article III is amended to read:
2 "Section 12. Public Auditor. The governor shall appoint a public
3 auditor with the advice and consent of each house of the legislature.
4 The public auditor shall audit the receipt, possession and disbursement
5 of public funds by the executive, legislative and judicial branches of
6 the government, an instrumentality of the Commonwealth or an agency of
7 local government and shall perform other duties provided by law. The
8 Public Auditor shall be guaranteed an annual budget of at least \$500,000.
9 The budgetary appropriation shall not be reprogrammed for other purposes,
10 and any unexpended surplus in a fiscal year shall revert to the general
11 fund. The public auditor shall report to the legislature and the
12 governor at least once every year and this report shall be made public
13 promptly. The public auditor may be removed only for cause and by the
14 affirmative vote of two-thirds of the members of each house of the
15 legislature. In the event that there is a vacancy in the office of
16 public auditor, the governor shall appoint a temporary public auditor
17 to serve until the vacancy is filled."

18

19

20

Committee on Finance and Other Matters

21

F. 001

A PROPOSAL

To amend Section 12 of Article III of the Northern Marianas Constitution relating to Public Auditor.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Section 1. Section 12 of Article III of the Northern Marianas Constitution is hereby amended to read as follows:

Section 12: Public Auditor.

"a) The governor shall appoint a public auditor with the advice and consent of each house of the legislature. The public auditor shall audit the receipt, possession and disbursement of public funds by the executive, legislative and judicial branches of the government, an instrumentality of the Commonwealth or an agency of local government and shall report to the legislature and the governor at least once every year and this report shall be made public promptly. The public auditor may be removed only for cause and by the affirmative vote of two-thirds of the members of each house of the legislature. In the event that there is a vacancy in the office of the public auditor, the ~~governor~~ governor shall appoint a temporary public auditor to serve until the vacancy is filled."

Date: 6/20/83

Offered by:

- [Signature]
Delegate Jesus P. Malinas, Saipan
- [Signature]
Delegate Lorenzo I. DeLeon Guerrero, Saipan
- [Signature]
Delegate Alonzo Aguirre, Saipan
- [Signature]
Delegate David L. Igitol, Saipan
- [Signature]
Delegate Karl T. Reyes, Saipan
- [Signature]
Delegate Joaquin A. Tenorio, Saipan
- [Signature]
Delegate Francisco Tomokane, Saipan
- [Signature]
Delegate William S. Torres, Saipan

[Signature]
Delegate Ramon G. Villagomez, Saipan

[Signature]
Delegate Ignacio P. Villanueva, Saipan