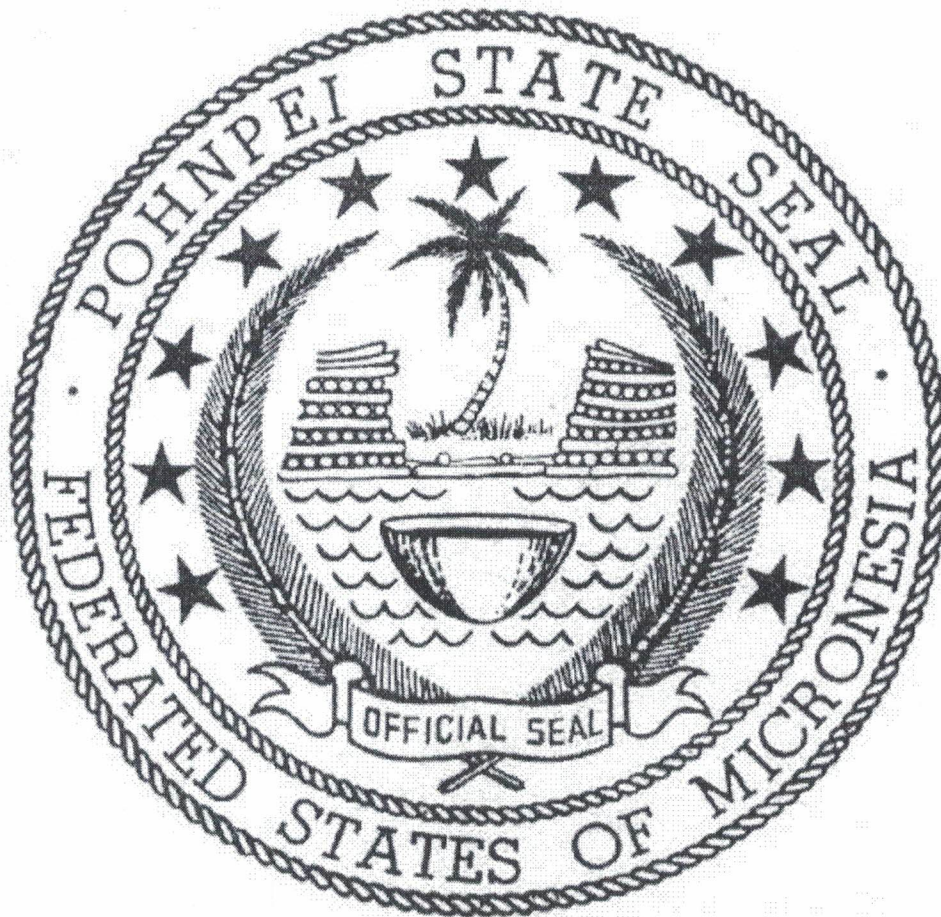


**OFFICE OF THE PUBLIC AUDITOR  
POHNPEI STATE GOVERNMENT  
FISCAL YEAR 2022 WORK PLAN**

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October 01, 2021

**MEMORANDUM**

To : All Employees, POPA

From : State Public Auditor, Pohnpei

Subject: POPA Fiscal Year 2022 Work Plan

I am pleased to present the Pohnpei Office of the Public Auditor (POPA) Work Plan for the fiscal year 2022. This plan describes the audits and related program activities and services planned in support of our POPA's vision, mission, values, goals, and objectives for the 2022 fiscal year.

Our POPA is dedicated to delivering timely and quality high impact work products that promote accountability and transparency in our Pohnpei Government. Our primary objective is to work closely with our key stakeholders, development partners and those charged with governance to hold accountable those who engage in fraud, waste, or abuse, communicating effectively to support informed decision making that effect positive change, and ensure collaboration to maximize the benefits and impact of our POPA's work and related services.

This work plan supersedes all previously issued annual work plans and will evolve as necessary, to ensure that our operations remain relevant, timely, and responsive to the priorities of our government's oversight mission. I look forward to working closely with all of you. our stakeholders and others in meeting our goals and fulfilling our mission and objectives in the upcoming fiscal year 2022.

Ni wahu,

Ihlen K. Joseph

## **ACRONYMS**

**APIPA** – Association of Pacific Island Public Auditors

**GAGAS** – Generally Accepted Government Auditing Standards

**IDI** – International Development Institute

**INTOSAI** – International Organization of Supreme Audit Institutions

**PASAI** – Pacific Association of Supreme Audit Institutions

**POPA** – Pohnpei Office of the Public Auditor



## **OUR POPA AND PURPOSE AT-A-GLANCE**

The purpose of the Pohnpei Office of the Public Auditor (POPA) is to support accountability and transparency in the Pohnpei State Government through independent auditing and reporting to the Legislature, the Governor, and other stakeholders, and thereby contribute to improve public sector performance. We deliver our purpose pursuant to the provisions of Article 11, Section 8 of the Pohnpei Constitution, the State Law No. 1L-10-79, as amended, our Audit Manual, and the Generally Accepted Government Auditing Standards (GAGAS) or the “Yellow Book” promulgated and issued by the Comptroller General of the United States.

## **OUR VISION**

An accountable, transparent, effective, and efficient performing public sector.

## **OUR MISSION**

Produce quality and timely high impact audit and investigative work products to enable our leaders and those charged with governance to make well informed decisions that promote and support accountability, transparency, integrity and good governance in the public sector.

## **OUR CORE VALUES**

We uphold the Pohnpei Government Public Services System values, with particular focus on independence, integrity, impartiality, professionalism, collaboration, reliability, and respect for values of Pohnpei “WAHU”.

## **OUR MANDATE**

Our mandate is broad and comprehensive involving audit, examination, or review of all transactions and all books and accounts kept by or for all departments, offices and agencies of the Pohnpei Government and its political subdivisions, and all projects, programs, and activities of non-profit organizations receiving public funds from or through the government, regardless of the source.

## **Our Long-Term Work Outcome Measure**

Enhance Accountability and Transparency in the Pohnpei Government/Public Sector.

## **Our Work Output Measure in FY-2022**

Fifteen (16) quality, timely, and high impact audit and mandatory reports are completed and issued.

**OUR WORK PLAN FOR FISCAL YEAR 2022.**

Our goal is to conduct, produce and issue 2 financial statement audit reports, 4 performance audit reports, 1 inspection report, 1 attestation engagement report, 1 compliance report, and 3 preliminary review and administrative investigation reports in fiscal year 2022. In addition, (4) quarterly performance/activity progress reports and one (1) annual activity report will be prepared and submitted to the Governor, the Legislature and others charged with governance during the year.

Specific programs and projects targeted to be audited/examined are indicated in the Work Plan table below. These programs/activities have been selected based on their risks, value, benefit and opportunity to the overall program priorities of the Pohnpei State Government. The table also shows names of staff auditors assigned and responsible for each program/activity to be examined and expected completion date. Responsible staffs are urged to review their work assignment (s) and initiate actions necessary to ensure timely completion of work assigned.

***POPA Annual Work Plan  
Fiscal Year 2022***

<b>Program</b>	<b>Audit Type</b>	<b>Auditor-In-Charge</b>	<b>Support Staff</b>	<b>Supervisor</b>	<b>Milestone</b>
<u>PTA</u>	<u>Financial</u>	<u>J. Route</u>	<u>V. Edgar</u>	<u>A. Etse</u>	06/30/22
SBG&FC	Financial	P. Pedrus	C. Joel	CL Somsio	06/30/22
AG's Office	Performance	CL Somsio	C. Joel	A. Etse	06/30/22
Personnel	<u>Performance</u>	<u>P. Pedrus</u>	A. Etse	I. Joseph	06/30/22
<u>Payroll</u>	Performance	C. Joel	I. Joseph	A. Etse	06/30/22
Environmental	Performance	V. Edgar	CL Somsio	I. Joseph	06/30/22
Audit Follow-Up	Compliance	I. Joseph	E. Carl	A. Etse	On-going
Quarterly Report	Activity/Work Progress	E. Carl	A. Etse P. Samuel	I. Joseph	Quarterly FY-2022
Annual Report	Activity/Work Progress	E. Carl	A. Etse P. Samuel	I. Joseph	01/2023
Investigative Reports (3)	Administrative Investigation	P. Samuel	T. Eliou D. Dainard	S. Pretrick	09/30/22

Based on past years' experience, we should expect requests from our stakeholders to conduct other audits and/or non-audit services during the year. We will closely examine requests received and



appropriately dealt with them on-a-case-by-case basis in accordance to their importance to the overall program priorities of the government.

In addition, a number of audit engagements were initiated in FY-2021 but were not completed during the year. These outstanding audit projects are shown in the table below. Responsible staff auditors are urged to ensure that these projects are completed at the earliest time possible, but not later than November 30, 2021.

**POPA Annual Work Plan  
Fiscal Year 2022  
FY-2021 Carry Over Audit Programs**

<b>Program</b>	<b>Audit Type</b>	<b>AIC</b>	<b>Support Staff</b>	<b>Supervisor</b>	<b>Milestone</b>
Rev.and Tax.	Performance	P. Pedrus	C. Joel	A. Etse	11/30/21
Nett Government	Performance	A. Etse	P. Pedrus	I. Joseph	11/30/21
Recruitment	Performance	CL Somcio	C. Joel	I. Joseph	11/30/21
PSC	Performance	J. Route	V. Edgar	A. Etse	11/30/21

**OUR OBJECTIVES IN 2022**

Program and work activities planned to ensure we achieve our objectives and related services goals for the fiscal year 2022 include:

**Objective 1: Transparent and Implementable Audit Work Plan/Schedule** – The work plan tables above provide specific programs and activities to be audited/reviewed in the fiscal year 2022. This work plan will evolve as necessary, to ensure that our operations remain relevant, timely, and responsive to the priorities of our government oversight mission and responsibilities.

**Objective 2: Human Resource Capacity Building and Continuing Professional Education (CPE)** - The POPA relies on qualified and well train work force who are held accountable for timely, efficient and effective fulfillment of their duties and responsibilities. We conduct audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) or the “Yellow Book” promulgated and issued by the Comptroller General of the United States of America. In addition to auditors’ professional qualifications, independence, work quality and meaningful reporting, the Standards require auditors responsible for planning, directing, conducting or reporting on government audit to complete at least 80-hours of Continuing Professional Education (CPE) every two years.

Staff training and capacity building programs planned to enhance staff skills/capacity, and at the same time earn the required CPE hours in 2022 are as indicated in the table below:

**POPA Training/Capacity Building Plan  
Fiscal Year 2022**

<b>Sponsor</b>	<b>Location</b>	<b>Participants</b>	<b>CPE-Hours</b>	<b>Cost</b>
APIPA	Virtual/Zoom	12 staffs	40-hrs. ea.	\$ 0
FSM Auditors	Kosrae State	12 staffs	40-hrs. ea.	23,800
PASAI	Palau	5 staffs	?	<u>20,500</u>
IDI/INTOSAI	Virtual/Zoom	6 staffs	?	0
Domestic/Local	In-House/On-site	12 Staffs	?	0
Others	Virtual/Zoom	12 staffs	?	5,000
<b>Total</b>				<b><u>\$49,300</u></b>

Each POPA employee is responsible for preparing their own individual training/capacity building program required with associated costs in collaboration with their supervisors for review and approval of the State Public Auditor prior to undertaking any training. The POPA management team will endeavor to identify and allocate both time and financial support necessary to enable our workforce to participate in relevant capacity building and skill enhancement training initiatives sponsored by our development partners and others during the year.

**Objective 3: POPA Communication Strategic Plan Implementation.** Greater public awareness and understanding of the role, value and benefit of our POPA’s services can foster our purpose of improving and strengthening accountability and transparency in the Pohnpei Government. Our communication strategies for the 2022 fiscal year are as summarily outlined in the table below. At the outset, we will continue to improve and strengthen public awareness and understanding of our POPA’s purpose and services through a variety of communication strategies, including:

**POPA Communication Strategy  
Fiscal Year 2022**

<b>Program/Activity</b>	<b>Responsible</b>	<b>Target Group</b>	<b>Milestone</b>
Timely production and distribution of audit/investigation reports.	E. Carl A. Etse P. Samuel	Legislature, Governor Auditees Others	On-going
Timely production and publication of POPA news articles.	CL Somcio, A. Etse P. Samuel	All stakeholders	On-going



Audit report summary translation into local/vernacular language.	I. Joseph Others	People of Pohnpei	On-going
Conduct community outreach programs to promote public awareness and understanding of POPA's purpose, and services.	I. Joseph All staffs	Schools Churches Villages, etc.	On-going
Timely audit reports, news articles, etc. update and posting on social media channels.	CL Somcio V. Edgar S. Prtrick A. Etse	All stakeholders	On-going
Timely update and posting of audit reports, news articles, etc., on POPA website.	CL Somcio V. Edgar.	All stakeholders	On-going
Conduct fraud, corruption and prevention awareness workshops.	S. Pretrick, P.Samuel All.Staffs	Pohnpei Gov't. Local Governments Others	On-going
Strengthen and widen activity on POPA Facebook page.	CL Somcio V. Edgar	All stakeholders	On-going
Strengthen collaboration, support, and participation of civil societies in POPA program awareness program activities.	S.Pretrick, A, Etse, P.Samuel	All stakeholders	On-going

**Objective 4: Strengthen Audit Follow-Up and Timely Resolution of Audit Deficiencies** - The results of audits are usually presented, discussed and reported to auditees. However, most auditees fail to take actions necessary to identify and implement corrective measures to clear audit deficiencies. Consequently, many audit issues are not resolved in a timely manner, or remained unresolved at all. Without adequate and timely resolution, the time and effort to conduct audits is wasted, and the lack of corrective action looks poorly on management/auditee. Managers who do not identify and timely implement agreed actions arising from audit findings also expose the organization to risk.

Chapter 1-107 (2) of Title 5 of the Pohnpei Code requires auditees to response in writing to the State Public Auditor by indicating actions already taken to correct audit deficiencies identified in audit reports or actions to be taken to resolve findings not immediately resolved. The law further requires auditees to file a monthly report with the State Auditor indicating their progress in clearing audit deficiencies until such time it can report that all deficiencies have been cleared, which period shall not exceed six (12) months

Currently, audit follow-up and clearing of audit deficiencies are assigned to Auditor-In-Charge (AIC) in collaboration with the auditees. Unfortunately, the existing arrangement has not been effective and new approaches must be identified and implemented to ensure consistent audit follow-up and timely resolution of audit deficiencies are carried in accordance with the legal requirement.

Audit follow up and resolution of audit findings are important part of effective risk management program. Our strategy is to develop and put in place procedure to effectively track, monitor, follow up and resolve timely outstanding open audit issues. The procedures should clearly identify methods for following up on noted audit or control exceptions or weaknesses, and require auditors to document, report and track recommendations and outstanding deficiencies. The timely remediation of open audit issues is an essential component of the organization/auditee risk reduction efforts. The target date for completion and implementation of audit follow-up and audit deficiency resolution procedures is soon but no later than June 30, 2022.

**Objective 5: POPA Information Technology (IT) Strategic Plan.** - The shift from traditional auditing methods to technology-enabled audit is here and is accelerating as COVID-19 poses new risks and challenges. Technology-enabled audit is unmistakably the foundation going forward and our POPA must explore opportunities to make sure we remain productive through a remote and challenging working environment. IT auditing serves a critical function in ensuring all our business laws, regulations and compliances are understood and met by all employees, improves our IT governance, and strengthen our understanding of the controls, risks and value of our government's technological working environment.

Our POPA's objective is to ascertain necessary steps are taken towards developing and putting in place a technology-enabled audit strategy to prepare and allow us ability to audit at the speed of change for today's volatile times. The strategy should include at least provisions for a full-time IT Specialist, most appropriate IT hardware/equipment and relevant software program needed, and processes for training and maintenance of an effective IT program. Completion of the IT strategic plan is soon but not later than June 30, 2022.

**Objective 6: POPA Legal Framework Update** – With the support of the members of the 10<sup>th</sup> Pohnpei Legislature, our bill proposing to amend the POPA legal framework to clarify POPA's independence, autonomy and others was passed by the Pohnpei Legislature and signed into law by the Governor as State Law No. 10L-59-21. In summary, the new law provides that the Office of the Public Auditor shall exist independently of the administrative control of the Government of Pohnpei. It also provides, among others, that the Public Auditor shall be independent of administrative and political control, direction, and influence when carrying out his/her duties and responsibilities, including the management and administration of the POPA's human resources and financial affairs.

Our objective in FY-2022 is to develop for implementation the POPA's human resource or personnel management policies and procedures at the earliest time possible, but no later than September 30, 2022. The policy should include transparent procedures for all personnel related matters starting with position creation, recruitment, remuneration, training, periodic performance evaluation, disciplinary actions, staff retainment, resignation, termination, and more as required under the Pohnpei Government Public Services System law. Until then, our POPA will continue

to share our human resource management responsibilities with the Division of Personnel, Labor and Manpower Development within the DoT&A, Pohnpei Government.

Thanking you for your continuing support and assistance, I wish you all the best and an uneventful productive fiscal year 2022.

Ni Wahu,

Ihlen K. Joseph

Cc: Governor, Pohnpei  
Speaker, 10<sup>th</sup> Pohnpei Legislature  
Chief Justice, PSC  
All Departments, Offices and Agencies  
All Local Governments



