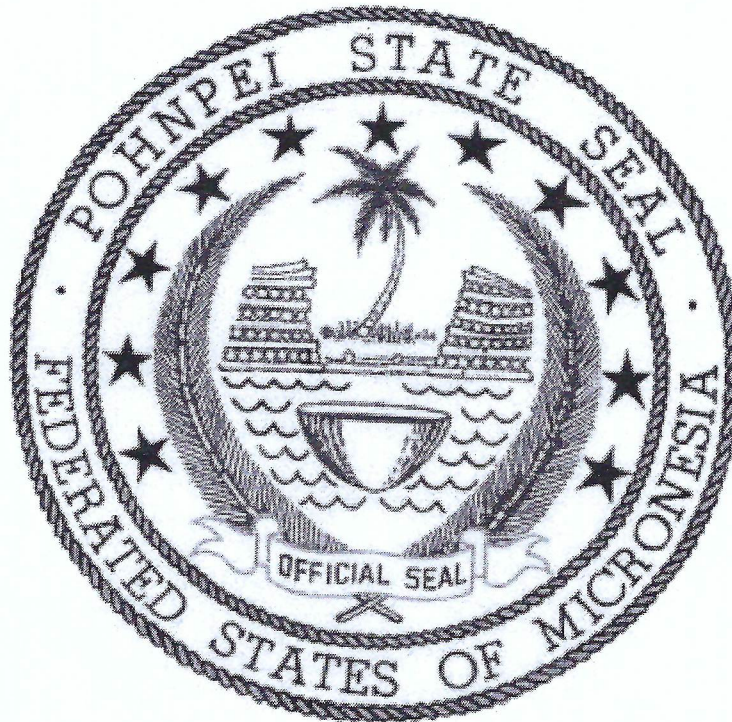


**POHNPEI STATE GOVERNMENT  
PERFORMANCE AUDIT OF THE RECRUITMENT PROCESS  
FISCAL YEARS 2019 AND 2020**

**AUDIT REPORT NO. 002-22**

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**Office of the Public Auditor  
State of Pohnpei**



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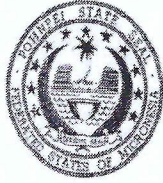
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**POHNPEI STATE GOVERNMENT  
PERFORMANCE AUDIT OF EMPLOYEES RECRUITMENT PROCESS  
AUDIT REPORT  
FISCAL YEARS 2019 AND 2020**

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

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February 16, 2022

The Honorable Reed B. Oliver, Governor of Pohnpei State  
The Honorable Marvin Yamaguchi, Speaker of the 10<sup>th</sup> Legislature  
Honorable Members of the 10<sup>th</sup> Pohnpei Legislature  
Honorable Christina Elnei, Director, Department of Treasury and Administration, Pohnpei

Maing Ohloakoa Oh Lihoakoa:

**EXECUTIVE SUMMARY**

Our Pohnpei Office of the Public Auditor (POPA) has conducted and completed the performance audit of the Pohnpei State Government recruitment process for Fiscal Years 2019 and 2020. The audit was conducted in accordance with the generally accepted government auditing standards applicable to performance audits contained in the Government Auditing Standard issued by the Comptroller General of the United States of America. The audit was also performed pursuant to the provisions of Article 11, Section 8 (2) of *the Pohnpei Constitution*, and the *Pohnpei State Law No. 11-10-79, as amended*.

The objectives of the audit were to answer the following:

- 1) Is the current recruitment practice of the Division in line with the Pohnpei Service System Regulations (PSSR)? If so, are the rules and procedures for recruitment stated in PSSR still applicable with the current environment of Pohnpei State Government (PSG)?
- 2) Are the recruitment and selection policies of PSG ensure transparent and fair hiring process?

Based on our audit, we conclude that the Pohnpei Government recruitment program activities for the two fiscal years audited were not always in line with the rules and procedures as prescribed in the Pohnpei Public Service System Regulations (PSSR). Not consistently complying with the PSSR give rise to questions and issues regarding the Division's transparency and fair hiring/selection practices. A summary of internal control weaknesses and deficiencies identified during the audit include:

1. Non-Compliance with the Public Services System Regulations specific to employee recruitment procedures.

2. Lack of Written Policies and Procedures.
3. Lack of Proper Oversight to Ensure Completeness of Recruitment Documents.
4. Lack of performance measurement.

As is customary, we provided copies of the draft report to the Director of the Department of Treasury and Administration (DoT&A) and the Chief of the Division of Personnel, Labor and Management (DPLM) for review and subsequently held an audit exit conference with them to discuss the report in greater detail. At the end of the discussion, DoT&A was given one week to further review and submit a written response to address the audit findings and conclusions. Refer to Exhibit I on page 14 of this report for the DoT&A's response.

In summary, DoT&A and DPLM management agreed with our recommendations and provided their action plan for the resolution of each of the audit findings. We thank the Director and the Chief for their response and wish to remind them that the Pohnpei SL No. 10L-59-21, requires auditees to "file a monthly report with the Public Auditor indicating its progress in clearing deficiencies until such time as it can report that the deficiencies have been cleared which period shall not exceed one year".


We noted other matters, we would like to highlight as follows:

- The Chief of the Division has updated and re-instituted the employees' periodic performance evaluation system within the DPLM. We commend the Chief because through this program, staffs will have a chance to get recognized and appreciated for their hard work and effort. The results of the staffs' periodic performance evaluation will also help in determining the type of training and capacity building initiatives needed to enhance skills and work productivity of the employees. We believe the reinstatement of the periodic performance evaluation system is a positive initiative and should be applied to all agencies, departments and offices of the Pohnpei State Government.
- Recruitment of classroom teachers made up most of our samples for this audit engagement. So while employees' remuneration was not part of the review, we noted that the level of salaries has not changed much for many of the government employees, including and most especially, Classroom Teachers. We saw that a salary for one teacher has not changed for the past thirty-five (35) years since 1986. Yet, teaching is a noble profession with great responsibility of not only in developing the skills and knowledge of the future leaders of Pohnpei, but also, of nurturing them with right values. For many, teaching is seen as a job happening only inside the classroom, but teaching is much more. Teachers are regarded as the second parents of our children, and we entrust our children and their future to them. Nonetheless, classroom teachers are one of the profession in the State Government not getting enough pay and recognition, which may be one of the contributing factors for classroom teachers continuous vacancies. For these reasons, we would like to encourage our government leaders, including the Directors of DoT&A and the Department of Education to revisit and consider possible upgrading of the classroom teachers remuneration, as appropriate.

We appreciate very much the support and kind assistance extended to the audit team by the managements and staff of the DOT&A, most especially the DPLM during the course of our audit. Our Pohnpei Office of the Public Auditor (POPA) may be contacted directly for further information concerning this report, if required.

With friendly greetings and warm regards, I am.

Sincerely,

  
Ihlen K. Joseph  
State Auditor  
Pohnpei

Cc: Division of Personnel, Labor and Manpower Development

# **Pohnpei State Government Performance Audit of Employees Recruitment Process Fiscal Years 2019 and 2020**

## **Introduction**

As part of our Pohnpei Office of the Public Auditor (POPA) work plan for the Fiscal Year 2021, we conducted a performance audit of the Pohnpei State Government (PSG) employees' recruitment processing and accountability activities for the Fiscal Years 2019 and 2020. The audit was conducted in accordance with the generally accepted government auditing standards (GAGAS) promulgated and issued by the Comptroller General of the United States of America. The audit was also performed pursuant to the provisions of Title 11, Section 8 (2) of the Pohnpei Constitution, the State Law No. 1L-10-79, as amended, and the POPA Audit Manual. This report contains the findings and conclusions resulting from our review.

## **Background**

Employees are regarded as the most important assets of any organization, including the Pohnpei State Government (PSG). In fiscal year 2020, the PSG spent approximately \$20.7 million or about 48% of the total government expenditures for salaries and wages of its employees. In general, the recruitment and selection of government employees are governed by the Public Services System (PSS) law and the related Public Services System Regulations (PSSR) promulgated thereof to guide the recruitment and accountability processes of the Pohnpei Government. The PSSR provides a fair and transparent recruitment process through assessment of job applications and selection process consistent with merit principles and equal opportunity.

The Division of Personnel, Labor and Manpower Development (DPLM) within the Department of Treasury and Administration (DoT&A), Pohnpei Government, is responsible for the administration and management of the recruitment program activities of the government. Headed by a Chief with five (5) support staffs, the Division functions under the direct supervision of the Director, Department of Treasury and Administration (DoT&A), Pohnpei Government. The Division responsibilities, among others, include overseeing the administration of contract employees, employee health and life insurances, workmen's compensation coverage, and all other benefits that may be available to employees of Pohnpei Government.

In addition, the Division provides technical and advisory assistance to the Executive Branch on all personnel related matters, including: a) establishing and maintaining employees' public relation programs, b) development and utilization of employees' recruitment and selection policies and procedures, c) development of training and capacity building initiative to improve and strengthen employees' skills and work productivity, and d) development and implementation of an effective and efficient systematic career program for all government employees.

The recruitment policies and guiding procedures for the administration of personnel are based on the merit principles provided in the PSSR. The PSSR prescribes a system free of discrimination or political influence. It is designed to attract, select, and retain the best qualified persons available, with incentives for competent and loyal employees, and means to eliminate unnecessary or inefficient employees. The PSSR applies to all employees and positions in the Executive Branch of the Pohnpei Government, and to all personnel services performed for the Executive Branch, except for certain services and personnel exempted by law.

Based on the needs of the government, the State Personnel Officer, shall administer a recruitment program that is designed to attract most suitable and qualified applicants under the Public Service System. Examinations shall be *practical and reasonable* and shall provide *for ascertaining the qualification* of applicants and their *relative capacity* and fitness for the proper conduct and performance of duties in the class of position for which they are applying. The recruitment and accountability policy and procedural guidelines require at least the following:

- 1) Authorized management official of the department, office or agency shall prepare and submit to the Division of Personnel, a completed Personnel Action requesting for recruitment of a qualified candidate to fill an approved vacant position. (Relevant rules require that no person shall be appointed to any public service system position until and unless that position has been budgeted and properly authorized for recruitment).
- 2) All vacant positions shall be filled through public advertisement for an ample period of time, and will include at least the following information: a) job title, b) pay level, c) duties, d) education or skills required, d) where to apply, and e) last date to apply.
- 3) Applications for specific position shall be accepted only during the period specified in the examination announcement, and job applications shall be reviewed, rated and assessed by the Division.
- 4) The Division Head shall certify a list of five (5) candidates taken from the eligible lists for the review and final appointment by the management of the recruiting entity.
- 5) Responsible management officer of the requesting department, office or agency shall make appointment from the submitted list, unless he or she finds that there are no qualified candidate, in which case, he or she can ask the Division for a new list and provide reasonable justification for the reasons for rejecting the candidates of the first eligible list. If the Division finds the reason adequate, a new list will be submitted, otherwise the old list will be resubmitted and the appointment shall be made.
- 6) Employment of any person without an approved Personnel Action is prohibited. The government shall not be liable for any compensation to any employee working without a properly approved and certified Personnel Action.

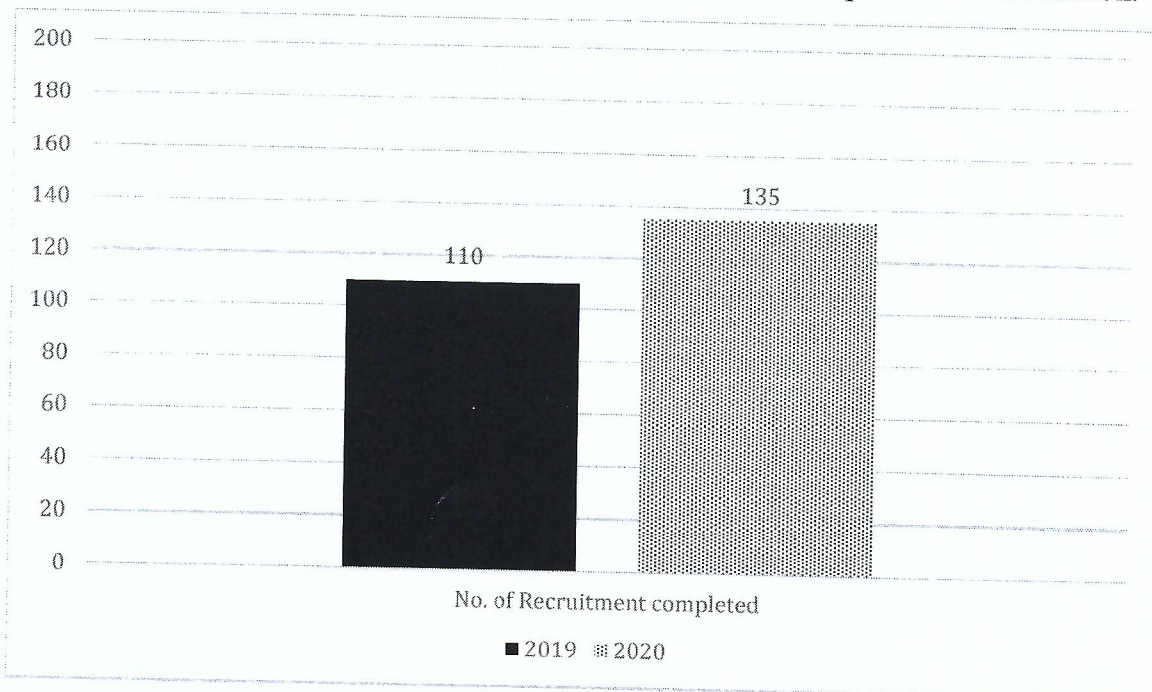
The Division of Personnel is required to establish and maintain separate lists of eligible applicants and candidates in the following manner:

- a) Promotional list – A list of permanent employees under the PSSR who have been determined to be eligible for promotion.
- b) Re-Employment list – A list of persons who have held a permanent position under the Public Services System, and who have been demoted without cause, or who have been terminated through reduction in force (RIF).
- c) Open-Competitive List – Results from competitive examinations open to the general public, including permanent employees of the Public Service System. An open competitive list shall be certified only after it has been determined that a qualified candidate is not available through the promotional or re-employment list.

The highest scoring five (5) candidates, in precise numerical order, shall comprise an eligible list. The eligible list is maintained for one (1) year unless extended by the Director of DoT&A.

Under the Public Service System, submission of medical examination is required prior to commencing work. Though not reflected in the PSSR, the Division informed the auditors that the total days to complete a recruitment cycle range from 45-60 days.

There were 110 and 135 recruitments completed by the Division for fiscal years 2019 and 2020, respectively. Of the total, more than 112 of them were for the Department of Education.



### Audit Objective

The objectives of our audit were to answer the following questions:

1. Is the existing recruitment practice of the Division in line with the Public Service System Regulations (PSSR)? If so, are the recruitment policies and procedures contained in the PSSR still applicable with the current environment of Pohnpei State Government (PSG)?



2. Are the recruitment and selection policies and practices of the PSG provide transparent and fair hiring process?

### **Audit Scope and Methodology**

The audit covered the Division of Personnel, Labor, and Manpower Development's administration and management of the Pohnpei Government recruitment program activities for fiscal years 2019 to 2020. To ensure that we achieved our audit objectives, we applied the following audit procedures.

- 1) Reviewed all applicable laws, regulations and related rules of work policies and procedures;
- 2) Interviewed responsible management officials and other relevant personnel as appropriate;
- 3) Conducted in-depth examination and inspection of applicable and pertinent documentary information (including work plan, performance goals and objectives, etc.);
- 4) Reviewed and analyzed relevant data information and confirmed with third parties as applicable; and
- 5) Performed other audit procedures deemed necessary to achieve our audit objectives.

This audit engagement is POPA's first audit of the recruitment program activities and processes of the Pohnpei State Government.

### **Other Matters**

We would like to highlight certain matters that came to our attention during the audit.

- The Chief of the Division has updated and re-instituted the employees' periodic performance evaluation system within the DPLM. We commend the Chief because through this program, staffs will have a chance to get recognized and appreciated for their hard work and effort. The results of the staffs' periodic performance evaluation will also help in determining the type of training and capacity building initiatives needed to enhance skills and work productivity of the employees. We believe the reinstatement of the periodic performance evaluation system is a positive initiative and should be applied to all agencies, departments and offices of the Pohnpei State Government.
- Recruitment of classroom teachers made up most of our samples for this audit engagement. So while employees' remuneration was not part of the review, we noted that the level of salaries has not changed much for many of the government employees, including and most especially, Classroom Teachers. We saw that a salary for one teacher has not changed for the past thirty-five (35) years since 1986. Yet, teaching is a noble profession with great responsibility of not only in developing the skills and knowledge of the future leaders of Pohnpei, but also, of nurturing them with right values. For many, teaching is seen as a job happening only inside the classroom, but teaching is much more. Teachers are regarded as the second parents of our children, and we entrust our children and their future to them. Nonetheless, classroom teachers are one of the professions in the State Government not

getting enough pay and recognition, which may be one of the contributing factors for classroom teachers continuous vacancies. For these reasons, we would like to encourage our government leaders, including the Directors of DoT&A and the Department of Education to revisit and consider possible upgrading of the classroom teachers remuneration, as appropriate.

### **Conclusion**

Based on our audit, we conclude that the Pohnpei Government recruitment program activities for the two fiscal years audited were not always in line with the rules and procedures as prescribed in the Pohnpei Public Services System Regulations (PSSR). The situation could result to questions and issues regarding the Division's transparency and hiring/selection practices.

The details of what we found during our audit are described in the Schedule of Findings and Recommendation on pages 6 to 12 of this report.

**Pohnpei State Government**  
**Performance Audit of Employees Recruitment Process**  
**Fiscal Years 2019 and 2020**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**Finding 1: Non-Compliance with the Public Services System Regulations specific to employee recruitment procedures.**

**Criteria:** The Pohnpei Government Public Services System Regulations (PSSR) provide policy and procedural guidelines for recruitment of government employees, such as:

1. All position should be recruited by advertisement for an ample period of time.
2. Applications for specific positions shall be accepted only during the period specified on the examination announcement.
3. The State Personnel shall certify a list of five (5) or less candidates taken from: (1) promotional list, (2) re-employment list and (3) open-competitive list. The highest scoring five (5) candidates, in precise numerical order, shall comprise an eligible list that shall be maintained for one (1) year unless extended.
4. No Person shall be appointed to any position in the Public Service unless that position has been properly authorized for recruitment.
5. Employment of any person without an approved Personnel Action is prohibited. The government shall not be liable for any compensation to any employee working without a properly certified and approved Personnel Action.
6. Medical examinations shall be required prior to commencing work in the Public Service.

**Condition:** Based on our audit, we found:

*Personnel Action for Recruitment*

- a. Forty-six (46) instances where there were no Personnel Action for Recruitment (under Department of Education mostly for Classroom Teachers).

*Job Announcement*

- b. Forty-eight (48) instances where there were no job announcements for vacant position, mostly for Classroom Teachers under the Department of Education.
- c. One (1) instance where a job announcement did not indicate the minimum qualification needed.
- d. Four (4) instances where application was received after the closing of job announcement.
- e. Four (4) instances where job application was submitted before the job announcement. Candidate applied for the exact position/title stated in the job

vacancy announcement.

*Eligible and Certification list*

- f. Eligible list is not maintained and only created from a pool of applicants competing for new vacant post. Also, the Division does not maintain listings of candidates eligible for promotions and/or re-employment, thus individuals certified eligible for a post are all from open competitive list only.
- g. Two (2) instances where job application of the individual hired was received after the certification list was prepared.
- h. Two (2) instances where certification list was prepared before the evaluation and review of the job applications. The names of the applicants were only typed written in.
- i. Three (3) instances where certification was made before the evaluation of job application.

*Personnel Action for Appointment*

- j. Forty-nine (49) instances where there was no Personnel Action prepared to justify appointment of eligible candidate (mostly Classroom Teachers under the Department of Education).
- k. Eleven (11) instances where recruited personnel commenced work before signing their contracts, three of which were even before the approval of the Director of DOTA.

*Medical Examinations*

- l. Nineteen (19) instances where employee started working before submitting the result his/her physical examination.

**Cause:** The condition occurred due to weak oversight over the recruitment process. Hence, needed policies and practices were not documented/updated and standardized to ensure the objectives and intent of the PSSR are fulfilled. In addition, the Division has not reviewed the recruitment process itself to identify standards and practices (including the PSSR) that are no longer applicable or appropriate so necessary changes can be made or initiated. Furthermore, the Personnel Specialists have not been trained adequately to carry out the many duties and activities related to the recruitment process.

**Effect:** The condition resulted in non-compliance with the requirements and standards set in the PSSR. Serious non-compliance can lead to questions and issues regarding the fairness and transparency of the hiring process which could affect the image of the Division. Moreover, repetition of deviations that go unchecked could lead to normalization and acceptance of deficient standard, procedure, action, etc.

**Recommendation(s):** We recommend that management should revisit and assess the PSSR and the Division's policies and practices to identify areas for update and/or improvement,

including but should not be limited to the following:

- a. Include provision in the PSSR exempting job announcement and Personnel Action for Recruitment of Classroom Teachers under contract, as appropriate.
- b. Establish written policies and procedures regarding conflict of interest, for example on how Personnel Specialists handle job applications of close relatives in order to avoid the appearance of bias decision.
- c. Establish a written policies and procedures regarding documents required to be submitted by the selected candidate/applicant.
- d. Provide oversight in the review of documents submitted to the Division such as applications, result of medical examinations, etc., and mandate the recruiting office/agency to submit the result of their evaluations for each applicant.
- e. Include provision for feedback or notification (including applicants not selected) on the results of the recruitment, as appropriate.

We also recommend that once the regulations and related policies and procedures are updated and improved, the Division should conduct orientation/training of its personnel with recruitment related duties and responsibilities.

## **Finding 2: Lack of Written Policies and Procedures**

**Criteria:** Best practice requires policies and procedures in written form and available to key stakeholders including office staff. Written policies and procedures would provide reference and guidance to the management and staff, prevent or lessen misunderstanding and errors and promote consistent application of the recruitment process in accordance with the intent of laws and regulations.

**Condition:** We found practices of the Division not covered in the PSSR:

- a. Applicant Work Experience. In rating applicants work experience, the Division count the number of years regardless if the work experience is related or not to the position being advertised.
- b. Insurance enrollment. There were twenty-four (24) instances where application for insurance was not on file. Hence, it is not immediately known if the document was missing or the employee does not want to enroll. We also found, seven (7) instances where insurance applications were filled-up and signed but the applicant does not want to enroll. Upon inquiries, we learned that the Division's practice is to have all new employees' fill-up the form, sign and note at the bottom of the application that they do not want to apply for the insurance.
- c. Specific Place of Assignment. The certification list for continuous hiring of classroom teachers specifies the name of the schools needing teachers. However, we found six (6) instances where the place of job assignment for classroom teachers were not included in the Certification List but hired teachers were assigned to that place.
- d. Affidavit of Affirmation In lieu of Degree. We found an instance where the Division

accepted an “Affidavit of Lost Degree” but verification with the school was not made.

e. Furthermore, we found the following instances inconsistent with the Division’s current practice:

- Eighty-six (86) instances where the result of evaluation and selection from the recruiting office were not filed with the Division.
- Thirteen (13) instances where insurance application was signed after the effectivity date of appointment or contract.
- Six (6) instances where period of job advertisement was more than 15 days.
- Four (4) instances where probationary period has ended but during our review, there was still no updated contract in place.
- Three (3) instances where transcript was not submitted for the Classroom Teacher’s positions.
- An instance where the recruiting department initiated and completed the routing of Personnel Action for Appointment, thus review of the document was not done by the Division. The Personnel Action for Appointment was received by the Division 16 days after the routing was completed.
- An instance where job announcement was posted before the Director of DOTA approved the Personnel Action for Recruitment.

f. The Division lacks recovery and disaster plan for their files.

**Cause:** The Personnel Specialists are not trained adequately on handling the recruitment process. They learned the process by observing and basing on past practice. In addition, the process and procedures are not standardized to ensure consistent and efficient application.

**Effect:** The condition compromises the integrity of the hiring process and may normalize certain deviations that are contrary to the objectives of the PSSR.

**Recommendation:** We recommend that the Division should update or establish written policies and procedures that ensures compliance with the provisions of the PSSR. Documented and standardized process would ensure compliance with laws and regulations, reduce errors, familiarize personnel with accepted practice, and provide reference and basis for training of new employees. Also, suitable process will assist the Division in decision making especially in the event where employment issues arise. In addition, it will enhance the confidence of the public in the integrity, fair and transparent hiring and selection process. Establish written policies and procedures for the adequate and standard publicity of the job opening such as if the job is hard to fill, establish a longer period. Examples of needed policies and procedures may include but not limited to the following:

- Provision for adequate and standardized publicity of job openings--with flexibility to allow for example, longer period in cases of hard to fill positions.
- Guidance on evaluation and rating of job application—For instance, in evaluation of applicant’s work experience, rating should be ranked based on the relevancy of the work experience to the job to be filled.

- Written strategy for files, records, documents, etc., recovery and back-up plan.
- Written training plan for the Division's management and staff to upgrade their knowledge and skills in areas specific and related to their duties and responsibilities.

**Finding 3: Lack of Proper Oversight to Ensure Completeness of Recruitment Documents**

**Criteria:** Best practice requires that policies and procedures should also encompass proper oversight and review of work performed and related documentations to ensure completeness, safeguarding of records and reduce the risk for possible errors. This would provide for an effective monitoring process that would ensure integrity of work and documents for the recruitment process and related activities.

**Condition:** During our review we found missing/deficient documents in the recruitment activities, as follows.

- a. Twenty-two (22) instances where Personnel Action form for recruitment was not on file.
- b. Eighteen (18) instances where job announcements were not on file.
- c. Forty-five (45) instances where evaluation of the application was not on file.
- d. Eleven (11) instances where certification lists were not on file.
- e. Four (4) instances where Personnel Action for Appointment was not on file.
- f. Twelve (12) instances where results of physical examinations were not on file.
- g. Seven (7) files were missing during the review.
- h. Four (4) instances where the result of physical examination submitted were not dated.
- i. Two (2) instances where the person reviewing the application did not sign and/or date the evaluation form.
- j. An instance where:
  - an employee did sign the contract;
  - copy of re-opening a job announcement was not on file;
  - documentation for Proficiency test administered for Secretary position was not on file;
  - last page of application was missing;
  - application form was not on file;
  - application form was not dated.
- k. Three (3) instances where supporting documents for hired employees were incorrect:
  1. The pay level stated in the Personnel Action for Appointment was different from the Personnel Action for termination.
  2. Experiences stated in the initial job application of the employee were different from the experiences indicated in his job application for promotion.
  3. Date of resignation letter appears to be incorrect. The employee was hired in 2019 and resigned after two months yet resignation letter was dated 2012.

**Cause:** The condition happened due to lack of proper review and oversight over the completeness of the recruitment package returned to the Division. There is also lack of policies and procedures on quality control assurance for the Division.

**Effect:** The condition affects negatively on the quality and credibility of the Division's recruitment process. Incomplete documentation does not provide a clear statement or assurance on the fairness and transparency of hiring process and the quality of the Division's services.

**Recommendation:** We recommend that the Division should establish written policies and procedures on quality control and oversight that once implemented would provide reasonable assurance that value of work, completeness, safeguard and quality of documents are not compromised. Suitable checklists of required actions and documents with a set of procedures will suffice to provide management and personnel guidance, reference and basis for review and monitoring.

**Finding 4: Lack of performance measurement.**

**Criteria:** Best practice requires that management should have in place a suitable performance measurement system to evaluate/measure its personnel performances, activities, processes, etc., in order to know how effective and/or efficient are the personnel, activities, process, etc.

**Condition:** During our review, we found that the Division did not have performance measurement for its recruitment process. Per inquiry, we were informed that it takes 45 to 60 days to complete a recruitment. However, from our samples, we determined that the average time to complete a recruitment cycle ranges from 103-131 days in FY 2019 and 89-92 days for FY 2020. We found the following:

- a. Thirty-four (34) instances where Personnel Action for Appointment or Contract were submitted to the Division more than fifteen (15) days after the receipt of the Certification List.
- b. Two (2) instances where the Certification List was received by the recruiting office/agency more than 10 days after it was prepared.
- c. Four (4) instances where a job application was evaluated and reviewed months after it was received.
- d. Two (2) instances where job announcement was prepared more than a month after the receipt of Personnel Action for Recruitment.

Due to incomplete documents, we could not verify the total number of recruitment days for some of the samples for Fiscal Year 2019.

**Cause:** The condition happened because the Division did not consider the value and benefits that it could get from having and using performance measurement for the recruitment process. In addition, the Division has not established a standard to be followed where performance will be evaluated against. For example, the Division requires the requesting agency to return the



recruitment package no more than 15 days after the receipt of the Certification List. However, the Division is lenient and not enforcing the “15 days’ rule”.

**Effect:** As a result, the Division did not know if it was administering the recruitment services effectively and/or efficiently. Without performance measurement, the Division does not know and would not know what areas needs to be improved in the recruitment process. In addition, lack of performance measurement could expose the Division’s recruitment activities to issues/problems, including delays that may go unchecked.

**Recommendation:** We recommend the Division should establish a suitable performance measurement for the recruitment activities to assess and identify ineffectiveness, inefficiencies, and other problems or issues in order to effect change for improvement . For example, establish a suitable time frame on how long a position such as:

- a. Set a number of days to complete the routing of Personnel Action for Recruitment.
- b. Establish the minimum and maximum period of job announcement.
- c. Establish the maximum period to evaluate the application from the time it was received.
- d. Establish the maximum period to prepare the eligible list (consider the number of applications received and for a possible re-opening of job announcement).
- e. Establish the maximum period to prepare and send the certification list to the requesting agency.
- f. Establish a monitoring mechanism for the certification list sent to requesting agencies such as person who will monitor and the person who will follow-up. A justification letter from the requesting agency on why they took long to return the packages.
- g. Establish the maximum period for the requesting agency to submit the Personnel Action for Appointment.

**POHNPEI STATE GOVERNMENT**

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**AUDITEE RESPONSE (EXHIBIT I)**

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**FISCAL YEARS 2019 AND 2020**

Rec'd OPAH  
2/15/22  
EJC



# POHNPEI STATE GOVERNMENT

Department of Treasury and Administration

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Kolonia, Pohnpei FM 96941

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EXHIBIT I

Office of the Director

February 10, 2022

T.H. Ihlen K. Joseph  
Pohnpei State Auditor  
Pohnpei State Government  
Kolonia, Pohnpei FM 96941

*Handwritten:* A-01 2/15/2022

Subject: Response to the Performance Audit of Employees Recruitment Process

Dear State Auditor Joseph:

This is in response to the subject audit which was completed February 08, 2022. First, thank you and your staff for taking the time and the hard work into performing the audit. The recommendations will certainly help us improve on our processes at the Personnel, Labor and Manpower Office here at Department of Treasury & Administration.

We have listed here our corrective action plan for the audit findings:

### CORRECTIVE ACTION PLAN Performance Audit of Employees Recruitment Process Fiscal Years 2019 and 2020

Finding Number	Corrective Action Plan	Anticipated Completion Date	Responsible Person (Contact details)
Finding 1	We agree with the finding and we will comply with the requirement.	September 30, 2022	Ms. Stacy S. Nanpei New Chief of Personnel stacy.nanpei@gmail.com
Finding 2	We agree with the finding and we will comply with the requirement.	September 30, 2022	Ms. Stacy S. Nanpei New Chief of Personnel stacy.nanpei@gmail.com
Finding 3	We agree with the finding and we will comply with the requirement.	September 30, 2022	Ms. Stacy S. Nanpei New Chief of Personnel stacy.nanpei@gmail.com
Finding 4	We agree with the finding and we will comply with the requirement.	September 30, 2022	Ms. Stacy S. Nanpei New Chief of Personnel stacy.nanpei@gmail.com

Sincerely,

*Handwritten signature of Christina Elnei*  
Christina Elnei  
Director

cc: Chief of Personnel, Ms. Stacy S. Nanpei

*Handwritten:* Agree 2/15/22

