



2020-2021

ANNUAL REPORT



Pacific & Virgin Islands Training Initiatives (PITI-VITI) are programs of the United States Department of the Interior's Office of Insular Affairs (DOI-OIA), administered by the International Institute of the Graduate School USA. This report covers the program period January 2020 to March 2021. Additional program information is available at www.pitiviti.org.



H.E. Gerald Zackios, RMI
Ambassador to the United States

2020 **ELDP Highlight**

Marshall Islands Ambassador to the United States, **H.E. Gerald Zackios**, addressed participants and alumni of the Executive Leadership Development Program (ELDP) on February 3, 2021.



It's important for all of us to learn from difficult situations, when we're not successful in any endeavor—such as my recent lack of success in the Forum Secretariat role.

It is an important role. But I'd like to share with you that this role is not only important to me personally, but also important to the five Micronesian countries that supported me. I firmly believe that it was Micronesia's rightful place to take their turn to lead the Forum; we definitely have contributions to make to the organization. So in that sense I am very disappointed, but I will not let that disappointment prevent me from doing what is right for our region.

So, when we discuss regionalism, we should be clear that regionalism means that all parties are represented, that all parties have contributions to make, and that all parties should be treated with respect. I encourage each of you to never give up when something hard hits you. By picking up and continuing on we're able to continue to learn and grow.

Cover: American Samoa Governor Lemanu Mauga addresses the ELDP with current participants Jasper Tuiasosopo, Marcella Fitisone, Mikaela Saelua, and Faith Availepule.

Table of Contents

2020-2021 Annual Report of the Pacific & Virgin Islands Training Initiatives (PITI-VITI)

About PITI-VITI	04
PITI-VITI Strategic Goals	05
About the Graduate School USA	07
The Association of Pacific Islands Public Auditors (APIPA)	08
The Island Government Finance Officers Association (IGFOA)	13
The Audit Improvement Program	17
Finance Office Performance Measures	21
The Performer and AFTER Analysis	22
Looking Ahead	25
The Executive Leadership Development Program (ELDP)	26
ELDP Pacific 2020	27
ELDP U.S. Virgin Islands 2020	29
ELDP: Leadership in Action	31
Economic Monitoring and Analysis Program (EconMAP)	34
EconMAP: FSM, Palau and RMI Country Highlights	37
Training and Technical Support	40
The Shift to Virtual Delivery	41
PITI-VITI Learning Management System	42
Regional Audit Training	43
APIPA Peer Review and Institutional Support	45
Regional Finance Training	45
Regional Grants Training	45
The CNMI Fiscal Summit	46
Auditing COVID Spending in the Pacific (Panel Discussion)	47
Finance Office Systems and Processes	48
Leading in Challenging Times	49
PITI-VITI Press Releases (2020-2021)	51
PITI-VITI Program Activities by Quarter (2020-2021)	52



A. Samoa



CNMI



FSM



Guam



Palau



RMI



USVI



About PITI-VITI

 pitiviti.org

The U.S. Department of the Interior's mission related to insular areas is specified in the Department's 2018-22 Strategic Plan. Mission Area 4, "Fulfilling our Trust and Insular Responsibilities," includes the goal to "strengthen economic and health capacities in the US Territories and fulfilling US compact obligations to the freely associated states." Responsibility for this two-pronged goal is held by DOI's Office of Insular Affairs (DOI-OIA), which assists the U.S.-affiliated islands in "developing more efficient and effective government by providing financial and technical assistance, and to help manage federal / islands relations by promoting appropriate federal policies."

As part of DOI-OIA's Technical Assistance Program, the Graduate School USA's (GSUSA) International Institute provides training and related services through its Pacific and Virgin Islands Training Initiatives (PITI-VITI) to assist insular governments in improving government financial management and program performance across the Pacific and Virgin Islands.






DOI-OIA designed the PITI-VITI program, which began in 1991. DOI-OIA contracted GSUSA to develop and manage PITI-VITI in collaboration with the insular areas and the audit and finance communities of practice. Since 1991, the collaborating parties envisioned PITI-VITI as a program to enable ongoing and evolving support to each insular area and

across areas to achieve continuous improvements in auditing, grants management, leadership, economic development, and public financial management.

Five important issues have surfaced over time as cross-cutting, fundamental, and relevant—both for DOI-OIA in fulfilling important components of its mission, and for each of the insular areas in fulfilling their commitments to good governance. Over time, the breadth and depth of GSUSA's activities to support DOI-OIA's mission have broadened and deepened, as described in the list below.

- ◆ **Financial Management and Accountability:** While each of the insular area finance offices utilizes modern financial management information systems, maintaining competence in evolving financial management standards remains a challenge. Several insular areas struggle with high-risk grants status for various federal grants. The lack of proximity to federal representatives and resources has led to difficulties in managing financial systems and implementing best practices.
- ◆ **Public Service Capacity:** Although the level and depth of talent across insular areas differ, the governments' workforce challenges are greatly compounded by the lack of well-planned and

Our PITI-VITI Strategic Goals:

-  Strategic Goal 1: Improve Leadership and Management Capacity to Effectively Perform.
-  Strategic Goal 2: Improve Financial Management Systems and Practices.
-  Strategic Goal 3: Increase Effectiveness and Program Results.
-  Strategic Goal 4: Institutionalize Regional Professional Organizations and Communities of Practice.
-  Strategic Goal 5: Improve the Capacity and Capabilities of the Public Sector Work Force in Critical Positions and Functions.

well-resourced succession programs to replace key personnel and leadership in virtually every insular area. Insular area governments struggle attracting and retaining qualified professional staff as they compete with the private sector and manage the effects of sustained outmigration, which severely limits the pool of qualified professionals. Moreover, high travel costs make professional training prohibitive for government entities, which find that the costs to retain trained professionals is extraordinarily high. Workforce development and scholarship programs also suffer from the high overall costs to attract and retain trained workers, as well as weak linkages to actual needs in each island economy.

- ◆ Audit Timeliness and Quality:** Economic development depends significantly on good governance and fiscal responsibility. Compliance with the Single Audit Act is a major focus of U.S. assistance to the insular areas. Since 1999, the insular areas have progressed in the timeliness and quality of single audit issuance. However, substantial ongoing support is required to sustain the hard-won current achievements against the headwinds of complex U.S. GASB standards and the relentless impact of attrition on island budget and finance offices.
- ◆ Fiscal Reform and Stability:** The insular economies generally suffer from low growth rates and vulnerability to external shocks, resulting

in volatile economic outcomes over time. Reliance on tourism creates both economic and fiscal challenges for insular areas. The failure to modernize tax regimes and broaden tax bases—coupled with undisciplined or inattentive spending—has led all the insular areas to suffer from at least one recent period of fiscal distress, with most insular areas experiencing repeated cycles of fiscal distress. Reliance on U.S. federal assistance varies across the insular areas, but most governments strive to reduce this reliance through enhanced economic growth and improved public financial management. An often-stated goal and long-awaited diversification of economic activity has proven elusive. Similarly, loud and persistent calls for improved public sector dialogue with the private sector and improved public sector policies in support of private sector growth require effective and sustained implementation. Fiscal reform to achieve a stronger and more predictable economy is necessary to improve private sector growth.

- ◆ Need for Rapid Response to Urgent, Emerging Issues:** The insular areas remain among the most geographically isolated of the U.S. government's constituents. As crises emerge—whether fiscal, economic, or environmental—the lack of access to professional expertise becomes more pronounced. Professional technical support which can be mobilized quickly remains an ongoing need.

Through PITI-VITI's annual planning processes, program managers work in close collaboration with insular government officials to review accomplishments, assess effectiveness, develop training plans, and budget for planned activities. Periodically, PITI-VITI management revises its strategic plans to focus its efforts and resources on the most critical emerging issues facing the insular governments and DOI/OIA.

PITI-VITI's vision is informed by the Department of the Interior's "Strategic Plan for Fiscal Years 2018-2022" and DOI/OIA's "Budget Justification and Performance Information" issued annually. These documents highlight the following strategies:

- ◆ Supporting self-governance and self-determination, as measured by the quality and impact of insular government single audits;
- ◆ Strengthening economic capacities in the insular areas, as measured by increased investment in infrastructure, public services, and private sector development;
- ◆ Fulfilling U.S. Compact obligations.

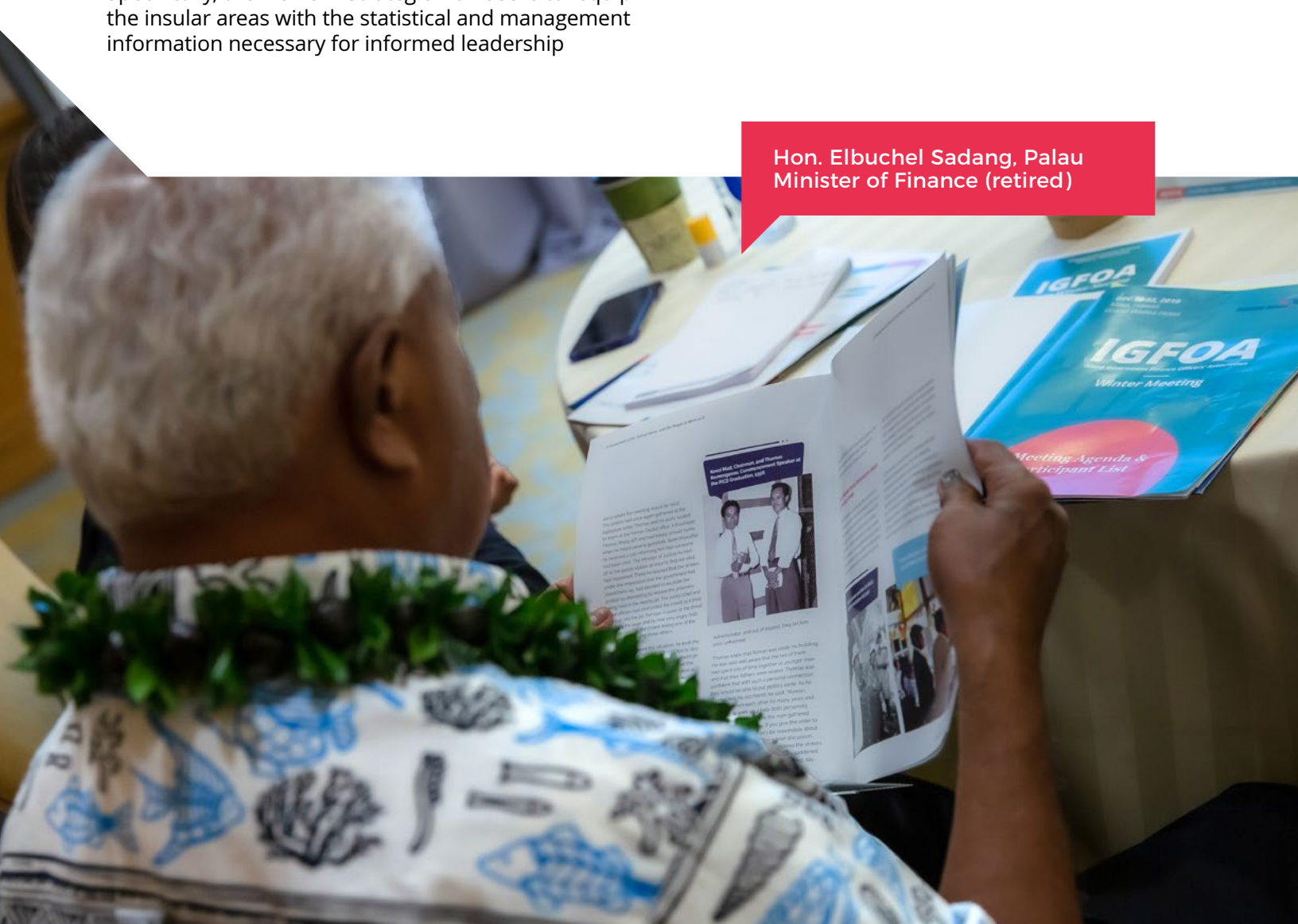
Specifically, the DOI/OIA Strategic Plan seeks to "equip the insular areas with the statistical and management information necessary for informed leadership

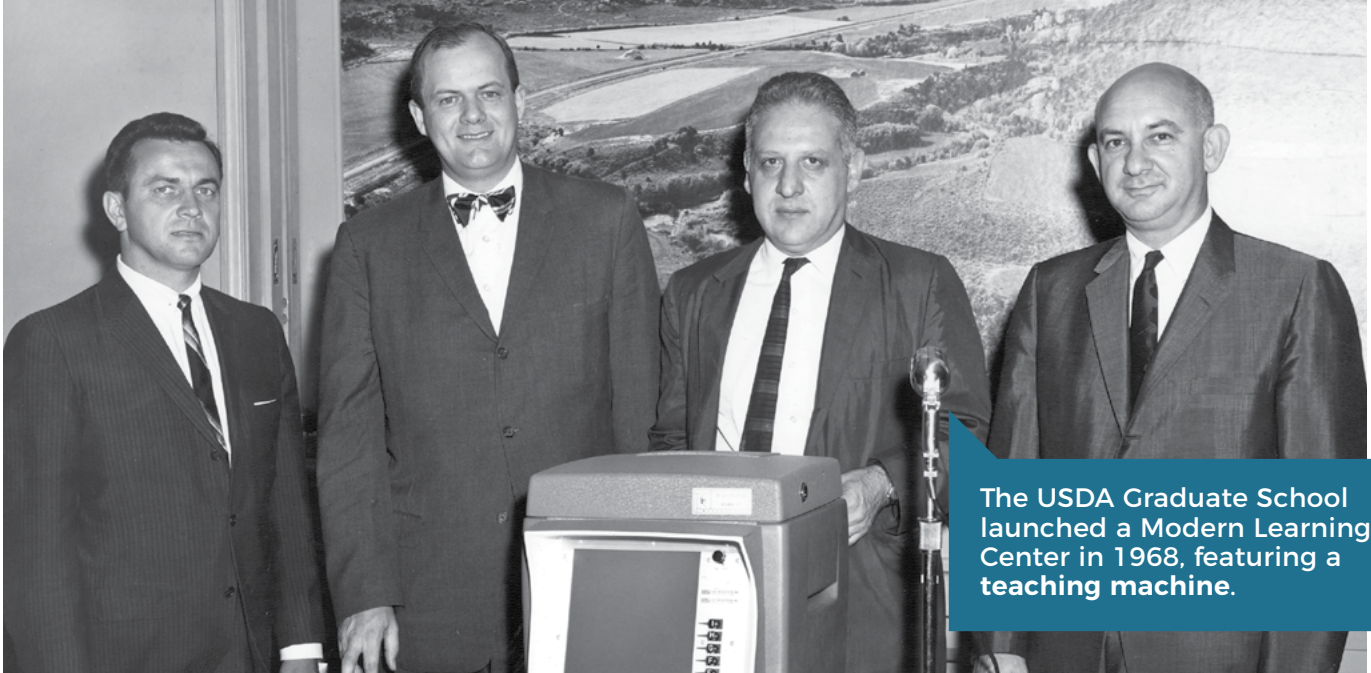
decision making, expert consultants to effectively improve insular government financial policies and procedures, and strong financial management systems along with technical planning abilities."

As such, PITI-VITI's vision is to "provide services that enable insular governments to use resources efficiently and effectively to promote economic growth, achieve fiscal stability, and fulfill citizens' needs." PITI-VITI's mission is to "provide customized, results-oriented professional and organizational development services that enable insular governments to strengthen financial and program performance and accountability, achieve fiscal stability, and promote economic growth. PITI-VITI works to build trust in insular governments by fostering responsible leadership and financial stewardship of the highest standard."

Based on this vision and mission, PITI-VITI works to achieve the five strategic goals highlighted below. Each of the activities implemented by PITI-VITI in 2019 support the strategic goals above. In addition, PITI-VITI utilizes performance measurement and monitoring mechanisms to assess its progress toward meeting program goals and ensuring accountability.

Hon. Elbuchel Sadang, Palau
Minister of Finance (retired)





The USDA Graduate School launched a Modern Learning Center in 1968, featuring a teaching machine.

About the Graduate School USA


Graduate School USA



Celebrating 100 Years of Service!

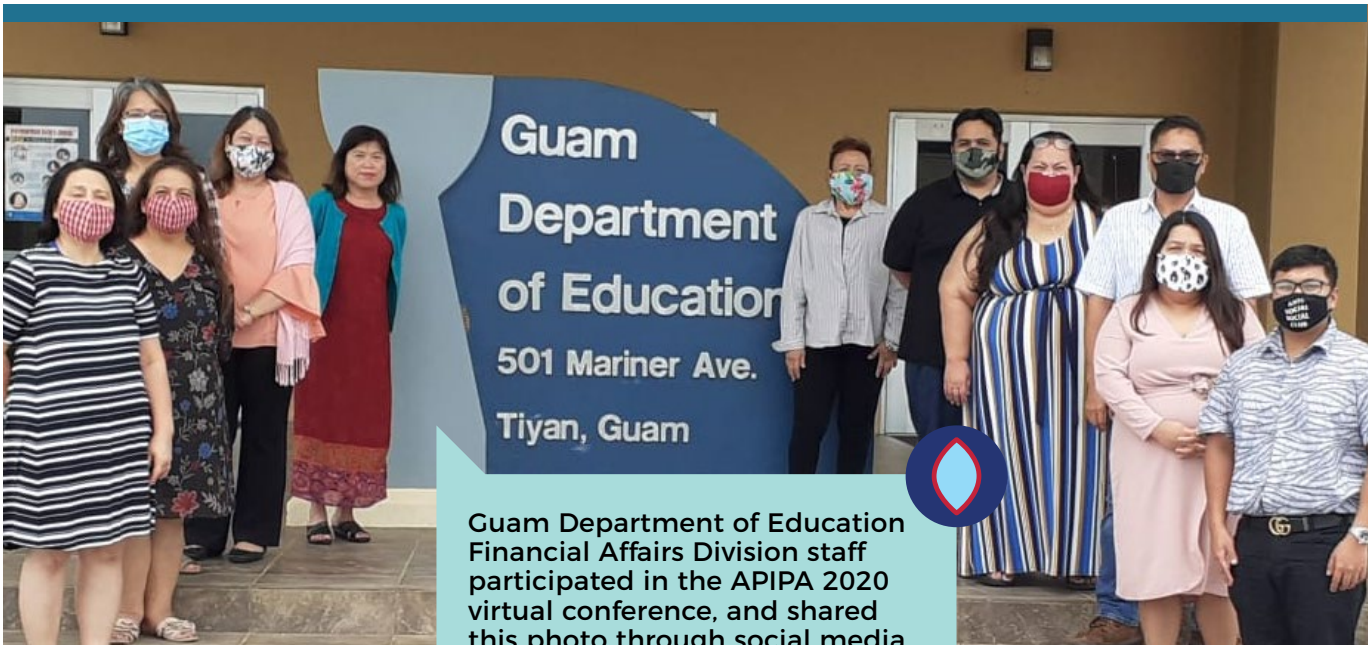
The Pacific & Virgin Islands Training Initiatives (PITI-VITI) are administered by the International Institute of the Graduate School USA (GSUSA). Founded in 1921, GSUSA is an independent, nonprofit educational institution based in Washington, D.C., offering workforce training and professional services across the U.S. and around the world. As a leading provider of professional development and training courses for the federal government and the private sector, GSUSA serves organizations and individuals with programs designed to support organizational missions, career and occupational development, and the personal ambitions of adult learners.

In 2021, the Graduate School USA marks an important milestone, celebrating 100 years of service to the U.S. federal community. Originally chartered as the USDA Graduate School in April 1921 by then Secretary of Agriculture Henry C. Wallace, the Graduate School was created with the principle that the government, and therefore the public, will be better served if employee needs are met. Within ten years, the USDA Graduate School was teaching federal employees from all government agencies, in Washington D.C. and across the world.

Our mission is to connect people, ideas, and organizations by designing customized cultural

and professional exchanges and capacity-building solutions that increase international cooperation and understanding. In support of this mission, the GSUSA International Institute delivers international training and customized knowledge exchange programs that help current and future leaders grow professionally, improve their communities and institutions, and increase mutual understanding throughout the U.S. and abroad. Building on GSUSA's legacy of leadership development and professional training, the Institute supports a variety of clients: U.S.-based agencies with global missions; international organizations; the private sector; NGOs; and academic and public institutions worldwide.

Today, Graduate School USA offers over 600 courses in financial management, grants management, accounting, auditing, human resource management and information technology, among others. In addition to PITI-VITI, the GSUSA International Institute also administers the International Visitor Leadership Program (IVLP) as a State Department-designated National Program Agency. GSUSA's International Institute has experience working with more than 100 countries, access to hundreds of training courses and subject matter experts in nearly every field.



Association of Pacific Islands Public Auditors (APIPA)



apipa.pitiviti.org



Strategic Goal 3: Increase Effectiveness and Program Results.



Strategic Goal 4: Institutionalize Regional Professional Organizations and Communities of Practice.

The Association of Pacific Islands Public Auditors (APIPA) is comprised of the public auditors in each of the U.S.-affiliated insular areas, as well as the public auditors of Samoa and Fiji. APIPA hosts annual conferences to discuss issues related to the fields of auditing and financial management, providing practitioners opportunities to obtain professional training, as required by government auditing standards. In addition to supporting the annual APIPA conferences, PITI-VITI also provides each insular government public audit office the opportunity to attain up to 40 hours of Continuing Professional Education (CPE) credits annually for each employee.

By providing training during the annual APIPA conference and delivering targeted audit training for insular jurisdictions, PITI-VITI and APIPA's work support the institutional strengthening of public audit offices throughout the region.

APIPA'S 31ST ANNUAL CONFERENCE

APIPA held its 31st Annual Conference virtually from August 3-14, 2020, its largest conference to date, welcoming nearly 700 participants. PITI-VITI provided Graduate School USA subject matter experts from the fields of auditing, accounting, financial management, leadership, and external quality control reviews of audit offices.

A total of fourteen instructors, including the Inspector General of the U.S. Department of the Interior and invited presenters representing the Pacific Association of Supreme Audit Institutions, delivered sixteen courses to 699 participants, a record number of APIPA participants. A total of 4,925 course certificates were awarded to conference participants, who earned 19,700 collective hours of Continuing Professional Education.



699
APIPA
participants



19,700
hours of CPE
credits



4,925
course
certificates

APIPA conference participants represented American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Hawaii, the Republic of the Marshall Islands, the Republic of Palau, Samoa, Fiji, and the Federated States of Micronesia (FSM). Representatives from the FSM included participants from the national government and each of the four states of Chuuk, Kosrae, Pohnpei, and Yap. Also participating were representatives from the U.S. Department of the Interior’s Office of the Inspector General.

Interior’s Assistant Secretary for Insular Affairs, the Honorable Doug Domenech, welcomed participants in his opening remarks, recognizing the unique virtual offering due to the global pandemic. “Accountability

does not have borders,” he said, “and this year is tangible proof that neither vast oceans, distance, nor time will separate you from the great work that you are doing and must do.” Department of the Interior Inspector General Mark Lee Greenblatt delivered the opening keynote address, entitled “Owning Your Work.” He encouraged participants to reach beyond requirements. “Behaviors can capture how we see our work – from doing just what’s prescribed to volunteering to do what’s best,” he said. General Greenblatt focused on recent work by his office to strengthen accountability.

The public auditors will host the 32nd annual APIPA Conference virtually during the summer of 2021.

HON. DOUGLAS DOMENECH

Assistant Secretary for Insular
and International Affairs,
U.S. Department of the Interior



Accountability does not have borders, and this year is tangible proof that neither vast oceans, distance, nor time...will separate you from the great work that you are doing and must do.

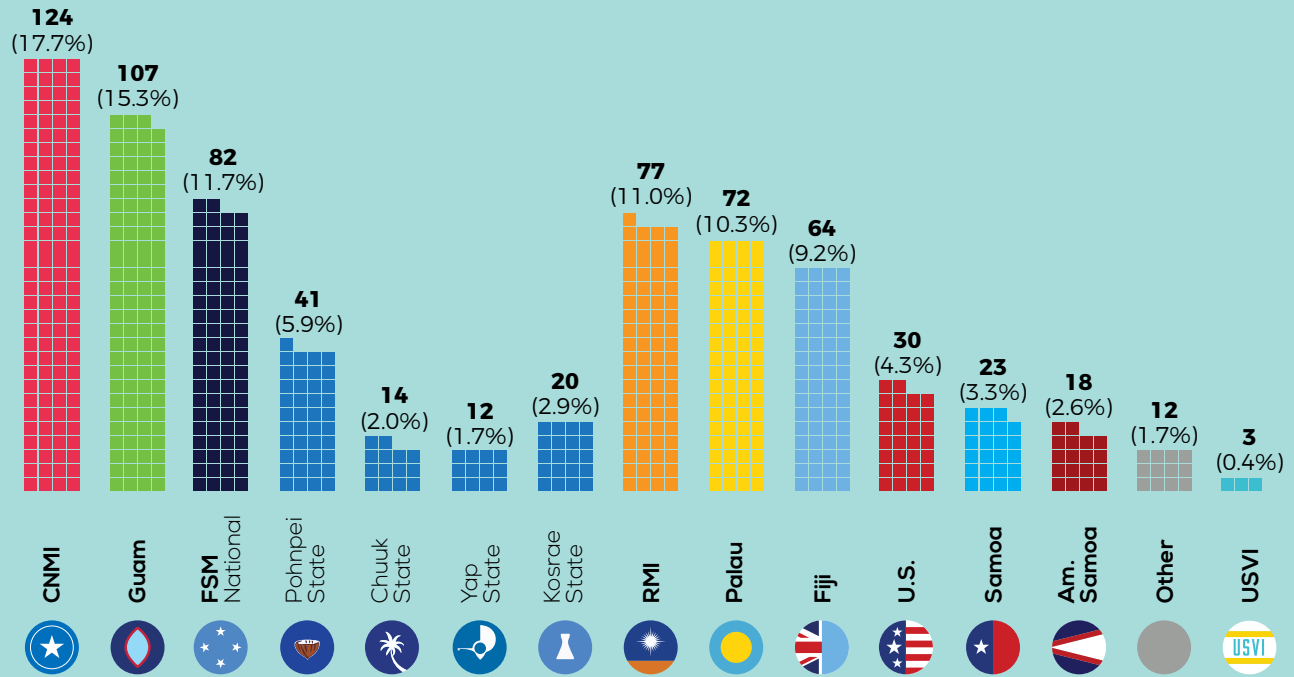
HON. MARK LEE GREENBLATT

Inspector General,
U.S. Department of the Interior



Behaviors can capture how we see our work — from doing just what's prescribed to volunteering to do what's best.

699 APIPA PARTICIPANTS BY JURISDICTION

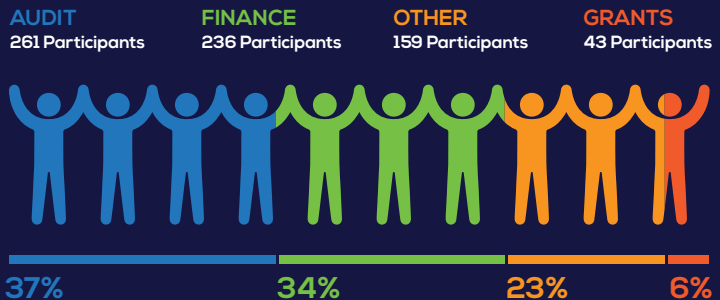


APIPA BY THE NUMBERS

In addition to individually evaluating each of the sixteen courses delivered over the course of the 2020 APIPA Conference, the Graduate School USA also analyzes overall conference participation and experience. Participants provide background information when registering for the conference, complete evaluations at the conclusion of each

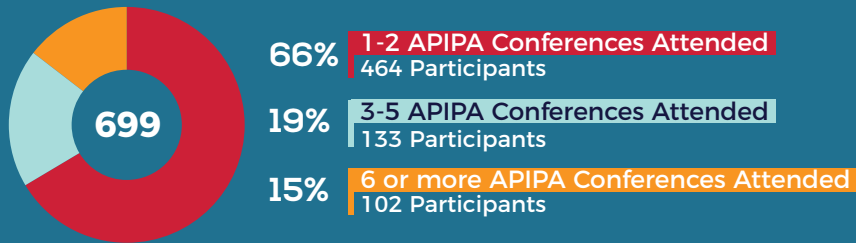
course, and are invited to complete a post-conference electronic survey to provide feedback on the APIPA conference as a whole. The APIPA Secretariat received a 45 percent overall completion rate for the voluntary survey, as 317 participants completed the survey.

699 APIPA PARTICIPANTS BY SECTOR



While 37 percent of participants came from audit offices, the remaining 63 percent represented finance, grants management, or other offices.

699 APIPA PARTICIPANTS BY CONFERENCE FREQUENCY



Importantly, 464 conference participants (66 percent) indicated the virtual APIPA 2020 Conference was their first or second time to attend APIPA, confirming the need to continue to offer introductory courses in the finance and audit fields. Only 102 participants (15 percent) indicated they had attended more than five APIPA Conferences.

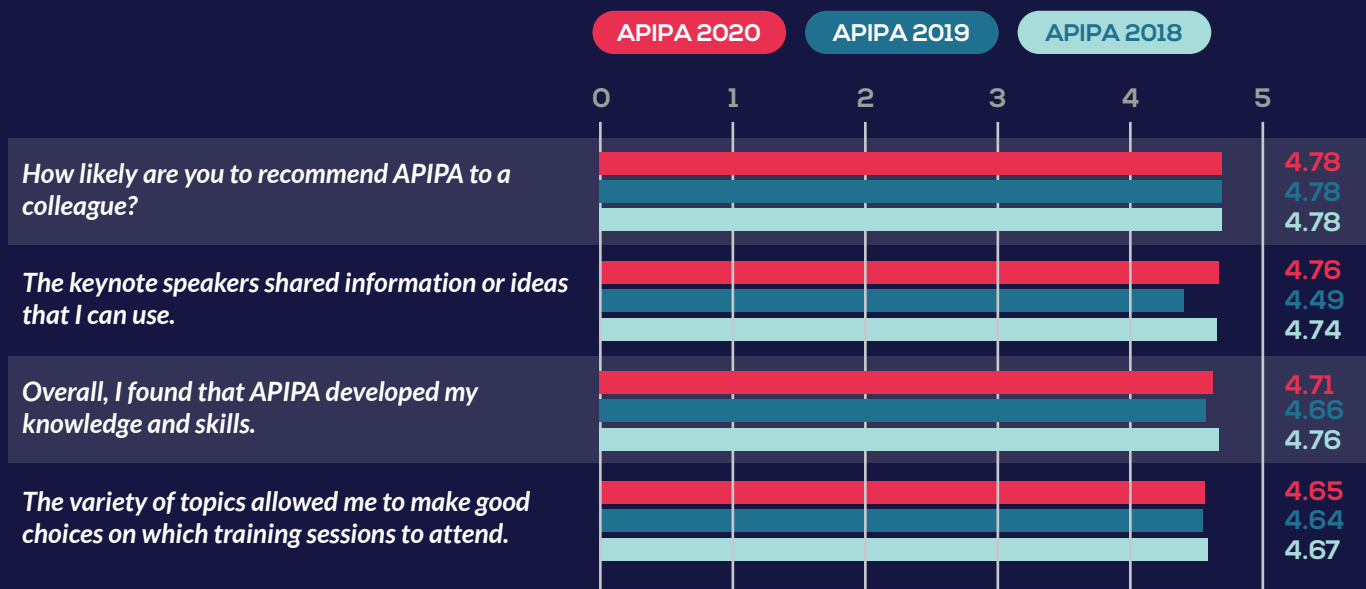
Conference Composition

The 2020 APIPA Conference hosted 699 participants. This total was comprised of 124 participants (18 percent) from CNMI, 107 (15 percent) from Guam, 82 (12 percent) from the FSM National Government, 77 (11 percent) from RMI and 64 (9 percent) from Palau. The remaining 235 participants (35 percent) represented other governments. This conference was offered at no cost to participants.

APIPA reached many new participants each year, expanding accountability training in the Pacific and

U.S. Virgin Islands. 464 participants (66 percent) indicated they were attending their first or second APIPA conference in 2020, while only 15 percent (102) had attended more than five APIPA conferences. Each year, APIPA courses are customized to meet new and emerging needs. APIPA also continually provides foundational accounting and auditing classes to address the needs of new participants, many of whom are just getting started in their field. While 37 percent of participants come from audit offices, the remaining 63 percent represented finance offices, grants management offices, or other offices.

APIPA SURVEY RESULTS




Course Evaluations

Following each APIPA course, conference participants are asked to complete a course evaluation as part of the regular Graduate School USA evaluation cycle. Participants are asked to rate course content, the instructor, the facilities, and to assess their knowledge of course content before and after the course.

The APIPA Secretariat focused on three representative questions to determine the overall success of the conference, as indicated below. In general, respondents rated the 2020 APIPA courses highly, with an aggregate average of more than 4.5 on a scale of 1 to 5. These ratings are consistent with prior years, with vast majorities of participants recommending APIPA to colleagues and planning to attend future conferences.

Conference Feedback

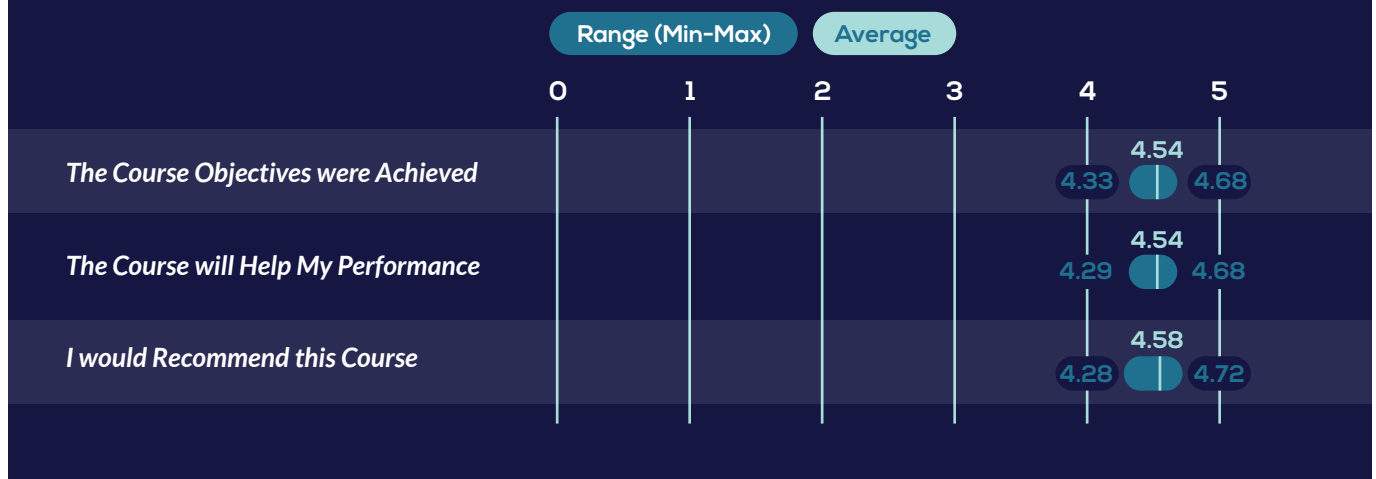
Following the conference, participants were asked to rate their overall conference experience by completing an evaluation. Notably, attendees gave a 4.71 rating on a five-point scale to “conference sessions developed my knowledge and skills” and a 4.78 rating when asked if they would recommend future APIPA conferences to a colleague.



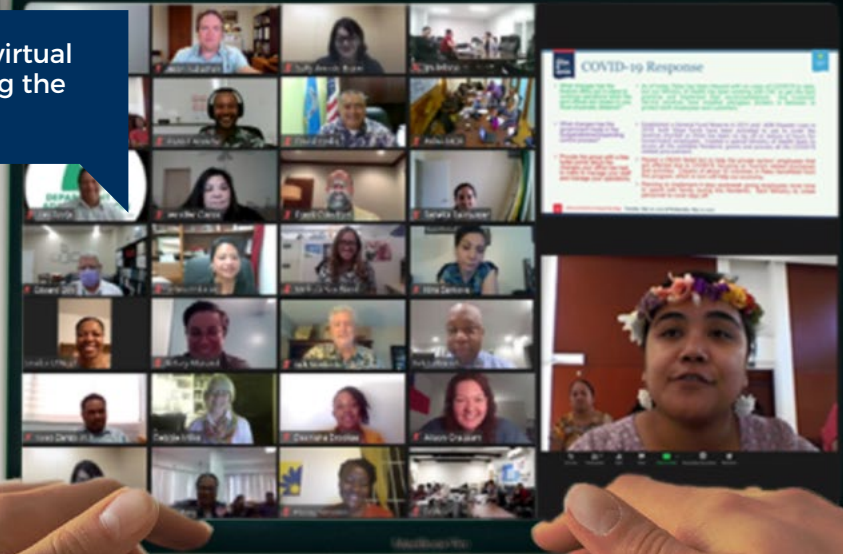
Staff of the FSM Office of the National Public Auditor and the Pohnpei State Office of the Public Auditor joined #APIPA2020 from the FSM Capitol complex in Palikir.



APIPA 2020 EVALUATION SUMMARIES FOR 16 COURSES



PITI-VITI convened a virtual IGFOA meeting during the summer of 2020.



Island Government Finance Officers Association (IGFOA)

VIRTUAL IGFOA

igfoa.pitiviti.org



Strategic Goal 3: Increase Effectiveness and Program Results.



Strategic Goal 4: Institutionalize Regional Professional Organizations and Communities of Practice.

The Government Finance Officers Association (GFOA), a U.S. & Canadian-based community of practice, addresses issues related to accounting, budgeting, economic management, debt management, pension administration, and technology, all of which apply directly to the insular areas. Since 2000, PITI-VITI has supported the efforts of the Island Government Finance Officers Association (IGFOA), a professional organization comprised of the Chief Financial Officers and key permanent financial staff of each U.S.-affiliated insular government. The IGFOA provides opportunities for insular government finance officers to discuss common challenges and share successful best practices. In addition, the IGFOA fosters peer accountability, whereby each government self-reports on the status of their audits and progress against key finance office performance measures.

The focus of the IGFOA has evolved through the years. While early conferences focused on traditional, accounting-focused training, in recent years GSUSA program managers, DOI-OIA officials, and IGFOA members have identified three priority areas:

- ◆ improving the quality and timeliness of single audits in the insular areas;
- ◆ tracking the performance of finance offices through performance measures; and
- ◆ measuring the 'fiscal health' of each government through the Performer.

The IGFOA has consistently worked to address emerging financial issues likely to impact the insular areas. Recently prioritized areas include managing COVID-19 stimulus funds, and tracking the



Roxalyn Kaminaga updates IGFOA on the status of Chuuk's single audit and performance measures.



evolving standards of the Governmental Accounting Standards Board (GASB), which has recently modified the accounting rules for pension funds, post-employment benefits, government leases, and tax abatements, among other areas. Other technical issues have included the procurement, installation and management of financial management information systems; developing Popular Annual Financial Reports (PAFRs); process improvement, and cybersecurity assessments.

IGFOA SUMMER CONFERENCE

Two IGFOA conferences were held during the 2020-2021 PITI-VITI program year. The summer meeting of the U.S. Government Finance Officers Association—and complementary IGFOA meeting—was originally scheduled for May 17-20, 2020, in New Orleans, Louisiana. Following the emergence of COVID-19, GFOA cancelled the in-person event and shifted to a virtual meeting, which was delivered over a six-week period from May to June, 2020, with over 40 sessions on subjects that included accounting, budgeting, technology, leadership, treasury, pension, budgeting and public engagement. Virtual GFOA session delivery presented unique challenges to insular government officials, who were unable to join sessions live due to time differences. While GFOA recorded sessions, they were only available to stream two weeks after delivery.

Following discussions with DOI-OIA, PITI-VITI sponsored five participants from each insular area to attend the virtual GFOA summer meeting. Each sponsored participant received a unique login to access GFOA sessions—either recorded or in real-time—as well as presentation slides, handouts, and

materials. Moreover, each sponsored participant committed to attending at least five GFOA sessions, and reporting back to IGFOA participants on at least three sessions.

About 70 insular government participants attended the IGFOA summer meeting, which comprised three virtual sessions:

- ◆ An IGFOA pre-conference meeting on Tuesday, May 26, 2020;
- ◆ An IGFOA mid-conference meeting check-in on Monday, June 15, 2020; and
- ◆ An IGFOA post-conference close-out on Monday, July 6, 2020.

The **IGFOA Pre-Conference Meeting** highlighted insular government presentations on initial COVID-19 responses, FY19 audit status, follow-up on December 2019 action plans, and finance office performance measures. During the meeting, IGFOA participants selected GFOA sessions to attend as GSUSA facilitators shared a reporting template for session highlights. The **IGFOA Mid-Conference Meeting** gave participants the opportunity to debrief the first three weeks of GFOA sessions. Participants summarized session content with key take-aways that can be applied in the insular areas, reflections on what's needed to implement, and whether the topic should be addressed in future IGFOA sessions. In addition, PITI-VITI instructor Frank Crawford, CPA, provided participants with an update on COVID-related implementation guidelines released by GASB, along with actions being taken by U.S. state and local governments.

Finally, the **IGFOA Post-Conference Meeting** debriefed the second three weeks of the GFOA

conference, with participants highlighting key take-aways. In addition, PITI-VITI instructor Glenn Furuya delivered a session on *How to Lead in Challenging Times*, emphasizing the importance of effective public service, the unique challenges public leaders currently face, and strategies to increase effectiveness. IGFOA session discussions and topics throughout the week included:

- ◆ Managing disasters and FEMA funding
- ◆ Implementing GASB 87 and lease accounting
- ◆ Fraud prevention and investigation
- ◆ Financial reserves and risk management; aligning risk with government bond ratings;
- ◆ Streamlining government payables functions with purchase cards and internal controls;
- ◆ Implementing process improvement in the finance office and leveraging current software;
- ◆ Moving away from incremental budgeting with proper planning and realignment;
- ◆ Data-driven decision-making and long-term planning;
- ◆ Fiscal transparency in an age of excessive data availability: developing citizen-centric tools online;
- ◆ Enhancing public engagement; and

Best practices in cybersecurity for government finance offices.

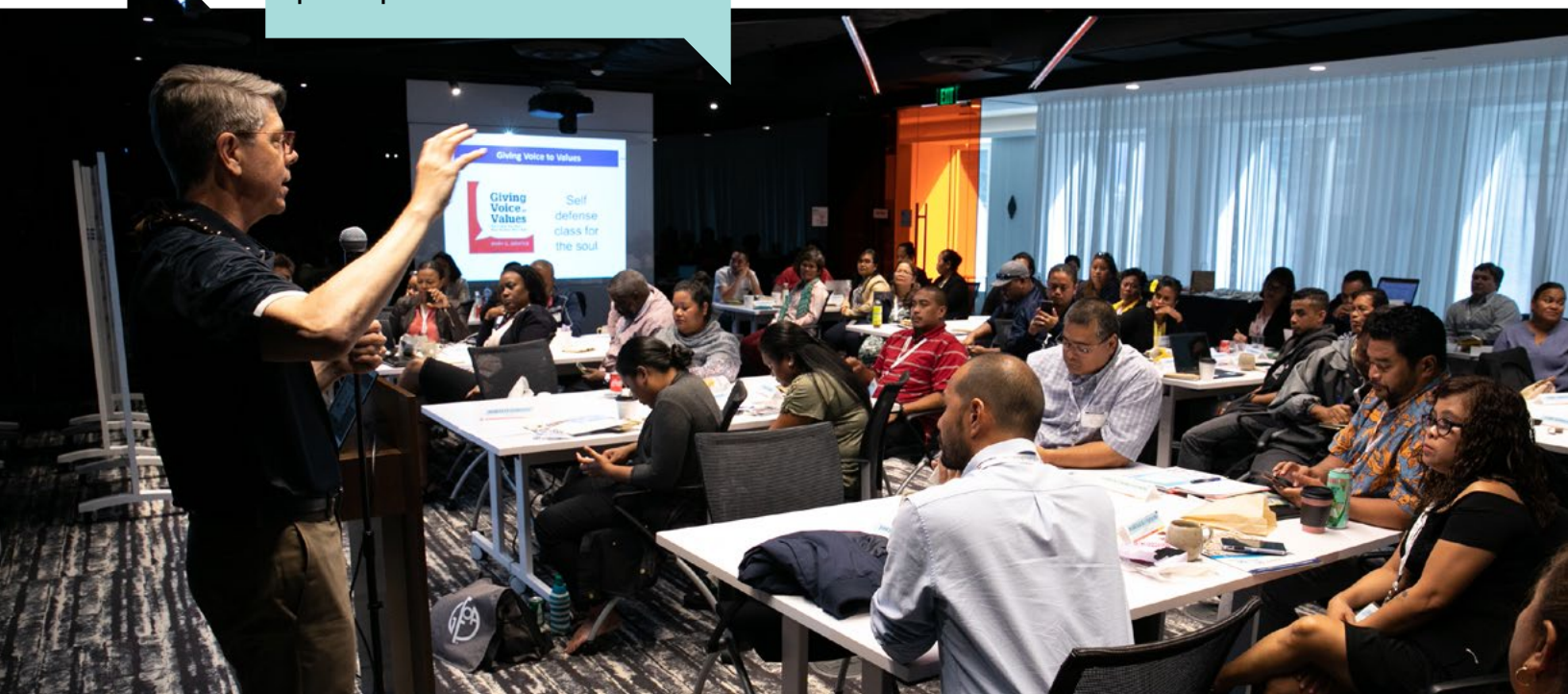
IGFOA 2020 WINTER CONFERENCE

The IGFOA Winter Conference was held virtually from March 23-24, 2021. Although typically held in early December, the winter meeting was delayed until March, awaiting the release of insular government single audits. About seventy finance directors and senior accounting officials from throughout the insular governments attended the winter conference, which primarily concentrated on the outcomes of the FY19 single audits—which a majority of jurisdictions delivered within the extended 15 month deadline for 2020—and on the impact of COVID-19 on insular area finance offices. PITI-VITI instructors presented a regional analysis of audit findings, highlighting recent trends through FY19, and reviewed updated Performer scores for each government. IGFOA participants were welcomed by Acting Assistant Secretary for the Office of Insular Affairs, Nikolao Pula, who congratulated the insular government finance officers on their hard work throughout the pandemic, and assured them that the impact of their work is far-reaching.

IGFOA participants will reconvene to attend the virtual conference of the Government Finance Officers Association (GFOA), alongside finance officers representing various federal, state, and local governments of the United States and Canada, from July 12 to July 23, 2021. The IGFOA is scheduled to meet virtually in July—both before and after the GFOA conference—to discuss GFOA session content and to identify follow-up activities in the insular governments.

Additional information on the IGFOA is online at <https://pitiviti.org/igfoa-virtual>.

GFOA Executive Director Chris Morril addresses IGFOA participants.





The Audit Improvement Program

 audit.pitiviti.org



Strategic Goal 1: Improve Leadership and Management Capacity to Perform Effectively.



Strategic Goal 2: Improve Financial Management Systems and Practices.

Among the most important annual activities undertaken by the Pacific and Virgin Islands Training Initiatives (PITI-VITI) is providing ongoing support to insular area governments in their efforts to maintain effective finance offices with well-trained staff. Throughout the insular areas, finance officers are involved in the core functions of public organizations—budgets and accounting, economic development, debt management, treasury and cash management, labor relations, risk management and the associated financial management information systems.

Within these broad functions, the finance officer is often viewed as the professional who can approach problems with precision, accuracy, and a long-term view. Finance officers are frequently brought in as “experts”—the problem solvers, advisors, and, often, the final arbiters of the analysis to whom principals and elected officials turn. The critical importance of the finance officer is even more pronounced during times of financial stress, such as during the COVID-19 pandemic.

Insular government finance officers need to be able to effectively manage the increasingly complex world of public sector finance. In order to remain effective, finance officers rely more than ever on the availability and accuracy of quality financial data. The Audit Improvement Project and the Island Government Finance Officers’ Association (IGFOA) were designed to support the insular government finance officers in this endeavor. Together, these two programs ensure

that finance officers have the necessary tools to affect sound decision-making and to improve governance throughout the Pacific and Virgin Islands.

As such, audit improvement remains a cornerstone of the financial management improvement efforts launched more than a decade ago by DOI-OIA and PITI-VITI. Improving the timeliness and quality of the insular areas’ single audits, and building on prior successes, remain critical focuses of annual programming efforts, training, and technical assistance.

ASSESSING FY19 AUDITS ISSUED IN 2020 & 2021

TIMELINESS

Due to the COVID 2020 disruptions in normal finance and audit office operations, the U.S. Office of Management and Budget (OMB) granted an automatic, no-justification-needed extension to the June 30 deadline for filing the Single Audit. Since FY07 the 4 FSM States and the FSM National Government, the Republic of the Marshall Islands and Guam have issued their audits on or before June 30th. Those entities issued FY19 “on time” using the 6-month extension. American Samoa has—for the 5th year running—issued their audit several months before the June deadline. The Republic of Palau issued in



PITI-VITI instructor Debbie Milks, CPA, delivers an insular government audit update to IGFOA participants.

February 2020. The CNMI expects to issue in April 2020 and the USVI in May 2020.

Since the borders are still closed in many of the islands, the audits are subject to the availability of the local audit teams and OMB is allowing extensions for the FY2020 audits. However, it is still extremely important to maintain the timeliness of the audit to the extent the finance office can control the process. The islands have and will receive large COVID Relief and Rescue grants. It is in the interest of the finance office to have an early review of the controls set up for those funds as well as to avoid being in a continual audit cycle.

QUALITY

The U.S. Virgin Islands has not yet received a draft of their FY19 audit, so they are excluded in the combined analysis below. For the remaining ten insular areas, the FY19 audits indicate that:

- ◆ The insular governments have achieved improvements to the quality of their audits. Over the last 10 years the number of financial statement and federal compliance modifications (previously called 'qualifications') have declined by half, from a total of 60 to 31. Five governments—FSM National, Kosrae, Palau, RMI and Guam—have had zero financial statement modifications for the past ten years. But the greatest improvement has been with the federal grant compliance modifications which started at a recent high of 71 in FY2010 and is now down to 15 in FY19.
- ◆ While the overall number of audit opinion modifications has declined, an analysis of the types of audit findings occurring across the insular areas reveals that basic financial statement reconciliations and procurement violations continue to be significant issues.
- ◆ The auditors for several governments continue to include findings about the weak financial condition of the governments including budget overruns, inability to pay long term pension and other obligations, and lack of resources necessary to manage operations. In addition, the auditors are showing an increased interest and concern about Information Technology operations, whether it is the lax security or basic off-site backups.
- ◆ The dollars of questioned costs were relatively low in FY2019 for most of the insular governments. The larger questioned cost amounts related to subgrantee monitoring and procurement.
- ◆ Kosrae State retains the gold standard of a clean financial statement opinion, a clean single



audit opinion, no financial statement internal control or compliance findings, no grant internal control or compliance findings, and zero current and cumulative questioned costs. Several other governments remain very close to achieving a similar benchmark, with only one or two outstanding audit findings.

While the progress overall is impressive, there remains an ongoing need to continue to work with each insular government. Changes and turnover in financial operations occur regularly and new staff need the steady training and technical assistance necessary to maintain quality operations. The disruptions to normal operations need not overlap into a disruption of the IGFOA members' progress.

ADDITIONAL ISSUES

Another key component of PITI-VITI's technical support is ensuring that insular government finance offices are aware of and trained on new accounting and reporting requirements, well ahead of the effective dates. Over the last twenty years the Governmental Accounting Standards Board (GASB) has made major changes to the financial statement presentation and the calculation of fund balance. Other recent changes include the U.S. Government Accountability Office's (GAO) major update to federal grant compliance regulations, GASB's requirement

to include the government's pension liability in the government financial statements, and requirements to include liabilities related to other post-employment benefits and tax abatement disclosures. The 2020 implementation date of the new GASB standard for accounting for leases has been delayed. The insular areas are still in the process of reviewing their lease agreements and making a determination how those leases will be reported in the financial statements.

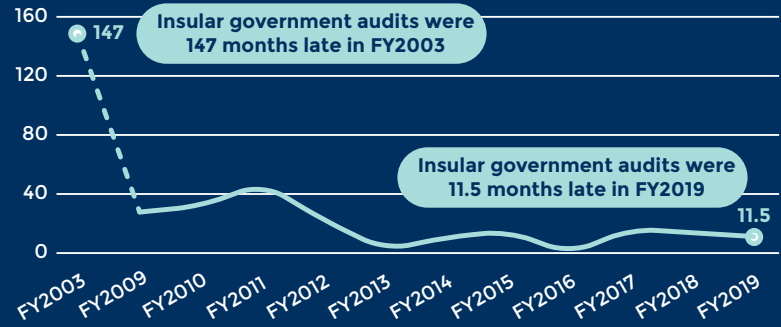
PITI-VITI has helped insular governments remain current with the more innovative and progressive best practices in city and county governments. A number of the member governments are in the process of changing their financial management systems. The Republic of Palau implemented their new system in 2020, RMI, Guam and the FSM are in the proposal stage for new systems and the CNMI just selected a new system. PITI-VITI continues to provide technical assistance and training sessions for the finance officers in project management and best practices in systems planning, acquisition and implementation. In the very technical world of financial management systems, competing vendors often oversell both the capability of their product and the ease of implementation. And 40% of implementations fail. The goal for PITI-VITI is to armor the finance officers with the knowledge to avoid pitfalls and carefully manage the process.

The sudden requirement to work off-site has heightened the need to focus on cybersecurity issues.

AUDIT RESULTS: TIMELINESS

Number of Months Late FY2003-FY2019

IGFOA has achieved many successes through the years, but perhaps the most striking is the insular governments' dramatic improvement in audit timeliness. In FY2003, the ten insular governments were collectively 147 months late issuing their single audits. In FY2019 the insular governments were collectively 11 months late (as of this printing, the VI and the CNMI have not issued FY19. The issue dates are assumed to be as those governments have reported). It should be noted that the OMB automatically extended the deadline for audit submission by 6 months to December 2020 for audits due in 2020.

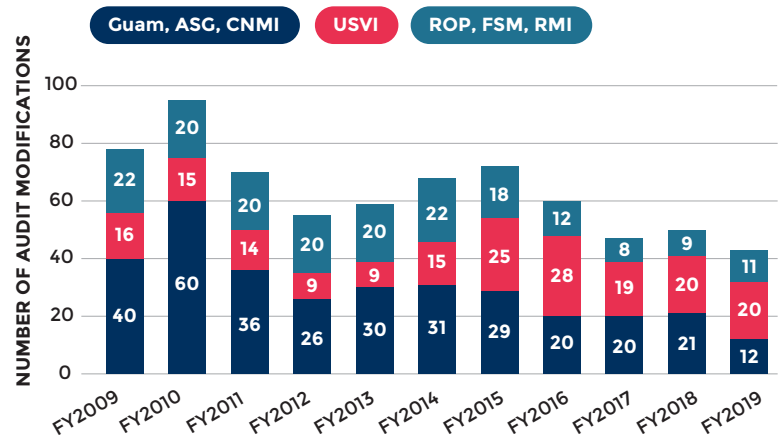


AUDIT RESULTS: QUALITY

Total Financial Statement and Federal Program Modifications FY2009-FY2019

The audit improvement project began with 139 audit modifications (at that time called 'qualifications') across all of the insular governments in FY2003. In FY2019 there were a total of 43 modifications (extrapolating from FY18 for the US Virgin Islands). The USVI is separated not only due to the date of the audit, but also the size of the government revenues and resulting major programs and findings.

Five governments have had zero financial statement modifications for the past 10 years. Guam, ASG and the CNMI have significantly reduced the number of modifications in federal programs in the last 5 years.

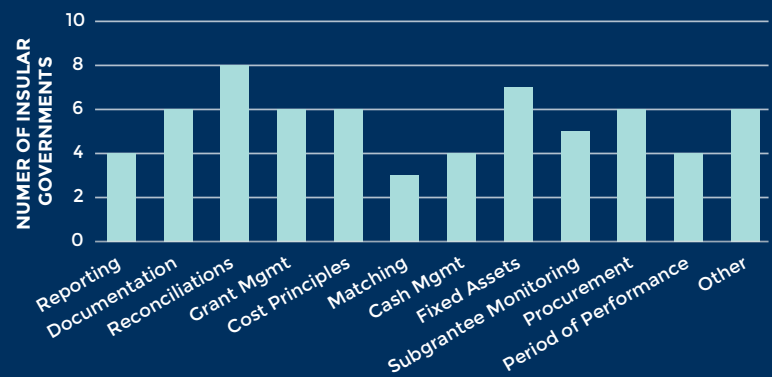


NUMBER OF GOVERNMENTS WITH AUDIT FINDING ISSUE BY TYPE

Insular Governments FY2019 (USVI FY2018)

An analysis of the types of audit issues across the insular areas reveals that reconciliations, procurement and fixed assets continue to be significant problems. Significantly, one government was able to clear their multiyear finding on fixed assets. Several other governments have received OIA grants to upgrade their fixed asset systems.

Findings in the 'other' category relate to the government's inability to fund pension liabilities and operations, and issues relating to IT security problems.



As previously mentioned, the external auditors have noted technological vulnerabilities which could lead to cyberattacks. This is consistent with the experience of cities and counties in the United States.

Insular governments, alongside cities and counties throughout the United States, recognize the growing need to develop cybersecurity plans to respond to, and to recover from, cyberattacks. This issue was highlighted in the summer Island Government Finance Officers' (IGFOA) meetings, and continues to be a major theme of insular government program needs.

Another major and sudden change in 2020 was severely reduced general revenues. The summer meeting of the IGFOA with the on-line sessions from GFOA included subjects such as Incremental budgeting, avoiding the slash and burn approach to budget cuts and how to analyze data to make budgetary policy decisions.

FINANCE OFFICE PERFORMANCE MEASURES

The insular government finance officers strive to model many best practices identified through their participation in the annual Government Finance Officers' Association conference. A key project in this

regard has been the identification and development of finance office performance measures for the Pacific and Virgin Island governments. PITI-VITI has facilitated the development, selection and refinement of common measures through the Island Government Finance Officers' Association (IGFOA). The ten current measures primarily focus on issues identified through the single audit, including accounting cycle areas of reconciliation, cash management, grant management and fixed assets, among others.

In addition to measuring current insular government operations, the measures are intended to improve finance office efficiency over time. As such, the measures are updated from time to time to reflect emerging trends and standards, and to track progress against targeted goals. PITI-VITI assistance includes on-site process review and improvement on the accuracy, timeliness and usefulness of selected measures. As governments continue to integrate these measures into their regular operations, they offer a "dashboard" of current operations which often serves as baseline data to set strategic goals.

Importantly, the finance officers continue to practice peer accountability. The group was unable to meet in person during 2020 and reporting was limited to one or two measures for each government. Most of the attention was on the level of invalid encumbrances, the newest performance measurement.

Palau Finance Director Gail Rengiil and RMI Education Commissioner Kanchi Hosia attend PITI-VITI training.



CURRENT FINANCE OFFICE PERFORMANCE MEASURES

1. Reduction in Federal Grant Receivable Balance

This measures the effectiveness of the finance operations to bill and collect federal funds. Many of the governments operate on a reimbursable basis with the US federal government so precious local cash is used to pay for federal programs up front.

- **Annually or quarterly less than 5%**

2. Bank Reconciliations Completed on a Timely Basis

Bank reconciliations are the foundation of all other general ledger reconciliations. A timely bank reconciliation also helps the finance office use their FMIS as opposed to relying upon side cash tracking systems. A completed bank reconciliation includes posting all adjustments to the general ledger.

- **10-15 days after month end**

3. Completion of Fixed Asset inventory

The value of the measure is to set up interim steps to complete the inventory. For instance, completion by X number of departments each month or a spot check of a certain number of departments (assuming they are responsible for their own inventory) each quarter. Given that the auditors focus on the major federal programs, a best practice is to ensure that those departments keep an accurate and up to date inventory of items purchased with federal program funds.

- **100% of major federal programs every quarter**

4. Reduction in Overdue Travel Advances Issued this Fiscal Year

Collection of overdue travel advances measures the % of travel advances which are beyond the government's allowed period to file expense reports. The purpose is to 1) ensure that federally funded travel is expensed within the grant period and thus 2) enhance federal cash flow. It is also a measure of the effectiveness of the finance office to ensure government regulations are followed.

- **Reduce by 50% each quarter to a target of 0% overdue advances**

5. Actual vs Estimated Revenues

Although the task of revenue estimates varies by government and may be outside of the finance office responsibilities, this measure is important to ensure a government is budgeting within its means. The finance offices have the skills to aid with calculated the estimates if there appears to be a problem with accuracy. It is also an easy measure to calculate.

- **Varies by less than 5% on a quarterly basis**

6. Number of Days to Process and Unspent Federal Funds

The purpose of this measure depends upon the source of funds to pay the invoice. In the case of grant funds, cash should not be an issue, so the measure can define the efficiency of finance operations. Local funds are more restricted, so an additional measure for invoices paid with general funds will indicate how efficiently the finance office fairly prioritizes vendors.

- **3-15 days**

7. \$ and % of Unspent Federal Funds

The purpose of this measure is to highlight any problems in the grant spending process. As such, programs with multi-year funds and programs which require matching funds which may not be available (like Medicaid) should be excluded from the calculations.

- **Targets vary by insular government.**

8. Number of Training Hours per Finance Office Employee

The purpose of this measure is to ensure that ALL finance office staff are given opportunities for appropriate training. Often, high level staff are allowed to travel to conferences or training (which may or may not be helpful in their jobs) while other staff do not receive any formal training. The finance office is encouraged to develop appropriate on-line or local course opportunities.

- **24 hours/year target in line with requirements for certified accountants**

9. Percentage of Employee Evaluations Completed

This measure is helpful to encourage finance managers to connect with their staff and provide meaningful feedback on performance. Since many governments do not have the funding for staff increases, it is even more important to provide some one-on-one encouragement and advice for younger, newer staff.

- **At least annually**

10. Reconcile Encumbrances

The reserve for encumbrances is no longer reported in the fund balance section of the financial statements but in a footnote to the statements. As it has become less obvious, the balances of invalid, dated encumbrances have increased in all the governments. 8 governments are in the process of acquiring new financial management systems which will require conversion of outstanding encumbrances. For those reasons, the group adopted an initiative to concentrate on clearing their encumbrance files.

- **Reduction of invalid, outdated encumbrances to zero**



The PITI-VITI team delivers a Performer presentation to leadership in the Commonwealth of the Northern Mariana Islands (2019)



The Performer & AFTER Analysis



 performer.pitiviti.org



- Strategic Goal 1: Improve Leadership and Management Capacity to Perform Effectively.
- Strategic Goal 3: Increase Effectiveness and Program Results.

The Performer was originally developed in 2001 to serve state and local governments within the United States. Since that time, the scope and methodology of the Performer has been adapted to provide relevant analysis for Pacific and Virgin Islands governments. Each year, the Performer provides a steady, independent assessment of each insular government's financial health and success, based on audited financial statements.

The Performer is utilized across all of the insular governments to improve public awareness of each government's fiscal health. The Performer is a unique tool customized for the insular governments:

- ◆ The Performer provides over fifteen years of data for each government to analyze financial trends—both positive and negative;
- ◆ Insular government finance officers regularly utilize the Performer to explain their government's overall financial health to non-financial stakeholders, especially members of legislative and executive branches;
- ◆ Since the Performer utilizes common metrics, Performer scores are broadly comparable across each of the insular governments;

- ◆ Each Performer contains an AFTER Analysis (Audit Findings, Timeliness and Exception Resolution), which details the timeliness and accuracy of financial statements by tracking the number and type of single audit qualifications, and the timeliness of audit publication, for each government.

At the outset of the Performer project, insular governments demonstrated high levels of unreliability, as audits were issued late with numerous qualifications (modifications). Currently, Performers are much more relevant, reflecting timely and accurate audits. In addition, today's Performers are used strategically by both finance officers and elected officials to ensure better-informed governance.

ENHANCEMENTS TO THE PERFORMER

Importantly, the Performer continues to evolve to respond to insular government needs. Several years ago, the Performer report was enhanced to show not only an overall government score, but also disaggregated scores in three categories:

- ◆ **Financial Position** indicates a government's cumulative financial health. Relevant Performer ratios include level of the government's total unrestricted net position, the level of unassigned fund balance of the General Fund, and current and quick ratios related to cash flow sufficiency.

- ◆ **Financial Performance** indicates a government's financial performance for the fiscal year. Relevant Performer ratios include Intergenerational Equity and the Change in Total Net Position.

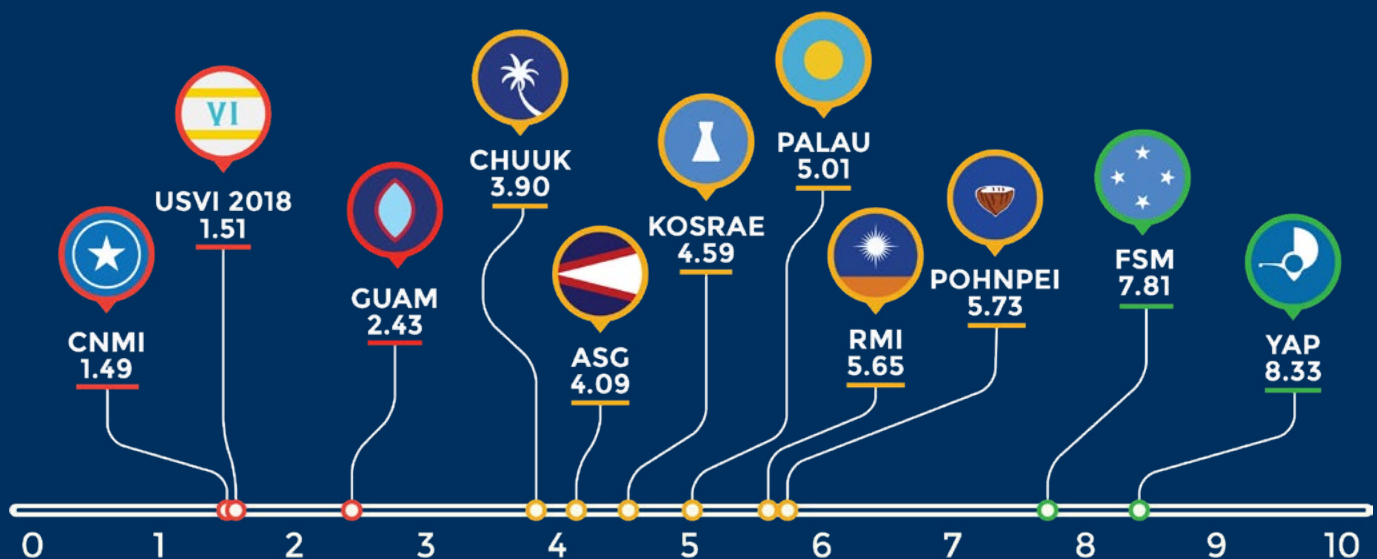
- ◆ **Financial Capability** indicates the future financial flexibility and sustainability of a government. Relevant Performer ratios include the per capita levels of taxes paid and debt burden, along with a debt-to-assets coverage ratios, among others.

These categories clarify which factors contribute to each government's overall Performer score, and help focus efforts to improve scores. It is often the case, for example, that a government has a very strong year of financial performance while continuing to suffer from a low Performer score as a result of a poor overall financial position.

PERFORMER TRENDS FOR 2020

In 2020, Performers were developed for all eleven insular areas based on information in each government's audited financial statements for Fiscal Year 2019, and on the U.S. Virgin Islands' audited Fiscal Year 2018 financial statement. A Performer was not developed for the U.S. Virgin Islands for Fiscal Year 2019, as their audit for this year has not yet been released. Although typically published in December 2020, Performers were not released until late March 2021 as a result of COVID-related

2020 PERFORMER SCORES BY INSULAR GOVERNMENT



extensions to audit publication timelines in the insular areas.

2020 Performer results were shared with the insular government heads of finance at the IGFOA Winter Conference in March 2021. Highlights from the factors and circumstances surrounding the 2020 Performer reports, based on audited data from Fiscal Year 2019, include the following:

- ◆ FY2019 single audit filing deadlines were extended 6 additional months beyond their normal 9 month publication period, allowing 15 total months from the end of the fiscal year. Most of the insular governments took advantage of this extension.
- ◆ For 5 of the 10 insular governments, the fiscal year ending September 30, 2019 produced improved results. In addition, the VI's 2018 financial statements showed a 15% improvement from their FY2017 score.
- ◆ For all governments except the FSM and its four states and the RMI, the impact of GASB 68's pension requirements in 2015 still remains a significant factor, with many of the governments' pension systems severely underfunded.
- ◆ For the FSM National Government, the RMI, and Palau, the Social Security programs offered by the government remain at some of their lowest funding levels in the model's history.
- ◆ Variance for all Performer scores from last year was within 20%, except for the CNMI.
- ◆ 5 governments received unmodified opinions, (formerly known as unqualified or clean opinions) on their financial statements, with 3 additional governments only having 1 qualification each.
- ◆ Only two governments, FSM National and Kosrae State, received unmodified (clean) opinions on both their Financial Statement audit and the audit of compliance with federal program monies (Single audit).
- ◆ 2 governments posted \$0 of new questioned costs this year, 7 governments had less than \$1 million in new questioned costs, and 2 governments had new questioned costs that exceeded \$1 million this year.

🌟 The **CNMI** was able to resolve a long-standing dispute with their auditors about pension accounting with the adoption of GASB 68 and 71 pension-related accounting standards, which removed a significant qualification in the CNMI's audit report. Unfortunately, this adoption resulted in the recognition of a significant previously unreported liability, which caused their overall Performer score to tumble 61.1% from a score of 3.83 in FY2018 to a score of 1.49 in FY2019.

🌟 The **RMI** continues to remain the model of consistency, deviating no more than 1.5 points over the last 10 years, settling in with a 5.65 for FY2019, a decline of 7.4% from their score of a 6.10 in FY 2018, which was their 3rd highest score in the history of the model.

🌟 **Guam** takes the prize for the highest percentage increase in the overall score, with a 12.5% improvement during FY 2019.

🌟 **Kosrae** comes in second this year for posting a 9.3% improvement in their score from FY 2018. For the fourth consecutive year, Kosrae posted all 0s in their AFTER analysis, with clean financial statement opinions, clean single audit opinions, no financial statement internal control or compliance findings, no grant internal control or compliance findings, and zero current and cumulative questioned costs. Several other governments were very close to this achievement, with only a few findings outstanding.

🌟 **Yap State** overtakes FSM National to take the prize for the high score this year of 8.33, besting FSM National's score of 7.81.

Looking Ahead

The Pacific and Virgin Islands Training Initiatives (PITI-VITI) has confirmed upcoming dates for key program activities.

Please contact us at info@pitiviti.org, or visit the sites referenced below, for additional information.

The logo for Virtual IGFOA features the words "VIRTUAL" and "IGFOA" in white, bold, sans-serif font. "VIRTUAL" is positioned above "IGFOA". Behind the text are stylized, flowing blue and white lines that suggest waves or a digital interface.

GFOA & IGFOA SUMMER MEETINGS (July, 2021)

<https://pitiviti.org/igfoa-virtual>



APIPA 2021 VIRTUAL MEETING (August 23, 2021 to September 3, 2021)

apipa2021.org

The logo for Virtual IGFOA features the words "VIRTUAL" and "IGFOA" in white, bold, sans-serif font. "VIRTUAL" is positioned above "IGFOA". Behind the text are stylized, flowing blue and white lines that suggest waves or a digital interface.

IGFOA WINTER MEETING (December, 2021)

<https://pitiviti.org/igfoa-virtual>



ELDP APPLICATIONS **CLASS OF 2023** (February, 2022)

<https://eldp.pitiviti.org>



32 Pacific and US Virgin Islands participants join the Executive Leadership Development Program Class of 2021.

Executive Leadership Development Program (ELDP)

 eldp.pitiviti.org



Strategic Goal 1: Improve Leadership and Management Capacity to Perform Effectively.



Strategic Goal 5: Improve the Capacity and Capabilities of the Public Sector Work Force in Critical Positions and Functions.

Attracting and retaining qualified staff to work in core public sector government positions is among the greatest challenges insular governments face. Young, educated and promising employees are often trained by local governments only to be offered higher paying jobs in the private sector or component units. Talented islanders frequently move to the United States for more lucrative work opportunities.

The Executive Leadership Development Program (ELDP) was commissioned in 2008 to assist the insular governments with developing and retaining qualified and skilled staff to lead their respective governments into the future. The demand for the creation of the ELDP stemmed from IGFOA leadership prior to program inception. They identified a knowledge gap in leadership and management skills across the insular areas, and expressed a desire to develop the “next generation” of insular government leaders.

ELDP program participants typically meet in-person four times over the course of a year, to develop public service values and skills in leadership, management, policy development, advocacy, government operations and finance. Participants from the U.S. Virgin Islands usually travel to Washington, D.C. and other locations along the East Coast to participate in the Graduate School USA’s Executive Leadership Program (ELP,) while Pacific ELDP participants attend quarterly training throughout the Pacific islands.

2020 represented another landmark year for the Executive Leadership Development Program, with well over 100 program applicants—the highest number received in the history of the ELDP. 25 new participants were competitively selected to join the Pacific Class of 2021, while seven new participants were selected to join the ELDP Virgin Islands Class

THE ELDP PROGRAM CYCLE



of 2021. These 32 insular government officials join 149 program alumni — an extraordinary group of Pacific and Virgin Islanders with diverse professional backgrounds, exceptional personal qualities, and an enduring commitment to public service. ELDP alumni represent virtually every government agency, and serve the insular governments as elected representatives, ambassadors, judges, cabinet members, directors, and dedicated public servants.

ELDP PACIFIC - 2020-2021

The 25 newly-selected participants of the ELDP Pacific Class of 2021 represent the governments of American Samoa (4), the Marshall Islands (4), Pohnpei (2), Chuuk (2), Guam (3), CNMI (5) and Palau (5). Shortly after their acceptance into the program, the insular areas implemented aggressive global travel restrictions in response to the COVID-19 pandemic. The ELDP has therefore pivoted to virtual delivery of instructional content through the first and second quarters of the program.

The first quarter of the ELDP includes a variety of sessions designed to help participants better understand themselves, and begin building an individual development plan (ILD) to initiate long-term leadership activities. Through the theme of “Leading Self” during the first quarter, participants focus on:

- ◆ **Self-Awareness.** Participants began recognizing their behavioral preferences, professional strengths and areas for growth.
- ◆ **Leadership Effectiveness Inventory.** Participants completed a 360° survey receiving staff and supervisory feedback identifying their core leadership competencies and challenges.
- ◆ **Social Styles.** Participants learned about their own social style, and how to identify and relate to the social styles of others.
- ◆ **Group Projects.** Participants formed project groups, initiated work on their year-long team projects, and delivered preliminary team project presentations to professional panelists (Dr. Mary Okada, Ed.D – Guam; Ms. Anna Mendiola – Pohnpei; Hon. Carlson Apis – Pohnpei).
- ◆ **Mentoring.** Participants identified professional mentors from their home islands, and developed strategies to get the most out of their mentor relationships.
- ◆ **Individual Leadership Development Plans.** Participants drafted ILDPs, outlining goals for their ELDP years. ILDPs were reviewed during one-on-one meetings with program advisors Pete Coursey (ELDP Program Coordinator) and Anna Mendiola (president of the FSM Development Bank.)

ELDP PROGRAM SCHEDULE FOR QUARTERS 1 AND 2

ELDP participants met virtually 19 times in the first quarter, and 27 times in the second quarter, for a total of 46 sessions focused on training, team projects, and keynote speakers.

ELDP Quarter 1 Virtual Sessions	
ELDP Pacific - Q1-01 - Welcome and Program Background	October 12, 2020
ELDP Pacific - Q1-02 - Introduction to Emotional Intelligence	October 15, 2020
ELDP Pacific - Q1-03 - Introduction to the ILDP	October 19, 2020
ELDP Pacific - Q1-Speaker 1: H.E. Thomas Remengesau, Jr.	October 21, 2020
ELDP Pacific - Q1-04 - Introduction to Micro-Poly	October 22, 2020
ELDP Pacific - Q1-05 - Project Break-Outs	October 26, 2020
ELDP Pacific - Q1-06 - Social Styles	October 29, 2020
ELDP Pacific - Q1-07 - Social Styles II	November 2, 2020
ELDP Pacific - Q1-Speaker 2: Hon. Bethwel Henry	November 4, 2020
ELDP Pacific - Q1-08 - Social Styles III	November 5, 2020
ELDP Pacific - Q1-09 - Situational Leadership Part I	November 9, 2020
ELDP Pacific - Q1-10 - Situational Leadership Part II	November 12, 2020
ELDP Pacific - Q1-11 - Situational Leadership Part III	November 16, 2020
ELDP Pacific - Q1-Speaker 3: Hon. Gov. Lou Leon Guerrero	November 18, 2020
ELDP Pacific - Q1-12 - Integration Day	November 19, 2020
ELDP Pacific - Q1-13 - Effective Presentations	November 30, 2020
ELDP Pacific - Q1-Speaker 4: Chief Justice Ramona Manglona	December 2, 2020
ELDP Pacific - Q1-14 - Team Presentations Day I	December 7, 2020
ELDP Pacific - Q1-15 - Team Presentations Day II	December 10, 2020
ELDP Quarter 2 Virtual Sessions	
ELDP Pacific - Q2-Pre-Session - Welcome and Overview	January 7, 2021
ELDP Pacific - Q2-01 - The Seed of Choice Part 1	January 11, 2021
ELDP Pacific - Q2-02 - The Seed of Choice Part 2	January 14, 2021
ELDP Pacific - Q2-03 - The Seed of Choice Part 3	January 18, 2021
ELDP Pacific - Q2-04 - The Seed of Choice Part 4	January 21, 2021
ELDP Pacific - Q2-05 - The Seed of Discipline Part 2	January 25, 2021
ELDP Pacific - Q2-06 - The Seed of Discipline Part 3	January 28, 2021
ELDP Pacific - Q2-07 - The Seed of Discipline Part 4	February 1, 2021
ELDP Pacific - Q1-Speaker 5: Amb. Gerald Zackios	February 3, 2021
ELDP Pacific - Q2-08 - The Seed of Discipline Part 5	February 4, 2021
ELDP Pacific - Q2-09 - The Seed of Passion Part 1	February 8, 2021
ELDP Pacific - Q2-10 - The Seed of Passion Part 2	February 11, 2021
ELDP Pacific - Q2-11 - The Seed of Passion Part 3	February 22, 2021
ELDP Pacific - Q2-12 - The Seed of Reason Part 1	February 25, 2021
ELDP Pacific - Q2-13 - The Seed of Reason Part 2	March 1, 2021
ELDP Pacific - Q2-Speaker 6: Gov. Lemanu Peleti Mauga	March 3, 2021
ELDP Pacific - Q2-14 - The Seed of Reason Part 3	March 4, 2021
ELDP Pacific - Q2-15 - The Seed of Reason Part 4/ Empathy Part 1	March 15, 2021
ELDP Pacific - Q2-Speaker 7	March 17, 2021
ELDP Pacific - Q2-16 - The Seed of Empathy Part 2	March 18, 2021
ELDP Pacific - Q2-17 - The Seed of Empathy Part 3	March 22, 2021
ELDP Pacific - Q2-18 - The Seed of Empathy Part 4	March 25, 2021
ELDP Pacific - Q2-19 - The Seed of Empathy Part 5	March 29, 2021
ELDP Pacific - Q2-20 - The Seed of Empathy Part 6	April 1, 2021
ELDP Pacific - Q2-21 - Team Presentations Day I	April 12, 2021
ELDP Pacific - Q2-22 - Team Presentations Day II	April 15, 2021
ELDP Pacific - Q2-23 - Closing/Open Q&A	April 19, 2021



U.S. Virgin Islands ELDP Class of 2021 participants met with Graduate School USA leadership and OIA Policy Director, Mr. Basil Ottley (September, 2021)

Second quarter ELDP activities focused on “Leading Others.” The theme of the quarter was sowing and growing the “Five Seeds of Leadership,” which highlighted an island-style approach to fundamental leadership skills. In addition to classroom training, participants engaged in discussion forums, advanced their mentor relationships, conducted leadership interviews, and delivered updated team project presentations to insular government panelists.

Participants are scheduled to continue virtual training through the third quarter, beginning in July, and hope to convene in-person for a fourth and final session in Honolulu, Hawaii.

ELDP US VIRGIN ISLANDS - 2020-2021

Seven participants from the U.S. Virgin Islands ELDP Class of 2021 were competitively selected based on their current positions, career growth, and expressed commitment to public service early in the 2020 PITI-VITI program year. They join over a hundred colleagues from the U.S. federal community as they focus on leadership and professional development over the next year.

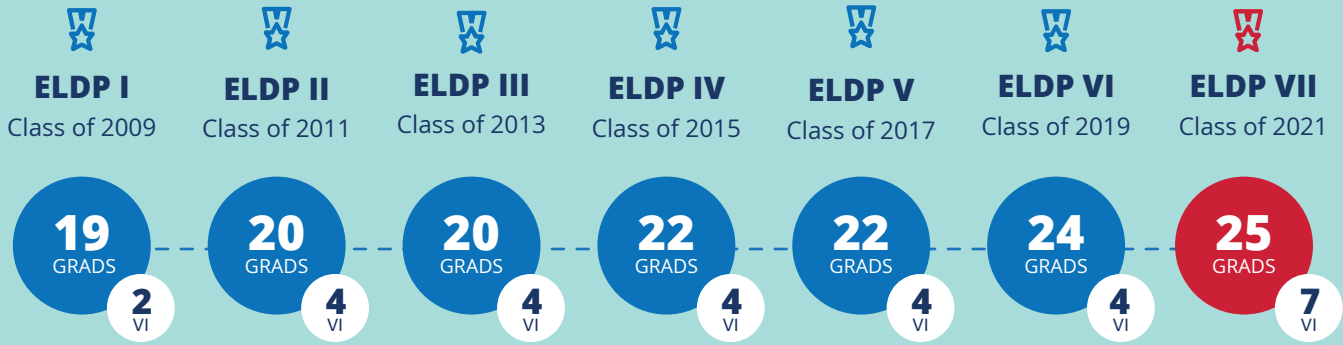
Like the Pacific ELDP, the USVI Executive Leadership Development Program has also shifted to virtual delivery. Following their program selection, Virgin Islands participants met were welcomed in early

September, 2020, by Graduate School USA program leaders and Mr. Basil Ottley, the Director of Policy for the U.S. Department of the Interior’s Office of Insular Affairs. USVI participants have completed three of their four scheduled virtual weeks of leadership training, having met for Session I - September 13-18, 2020; Session II - December 6-11, 2020; and Session III - February 28-March 5, 2021. The fourth and final session is scheduled for June 6-11, 2021.

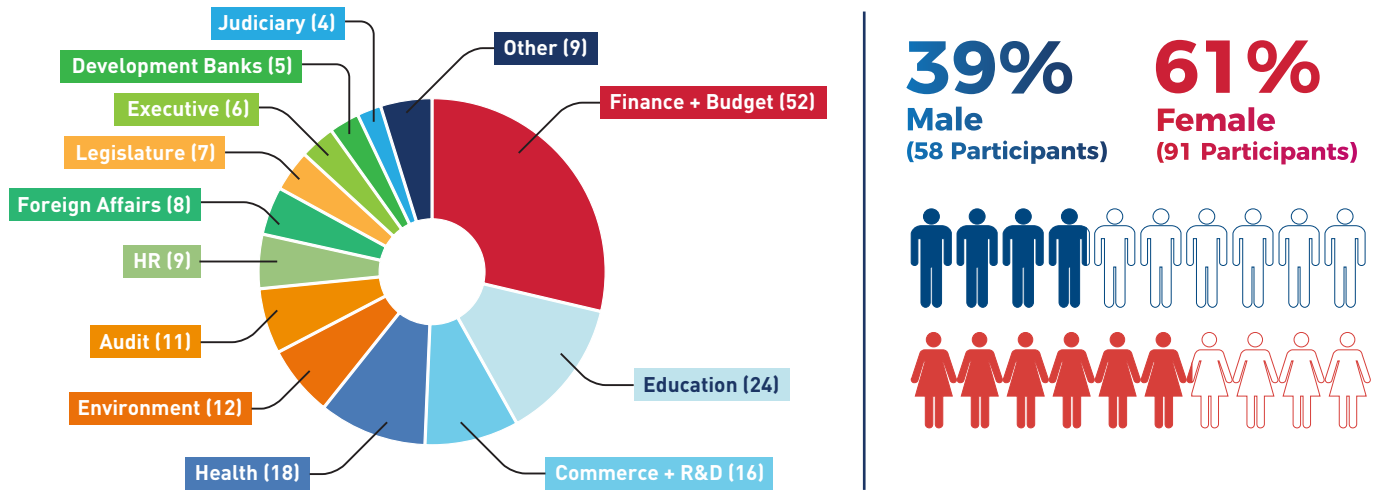
Prior to completion of the ELDP, U.S. Virgin Islands participants will have identified developmental strengths and needs in relation to the Executive Core Qualifications; created personalized leadership development plans; engaged in real-time practical learning applications; and prepared for leadership and management positions at early stages of their careers. Additional experiential learning components will have included developmental assignments, executive interviews, shadow assignments, leadership readings, community service projects, and learning team projects, among others.

To date, Interior has supported the participation of twenty-nine U.S. Virgin Islands leaders who have completed the program.

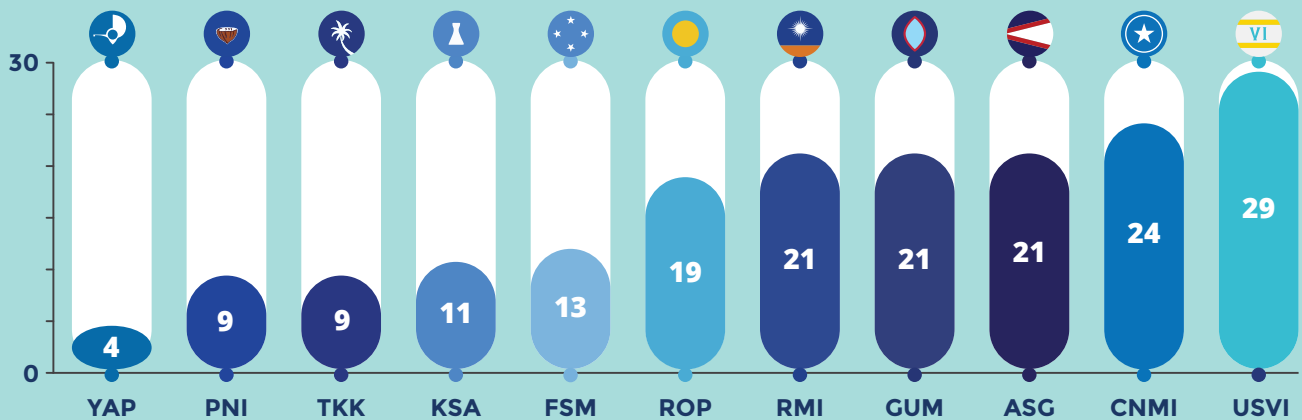
181 ELDP PARTICIPANTS BY PROGRAM YEAR



181 ELDP PARTICIPANTS BY SECTOR & GENDER



181 ELDP PARTICIPANTS BY INSULAR AREA



Leadership in Action

The Executive Leadership Development Program (ELDP) launched a Leadership in Action Speaker Series in October 2020. In response to COVID-19, the series was held virtually for current ELDP participants and alumni. Following each presentation, participants and alumni engaged in facilitated discussion with the speaker, led by Rev. Francis X. Hezel, SJ. Participants applied ELDP leadership principles as they relate to current political, cultural, historical, and economic issues that affect island communities. *(Featured from left: ELDP participants with Palau President Tommy Remengesau, Jr.; Former Speaker of the Congress of Micronesia, Hon. Bethwel Henry; and American Samoa Governor Lemanu Mauga.)*



H.E. Thomas Remengesau, Jr., President of Palau

President Remengesau served as the inaugural keynote speaker. He discussed tenets of leadership that have shaped his public service career, Palau's role as a leading global voice for conservation, and an unwavering commitment to core values in Palau's long-term diplomatic approach.



"If I can impart one piece of advice, it's that Leadership begins and ends with values. Your values will be the foundation of every single decision you make — who you are as a person, what you allow to influence you, and what processes you follow as a leader, all come from the values that you hold deep inside."



Hon. Bethwel Henry, Former Speaker, Congress of Micronesia

Rev. Henry served as the first Speaker of the FSM Congress, delivered remarks highlighting the era when the former Trust Territories of the Pacific began self-government through the Congress of Micronesia (late 60s and early 70s).



The saying that no man is an island is very real. We live with other people and if each of us becomes a leader of a group, then as much as we can, we should get to know each member and ask them to help the group to succeed. Encouragement, participation, teamwork and unity are the keys to success.



Hon. Lourdes Leon Guerrero, Governor of Guam

Guam Governor Guerrero shared private and public sector career experiences. The basis of her leadership, formed from experiences as a nurse and head of the Bank of Guam, is an unwavering commitment to address controversial social issues and to ensure equity for all.



"I have learned as a leader the greatest thing I can do is to lay the foundation for those who come after me. Progress, advances, development, growth, change for the better cannot happen without challenging the norm, without taking a risk, without productive debate, without the courage to speak out. No one can do this best but you."



Hon. Ramona Manglona, Chief Judge of U.S. District Court, CNMI

Chief Judge Manglona shared life lessons learned over the course of her career as Attorney General and as the first appointed federal judge of the U.S. District Court for the Commonwealth of the Northern Marianas Islands. Chief Judge Manglona is the first woman nominated to the Federal District Court for the CNMI.



"One principle I really live by is what I learned during my law school orientation. One of the best professors said that a lot of people are going to work hard to get through law school, but you need to get your values and your bearings straight. If you just have your faith, your family, and all else, if you follow that line you will make it through."



H.E. Gerald Zackios, RMI Ambassador to the United States

Speaking immediately after the Pacific Island Forum (PIF) leadership selection meeting, Ambassador Zackios shared leadership advice on the importance of courage and resilience. Ambassador Zackios highlighted the importance of representation and not allowing disappointment to impede future opportunities.



“The election of a Micronesian in the Forum Secretariat General role is an important representation of five Micronesian countries. I firmly believe that we had the rightful place to take a turn to lead the work of the forum because we have definite contributions to make to the organization. I am disappointed; however, I cannot let disappointment prevent me from doing what is right for our region.”



Hon. Lemanu P.S. Mauga, Governor of American Samoa

Recently elected to serve the people of American Samoa, Governor Mauga reflected on his career in military and public service, and discussed the challenges of integrating traditional cultural practices with American Samoa’s development plans and territorial status.



“We are facing that inevitable need to progress in today’s world of rapid global change. Before we move forward in discussing how we can address challenges, take our initiatives, being courageous and other leadership principles, we need to revisit our cultural heritage to ensure a clear vision of our direction.”



Reverend Francis X. Hezel, SJ.

The ELDP Leadership in Action series is facilitated by Father Fran Hezel, SJ, a leading expert on Micronesia and former Director of the FSM-based Micronesian Seminar. Father Hezel is a Jesuit priest who has lived and worked in Micronesia since 1963. At different times he has served as high school teacher, school administrator, pastor, and regional superior to the Jesuits of Micronesia. He spent thirty years directing the Micronesian Seminar, a non-profit, non-governmental organization based in Pohnpei, Micronesia. He has written and spoken widely about social change and its impact on island societies, and has written several books on Micronesian history.

The Leadership in Action Speaker Series is scheduled to continue through 2021.



Economic Monitoring and Analysis Program (EconMAP)

econmap.pitiviti.org



Strategic Goal 1: To Improve Leadership and Management Capacity to Effectively Perform.



Strategic Goal 3: Increase Effectiveness and Program Results.

EconMAP provides professional expertise to augment statistical reporting and economic analysis. The Department of the Interior's Office of Insular Affairs designed the Economic Monitoring and Analysis Program (EconMAP) to address the need for continued professional expertise to augment existing statistical development and economic analysis in the three Freely Associated States (FAS): the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM) and the Republic of Palau. As the COVID-19 pandemic emerged early in 2020, the EconMAP program quickly adapted to a new environment. Standard annual economic reporting

was replaced with timely, topical analysis of the economic impact of COVID-19. While compilation of the normal statistical series was restricted by delayed audits and the inability to travel to the FAS, EconMap has managed to maintain the large majority of the series through on-line communication and virtual meetings.

Provision of comprehensive statistical series.

EconMAP has assisted the FSM, RMI, and Palau with the provision of GDP time series, employment, outmigration, government finance and external statistics on an annual and recurrent basis. While the

pandemic placed constraints on preparation of the annual audits these were completed by the end of 2020. This enabled compilation of the normal FY2019 time series of economic statistics for Palau and the RMI, and reduced content for the FSM.

EconMAP Technical Support. Through 2020, the EconMAP long-term regional economist conducted full-time work based in Palau, with remote support from the project statistician. While direct support was possible in Palau, travel restrictions required remote support to the FSM and RMI.

Highlights of outputs and activities in 2020 include:

- ◆ Preparation of *Statistical Appendices* for FY2019 for the RMI and Palau. A partial series has been prepared for the FSM but remains incomplete due to lack of data and COVID-19 travel restrictions;
- ◆ Preparation of preliminary statistical series for FY2020 for Palau and the RMI to enable timely estimates of the impact of COVID-19 on the two economies;
- ◆ Publication of *Economic Impact Assessments of COVID-19* on the FSM, RMI and Palau;
- ◆ Support to the International Monetary Fund (IMF) Article IV Mission in the RMI (March 2021);
- ◆ Presentation to the RMI President and cabinet on the economic impact of COVID-19 and policy options;
- ◆ Presentations to the US Embassies in the FSM and RMI on the economic impact of COVID-19 and policy options;
- ◆ COVID-19 impact analysis that was utilized, in part, to justify emergency financial support from the Asian Development Bank to each FAS, and in the case in Palau, the provision of two program loans to mitigate the economic impact of COVID-19; and
- ◆ Policy reforms in the Republic of Palau: development of a fiscal responsibility framework; initial work on comprehensive reform of the tax regime; and reform of the Social Security system.

ECONOMIC STATISTICS

The core output of the EconMAP statistics program has been the compilation of annual time series of the major economic variables for each FAS. These data have underpinned the Annual Economic Reviews, and more recently the COVID-19 impact studies. The series are adopted as official government statistics to support FAS decision makers as well as regional agencies such as the IMF, ADB, World Bank, UN

organizations, and others. The coverage and depth of these statistics have progressively improved and now meet most international standards for country surveillance.

COVID-19 has required on-line video conferencing to maintain the statistical series. EconMAP responds to each country's commitment to internal capacity development and demand for statistics (e.g. preliminary estimates) and supports the ongoing work of local statistics staff to the greatest extent possible. During COVID-19 this has been maintained through regular phone and on-line video conferencing. In some instances, however, capacity supplementation is used to ensure that the core datasets are available timely.

STATISTICAL WORK DURING 2020

All Three FAS

Remote support. The inability to travel meant that all three FAS statistics offices were supported remotely. While most data series were maintained, the work required substantially more time input than would normally be the case.

Migration data. Working with our partners at the Department of the Interior's Office of Insular Affairs, and following efforts by GAO, EconMAP has identified a potentially new data set from the U.S. Department of Homeland Security to improve migration data.

Palau

Palau has a small but effective economic statistics team and very good administrative source data. The tourism-based economy generates greater information needs than FSM and RMI. Deliverables during the 2020-2021 program year include:

- ◆ Preliminary economic statistics for FY2020;
- ◆ Annual economic statistics series for FY2019;
- ◆ Customized data development to monitor COVID-19 impacts on Palau's economy and mitigation programs, and to inform economic reforms including tax reform;
- ◆ Development of income tax data for statistical use;
- ◆ Support to Palau statistics to update to FY19 as a base year for quarterly economic statistics (business activity, employment); and
- ◆ Tourism Statistics.

RMI

Capacity supplementation is essential in the Marshall Islands due to longstanding human resource constraints, and source data shortcomings. Deliverables during the 2020-2021 program year include:

- ◆ Preliminary economic statistics for FY2020;
- ◆ Annual economic statistics series for FY2019;
- ◆ Improved coverage of RMI BGRT data;
- ◆ Further improvements to RMI GDP processes using NADABAS: streamlining and integration of processes, improving methodology, and data sources; and
- ◆ Customized data development to monitor COVID-19 impacts on the RMI Palau's economy.

FSM

FSM has some statistical capacity, but requires capacity supplementation. Staff development has been held back by challenges due to local institutional factors, geography, and weaker demand for statistics.

- ◆ Non-availability of tax data has inhibited compilation of the GDP-by-industry series since FY2016. EconMap has liaised with FSM Statistics and others but has yet to resolve the underlying data sharing issues.
- ◆ Institutional factors, including inter-departmental data sharing and statistical staff focus on the population census, have constrained the effectiveness of remote support for FSM economic statistics. Completion of key items including employment, CPI, and trade await follow-up by the FSM statistical staff, and a timely FY20 GDP estimate may not be possible. The FSM statistical base will remain limited until data sharing issues have been resolved and until travel to FSM can resume.

PITI-VITI's EconMAP team present to Palau leadership, including President Remengesau and members of the Legislature, January 2020.





FSM: ECONOMIC DEVELOPMENTS AND ISSUES

Recent economic performance before the impact of COVID-19 had improved. Performance of the FSM economy improved between FY2014 and FY2018 and grew by an average of 2.1 percent compared with the long-run average since FY1995 of 0.3 percent. However, growth has been erratic resulting in long periods of decline and subsequent periods of growth. After a long period of adjustment at the start of the amended Compact, economic growth improved with large infrastructure spending, but then declined for several years. Only since FY2014 has performance picked up on a sustained basis. In the short-term the FSM economy experiences considerable volatility due to significant variation in domestic purse seine fishing operations.

Estimates of GDP and assessment of economic performance for FY2019 and FY2020 are not available. Lack of data sharing within the FSM and COVID-19 travel restrictions have inhibited the availability of information to assess current economic performance or impact of COVID-19. Initial economic impact analysis undertaken by EconMAP indicated that GDP was likely to have fallen by 3.5 percent in FY2020, similar to that experienced in the RMI. However, the subsequent receipt of large aid flows to mitigate health and economic impact of COVID-19, including the US CARES Act and unemployment benefits, are likely to have limited the impact to less than the original EconMAP estimate.

Implementation of Vessel Day Scheme leads to rapid growth in sovereign rents. After a period in the early 1990s when the FSM invested heavily in the fishing industry, nearly all commercial ventures have either failed or are now under private management. Fishing in the region now effectively comes under the Parties to the Nauru Agreement (PNA), which has led to a remarkable and sustained increase in member country revenues from the sale of vessel days—a fivefold increase for the FSM since the start of the amended Compact. The FSM received \$73 million of revenues—equivalent to 20 percent of projected GDP in FY2019.

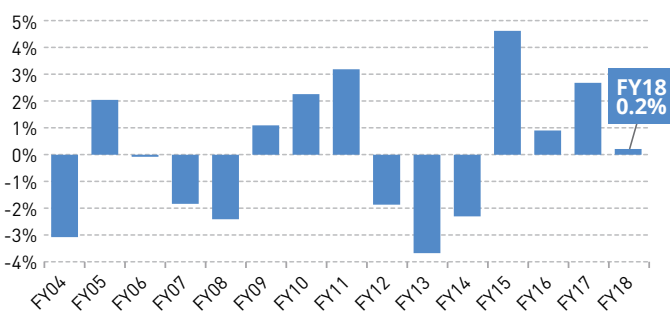
Creation of the FSM domicile for Japanese Corporations has led to large inflows of resources.

In 2005 the FSM passed corporate tax legislation that enabled the creation of an overseas domicile. The law provides for a corporate tax rate that provides an attractive domicile for Japanese captive insurance companies and other corporations. The benefit of these arrangements has been a steadily growing stream of revenues to the National government averaging \$6 million in normal years. In FY2017 there was an unusually large receipt of \$85 million, reflecting a large declaration of capital gains. Again, in FY2019 there was a further large receipt of \$62 million. Although large payments are to be expected periodically, recent years have been exceptional. The steady component of this revenue base is, however, likely to grow gradually from its current level of \$6 million annually.

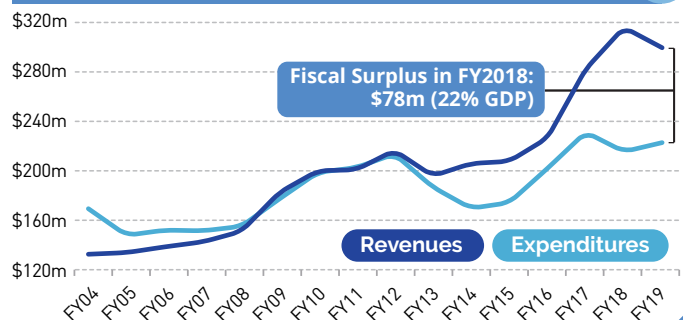
FSM runs large fiscal surpluses. The overall fiscal balance recorded a surplus of \$77 million in FY2019, or 22 percent of projected GDP. This is a reduction of \$22 million from a \$99 million surplus attained in FY2018, but still represents a significant level of savings. These results continue recent trends as FSM surpluses have averaged 16 percent of GDP since FY2014. While revenues were down in FY2019 due to the reduced level of receipts from the FSM domicile, expenditures held steady with a 6 percent increase in payroll, matched by a 4 percent reduction in the use of goods and services—an item that had shown exponential growth since FY2013.

Large discrepancies between State and National fiscal position. However, the fiscal outturn differed significantly between the FSM national and state governments. While the national government ran a surplus of \$71 million in FY2020, the states recorded a much smaller surplus of \$6 million. The FSM state governments, where service delivery occurs, have been constrained by the declining real value of Compact grants, while the national government has benefited from a boom in revenues from fishing fees and the offshore domicile for Japanese corporations.

FSM GDP Growth



FSM Revenue and Expenditures



PALAU: ECONOMIC DEVELOPMENTS AND ISSUES

The Palau Economy contracted by 8.7 percent in FY20. FY20 was set to be a good year for Palau’s tourist economy with 120,000 visitors anticipated. The advent of the COVID-19 global pandemic led to zero visitors by the end of March, even as 42,000 visitors were recorded for the first five months of the fiscal period that began on October 1, 2019. While the overall contraction in GDP was quite large at 8.7 percent, the full impact would not have been felt until FY21, when GDP was projected to decline a further 9.9 percent. Despite the impact of the collapse of the tourism economy, construction activity remained strong in FY20, reducing the economic decline by 1.7 percent.

The economic impact of COVID-19 on the economy was uneven. The public sector—including the national, state and government agencies—was remarkably stable in FY20 showing little variation. The volatility of the economy, however, was reflected in the private sector, which contracted precipitously by 20 percent at the onset of the COVID-19 global pandemic. While the contraction in private sector GDP was twice the rate of the contraction of the overall economy, it was almost entirely confined to the tourism economy, as the various mitigation programs supported demand for non-tourism activities. While the impact on employment was also restricted to the private sector, the reduction in FY20 was more modest at 3.5 percent as employers held onto workers even if on a part-time basis.

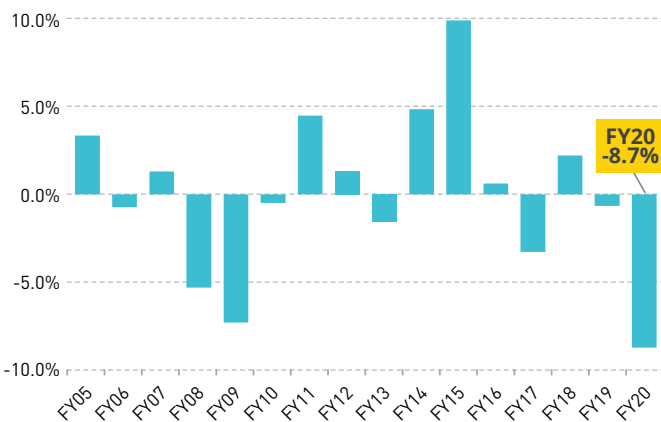
Palau enacts COVID-19 mitigation programs to assist unemployed workers and benefits from the US CARES program. In response to the pandemic Palau enacted a series of mitigation programs under the CROSS Act, and benefited from unemployment provisions for Palauans available

under the U.S. CARES program. The local CROSS Act included unemployment benefits for foreign workers, a temporary jobs program, assistance to adversely affected private sector businesses and lifeline support for adversely affected households. The impact of the two mitigation programs was strong and household incomes rose in comparison to the prior year. The impact of the programs provided a strong stimulus to the economy helping maintain domestic demand.

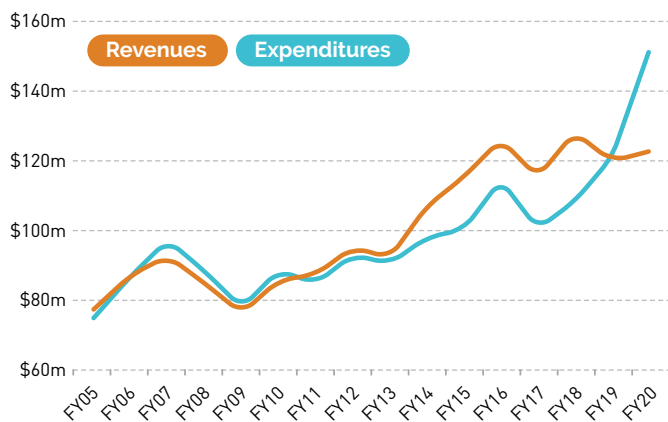
The fiscal outturn recorded a deficit equivalent to 12 percent of GDP. The tourism economy grew significantly before the impact of the pandemic, establishing a sizeable fiscal buffer. This reserve fortuitously provided a source of funds to mitigate some of the impact of the pandemic in FY20. Surprisingly, revenues held firm in FY20 and only one category of taxation, the Gross Receipts Tax levied on private sector businesses, exhibited decline. This reflects the significant impact of a supportive fiscal policy and the various mitigation programs enacted to address the pandemic. The Palau government adopted a policy to maintain normal operations without reduction to services. With rising mitigation costs and reduced revenues, FY20 recorded a large deficit of 12 percent GDP.

External debt expected to rise to high levels. The large increase in fiscal deficits and the continuing need for financing in FY21 (and beyond) required Palau to take on a series of loans from the Asian Development Bank. While an initial two loans totaling \$35 million were rapidly disbursed with few conditions, a third policy-based loan required Palau to enact a series of reforms to ultimately restore and then maintain fiscal sustainability. From a low level of debt-to-GDP in FY19 of 32 percent, external debt is expected to rise rapidly and reach 80 percent by FY21, after which it should decline as the tourism-driven economy recovers.

Palau GDP Growth



Palau Revenues and Expenditures





RMI: ECONOMIC DEVELOPMENTS AND ISSUES

The RMI economy performed well during FY14-FY19 averaging 3.2 percent annually, well above the long-run average. Before the onset of the COVID-19 pandemic the RMI economy had performed well over the previous five years, averaging 3.2 percent growth per annum, significantly outpacing the long-run economic average of 1.2 percent achieved since FY97. The main driving force of the recent expansion has been growth in fisheries, construction, and transportation reflecting entrepot services provided in the Majuro lagoon, mostly to purse seine fishing vessels. Public administration also grew strongly reflecting the boom in fishing fee revenues.

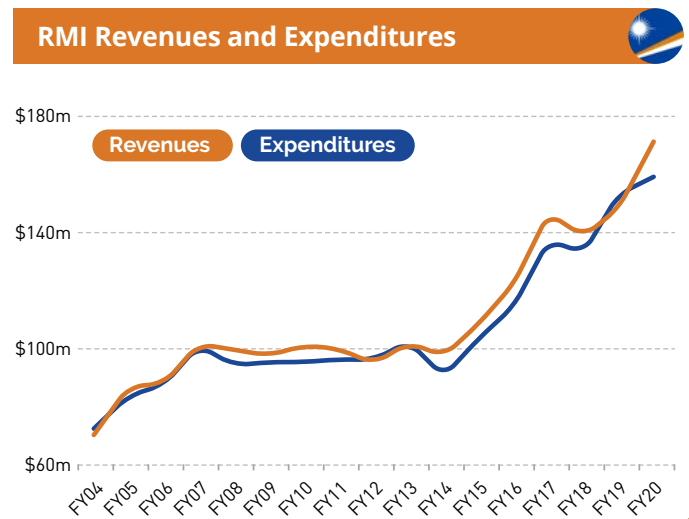
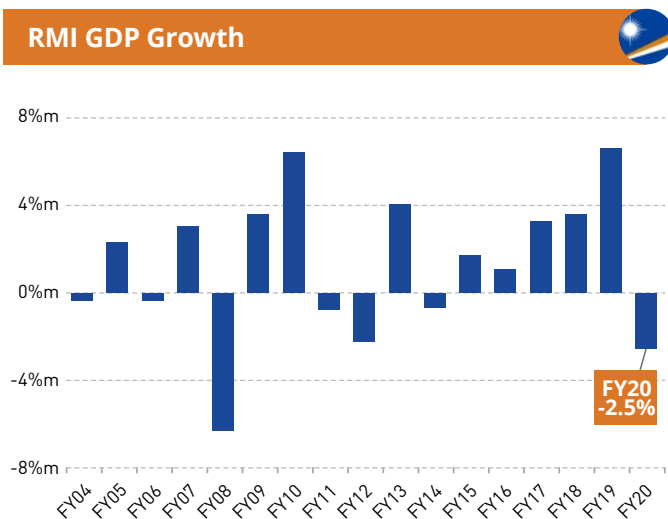
RMI economy contracts by 2.7 percent in FY2020. In FY20 with the onset of the pandemic the RMI economy contracted by 2.7 percent. However, the RMI economy has been relatively insulated from the widespread reduction in the world economy. Fishing, related activities and revenues from fishing royalties largely held their ground. The impact of travel restrictions adversely impacted transshipment and services provided to purse seiners as the sector contracted by 13 percent. Similarly, the accommodation and restaurant sector fell by 24 percent as travel dried up in March of 2020. Reflecting the large contribution of the Compact and the size of the public sector in the economy, other services displayed modest falls.

RMI runs large fiscal surplus in FY2020 of 5 percent of GDP. The RMI achieved a strong fiscal outturn in FY2020 of \$12.2 million or 5 percent of GDP. This reflects a variety of forces. Tax revenues fell by 2.3 percent in line with the contraction in the economy. Reflecting donor support for the pandemic,

non-Compact grant assistance rose rapidly by \$20 million. On the expenditure side outlays on goods and services fell by \$10 million as government travel was necessarily suspended and other non-essential expenses were reduced. However, capital expenditures rose strongly by \$15 million. The combined outcome was favorable; however, the expanded capital spending has revealed worrisome capacity bottlenecks as evidenced by receipts for projects that were not expended by year end.

Implementation of Vessel Day Scheme leads to rapid growth in sovereign rents. The fisheries industry in the RMI comprises provision of shore facilities to skip jack tuna purse-seine operators, a home base for long line sashimi grade operations, and a fish loining plant. Total fish licensing and associated fees collected by the Marshall Island Marine Resources Authority (MIMRA) has grown from an average of \$2.4 million for the first five years under the amended Compact (FY04-FY08) to an average of \$25.9 million in the three years from FY17-FY19. The growth in revenues is due to the implementation of the Parties to the Nauru Agreement (PNA). The PNA enabled the introduction of the Vessel Day Scheme (VDS) which has led to a remarkable increase in member country revenues.

Automatic expansion of expenditures to match revenue growth begs for a disciplined fiscal framework to guide fiscal policy. The five years prior to the onset of the pandemic saw the rapid rise in revenues (52 percent) due to booming fishing fees, growth in the ship registry and registration of offshore entities. Unfortunately, expenditures have risen, at an identical rate, to absorb the available capacity and with little forward-looking concern for the fiscal risks and challenges facing the nation. This trend underscores the need for a framework to guide fiscal policy, both in the medium and longer-term.



Training & Technical Support

learn.pitiviti.org



Strategic Goal 1: Improve Leadership and Management Capacity to Perform Effectively.



Strategic Goal 2: Improve Financial Management Systems and Practices.



Strategic Goal 3: Increase Effectiveness and Program Results.



Strategic Goal 5: Improve the Capacity and Capabilities of the Public Sector Work Force in Critical Positions and Functions.

A particular strength of the PITI-VITI program is a demonstrated ability to 'harmonize' the strategic goals and priorities of the federal and insular governments to design and effectively implement training and technical assistance interventions that deliver improved results. PITI-VITI offered classroom training courses in a wide variety of subject areas, drawing from the rich curriculum and instructor resources offered by the Graduate School USA.

Recent training topics have highlighted COVID impact, ethics, governmental accounting, grants management, auditing, leadership and management, performance-based management, fraud, and internal controls, among others. In addition to traditional, classroom-style training, PITI-VITI also delivered targeted consultative activities in support of government and site-specific initiatives.

In the 2020-2021 program period, PITI-VITI conducted 94 total classroom and consultative

activities: 32 formal, classroom-style courses, and 62 informal training, presentation, and consultative engagements. These totals include:

- ◆ 46 sessions of the Executive Leadership Development Program, primarily for current participants but also for program alumni;
- ◆ 16 consultative engagements, including presentations and informal workshops;
- ◆ 17 classroom-style training courses, mostly delivered virtually; and
- ◆ 15 courses delivered during the virtual 2020 APIPA Conference.

In total, 557 classroom and consultative hours were delivered to 7,711 participants. 26,942 Continuing Professional Educational (CPE) units were awarded through classroom training.



557

Total Classroom and Consultative Hours



7,711

Total Course Participants



26,942

Total Continuing Professional Education (CPE) Units Delivered

PITI-VITI Instructor Virginia Vanderlinde with CNMI Auditor Mike Pai following training for the CNMI Office of the Public Auditor in January 2020.



THE SHIFT TO VIRTUAL DELIVERY

The COVID-19 pandemic presented unique challenges to the delivery of training and consultative initiatives in the Pacific and Virgin Islands during the 2020-2021 program cycle. The insular areas faced unprecedented challenges, requiring them to respond quickly to major disruptions in health care, economic activity, and livelihoods. The support that PITI-VITI provides to the finance, audit and economic institutions of the insular areas is more important than ever during times of crisis, even as travel and physical access to the insular areas was severely restricted.

PITI-VITI rapidly—and successfully—shifted to virtual program delivery. Virtual training was supported by a custom Learning Management System. Consultative activities were also delivered virtually, including fiscal reform efforts in the CNMI, COVID impact presentations in the Freely Associated States, and APIPA and IGFOA conferences.

The PITI-VITI program has experienced both successes and challenges pivoting to virtual content delivery. One resounding success is the expanded reach of the PITI-VITI program. Most virtual PITI-VITI courses have now been delivered regionally to participants across the insular areas. To offer just one example, on August 7, 2020 PITI-VITI delivered a four-hour course entitled “The Seven Deadly Audit Report Mistakes” to 480 participants who represented every insular area—with stellar evaluations and without the

cost of travel. Similar examples could be offered in areas of finance, COVID impact, and ethics.

There are, however, challenges. PITI-VITI course duration and content has been reduced to accommodate online learning. While participant polls and breakout rooms offer some interaction, technical courses requiring exercises and extended interaction have been less successful. While a typical APIPA conference would include a 20 hour introductory course to governmental accounting, the 2020 APIPA conference only offered four-hour courses. Participant attentiveness can also be challenging, especially when compounded by technological and connectivity challenges, limited Internet, outdated computers, an inability to be on-camera, and time differences.

The future prospects of a blended PITI-VITI program that combines virtual and in-person learning is promising. As travel and in-person training is restored, PITI-VITI program cycles will strategically incorporate virtual training. Shorter topics that garner regional interest will be delivered virtually, while technical topics can be delivered in-person and customized for government needs. Augmenting in-person activities with virtual follow-up creates new possibilities to administer the PITI-VITI program as effectively and efficiently as possible.

PITI-VITI LEARNING MANAGEMENT SYSTEM

In response to the challenges of COVID-19, PITI-VITI pivoted to deliver virtual training and facilitation. This transition presented numerous, distinct challenges within the insular areas: facilitating participant registration, tracking course participation, supporting participant access, sharing course materials, evaluating course delivery, and distributing certificates—all across the dateline and thirteen time zones from Palau to the U.S. Virgin Islands.

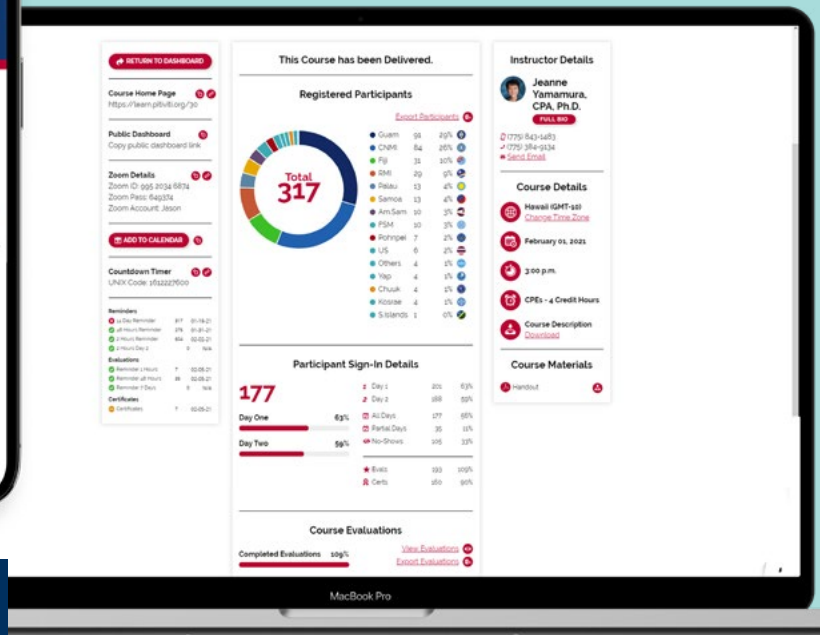
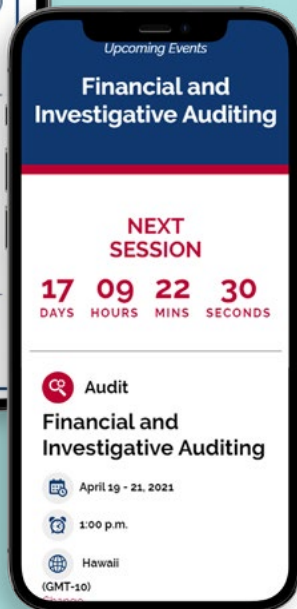
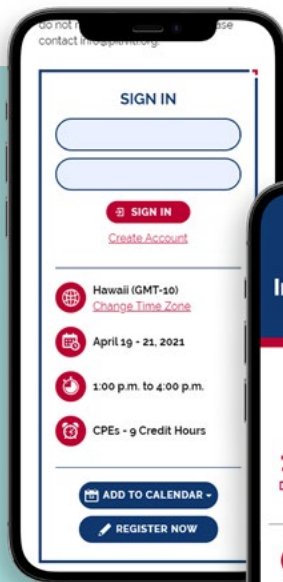
Responding to this challenge, the PITI-VITI team designed, developed and implemented a Learning Management System (LMS) tailored for insular government participants. The PITI-VITI LMS, online at <https://learn.pitiviti.org>, incorporates numerous features to ensure that insular government participants are able to easily attend training, while also ensuring certificate eligibility:

- ◆ Course delivery dates and times are customized by time zone preferences set by each user
- ◆ Countdown timers are prominently displayed throughout course pages to clarify start times

- ◆ Course sign-in pages create records of participant attendance and simplify access to virtual sessions
- ◆ Course evaluation pages assess course effectiveness and provide feedback to instructors and PITI-VITI program managers
- ◆ Automated email messages, with embedded countdown timers and prominent buttons, remind participants to join sessions, access course materials, evaluate courses, or download certificates
- ◆ Administrative pages provide participants with a history of completed courses and access to certificates.
- ◆ Course dashboards track attendance by jurisdiction, attrition rates, and evaluation results.

While the PITI-VITI team continues to enhance the LMS to respond to insular government needs, the system has already successfully delivered over 30 courses to 2,100 participants across the insular areas. Moreover, as travel to the region is restored and in-person training can be safely delivered, the LMS will also facilitate in-person learning, expanding the reach and impact of PITI-VITI training.

PITI-VITI's shift to virtual training has been supported by a robust Learning Management System developed for the insular areas.



REGIONAL AUDIT TRAINING

PITI-VITI provides annual audit training and technical support to ensure that insular audit offices fully comply with the competence and quality control requirements in Government Auditing Standards. These professional requirements set standards for both audit offices and for each individual auditor's competence. Two important auditing standards PITI-VITI supports for insular audit offices are:

- ◆ **Competence - Continuing Professional Education.** Each auditor must obtain at least 80 hours of continuing professional education every two years, and at least 24 of these hours must be training in the government environment.
- ◆ **Quality Control.** Each audit office must undergo an external quality control review ("peer review") every three years.

Audit offices without trained staff or without an external quality control review may not be conducting their audit work in accordance with Government Auditing Standards. PITI-VITI has worked with the insular government audit offices since 1991 to both provide this necessary training and to assist in the development and conduct of a peer review program through the Association of Pacific Islands Public Auditors (APIPA).

In 2020, PITI-VITI provided audit instruction and technical expertise to the APIPA Annual Conference, and also delivered ten customized audit training courses for Continuing Professional Education to public audit office staff in the insular areas. These courses included topics ranging from audit report writing and supervision to auditing standards. Training locations for the 2020 audit curriculum included the U.S. Virgin Islands and the Commonwealth of the Northern Mariana Islands as in-person classes in early 2020, and a series of

general and office-hosted virtual programs in the remainder of the year. PITI-VITI audit training in 2020 (including in-person and virtual) reached over 460 insular government auditing professionals.

Early 2020 on-site, in-person instruction included specialized training in audit report writing in January, requested by the Office of the Virgin Islands Inspector General. Using a blend of current in-process reports, general course materials, and specific follow-up, course participants covered writing with specific tools that facilitated completion of current projects.

In February 2020, the Office of the Public Auditor in the Commonwealth of the Northern Mariana Islands hosted its requested in-person PITI-VITI training on leading performance audits and applying internal controls standards.

In March 2020, PITI-VITI had to rapidly pivot from its nearly 30-year tradition of offering primarily in-person, on-site courses to an exclusively virtual format due to the global pandemic. Planned in-person training for the FSM in a requested Auditing Grants training program for March 2020, for example, was rescheduled and effectively converted into a virtual format with the same expert instructor.

PITI-VITI invited topic recommendations from audit offices for both the APIPA conference and for local training in audit offices. Principals and staff members contributed suggestions and requested topics for local, on-site and virtual training. Training content included a combination of instructor-developed content from each instructor's subject matter expertise and curriculum from the Graduate School USA's Government Audit Training Institute.

In addition to virtual training in Grants Auditing and Government Auditing Standards, PITI-VITI provided requested virtual training in Report Writing and Risk-Based Auditing. In total, PITI-VITI presented ten



VI

PITI-VITI Instructor Drummond Kahn completed training on writing audit reports for the Office of the Virgin Islands Inspector General in St. Thomas.

audit-related training sessions in 2020 (two in-person and eight virtual) with a total attendance of over 460 participants.

PITI-VITI's regional audit training also contributed to outcome-oriented results that improved auditing and transparency in the region. In 2020, insular government audit offices:

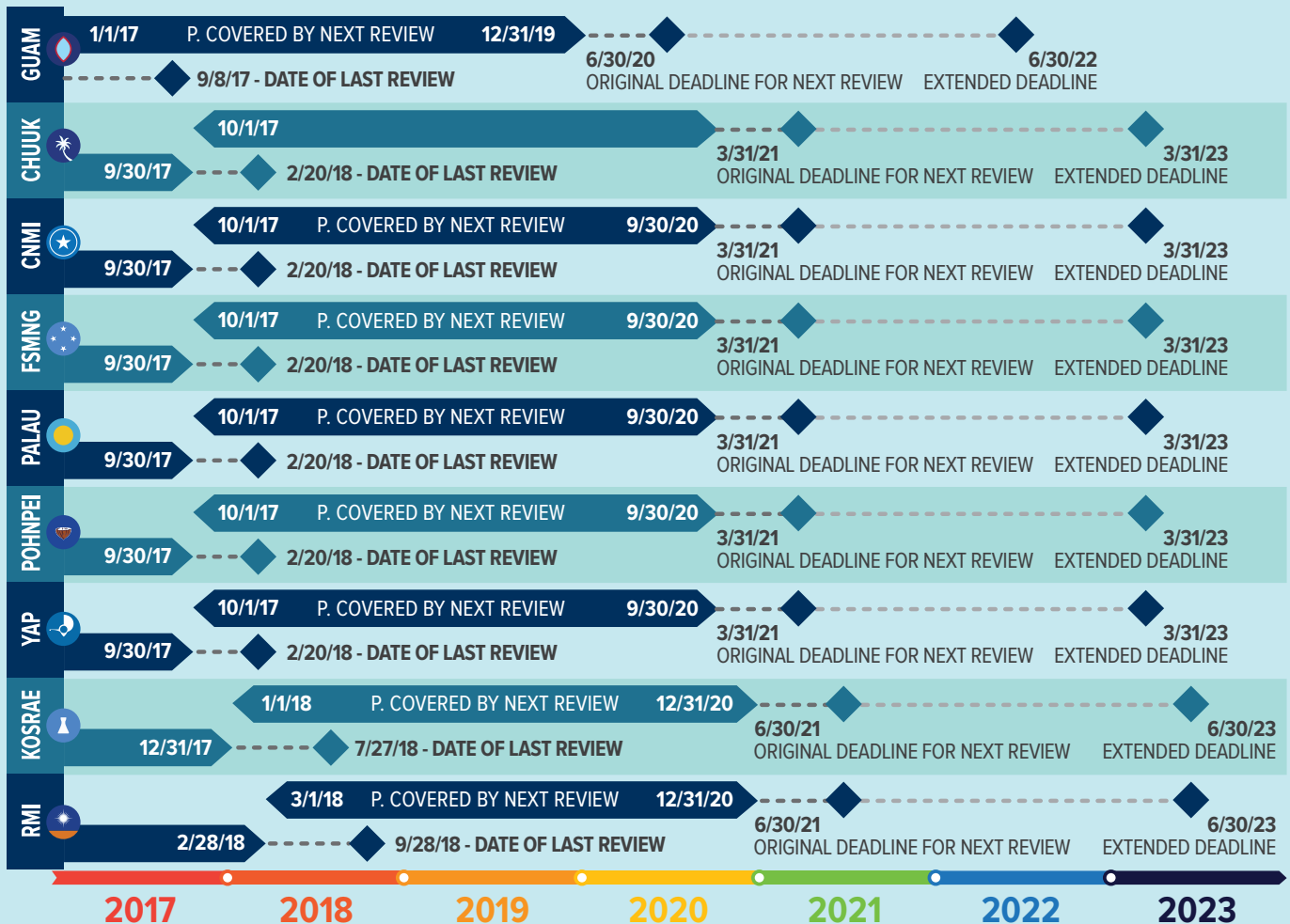
- ◆ Developed more expertise in performance, financial, investigative, and grant auditing;
- ◆ Improved audit report quality;
- ◆ Continued to improve media coverage and public discussion of audits in the region;
- ◆ Recruited and retained qualified staff, and received staff training from PITI-VITI based on their offices' needs, including training specific to performance auditing, grant auditing, financial auditing, and investigative auditing.

Now that PITI-VITI has pivoted to offering virtual training, our training systems will continue to allow for effective virtual course presentation when needed. Our strength and tradition rest with the importance and contact that in-person, on-site training can bring, and we will remain nimble in our use of these tools to offer training in the region best tailored to the specific needs of insular audit professionals. Whether this focus requires mixes of virtual and on-site training or periodic virtual refresher training, PITI-VITI will remain flexible and keep the new capacities we've developed based on these current demands.

With support from PITI-VITI, the APIPA Peer Review timeline has been extended to accommodate delays relating to COVID-19.



APIPA PEER REVIEW SCHEDULE 2021-2023



APIPA PEER REVIEW & INSTITUTIONAL SUPPORT

The insular audit offices PITI-VITI supports follow Government Auditing Standards requirements, and each insular government audit office is required to undergo an external quality control review (“peer review”) every three years. The next full cycle of visits and reports will be scheduled in 2021 and 2022.

PITI-VITI supports APIPA by providing training and technical support on auditing standards. In 2020, PITI-VITI provided the following support:

- ◆ PITI-VITI assisted and advised APIPA in three peer review extension requests to the U.S. Government Accountability Office. GAO now allows APIPA to authorize extensions to the peer review deadlines due to travel and access restrictions caused by the global pandemic.
- ◆ PITI-VITI provided virtual training in Government Auditing Standards to a broad base of over 100 island auditing professionals to help ensure competence in the standards.
- ◆ PITI-VITI experts reviewed template audit manual materials for potential use by audit offices.

REGIONAL FINANCE TRAINING

PITI-VITI provided ten customized financial and systems analysis training courses to 1,412 participants throughout the insular areas in 2020. Attendees came primarily from central finance offices, but also from other government departments, component units, and offices.

The 2020 finance and accounting courses covered a broad range of topics – from governmental financial accounting and reporting to governmental ethics to federal labor agreement negotiation. Wherever possible, courses were customized to a specific government including the government’s latest audited financial statements and single audit findings. The courses included: negotiation of federal labor agreements; recent updates to accounting and auditing standards; introductory level governmental accounting and reporting; financial and compliance governance; internal controls; financial management information systems (FMIS) implementation; and governmental ethics. Most courses were delivered virtually and were attended by participants throughout the insular areas including the U.S. Virgin islands.

Courses were re-designed and abbreviated to meet the demands of virtual training. Although

participation in courses was quite high, the depth of training content was limited. Nevertheless, considerable benefits were obtained through these courses, including:

- ◆ Increased exposure to a wider audience. In the past, participation has been limited to those who attend the small number of size-restricted in-person courses and those able to attend APIPA. The high level of participation indicated the demand for finance and accounting training exists throughout the insular areas.
- ◆ Addition of virtual classes to PITI-VITI’s training portfolio. The virtual format is well-suited for short classes, i.e., up to 2 hours, covering current topics of interest throughout the insular areas. It is not as well-suited for longer classes addressing complex topics.
- ◆ Appreciation from the insular governments for PITI-VITI’s timely and flexible response to the COVID-19 restrictions. In a relatively short period of time, PITI-VITI created the structural foundation needed to provide operational and logistic support for virtual class delivery. This foundation includes marketing, ongoing communications, evaluation, CE certificate delivery, and “live” classroom support.

REGIONAL GRANTS TRAINING

PITI-VITI’s regional grants training initiative was developed to address recurrent single audit findings the insular governments experience, especially relating to questioned costs and deficiencies in internal controls. In 2020, PITI-VITI provided in-person Grants Management and Uniform Guidance training to over 40 students in the U.S. Virgin Islands, and virtual training to nearly 500 regional participants throughout the insular governments, representing a broad range of programs (agriculture, health, education, etc.) as well as finance and procurement offices.

PITI-VITI has implemented an ongoing effort throughout the insular areas to improve the outcomes of grants through quality assurance programs and by training staff on compliance and accountability. Over the course of 2020, training continued to focus on how to successfully implement a federal grant by writing clear work plans and targeting achievable outcomes. Participants learned how to better communicate through correspondence with project officers and finance staff. Courses covered expectations for program oversight and accountability. Participants reviewed examples of Notice of Funding Opportunities (NOFOs) and Funding Opportunity Announcements (FOAs)

for specific grant requirements and program expectations to ensure that activities are allowable and expenses are justifiable.

In January 2020, grants training was customized for in-person delivery for the U.S. Virgin Islands, incorporating government-specific grant findings from the jurisdiction's single audit. This was the only grants management training that was done in person due to COVID. Following the pandemic, four new grants-related courses were developed for virtual delivery. These innovative training sessions utilized polls, exercises and discussion questions to keep remote participants engaged and interested in subject content. Since all of the jurisdictions were represented, there was effective dialogue across multiple disciplines, and new connections and knowledge were gained.

Of particular note was the development and delivery of a new three-day virtual course *Using Cultural Understanding to Reduce Grants Management Issues*, to over 60 participants in February 2021. The course reviewed recent audit findings relating to grants management and provided program managers tools to better understand what is needed to address issues and prevent repeating the same mistakes. This course also highlighted actions required by the uniform guidance and offered strategies and suggestions to improve outcomes through better communication and understanding. Participants discussed how best to communicate with project officers and finance personnel to provide necessary information to more successful in grants management.

This was a challenging year following repercussions from natural disasters and the COVID-19 pandemic. During 2020, there was significant new guidance that was provided for grants as well as supplemental funding that provided the insular areas with much-needed supplemental funds; however, those funds require additional tracking and oversight. Many of the insular governments' single audits were delayed due to limited availability of staff, challenges with remote work, and the availability of the auditors. In addition, there were many financial challenges within insular government economies. The trainings focused on ongoing dynamic changes and provided guidance on updates on requirements related to the grants. The tools provided through PITI-VITI grants training have raised awareness and skill levels, and led to an improvement in the outcomes of many of jurisdictions' grants. However, this is an iterative process and, as the FY19 audits indicate, there continues to be room for improvement.

THE CNMI FISCAL SUMMIT

PITI-VITI provided technical and logistical support to the Commonwealth of the Northern Mariana Islands (CNMI) Fiscal Summit, which gathered government, private sector, and community stakeholders from April 23-28, 2020 to address an unprecedented \$64.8 million budgetary shortfall and fiscal crisis in the CNMI. Nearly 200 stakeholders met either virtually or at restricted on-site venues in order to observe COVID-19 social distancing guidelines. An additional 2,000 private citizens observed the opening plenary

PITI-VITI team members meet with CNMI Governor Ralph Torres, Lt. Governor Arnold Palacios, Finance Secretary David Atalig, and CNMI Cabinet members to discuss fiscal reform in the CNMI.



sessions through the CNMI Office of the Governor's Facebook Live feed.

The \$64.8 million fiscal deficit confronting the CNMI was attributed to both structural and cyclical deficits. The structural deficit stems from steady growth in government expenditures, a dated tax revenue system, judicially-mandated pension obligations, and a pattern of earmarking revenue sources. The cyclical deficit results not only from the early impact of the COVID-19 pandemic on the Commonwealth, but also from ongoing recovery efforts in the CNMI following two devastating natural disasters - Typhoon Mangkhut in September 2018 followed immediately by Super Typhoon Yutu in October 2018. These events have drastically impacted the tourism industry, a key economic driver in the CNMI.

"Although it is difficult, I believe this is the right time to address these challenges," said CNMI Governor Ralph DLG Torres at the start of the Summit. "We have to live within our means, and we have to acknowledge the challenge we're facing. This Fiscal Response Summit will set the tone for the next three or four years, and I'd like to thank Interior and the Graduate School for working with us."

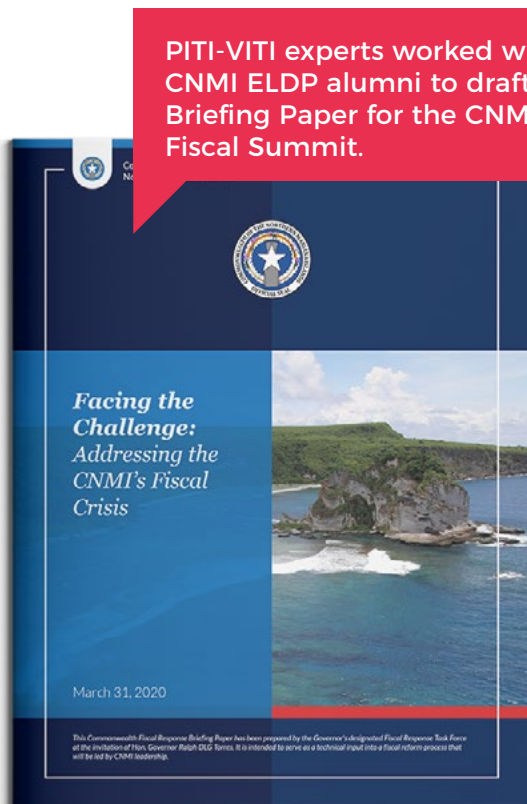
The Summit was a broad-based, participatory process, involving representatives from government, private sector, and non-governmental organizations. Background information and aspirational goals identified by a Fiscal Response Taskforce in the

published briefing paper - *Facing the Challenge: Addressing the CNMI's Fiscal Crisis*. The Fiscal Response Task Force, convened by the Governor, assessed the size and nature of the crisis and identified a broad range of fiscal reform and policy options for Summit participants to consider.

Two working groups worked collaboratively over five days to develop specific solutions to reduce the \$64.8 million deficit by identifying and costing options such as: 1) expenditure adjustments – furloughs, and reductions in jobs, hours, and overtime; 2) revenue adjustments through tax reform, 3) the re-allocation of public funds - medical referrals, casino licensing fees, and earmarks; and 4) financing, including federal assistance options. The first group was co-chaired by CNMI Governor Torres and Senate President Victor B. Hocog; the second group was co-chaired by the CNMI Speaker of the House of Representatives Blas Jonathan Attao and CNMI Lt. Governor Arnold Palacios.

After many hours of earnest discussion and eventual consensus agreement, the two groups committed to specific reforms and plans to enact those reforms, resulting in the CNMI Fiscal Reform Implementation Program, 2020. The implementation team announced by Governor Torres was intended to provide transparency and accountability as proposed reforms were enacted. Stimulus and COVID relief funds provided short-term support to Commonwealth shortly after the conclusion of the Summit.

PITI-VITI experts worked with CNMI ELDP alumni to draft a Briefing Paper for the CNMI Fiscal Summit.



AUDITING COVID SPENDING IN THE PACIFIC ISLANDS (PANEL DISCUSSION)

As one example of requested training reaching multiple insular audit offices based on specific requests from APIPA Principals, PITI-VITI assembled a panel of experts on auditing the spending of U.S. funding for COVID-19 and offered timely, specific training. Guam Public Auditor B.J. Cruz, on behalf of APIPA, asked PITI-VITI for a program tailored to the needs of island auditors now tasked with auditing COVID funds. In his welcoming remarks at the outset of the training, Cruz focused on the heightened responsibilities of public auditors in the region – “given the pages and pages of new guidance on how to audit millions – now billions – of these federal funds, having this training now is critical.” Mr. Cruz thanked the Department of the Interior and the Graduate School USA for their responsiveness in offering the training.

PANEL DISCUSSION ON COVID SPENDING IN THE PACIFIC



SUSAN MURPHY
U.S. Government Accountability
Office (GAO)



DIANNE RAY
Colorado State Auditor's Office



ELIZABETH SCHUBERT
DOI Office of the Inspector
General



KERRI HUNTER
Colorado State Auditor's Office

In October, PITI-VITI convened a four-person panel to discuss auditing COVID spending in the Pacific islands.

The October session featured a panel discussion on how governments audit COVID spending, specifically the U.S. federal funding that flows to territories and the freely associated states. Over 100 participants attended the virtual session.

Four panelists provided insights and processes to audit COVID spending – Susan Murphy of the U.S. Government Accountability Office, Beth Schubert from Interior's Office of the Inspector General, and Dianne Ray and Kerri Hunter of the Colorado State Auditor's Office. Drummond Kahn of the Graduate School USA, PITI-VITI, facilitated the session.

Ms. Murphy, an Assistant Director in GAO's Strategic Issues team, spoke about her work overseeing COVID audits and the \$335 Billion in federal payments at that time to states, territories, and other jurisdictions. Ms. Murphy stressed the importance of this work to island auditors, concluding, "audits are required to safeguard these federal funds."

PITI-VITI anticipates providing additional support to insular area finance and audit offices throughout the 2021-2022 program cycle as COVID stimulus funds continue to be administered.

FINANCE OFFICE SYSTEMS AND PROCESSES

Procuring and supporting financial management information systems (FMIS) remains a critically important issue for the insular areas.

-  **Guam** has embarked on a process of procuring a new government financial management system;
-  The **Federated States of Micronesia** is refining documentation to initiate procurement of a new FMIS system with financial and technical support from the World Bank;
-  The **Republic of the Marshall Islands** is in the early stages of FMIS procurement, also with World Bank support;
-  The **Commonwealth of the Northern Mariana Islands** has recently selected a new FMIS vendor through its procurement process, and is planning for new system conversion in 2021;
-  The **Republic of Palau** has recently completed conversion to their new FMIS in early 2020, with continual updates to internal processes;
-  The **U.S. Virgin Islands** is utilizing a new grants management module as part of their finance system;
-  **American Samoa** continues to refine workflow processes interfacing with its system.

Financial Management Information Systems (FMIS) are critical to the central operations of insular governments. FMIS represent significant financial investments, but also tremendous investments of time and resources. PITI-VITI continues to support the financial management and systems operations of the insular areas. In 2020, PITI-VITI worked closely with the governments of Palau, CNMI, and FSM on systems and process issues.



PITI-VITI team members meet with Palau finance staff to discuss conversion to its new Financial Management Information System (January 2020).



The CNMI issued a Request for Proposals (RFP) for a new financial management system in late 2019. The RFP was built in-house, based upon interviews with major users and the documented weaknesses of the current JD Edwards system, which has been in place since 1995. Vendor demonstrations were held on site in February 2020. A PITI-VITI consultant was able to attend the demonstrations and provide observations on the strengths and weaknesses of each of the 3 proposers. As noted above, Tyler Munis is the selected vendor.

Palau was able to go live on schedule with the Tyler Munis accounting modules in April 2020 and with the payroll/personnel in July 2020. Prior to conversion PITI-VITI personnel spent a week on site observing the training and reviewing the implementation plan and system set up. As a result of the observations, PITI-VITI provided the Minister of Finance and his staff a briefing paper of issues and recommendations prior to the go-live date.

The Federated States of Micronesia issued their first RFP for their new financial management system in May 2020. They received only one proposal which was accepted by the World Bank committee. PITI-VITI reviewed that proposal and provided the FSM and World Bank team with an evaluation of the bid response. The World Bank team ultimately determined that the bidder did not adequately respond to the requirement that all the FSM entities be connected in a common database. The FSM is now going through a second bid process. PITI-VITI was also able to assist the World Bank consultants on their proposed Chart of Accounts design. The COA design can only be finalized once the software is selected.

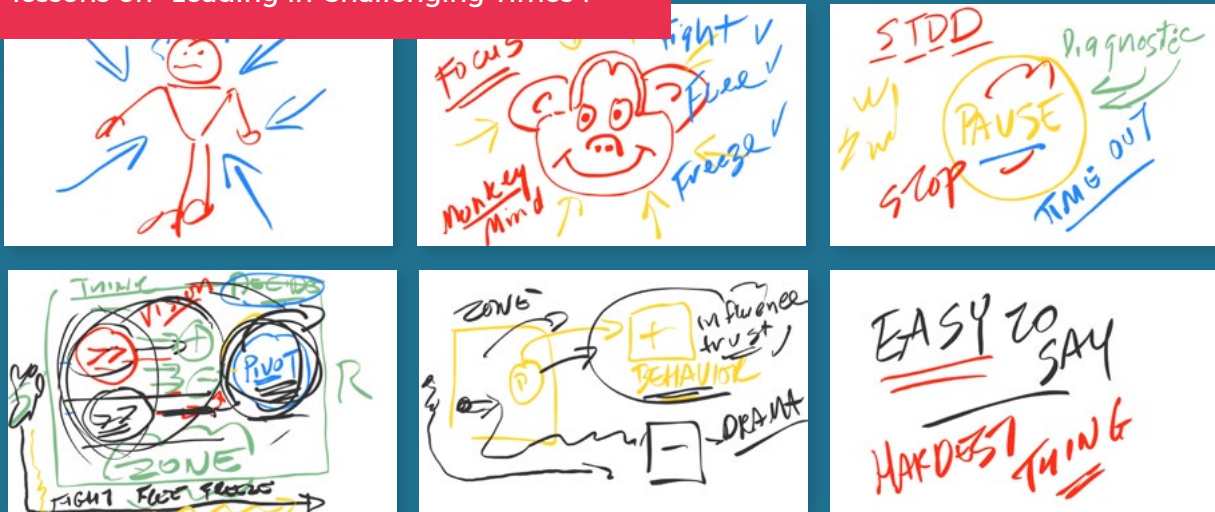
LEADING IN CHALLENGING TIMES: AN ELDP ALUMNI REFRESHER

As COVID-19 spread across the world in the early days of 2020, the PITI-VITI team began communicating with ELDP alumni facing unprecedented challenges in their insular governments. In addition to the obvious health implications, the pandemic strained island health care systems, disrupted education systems, upended insular government economies, and disrupted personal lives through lockdowns, curfews and other measures aimed at containing the virus. With 149 program alumni and 32 current participants in leadership positions across the Pacific and Virgin islands, the ELDP community was directly affected.

The abrupt disruptions caused by the COVID-19 pandemic forced insular government public servants to not only battle the spread of the pandemic, but to also manage the accompanying socio-economic fallout. Public sector officials generally—and ELDP alumni specifically—served on the frontlines of the pandemic, challenged to respond quickly to constantly changing situations.

ELDP alumni began communicating with PITI-VITI managers early in the pandemic, highlighting challenges they confronted. The alumni frequently referenced leadership principles learned and implemented since program completion: leading self, leading others, and leading institutions. They revisited and reapplied lessons learned through their program experiences.

PITI-VITI's ELDP alumni sessions featured interactive micro-lessons on "Leading in Challenging Times".



To support the ELDP community, PITI-VITI designed and delivered a series of virtual alumni courses on *Leading in Challenging Times*. Prior to the session, each participant shared a brief, 60-second video sharing personal and professional updates, reflecting on the impact the ELDP has had on their lives, and identifying opportunities to demonstrate leadership principles during the pandemic. The 90 minute virtual sessions convened previous ELDP cohorts to allow them to reconnect with each other, to discuss leadership principles that have helped them cope with new challenges emerging through the pandemic, and to continue their leadership formation.

Each session featured a brief micro-lesson from Glenn Furuya, who has supported all seven ELDP

cohorts since the program's inception. Glenn reinforced principles originally shared through his "Leadership Island Style" training, with a particular focus on principles of diagnostics, mindfulness, choice, and collaboration. Participants engaged in group activities and identified additional technical areas that PITI-VITI might support through regional training initiatives. Sessions were delivered to:

- ◆ ELDP Class of 2019 – April 30, 2020
- ◆ ELDP Class of 2017 – May 28, 2020
- ◆ ELDP Class of 2015 – June 4, 2020
- ◆ ELDP Classes of 2013, 2011 and 2009 – June 18, 2020

ELDP participants shared brief video updates in the early days of the COVID-19 pandemic.



PITI-VITI Press Releases (2020-2021)

2020

April Interior Supports Fiscal Reform Efforts in the Commonwealth of the Northern Mariana Islands; Over 2,000 government officials and private citizens participate in fiscal response summit

May Interior Supports Fiscal Accountability Training and Capacity Building for Insular Area Officials; Island Government Finance Officers Conduct Virtual Training Amid Pandemic

June Interior Supports COVID-19 Economic Assessments in the Freely Associated States

July Interior Applauds APIPA for 31st Annual Island Audit Training Conference to be held virtually from August 3 - 14, 2020

September Executive Leadership Development Program Launches 2021 Cohort with 40 Public Servants from the Pacific and U.S. Virgin Islands; Interior-funded program builds leadership capacity in U.S. territories and freely associated states

October Interior Applauds Training for Pacific Island Accountability Professionals on Auditing COVID Spending

2021

February OIA Applauds Launch of Island Leaders Speaker Series; Executive Leadership Development Participants Engage on Important Leadership Principles and Experiences

March OIA Supports Winter IGFOA Meeting; Island Government Finance Officers Association (IGFOA) Meets Virtually to Discuss Emerging Regional Finance Issues

PITI-VITI 2020/2021 Program Activities

FIRST QUARTER 2020

ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
Grants	The New Uniform Grant Guidance	St. Thomas, VI	January 13-17, 2020	D Rykken	40	20
Finance	Palau Finance Office Consultation	Palau	January 20-24, 2020	D Milks	20	40
Economics	Updating Palau's Fiscal Strategy	Palau	January 22, 2020	M Sturton, K O'Keefe	12	16
Audit	Writing Audit Reports by Objectives	St. Thomas, VI	January 27-31, 2020	D Kahn	11	20
Finance	Negotiating Federal Labor Agreements	Guam	January 27-31, 2020	L Powers	25	40
Audit	Skills for Leading Performance Audits and Applying Internal Controls	Saipan, CNMI	February 3-7, 2020	V Vanderlinde	11	40

SECOND QUARTER 2020

ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
Finance	CNMI Fiscal Summit	Virtual - CNMI	April 23-28, 2020	K O'Keefe, D Milks	225	32
ELDP	ELDP Class of 2019 - Leading through Stressful Times	Virtual - ELDP	April 30, 2020	P Coursey, G Furuya	47	2
APIPA	APIPA Principals Meeting	Virtual	May 7, 2020	D Kahn	15	2
IGFOA	IGFOA Summer Conference: Pre-Meeting	Virtual	May 26, 2020	D Milks, F Crawford	50	16
Economics	COVID Impact in the RMI	Virtual - RMI	May 28, 2020	M Sturton, K O'Keefe	15	2
ELDP	ELDP Class of 2017 - Leading through Stressful Times	Virtual - ELDP	May 28, 2020	P Coursey, G Furuya	27	2
ELDP	ELDP Class of 2015 - Leading through Stressful Times	Virtual - ELDP	June 4, 2020	P Coursey, G Furuya	25	2
IGFOA	IGFOA Summer Conference: Mid-Meeting	Virtual	May 26, 2020	D Milks, F Crawford	50	16
Economics	COVID Impact in the FSM	Virtual - FSM	June 16, 2020	M Sturton, K O'Keefe	15	2
ELDP	ELDP Classes of 2013, 2011, 2009 - Leading through Stressful Times	Virtual - ELDP	June 18, 2020	P Coursey, G Furuya	59	2

THIRD QUARTER 2020

ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
IGFOA	IGFOA Summer Conference: Post-Meeting	Virtual	July 6, 2020	D Milks, F Crawford	50	16
AIPA	Opening Plenary	Virtual	August 3, 2020	B Schubert	469	4
AIPA	Emotional Intelligence	Virtual	August 4, 2020	M Binder	279	4
AIPA	Now the hard Part, Implementation: Grants Management Refresher	Virtual	August 4, 2020	D Rykken	228	4
AIPA	Audigators! Blending Audit and Investigative Skills for Synergy	Virtual	August 5, 2020	D Kahn	209	4
Finance	Accounting and Auditing Standards Update	Virtual	August 5, 2020	F Crawford	326	4
AIPA	Effectively Engaging Audit Stakeholders	Virtual	August 6, 2020	K Memmott	181	4
Finance	How to read Governmental Financial Statements	Virtual	August 6, 2020	J Yamamura	346	4
AIPA	Plenary Session: Seven Deadly Audit Report Mistakes	Virtual	August 7, 2020	M Bastolla	480	4
AIPA	Plenary Session: Making Good Audit Recommendations Using Root Cause Analysis	Virtual	August 10, 2020	M Ruben	451	4
AIPA	Auditing Governance/Auditing what's Important	Virtual	August 11, 2020	M Ruben	266	4
AIPA	Reviewing the Compliance Supplement and Single Audit Report	Virtual	August 11, 2020	D Rykken	202	4
AIPA	Developing and Leading High-Performance Audit Teams	Virtual	August 12, 2020	K Memmott	183	4
Finance	Internal Controls; A Refresher	Virtual	August 12, 2020	J Yamamura	318	4
AIPA	Creative/Critical Thinking	Virtual	August 13, 2020	M Binder	279	4
AIPA	PASAI Secretariat-Quality Assurance	Virtual	August 13, 2020	PASAI Secretariat	226	4
ELDP	Executive Leadership Program (USVI) Session I Virtual	Virtual	September 13-18, 2020		9	40

FOURTH QUARTER 2020

ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
Finance	Basic Governmental Accounting	Virtual	October 19-23, 2020	J Yamamura	28	4
Audit	Panel Discussion: Auditing COVID Spending	Virtual	October 20, 2020	Various	146	4
Audit	Auditing Grants	Virtual	November 2 -20, 2020	Robert Adachi	37	27
Audit	Gov't Auditing Standards - Yellow Book	Virtual	December 1-2, 2020	D Kahn	75	6
Audit	Assessing Controls in Performance Audits	Virtual	December 13-15, 2021	D Kahn	74	9
Finance	Practical Ethics for Government Employess	Virtual	December 14-15, 2020	J Yamamura	129	4
ELDP	ELDP Pacific - 1 - Welcome and Program Background	Virtual	October 12, 2020	Various	25	2
ELDP	ELDP Pacific - 2 - Introduction to Emotional Intelligence	Virtual	October 15, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 3 - Introduction to the ILDP	Virtual	October 19, 2020	P Coursey	25	2
ELDP	ELDP Pacific - Speaker 1: H.E. Thomas Remengesau, Jr.	Virtual	October 21, 2020	F Hezel	78	1
ELDP	ELDP Pacific - 4 - Introduction to Micro-Poly	Virtual	October 22, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 5 - Project Break-Outs	Virtual	October 26, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 6 - Social Styles	Virtual	October 29, 2020	P Coursey	25	2

FOURTH QUARTER 2020 (CONT)

ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
ELDP	ELDP Pacific - 7 - Social Styles II	Virtual	November 2, 2020	P Coursey	25	2
ELDP	ELDP Pacific - Speaker 2: Hon. Bethwel Henry	Virtual	November 4, 2020	F Hezel	44	1
ELDP	ELDP Pacific - 8 - Social Styles III	Virtual	November 5, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 9 - Situational Leadership Part I	Virtual	November 9, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 10 - Situational Leadership Part II	Virtual	November 12, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 11 - Situational Leadership Part III	Virtual	November 16, 2020	P Coursey	25	2
ELDP	ELDP Pacific - Speaker 3: Hon. Gov. Lou Leon Guerrero	Virtual	November 18, 2020	F Hezel	52	1
ELDP	ELDP Pacific - 12 - Integration Day	Virtual	November 19, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 13 - Effective Presentations	Virtual	November 30, 2020	P Coursey	25	2
ELDP	ELDP Pacific - Speaker 4: Chief Justice Ramona Manglona	Virtual	December 2, 2020	F Hezel	40	1
ELDP	ELDP Pacific - 14 - Team Presentations I	Virtual	December 7, 2020	P Coursey	25	2
ELDP	ELDP Pacific - 15 - Team Presentations II	Virtual	December 10, 2020	P Coursey	25	2

FIRST QUARTER 2021

ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
Audit	Essentials of Risk-Based Auditing	Virtual	January 5-7	M Bastolla	19	9
Audit	Planning for Successful Audits	Virtual	January 20-22	M Ruben	70	9
Ethics	Practical Ethics for Government Employees	Virtual	February 2-3	J Yamamura	177	4
Audit	Contract Auditing	Virtual	February 8-10	R Adachi	108	9
Grants	Using Cultural Understanding to Reduce Grants Management Issues	Virtual	February 24-26	D Rykken	64	6
Audit	Virtual APIPA Principals Meeting	Virtual	February 25, 2021	D Kahn	27	2
Finance	Financial and Compliance Governance	Virtual - VI	March 1-2, 2021	J Yamamura	106	4
IGFOA	The Performer: FY19 Scores and Outturns	Virtual	March 25, 2021	F Crawford	70	1
IGFOA	The Audit Improvement Program: FY19 Trends and Analysis	Virtual	March 25, 2021	D Milks	70	1
IGFOA	Winter IGFOA Conference	Virtual	March 24-25, 2021	Various	80	4
ELDP	ELDP Pacific Q2-Pre-Session - Welcome and Overview	Virtual	January 7, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-01 - The Seed of Choice Part 1	Virtual	January 11, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-02 - The Seed of Choice Part 2	Virtual	January 14, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-03 - The Seed of Choice Part 3	Virtual	January 18, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-04 - The Seed of Choice Part 4	Virtual	January 21, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-05 - The Seed of Discipline Part 2	Virtual	January 25, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-06 - The Seed of Discipline Part 3	Virtual	January 28, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-07 - The Seed of Discipline Part 4	Virtual	February 1, 2021	G Furuya	25	2
ELDP	ELDP Pacific - Speaker 5: Hon. Gerald M. Zackios	Virtual	February 3, 2021	F Hezel	46	1
ELDP	ELDP Pacific Q2-08 - The Seed of Discipline Part 5	Virtual	February 4, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-09 - The Seed of Passion Part 1	Virtual	February 8, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-10 - The Seed of Passion Part 2	Virtual	February 11, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-11 - The Seed of Passion Part 3	Virtual	February 22, 2021	G Furuya	25	2

FIRST QUARTER 2021 (CONT)


ACTIVITY	COURSE TITLE	SITE	DATES	INSTRUCTOR	PARTICIPANTS	CPE's
ELDP	ELDP Pacific Q2-12 - The Seed of Reason Part 1	Virtual	February 25, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-13 - The Seed of Reason Part 2	Virtual	March 1, 2021	G Furuya	25	2
ELDP	ELDP Pacific -Speaker 6: Hon. Lemanu P.S. Mauga	Virtual	March 3, 2021	F Hezel	47	1
ELDP	ELDP Pacific Q2-14 - The Seed of Reason Part 3	Virtual	March 4, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-15-The Seed of Reason Part 4/ The Seed of Empathy Part 1	Virtual	March 16, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-19 - The Seed of Empathy Part 5	Virtual	March 29, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-18 - The Seed of Empathy Part 4	Virtual	March 25, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-17 - The Seed of Empathy Part 3	Virtual	March 22, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-16 - The Seed of Empathy Part 2	Virtual	March 18, 2021	G Furuya	25	2
ELDP	ELDP Pacific Q2-23 - Closing/Open Q&A	Virtual	April 19, 2021	P Coursey	25	2
ELDP	ELDP Pacific Q2-22 - Team Presentations II	Virtual	April 15, 2021	P Coursey	25	2
ELDP	ELDP Pacific Q2-21 - Team Presentations I	Virtual	April 12, 2021	P Coursey	25	2
ELDP	ELDP Pacific Q2-20 - The Seed of Empathy Part 6	Virtual	April 1, 2021	G Furuya	25	2



ELDP program advisor Anna Mendiola and FSM ELDP alumni meet in Pohnpei to welcome new participants to the Class of 2021 (September 2020).



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