



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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September 30, 2024

His Excellency President Wesley W. Simina
Honorable Speaker and Members of the 23rd Congress
Secretary, Department of Finance and Administration
Secretary, Department of Resources and Development
Acting Postmaster General, FSM Postal Services
Federated States of Micronesia
Palikir, Pohnpei FM 96941

RE: Ineffective Safeguarding, Collection, Depositing and Reconciliation of Government Revenues.

We have completed our inspection on the 7 approved FSM Government collection agencies. The inspection primarily focused on the effectiveness of safeguarding facilities, reconciliation processes, and overall internal controls, specifically at the Department of Finance and Administration, Department of Resources and Development, and the FSM Postal Services from June to September 2024. The inspection was conducted in accordance with the *Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation*.

Based on our inspection, we found the following issues pertaining to how the specified approved collection agencies ensured accountability of FSM Government revenues:

1. Quarantine collection point based at the Pohnpei State International Airport did not deposit June 21, 2024, collections with FSM Treasury.
2. Insufficient implementation of internal controls on securing the collections, deposits, and reconciliation of Government revenues.
3. Inadequate internal controls, such as the absence of Standard Operating Procedures (SOPs) are critical in maintaining consistency, efficiency, safety, and compliance.
4. Poor and improper use of safe custody facilities to secure collected revenues and receipts.

We may refer some of the issues to our Compliance Investigation Division (CID) for further review and evaluation.

Respectfully submitted,

Haser H. Hainrick
National Public Auditor

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Abbreviations

Abbreviation	Meaning
ASYCUDA	Automated System for Customs Data
CID	Compliance Investigation Division
CTA	Customs and Tax Administration
DOFA	FSM Department of Finance and Administration
EFTPOS	Electronic Fund Transfer at Point of Sale
FSM	Federated States of Micronesia
FY	Fiscal Year
OIC	Officer in Charge
ONPA	Office of the National Public Auditor
PC Trade	Put-Call Ratio Trade
POS	Point of Sale
PPA	Pohnpei Port Authority
R&D	FSM Department of Resources and Development
SOP	Standardized Operation Procedures

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1. INTRODUCTION

1.1. Reason for the Assignment

This engagement was a result of a request from the Acting Secretary of the Department of Finance & Administration (DOFA) to conduct surprise cash count audits at the Division of Treasury including all the Field Offices in the FSM States.

1.2. Background

The FSM Treasury is the core operating division for DOFA. It was established pursuant to Section 206 of the Financial Management Act 1979. Section 207 of the Act, PL1-45, Subsection 5, which set out the key responsibilities of the FSM Treasurer, which was specified as the Secretary of Finance who then delegates these tasks to the Treasury Division Staff. The Treasury Division is legally tasked with managing, collecting, and protecting all revenues owed to and paid to the FSM Government. All public financial management activities for the FSM Government are centralized and processed out of the FSM Treasury Division.

To improve the operations of the FSM Treasury Division and assess its performance—particularly in revenue collection, accounting, and internal cash handling controls—the Acting Secretary of DOFA requested the Office of the National Public Auditor (ONPA) to conduct a surprise cash count at the Division of FSM Treasury. As this was ONPA’s first surprise cash count, we also included other approved revenue-collecting agencies in Pohnpei, such as the Quarantine Unit (under the Division of Statistics, Department of Resources and Development) and the FSM Postal Services. This expanded our review to cover not only the FSM Treasury and the Division of Customs and Tax (CTA) but also these additional collection agencies. Moreover, we intend to cover the rest of the States after the completion of our surprise cash count report which covered all the revenue collection agencies of the FSM National Government within Pohnpei State.

2. OBJECTIVES, SCOPE, METHODOLOGY

2.1. Objectives

Our inspection objectives were to determine:

1. If government revenues and receipts were kept in secured safe lockable boxes and facility entries adequately secured at the approved collection agencies.
2. The accuracy of collections, deposits, and reconciliations of Government revenues, especially in terms of complying with laws and regulations.
3. Assess the sufficient and effective implementation of internal controls on securing the collections, deposits, and reconciliations of Government revenues.

2.2. Scope

We conducted surprise cash counts at various collection points for DoFA, R&D, and the FSM Postal Services, specifically at the following locations on the dates provided:

- National Treasury Division in Palikir (August 2, 2024)
- CTA Field Office (June 5, 2024)
- CTA Post Office (July 12, 2024)
- CTA Airport (July 31, 2024)
- Quarantine Division, Airport (June 21, 2024)
- FSM Postal Services in Kolonia (July 09, 2024)

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The inspection began on June 5, 2024, and ended on August 2, 2024, which included observations of the collection agencies cash handling procedures, analyzing supporting documents aligning them with received receipts from DoFA, and assessing the overall internal controls put in place for effective implementation of safeguarding for government revenues. We had conducted 100% testing for our samples based on a day's collection only on the day we conducted our surprise cash count.

2.3. Methodology

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 as 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 public funds from the National Government."

In addition, the inspection was conducted in accordance with the *Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation*. Those 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. Our inspection procedures included the following:

- Researched and reviewed the applicable laws and regulations with respect to revenue collection and management.
- Assessed the overall roles and responsibilities of the 7 revenue collection agencies.
- Observed and interviewed staff and documented the collection environment to verify that controls were in place to ensure that revenues were collected, documented, organized, deposited, reconciled, and accounted for properly.
- Obtained and analyzed how receipts/revenues were collected, accounted for, and deposited.
- Assessed to determine if revenues were collected, counted, verified, and deposited accurately and in a timely manner.
- Observed, interviewed, and documented the controls which the collection agencies used such as control documents or Point of Sale (POS) systems for receiving revenues.
- Observed, interviewed, and documented practices to determine if approved collection agencies ensured to always give customers receipts for cash transactions.
- Observed, interviewed, and documented practices to determine if cash was left unattended, all checks were received endorsed for deposit in approved bank accounts.
- Observed, interviewed, and documented practices to determine if change funds were used as starting cash for providing change to customers, change funds obtained from the Controller's office and not from operation revenue.
- Observed, interviewed, or documented to determine if change funds were reconciled at the beginning and end of every shift.

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- Observed, interviewed, reviewed, and documented practices to determine if safes and drawers were safeguarded, if managers kept a record of personnel that had access, date of last lock/combination change, number of keys available.
- Observed, interviewed, and reviewed documents and practices to determine if segregation of duties existed.

3. PRIOR AUDIT COVERAGE

This is the first engagement conducted by ONPA on matters relating to Surprise Cash Count.

4. COMMENDATION

Although this engagement resulted in audit findings, we commended on the operations and practices that we observed as improved and strong internal control, and these included the following:

- We commended Pohnpei Port Authority (PPA) for their assistance and support. Although PPA is not under ONPA's jurisdiction to audit, PPA allowed us access to conduct our audit procedures with CTA Airport at the Pohnpei International Airport at the Arrival Gate.
- We also commended Pohnpei Port Authority (PPA) for installing x-ray scanners at the Arrival Gate to detect possible importation of goods that were not allowed in the country and goods that need to be taxed. This scanner complimented the Division of CTA's cargo inspection Standard of Operation Procedure (SOP).
- We also commended the Division of CTA for currently utilizing Automated System for Customs Data (ASYCUDA) system to handle manifest and customs declarations, accounting procedures, transit and suspense procedures and generate trade data that can be used for statistical economic analysis. The use of ASYCUDA, as we were told, was more effective.
- We also commended the FSM Postal Services for ensuring a centralized Point of Sale (POS) system to track and monitor collections, records, and documentation of government revenues.
- We also commended the Division of CTA, FSM Postal Services, and Division of FSM Treasury for currently utilizing Electronic Fund Transfer at Point of Sale (EFTPOS) systems to process financial transactions. EFTPOS has currently become a preferred method of payment.

5. CONCLUSION

Based on our inspection the team concluded that safeguarding collections, deposits, and reconciliation of Government revenues are ineffective based on the following findings:

1. Quarantine collection point based at the Pohnpei State International Airport did not deposit June 21, 2024, collections with FSM Treasury.
2. Insufficient implementation of internal controls on securing the collections, deposits, and reconciliation of Government revenues.
3. Inadequate internal controls, such as the absence of Standard Operating Procedures (SOPs) are critical in maintaining consistency, efficiency, safety, and compliance.
4. Poor and improper use of safe custody facilities to secure collected revenues and receipts.

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6. FINDINGS AND RECOMMENDATIONS

6.1 Finding No.1: Quarantine collection point based at the Pohnpei State International Airport did not deposit June 21, 2024, collections with FSM Treasury

Criteria:

According to Part 4.1 of the FMR, it states that:

Unless otherwise specified by FSM law, all public monies raised or received by any FSM Government Agency shall be tendered to the FSM Treasurer or only upon the prior approval of the Secretary, deposited in an Approved Depository Account in a timely manner. The FSM Treasurer shall promptly deposit money received into an Approved Depository Account.

Part 4.4.6 of the FMR also requires that:

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 the National Treasury daily or no later than the next business day.

Condition:

Quarantine Division – Department of R&D

The ONPA team was not able to provide reasonable assurance that the responsible staff at the Quarantine Division had deposited with FSM Treasury the daily collection for June 21, 2024. The total daily collection recorded by the Quarantine Officer in Charge (OIC) during our surprise cash count was \$323.

ONPA did not receive the requested documents during the surprise cash count inspection. The team contacted the Quarantine Collection Station to request the daily collection summary report and proof of deposit. They were informed that the Officer in Charge (OIC) was off-island and that the whereabouts of the requested documents were unknown.

The ONPA team verified with the FSM Division of Treasury the proof of deposit by Quarantine and was told that no collections were deposited by the Quarantine Division.

Quarantine provided a log that they input manually to prepare collections prior to FSM Treasury deposits. The log indicated that the division did not deposit the collection with FSM Treasury due to there being no signature provided upon being received.

Cause: Full negligence concerning the depository requirements pertaining to revenue collections.

Effect(s):

- Direct non-compliance with the FMR in terms of the deposit requirements of cash collections.
- This practice poses a risk of fraud. Without mechanisms from the FSM DOFA and the Department of R&D to ensure timely deposits, government revenues from the Quarantine Division will remain unaccounted for. If this issue persists, the FSM Government may continue to lose and account for such collections as mandated by law.

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Recommendation: We recommend that the Secretary of DOFA should step in and ensure that this \$323 be collected and deposited. We recommend that the Secretary of DOFA work with FSM Department of R&D to put in place reconciliation guidance and resources to effectively trace and monitor that the FSM Government revenues are deposited with the FSM Division of Treasury or at the approved banks in a timely manner. We are referring this finding to our Compliance Investigation Division (CID) for further investigation.

6.2 Finding No. 2: Banked deposits from CTA and FSM Postal Services were not reconciled in a timely manner

Criteria:

According to the FMR section 4.7. Bank Reconciliation states that :1) At the end of each month, a bank reconciliation must be prepared, reviewed, and retained. 2) The bank reconciliation shall be prepared for each bank account held by the FSM Government. 3) The reconciliations should be completed in a timely manner.

Condition:

The ONPA team observed the FSM DOFA to check the status of reconciliations for deposits from the CTA Pohnpei Field Office and the FSM Post Office. The CTA Field Office deposit was made on June 5, 2024, and the FSM Post Office deposit was made on July 10, 2024. According to the DoFA reconciliation team, these deposits have not yet been reconciled.

Cause(s): The reconciliation teams at the FSM DOFA were found to be still in the process of cleaning up bank reconciliations for May 2024 and FY2023 due to the following:

- Back logging.
- The reconciliation team did not have online banking access; only the Secretary of DOFA and the Assistant Secretary of Treasury did. The team had to wait for these officials to provide bank statements, either electronically or by mail, which were received on the 25th of each month.
- Three bank reconciliation staff were responsible for timely reconciliation of (54) FSM bank accounts.

Effect: The FSM DOFA may not detect unauthorized transactions or potential fraud quickly if bank reconciliations are not completed on time.

Recommendation: We recommend DOFA ensure timely reconciliation of all collections and deposits, including those from the Division of Customs and Administration, FSM Postal Services, and other approved collection agencies.

6.3 Finding No. 3: Inadequate internal controls, such as the absence of Standard Operating Procedures, (SOPs) is critical in maintaining consistency, efficiency, safety, and compliance

Criteria:

Pursuant to the FMR Part 1.4.26 it states:

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Internal Controls Means a process, implemented by the National Government, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- *Effectiveness and efficiency of operations.*
- *Reliability of reporting for internal and external use; and*
- *Compliance with applicable laws and regulations*

Part 1.5.9 on Documentation of policies and procedures also states that:

In addition to these Financial Management Regulations, further instructions in the form of Financial Management Policies & Procedures will be issued and periodically updated to provide more details of key systems and workflows operation within Treasury.

Condition:

Based on our interviews, observations, and review of internal control practices for collecting, safeguarding, depositing, and reconciling FSM Government revenues, we identified the following issues:

- The Quarantine station at Pohnpei Airport lacks SOPs. Although the Officer-in-Charge acknowledged compliance with the FMR, it was important to note that having an SOP was necessary to ensure adherence and compliance with the FMR regulation.
- FSM Postal Services has a draft SOP in place. However, it has not been finalized and endorsed.
- The Division of Customs and Tax Administration (CTA) has a 2017 Manual of Operations that includes procedures on how to collect, deposit and reconcile government revenues received, however outdated. There were operational changes of which one includes the use of ASYCUDA to record and track collections. This manual of operations needs to be updated to reflect the current practices.

Cause(s):

- Management at the Department of R&D did not prioritize SOPs to guide their employees in their daily routines. This lack of emphasis on formal procedures results in employees accustomed to verbal instruction undervaluing the importance of established guidelines.
- Limited in-house capacity to create policies and procedures that are needed for effective achievement of the organization's goals and objectives.
- The Division of CTA had not updated the division's Manual of Operations to reflect current practices.
- FSM Postal Services SOP has not been finalized and operational yet.

Effect(s): The absence of sufficient SOPs can lead to inconsistency and non-compliance practices. For instance, the auditors identified a compliance issue with the FMR, noting that the Quarantine Office at the Pohnpei Airport did not deposit their collections daily at the Division of Treasury.

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Recommendation(s):

- We recommend that the Department of R&D should establish effective standardized operational procedures to guide employees in their daily tasks.
- Additionally, they should ensure that both employees and management are made aware of these procedures through capacity-building initiatives.
- DOFA needs to ensure that the Division of CTA updates its 2017 Manual of Operations to reflect current practices.

- FSM Postal Services should ensure that draft SOPs are finalized and approved.

6.4 Finding No. 4: Poor and improper use of safe custody facilities to secure collected revenues and receipts

Criteria:

According to Part 4.4.3 of the FMR, 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.

Parts 4.4.4 to 4.4.5 of the FMR also require the following:

1. *The Assistant Secretary National Treasury Division (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.*
2. *The Assistant Secretary NTD or designee must ensure that all bulk stocks of receipts, and pre-numbered blank checks are secure and kept in a strong room, safe or strong lockable box until required for use.*
3. *Assistant Secretary NTD or designee must 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.*

According to leading practices, Management limits access to resources and records to authorized individuals and assigns and maintains accountability for their custody and use. Management may periodically compare resources with recorded accountability to help reduce the risk of errors, fraud, misuse, or unauthorized alternation.

Condition:

Based on the information, records, and observations at CTA Field Office, Quarantine, FSM Postal Services, and FSM Treasury Collection Stations, we found the following conditions per location:

- **CTA Pohnpei Field Office-Kolonia:** There was no secure storage box due to a break-in case that happened in the past. Cash/Checks were being stashed in drawers that could not be locked and kept safe.

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- **CTA-Post Office:** A drawer was accessible to the clerk containing all cash/cheques and cash cheques receipts; however, it did not have a lock. Sequenced receipts were also not filed in a secured lockable box, but on open filing cabinets.



CTA Post Office Filing "Shelf"



CTA Post Office Unlocked Cash Drawer

- **Quarantine - Department of R&D:** There was no point-of-sale system, and ineffective practice of manual entering and recording of data. The handwriting was not legible. There were no lockable and secure safeguarding secured safe box to store collection of cash and sequenced manual receipts. The office space was also very small.



Quarantine, R&D Cash Draw



Quarantine, R&D Small Office Space

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- **Division of Treasury - DOFA:** Printed checks and used blank checks were not safeguarded or locked in a secured lockable safe. Fund ware cash receipts and blank checks were out in the open on the desks. Daily sales, cheques, and cash receipts were not in a lockable drawer. They were in a till located on the desk next to the clerk. The unit also has only 3 employees and a small office space.



FSM Treasury Blank Checks Shelf



FSM Treasury Cash Till



FSM Treasury Workstation

Cause:

DOFA and Department of R&D did not ensure that collection agencies under their department were well equipped with the adequate facilities and resources needed to safeguard FSM government revenues.

Effect: Lack of safeguarding facilities can lead to shortages, increased risk of theft and fraud, unattended cash and receipts, reduced service quality, loss of files, exposure of confidential client information, and inaccurate or unaccounted financial records.

Recommendation(s):

We recommend that the Secretary of DOFA work with Secretary of R&D to ensure that approved collection agencies under their management are equipped with the following:

- POS systems to ensure a more effective way of collecting, recording, and tracking sales.
- Appropriate safeguarding facilities, such as secure lockable boxes.
- Spacious and organized workstations.

We also recommend all collection agencies to utilize existing safeguarding facilities, such as secure lockable boxes to store printed cash receipts and unused blank checks.

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7. MANAGEMENT RESPONSE



Secretary of Finance
&
Administration

**GOVERNMENT OF THE
FEDERATED STATES OF MICRONESIA
Department of Finance and Administration**

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September 26, 2024

Mr. Haser H. Hainrick
National Public Auditor
Office of the National Public Auditor
FSM National Government
Palikir, Pohnpei 96941



Dear National Public Auditor Hainrick:

Greeting to you and your able staff at the ONPA.

Before we provide our response to the audit/review No. 2024-09, I would like to document my observation on record that the audit activities went beyond the scope of the original request for the review or inspection. We were expecting the surprise cash count to be done in three months to give us ample time to prepare our action plans on the internal controls before the end of the fiscal year.

Nonetheless, we welcomed and appreciated the other recommendations given to improve on our internal control processes of safeguarding the revenue collections for the Government.

Below are our responses to the findings shown on this compliance report.

Finding No. 7.1

Auditee Response: We agree with the finding and the recommendation to forward this to the CID division of ONPA to handle.

Finding No. 7.2

Auditee Response: We agree with the finding. Our corrective action plan is being implemented to ensure reconciliation of bank accounts are done timely.

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Finding No. 7.3


Auditee Response: We agree with the finding. We plan to and will produce an SOP for all collection points to ensure the processes are uniform.

Finding No. 7.4

Auditee Response: We agree partially with the finding. The blank checks are not pre-numbered and have been stored in the Treasury all these years. Our corrective action plan is being implemented to improve the places and to have the proper equipment like secure lockable boxes at all times to safeguard all collections.

Thank you very much for the opportunity to comment.

Sincerely,



Rose N. Nakanaga
Secretary

cc: Christina Elnei, Asst. Secretary to N.T.

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September 27, 2024

Haser H. Hainrick
National Public Auditor
Office of The National Public Auditor
Palikir, Pohnpei FM 96941



Subject: Response to Finding No.1 Regarding Quarantine Collection Point Deposits

Greetings from FSM R&D;

We appreciate the thorough review conducted by the ONPA team and acknowledge the findings related to the Quarantine Collection Point at Pohnpei State International Airport. We take this matter seriously and are committed to rectifying the issues identified.

We recognize that there was a failure to deposit the daily collection of \$323 with the FSM Treasury on June 21, 2024. This oversight is unacceptable, and we acknowledge the non-compliance with the Financial Management Regulations (FMR) regarding timely deposits.

Immediate Actions Taken

1. We have initiated steps to ensure that the amount of \$323 is collected and deposited with the FSM Treasury. We are currently coordinating with the Officer in Charge (OIC) to facilitate this process as a priority.
2. An internal review of our cash handling and deposit procedures has begun. We are assessing our current practices and identifying areas that require improvement to ensure compliance with the FMR.

Preventive Measures

1. We will conduct training sessions for all relevant staff at the Quarantine Unit to reinforce the importance of adhering to deposit requirements. This training will emphasize the consequences of non-compliance and outline the necessary procedures.
2. We will collaborate with the Secretary of the Department of Finance and Administration (DOFA) to develop and implement reconciliation guidance and resources. This framework will help ensure that all collections are documented, tracked, and deposited in a timely manner.
3. We will establish a clear protocol for documenting cash collections and deposits. This protocol will include mandatory signatures upon receipt to prevent any future discrepancies concerning cash deposits.

We are committed to ensuring that such lapses do not occur in the future. The Quarantine Unit will work closely with the FSM Treasury and DOFA to enhance our financial management processes. We understand the risks associated with inadequate cash handling and are dedicated to maintaining compliance with all financial regulations.

Thank you for bringing this matter to our attention. We appreciate your support and guidance as we work to resolve this issue and strengthen our financial practices.

Sincerely,


Elina P. Akinaga

Division of Marine Resources, Division of Energy, Division of Statistics, Division of Trade & Investment, Division of
Agriculture, and Division of Tourism

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Postal Service

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Postmaster General

September 25, 2024

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

Asor
9-25-2024




Dear Mr. Hainrick,

Thank you for the opportunity to respond to the audit on Surprise Cash Count conducted by your office. As noted in the audit, my management response addresses **7.3 Finding No. 3: Inadequate internal controls, such as the absence of Standard Operating Procedures, (SOPs) is critical in maintaining consistency, efficiency, safety, and compliance**

- As indicated in the report, "FSM Postal Services has a draft SOP in place. However, it has not been finalized and endorsed." Attached for your information is a copy of the memorandum for implementation of the Daily Postal collections and reconciliation standard operating procedures.

Thank you


Juliet L. Jimmy
Acting Postmaster General

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8. ONPA EVALUATION OF MANAGEMENT RESPONSE

As part of our audit process, we requested to meet with the management of FSM Department of Finance and Administration (DoFA), Department of Resources and Development (R&D) and the FSM Post Office to discuss the outcomes of this surprise cash count and internal control inspection. As a result of this meeting, a few issues identified in relation to banking process and safeguarding were reviewed, verified, and determined as corrected after this exit meeting, while other issues/findings remain. We then requested for formal management response from the management of these auditees for the Findings not resolved during the exit meeting.

Although FSM Department of Finance and Administration (DoFA) was concerned that we went over our scope, responded, and agreed on Finding 1, Finding 2, Finding 3, and partially agreed on Finding 4 and recommendations as provided in section 7 of this report. Per DoFA's concern, we did include in our request letter to conduct this engagement that our initiatives will be to ensure that all government receipts/revenues are adequately accounted for, and that all internal controls surrounding the handling of cash are properly implemented at all times. We also completed this engagement within the 3 months' timeframe. It is also to be noted that this was a side audit requested by the FSM DoFA, as it was not originally planned in our annual audit plan and was requested towards the end of FY2024. With other projects pending to complete, we prioritized this request like our other annual planned projects.

FSM Department of Resources and Development (R&D) agreed to Findings 1, 3 and recommendations, and will work with FSM DoFA to ensure corrective actions. However, FSM R&D did not respond to Finding 4, and we recommend as our evaluation on the response to also work with FSM DoFA to ensure corrective actions for Finding 4, safeguarding of facilities and resources at Quarantine Office.

FSM Postal Services responded to Finding 4 by providing a signed and approved SOP and stated that implementation of this SOP will begin October 2024, fiscal year (FY)2025. We will do a follow-up in 6 months' time to verify implementation to fully correct this Finding.

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9. NATIONAL PUBLIC AUDITOR COMMENTS

We would like to thank the management and staff of the FSM Department of Finance and Administration (DoFA), FSM Department of Resources and Development (R&D) and FSM Postal Services, for their assistance and cooperation during the inspection.

We would also like to thank Pohnpei Port Authority (PPA) Management, for their assistance in allowing ONPA to conduct audit procedures at the Pohnpei International Airport.

We have provided copies of the final inspection report to the President and Members of the 23rd FSM Congress and those charged with governance. Furthermore, we will make copies available to other interested parties 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 conducted the audit and prepared this report.



Haser Hainrick
National Public Auditor

Date: September 30, 2024

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10. ONPA CONTACT AND STAFF ACKNOWLEDGEMENTS

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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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