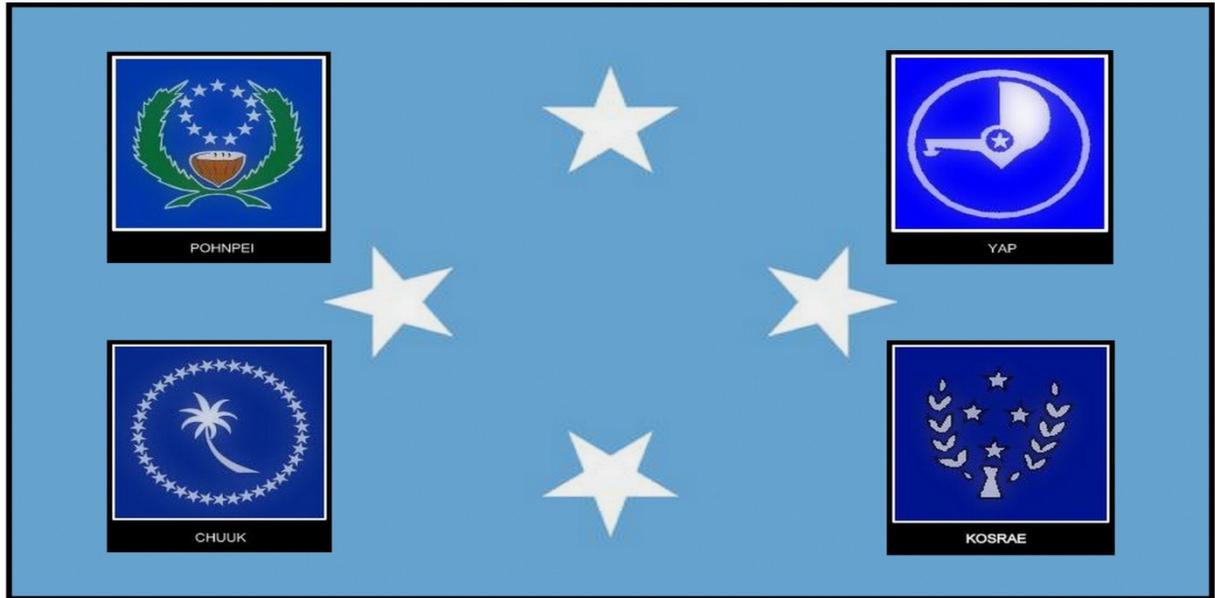


FEDERATED STATES OF MICRONESIA



OFFICE OF THE NATIONAL PUBLIC AUDITOR

ANNUAL REPORT FISCAL YEAR 2012



Haser Hainrick
Public Auditor

February, 2013

Acronyms

ADB Asian Development Bank
AGA Association of Government Accountants
AG Attorney General
ACFE Association of Certified Fraud Examiners
APIPA Association of Pacific Island Public Auditors
ASMC American Society of Military Comptrollers
AusAID Australian Agency for International Development
CFE Certified Fraud Examiner
CDHS Chuuk State Department of Health Services
CDOE Chuuk State Department of Education
CGAP Certified Government Auditing Professional
CID Compliance Investigation Division
CIP Capital Improvement Project
CPA Certified Public Accountant
CPE Continuing Professional Education
CSCIP Chuuk State Capital Improvement Project
DFA Department of Finance and Administration
DOI US Department of Interior
DOJ FSM Department of Justice
EEZ Exclusive Economic Zone
FAP Fraud Awareness Prevention
FMR Financial Management Regulation
FSM Federated States of Micronesia
FY Fiscal Year
GAAP General Accepted Accounting Principles
GAGAS Generally Accepted Government Auditing Standards
HRM Human Resource Manual
IAACA International Association of Anti-Corruption Authorities
INTOSAI International Organization of Supreme Audit Institution
ISSAI International Standard of Supreme Audit Institution
JFPR Japan Fund for Poverty Reduction
MOU Memorandum of Understanding
MICR Magnetic Ink Character Recognition
MTCU Micronesia Transnational Crime Unit
NOC National Olympic Committee
OCE Other Consumable Expenses
OIA US Department of Interior, Office of Insular Affairs
OIG Office of the Inspector General
OJT On-the-Job Training
OMB US Office of Management and Budget
ONPA Office of the National Public Auditor
PASAI Pacific Association of Supreme Audit Institutions
PEFA Public Expenditure and Financial Accountability
PFM Public Financial Management
PRAI Pacific Regional Audit Initiative
SAI Supreme Audit Institution
SBOC Statistic, Budget & Economic Management, Overseas Department Assistance & Compact Management
SDP Strategic Development Plan
SEG Supplemental Education Grant
TPA Third Party Administrator
UNDESA United Nations Department of Economic and Social Affairs
UNCAC United Nations Convention Against Corruption

Table of Contents



Public Auditor’s Message.....	2
FY 2012 Highlighted Accomplishments	3
About this Annual Report.....	6
Mission, Vision, Values	6
Transparency via ONPA website	7
Duties of the National Public Auditor	8
Administration Division	8
Budget	8
Information Technology	8
Audit Division	9
FY 2012 Issued Audit Reports	9
Compliance Investigation Division (CID).....	13
Case Statistics.....	13
CID Hotline	15
Single Audits	15
Other Matters of Interest	17
Trainings/ Conferences/ Workshops	18
New Hires, Promotions & Departures	23
Other Activities	26
Appendices	27
Appendix I.....	27
Appendix II.....	28
Appendix III	29

Public Auditor's Message

Excellency Manny Mori, President
Honorable Members, FSM Congress

I am happy to submit to you my Annual Report for the Office of the National Public Auditor covering the Fiscal Year 2012 as required by law.

I am thankful to the leadership of the National Government for your continuing support in providing necessary funding to pay for the office's core operational expenses necessary in order to carry out our mandated programs and activities, in audits and in investigations, during the year.

I am also grateful to our regional supporters, other external stakeholders, and allies for supporting us particularly in the area of capacity building both in institutional strengthening and manpower development. Other regional and local media have provided helpful coverage in disseminating the results of our audit works, hence contribute toward an accountable and transparent government.

In the pages that follow, you will read about the results of our operations and our accomplishments during fiscal year 2012. These marked achievements were earned only through the hard-work and dedication of all my staff - - and to them I extend to each and every one my heartfelt gratitude.

Respectfully submitted,



Haser Hainrick
National Public Auditor

February, 2013

FY 2012 Highlighted Accomplishments

FSM ONPA Peer Review

“FSM ONPA passed peer review again!”

The APIPA Peer Review team was comprised of Technical Advisor Charles Hester, Palau Acting Public Auditor Saturnino Tewid, and American Samoa Public Auditor Robert Dantini. FSM Office of the National Public Auditor has to pass the peer review to meet the requirements as promulgated by the Comptroller General of the US Government Accountability Office (GAO). Every three (3) years, members of the Association of the Pacific Islands Public Auditors (APIPA) of which FSM OPA is a member, must undergo an external quality control review to assure compliance with the governmental auditing standards (GAS).

The peer review team surveyed FSM OPA past audit engagements, reports, required Continuing Professional Education (CPE) credits, work papers, and previous peer review recommendations to ensure that an adequate internal quality control system was in place.

FSM OPA issued 22 performance audit reports between October 2008 to September 2011 which were subject to the peer review.

During the exit conference on July 13, 2012 and as a result of the peer review, the peer review team issued an opinion that FSM OPA passed full compliance with the governmental auditing standards (GAS).

The final peer review report was issued on July 31, 2012. A copy of the report was sent to the President and Speaker of Congress.

The in-house team comprising of Erwihne David, Mermina Mongkeya and Keller Phillip did a commendable job in preparing the office for its external peer review.

PASAI Facilitator Julinida Weital—*Supervisory Role in Government Auditing*

PASAI has played an important role in the effectiveness and strengthening of audit functions throughout the Pacific region. It has helped strengthen cooperation and communication between auditors within the Pacific region through meetings, trainings, workshops, conferences, and etc.

In late July 2012, PASAI invited Ms. Julinida Weital to enlist her as one of the instructors in the *Supervisory Role in Government Auditing* coordinators’ meeting and training held in Nadi, Fiji from August 30 to September 14, 2012. Julinida has been an auditor at the National OPA for over ten years and also attended numerous trainings and workshops initiatives by PASAI. Based on her work experience and positive feedback commented by PASAI in the last

cooperative performance audit on fisheries, Julinda was chosen by PASAI to assist as one of the instructors.

The two weeks training drew 21 participants from 15 Pacific Audit Institutions. The training aimed to provide an understanding of the supervisor's roles during the audit processes for financial and performance audits as well as understanding of some supervisory skills that are commonly used in an audit. Julinda's invitation to the training was her first participation as an instructor. During the two weeks training, she instructed in various sessions covering varieties of topics, including *Defining Performance Audit*, *Determining Audit Approach*, *Preliminary Audit Conclusions*, *Monitoring*, *Structured Interview*, and *Retention of Employees*.

PASAI Facilitator Elina Paul – *Communicating Effectively*

From September 24-28, 2012, Elina Paul served as an instructor at the *Communicating Effectively* Workshop in Nadi, Fiji, a workshop delivered under the sponsorship of PASAI and designed to improve the auditor's skills in writing and orally presenting of audit reports.

Nineteen auditors actively participated in variety of activities to reinforce and enhance their communication skills. They examined tools and techniques to improve the readability of their written products and practiced writing and reviewing report segments. Participants also practiced oral communication skills as their report presentations were videotaped and critiqued.

Participants also developed action plans describing what they expect to do when they return to their own offices. They further acknowledged the importance of developing a strong talent pool of government auditors in the Pacific region to provide their governments with value added audits meeting uniformly high standards.

The five day training/workshop was concluded with the Executive Director Eroni Vatuloka's emphasis on the importance of effective communication saying, "*While it is important to gather and analyze data about government programs, if the message about those programs isn't communicated clearly and convincingly, the audit may not lead to necessary or desired improvement.*"

The FSM National OPA is proud to provide two of its own audit staff to serve as instructors for PASAI training/workshops with Elina in the *Communicating Effectively* and Julinda Weital in the *Supervisory Roles in Government Auditing* workshops.

Pernes Samuel and Tracy Ardos – Deputized as National Police Officers

In accordance with the Memorandum of Understand (MOU) between the Department of Justice and the National OPA, Mr. Pernes Samuel and Ms. Tracy Ardos, Investigative Auditors from the Compliance Investigation Division, were sworn in as special National Police Officers by FSM Acting Attorney General Johnson Asher on May 17, 2012. As deputized members of the National Police force, the two are now empowered to execute any police function in enforcing

the laws of the Federated States of Micronesia particularly in regards to financial investigations.

ONPA completed 5 Audits during FY 2012

In fiscal year 2012, five audits were completed and submitted to the President and the Congress. All the audits were conducted by the staff through request as required by the Public Auditor's Act and in accordance with the audit selection criteria.

The five completed audits were: FSM Customs and Tax Administration, Chuuk Environmental Protection Agency, Management of Tuna Fisheries in the FSM, FSM Payroll Operation Controls, and National Fisheries Corporation.

About the Annual Report

This fiscal year 2012 Annual Report by the Public Auditor, as required by law, serves to inform the Congress of the National Public Auditor's progress and performance in safeguarding the Nation's assets through audits and investigations that lead to improving government operations, efficiency and accountability.

When information about government operations is open and readily accessible to the public, governing is considered transparent. Transparency in government equips citizens with knowledge about their government's operations. ONPA's Annual Report provides easy access to aspects of the finances and operations of the government and contributes to transparency.

Mission, Vision, Values



Mission

We conduct audits and investigations to recommend improvements in government operations, efficiency and accountability for the public's benefit.

Vision

We create a high performing, transparent, and accountable government through the performance of high quality, independent audits and investigations.

Values

The ONPA values reflect the way in which staff conducts the business of auditing and investigating—adhering to confidentiality, and operating with accuracy and efficiency. ONPA values:

- Independence—we maintain our independence at all times.
- Professionalism—we are a highly skilled, dedicated and hardworking team adhering to the highest ethical and professional standards.
- Public Service—we serve to protect and improve public services for the public's benefits.
- Honesty—we conduct our work with honesty, diligence, and responsibility.

Performance Measures

Performance measures relate to the desired results of publishing reports that are read and used to lead positive changes in governmental practices and operations. ONPA performance measures:

- ✓ Understandable, timely and useful reports
- ✓ Accepted and implemented recommendations
- ✓ Improvement in Governmental practices and operations
- ✓ Fiscal Impact

Transparency in Government Continues via ONPA's Website



ONPA's strategic goal to improve transparency in the government is furthered through the use of the ONPA internet website (www.fsmopa.fm). Transparency means providing citizens with information about their government's operations. One indicator of transparency is FSM citizens' use of the web site, tracked by the number of visits to the site, to locate information about ONPA activities. Google Analytics is the system used to track utilization of the web site. Another important indicator is whether visitors accessed the web site directly using the ONPA web address. This type of visit could denote the visitor's specific intention to go to the ONPA web site to read ONPA reports, learn about staff, or find out what's new in the ONPA office. This type of access can be considered

a direct link to transparency. The number of web visits to the ONPA site has increased over the past year. For example, the number of visits to the web site for fiscal year 2012 is 4,874, approximately 406 visitors per month.

Duties of the National Public Auditor

The Public Auditor is the Nation's premier watchdog, helping to provide assurance that National funds are properly managed and are expended in an appropriate, transparent and accountable manner. The Public Auditor plays a key role in combating financial crime and financial corruption involving the use of the National Compact funds. The Public Auditor's office is authorized by statute to examine and evaluate the adequacy and effectiveness of systems of management control provided by the National Government policies, plans, and directives. The President, with the advice and consent of the Congress, appoints the Public Auditor. (Refer to Appendix I for additional information regarding the powers, duties and responsibilities for the Public Auditor.)

Administration Division

The administration division consists of the Public Auditor, Administrative Officer, IT specialist, and the Executive Secretary. This division handles all office support activities for the core operations for the main office in Palikir and the field office in Chuuk.

Budget

A total of \$883,391 was appropriated by Congress for the operation of ONPA for fiscal year 2012. Of that amount, \$716,243 came from local revenue to fund the operations of the main office in Palikir and the remaining balance of \$167,148 to fund the operations of the Chuuk Field Office.

	Approved Budget	Expenditures
Main Office	\$ 716,243.00	\$ 514,040.25
Chuuk Field Office	167,148.00	102,231.73
Total	\$ 883,391.00	\$ 616,271.98

Budget Categories	Expenditures for Fiscal Year 2012
Personnel	\$ 376,073.36
Travel	119,893.89
Contractual Services	58,126.22
Other Consumable Expenditure	60,743.51
Fixed Assets	1,435.00
Total	\$ 616,271.98

Information Technology (IT)

ONPA created the Information Technology section under the administration division to support users on the existing computer network. Ankie Mendiola a.k.a "Duke" is currently the IT specialist, whose responsibilities include monitoring of the office computer network,

installation and report of computers and network components, troubleshooting of computer issues and maintenance of the office website.

Audit Division

The Audit Division conducts three types of comprehensive audits—program results, economy and efficiency, and financial. These three types of audits are not mutually exclusive and any audit or review may include more than one type of audit. In addition to audits, inspections are performed. These inspections, which follow the Quality Standards for Inspections, have the same quality and integrity as the comprehensive performance audits, but have a more narrowly defined focus which decreases the timeframe for completing an examination and issuing a report. All of the audit and inspection works, the three types of performance audits and audit inspections, conform to the auditing standards generally accepted in the United States of America, the government standards for performance and financial audits contained in the *Generally Accepted Government Auditing Standards* (GAGAS or yellow book) issued by the Comptroller General of the United States, and the standards applicable to inspections contained in *Quality Standards for Inspections*. (Refer to Appendix III, for additional information on audit operations).

The ONPA prepares written reports communicating the results of each audit or inspection performed and issues these reports to the agency under audit for resolution of the recommendations presented in the report. Reports generally include a description of the objectives, scope and methodology as well as the findings, and recommendations for corrective action. Reports issued since 2000 have been posted on the FSM ONPA website: www.fsmopa.fm. In FY 2012, the Audit Division issued five (5) reports, which discussed the findings and recommendations in detail. The following are the summary of such findings and recommendations:

Performance Audit Overview

Audit Report No. 2012-01: Audit of the FSM Department of Finance and Administration, Division of Customs and Tax Administration

Based on the audit testing, the auditors concluded that the CTA main office did not monitor adequately the field offices in carrying out their key activities of enhancing and enforcing tax collection throughout the FSM. Consequently, the following control weaknesses were found:

1. Poor internal control over the system of manual cash receipts put cash at risk of loss or theft. Instances of alleged theft by CTA employees have occurred.

2. The tax rolls (list of active businesses) were incomplete and as a result, compliance and tax revenue collection was diminished. Unpaid or unreported taxes by businesses in Pohnpei were not followed-up and the auditors estimated that 40%, or more, of businesses in Pohnpei were not reporting taxes due. In Chuuk, they were followed up only when visited by a special task force.
3. The accuracy of payment of import taxes was not verified by CTA and the inspection of freight containers was hap-hazard, not formalized and seldom performed.
4. CTA employees were not trained in the proper handling of potentially unethical situations including how to maintain independence with local businesses. In the absence of a CTA Code of Ethics, independence with local businesses was not specifically required.
5. Ultimately, the practices of CTA were lax especially in the states of Pohnpei and Chuuk, and did not assure the citizens of the FSM that the tax and revenue laws were uniformly enforced or complied with.

The CTA management response generally acknowledged all the findings and recommendations and indicated that corrective actions would be initiated.

Audit Report No. 2012-02: Audit of the Chuuk Environmental Protection Agency (CEPA)

The auditors found that:

1. CEPA had not initiated activities for 6 of the 9 Strategic Goals identified in the strategic developmental plan (SDP) and further documented in the Five Year Environment Sector Plan. Therefore, the surrounding environment in Chuuk continued to be at risk for adverse environmental conditions.
2. There was a general lack of enforcement of the environmental laws and regulations, and the environmental conditions for the state of Chuuk were not improving significantly.
3. Performance was not monitored effectively and the 3 (of 9) Sector Plan Goals pursued by CEPA were not achieved.
4. Procurement was not conducted in accordance with the laws and regulations. Purchases were made with conflict of interest from retail stores owned by CEPA Management or their family members. The audit also revealed questionable salary and benefit payments, which were further subjected to investigation.

The ONPA received the audit responses from the CEPA Board and the Management. The Board agreed to initiate improvements on the findings and recommendations. However, the

responses received from the Management were not responsive to the audit recommendations made.

Audit Report No. 2012-03: Audit on Management of Tuna Fisheries in the FSM

The audit found that the Board of Directors for NORMA did not provide adequate oversight over the operational duties in carrying out their key activities of enhancing and enforcing the main fishery legislation. Consequently, the following weaknesses existed:

1. Outdated Tuna Management Plan (TMP) left NORMA with no clear guidelines in managing tuna resources.
2. There were no official by-laws to govern the actions including the duties and responsibilities of NORMA's Board members. In addition, NORMA has not developed internal policy framework to provide the necessary direction and guidance to manage their daily operation.
3. The inactive Fisheries Management and Surveillance Working Group.
4. There was no assurance that fishing right fees from Japan were collected and deposited in the Bank.
5. Unreliable data caused by inaccurate and untimely reporting.

The Board and Management of NORMA generally agreed to the findings and recommendations, assuring that corrective actions would be implemented.

Audit Report No. 2012-04, *Audit of the FSM Payroll Operating Controls.*

Based on the audit testing, the auditors found:

1. Significant over payments were made to active employees for hours not authorized and not requested. The over payments were not detected or corrected by Department of Finance & Administration (DF&A).
2. Significant wrongful payments were made to terminated employees. The wrongful payments were not detected by DF&A.
3. Changes to pay rates in the computer were not verified by Personnel or DF&A. The pay rates entered by the hands-on operators were not verified by anyone else to ensure that only legitimate pay rates were entered as authorized by management. Changes to pay rates were performed by both DF&A and Personnel. Some of the pay rates tested could not be verified to Personnel Action Forms (PAF's) on file in Personnel.

4. Not all key duties were segregated and thus the system was vulnerable to mistakes and improper acts. For example, the persons who print the paychecks (none are pre-numbered) are system experts having administrative privileges. In other words, the DF&A employees who are printing checks could modify their own checks and then delete or modify all record of wrong doing.
5. Lack of monitoring of changes to employee payroll master records may have resulted in illegitimate pay increases and premiums.
6. The operating departments, agencies, offices that submitted their time summary reports – signed by the allottee, to DF&A for payroll processing were not ensuring the integrity of the information. Hours not worked were approved by the allottee. Also, the summary of hours approved did not always agree with the detail hours (regular, vacation, sick, other) reported.
7. A plan for payroll continuity in the event of a computer failure has not been formalized or documented by DF&A.

In their management responses, the DF&A and Office of Personnel concurred with the findings and agreed to the recommendations. They also indicated that corrective actions would be implemented.

Audit Report 2012-05: Audit of the National Fisheries Corporation

The auditors found the following weaknesses:

1. Lack of Strategic Development Plan to provide corporate direction.
2. Inadequate Annual Budget Plan that failed to implement strategies on how to achieve goals and objectives.
3. Absence of performance measures to implement and monitor the achievement of goals and objectives.
4. No negotiation process manual in place to promote sound and justifiable decision making on joint ventures and other business undertakings.
5. Inadequate segregation of duties led to undetected error.
6. Insufficient controls for payroll processing increased the risk of abuse and violation of law.

- Insufficient controls and safeguarding of fixed assets led to missing and unaccounted fixed assets.

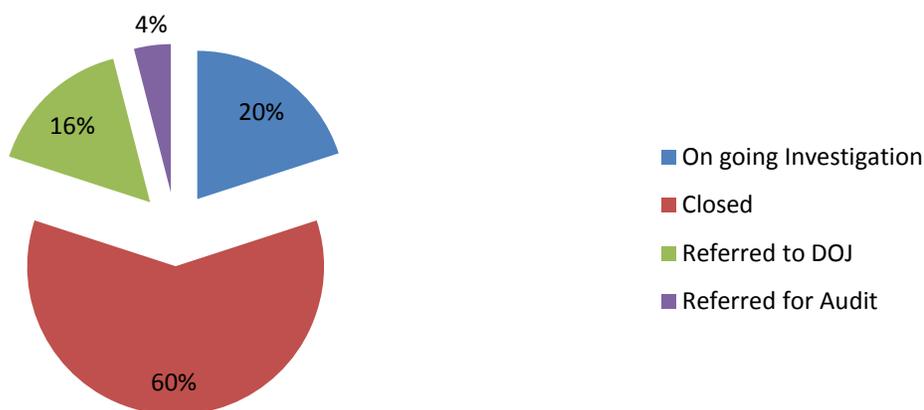
The NFC Management in their response agreed to the audit findings and recommendations provided in the report. They agreed to initiate corrective actions on the recommendations.

Compliance Investigation Division (CID)

CID is the second of the two Divisions established by the ONPA to conduct its work. CID has two primary investigation functions, administrative and criminal. CID works to identify systems and accountability weaknesses in the Nation’s financial administration and gathers evidence of criminal activity for appropriate legal review and action. CID uses Quality Standards for Investigations which streamlines their investigating and reporting process. (Refer to Appendix III, for the general and qualitative standards for investigations).The criminal function came about under the provisions of a 2005 Memorandum of Understanding (MOU) between the ONPA and the FSM DOJ.

CID Case Discussions

FY 2012 Cases



Detail of the active cases cannot be displayed due to ongoing investigation procedures; therefore, case numbers will just be displayed.

Complaints Received in FY 2012

Case No.	Allegations	Source	Status
1. CID 11-010	Missing Government Assets	Audit referral	Closed
2. CID 11-011	Misappropriation of project funds	Audit referral	Closed

3. CID 11-012	Budget Over-run	Audit referral	Ongoing
4. CID 12-001	Theft of government property	Anonymous	Closed
5. CID 12-002	Breach of contract and misappropriation of funds	FSM Government Agency	Referred for audit
6. CID 12-003	CIP funds	Municipal Government	Ongoing
7. CID 12-004	Misappropriation of project funds	Concerned Individual	Closed
8. CID 12-005	Secondary road improvement projects	High risk areas	Closed
9. CID 12-006	Misuse, abuse and theft of government properties and funds	Audit referral	Ongoing
10. CID 12-007	CIP Funds	Municipal Government	Ongoing
11. CID 12-008	Government payroll	Audit referral	Ongoing

Cases referred to DOJ in FY 2012

Case No.	Allegations	Source	Status
1. CID 11-003	Misappropriation of government funds	FSM Government Agency	Time-barred
2. CID 11-001	Professional Premium	Audit referral	Ongoing
3. CID 10-007	Forgery	Audit referral	Ongoing
4. CID 08-002	Under-reporting of tax & Money laundering	Concerned Individual	Ongoing

Prior Cases Closed in FY 2012

Case No.	Allegations	Source	Status
1. CID 11-008	Internet Abuse	Anonymous	Closed
2. CID 11-006	Check tampering	Concerned citizen	Closed/Referred to State
3. CID 11-005	Misuse/abuse of municipal funds	Concerned citizen	Closed /lack jurisdiction
4. CID 10-023	Bid rigging	Concerned citizen	Closed/unsubstantiated
5. CID 10-022	Road improvement project	Concerned citizen	closed
6. CID 10-011	Misuse/abuse of project vehicles	Concerned citizen	Closed/Advisory letter
7. CID 09-001	Land acquisition project funds	Concerned citizen	closed

8. CID 08-005	Misuse/abuse of fuel	Concerned citizen	Closed
9. CID 07-003	Government fix assets	Audit referral	Closed/time-barred
10. CID 07-002	Controlled drugs	Audit referral	Closed/time-barred

CID Hotline



The Public Auditor has established a Hotline for use by concerned private citizens to report possible misconduct and abuse in the government entities. Information from the public is a valuable part of the audit process and helps ONPA focus its resources.

The hotline number is 691-320-6768, and is available twenty four (24) hours a day, every day of the week, by an answering machine. All calls to the hotline remain absolutely confidential. In addition, ONPA also offers an online complaint form. The form can be found at the ONPA website at: <http://www.fsmopa.fm>.

Single Audits

FSM National and State Governments are required to have their general purpose financial statements audited annually. This work is done by independent CPA accounting firms under the Compact of Free Association agreement between the FSM and the United States of America. Under OMB Circular A-133¹, audits of financial statements are conducted in order to provide reasonable assurance that the financial statements, as a whole, present fairly the financial position of the respective entities. Achieving the Compact’s requirement regarding single audits is very critical as the fund donors must know how their financial assistance was spent and what

¹OMB Circular No. A-133 was issued pursuant to the Single Audit Act of 1984 as amended, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. This sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and non-profit organizations expending federal awards. Subject B of A-133 sets a threshold amount of \$500,000 for federal monies that are expended during a year to be audited.

it was used for in the FSM. Also, the decision-makers within the FSM Governments need current financial data in order to make sound decisions.

The ONPA has full management responsibilities for ensuring that this requirement is met. The Public Auditor has oversight responsibilities for the contract work.

The following are single audits for fiscal year 2011 conducted and completed in fiscal year 2012.

FY 2011 SINGLE AUDIT RESULTS		
ENTITY	CONTRACTED AUDITOR	OPINION RECEIVED
FSM NATIONAL GOVERNMENT	Deloitte & Touche	Unqualified
Caroline Islands Air	Fortenberry & Ballard, PC	Unqualified
College of Micronesia-FSM	Deloitte & Touche	Unqualified
FSM Coconut Development Authority	Deloitte & Touche	Unqualified
FSM Development Bank	Deloitte & Touche	Unqualified
FSM PetroCorp	Deloitte & Touche	Unqualified
FSM Social Security Administration	Deloitte & Touche	Unqualified
FSM Telecommunications	Deloitte & Touche	Unqualified
MiCare Health Insurance Plan	Deloitte & Touche	Unqualified
National Fisheries Corporation	Deloitte & Touche	Unqualified
POHNPEI STATE GOVERNMENT	Deloitte & Touche	Unqualified
Pohnpei Housing Authority	Deloitte & Touche	Unqualified
Pohnpei Port Authority	Deloitte & Touche	Unqualified
Pohnpei Utilities Corporation	Deloitte & Touche	Unqualified
CHUUK STATE GOVERNMENT	Deloitte & Touche	Qualified
Chuuk Housing Authority*	Deloitte & Touche	X
Chuuk Public Utilities Corporation	Deloitte & Touche	Unqualified
Chuuk State Health Care Plan	Deloitte & Touche	Unqualified
KOSRAE STATE GOVERNMENT	Deloitte & Touche	Unqualified
Kosrae Port Authority	Deloitte & Touche	Unqualified
Kosrae Utilities Authority	Deloitte & Touche	Unqualified
YAP STATE GOVERNMENT	Fortenberry & Ballard, PC	Qualified
Diving Seagull, Inc.	Fortenberry & Ballard, PC	Unqualified
Yap State Public Services Corporation	Fortenberry & Ballard, PC	Unqualified
Yap Visitor's Bureau	Fortenberry & Ballard, PC	Unqualified

* Chuuk Housing Authority financials are incorporated into the Chuuk State financial statements.

Other Matters of Interest

Guam OPA Peer Review

Public Auditor Hainrick led the team that conducted the Guam OPA peer review from October 10 to October 14, 2011. Team members included Mr. Junior Patrick, Auditor General of the Republic of Marshall Islands, Mr. Charles Hester, Technical Adviser and Senior Auditor Erwihne David from the FSM OPA, as an observer.

The team conducted and completed its review of audits issued by the Guam OPA during the period January 1, 2008 through December 31, 2010, which concludes that the Guam OPA complies with the high quality control standards set forth by the Government Auditing Standards for audit and attestation engagements.

Kosrae OPA Peer Review

“It was an honor and privilege working with the APIPA Peer Review Team as a Team Leader.” – Erwihne David, FSM ONPA Senior Auditor.

The review team was comprised of Mr. Charles Hester, APIPA Technical Advisor; Team Leader, Ms. Erwihne David, ONPA Senior Auditor; and Team Member, Mr. Ihlen Joseph, Pohnpei State Public Auditor.

From September 3-7, 2012, the team reviewed Kosrae OPA’s past audit engagements, reports, working paper documentations to ensure that an adequate internal quality control system was in place.

The Kosrae OPA issued 12 performance audits and attestation engagements between January 2010 and June 2012 which were subject to the peer review.

The team successfully completed the peer review of the Kosrae State OPA and found it to be in “Full Compliance” with Government Auditing Standards for the period reviewed.

Trainings/ Conferences/ Workshop

PASAI Communications Training

The Pacific Association of Supreme Audit Institution (PASAI) held its first Communications Workshop in Nadi, Fiji on November 2-11, 2011. The Workshop was attended by participating members from each Supreme Audit Institution (SAI) from the Cook Islands, Guam, Palau, the Federated States of Micronesia, Tuvalu, American Samoa, Western Samoa, Papua New Guinea, Salomon Islands, Fiji, Tonga and Kiribati. The course syllabus was created based on the standards, tools and techniques on effective communication. It came from PASAI's Reporting Guidelines, Quality Assurance, Performance Audit, and Financial Audit Manuals. Throughout the nine days training, each participant was given the opportunity to practice and enhance his/her communication skills. The class sessions, exercises and discussions throughout the nine days gave each participant the opportunity to absorb a great deal about communication skills. In addition to the course materials, presentations and activities, each participant also took advantage of the learning experience shared by each participant to incorporate in their daily operation at their respective SAIs. Auditors Mermina Mongkeya and Elina Paul from the FSM National OPA attended the workshop, which PASAI paid for all the associated costs².

Tier 4 Training

Public Auditor, Hainrick, was invited by the Executive Director of PASAI to participate in the Tier 4 Managing Government Audits pilot training held in Nadi, Fiji from November 17-25, 2011. The purpose of the pilot training is to determine the relevance, scope and appropriateness to be used in the Pacific region. The topics covered include leadership imperatives, expectations roles and responsibilities of senior managers, quality control/ assurance process, time management, managing poor performance/ retention of employees.

Learning Continues for the Auditors

Putting audit assignments aside, the auditors from ONPA and Pohnpei State OPA participated in another 3-course training that was conducted by Ms. Nancy Williamson, CFE, CIA, CGAP from the USDA Graduate School during the week of December 5-9, 2011. The courses included Compliance Audit, Creative Thinking for Auditors, and Developing and Presenting Audit Finding, and they provided the auditors a chance to update and earn their required Continuing professional Education (CPE) hours. A few important highlights discussed in the training were as follow:

² All trainings and workshops sponsored by PASAI were paid for by PASAI.

- ✓ Knowing how to apply creative tools to improve effectiveness and efficiency of an audit
- ✓ Recognizing authoritative requirements when carrying out compliance audits
- ✓ Auditors ability to distinguish between a performance and compliance audit
- ✓ Understanding the key aspects of constructing audit findings

The participants expressed their appreciation to Ms. Nancy Williamson, the Pacific Island Training Initiative and USDA Graduate School in Honolulu, and the ONPA for the successful learning opportunity.

Guam AGA Training

Senior Auditor, Erwihne David, and Auditor II, Julinida Weital, attended the Guam AGA training on Performance Measurement and Budgeting held in Tumon, Guam from December 12-14, 2011. The training focused on the use of performance measurement in public budgeting that leads to a more efficient, effective and accountable government. The auditors learned how to link government budget information and performance measures. They learned the performance measurement process, the benefits of performance measurement, how to prepare performance based budgets and how to recognize the components of a performance based budget.

Tier 2 Training

Auditor II, Keller Phillip, attended the Tier 2 Intermediate Governmental Audit training held at the Novotel hotel in Nadi, Fiji, hosted by the PASAI from May 7-18, 2012.

The first week of the training was from May 7-11, 2012 which focused on Financial Auditing and the second/last week of the training from was May 14-18, 2012 which focused on performance auditing. The trainings were interactive with group discussions, exercises and presentations.

DOI Inspector General/Pacific Island Public Auditors Conference

In May 29-31, 2012, an audit conference was held in Honolulu, Hawaii. The annual event was funded by the DOI-OIG. Hosting the meetings and workshops for the conference was the DOI Inspector General and her staff. In attendance as the IG's invitees was, FSM Public Auditor, Haser Hainrick, accompanied by Chief of Investigation, Mr. Kelly Samuel, and Senior Auditor, Ms. Erwihne David from the FSM. About 50 DOI-OIG staff and APIPA members from FSM, Palau, CNMI, Guam, Marshall Islands, American Samoa and the Virgin Islands also attended the conference. Some of these activities included: 1. Key accomplishments over the past year, 2. Trends and challenges, and 3. Plans for the future of each individual OPA office. As the discussion began, all the Auditors began to convey their topics. OIA Budget Officer, Ms. Charlene Liezear, discussed about the Grants Overview, Hawaii State Auditor, Ms. Marion Higa, updated and followed-up on the Telling Truth to Power in Small Jurisdiction, Captain

James Gray gave an update on the US military relocation to Guam from Okinawa, Japan, Mr. Morgan Aronson gave an update on the Single Audit. Leveraging Precious Resources in the Territories- A Case Study in Collaboration, Insular Islands ARRA Review & Training, Update on the USMC Relocation to Guam, Making the Change and How to Communicate It, Leadership Training, and APIPA Executive Meeting were also some related topics that were discussed at the conference.

Baltimore & Austin Audit Training

Auditor I, Vanessa Sigrah, and Single Audit Specialist, Clayton Eliam, attended Graduate School Basic Governmental Auditing Course held in Baltimore, Maryland from June 4-8, 2012 and Interviewing Techniques course held in Austin, Texas from June 11-13, 2012.

Basic Governmental Auditing course focused on requirements and expectations of Governmental Auditors, legal and regulatory standards, applying GAGAS in planning, conducting and reporting, identifying the appropriate evidence, conducting interviews, developing findings, and identifying knowledge and skill areas for future development.

Interviewing Techniques course focused on techniques of planning and conducting effective and efficient interviews with emphasis of listening effectively. Both courses were interactive with open discussion, application exercises, case studies, presentations, and practice interviews.

2012 APIPA Conference

The 23rd annual conference of the Association of Pacific Islands Public Auditors (APIPA) took place in Koror, Palau from August 20-24, 2012. FSM OPA staff participated in the conference, along with other finance managers. For this APIPA there were four tracks: Basic Audit & Audit Supervisory, and Finance and Advance Finance tracks. The classes from the audit tracks were: 1) Flowcharting Basics for Auditors; 2) Performing Auditing from an Advocacy Perspective; 3) Writing Effective Paragraphs and Sentences; 4) Writing Value-Added Audit Reports; 5) Getting the Audit Report from Planning to out the door; 6) 2011 Government Auditing Standards Update and many more. The classes from the finance tracks were: 1) Federal Grants Management: All the Strings Attached; 2) Governmental Accounting Bootcamp; 3) Sub-recipient Monitoring: How to not pay for the sins of Others; 4) Writing for Finance Professionals; 5) It's a Risky Business, With or Without Internal Controls; 6) Managing Conflicts of Interest in the Public Sector and many more.

Guam Audit Training

“Understanding more about Performance Audit, and establishing a network with participants of Guam OPA and other Government of Guam agencies.”

Auditor I, Cherisse Irons Mida and Vanessa Sigrah, attended Graduate School Conducting Performance Audit course on August 28-30, 2012 at Hagatna, Guam; which was hosted by Guam Office of the Public Accountability (Guam OPA).

This opportunity did not only help the FSM ONPA auditors understand more about Performance Auditing but also helped them establish a network with the participants (auditors) of Guam OPA and other Government of Guam agencies’ auditors.

Conducting performance auditing course, conducted by Steven Morgan, focused on the concept of performance auditing, standards used, and how to conduct performance audits in a manner that help auditors to have clear understanding of “performance auditing”; before, during and after an audit.

The training course was highly interactive with open discussions, concept exercises, leadership practices, case studies and group presentations.

Tier 3 Training

Senior Auditor, Evelyn Paul, was nominated to attend the Tier 3 Supervisory Roles in Governmental Auditing training held in Nadi, Fiji from September 3-14, 2012. The topics covered include supervisor’s roles such as reviewing working papers, monitoring and managing employee performance as well as management skills such as time management, presentation skills and conducting effective meetings. Additional sessions were on supervisory roles in relation to performance auditing.

Procurement Fraud Training

The Investigators from the Compliance Investigation Division of the FSM OPA attended a 3-day Procurement Fraud Investigation Training hosted by the Department of Interior Inspector General that was held at the Guam Community College on September 25-27, 2012.

The training was facilitated by Investigators from the DOI Inspector General’s Office. More than thirty participants who were mostly investigators and auditors from CNMI, Guam, Marshall Islands, Pohnpei, Kosrae, and Palau attended the training. The training focused primarily on fraud investigative process, proactive investigative techniques & detection, grant monitoring & reporting, procurement ethics & rules, computer forensics, suspension & debarment, fundamentals of interviewing and interrogation, anti-trust schemes and the types of fraud schemes.

In-House Training

On Friday, September 31, 2012, the ONPA staff began attending weekly in-house training sessions in preparation for taking an examination in early 2013. The training sessions covered material published by the Institute of Internal Auditors (IIA) organization and focused on the subject of governmental auditing. The purpose of the training sessions was to prepare as many of the staff as possible to sit for the Certified Governmental Audit Professional (CGAP) examination.

The CGAP certification, sponsored by the IIA, is one the most prestigious certifications that can be attained by auditors of government organizations and activities. The requirements include high levels of education and professional experience, along with successfully passing a rigorous, written exam about the field of governmental auditing. Some of the subjects covered include the following; auditing standards, codes of ethics, governance, risk / control frameworks, governmental auditing environment, practice, methodologies and skills.

Fifteen sessions from the end of August through the end of December, 2012, with more to follow, were conducted by Audit Supervisors; Manuel San Jose, Jr. and J. Robert (Bob) Hayes, of the ONPA staff. The qualification of the instructors, Mr. San Jose and Mr. Hayes, include many years of experience in the fields of auditing and internal controls with both having achieved several different certifications in the profession of auditing during their careers.

New Hires/ Promotions/ Departures

New Hires— The ONPA acknowledges and welcomes the following staff for joining ONPA team.

Shelolyn Neth from the state of Pohnpei filled the vacant Executive Secretary position on October 31, 2011. Shelolyn attended College of Micronesia with a major in Business Administration from May 2000 to August 2002. Prior to joining ONPA, Shelolyn worked as an Accountant at the Bank of FSM.



Ankie Mendiola from the state of Pohnpei filled a vacant Information Technology Specialist position on September 19, 2012. Ankie graduated in summer 2012 from the College of Micronesia, FSM National Campus with an Associate Degree in Computer Information System. Prior to joining ONPA, Ankie was a student worker at FSM Resources and Development.



Dane William from the state of Pohnpei filled a vacant Auditor position on September 10, 2012. Dane graduated in May 2008 from Missouri Valley College with a Bachelor Degree in Accounting. In 2003, he earned his associates Degree in Accounting from the College of Micronesia, FSM National Campus. Prior to joining ONPA, Dane worked as a Developmental Assistant I at Missouri Marshall Rehabilitation Center.



Dacy Pelep from the State of Pohnpei filled a vacant Investigator position on September 17, 2012. Dacy graduated in December 2011 from Missouri Southern State University with a Bachelor Degree in Criminal Justice and an Associate of Science in Law Enforcement. Prior to joining ONPA, Dacy worked as an Administrative Assistant at Marstella Jack Law Office.





Clayton Eliam from the state of Pohnpei filled a vacant Single Audit Specialist position on February 20, 2012. Clayton graduated in May 2011 from the University of Hawaii, Hilo with a Bachelor Degree in Economics. He has a third year certificate in Accounting and an Associate Degree in Business Administration from the College of Micronesia, FSM National Campus. Prior to joining ONPA, Clayton worked as an Administrative Specialist at the College of Micronesia, FSM National Campus.



Manuel San Jose Jr. (Manny) from the country of the Philippines filled a vacant Audit Supervisor position on February 9, 2012. Manny's return brings to the office two (2) more certifications to add to his never ending list of accomplishments. In 2011, he obtained his professional license as a Certified Internal Auditor (CIA), U.S. version and early on this year, 2012, he received his license as a Certified Information System Auditor (CISA), U.S. version. Manny was with ONPA for three (3) years from May 2007 to October 2010. Among his many responsibilities as the audit supervisor, he played an important role in guiding auditors in constructing audit plan and programs, and ensuring that execution of the audits are in line with its audit plans and existing audit standard.



Kelly Samuel, former Investigator III, assumed the duties of Chief Investigator on May 1, 2012. Prior to his hiring to Chief Investigator, Kelly first took on the Investigative III role in January 2007 and has done an excellent job for the past four (4) and a half (1/2) years. In addition to his daily operational duties, he has served as Acting Chief Investigator on many occasions and his familiarity with the procedures and process of ONPA is a plus to the Office.

Prior to his employment with ONPA, Kelly has a strong background in enforcement of Government law and fraud investigation which has contributed to ONPA in his past performance with CID. Kelly worked with the FSM National Police as an Investigator for eight (8) years. In 2009 he became a Certified Fraud Examiner (CFE).

Departures—The ONPA extends its appreciation to the following former staff for their contributions and wish them success in their future endeavors.

Sophia Pretrick, the first FSM Chief Investigator, resigned from ONPA on February 17, 2012 to accept an offer at Yap State Office of the Public Auditor (Yap OPA) as Chief Investigator. Pretrick is assisting Yap OPA to start up their Compliance Investigation Division by creating their operating manuals and train staff to expand the skills and knowledge of fraud investigation.

Lover Haimin resigned from ONPA in July 2012 to accept an offer at FSM Development Bank as a Human Resource Manager. Lover worked for ONPA since June 2007 as an Administrative Assistant, later became the Administrative Officer, then in 2010, he filled a vacant audit position.

Melvin Poll, former Information Technology (IT) Specialist, resigned from the FSM ONPA in July 2012 to accept an offer as an IT Specialist for Pohnpei State Legislature.

Cherisse Irons Mida resigned from the ONPA on September 18, 2012 to accept an offer to be yet again an auditor at Deloitte and Touché, their office which is based in Kolonia, Pohnpei with audit jurisdictions covering the FSM.

Mr. Sufficool completed his contract as Audit Manager and returned to his home in Southern California in August 2012. He came to the FSM in March 2009 as audit supervisor and then in August 2010 was promoted to Audit Manager on a 2 year contract. Ron was accompanied by his wife, Tania, who gave many hours of volunteer service to local organizations.

Other Activities

ONPA Staff Dinner at Club Cupid

“This is a time to give thanks...” said National Public Auditor Haser Hainrick, opening remarks for the ONPA dinner at Club Cupid’s on Friday December 09, 2011.

The ONPA staff and families, Pohnpei State auditor and staffs, Evelyn Paul on behalf of Chuuk field office were present, as well as the Graduate School instructor, Nancy Williamson.

The National Public Auditor shared his appreciation to the Graduate School instructor for her time in visiting the islands to help train the staff. He then extended his appreciation and encouragement to all staff for their dedication and hard work. He concluded by expressing his best wishes for Christmas and New Year holidays yet to unfold.

Before the ONPA supervisor Robert Hayes blessed the night and table, Audit Manager Ron Suficool, CID Chief Sophia Pretrick, and Chuuk field office staff Evelyn Paul also shared their thoughts of appreciation and encouragement based on the year’s accomplishments.

The night was carried with good laughs and good foods, not to forget, the traditional roasted pigs. The night therefore ended with the purpose in mind from the National Public Auditor, “to give thanks”.

Appendices

Appendix I – Powers of the Office of the Public Auditor and Duties and Responsibilities

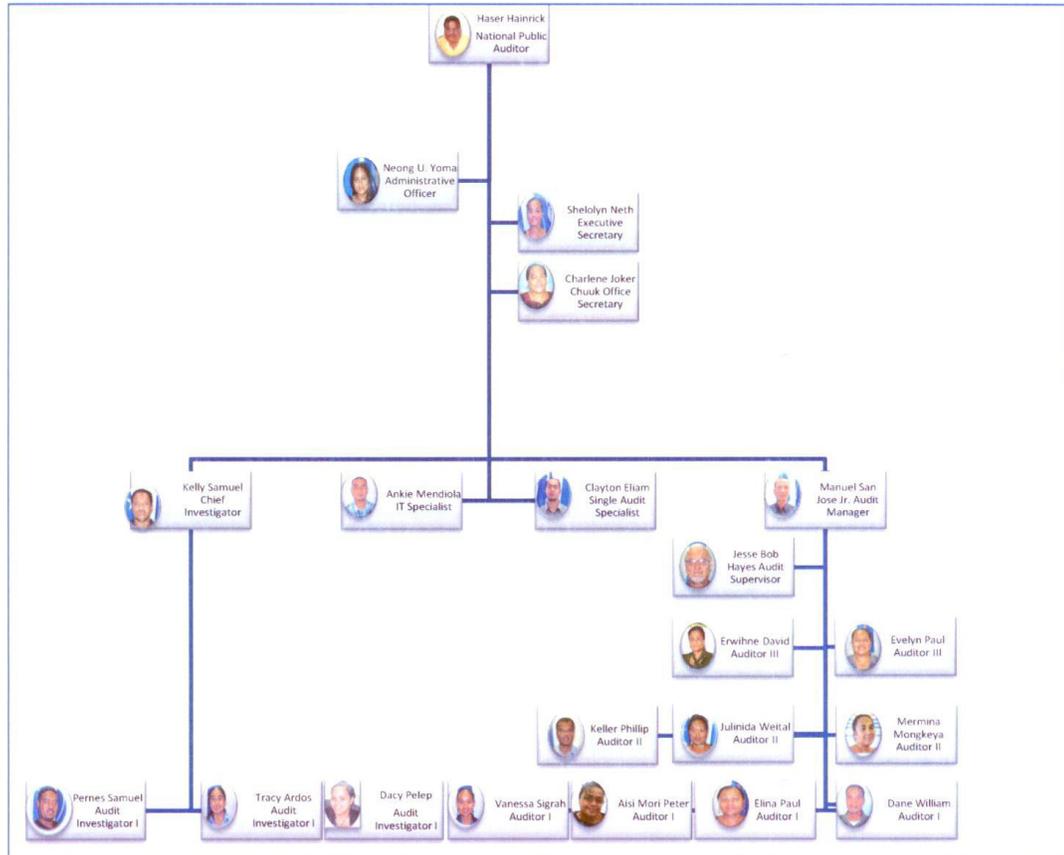
Powers: The Public Auditor has both general and specific audit powers for the National Government, including branches, departments, commissions, and bureaus and contractors performing public works. The Public Auditor has been granted the power of subpoena in order to fulfill his duties and responsibilities.

Duties and Responsibilities: The duties and responsibilities of the Public Auditor, as prescribed by the Congress, shall require inspections, audits, recommendations, and annual reporting on the Public Auditor's progress and performance of these responsibilities. The specific responsibilities, which are designed to promote integrity and improve performance in government operations, are:

1. 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 public funds from the National Government,
2. Inspect and audit transactions, accounts, books, and other financial records associated with any project, program, and activity receiving funds in whole or in part from public funds of the National Government,
3. Perform audits as otherwise specifically required by the statutes,
4. Have the discretion to perform audits, or assist in the performance of audits, upon request by the states,
5. Have the exclusive audit jurisdiction over public funds of the National Government of the Federated States of Micronesia, but shall have the authority to contract for independent auditing services to be performed under his supervision in instances where specialized expertise is required, or where auditing requirements are beyond the capacity of the Public Auditor's staff and separate funding is available,
6. File a report at least once a year with the Congress, and other reports as deemed necessary by the Public Auditor and all reports of the Public Auditor shall be made available to the public,
7. Submit recommendations with audit reports which shall be confined to matters within the jurisdiction of the Public Auditor, including compliance or noncompliance with laws governing the expenditures of public moneys, and the need for amendments or new laws to secure the efficient expenditure of public funds,
8. Keeps a complete and accurate record or file of audit reports, inspections, investigations, releases, audit work papers, and other materials pertaining to the work of the office of the Public Auditor.

Appendix II—Organizational Chart

*Office of the National Public Auditor
Federated States of Micronesia*



Approved By: _____

Date: _____

Appendix III – Audit and Compliance Investigation Division Operations

Audit Division

The types of audits and applicable audit standards shall be as follows:

1. *Financial*: These audits determine whether the financial statements of an audit entity present fairly the financial position and results of financial operation in accordance with generally accepted accounting principles and whether the entity has complied with the laws and regulations that may have a material effect upon the financial statements.
2. *Economy and efficiency*: This type of audit determines whether an entity is managing and utilizing its resources economically and efficiently, the cause of inefficiencies or uneconomical practices, and whether the entity has complied with laws and regulations concerning economy and efficiency.
3. *Program results*: This type of audit determines whether the desired results or benefits established by the Congress, or other authorizing body, are being achieved and whether the program administrator has consider alternatives that might yield desired results at a lower cost.

Any given audit or review may include one or more objectives in the reasonable exercise of the Public Auditor's discretion. The Public Auditor shall perform audits in accordance with generally accepted government auditing standards (GAGAS) and the quality standards for inspections issued by the U.S. President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency.

Quality Standards for Inspections

Issued by the President's Council on Integrity and Efficiency/Executive Council on Integrity and Efficiency, the Quality Standards for Inspections were published in 1993 and revised in 2005. The 14 standards for inspection work are listed below. The complete guidelines for inspections is located on the internet at the following website: www.ignet.gov/pande/standards/oeistds.pdf

- *Competency*: The staff assigned to perform inspection work should collectively possess adequate professional competency for the tasks required.
- *Independence*: In all matters relating to inspection work, the inspection organization and each individual inspector should be free both in fact and appearance from personal, external, and organizational impairments to independence.
- *Professional Judgment*: Due professional judgment should be used in planning and performing inspections and in reporting the results.
- *Quality Control*: Each OIG organization that conducts inspections should have appropriate internal quality controls for that work.
- *Planning*: Inspections are to be adequately planned.

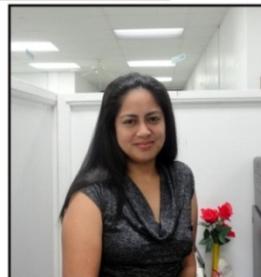
- *Data Collection and Analysis:* The collection of information and data will be focused on the organization, program, activity, or function being inspected, consistent with the inspection objectives, and will be sufficient to provide a reasonable basis for reaching conclusions.
- *Evidence:* Evidence supporting inspection findings, conclusions, and recommendations should be sufficient, competent, and relevant and should lead a reasonable person to sustain the findings, conclusions, and recommendations.
- *Records Maintenance:* All relevant documentation generated, obtained, and used in supporting inspection findings, conclusions, and recommendations should be retained for an appropriate period of time.
- *Timeliness:* Inspections should strive to deliver significant information to appropriate management officials and other customers in a timely manner.
- *Fraud, Other Illegal Acts, and Abuse:* In conducting inspection work, inspectors should be alert to possible fraud, other illegal acts, and abuse and should appropriately follow up on any indicators of such activity and promptly present associated information to their supervisors for review and possible referral to the appropriate investigative office.
- *Reporting:* Inspection reporting shall present factual data accurately, fairly, and objectively and present findings, conclusions, and recommendations in a persuasive manner.
- *Follow-up:* Appropriate follow-up will be performed to assure that any inspection recommendations made to Department/Agency officials are adequately considered and appropriately addressed.
- *Performance Measurement:* Mechanisms should be in place to measure the effectiveness of inspection work.
- *Working Relationships and Communication:* Each inspection organization should seek to facilitate positive working relationships and effective communication with those entities being inspected and other interested parties.

Compliance Investigation Division

CID has adopted the Quality Standards for Investigation, prepared by the U.S. President's Council on Integrity and Efficiency Executive Council on Integrity and Efficiency. These are the standards that have been set for all U.S. Offices of Inspector General and provide a sound benchmark by which we can set our own standards. The General and Qualitative Standards are listed below. The complete guidelines for investigations are located on the internet at the following website: <http://www.ignet.gov/pande/standards/invstds.pdf>

- *General Standards:* General Standards apply to investigators and the organizational environment in which they perform. They address the "need for" criteria. The three general standards address qualifications, independence, and due professional care.
 - ✓ **Qualifications** - Individuals assigned to conduct the investigative activities must collectively possess professional proficiency for the tasks required.

- ✓ **Independence** - In all matters relating to investigative work, the investigative organization must be free, both in fact and appearance, from impairments to independence; must be organizationally independent; and must maintain an independent attitude.
 - ✓ **Due Professional Care** - Use due professional care in conducting investigations and in preparing related reports.
- *Qualitative Standards:* Qualitative standards apply to the management functions and processes investigators perform. They address the "how to" criteria. In an investigation program, there are four critical standards that must be addressed if the effort is to be successful. These standards are: Planning, Execution, Reporting, and Information Management.
- ✓ **Planning** - Establish organizational and case specific priorities and develop objectives to ensure that individual case tasks are performed efficiently and effectively.
 - ✓ **Execution** - Conduct investigations in a timely, efficient, thorough, and legal manner.
 - ✓ **Reporting** - Reports (oral and written) must thoroughly address all relevant aspects of the investigation and be accurate, clear, complete, concise, logically organized, timely and objective.
 - ✓ **Information Management** - Store investigative data in a manner allowing effective retrieval, referencing, and analysis.



Office of the National Public Auditor

P.O. Box PS-05
Palikir, Pohnpei FM 96941
Federated States of Micronesia
Tel: (691) 320-2862/ 2863
Fax: (691) 320-5482
Hotline: (691) 320-6768
www.fsmopa.fm



Mission Statement

We conduct audits and investigations to improve government operations, efficiency and accountability for the public's benefit.

Vision Statement

We create a high performing, transparent, and accountable government through the performance of high quality, independent audits and investigations.

This annual report was prepared by the following staff:

Neong U. Yoma
Tracy Ardos
Vanessa Sigrah