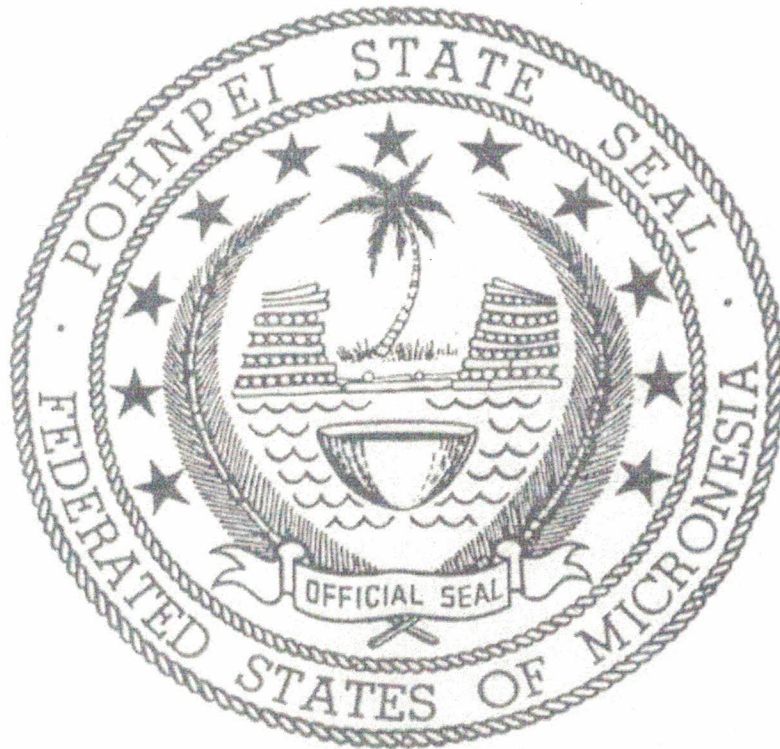


Strategic Management Operational Plan (SMOP)

FISCAL YEARS 2018-2020

Office of the Public Auditor
Pohnpei State Government



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**Pohnpei Office of the Public Auditor
Strategic Management Operational Plan (SMOP)
Fiscal years 2018-2022**

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FORWARD

With pleasure, I present the Pohnpei Office of the Public Auditor (POPA) Strategic Management and Operational Plan (SMOP) for fiscal years 2018 to 2022. All POPA employees are expected to review and become familiar with our SMOP (long-term or annual) to ensure better understanding and proper implementation.

Our SMOP focuses on how we will develop our POPA over the five years plan period. It is important that we continue to improve our organization to be in the best possible position to deliver the priorities we have identified in our SMOP. Our strategy is about increasing the impact of what we do by strengthening the quality, timeliness, and effectiveness of our work and services so that the people of Pohnpei can have trust and confidence in the public sector. We also need to carry on with continually improving everything else that we do.

Thank you all members of POPA staff for contributing to the formulation of our SMOP. Your feedbacks or inputs were carefully considered while bearing in mind our resource capacity and the working environment within which we operate. I am satisfied that our SMOP is reasonable, balanced, suitably ambitious while still achievable. With your support, I am confident that the strategies, the outputs and the related activities defined in the Plan will enable us to increase our relevance to the Pohnpeians through increasing impact of our work and services.

I also extend a warm gratitude and appreciation to the INTOSAI Development Institute (IDI) and the Pacific Association of Supreme Audit Institutions (PASAI) for their support and assistance. Representatives of POPA participated and learned from the IDI and PASAI sponsored seminars on Strategy, Performance Measurement and Reporting (SPMR) Works to enhance capacity and skill in the SPMR related areas.

Our SMOP (long-term or annual) is a living document, and your ongoing review and feedback are welcomed. We will be monitoring and reporting our progress as we go and returning periodically to make sure we continue to focus and remain on the right track.

Ni Wahu,



Ihlen K. Joseph
State Auditor
Pohnpei

**Pohnpei State Government
Pohnpei Office of the Public Auditor
Strategic Management and Operational Plan
Fiscal Years 2018 to 2022**

About Us

Established pursuant to the provisions of Article 11, Section 8 of the Pohnpei Constitution and the Pohnpei Public Law No. 1L-10-79, as amended, the Pohnpei Office of the Public Auditor (POPA) has the exclusive audit jurisdiction over Pohnpei Government's funds and related public resources. POPA is authorized to conduct audits of all transactions, books and accounts kept by or for departments, offices, agencies of the state, its political subdivisions, and projects, programs and non-profit organizations receiving funds from the Pohnpei Government. POPA has complete access to all government financial and accounting records, documents and information it may require to carry out auditing mandates.

Appointed by the Governor with the advice and consent of the Pohnpei Legislature, the State Auditor serves for a term of four years and until a successor is appointed and confirmed. The State Auditor may be reappointed to serve an additional term or terms in office. The audit legal framework provides that POPA shall be staffed at the discretion of the State Auditor subject to an approved budget appropriation. The POPA workforce at the beginning of this operational plan consisted of eleven (11) full-time employees, including the State Auditor. The program and operational budget totaled \$305,500 during the first year (FY-2018) of this work plan. (Refer to POPA's Organizational Chart/Structure on page 3 of this report for further information).

During the first fiscal year of our SMOP, POPA conducted, completed and issued a total of 17 reports. These include 2 financial audit reports, 2 performance audit reports, 1 compliance report, 5 preliminary review and administrative investigation reports, 2 inspection reports, 1 management letter report, quarterly activity reports and 1 annual activity progress report for the FY-17. POPA also initiated a number of audit and investigation engagements during the year.

Our Vision

An Accountable, Transparent, Efficient and Effective Performing Public Sector.

Our Mission

To Produce Quality and Timely Audit and Mandatory Reports to Enable C
Leaders to Make Well-Informed Policy Decisions Which Promote Accountabili
Transparency, and Efficiency in the Public Sector.

Our Values

We value Independence, Integrity, Reliability, Respectability, Impartiality, and
Professionalism.

Our SMOP and the FSM National Strategic Development Plan (SDP)

In March 2004, the FSM leadership adopted the FSM-Wide Strategic Developme
Plan (SDP). The SDP generally outlines the overall vision for the Natio
developmental aspirations during the Compact of Free Association years a
beyond. It also identifies four (4) major nation-wide developmental goals a
objectives, and these include:

Goal 1: Responsible to Support Financial Stability and Economic Growth;

Goal 2: Adoption of Best Practices in the Transparency of Fis
Management;

Goal 3: Enhance Accountability and Transparency; and,

Goal 4: Improve Public Sector Management and Resource Allocation.

Our Pohnpei Office of the Public Auditor (POPA) is in a unique position
contribute to the FSM's desires to achieving these SDP goals in several ways.

First, all of our audits and investigations performed directly contribute to efficient and effective public resource allocation, management, transparency, accountability and good governance.

Second, our mandate authorizes us to access and examine all financial and program activities of the Pohnpei Government and provide assurance that implementing departments, offices and agencies are performing in accordance with their mandates and the overall developmental priorities of the Pohnpei Government.

Third, areas of internal control deficiencies, weaknesses and non-compliances are identified during audits/investigations, and value-added recommendations are provided in audit reports of which properly implemented, would improve and strengthen efficiency and effectiveness in the management of public resources and delivery of public services.

Our Strategic Management and Operational Plan (SMOP) – FY-2018-2022.

Our SMOP describes in general what we are aiming to achieve during the five years (FY-2018-2022) planning period. The Plan includes one (1) Outcome Measure and two Output Measures. It discusses also the strategies and activities we propose to undertake to achieve our goals and objectives during the planning period. The table below provides a general outline of our POPA's five-year SMOP covering the period from FY-2018 to FY-2022.

Outcome: Enhance Accountability and Transparency in the Public Sector
Output 1: 15 Quality Audits and Related Mandatory Reports are Timely Completed and Issued Annually During the Plan Period.
Strategy 1.0: Quality and timely audit and related mandatory reports contribute directly to transparency, accountability and good governance.
Activity 1.1: Transparent and Implementable Audit Work Plan/Schedule Program activities targeted for audits or examination during the plan period must be carefully identified in the annual operational plan based on their importance.

risks, opportunity and benefits to the overall performance and priorities of the Pohnpei Government. The annual operational plan shall be prepared and ready for implementation at least one month before the beginning of each fiscal year. The annual plan will include, among others: a) specific programs targeted for audits, b) responsible Auditor-In-Charge (AIC), c) audit supervisor, d) support staffs, e) audit milestone, and f) other information as may be required. Key stakeholders, POPA staffs and others interested will be invited to take active part in the annual operational plan formulation and implementation processes.

Activity 1.2: Well Trained and Capable Workforce: POPA relies on qualified, well trained, and capable employees who are held accountable for timely, efficient and effective fulfillment of their duties and responsibilities. Staff training and professional development is a priority of POPA's management. Our staffs' training and capacity building program will be planned and implemented as a joint initiative between POPA and our development partners (FSM Public Auditor Conference, APIPA, PASAI, INTOSAI IDI, U. S Graduate School, OIG and OIA, USD and others) during the plan period.

Activity 1.3: Updated and Transparent Audit Legal Framework and Operational Policies/Procedures: Our POPA conducts audit in accordance with the Generally Accepted Government Auditing Standards (GAGAS) promulgated and issued by the Comptroller General of the United States of America. We also follow the ISSAI's auditing standards in some of our audit works, and are further required to perform audit in conformity with relevant and applicable laws of Pohnpei State. Our strategies and action plan to improve productivity and transparency in the following areas include:

- a) **Amend POPA Legal Framework:** To amend our audit laws to clearly define POPA's independence, autonomy and related matters to conform with Parts 1.5 and 1.8 of the International Standards for Supreme Audit Institutions. These parts required that the "establishment, the independence, and the autonomy of Supreme Audit Institutions (SAI) Office of the Public Auditor (OPA) must be clearly defined and imbedded in the OPA's legal framework/law. A SAI's or OPA's performance and productivity may be impaired by outside influence, unless it is truly independent. Our plan is to work in close collaboration with the Office

the Attorney General, Pohnpei Government and the PASAI Legal Counsel draft the amendments necessary and transmit the proposed legislation to the Pohnpei Legislature for consideration no later than 31 December 2011.

- b) Update POPA Audit Manual:** Developed and implemented in 2004, the POPA Audit Manual is outdated and does not contain the subsequent changes and amendments issued by the Comptroller General of the United States. The Manual provides general working guidelines in managing and administering the mandated duties and responsibilities of the Pohnpei Office of the Public Auditor, and every employee is expected to review, become familiar, and adhere to the working procedures contained therein. Our plan is to continue to work closely with APIPA and others on the project to: "Update Audit Manuals" for all members to conform to audit standards.

Output 2: An Improved Communication Strategy is Developed and Implemented

Strategy 2.0: Greater public awareness, understanding, and appreciation of the POPA's role, value and benefit can foster accountability and transparency in the public sector.

Activity 2.1: Communication Plan and Strategies: Develop and implement a POPA strategic communication plan to promote and enhance better understanding and appreciation of POPA's roles and services through a variety of communication strategies, including:

- a) Community outreach program targeting all citizens of Pohnpei concerning the role, value, benefit and services of POPA.
- b) Fraud awareness and prevention programs involving government, traditional, and church leaders, and youths, civil societies, regional and international organizations, and all interested stakeholders and citizens of Pohnpei.

- c) Utilization of the social media (newspaper, the coconut wireless network system, internet, website, radio, TVs etc.) to promote public awareness of POPA's audit findings and services.
- d) Wider distribution and dissemination of audit and investigation reports, annual reports, periodic news releases, and related special reports.
- e) Periodic performance and public awareness survey and share results with the leadership and other interested stakeholders.
- f) Enhance stakeholders' participation and input into POPA's work plans, special events, and related activities.
- g) Adequate internal communication strategy that involves open and transparent sharing of information among and between management and all staffs.

It should be noted that POPA has developed, adopted and is in the process of implementing our first Strategic Communication Plan. Every POPA employee is urged to review the plan and become familiar with the policies and procedures set forth therein for proper implementation.

POPA SMOP RISK ASSESSMENT

Risk Description	Impact	Mitigation	Comment
1. POPA Programs and Operations Budget: Insufficient financial support for POPA programs and operations.	Will negatively impact the overall efficiency and effectiveness of POPA's delivery of its mandated audit functions.	Seek financial support from other sources (FSM National Government, the U. S. Federal Government and from others).	Currently, our operations are funded by the General Pohnpei Government.
2. Staff Turnover Risk of capable, experience and	Quality and quantity of Work output, work	Identify adequate resources to provide a	Refine POPA's position/job descriptions

productive employees leaving POPA for greener pastures and other opportunities.	outcome and work productivity will be greatly impaired.	favorable working environment which should include attractive compensation and staff professional development package.	reflect actual d and responsibi performed assigned pr compensation levels commensurate with actual d and responsibili
3. Staff Professional Development and Training: POPA relies on qualified and well trained capable employees to fulfill our auditing mandates. Most of our capacity building and training activities are now funded under the U. S. Department of Interior (DOI) grant funds.	Staffs 'Capacity building and professional development will end should U.S. DOI stops its financial support. In addition, our ability to earn the required 80-hours of Continuing Professional Education (CPE) per staff will not be possible.	Seek financial support from other sources (FSM National Government, our development partners, and others).	POPA will plan implement our professional training initial in collabora with development partners g forward.

Legend: **Low Risk**

Medium Risk

High Risk

Again, our SMOP is a living document and all of us are expected to monitor a report our progress as we go and returning to it periodically to make sure continue to focus and remain on the right tract.

Ni wahu, let us all get to work!!!