



OFFICE OF THE CHUUK STATE PUBLIC AUDITOR

**Press Release No. 2021-02
3/19/2021**

Assessment Report on OCPA Performance
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The Office of Chuuk State Public Auditor (OCPA) is releasing the assessment report on its performance. The assessment was conducted in September 2019 as part of a regional initiative implemented as part of the United Nations Development Programme's (UNDP) Strengthening of Public Finance Management and Governance in the Pacific Project funded by the European Union (EU). The assessment was conducted by an independent team comprised of two members: Mrs Sinaroseta Palamo-Iosefo, Pacific Association of Supreme Audit Institutions' (PASAI) Director of Practice Development (Team Leader) and Ms. Alice Etse , Audit Manager from the FSM State of Pohnpei Office of the Public Auditor (POPA).

The OCPA's performance was assessed against the International Standards of Supreme Audit Institutions (ISSAIs). It followed the methodology prescribed by the Supreme Audit Institutions' Performance Measurement Framework (SAI-PMF) issued by the International Organization of Supreme Audit Institutions' (INTOSAI) Working Group on the Values and Benefits of SAIs.

The assessment was comprehensive and covered six domains with a set of pre-determined performance indicators under each domain. These indicators are either within the control or outside of the control of the OCPA. The six domains are as follows:

- A. Independence and Legal Framework
- B. Internal Governance and Ethics
- C. Audit Quality and Reporting
- D. Financial Management, Assets and Support Services
- E. Human Resources and Training
- F. Communication and Stakeholder Management

The most important value of this assessment report would be for the OCPA to set an objective platform to work on improving its performance. The details of performance were discussed in the attached integrated assessment report that include the following key performance indicators, which are within the control of the SAI.

- Quality of the report
- Audit coverage
- Timely reporting and publication of audit results

- Follow up of implementation of audit recommendations

The assessment covering the aforementioned performance indicators had indicated that the key strengths of the OCPA were having audit manuals and guidelines, having a qualified and committed head to ensure the quality of work (both audit and non-audit services) and services, and timely reporting of audit reports. The assessment report also indicated that the OCPA had conducted high-quality audits in accordance with the standards it was required to comply with. On the other hand, some of the weaknesses noted were the lack of established internal control systems; for strategic and organizational planning, for managing its own assets and IT infrastructure, and for managing stakeholder engagement (e.g., having a formal communication strategy and related systems to guide the engagement with stakeholders).

Low audit coverage was also noted in terms of number of audits completed, inability to perform other types of audits (e.g., financial audit) and investigation, and lack of follow-up on the disposition of previous audit recommendations due to lack of manpower. Although, the lack of manpower is beyond the control of the OCPA. These were the reasons the office had sought to attain greater independence. Having full independence would give the OCPA the authority to recruit and hire when necessary and would be able to manage its operations effectively and efficiently.

The assessment report was provided to the Chuuk State Governor, Chuuk State Lt. Governor, Chuuk State House of Senate Acting President, Chuuk State Speaker of the House of Representatives, and to all honorable members of the Chuuk State Legislature. Likewise, the report was posted to the social media Facebook group account of the ‘Office of Chuuk State Public Auditor’.

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