

OFFICE OF THE NATIONAL PUBLIC AUDITOR
FEDERATED STATES OF MICRONESIA



**FSM Collection Agencies in Yap State Found Noncompliant of
Cash Collection Laws & Regulations
REPORT NO. 2025-06**





FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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August 19, 2025

His Excellency President Wesley W. Simina
Honorable Members of the 24th Congress
Secretary, Department of Finance & Administration
Secretary, Department of Resource & Development
Postmaster General, FSM Postal Services
Federated States of Micronesia
Palikir, Pohnpei FM 96941

RE: Inspection of Yap Cash Count & Internal Controls

We have completed our inspection of the four designated FSM Government collection field offices in Yap State, with a focus on the collection processes and the safeguarding of collected government revenues. The inspection covered the Division of Customs and Tax Administration and National Treasury under the Department of Finance, the Quarantine Office under the Division of Agriculture at the Department of Resources and Development, and FSM Postal Services, Yap Branch. This inspection was conducted in accordance with the *Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation*.

Our inspection revealed the following issues pertaining to how the specified approved collection agencies ensured accountability of FSM Government revenues:

1. Yap CTA Field Office Noncompliant of Collection, Reporting, and Depositing Regulations.
2. Noncompliance with Internal Control Regulations Related to Safeguarding Cash and Cash Equivalents by Yap State Collection Agencies.

We have also discussed the findings and recommendations with the Department of Finance and Administration, Department of Resources & Development, and FSM Postal Services. The team also requested formal management responses, which are included in this final report.

Respectfully submitted,

A blue ink signature of Haser H. Hainrick, written in a cursive style.

Haser H. Hainrick
National Public Auditor

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Abbreviations

Abbreviation	Meaning
ASYCUDA	Automated System for Customs Data
CTA	Customs and Tax Administration
DoFA	Department of Finance and Administration
FSMC	Federated States of Micronesia Code
FMR	Financial Management Regulations
FSM	Federated States of Micronesia
NTD	National Treasury Division
ONPA	Office of the National Public Auditor
R&D	Department of Resources & Development

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INTRODUCTION

1.1. Reason for the Assignment

This engagement was initiated in response to a request from the Acting Secretary of the Department of Finance and Administration (DoFA) to conduct cash counts and internal control inspections at the Division of Treasury, including all designated collection agencies across the FSM States. The Office of the National Public Auditor (ONPA) undertook this initiative to strengthen legal compliance, enhance current operation functions, and improve overall performance in revenue collection and internal control processes at NTD and affiliated collection agencies.

Similar inspections were completed in Pohnpei and Chuuk States. The inspection for Kosrae is scheduled to take place following the current review in Yap State.

1.2. Background

Approved Collection Agencies

According to FMR § 4.4.6, the respective collection agencies are responsible for collecting cash at their premises and ensuring that they are deposited either into an approved bank account or with the National Treasury daily, or no later than the next business day. The approved cash collection agencies include Customs & Tax Administration, Quarantine, Immigration, Post Office, Transport Division (DTCI) and are subject to change at the discretion of the Secretary of Finance & Administration.

Also, pursuant to FMR § 4.4.6 the approved collection agencies are required to implement proper safeguards over cash, cash equivalents, and receipt books.

Division of Treasury

The National Treasury Division (NTD) is a core operating division within the DoFA established pursuant to § 206 of the Financial Management Act of 1979. The responsibilities and authority of the secretary of DoFA over the NTD are outlined in PL 1-45 § 6 and FSMC Title 55 § 207.

NTD is legally responsible to administer, collect, and safeguard all funds due to and received by Treasury of the FSM. These collections include taxes, duties and tariffs based on imports; revenue collected from fines, fees, licenses, interest, rents and other collections. These collections are deposited into the FSM General Fund pursuant to the FSMC Title 55 § 209.

Division of Customs and Tax Administration

The Division of Customs and Tax Administration (CTA) operates under the DoFA in accordance with FSMC, Title 54 § 233. Under this provision, the CTA is responsible for the collection of taxes and statistical data on the importation and exportation of goods.

The CTA's central office is located in Palikir, while each of the four FSM States -Yap, Chuuk, Pohnpei, and Kosrae-has its own field office.

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Quarantine

The FSM Quarantine Services operates under the Department of Resources and Development (R&D), with offices established in all four FSM States. The primary function of the quarantine service is to protect the agriculture and general well-being of the people of the FSM.

In accordance with FSMC Title 22 § 402, the Secretary of R&D shall issue plant and animal quarantines and regulations and enforce such controls, quarantines, and regulations. Under FSMC Title 22 § 410, all aircraft, and vessels or their cargo entering or moving within the FSM are subject to inspection by agricultural quarantine inspectors.

FSM Postal Services

Pursuant to FSMC Title 39 § 105, states that there shall be a Post Office in each of the four states under the supervision of a State postmaster and shall serve under the authority of the Postmaster General. As outlined in FSMC, Title 39 § 104, the Postmaster General is responsible for overseeing of the operations of the National Postal System. These include adopting postal rates and regulations in accordance with FSMC Title 17 and Title 39 § 108, hiring personnel, and carrying out such duties and functions necessary to fulfill the provisions of FSMC Title 39 Chapter 1.

2. OBJECTIVES, SCOPE, METHODOLOGY

2.1. Objectives

The objectives of this inspection were to determine whether the FSM National Government and its respective collection agencies located in Yap State are:

1. Complying with the laws and regulations regarding collecting, recording, depositing, and reconciling government revenue.
2. Putting in place the necessary internal controls for safeguarding, reconciling, and balancing government revenue in accordance with the Financial Management Regulations, as amended.

2.2. Scope

The inspection covered the cash count and overall internal controls in place at the approved FSM National Government collection agencies in Yap state for the period January – March 2025. Below are the dates the inspection team completed the fieldwork for the respective division and agencies in Yap.

Field Offices	Date
CTA Field Office	Feb 10, 2025
Postal Services	Feb 11, 2025
Quarantine	Feb 12-13, 2025
Treasury	Feb 13, 2025

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2.3. Methodology

We conducted this inspection in accordance with the *Council of Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluations*. The standards require that we plan and perform the inspection to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives.

Inspection procedures included reviewing the enabling laws under FSM Code Title 54 & Title 55 of the Financial Management Act, which outlines Treasury duties and the processes for collecting, depositing, and recording of government funds. To gain a deeper understanding of these functions, we interviewed relevant staff at Treasury and the respective collection agencies and obtained supporting records related to the collection, deposit, and recording of government funds.

Additionally, the team performed cash counts, reconciled, and verified receipts collected at the collection agencies to match deposits made at Treasury. Finally, the team assessed for compliance with all applicable laws and regulations concerning the safeguarding of collected and deposited government revenues.

3. LEGAL MANDATES/STANDARDS

3.1. Audit Mandate

We conducted this inspection pursuant to the authority vested in the National Public Auditor as codified under Chapter 5, Title 55 of the FSM Code which states in part of the following:

"The Public Auditor shall inspect and audit transactions, accounts, books, and other financial records of every branch, department, office agency, board, commission, bureau, and statutory authority of the National Government and of other public legal entities, including, but not limited to, States, subdivisions thereof, and nonprofit organizations receiving funds from the National Government."

4. PRIOR AUDIT COVERAGE

This was the first engagement conducted by ONPA in Yap State focusing on cash count and internal controls. It is part III of a four-part series of inspections for all the approved FSM government collection agencies.

5. CONCLUSION

Based on our inspection, the team concluded that DoFA, Postal Services, and R&D are not complying with cash collection laws and regulations and not providing appropriate safeguards to ensure secure storage for daily collected cash and cash equivalents. The key findings are as follows:

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1. Yap CTA Field Office Noncompliant of Collection, Reporting, and Depositing Regulations.
2. Noncompliance with Internal Control Regulations Related to Safeguarding Cash and Cash Equivalents by Yap Collection Agencies.

6. FINDINGS AND RECOMMENDATIONS

6.1. Finding No.1: Yap CTA Field Office Noncompliant of Collection, Reporting, and Depositing Regulations.

Criteria:

Pursuant to § 209 of the Financial Management Act of 1979 it states that unless otherwise provided by this chapter or other law, the following shall be deposited in the General Fund:

- a. All public moneys raised or received by the Federated States of Micronesia National Government pursuant to laws imposing taxes on income or other taxes, duties, or tariffs based on imports, or other revenues collected based on fines, licenses, interests, rents, or other collections of the Federated States of Micronesia made specifically applicable within the jurisdiction of the Federated states of Micronesia;*

Section 4.4.6 of the FMR requires deposits by other Division/Department and

- 1. All other approved cash collection agencies collecting cash at their premises must ensure that all cash collections are deposited into the approved bank account or with National Treasury on a daily basis or no later than next business day.*
- 2. All cash collection agencies must follow these regulations with respect to safeguarding cash, cash equivalents, and receipt books.*
- 3. Current approved cash collection agencies are Customs & Tax Administration, Quarantine, Immigration, Post Office, Transport Division (DTCI). These approved Agencies may change at the discretion of the Secretary of Finance & Administration.*

Additionally, Section § 4.6 addresses the requirements for reporting the loss of public money which includes:

- 1. It is the duty of the revenue collection officer to report, without delay, to his or her senior officer, an incident of loss, shortage, theft, or other irregularity in any cash holding under his or her control.*
- 2. It is the duty of the finance officers (including those who are involved in the collection of cash (i.e. those listed under 4.4.6) to immediately bring to the attention of senior officers (which may include Assistant Secretary NTD, Secretary of Finance & Administration, Secretary of the relevant Department) of any circumstances*

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which cause them to believe that there is a suspected loss, shortage irregularity, fraud or theft of any public money.

Condition:

During the week of February 10-14, 2025, the inspection team conducted unannounced cash counts at the CTA Field Office, Postal Services, Quarantine Facilities, and Yap Treasury Field Office. While most authorized collection agencies generally complied with the FMR requirements, we identified notable issues specifically with the CTA Field Office.

We found that CTA field office is not complying with FSM Laws and Regulations regarding collecting and depositing government funds due to the following:

1. Three Customs Officers handled daily collections at the Yap CTA Field Office. The Customs Team Leader is responsible for reconciling and consolidating collections and reports before submitting them to the Field Office Manager. During the inspection, it was discovered that one of the Custom Officer held \$4,433.18 in cash, representing the total collections from the week of February 3 to February 7, 2025, but did not deposit the funds until February 10, 2025. The officer confirmed the delayed deposit, stating that the deposit covered the prior week's collections. The inspection team was not able to assess the efficiency of the current controls at the CTA Yap Field office due to the issue of delayed banking of over \$4,000.00 for a week's collection. Due to our limited scope, we could not determine whether there had been any previous undetected missed deposits. Therefore, we will be referring to this issue to our Compliance Investigation division for further assessment.
2. The Field Office Manager stated that he was unaware of the issue; however, our review of the CTA collection and deposit process indicates that he should have been aware of daily collections and reconciliations conducted prior to deposits. As the Field Office Manager, he is responsible for monitoring cash collections and is obliged to detect any shortages or irregularities.
3. The inspection team verified the weekly collections against the deposit made on February 10, 2025. During the reconciliation of February 10, 2025, collection, an overage of \$39.20 was identified. While this amount was deposited, it was not recorded in the daily collection report. The team inquired with the DoFA Bank Reconciliation Team to determine if they had access to all supporting deposit documents; however, they advised that such inquiries should be directed to the banks. Although the amount is considered immaterial, it highlights weak internal controls that may increase the risk of undetected fraud over time.

Effect(s):

1. The unfamiliarity of newly hired staff with the cash collection requirements and procedures poses a risk of undetected fraud and theft.

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2. Direct non-compliance with the FSM law and FMR increases the risk of continuous revenue loss which can potentially result in large amounts being unaccounted for.

Cause(s):

1. Lack of awareness on the cash collection requirements and procedures for newly hired staff both at the Yap CTA Field office and the CTA Headquarter in Palikir to ensure proper collection processes and timely detection of shortage in deposits in any given day.
2. Full negligence by the Field Office Manager regarding collection and depositing requirements as stated in the FSM laws and the FMR.

Recommendation(s):

We recommend Secretary of DoFA should provide awareness and proper training for newly hired staff on the cash collection requirements and processes at both the Yap CTA Field Office and CTA Division in Palikir. This will ensure proper understanding of cash collection requirements and processes, enable effective oversight of daily cash collections and deposits, and help prevent revenue loss, theft, and fraud.

6.2. Finding No. 2: Noncompliance with Internal Control Regulations Related to Safeguarding Cash and Cash Equivalents by Yap Collection Agencies.

Criteria:

According to the Financial Management Regulations Requirements:

- § 4.4.3, it states that *it is the responsibility of the Head of Department to ensure that adequate safe custody facilities are provided to officers working within the Department that is accountable for any cash. It is also the responsibility of the Head to ensure that all due precautions are taken to prevent loss or theft of all cash collected for the FSM Government.*
- § 4.4.4 states that *the Assistant Secretary NTD or designee must take all reasonable steps to safeguard against loss or theft, the possession of a key, PIN number or password to any area that has access (physical or online) to FSM National cash or cash equivalents.*
- § 4.4.5 also states that *the Assistant Secretary NTD or designee must ensure that all bulk stocks of receipts, pre-numbered blank checks are secured and kept in a strong room, safe or strong lockable box until required for use. The Assistant Secretary of Finance NTD must keep a register of all stocks receipt books, invoices, or pre-numbered blank checks have been stolen, lost or misused. Assistant Secretary NTD or designees must also ensure that all receipts, invoices, and debit notes under their control are kept in a strong room, safe or strong lockable box when not in use. The*

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loss of any receipts, invoices, debit notes and pre-numbered blank checks must be reported immediately to the Secretary by the officer responsible for their custody.

Additionally,

- FSMC Title 22 § 410 (2) states that *all aircraft and vessels or their cargoes, including baggage, ship's stores, and ballast, entering or moving within the Federated States of Micronesia, are subject to inspection by agriculture quarantine inspectors for the purpose of enforcing the controls, quarantines and regulations established pursuant to this chapter; provided that such inspections of U.S. military aircraft and vessels shall be subject to existing military security regulations.*

Condition:

Based on the interviews and observations at the respective Yap collection agencies, the following conditions were identified by locations:

CTA Field Office

- Although the CTA has a safe in place, it is not being utilized to store daily collections; instead, CTA officers store funds in money pouches.

Postal Services

- No money pouches are provided for safe and secure handling of daily collections and deposits.

Quarantine Office

- No possession of lockable safe and money pouch for daily collections and deposits.
- No implementation of safeguarding procedures for cash receipts.
- Quarantine does not do inspections of bags, cargos, etc. The officers obtain customer information and charge fees based on the weight of outbound items.

Treasury

- A small safe is used for daily deposits and cash equivalents; however, a larger safe is utilized for storing copies of customer receipts that cannot be locked.
- Daily collections and receipts are kept in unlockable drawers.

Effect(s):

1. Not implementing safeguarding practices increases the risk of fraud, theft, and loss due to lack of secure and lockable bags and safes for cash collections.
2. Without the proper implementation of internal controls, it will result in an increased chance of undeclared and prohibited items entering and leaving the State.

Cause(s):

1. DoFA, R&D, and Postal Services are not ensuring that the divisions under their management and supervision are provided with adequate resources within their facilities to safeguard collected government revenue.

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2. The Quarantine Office lacks procedures and controls for conducting physical inspections for outbound items, instead, relying on customer-submitted forms and item weight for tax assessments.

Recommendation(s):

1. We recommend the Secretaries of both DoFA, R&D, and the Postmaster General should ensure all divisions responsible for collections adhere to safeguarding standards by enforcing facility requirements, conducting regular compliance reviews, and addressing any deficiencies.
2. We further recommend that the Secretary of R&D should ensure quarantine officers perform physical inspections of baggage and cargos as required by law. This should include developing documented procedures, provide appropriate training, and establish regular compliance monitoring to reduce the risk of undeclared and prohibited items leaving the State.

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7. MANAGEMENT RESPONSE

 Secretary of Finance & Administration June 12, 2025	GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA Department of Finance and Administration P.O. Box PS 158 Palikir, Pohnpei FM 96941 Tel: (691) 320-2640/5852 Fax: (691) 320-7728 E-mail: fsmsofa@mail.fm
	
<p>Haser H. Hainrick National Public Auditor Office of the National Public Auditor FSM National Government Palikir, Pohnpei 96941</p>	
<p>Subject: MANAGEMENT RESPONSE TO AUDIT FINDINGS – YAP CTA FIELD OFFICE AND RELATED AGENCIES</p>	
<p>Dear National Public Auditor Hainrick</p> <p>This is our response to the subject audit. We wish to thank your team for the good work done on the</p>	
<p>FINDING NO. 1: NONCOMPLIANCE WITH COLLECTION, REPORTING, AND DEPOSITING LAWS AND REGULATIONS</p>	
<p>AUDIT FINDING SUMMARY:</p> <p>The audit observed that one CTA officer retained cash collections of \$4,433.18 for the period of February 3–7, 2025, and did not deposit the funds until February 10, 2025. An overage of \$39.20 was also identified as being deposited but not recorded in the daily report. Concerns were raised regarding weak internal controls and the Field Office Manager's oversight responsibilities.</p>	
<p>MANAGEMENT RESPONSE:</p> <p>We acknowledge the incident reported during the audit; however, we would like to provide the following clarifications and actions taken:</p> <ol style="list-style-type: none">1. Delayed Deposit:	
	

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FINDING NO. 2: INADEQUATE SAFEGUARDING OF CASH AND CASH EQUIVALENTS

AUDIT FINDING SUMMARY:

The audit noted that safe custody facilities were not properly utilized in several collection agencies. The CTA Yap Field Office was cited for storing funds in money pouches instead of safes. Other agencies such as Postal Services and Quarantine were noted for lacking secure storage and not implementing internal control procedures.

MANAGEMENT RESPONSE:

We appreciate the observations and agree that continuous improvement in safeguarding practices is essential. However, we wish to clarify the following:

1. Use of Money Pouches:

CTA field offices operate with bank pouches for operational convenience, especially in remote locations. These pouches are secured and kept in possession of responsible staff during working hours. Any cash not deposited on the same day is stored in safes in accordance with FMR.

2. Availability of Safes:

The CTA Yap Field Office does have an operational safe for storage. The audit team's findings may have been due to timing of observation or incomplete walkthrough. Staff are aware that any unbanked funds at day-end must be stored securely.

3. Postal and Quarantine Offices:

As these fall under separate divisions, we defer to their management for a direct response. However, we recommend that the Department coordinate a joint audit response effort to ensure standard practices are implemented across all agencies.

WAY FORWARD:

- Confirm all offices have functioning and adequate safes or secure lockable storage.
- CTA to issue a policy circular mandating end-of-day verification of cash storage procedures.
- Incorporate safeguarding measures in upcoming nationwide FMR training.

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The Customs Officer in question held funds on behalf of an importer at the request of the client. While this was done with no intent of wrongdoing, it was a deviation from standard protocol. The officer has since been counseled and reminded of CTA's SOP and FMR requirements. A reminder has also been circulated to all field offices reinforcing the importance of strict adherence to daily deposit requirements.

2. Manager Awareness and Oversight:

The Field Office Manager was not informed by the officer about the cash being held. As such, while oversight is a managerial duty, the lack of communication hindered his ability to intervene. It is unreasonable to expect awareness of staff behavior not disclosed to management. In response, the Manager has re-emphasized internal communication and instituted daily verbal confirmations to prevent recurrence.

3. \$39.20 Overage:

The overage in question was accounted for and fully deposited, as evidenced by the Daily Cash Count Report and the accompanying bank deposit documentation dated February 10, 2025. Based on our internal reconciliation, the reported amount is reflected both in the cash count and in the deposit made. Given this, we find it difficult to provide a substantive response to the concern raised, as there is no discrepancy from our records. We respectfully recommend that this issue be revisited by your team, as a true concern would arise in the event of a shortage between the reported cash count and the actual deposit.

4. Training Measures:

In light of this incident, CTA will conduct a full refresher training across all field offices on FMR policies, SOPs, and the ethical handling of public funds. Special focus will be placed on daily reconciliation practices and reporting protocols.

WAY FORWARD:

- Immediate retraining of all Yap CTA officers and reinforcement of SOP protocols.
- Introduction of a daily checklist for reconciliation and deposit oversight, signed off by team leaders and countersigned by the Field Office Manager.
- Enhanced internal audit coordination to verify compliance on a quarterly basis.
- Formal written reminder to all staff that handling client funds or deviating from standard cash deposit procedures is prohibited.

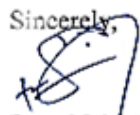
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- Request joint compliance reviews with DoFA to ensure all collection agencies meet minimum FMR security requirements.

The Division of Customs & Tax Administration remains fully committed to the safeguarding of public funds and compliance with FSM laws and FMR. We view the audit findings not only as a means to correct immediate issues but as a valuable opportunity to strengthen our systems through retraining, reinforced oversight, and improved documentation.

We welcome further dialogue and guidance from the Office of the National Public Auditor and will continue working closely with relevant agencies to address and close these audit recommendations.

Sincerely,



Rose N. Nakanaga
Secretary

cc: FSM Department of Finance and Administration – CTA Division

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June 10, 2025

Haser Hainrick
National Public Auditor
Office of The National Public Auditor
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Subject: Response to Finding No. 2 Regarding Noncompliance with Internal Control Regulations for Safeguarding Cash and Cash Equivalents

Greetings from FSM R&D:

We appreciate the thorough review conducted by the ONPA team and acknowledge the findings related to Yap Quarantine Office Noncompliance with Internal Control Regulations for Safeguarding Cash and Cash Equivalents. We are committed to rectifying the issues identified.

We recognize that there are deficiencies of how cash receipts and equivalents are handled and acknowledge the non-compliance with the Financial Management Regulations (FMR) regarding safe custody facilities. We also recognize and acknowledge inconsistencies regarding required inspections of passenger luggage, bag, etc. of outbound and inbound agricultural items.

Corrective Actions Taken

1. We have advised Yap OIC and initiated steps for the procurement of lockable safe/cabinets and money pouch for daily collections and deposits.
2. Yap OIC has been instructed that cash receipts are handled and/or stored accordingly.
3. OIC Yap has been advised that outbound quarantinable items undergo required inspection and certification.

Preventative Measures

1. We will make certain that safe storage facilities are in place and utilized accordingly.
2. We will ensure that cash receipts are kept and/or stored accordingly.
3. Quarantine OIC and colleagues will enforce existing Quarantine protocols regarding physical inspection of inbound/outbound quarantinable items to prevent introduction of prohibited items and further spread of exotic pests and diseases.

We are dedicated to improving our internal controls and maintaining compliance with all regulations concerning the protection of cash and cash equivalents. We will work closely with Yap Field Office to enhance our financial management and operational protocols for inspecting and certifying quarantinable items within the next four months.

Thank you for bringing these matters to our attention. We appreciate your support and guidance as we work together to resolve these issues and strengthen our financial and operational procedures.

Sincerely,

Elina P. Akinaga

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Epel K. Ilon
Postmaster General

Postal Service

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June 02, 2025

Mr. Haser Hainrick
National Public Auditor
FSM National Government
Palikir, Pohnpei
FM 96941

Handwritten signature
6.2.2025



Dear Mr. Hainrick,

Thank you for the opportunity to respond to the audit on Yap Cash Count and Internal Controls conducted by your office. As noted in the audit, my management response addresses **Finding No. 2: Noncompliance with Internal Control Regulations for Safeguarding Cash and Cash Equivalents.**

- As indicated in the report, "Postal Services: No possession of money pouches for safe and secure daily collection and deposits.

Management concurs with the finding and will procure secured money pouches for postal collections and deposits.

Thank you

Handwritten signature of Epel K. Ilon
Epel K. Ilon
Postmaster General

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8. ONPA EVALUATION OF MANAGEMENT RESPONSE

As part of our inspection process, we requested formal management responses from DoFA, R&D, and FSM Postal Services. The Secretary of DoFA, R&D and the FSM Postmaster General responded and generally agreed with our findings and recommendations.

However, ONPA would like to provide some clarity towards the specific response that was made for Finding No. 1 concerning the overage amount. We want to point out that the lack of timely reconciliation contributed to the discrepancy.

As for the matter concerning the security of the money pouches and the use of their safe, although CTA believes money pouches are secure for collecting cash, we noted risks with how the cash is handled and recorded. These risks are mainly due to the lack of tamper-proof pouches. ONPA wants to clarify that this particular issue was in regard to Finding No. 1 where the Customs officer was in possession of a week's worth of funds and not secured during daily operations.

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9. NATIONAL PUBLIC AUDITOR COMMENTS

We would like to thank the Secretary of the DoFA and her team, including the CTA field office and NTD in Yap, as well as the R&D and its Quarantine field office in Yap for their overall cooperation during the inspection. We also appreciate the cooperation of the Postmaster General and the team in Yap for their cooperation. We anticipate to follow-up on our recommendations in the near future.

We have provided copies of the final report to the President and Members of the 24th FSM Congress. Furthermore, the report is made available to the public through our official website and upon request.

If there are any questions or concerns regarding this report, please do not hesitate to contact our Office. Contact information for the Office can be found on the last page of this report along with the National Public Auditor and staff that contributed to this report.



Haser H. Hainrick
National Public Auditor

August 19, 2025

OFFICE OF THE NATIONAL PUBLIC AUDITOR
FSM Collection Agencies in Yap State Found Noncompliant of Cash Collection Laws &
Regulations
REPORT NO. 2025-06

10. ONPA CONTACT AND STAFF ACKNOWLEDGEMENTS

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Ariel C. Perman, Team Leader
Shelolyn Neth, Team Member

ONPA MISSION	We conduct quality audits and investigations to improve good governance and to prevent and deter fraud, waste, and abuse for the stakeholders' benefit.
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