



**POHNPEI STATE GOVERNMENT
OFFICE OF THE PUBLIC AUDITOR**

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01/20/2022

The Honorable Reed B. Oliver
Governor
Pohnpei State Government
Kolonias, Pohnpei, FSM 96941

Maing Governor:

Please find enclosed our fiscal year 2022, 1st Quarter Performance Report. If further assistance is needed please contact us.

Kalahngan,


Ihlen K. Joseph
State Public Auditor

1/20/22
Forward To Chief of staff.
My review are highlighted
in yellow - p/c. reviewed and
Share from your side
Theresa
T

Progress Report

1ST Quarter

1. Prepared and transmitted our fiscal year 2022 proposed budget to the Governor
2. Prepared and transmitted to the Speaker and the Governor our 4th quarter Performance Report for Fiscal Year 2021.

Activity 5: Staff capacity building and skill enhancement to build local capacity

Indicated Output:

1. Four (4) training courses covering auditing, investigation, fraud and accounting conducted by certified instructors to enhance staff skills and at the same time required CPE hours.
2. Four (4) in-house training courses conducted covering auditing, investigation, report writing and accounting.

Progress Report

1ST Quarter

1. PESA-SA & staff auditor Vellisa continuing on-line studying and completing required activities.
2. Staff Investigator Dainard continuing on-line college courses with Walden University

Activity 6: Conduct community awareness programs, update POPA's website and do press release to increase public awareness

Indicated Outputs

1. Five (5) community fraud awareness programs
2. Four (4) newspaper release on POPA's work and activities

Progress Report

1ST Quarter

1. Our A Year-in-the-Life (YIL) of POPA under review
2. POPA activities on K-press, POPA and PASAI official websites as part of our communication strategy
3. POPA partners with the Office of the Attorney General and Department of Treasury and Administration in conducting training on Ethics, Financial Management Regulation, Internal Control and Fraud to local government officials and employees,

POPA's Fiscal Year 2020 Approved Budget/Expense

Category	Budget	Allotment	Prior Year Encumbrance	YTD Encumbrance	Expenses	Balance
Personnel and All others	335,586.00	92,480.59	7,584.59	8,953.92	66,602.13	16,924.54
Representation Fund	5,000.00	1,250.00	0.00		1,759.00	3,241.00

Prepared by: Elaine H. Carl/ Administrative Officer

Date: _____

Approved by: Iso Ihlen K. Joseph/Public Auditor

Date: _____

4. PCIU 19-001-Madolenhimw Municipality Government-filed in court/sentenced/appealed
5. PCIU 20-009-Sapwuafik-Investigator Dainard appeared in court as witness

Difficulties Encounter: CID Advisor is taking an extended leave of absence without pay to assist our FSM Pandemic Unemployment Assistant Office on Compliance Issues.

Proposed action plan for next period:

1. Complete and issue report on pending cases

Activity 3: Follow up on outstanding audit findings to ensure timely resolution to improve government operations

Timeline: Conduct follow up on prior year audit findings to ensure recommendations are implemented timely.

Measurable Performance Outputs:

1. Conduct follow up on audit deficiencies to ensure that at least 50% of our recommendations are implemented.
 - ❖ Note: implementation of recommendations can only be done by auditees
 - ❖ Minor progress has been made.

Difficulty encounter

POPA has made it a priority to follow up on recommendations, but very little cooperation from auditees. Without full cooperation and support from top officials, the findings will not fully be resolved. POPA lacks staffs to be dedicated to doing follow up at all times.

Activity 4: Ensure compliance to mandated progress reporting and effective administrative support Services

Indicated Outputs:

1. Four (4) quarterly performance and activity reports completed and transmitted to Legislature and the Governor
2. One (1) annual progress report and activity report completed and transmitted to the Legislature and the Governor
3. Update OPA's Manual of Administration and Work Procedures
4. Ensure adequate funding to support POPA's operations

Difficulties Encounter: Auditees records not readily available due to lack of skilled staff and weak internal control compliance.

Activity 2: Conduct independent Preliminary review and administrative investigations (PRAI) on audit related cases, departmental referrals and tips received through the hotline.

Timeline: To investigate cases based on audit, departmental referrals and tips from the hotline

Measurable Performance Outputs:

Indicated Outputs:

Activity 2: Three cases to be investigated and results reported, and 3 working files prepared and filed

Progress Report:

Active Cases/Status

1st Quarter

1. PCIU 20-005-PTA Heavy Equipment-to conduct more interview; analyze documents and finalize report.
2. PCIU 21-001-Tourism Project- (Hotline); analyzing of documents obtained
3. PICU 21-002-DOE Ghost Employee (departmental referral)-document gathering and interview of possible persons of interest.
4. PCIU 21-005-Quarantine Sites-finalizing report
5. PCIU 21-006- Senator H-document gathering

Cases referred to AG and/or MA still pending

1. PCIU 18-010-Sapwuafik Municipal Government-referred to AG/not yet filed
2. PCIU 19-004-EPA Recycling Program-referred to AG/MA not yet filed
3. PCIU 19-003-PTA Activities-referred to AG/MA-not yet filed
4. PTA Coral Theft-referred to AG-7/23/20-not yet filed
5. PCIU 20-001-Outer-island Medical Referral Program-9/7/20-referred to AG/MA not yet filed
6. PCIU 20-007-PTA Comptroller Housing allowance-referred to AG

Cases closed for file:

1. PCIU 21-003-Hospital Security Supervisor
2. PCIU 21-004-Fraudulent Checks: closed under intelligent watch

Litigation Support with AG's Office /pending in court

1. PCIU 18-003-Nukuoro Municipal Government-filed in court/awaiting defense closing statement
2. PCIU 18-004-Agriculture Revolving Fund-filed in court/sentenced
3. PCIU 18-007-T&I Contract Activities- field in court/trial

OFFICE: Pohnpei Office of the Public Auditor

FISCAL YEAR: 2022

Sector: General Fund

Quarterly Report: 1st Quarter Performance Report

Strategic Goal: To Enhance Accountability and Transparency in the Public Sector

Activity 1: To conduct independent performance audit, financial audit, attestation engagement and special reviews of Pohnpei Government Programs and activities

Timeline: Complete and issue financial audit reports before or by March 31, 2021. Complete all other audits and reviews by December 2021.

Indicated Outputs

Two (2) financial audit reports, seven (7) performance audit and other review reports, and nine (9) corresponding supporting working paper files completed.

Progress Report:

Financial Audits

1st Quarter

1. Small Business Guarantee & Finance Corp- Planning phase- following up on the status of the unaudited financial statement of the cooperation
2. Pohnpei Transportation- Planning phase- following up on the status of the unaudited financial statement for the Authority

Performance Audit

1st Quarter

1. Pohnpei Supreme Court-completed fieldwork and all open items, preparation of report, 1st draft completed
2. Revenue & Taxation-completed field work, preparation of report, completed and submitted 1st draft for review
3. Nett District Government-Completed field work, drafting audit report
4. Recruitment Process-completed field work phase, completed 1st draft is under review