



## OFFICE OF THE NATIONAL PUBLIC AUDITOR

### Media Release No. 2025-06

August 27, 2025

The Office of the National Public Auditor (ONPA) announces the issuance of Report No. 2025-06 on the *FSM Collection Agencies in Yap State Found Noncompliant of Cash Collection Laws & Regulations* covering January – March 2025. This inspection was conducted in accordance with the *Council of the Inspector General on Integrity and Efficiency's (CIGIE) Quality Standards for Inspections and Evaluations (QSIE)*. The Inspection objective was 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.

We concluded that the Department of Finance & Administration, Department of Resources & Development, and FSM Postal Services 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:

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.

The findings and recommendations were discussed with the Department of Finance & Administration, Department of Resources & Development, and FSM Postal Services. We also requested for their official management response, which they provided, that generally agreed with the findings and recommendations.

A digital copy of the Report No. 2025-06 is available on the ONPA's official website and Facebook page, or you can directly access the report by clicking [HERE](#).

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*Article XII, Section 3 of the F.S.M Constitution and Title 55, Chapter 5 of the FSM Code authorized the Public Auditor to direct a broad, comprehensive program of auditing within the National Government*