



OFFICE OF THE NATIONAL PUBLIC AUDITOR

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TMF Program was not in full compliance with applicable laws and regulations

The Office of the National Public Auditor (ONPA) hereby announces the issuance of Report No. 2023-09 on *Tourism Sector Mitigation Fund (TMF) Program* (PL 21-104, as amended) from May 4, 2020 (inception) and up to February 28, 2023, which was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Quality Standards for Inspections and Evaluations (QSIE). The objective of the inspection was to determine whether the funds allocated for the TMF Program were disbursed in compliance with their intended purposes and applicable laws and regulations.

We concluded that the funds disbursed from the TMF Program were not in full compliance with their intended purposes and applicable laws and regulations based on the following:

1. Improper authorization of funds resulting in \$13.3 million worth of questioned relief payments; and
2. Relief payments were made to ineligible businesses and individuals; and
3. Disbursements on loan interest payments, a deviation from the law; and
4. Non-compliances found in the process of issuing relief Payments.

The findings and recommendations were discussed with the TMF Committee. We also requested for their official management response, which they provided none. However, we did receive some comments from a key official of the program which we included in the report for transparency purposes.

A digital copy of the Report No. 2023-09 is available on the ONPA's official website and Facebook page, or you can directly access the report by clicking [HERE](#)

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Article XII, Section 3 of the F.S.M Constitution and Title 55, Chapter 5 of the FSM Code authorized the Public Auditor to direct a broad, comprehensive program of auditing within the National Government.