



IGFOA

2024 WINTER MEETING REPORT

Waikiki Beach Marriott Resort & Spa
2552 Kalakaua Avenue,
Honolulu, Hawaii 96815

December 10-12, 2024



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Island Government Finance Officers' Association Executive Summary

The Island Government Finance Officers' Association (IGFOA) convened for its Winter meeting in Honolulu, Hawaii, from December 10-12, 2024. The meeting was attended by representatives from American Samoa, the Commonwealth of Northern Mariana Islands, Guam, the Republic of Palau, the Republic of the Marshall Islands and the U.S. Virgin Islands, as well as participants from the Federated States of Micronesia National Government, including Chuuk, Kosrae, Pohnpei, and Yap State.

The main objectives of the 2024 IGFOA Winter Conference was to provide audit updates and to discuss strategies for meeting audit timeliness. The goals included:

- Sharing updates from each insular government on the status of their finance office operations, with a focus on the timeliness of single audits.
- Analyzing recent regional trends in audit timeliness, identifying root causes of delays, and developing actionable steps within each jurisdiction to improve audit timeliness and mitigate risks associated with delayed submissions.
- Discussing capacity challenges in insular governments, including the impact of outmigration trends, and explore strategies for improving recruitment, retention, and workforce development.
- Reviewing Performer analysis and other financial performance measures to guide decision-making and improve fiscal accountability in insular governments.
- Facilitating the development of jurisdiction-specific action plans to address key challenges identified during the conference, with a focus on practical and measurable outcomes.

The conference agenda has been included in this report as [Attachment 1](#), and a complete list of conference participants can be found as [Attachment 14](#) of these proceedings.

Opening Remarks

*Tracy Norita, Secretary of Finance
CNMI Department of Finance*

Good morning, everyone. It's wonderful to see all of you here. It's a beautiful day, and though the journey to get here may have been bumpy, we've made it. I'm honored to deliver these opening remarks and acknowledge all the delegations present. A warm welcome to the IGFOA delegates from the FSM National Government, the states of Pohnpei, Chuuk, Kosrae, Yap, the Marshall Islands, the U.S. Virgin Islands, Palau, American Samoa, our neighboring island Guam, and, of course, the CNMI team.



I'd also like to extend a special acknowledgment to our elected legislative officials: Senator Gerald Zackios from the Marshall Islands and Senator May Perman from Yap State. It's always a privilege to have you with us. I hope your time here will deepen your understanding of our work and strengthen the relationship between your government's executive branches.

I want to express my gratitude to our partners and consultants from the Graduate School—Jason, Monique, Debbie, Frank, and so many others. Thank you for your commitment to improving our islands. Lastly, a special acknowledgment to our federal partners from the Department of the Interior, Office of Insular Affairs. This year, we're thrilled to welcome Marina Tinali, Tanya Joshua, Melissa Brost, and Steven Savage. Thank you for being here and for your support in addressing our challenges and celebrating our progress.

Over the past week, I've reflected on two stories to share today. The first takes me back to January 2023, when I was appointed Secretary of Finance for the CNMI. My team inherited what I can only describe as chaos—incorrectly recorded transactions, budget controls deactivated, and a chaotic system transition. Vendors were knocking on my door daily, utilities were disconnected, and our health insurance provider was \$16 million in arrears.

One of our consultants, Debbie, said, "Tracy, that's a job from hell." Yet, I'm proud to report that, thanks to our hard work, we've made progress. Our health insurance and utilities are now current. While we're not out of the woods, we have a flashlight and a map. To those facing challenges, remember that someone may have it worse, or if you're thriving, share your success with others.

My second story takes us to October 2024 when the CNMI began its Section 902 consultations with the White House. Preparing for these negotiations, I read two books: *An Honorable Accord* by Howard Willens and *Legacy of a Political Union* by our founding father, Edward Pangelinan. These stories inspired me, reminding me that I am living the dream of those visionary leaders who paved the way for our freedom and opportunities.

These reflections renewed my sense of purpose. I realized that this isn't just a tough job—it's a privilege. We have a duty to continue the legacy of those who sacrificed for us.

As we embark on this IGFOA conference, let us remember the real purpose of our work—to make a meaningful difference. Let's share knowledge, take action, and inspire progress for those who come after us. Thank you and enjoy the conference.

Welcoming Remarks

Tanya Harris Joshua

*Deputy Associate Director, Technical Assistance Programs
Department of the Interior, Office of Insular Affairs*

Thank you, Kevin. Thank you, Tracy Narita, esteemed Island government officials, elected, appointed, career civil service, Graduate School team consultants, and my OIA colleagues—Good morning, Talofa, Yokwe, Hafa Adai, Kia Ora, Alii, malo e lelei, and Ran Annim.

My name is Tanya Harris Joshua. I'm the Deputy Associate Director in Technical Assistance Programs at OIA, based in Washington, DC. I'm honored to have this opportunity to be here and to share a few brief remarks.

Ninety years ago, authority and responsibility for Island matters in the U.S. federal government was transferred from the military to a new civilian office in the Interior. Even earlier, responsibility (with related funding) for the civil administration of the Virgin Islands had already been transferred to the Interior. Guam and American Samoa would follow in the 1950s, and in 1962 the Trust Territory of the Pacific Islands. There has been much change and evolution over the years, but today, that office is the Office of Insular Affairs, and the islands that remain are its mission focus—including the governments that you represent today.

Similarly, the Interior's Congressional committees with oversight over Insular Affairs have been long and enduring. In fact, the Interior committees know more about the Island Areas than other committees in Congress, as many of you probably already know. The Office of Insular Affairs—led by the Secretary and accompanying the Secretary of the Interior, supported by the Assistant Secretary for Insular and International Affairs—works closely with staff and officials in Congress and in the executive branch on all territory and FAS matters.

So OIA has four teams. The policy team (which Marie leads) handles all kinds of policy and program issues, providing strong support for the Assistant Secretary and the Director. The remaining three teams handle a wide range of funding programs that flow through OIA from Congress to the territories and the freely associated states.

The OIA team in Honolulu, led by Steve Savage and the field representatives in the RMI and FSM, handle compact grants. The Budget Office in D.C. manages the overall TI (Technical and Financial Assistance) budget—just between \$600 million and \$700 million—and they work with Congress, the Office of Management and Budget, Executive Session, and also internally with the Department of the Interior. They also manage energy and infrastructure. This team also includes Audit and Economic Analysis functions. Linda Morrison and Melissa are here.

The Technical Assistance Program, led by Charlene Star (and for which I am the Deputy), handles a variety of funds. There is a small pot—a small amount of discretionary funding—and it's very flexible. People can apply for that funding. It's tiny: it's only \$33 million last year that we awarded, and we received applications in excess of \$100 million for that particular program. I just wanted to bring a little bit of attention to that program today.

These funds are managed through a competitive process where Island governments, academic institutions, and nonprofit organizations may apply. In fact, the season is now open for 2025 funding; it closes in March, so you have some time to apply—but please note that in your calendars. The most popular of these discretionary TAs: Technical Assistance, Maintenance Assistance, and Coral Reef (which



also includes invasive species). These smaller funds—though small—have huge impacts and fill very important gaps that are sometimes insurmountable. Suppose you go to our past press releases. In that case, there are so many [projects] that are funded through TAP: Marshalls 177 healthcare, American Samoa search and rescue, maintenance and emergency support, Guam Community College maintenance training boot camps, vegetation removal, like in Nando (?), a dump truck for roadway and stormwater maintenance in the CNMI, Palau is doing a system of natural accounts to compile and assess natural resources—mangroves, seagrass, corals—for the Virgin Islands, Water and Power Authority linemen training across all seven Insular Areas, and also Close Up programs for students from all seven Insular Areas. There are many, many more.

Our grant managers work very closely with all the recipients of these funds, following principles under 2 CFR 200 and working with the Interior's Office of Grants Management to responsibly administer and provide oversight of the financial assistance we provide—not only protecting the funds, but also protecting the Island grantees who receive that funding. It's very important to us. We endeavor to fund programs that have great impact and serve the people and communities in the territories and freely associated states.

IGFOA is one of those programs funded through the TA Program, as well as APIPA and the ELDP (Executive Leadership Program)—and that's provided through a contract we have with the Graduate School. That includes, as well, the whole economic advisory group and the recent support to the CNMI Department of Finance. We are very proud and honored to have these programs and to have a partnership with the graduate school and their teams to help run them.

We are sharing your successes with the Executive Branch, Congress, and the public. We share our information, where we can, on our website, press releases, and social media. We have interagency group meetings, so we share your successes as much as we can, as often as we can.

As we move into a new administration in January, we will again have a renewed opportunity to share with the incoming political leadership a variety of programs, including IGFOA—provided through OIA and that help each of your governments progress. This week is my opportunity to learn from all of you the various ways that IGFOA continues to be meaningful and impactful to your respective island areas.

Thank you very much.

Welcoming Remarks

Jason Aubuchon

*Director, Pacific and Virgin Islands Training Initiatives
Graduate School USA*

Good morning, everybody. Thank you for being with us. Thank you particularly to Secretary Narita for your welcome remarks, as well as to Tanya Harris. I'm Jason Aubuchon. I'm the Director of the Graduate School's Pacific and Virgin Islands Training Initiatives, and I'm really thrilled to have you all with us.

This is, for us, a really big annual event. We have really outstanding participation from all of the finance offices across the Pacific and Virgin Islands. We have a lot of people here at their own governments' expense, which is an indication—hopefully—of the value that everybody gets out of the meeting. We're really thrilled to have all of you. So thank you for making time to be with us.

Finance Ministers, Finance Directors—they're very, very busy people. There are a lot of demands on their time and a lot of demands on their activities in the office, and we feel very fortunate that you're willing to make time to be here. I'll say that we work really hard to value your time and to try to make sure the agenda we're about to work through provides you with relevant and timely information and makes good use of our time together.

You'll see from the agendas you have in front of you that there are two predominant themes we're going to cover over the next two and a half days, and Kevin's going to walk us through the agenda in a second. We spent a fair amount of time working on developing the agenda for this year. The single audits continue to be an ongoing issue for nearly all the governments—they have fallen behind. We all know there's a variety of reasons for that, including COVID. Amazingly, even though it's been a few years since COVID, it really set many of the governments back, and it's been very hard to catch up. But we also see capacity issues that each of the finance offices face.

What we're doing in this particular meeting is combining the challenges around single audits with the challenge of recruiting and retaining talent. We have **Bob Lavigna** here with us, who has spoken with us briefly in the past about recruitment and retention issues. Bob works with **UKG**, which is one of the largest software providers in the world—maybe the largest—so they're big. Bob is a Senior Fellow at UKG, and he's focused on the public sector. He gives presentations, for example, to rural parts of America that also have trouble recruiting talent into public-sector finance, and he's going to share some of those experiences, techniques, challenges, and other insights he's learned through his work.

I think that's going to be helpful. It's not focused solely on the islands, but I think it's going to be quite relevant. We've structured it so that we have some panel discussions, and we hope to have some facilitated conversations around that. So I hope you'll find value in that as well. From our perspective, capacity is the single largest challenge to getting the audits covered, and each finance office has shared that with us. We know there's no silver bullet to solve that problem, but to the extent that the knowledge in this room can be shared, that's really what IGFOA is about.

We get to convene all of you here, and to the extent that we can allow space and time for conversations to happen and to share best practices from each of the different governments, that's really where the value of the meeting exists. Let me just check my notes briefly because I'm rambling.



I want to take a minute to thank the four representatives from Interior for being with us. It's really great to get such strong Interior representation—particularly at a time when there's a soon-to-be turnover in Washington, D.C. So, thank you for being here. I know for Eubin, for Melissa, and for maybe Tanya this is their first IGFOA. So, for the three of them, thank you all for joining us and for being with us.

I'd also like to thank our team. Those of you who have worked in the islands for a while know how much time Debbie, Kevin, Mark, Frankie, and Jeannie have put in. There's a lot of institutional knowledge, and they continue to be very generous with their time. Please take advantage of that—they're here because they love working and helping the islands, and we certainly love being with all of you. So, thank you for being here.

It's a somewhat ambitious agenda this week, but we're pleased you're with us and look forward to getting started. Thank you all very much.



Introduction and Agenda Review

Facilitator: Kevin O’Keefe

Mr. Kevin O’Keefe continued the meeting by thanking Secretary Tracy Norita, Ms. Tanya Harris Joshua, and Mr. Jason Aubuchon for their welcoming remarks. He then reviewed the IGFOA agenda, noting that the primary focus would be on audits. Other key topics included updates demographic trends, public sector workforce trends, GASB changes, the Performer, and government action planning.

Following his introduction, attendees participated in an icebreaker activity, pairing up with someone they had not met before and introducing their colleagues to the group.

The *Conference Agenda* is included in this report as *Attachment 1* of these proceedings.



Insular Government Updates

Moderators: Deborah Milks, CPA and Kevin O'Keefe

Ms. Debbie Milks, CPA and Mr. Kevin O'Keefe moderated presentations from representatives of ten insular government jurisdictions, including the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia (Chuuk State, Kosrae State, Pohnpei State, Yap State, and the FSM National Government), Guam, the Republic of the Marshall Islands, the Republic of Palau, and the U.S. Virgin Islands. Each representative provided updates on their respective governments using a previously provided template, which focused on the following key areas:

- Fiscal Year & Completion Date
 - » Identify the most recent fiscal year audited.
 - » State the audit completion date.
- Audit Opinion
 - » Specify the type of audit opinion received.
 - » Report the number of:
 - * Financial statement qualifications.
 - * Compliance qualifications.
 - * Qualifications related to component units.
- Audit Duration
 - » Indicate the number of months from the audit contract initiation to completion.
- Difficult Qualifications to Correct
 - » List the two most challenging qualifications in the Governmental Activities or General Fund to address before the next audit.
- Reconciliation-Related Findings
 - » Report the number of audit findings related to reconciliations required by the finance office.
 - » Clarify the nature of these findings:
 - * Were they due to federal compliance issues?
 - * Did they stem from fixed asset reporting or other financial reporting areas?
 - * Was the issue truly a lack of reconciliation, or something else?
- Financial Report Preparation
 - » State whether financial reports and footnotes were prepared in-house or with external assistance.
 - » If external assistance was used, explain why.

The *Insular Government Updates* can be found in [Attachments 2a-2k](#) of these proceedings.

Review of Action Planning Template

Facilitator: Kevin O'Keefe

Mr. Kevin O'Keefe then guided participants through the action planning template to ensure each jurisdiction was prepared for Thursday's end-of-meeting report-out. Attendees were encouraged to take notes throughout the meeting and collaborate within their jurisdictional groups to draft action plans.



Snapshot of Single Audit Timeliness: A Regional Overview

Presenter: Debbie Milks, CPA

Ms. Debbie Milks, CPA reviewed the timeliness of audits across all governments, highlighting improvements made between 2003 and 2013. During those years, strong collaboration between auditors and finance departments successfully reduced delays. However, she noted that recent years, especially since COVID, have seen setbacks. Many governments have struggled to keep up due to changing financial systems and audit firms.

Ms. Milks shared the importance of having dedicated audit coordinators within finance departments. These coordinators can help track audit progress, communicate clearly with auditors, and ensure deadlines are met.

She identified several factors causing audit delays, including incomplete reconciliations, outdated financial software systems, and frequent staff turnover. She mentioned that although extensions provided by federal agencies during COVID offered temporary relief, they also created longer-term backlogs.

Highlighting successful examples, she praised governments that maintained consistent audit timelines, recommending similar strategies for others. She closed her presentation by encouraging stronger coordination among government finance teams, auditors, and funding agencies, emphasizing that catching up requires more than just additional resources.

The audit update covered the status of financial statements, key challenges, and ongoing reconciliation efforts in various governments. Key points included:

1. Audit Timeline & Challenges:

- » FY 2022 audits are mostly completed, with delays impacting FY 2023 and beyond.
- » Some governments aim for a six-month audit cycle to catch up.
- » Component unit audits remain a significant hurdle.

2. Reconciliation Issues:

- » Persistent challenges with unrecorded liabilities, fixed assets, and intergovernmental reconciliations.
- » Governments are implementing stricter controls, improving documentation, and addressing travel advance balances.

3. Audit Opinions & Risks:

- » Opinion types: unmodified (clean), modified (qualified), adverse, and disclaimer.
- » Causes of opinion qualifications include unsupported balances, outdated systems, and incomplete reconciliations.

4. Improvement Plans:

- » Strengthening internal controls, ensuring timely reconciliations, and enforcing compliance with financial reporting standards.
- » Better coordination with auditors, improved communication protocols, and enhanced training for finance teams.

5. Collaboration & Resources:

- » Emphasis on teamwork between finance offices and auditors.
- » Acknowledgment of funding gaps and the need for technical assistance to address compliance and reconciliation backlogs.
- » Overall, the focus remains on catching up with audits, improving financial reporting accuracy, and ensuring compliance with audit and regulatory standards.

Tackling Audit Challenges: Opinion Busters

Presenter: Frank Crawford, CPA

In this session, Mr. Frank Crawford, CPA, discussed the different types of opinions auditors can use and outlined the top 10 typical financial statement “Opinion Busters.” He explained that high staff turnover, limited resources, poor capital asset inventories, disagreements over accounting standards, disasters, and fraud can all lead to audit failures. Insufficient staffing and inadequate training often result in late or inaccurate financial statements. Incomplete capital asset records frequently cause auditors to qualify or disclaim their opinions. Additionally, disputes over GAAP may lead auditors to issue adverse opinions, while disasters can destroy critical records needed for verification. Fraud and embezzlement also pose serious risks if not promptly investigated and documented. Throughout his discussion, Mr. Crawford shared the importance of strong internal controls, consistent staff development, and accurate recordkeeping to minimize these issues.

The *Top 10 Financial Statement Opinion Busters Presentation* can be found in [Attachments 3](#) of these proceedings.

Enhancing Auditor Collaboration Communicating Best Practices

Presenter: Debbie Milks, CPA

Ms. Debbie Milks, CPA emphasized the importance of formal communication with auditors to increase accountability and clarity. She shared that frequent and structured in-person or virtual meetings can prevent last-minute surprises and keep everyone on the same page. Milks also recommended assigning a dedicated coordinator to track requests, manage deadlines, and follow up on action items. While online portals can streamline document sharing, she shared that proactive, person-to-person interaction remains essential. Ms. Milks shared that regularly scheduled, well-documented, and strong relationships is the key to smoother audits.

The *Enhancing Auditor Collaboration: Communication Best Practices Presentation* can be found in [Attachments 4](#) of these proceedings.

Causes for Delays in the Audit Process: An Auditor's Perspective

Presenter: Chris Wolseley, CPA

Mr. Chris Wolseley, CPA explained that audits can run late for several reasons, including missing or incomplete paperwork, new rules and standards, insufficient staff, and computer system problems. He also shared that if the audit changes midstream—such as someone key to the process going on leave—or if there's poor communication, that can also cause delays. To address these issues, Mr. Wolseley suggested using clear checklists and schedules, talking regularly with the auditors, and ensuring everyone understands who is responsible for each step. He recommended the importance of setting realistic timelines using tools such as a Gantt chart, scheduling frequent audit meetings, leveraging technology like client portals and ensuring adequate staffing and expertise to minimize delays.

The *Causes for Delays in the Audit Process: An Auditor's Perspective* can be found in [Attachments 5](#) of these proceedings.



Understanding the Risks of Delayed Audits

Presenters Debbie Milks, CPA, Senator Gerald Zackios and Melissa Braybrooks

In this session, Ms. Milks, CPA highlighted how late or incomplete financial audits can jeopardize funding and add oversight burdens. She noted that being designated “high risk” can trigger tighter federal scrutiny, reimbursement-only funding, and extra reporting requirements.

Senator Gerald Zackios, representing the Marshall Islands legislature, reinforced that delayed audits undermine accountability and transparency for local citizens and external partners. He urged fellow leaders to remember that they should be accountable first to their own people, emphasizing that a lack of timely financial reporting makes it impossible to gauge whether resources are being used effectively for social and economic development. Drawing on his experience during compact negotiations and as chair of various oversight bodies, the senator noted that recurring audit findings remain unresolved if audits are chronically late. He also warned that grant agencies and other funders might withhold or reduce financial support if they cannot see how funds are managed, putting critical public services at risk.

Ms. Melissa Braybrooks, an economist from the Office of Insular Affairs, explained that a lack of current audit data complicates the calculation of GDP and other key metrics, undermining the ability to forecast revenue and plan future budgets. She noted that while U.S. states and local governments can tap into a federal survey of government finance statistics, the territories rely more on audited figures to update critical measures like GDP. When audits lag by several years, it becomes impossible to tell how the economy is really performing, how much revenue to expect, or how best to allocate resources. She concluded that, until stronger financial management systems are in place, territories must prioritize getting audits done on time so that statistics can be used to guide decisions.

The *Burdens of High-Risk Status* can be found in [Attachments 6](#) of these proceedings.

Labor Force Challenges and Economic Conditions in Pacific Islands and U.S. Territories

Presenter: Kevin O'Keefe

Mr. Kevin O'Keefe presented labor market trends and workforce challenges across Pacific jurisdictions, discussing both common issues and region-specific solutions.

For example, he noted that while Palau has maintained low unemployment by prioritizing foreign labor retention, particularly during the COVID pandemic, the country continues to struggle with workforce shortages in key sectors such as education, healthcare, and law enforcement. To address these challenges, he outlined several government initiatives, including the expansion of early education programs, the introduction of a year-round school calendar, wage increases, and greater access to online education. He also pointed to ongoing efforts to recruit Palauan nationals abroad, particularly veterans, to strengthen the local workforce.

Mr. O'Keefe also shared how population decline has intensified labor shortages in other U.S. territories. He noted that although the U.S. Virgin Islands experienced an 18% drop in population over the past decade, a \$10 billion investment in infrastructure has helped stabilize employment. Meanwhile, CNMI faces the most severe workforce crisis, with a 41% population decline from its peak, making it difficult to attract and retain skilled professionals due to limited salary offerings. American Samoa and Guam have also seen workforce shortages, though not as drastically as CNMI. Mr. O'Keefe emphasized that regional cooperation, wage adjustments, recruitment incentives, and expanded workforce development programs will be key for economic stability and maintaining key public services.

The *Recent Insular Demographic Trends Presentation* can be found in [Attachment 7](#) of these proceedings.

Presentation: Trends in Public Sector Talent Acquisition & Implications for the Insular Areas

Presenter: Bob Lavigna

In this session, Mr. Bob Lavigna, Senior Fellow at UKG and government Human Resource expert, spoke about the challenges of hiring and keeping employees in the public sector. He explained that government jobs struggle to compete with private companies on pay and often rely on outdated hiring methods that don't attract the best candidates. He pointed out that many job postings have unnecessary experience requirements that prevent qualified people from applying. Mr. Lavigna also shared how work has changed since the pandemic—employees now expect more flexibility, career growth, and workplaces that care about their well-being. He noted that 75% of employers are having trouble filling jobs and that there could be a shortage of 85 million workers by 2030. Organizations need to focus on creating a better work environment, keeping employees engaged, and using data to understand and improve the employee experience to attract and keep employees. Most importantly, he mentioned that managing talent isn't just HR's job—it's something all leaders need to take seriously.

Mr. Lavigna concluded his session by facilitating a discussion on strategies, tactics, and guidance to address each of the jurisdiction's constraints.

The *Thriving in the New World of Work: Attracting and Retaining Talent* presentation can be found in [Attachments 8](#) of these proceedings.



Preparing for Change: Overview of GASB Statements 100-104

Presenter: Frank Crawford, CPA

Mr. Frank Crawford, CPA presented upcoming GASB changes affecting government financial reporting, sharing key updates from GASB Statements 100 through 104.

He explained that GASB 100 standardizes how governments report corrections and changes in accounting policies to ensure consistency. GASB 101 updates how unused leave, such as vacation and sick time, is accounted for by lowering the threshold for recognizing these liabilities, meaning more leave will now be reported as a financial obligation. GASB 102 improves how governments report risks in insurance programs, leading to more accurate financial statements. GASB 103 clarifies the reporting of financial agreements like leases and investments to promote consistency across governments. Finally, GASB 104 simplifies financial statement language and classifications, making reports easier to understand.

Mr. Crawford shared that the insular governments need to adjust their financial reporting practices to comply with these changes, including reviewing how leave liabilities are calculated and ensuring financial statements meet the new requirements

The ***GASB Update: Finally, into the 100's we go!*** Presentation has been included in this report as ***Attachment 9*** of these proceedings.



Perfometer Updates - Latest Available

Presenter: Frank Crawford, CPA

Mr. Frank Crawford, CPA presented the latest findings from the Perfometer and A.F.T.E.R. Analysis. Originally developed in 2001 for state and local governments, the Perfometer has since been adapted specifically for the Pacific and U.S. Virgin Islands. Updated annually using audited financial statements, the Perfometer provides an independent assessment of each government's financial condition, supported by more than two decades of trend data. The accompanying A.F.T.E.R. Analysis (Audit Findings, Timeliness, and Exception Resolution) tracks audit qualifications and monitors whether financial statements are issued on schedule.

Mr. Crawford shared that timely reporting is critical because outdated data limits the usefulness of financial information in guiding current decisions. He also discussed the significant financial challenges posed by pension and Other Post-Employment Benefits (OPEB) liabilities, which can threaten governments' long-term stability. He concluded by noting that, while the Perfometer effectively captures financial performance, it does not measure quality-of-life factors.

The *Perfometer and A.F.T.E.R. Analysis* are included in [Attachment 10](#) of these proceedings.

Revitalizing Finance Office Performance Measures

Facilitated by Debbie Milks, CPA, Frank Crawford, CPA, and Jeanne Yamamura CPA, PhD

This session focused on using performance measures as tools to improve everyday operations in finance offices, not just as numbers for reports. Ms. Milks and Mr. Crawford highlighted key areas such as bank reconciliations, invoice processing, fixed asset inventories, and travel advances, stressing the importance of setting clear targets so that teams can track progress and easily see where improvements are needed. Additionally, Ms. Yamamura, CPA, PhD noted that some measures, like revenue estimates, are influenced by other departments. She also reminded conference participants that it is important to clearly define who is responsible for each measure.

Ms. Debbie Milks concluded the presentation by urging finance officers to review and update their performance measures regularly to ensure they remain useful. She encouraged everyone to share best practices, noting these metrics could help streamline day-to-day operations and support improvements.



Government Report-Outs and Next Steps

Presenters: Debbie Milks, CPA

Ms. Debbie Milks, CPA asked each insular government to present their action plans. Each jurisdiction then identified and presented specific areas for improvement, responsible parties, and timelines for implementation. Representatives from each island government committed to providing updates on their progress during the IGFOA 2024 Virtual Meeting and at the IGFOA Washington, D.C. Conference.

The *Insular Government Action Plans* can be found in [Attachments 3a-3k](#) of these proceedings.

Updates from DOI, Office of Insular Affairs

Presenters: Eunbin Morrison, Marina Tinitali and Tanya Joshua Harris

Ms. Eunbin Morrison explained how the Department of the Interior's Office of Insular Affairs (DOI OIA) handles single audit findings for insular governments. She detailed the process and explained that when an audit issue is reported, the government is notified through a central system and must respond with a management decision—typically within 90 days—outlining how they will fix the problem and address any disputed costs. The goal is to complete these corrective actions within six months.

Ms. Tracy Norita, CNMI Secretary of Finance, asked if OIA could help insular governments quickly pinpoint unexpected Treasury offsets on questioned costs since the delayed six-week response has disrupted their funding drawdowns and affected their credit lines

Ms. Marina Tinitali, Deputy Policy Director of OIA, responded that if the costs questioned remain unresolved, an automatic recovery process through the Treasury Offset Program could be triggered, potentially reducing future federal funds without warning. Ms. Tinitali, Deputy Policy Director of OIA, also noted that if any questions remain unresolved, they could trigger an automatic recovery process through the Treasury Offset Program, potentially reducing future federal funds without warning. Ms. Marina shared that the OIA is available to help the finance offices understand the process, provide the necessary documentation, and address any issues.

Ms. Marina Tinitali, Associate Deputy Director of Policy at OIA, provided updates on audit policies, grant management, and federal oversight. During the transition, she emphasized that administrative contacts should be the primary point for audit-related inquiries and that both their office and she should be included in correspondence to ensure a coordinated response.

Ms. Tinitali discussed federal initiatives aimed at improving data collection for decision-making in insular areas, particularly in GDP analysis and economic tracking. She shared insights from a recent meeting where representatives from over 32 federal agencies and the Freely Associated States discussed U.S. investments in the region.

She emphasized the need to increase the visibility of performance reports and noted that OIA has requested the Graduate School enhance stakeholder communication regarding its use. Additionally, she addressed key policy efforts, including climate adaptation, the incorporation of indigenous knowledge in emergency management, and federal collaboration on infrastructure funding. She also announced the hiring of a new field representative in Guam and an ongoing selection process for the U.S. Virgin Islands. Looking ahead, she outlined upcoming meetings on territorial governance and the annual Insular Areas session.

Ms. Tanya Harris Joshua, Associate Deputy Director of Technical Assistance Programs at OIA, attended the event in person for the first time and praised the collaboration between experienced and emerging leaders. She emphasized the importance of risk management, urging local governments to take proactive control rather than allow external agencies to dictate decisions. She also underscored the role of effective communication in governance, policy advocacy, and decision-making.

Ms. Joshua acknowledged the retirement of TAP Director Charlene and commended her contributions to island areas. She challenged the negative connotation of “brain drain,” arguing that it wrongly implies those who stay behind lack intelligence and that those who leave are lost forever. Instead, she emphasized the continued connections between islanders at home and abroad, facilitated by modern technology and social media. She cited a Palauan baseball player returning home to inspire youth as an example of how islanders remain engaged.

She concluded by recognizing the strength and knowledge in the room and expressed gratitude for the energy and expertise shared during the event. She stated that OIA returns to Washington reinvigorated by the discussions and looks forward to continued collaboration with island leaders and stakeholders.

The DOI-OIA New Single Audit Tracking presentation has been included as [Attachment 11](#) of these proceedings.

Closing Remarks

Jason Aubuchon, Senior Director, PITI-VITI

IGFOA and GFOA Conference Planning

I'm not formally on today's agenda, but I have a couple of brief announcements and can answer any questions. First, planning for the summer GFOA and IGFOA conference will begin right after this one wraps up. This year's conference timing is tricky because it coincides closely with the Fourth of July in Washington, DC. Usually, we meet for a day beforehand, attend the GFOA sessions, and then continue for another day and a half afterward. We hope to follow that schedule again, but hotel reservations around the holiday might be difficult, so our plans may shift slightly. I'll follow up soon with an email that includes links to presentations, documents, and regular updates about the summer conference.

Secondly, we've been holding virtual IGFOA meetings in the months between our in-person gatherings. These meetings are usually one-hour round robins for status updates. We're planning to send out a quick survey soon to see if everyone wants to keep these virtual sessions going. Timing has been particularly challenging for participants in the Virgin Islands because of the significant time difference, but everyone's flexibility and participation have been greatly appreciated.

Lastly, we ask the heads of delegation to stay briefly after the evaluations for a quick close-out discussion. Now I'll hand it over to Minister Paul, who's attending his first IGFOA, to officially close us out.

Closing Remarks

Minister David Paul Minister of Finance Marshall Islands

Guys, I need to be the one between you and you go, you guys go shopping, enjoy the Waikiki scenery. So, I'm going to be very, very brief.

First of all, I would like to take this opportunity to thank the organizers—Jason and the team at DOI—for continuing to provide assistance in financing this gathering.

And for all of you, I mean, it's my first time attending IGFOA, and it's been really an eye-opener. To be honest, this is the first time I have ever been in a room full of smart people. And the reason I'm saying smart people is because I have absolutely no clue about accounting. So every time a speaker would say something or try to explain something, I actually stopped and listened. Throughout the entire week, I have been like a sponge, trying to learn from all of you because I think it's critical for me as the Minister of Finance to understand finance, right?

I've always said that my background has never been in finance, and I want to piggyback on what Tanya was saying. You guys never knew that Tanya and I went to the same school in France, where we studied diplomacy and international affairs. We actually went to the same embassy in Port Louis, Mauritius, to do our internship. So we come from a completely different space in terms of education and training. We were trained as diplomats, and now we find ourselves among people who actually make the world run. Because, you know, nothing moves in the world without money, and you guys are in charge of ensuring that money is used properly.

So, I think I'm just here to fill in the slot that Jason told me to for the final remarks. But from the bottom of my heart, this has really been a great learning experience for me. I got to know a lot of great people and connect with people who are valuable resources. I'm especially glad that my team is here—they are the real beneficiaries. We brought a very strong team, and among us, we actually have our Chairman for the Public Accounts Committee in our national parliament. He is like our national policeman, ensuring that public funds are properly accounted for.

So, once in a while, when you hear on Facebook or on the radio that the Public Accounts Committee is calling an entity to appear before them, everyone scrambles—wondering what will happen, how they will be grilled. But this just goes to show that my government believes in accountability. We want to ensure that not just the executive branch enjoys spending the people’s money, but that we also have people in Parliament scrutinizing how that money is used.

Having said all that, I would like to conclude my brief remarks by saying that we look forward to the Summer IGFO. And before we leave, it is customary for us not to just leave without showing our appreciation.

So, I would like to ask my team to come forward. And can I also ask all the organizers and resource people to come forward? I hope we brought enough Marshallese goodies to hand out. If we had musical instruments, we would actually be singing a song right now.

Jason, this is on behalf of every participant here to show our appreciation. It is not just the Marshallese culture but the island’s way of saying thank you. Traditionally, we would all be standing, singing, and dancing for you, but I guess that will happen at the next event.

Thank you.

Conference Evaluations

At the conclusion of the conference, each participant completed a conference evaluation. Participants rated the IGFOA session as timely and relevant (4.82 out of 5.0). The complete conference evaluation, along with the participants’ comments has been included as **Attachement 13** of these proceedings.

CONFERENCE ATTACHMENTS



IGFOA WINTER MEETING AGENDA

IGFOA

2024 WINTER MEETING

Waikiki Beach Marriott Resort & Spa
2552 Kalakaua Avenue,
Honolulu, Hawaii 96815
December 10-12, 2024

Participants of the 2024 IGFOA Summer Conference in Orlando, Florida



GOALS

The goals of the 2024 Winter IGFOA conference are to:

Share updates from each insular government on the status of their finance office operations, with a focus on the timeliness of single audits.

Analyze recent regional trends in audit timeliness, identify root causes of delays, and develop actionable steps within each jurisdiction to improve audit timeliness and mitigate risks associated with delayed submissions.

Discuss capacity challenges in insular governments, including the impact of outmigration trends, and explore strategies for improving recruitment, retention, and workforce development.

Review Performer analysis and other financial performance measures to guide decision-making and improve fiscal accountability in insular governments.

Facilitate the development of jurisdiction-specific action plans to address key challenges identified during the conference, with a focus on practical and measurable outcomes.

MONDAY, DECEMBER 9, 2024

1:00 p.m.



Meeting for Conference Organizers

📍 TBD

Pre-conference meeting for conference organizers and presenters to discuss conference agenda and outcomes.

2:00 - 4:00 p.m.



Conference Registration

📍 Lobby, Waikiki Beach Marriott Resort & Spa

Skip Polson (GSUSA) will be available from 2:00 p.m. to 4:00 p.m. for sponsored IGFOA participants to pick up meal stipends in the lobby.

TUESDAY, DECEMBER 10, 2024

7:00 a.m.



Buffet Breakfast

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

8:30 a.m.



Start of IGFOA Conference

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

Welcoming Remarks

- Ms. Tracy Norita, Secretary of Finance, CNMI
- Ms. Tanya Joshua, Deputy Director for Technical Assistance, DOI/OIA
- Mr. Jason Aubuchon, Director, Pacific & Virgin Islands Training Initiatives, Graduate School USA

9:00 a.m.



Introductions & Agenda Review

👤 Mr. Kevin O'Keefe, Facilitator

9:30 a.m.



Insular Government Updates

👤 Ms. Deborah Milks, CPA; Mr. Kevin O'Keefe, Moderators

This session will feature presentations from each of the insular governments covering key updates on Single Audit progress and timelines, select performance measures, and FMIS implementation status. Discussions will also include follow-ups on action planning from the Orlando meeting, along with insights into government challenges and accomplishments.

Presentations (7-10 minutes)

- 🇬🇺 Guam
- 🇹🇼 Commonwealth of the Northern Mariana Islands
- 🇺🇻 U.S. Virgin Islands
- 🇲🇵 American Samoa
- 🇲🇻 Republic of the Marshall Islands
- 🇫🇲 FSM National Govt

10:15 a.m.



Break

10:30 a.m.



Insular Government Updates (Continued)

Presentations (7-10 minutes)

- 🇮🇸 Republic of Palau
- 🇹🇫 Chuuk State, FSM
- 🇲🇻 Kosrae State, FSM
- 🇲🇻 Pohnpei State, FSM
- 🇲🇻 Yap State, FSM

11:45 a.m.



Review of Action Planning Template

Kevin O’Keefe, Facilitator

This session will guide participants through the action planning template, ensuring each jurisdiction is prepared for Thursday’s end-of-meeting report-out. Attendees are encouraged to take detailed notes and to work in jurisdictional groups to draft action plans throughout the meeting.

12:00 p.m.



Group Photo

12:15 p.m.



Lunch

Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

1:15 p.m.



Snapshot of Single Audit Timeliness: A Regional Overview

Debbie Milks, CPA

This introductory presentation will offer an update on the timeliness of single audits across the insular governments. The session will provide context for upcoming discussions focused on identifying the root causes of audit delays and developing actionable plans to improve timeliness.

1:30 p.m.



Presentation and Facilitated Discussion - Tackling Audit Challenges: Opinion Busters

Frank Crawford, CPA

This discussion will explore common “Opinion Busters” that result in audit qualifications, disclaimers, and adverse opinions, with a focus on understanding why these issues are becoming more frequent and how auditors determine their classification.

2:00 p.m.



Enhancing Auditor Collaboration: Communication Best Practices

Debbie Milks, CPA

This session will focus on practical strategies for improving communication and collaboration with auditors.

2:30 p.m.



Break

2:45 p.m.



Reviewing Audit Timeliness: Recent Trends and Root Cause Analysis

Chris Wolseley, CPA

This session will revisit recent trends in audit timeliness, highlighting common challenges and opportunities for improvement, from the perspective of the auditor. Following the presentation, participants will engage in a breakout exercise to identify and analyze the root causes of audit delays, highlighting recent experiences and sharing any practical solutions for more timely audits.

Breakout Exercise: Determining Root Causes of Delays in Audit Timeliness (in country groups)

3:30 p.m.



Understanding the Risks of Delayed Audits

👤 Debbie Milks, CPA

👤 Frank Crawford, CPA

This facilitated discussion will focus on the risks of potential U.S. federal adverse actions stemming from delayed audits, and strategies to mitigate these risks.

Participants will explore ways to mobilize leadership attention to allocate resources to address root causes.

Breakout Exercise: Identifying Jurisdiction-Specific Actions

Participants will work in jurisdictional groups to determine actionable steps needed within their respective governments to address audit delays and associated risks. Discussions may include the potential role of IGFOA in advocating for leadership attention and resource allocation to support these efforts.

5:00 p.m.



Gather Questions; Adjourn for Day



Palau and USVI participants at the 2024 IGFOA Summer Meeting



CNMI Finance Secretary Tracy Norita at the 2023 IGFOA Winter Meeting

WEDNESDAY, DECEMBER 11, 2024

7:00 a.m.



Buffet Breakfast

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

8:30 a.m.



Continuation of IGFOA Conference

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

Review results from Tuesday and overview of today's agenda

👤 Kevin O'Keefe, Facilitator

8:45 a.m.



Presentation: Recent Demographic Trends in the Insular Areas

👤 Kevin O'Keefe, Facilitator

Panel Discussion: Addressing Capacity Challenges in the Insular Areas

- Kaleb Udui, Jr. – Minister of Finance, Palau
- David Paul – Minister of Finance, RMI
- Tracy Norita, Secretary of Finance, CNMI
- Ed Birn, Director of Administration, Guam

This discussion will focus on the critical challenges of recruiting and retaining public sector talent amid shifting demographics and increasing outmigration in the insular areas. Panelists will share recent experiences, strategies, and opportunities to build and sustain finance office workforce capacity.

10:00 a.m.



Break

10:15 a.m.



Presentation: Trends in Public Sector Talent Acquisition, and Implications for the Insular Areas

👤 Bob Lavigna, Senior Fellow, Public Sector, UKG

Bob Lavigna, an award-winning public sector leader with over 30 years of experience, will explore current trends in public sector talent acquisition and retention, including growing demands for flexibility, voice and wellbeing. He will discuss strategies to recruit talent, enhance employee engagement, deliver a positive employee experience, and boost retention. The session will also address the importance of succession planning and how these trends and strategies can be adapted to meet the unique talent challenges faced by insular areas.

12:00 p.m.



Lunch

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

1:15 p.m.

Breakout Activity: HR Problem Solving Session

Participants will work within their jurisdictions to identify and define their top three recruitment or retention challenges. This focused activity will set the stage for the subsequent discussion session.

2:15 p.m.



Facilitated discussion – Strategies, tactics, guidance that might address each jurisdiction's constraints

- 👤 Kevin O’Keefe, Facilitator
- 👤 Bob Lavigna, Senior Fellow, Public Sector, UKG

Building on the breakout session identifying recruitment and retention challenges, this discussion will explore strategies, tactics, and solutions to address the identified HR and recruitment constraints. Facilitators will guide the group in sharing actionable guidance and fostering a collaborative exchange of ideas.

3:00 p.m.



Break

3:15 p.m.



Preparing for Change: Overview of GASB Statements 100–104

- 👤 Frank Crawford, CPA

This session will provide an overview of GASB Statements 100–104, effective in FY24 and highly relevant to the insular areas, covering updates on accounting changes, error corrections, compensated absences, risk disclosures, financial reporting improvements, and capital asset disclosures. Participants will learn about the implications of these changes and strategies for effective implementation to enhance compliance and transparency.

4:15 p.m.



Perfometer Updates – Latest Available

- 👤 Frank Crawford, CPA

This session will provide an update on the latest Perfometer scores for each insular government, including available FY22 data, where audits have been issued. The presentation will include a review of overall ratios, scores and progress on the Audit Findings, Timeliness of Audit Submission, and Exception Resolution (A.F.T.E.R.) analysis.

4:45 p.m.



Gather Questions; Adjourn for Day



USVI participants present their action plans at the 2023 IGFOA Winter Meeting



IGFOA 2014 Winter Conference, Maui, Hawaii



IGFOA Summer 2022 Conference, Austin, Texas



IGFOA 2004 Winter Conference, Maui, Hawaii

THURSDAY, DECEMBER 12, 2024

7:00 a.m.



Buffet Breakfast

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

8:30 a.m.



Continuation of IGFOA Conference

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

👤 Kevin O'Keefe

Review results from Wednesday and overview of today's agenda

8:45 a.m.



Updates from DOI, Office of Insular Affairs

👤 Marina Tinali, Deputy Policy Director, DOI/OIA

9:00 a.m.



Revitalizing Finance Office Performance Measures

👤 Debbie Milks, CPA

👤 Frank Crawford, CPA

👤 Jeanne Yamamura, CPA

This session will review existing finance office performance measures to enhance participant familiarity and understanding. Discussions will focus on the relevance and practical utilization of measures, with consideration given to linking them to citizen-centric reporting, engaging leadership, and implementing a peer review process to maintain momentum.

10:15 a.m.



Break

10:30 a.m.



Government Action Planning: Compile Action Steps

12:00 p.m.



Working Lunch

📍 Waikiki Ballroom, Waikiki Beach Marriott Resort & Spa

12:30 p.m.



Government Report-Outs and Next Steps

1:30 p.m.



Conference Wrap-Up

- *Advancing Government Action Plans*
- *Next Steps*
- *Conference Evaluations*

2:50 p.m.



Closing Remarks

- *Insular Govt Representative*

3:00 p.m.



Adjourn

PARTICIPANT LIST

American Samoa

Tina Va'a, *Department of Treasury*

CNMI

Angelina Phillips, Financial Analyst, *CNMI Office of Management and Budget*
Jazmin Camacho, Senior Financial Analyst, *CNMI Office of Management and Budget*
Jerry Deleon Guerrero, Senior Financial Analyst, *CNMI Department of Finance*
Pamela Marigmen, Senior Financial Analyst, *CNMI Department of Finance*
Ryan Camacho, Senior Financial Analyst, *CNMI Department of Finance*
Tracy Norita, Secretary of Finance, *CNMI Department of Finance*

FSM – National Government

Christina Elnei, Director, *Department of Treasury and Administration*
Neymi Makaya, Financial Management Specialist
Sohs John, Assistant Secretary, *Division of Budget and Economic Management*

FSM – Kosrae State

Lipar George, Director, *Department of Finance and Administration*
Makoto Shinoda, Financial Advisor, *Department of Administration and Finance*

FSM – Pohnpei State

Daisy Nanpei, CFO, *Pohnpei Utilities Corporation*
Kelly Keller, Financial Advisor, *Department of Treasury and Administration*
Latoya Salvador, Senior Analyst, *Budget Office*
Loreen Cyndi Hadley, Assistant CFO, *Pohnpei Utilities Corporation*
Ricky Carl, Senator, Chairman of Finance *Pohnpei State Legislature*
Shirley Ann Ligoehr, External Assistance Coordinator, *Overseas Development Assistance Unit – Grants*
Sihna Lawrence, Director, *Department of Treasury and Administration*

FSM – Chuuk State

Jonas Paul, Director, *Department of Finance and Administration*
Restmena Nonumwar, Deputy Director, *Department of Finance and Administration*

FSM – Yap State

Gertrude Gootinan, Financial Advisor, *Office of Administrative Services*
Irene Laabrug, Chief of Finance & Treasury, *Office of Administrative Services*
Noimilynn Pigao, Legislative Budget Officer, *Yap State Legislature*
Pius Talimeisei, Senator, *Yap State Legislature*

Guam

Edward Birn, CPA, Director, *Guam Department of Administration*
Krystyna Ilagan, General Accounting Supervisor, *Guam Department of Administration*
Michael Cabral, General Accounting Supervisor, *Guam Department of Administration*

Palau



Darla Babauta, Chief of Finance & Accounting, *Ministry of Finance*
Jade Kloulchad, Senior Accountant, *Palau National Communications Corporation*
Kaleb Udui, Minister, *Ministry of Finance*
Leony Christman, Human Resource Specialist, *Ministry of Finance*
Mesiich Tiara F. Ngiramolau, *Economic Researcher, Ministry of Finance*
Novie Martinez, Accounting Duty Manager, *Palau National Communications Corporation*
Sharnnel Sumang, Chief of Property & Supply, *Ministry of Finance*

Marshall Islands



Anthony Maika, Executive Councilman for Finance, *Kwajalein Atoll Local Government*
Ayako Yamaguchi-Eliou, PFM & Budget Specialist, *Ministry of Finance*
Betty Tibon-Imekita, Executive Council for Finance, *Kwajalein Atoll Local Government*
David Paul, Minister, *Ministry of Finance*
Gerald Zackios, Senator, *Republic of the Marshall Islands*
Jasmine Myazoe, Assistant Secretary, *Ministry of Finance*
Katt Chong-Gum, Economist, *Ministry of Finance*
Lenie Sigman, Chief Accountant, *SOE*
Neri Wase, Deputy Secretary for Core Financial Services
Theodore J Kiluwe, Fiscal/Data Officer, *Administration*
Tracy Jetton, Director, Human Resources, *Ministry of Finance US Virgin Islands*

US Virgin Islands



Jamie Gaston, ARPA Grant Administrator, *Office of Management and Budget*
Julio Rhymer, Sr., Director, *Office of Management and Budget*

US Department of the Interior



Eunbin Morrison, Audit Liaison, *Office of Insular Affairs*
Marina Tinali, Deputy Policy Director, *Office of Insular Affairs*
Melissa Braybrooks, Economist, *Office of Insular Affairs*
Stephen Savage, Honolulu Field Office, *Office of Insular Affairs*
Tanya Joshua, Deputy Director of Technical Assistance, *Office of Insular Affairs*

Resource Consultants


Bob Lavigna, Senior Fellow, *Public Sector, UKG*
Chris Wolseley, CPA, *Ernst and Young, Guam*
Debbie Milks, CPA, *GSUSA*
Frank Crawford, CPA, *GSUSA*
Jeanne Yamamura, CPA, *GSUSA*
Kevin O'Keefe, Economist, *GSUSA*
Mark Sturton, Ph.D., Economist, *GSUSA*

Graduate School USA



Jason Aubuchon, Director, *PITI-VITI*
Monique Wedderburn, Program Manager, *PITI-VITI*
Skip Polson, Program Specialist, *PITI-VITI*

CONTACT INFORMATION

 +1 808 523 1650

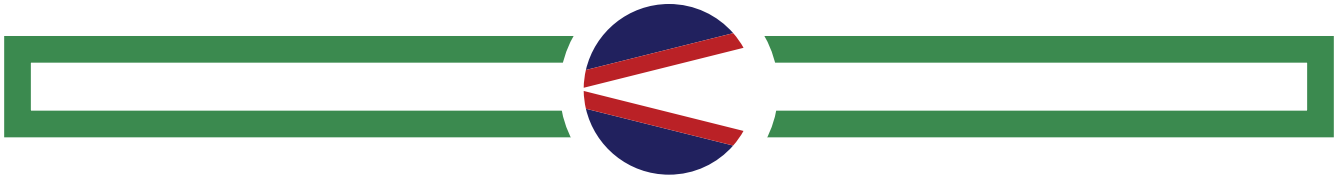
 www.pitiviti.org

 900 Fort Street Mall, Suite 1540
Honolulu, Hawaii 96813

The Island Government Finance Officers' Association (IGFOA) is supported by the Graduate School USA's Pacific & Virgin Islands Training Initiatives (PITI-VITI), with funding assistance from the Department of the Interior's Office of Insular Affairs (www.doi.gov/oia).

ELDP Alumni at IGFOA 2024 Summer Meeting, Orlando, Florida





2a

INSULAR GOVERNMENT UPDATES: AMERICAN SAMOA



AMERICAN SAMOA GOVERNMENT

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



ASG - Most Recently Completed Audit

| | | | | |
|---|--|------------|--|-----------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | | FY2023 | 5/28/2024 |
| 2 | What was the audit opinion? | Unmodified | # financial statement qualifications | 0 |
| | | | # compliance qualifications | 0 |
| | | | # qualifications related to component units | 0 |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | | About 5 months | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | | Taxes Revenue | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | | The first audit finding which is the same finding over the last several audits – Finding 2023-001 – General Ledger Reconciliation/Financial Close and Reporting Process. | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | | Auditors assist | |



ASG – Current Audit Timeline

| AUDIT STATUS DATES | | FY 2024 |
|--------------------|--|---|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | End of December 2024 |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Audit adjustments – senior staff Opening balances – Deputy Treasurer |
| 3 | Date the financial audit field work commenced (or scheduled) | January 14, 2025 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | Compensated Absences, Fixed Assets |
| 5 | Status of component units: # on schedule & # behind | All on schedule |
| 6 | Date of the approved extension request | N/A |
| 7 | Realistic estimated completion date | April 30, 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | January 14, 2025 |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



ASG – Audit Process Structure

| AUDIT STATUS DATES | | 2023 Response | Current Status |
|--------------------|---|---|--------------------------------|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | Treasury | Will begin RFP in the new year |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | Yes. Deputy Treasurer, Chief Accountant and Senior accountants. | Same |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes. Chief Accountant | Chief Accountant |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | Yes and No | Will include in RFP |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | No | No |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | No | No |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



ASG – FMIS Support & Maintenance

| | | |
|---|---|---|
| 1 | What is the period of time on your maintenance/support agreement? | Annual renewal |
| 2 | Can you share the annual cost with the group? | Cost goes up about \$20K every year. |
| 3 | What is the typical response time from your software vendor? | Depends on what time of day. Before COB, a few minutes to an hour. After COB, response is the next day. |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? | Yes. Requests are funneled to the IT manager or asst manager. IT manager submits to vendor. A ticket is created by vendor for IT to respond directly to assigned vendor tech. |
| 5 | Same question as above for change requests | Same as above. |
| 6 | Which modules have been purchased but not implemented or used? | Contract management, Stores & Inventory, Employees Online to name a few |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



ASG – Audit Process Structure

| | ASG Department of Finance Performance Measures | Target | Period | Notes | Audit issue? |
|---|--|-----------------------------------|--------------------|---|-----------------------|
| 1 | Reduction in overdue travel advances | ----% reduction from prior period | Mntly | <ul style="list-style-type: none"> - Increase in travel expenses - Difficulty in monitoring travel expense reports - Need to revisit travel policy | No |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual or biannual | <ul style="list-style-type: none"> - Need improvement to reconcile quarterly. - In need of a fixed asset software to dump all the data instead of excel | No |
| 3 | Bank Reconciliations completed on a timely basis | ---days after month end | Mnthly | More vendors opt in for ACH, making it more difficult to reconcile, identify and post. | Timely Reconciliation |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | Major work needed in cleaning up encumbrance. | No |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



ASG – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|------------------------------|---------------------|--|-------------------------------|
| 1 | Update Treasury Finance SOPs | End of 1Q 2025 | Payroll & Accounts Payable completed; | End of 2 nd Q 2025 |
| 2 | | | General Accounting & Finance – 40% completed; | |
| 3 | | | Disbursing, Credit & Collection, Revenue – did not start | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |



INSULAR GOVERNMENT UPDATES:
COMMONWEALTH OF NORTHERN
MARIANA ISLANDS



CNMI - Most Recently Completed Audit

| 1 | What fiscal year is the most recently completed & what was the completion date? | FY2021 | 8/15/24 | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|-------------------------|-----------------------------------|------------|--|-------------------------|------------------------|-----------------------------------|-------------------------------------|------------|---|------------|------------------------------------|------------|--|------------|--------------------------------------|---------|--------------------------------------|----|
| 2 | What was the audit opinion? | <table border="1"> <thead> <tr> <th>Opinion Units</th> <th>Type of Opinion</th> </tr> </thead> <tbody> <tr> <td>Governmental Activities</td> <td>Disclaimer</td> </tr> <tr> <td>Aggregate Discretely Presented Component Units</td> <td>Adverse</td> </tr> <tr> <td>General Fund</td> <td>Disclaimer</td> </tr> <tr> <td>Grants Assistance Governmental Fund</td> <td>Disclaimer</td> </tr> <tr> <td>American Rescue Plan Act (ARPA) Governmental Fund</td> <td>Disclaimer</td> </tr> <tr> <td>Saipan Amusement Governmental Fund</td> <td>Disclaimer</td> </tr> <tr> <td>Department of Public Lands Governmental Fund</td> <td>Unmodified</td> </tr> <tr> <td>Aggregate Remaining Fund Information</td> <td>Adverse</td> </tr> </tbody> </table> | Opinion Units | Type of Opinion | Governmental Activities | Disclaimer | Aggregate Discretely Presented Component Units | Adverse | General Fund | Disclaimer | Grants Assistance Governmental Fund | Disclaimer | American Rescue Plan Act (ARPA) Governmental Fund | Disclaimer | Saipan Amusement Governmental Fund | Disclaimer | Department of Public Lands Governmental Fund | Unmodified | Aggregate Remaining Fund Information | Adverse | # financial statement qualifications | 11 |
| | | Opinion Units | Type of Opinion | | | | | | | | | | | | | | | | | | | |
| Governmental Activities | Disclaimer | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Discretely Presented Component Units | Adverse | | | | | | | | | | | | | | | | | | | | | |
| General Fund | Disclaimer | | | | | | | | | | | | | | | | | | | | | |
| Grants Assistance Governmental Fund | Disclaimer | | | | | | | | | | | | | | | | | | | | | |
| American Rescue Plan Act (ARPA) Governmental Fund | Disclaimer | | | | | | | | | | | | | | | | | | | | | |
| Saipan Amusement Governmental Fund | Disclaimer | | | | | | | | | | | | | | | | | | | | | |
| Department of Public Lands Governmental Fund | Unmodified | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Remaining Fund Information | Adverse | | | | | | | | | | | | | | | | | | | | | |
| # compliance qualifications | 31 | | | | | | | | | | | | | | | | | | | | | |
| # qualifications related to component units | 7 – Completed 2 – Ongoing | | | | | | | | | | | | | | | | | | | | | |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | February 1, 2023 – August 15, 2024 (Fieldwork: October 2023) 19 months | | | | | | | | | | | | | | | | | | | | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Year-End Process | | | | | | | | | | | | | | | | | | | | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | 7 total findings | <table border="1"> <thead> <tr> <th>GL and FS Close Process</th> <th>Interfund Transactions & Balances</th> </tr> </thead> <tbody> <tr> <td>SIFA</td> <td>Beginning Fund Balances</td> </tr> <tr> <td>Cash & Cash Equivalents</td> <td>Due to Component Units</td> </tr> <tr> <td>Interfund Transactions & Balances</td> <td></td> </tr> </tbody> </table> | GL and FS Close Process | Interfund Transactions & Balances | SIFA | Beginning Fund Balances | Cash & Cash Equivalents | Due to Component Units | Interfund Transactions & Balances | | | | | | | | | | | | |
| GL and FS Close Process | Interfund Transactions & Balances | | | | | | | | | | | | | | | | | | | | | |
| SIFA | Beginning Fund Balances | | | | | | | | | | | | | | | | | | | | | |
| Cash & Cash Equivalents | Due to Component Units | | | | | | | | | | | | | | | | | | | | | |
| Interfund Transactions & Balances | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | In-house (Secretary of Finance Office) | | | | | | | | | | | | | | | | | | | | |

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CNMI – Current Audit Timeline

| AUDIT STATUS DATES | | FY2022 |
|--------------------|--|---|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | Oct 2024 – Initial submission |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Currently Ongoing – Secretary of Finance Office is responsible |
| 3 | Date the financial audit field work commenced (or scheduled) | January 2025 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | - Schedules to be provided in December - Tax Related Schedules |
| 5 | Status of component units: # on schedule & # behind | 6 - Completed 3- Ongoing 1 - Pending |
| 6 | Date of the approved extension request | FY22 – June 2025 |
| 7 | Realistic estimated completion date | June 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | January 2025 |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CNMI – Audit Process Structure

| AUDIT STATUS DATES | |
|--------------------|--|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? OPA |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? DOF, OPA and OGM |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? Ryan Camacho, Pam Marigmen, and Jerry Deleon Guerrero, Senior Financial Analyst |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? Bi-weekly Meetings |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? Yes |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? Setting hard deadlines on Agencies and to have constant communications/expectations with the Auditor |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CNMI – FMIS Support & Maintenance

| | |
|---|--|
| 1 | What is the period of time on your maintenance/support agreement? 1 year – auto renew for additional 1 year unless terminated in writing prior to end of current term. |
| 2 | Can you share the annual cost with the group? \$396,000 |
| 3 | What is the typical response time from your software vendor? Less than 12 hours (typically within the same day) |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? - No hierarchy for requesting assistance - Systems Analyst, SOF office, & Office of Information Technology (OIT) |
| 5 | Same question as above for change requests Systems Analyst and Secretary of Finance Office |
| 6 | Which modules have been purchased but not implemented or used? All modules purchased are currently being used |

4

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CNMI – Audit Process Structure

| CNMI Department of Finance Performance Measures | Target | Period | Prior Period -1 | Current Period 0 | Trend | Notes | Audit issue? | | | | | | | | |
|--|--------------------------------|-----------|-----------------|------------------|---|--|---------------------|---------------|-------------------------|----------------|-------------------|----------------|---------------------------------------|---------------|--|
| 1 Reduction in overdue travel advances | % reduction from prior period | Annually | - | FY25 43% | % reflects FY22 to current | FY22 to Current (not including FY21 and prior) <table border="1"> <tr><td>Total Billed Amount</td><td>\$ 311,860.12</td></tr> <tr><td>Travel Voucher Adj/Cash</td><td>\$ (87,052.13)</td></tr> <tr><td>Payroll Deduction</td><td>\$ (91,337.01)</td></tr> <tr><td>Total Unpaid Balance as of 11/30/2024</td><td>\$ 133,470.98</td></tr> </table> | Total Billed Amount | \$ 311,860.12 | Travel Voucher Adj/Cash | \$ (87,052.13) | Payroll Deduction | \$ (91,337.01) | Total Unpaid Balance as of 11/30/2024 | \$ 133,470.98 | |
| Total Billed Amount | \$ 311,860.12 | | | | | | | | | | | | | | |
| Travel Voucher Adj/Cash | \$ (87,052.13) | | | | | | | | | | | | | | |
| Payroll Deduction | \$ (91,337.01) | | | | | | | | | | | | | | |
| Total Unpaid Balance as of 11/30/2024 | \$ 133,470.98 | | | | | | | | | | | | | | |
| 2 Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annually | FY24 32% | FY25 38% | | Agencies Received Asset Lists: 163/163 <ul style="list-style-type: none"> No changes from last week - 98.77% Agencies Submitted Accurate List: 52/163 <ul style="list-style-type: none"> No changes from last week - 31.90% Submitted/Total Agencies Received: 52/161 <ul style="list-style-type: none"> No changes from last week - 32.30% Reconciled/Submitted: 20/52 <ul style="list-style-type: none"> Percent changed from 36.53% to 38.46% from last week. | | | | | | | | | |
| 3 Bank Reconciliations completed on a timely basis | 30 days after month end | Monthly | FY24 16% | FY25 0% | Details on slide 8 | FY22/FY23 details are also on slide 8 | | | | | | | | | |
| 4 Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Quarterly | | | Outdated encumbrances to be reviewed at the end of FY25Q1 | We did not carryforward any inactive encumbrance from legacy system. The CNMI Encumbrance Policy & Procedures was approved and disseminated to all Department heads, effective October 1, 2024 - Monthly review and quarterly adjustments | | | | | | | | | |

5

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CNMI – Action Plan Progress

| IGFOA (JUNE 2024) ACTION PLANS | | | | | | |
|--------------------------------|---|--------------------|---------------------------|-----------------|--|---|
| NO. | ACTION TASK | TASK CREATION DATE | ESTIMATED COMPLETION DATE | COMPLETION DATE | WHO | Notes |
| 1 | Discussion with EY regarding their audit contracts with our component units | Dec-23 | 12/30/2024 | | AUDIT Team | JG (11/27): Timeline moved from 6/21/24 to 12/30/24. To be discussed in the next meeting with EY. |
| 2 | Follow up with EY on concurrent audit (FY22 to FY23) | Dec-23 | 6/29/2024 | 6/21/2024 | AUDIT Team | DONE: JG (6/21): Not concurrent, but we anticipate the FY22 and FY23 audits to be completed within a year (with the assumption that we are audit ready/auditable - TB supported with complete schedules, etc.). 1. FY23 - To begin in October 2024 2. FY22 - To begin in April 2025 |
| 3 | FY23 Bank Recon | May-23 | 12/30/2024 | | OIT - Danil; SOF - Pam; Bank Recon Section | RC (8/6): Timeline moved from 7/31/24 to 12/31/24. Staff turnover and BAI data quality are the major issues causing the delay. System errors are still present, but the team has found temporary work-arounds. |
| 4 | FY24 Bank Recon (matching) should be current | Jun-24 | 12/30/2024 | | OIT - Danil; SOF - Pam; Bank Recon Section | JG (10/2): Timeline moved from 9/30/24 to 12/30/24. |
| 5 | Update inventory regulation to do a biennial physical inventory | Jun-24 | 8/30/2024 | 8/30/2024 | SOF: Jerry; Procurement Services | DONE: JG (9/10): Memo dated 8/30/24 was sent to all Department heads regarding the updates to the existing policy around the performance of a physical inventory from annual to biennial. |
| 5a | Update the CNMI Property Management Policies and Procedures Manual | Jun-24 | 12/30/2024 | | Procurement Services | JG (10/2): The CNMI Property Management Policies and Procedures Manual is currently being updated and next status meeting with Procurement Services is set for 12/10/24 with the expectation that we would have a draft of the manual for our review/input. |
| 6 | FY23 Ending balance recorded in Muni/FY22 Beg. Balance | Jun-24 | 8/15/2024 | 8/15/2024 | SOF: Ryan and Pam | DONE: RC (7/25): Timeline moved from 7/31/24 to 8/15/24 to allow sufficient time between audit release and end of year processes. |
| 7 | Year End Close for FY23 | Jun-24 | 6/30/2024 | 11/8/2024 | FS: Bernice P. and Don C.; SOF: Ryan and Pam | DONE: FY23 YE Close process completed on 11/8/24. |
| 8 | Munis Cubes: have cubes reporting fully utilized by target deadline; data should be refreshed daily; COF users trained via Tyler Pace Program to utilize CUBES for audit related reporting for SEFA, SF 425, Payroll reports for auditor testing, Receivables (i.e. General Billing), Budget to Actuals, etc. | Jun-24 | 12/15/2024 | | OIT - Henry/Zach; SOF - Ryan/Pam | RC (8/12): Timeline moved from 8/20/24 to 12/15/24. Seeking additional support from Tyler to assist OIT and federal section. |
| 9 | Discussion for the preparation of the GASB 96 (SBTA) for FY2023 | Jun-24 | 12/30/2024 | | SOF: Joannee, Ryan, and Pam | JG (11/6): Per JM, additional time needed as there is an ongoing discussion with Crawford and Associates on the SBTA worksheet. |
| 10 | Encumbrance Policy | May-23 | 8/30/2024 | 10/1/2024 | SOF: Jerry | DONE: JG (10/2): Policy was effective 10/1/24 and disseminated to Department heads on 10/17/24. |
| 11 | Finalize GASB 87 FY2022. | May-23 | 6/30/2024 | 9/30/2024 | SOF: Joannee | DONE: JG (10/2): Report submitted to SOF office on 9/24/24. |
| 11a | GASB 87 SOF for Procurement Services | Oct-24 | 1/30/2024 | | Pacific Pac | AS (10/3): Notified Pacific Pac to include the creation of an SOP for GASB 87 and to work with J. McPhetres. |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii

IGFOA (JUNE 2024) ACTION PLANS

| | ACTION TASK | TASK CREATION DATE | ESTIMATED COMPLETION DATE | COMPLETION DATE | WHO | Notes |
|--------------------------|--|--------------------|---------------------------|-----------------|---------------------------------------|---|
| GRANT MANAGEMENT: | | | | | | |
| 12 | Initiate Tyler Pace Program | Jun-24 | 12/30/2024 | | SOF: Ryan | RC (10/2): Timeline moved from 9/30/24 to 12/30/24. Submitted acceptance of scope of work/training hours to Tyler; Pending training implementation. |
| 12a | New Grant/Additional Award Allotment Process AUTOMATION - all allotments and grant master module | Jun-24 | 12/30/2024 | | SOF: Ryan, OGM: Daril H., OMB: Jazmin | RC (10/2): Timeline moved from 9/30/24 to 12/30/24. Submitted acceptance of scope of work/training hours to Tyler; Pending training implementation. |
| 12b | SF425 Report Automation in Munis | Jun-24 | 12/30/2024 | | SOF: Ryan, FS - Federal Section | RC (10/2): Timeline moved from 9/30/24 to 12/30/24. Submitted acceptance of scope of work/training hours to Tyler; Pending training implementation. |
| 13 | DOCUMENTATION OF SOPs - focusing on the federal process | Jun-24 | 12/30/2024 | | Pacific Pact | JG (10/1): Pacific Pact will be taking the lead on this action task and will begin this documentation covering Financial Services Division (prioritizing federal section), Procurement Services, and Treasury. |
| CYBER SECURITY: | | | | | | |
| 14 | Timeline for the system upgrade and cloud transition | Jun-24 | 12/31/2024 | | OIT | RC (8/26): Timeline moved from 6/30/24 to 12/30/24. Finalizing quotation for PACE and pending funding. |
| 15 | Require a valid photo ID on the work email | Jun-24 | 12/30/2024 | | EEDS Team / OIT | JG (12/2): Timeline moved from 7/31/24 to 12/30/24. Total of 245 employees with 84% completed to date. |
| 16 | Cyber security user training - all Munis users | Jun-24 | 12/30/2024 | | EEDS Team / OIT | JG (10/1): 111 of 245 employees (45%) have completed the training as of 10/1/24. Timeline moved from 9/30/24 to 12/30/24 |
| OTHERS: | | | | | | |
| 17 | Partial - Decentralization of Invoice Entry - Non-recurring transactions | Jun-24 | 9/30/2024 | 9/30/2024 | SOF/FS | DONE: JG (9/30): Memo was sent to all departments on July 17, 2024 (memo on CLC billings). |
| 18 | Centralize Invoice Entry: Fuel, Communication, and Utilities | Jun-24 | 9/30/2024 | 9/30/2024 | SOF/FS | DONE: RC (9/30): Testing for automation was not successful due to budget constraints, and management of errors reverting to DOF; Agency guidance issued for correct entry of Utilities |
| 19 | Transfer of balances from JDE to Munis - Special/Revolving funds only | May-23 | 1/30/2024 | | SOF: Jerry | JG (11/6): Kar is assisting with this project. There appears to be more accounts in the JDE report that are not accounted for in the Fund Status Tracker (could be old accts, etc.). We are working to reconcile the JDE report / fund tracker / list from OMB to confirm the total number of accounts. |
| 20 | Update of our Procurement regulation threshold for small purchases | Aug-24 | 12/30/2024 | | Procurement Services | JG (9/9): Per B.Nicholas, there's a disparity in treatment of local vs. federal funds on small purchases. \$ 200.403 Factors affecting allowability of costs. To be discussed in our status meeting on 10/23/24. |



CNMI – Bank Reconciliation Progress

Financial Services - RECONCILIATION SECTION

FY 2022 – Percent changed from 97.0% to 98.9% from last week.
 FY 2023 – Percent changed from 66.2% to 66.4% from last week.
 FY 2024 – Percent changed from 12.7% to 16.0% from last week.
 FY 2025 – No changes from last week –0.0%

Not Started Started BAI Uploaded Matched Researched Adjusted

| DOF Leadership Report | Project | % Complete | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Period 13 |
|--------------------------|-----------------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| Reconciliation - FY 2022 | | 98.9% | | | | | | | | | | | | | |
| | General Fund account | 98.1% | | | | | | | | | | | | | |
| | Local Payroll account | 98.1% | | | | | | | | | | | | | |
| | Federal Payroll account | 98.1% | | | | | | | | | | | | | |
| | Federal Grant account | 100.0% | | | | | | | | | | | | | |
| | Credit Card account | 100.0% | | | | | | | | | | | | | |
| | Collection Clearing account | 100.0% | | | | | | | | | | | | | |
| | NAP account | 100.0% | | | | | | | | | | | | | |
| | Rebate Trust Fund account | 98.1% | | | | | | | | | | | | | |
| | Imprest Fund accounts | 98.1% | | | | | | | | | | | | | |

| DOF Leadership Report | Project | % Complete | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Period 13 |
|--------------------------|-----------------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| Reconciliation - FY 2023 | | 66.4% | | | | | | | | | | | | | |
| | General Fund account | 31.0% | | | | | | | | | | | | | |
| | Local Payroll account | 23.8% | | | | | | | | | | | | | |
| | Federal Payroll account | 26.9% | | | | | | | | | | | | | |
| | Federal Grant account | 91.3% | | | | | | | | | | | | | |
| | Credit Card account | 91.3% | | | | | | | | | | | | | |
| | Collection Clearing account | 91.3% | | | | | | | | | | | | | |
| | NAP account | 100.0% | | | | | | | | | | | | | |
| | Rebate Trust Fund account | 41.5% | | | | | | | | | | | | | |
| | Imprest Fund accounts | 91.3% | | | | | | | | | | | | | |
| | ARFA | 100.0% | | | | | | | | | | | | | |

| DOF Leadership Report | Project | % Complete | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Period 13 |
|--------------------------|-----------------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| Reconciliation - FY 2024 | | 16.0% | | | | | | | | | | | | | |
| | General Fund account | 0.2% | | | | | | | | | | | | | |
| | Local Payroll account | 7.7% | | | | | | | | | | | | | |
| | Federal Payroll account | 0.2% | | | | | | | | | | | | | |
| | Federal Grant account | 77.2% | | | | | | | | | | | | | |
| | Credit Card account | 0.2% | | | | | | | | | | | | | |
| | Collection Clearing account | 0.0% | | | | | | | | | | | | | |
| | NAP account | 44.2% | | | | | | | | | | | | | |
| | Rebate Trust Fund account | 14.2% | | | | | | | | | | | | | |
| | Imprest Fund accounts | 0.2% | | | | | | | | | | | | | |
| | APFA | 0.0% | | | | | | | | | | | | | |

| DOF Leadership Report | Project | % Complete | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Period 13 |
|--------------------------|-----------------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| Reconciliation - FY 2025 | | 0.0% | | | | | | | | | | | | | |
| | General Fund account | 0.0% | | | | | | | | | | | | | |
| | Local Payroll account | 0.0% | | | | | | | | | | | | | |
| | Federal Payroll account | 0.0% | | | | | | | | | | | | | |
| | Federal Grant account | 0.0% | | | | | | | | | | | | | |
| | Credit Card account | 0.0% | | | | | | | | | | | | | |
| | Collection Clearing account | 0.0% | | | | | | | | | | | | | |
| | NAP account | 0.0% | | | | | | | | | | | | | |
| | Rebate Trust Fund account | 0.0% | | | | | | | | | | | | | |
| | Imprest Fund accounts | 0.0% | | | | | | | | | | | | | |
| | APFA | 0.0% | | | | | | | | | | | | | |



INSULAR GOVERNMENT UPDATES:
FEDERATED STATES OF MICRONESIA
CHUUK STATE



CSG - Most Recently Completed Audit

| | | | | |
|---|--|--|---|------------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | | FY2022 | 07/29/2024 |
| 2 | What was the audit opinion? | Financial statements- Qualified Compliance for all federal major programs- Unmodified | # financial statement qualifications | 2 |
| | | | # compliance qualifications | 1 |
| | | | # qualifications related to component units | 1 |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | We don't know the date of the audit contract. | | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Booking of unrecorded liabilities and reconciliation with FSM NG | | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | 1 | | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | In house. | | |

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CSG– Current Audit Timeline

| | AUDIT STATUS DATES | [FY2023] |
|---|--|-----------------------------------|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | 05/27/2024 |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Yes. Accounting/Financial Advisor |
| 3 | Date the financial audit field work commenced (or scheduled) | December 2024 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | None |
| 5 | Status of component units: # on schedule & # behind | On schedule- all component units |
| 6 | Date of the approved extension request | No extension yet |
| 7 | Realistic estimated completion date | March 31, 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | December 2024 |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CSG– Audit Process Structure

| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|-----------------------------------|-----------------------------------|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | FSM ONP | FSM ONP |
| 2 | Does the government have an active audit oversight committee? Who is on the committee? | No | No |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes. Accounting/Financial Advisor | Yes. Accounting/Financial Advisor |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | No. | No. |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | Yes- FSM ONP | Yes- FSM ONP |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | No. | No. |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CSG– Performance Measures

| | Chuuk State Department of Finance Performance Measures | Target | Period | Prior Period - 1 | Current Period 0 | Trend | Notes | Audit issue? |
|---|--|-----------------------------------|--------|------------------|------------------|-------|--|--------------|
| 1 | Reduction in overdue travel advances | ----% reduction from prior period | Mntly | 11% | -9.8% | | | No |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual | 100% | 90% | | FY2024 is completed, AJE unposted yet. | No |
| 3 | Bank Reconciliations completed on a timely basis | ---days after month end | Mnthly | 10 | 10 | | After receipt of bank statement. | No |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | 85% | 95% | | | No |

5

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



CSG– Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|--|----------------------|---|----------------------|
| 1 | To make the files more organized. | Before end of FY2024 | Organizing files of previous years and current year is still in progress. | Before end of FY2025 |
| 2 | To continue cleaning up invalid encumbrances/travel. | Before end of FY2024 | Previous years invalid encumbrances were cleaned up and continue to current year. | Before end of FY2025 |
| 3 | To verify invalid accounts payable. | Before end of FY2024 | Previous years invalid accounts payable were cleaned up and continue to current year. | Before end of FY2025 |
| 4 | | | | |



2019

INSULAR GOVERNMENT UPDATES:
FEDERATED STATES OF MICRONESIA
KOSRAE STATE



KSG- Most Recently Completed Audit

| | | | | |
|---|--|--|---|----------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | | FY2022 | 05/03/24 |
| 2 | What was the audit opinion? | Unmodified – General fund, Compact Trust Fund, Aggregate Remaining Fund Information, and Aggregate Discretely Presented Component Units Qualified – Governmental activities and Grant Assistance Fund | # financial statement qualifications | 3 |
| | | | # compliance qualifications | 2 |
| | | | # qualifications related to component units | None |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | | 10 months from July 2023 to May 2024 | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | | Reconciliation of accounts receivable and unearned revenues on federal accounts | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | | One. | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | | Our Financial Advisor prepared unaudited fund financial statements. | |

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



KSG– Current Audit Timeline

| AUDIT STATUS DATES | | FY2023 |
|--------------------|--|--|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | Still closing FY2023 transactions |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | The financial advisor is responsible for ensuring that the prior year audited ending fund balances are accurately carried forward to the current year. |
| 3 | Date the financial audit field work commenced (or scheduled) | January 01, 2025. |
| 4 | Any major PBC schedules & reconciliations still outstanding? | (1) Schedule of accounts receivable and unearned revenues on federal accounts (2) Schedule of General Fund travel advances with assessment of collectability (3) Budgetary comparison schedule |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



KSG– Current Audit Timeline

| AUDIT STATUS DATES | | FY2023 |
|--------------------|--|--|
| 5 | Status of component units: # on schedule & # behind | Kosrae Utilities Authority: FY2023 audit completed. Kosrae Port Authority: Audit resumed after the change of field senior. Audit is halfway done. Kosrae Housing Authority. Audit commenced. |
| 6 | Date of the approved extension request | We are not aware of an extension of our reporting deadline to the FAC. |
| 7 | Realistic estimated completion date | January 2026 |
| 8 | Date the compliance field work commenced (or is scheduled) | Concurrently with the FS audit. Around January 2025? |



KSG– Audit Process Structure

| AUDIT STATUS DATES | 2023 Response | Current Status |
|--------------------|---|--|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | Office of the FSM Public Auditor |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | No. However, the Director of DOFA is responsible for updating audit progress to the Governor and the KSL. |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | The financial advisor for the DOFA is responsible for monitoring audit progress. |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | No. |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | Refer to #1 above. The Office of the FSM Public Auditor awards a state-wide audit contract to an audit firm. |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | No. |



KSG – Performance Measures

| | Kosrae State Govt Department of Finance Performance Measures | Target | Period | Prior Period -1 | Current Period 0 | Trend | Notes | | | | | | | | | |
|--------------------------|--|----------------------------------|--------------------|-----------------|------------------|-------|---|--------------|-------|-------|-----------------------|----------|-------|--------------------------|--------|------|
| 1 | Reduction in overdue travel advances | ---% reduction from prior period | Mntly | | | | General Fund \$27K (09/30/23) >> \$17K (09/30/24) | | | | | | | | | |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual or biannual | Aug 23 | Nov 24 | | | | | | | | | | | |
| 3 | Bank Reconciliations completed on a timely basis | ---days after month end | Mnthly | | Up to Apr/Jul 24 | | Sector / Nonsector general accounts completed up to July 2024. Sector / Nonsector payroll accounts completed up to April 2024. | | | | | | | | | |
| | | | | | | | Balances from FY2022 and prior years 9-30-22 9-30-23 | | | | | | | | | |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | | | | <table border="1"> <tr> <td>General Fund</td> <td>\$43K</td> <td>\$11K</td> </tr> <tr> <td>Grant Assistance Fund</td> <td>\$4,109K</td> <td>\$30K</td> </tr> <tr> <td>Other governmental funds</td> <td>\$115K</td> <td>\$1K</td> </tr> </table> <p>We are currently identifying and cancelling old encumbrances from FY2023 and prior years.</p> | General Fund | \$43K | \$11K | Grant Assistance Fund | \$4,109K | \$30K | Other governmental funds | \$115K | \$1K |
| General Fund | \$43K | \$11K | | | | | | | | | | | | | | |
| Grant Assistance Fund | \$4,109K | \$30K | | | | | | | | | | | | | | |
| Other governmental funds | \$115K | \$1K | | | | | | | | | | | | | | |

6

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



KSG – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|--------------------------------|---------------------|--|--------------------|
| 1 | GASB87 (Leases) Implementation | | Successfully implemented | |
| 2 | Tax Reform | | We joined the FSM National Government task force. | |
| 3 | FMIS | | We are cleaning balance sheet accounts, especially old transactions that have been carried for a long time | |
| 4 | | | | |

7

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



2020

INSULAR GOVERNMENT UPDATES: FEDERATED STATES OF MICRONESIA NATIONAL GOVERNMENT



FSMNG - Most Recently Completed Audit

| | | | |
|---|---|---|------------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | FY2022 | 10/10/2024 |
| 2 | What was the audit opinion? | # financial statement qualifications | 14 |
| | | # compliance qualifications | 1 |
| | | # qualifications related to component units | 0 |
| <p>The audit opinion can be summarized as follows:</p> <ul style="list-style-type: none"> Grants Assistance Fund Disclaimer Governmental activities Qualified General fund Qualified Component Units Unmodified Compact trust fund Unmodified Aggregate remaining fund information Unmodified | | | |

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



FSMNG - Most Recently Completed Audit

| | | |
|---|--|---|
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | The Auditors were contracted in November 2022 and the statements were issued in October 2024. 23 months |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | GASB 87 and reconciliation of receivables and payables to the State Governments |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | 4 were related to reconciliations |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | The financial reports are all prepared by the Auditors based on trial balances taken from the system. |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



FSMNG – Current Audit Timeline

| | AUDIT STATUS DATES | FY23 |
|---|--|--|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | Auditors want it by 2nd December 2024. Likely to be the end of December?? |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Audit adjustments have been entered. The Auditors provided a list of adjustments that were not in the accounts, and it was processed by National Treasury. |
| 3 | Date the financial audit field work commenced (or scheduled) | Some field work has commenced (letters sent to Banks) but the bulk will start once we submit the trial balance and associated records. |
| 4 | Any major PBC schedules & reconciliations still outstanding? | We are still working on most of them |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



FSMNG – Current Audit Timeline

| | AUDIT STATUS DATES | FY23 |
|---|--|---|
| 5 | Status of component units: # on schedule & # behind | FSMDB, FSM Social Security, FSM Telecom, complete. 4 were on target to be completed by November. 4 are behind schedule. |
| 6 | Date of the approved extension request | Not yet |
| 7 | Realistic estimated completion date | June 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | It has not really commenced yet |

4

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



FSMNG – Audit Process Structure

| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|-----------------------------|--|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | National Public Auditor | National Public Auditor |
| 2 | Does the government have an active audit oversight committee? Who is on the committee? | No | Not really. Everything is reviewed by Secretary and Asst Secretary, Treasury. |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes, Compliance Officer | Yes. Compliance Officer |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | Not really, ad hoc meetings | Yes, but not in contract |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | Yes | Yes. They appoint one auditor to handle all audits and actively monitor the progress |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | No | Not yet, but good idea |



FSMNG – FMIS Support & Maintenance

| | | |
|---|---|--|
| 1 | What is the period of time on your maintenance/support agreement? | <p>At the moment we have 3 years of support and maintenance after the system goes live - funded by the World Bank. This is for the 5 Governments of FSM.</p> <p>There is an option to extend for an additional 2 years which will be funded by the World bank under PFM II.</p> <p>The contract includes additional post operational acceptance technical support of 125 person days over 3 years. It also includes the provision for a FreeBalance person based in FSM to provide helpdesk support who will be supported by the FreeBalance Support/Services team</p> |
| 2 | Can you share the annual cost with the group? | <p>The ongoing costs for the system are being funded by the World Bank and this will continue under PFM II. For the 5 Governments the total costs is as follows:</p> <ul style="list-style-type: none"> • Software maintenance - around \$190k per year • Helpdesk support for 3 years - around \$97.5k per year • Contracted additional support - \$78k over 3 years • Hosting of cloud environment - around \$240k per year |

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FSMNG – FMIS Support & Maintenance

| 3 | <p>What is the typical response time from your software vendor?</p> | <p>We have contracted for the following response times from FreeBalance:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #004a87; color: white;">Issue Type</th> <th style="background-color: #004a87; color: white;">Example</th> <th style="background-color: #004a87; color: white;">Response time</th> <th style="background-color: #004a87; color: white;">Resolution time</th> </tr> </thead> <tbody> <tr> <td>Critical</td> <td>System is down</td> <td>15 minutes</td> <td>2 hours</td> </tr> <tr> <td>High</td> <td>An important feature of the system is not working</td> <td>30 minutes</td> <td>4 hours</td> </tr> <tr> <td>Standard</td> <td>An important function is not performing well</td> <td>1 hour</td> <td>8 hours</td> </tr> <tr> <td>Low</td> <td>Low priority request</td> <td>2 hours</td> <td>2 business days</td> </tr> <tr> <td>Scheduled</td> <td>A service request asked for by Governments e.g. new report, update a users account</td> <td>4 hours</td> <td>5 business days</td> </tr> </tbody> </table> <p>We will have to see how they go against these response times.</p> | Issue Type | Example | Response time | Resolution time | Critical | System is down | 15 minutes | 2 hours | High | An important feature of the system is not working | 30 minutes | 4 hours | Standard | An important function is not performing well | 1 hour | 8 hours | Low | Low priority request | 2 hours | 2 business days | Scheduled | A service request asked for by Governments e.g. new report, update a users account | 4 hours | 5 business days |
|------------|--|--|-----------------|---------|---------------|-----------------|----------|----------------|------------|---------|------|---|------------|---------|----------|--|--------|---------|-----|----------------------|---------|-----------------|-----------|--|---------|-----------------|
| Issue Type | Example | Response time | Resolution time | | | | | | | | | | | | | | | | | | | | | | | |
| Critical | System is down | 15 minutes | 2 hours | | | | | | | | | | | | | | | | | | | | | | | |
| High | An important feature of the system is not working | 30 minutes | 4 hours | | | | | | | | | | | | | | | | | | | | | | | |
| Standard | An important function is not performing well | 1 hour | 8 hours | | | | | | | | | | | | | | | | | | | | | | | |
| Low | Low priority request | 2 hours | 2 business days | | | | | | | | | | | | | | | | | | | | | | | |
| Scheduled | A service request asked for by Governments e.g. new report, update a users account | 4 hours | 5 business days | | | | | | | | | | | | | | | | | | | | | | | |



FSMNG – FMIS Support & Maintenance

| | | |
|---|--|---|
| 4 | <p>Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly?</p> | <p>We will appoint someone at each Government to be the first point of contact for any support requests.</p> <p>There will be a helpdesk setup and a locally based FreeBalance consultant who will be the first point of call for any support requirements.</p> <p>All issues will be reported and managed through the Freebalance support portal</p> |
| 5 | <p>Same question as above for change requests</p> | <p>Any change requests will need to be coordinated between the 5 Governments (depending on the type of change being requested).</p> |
| 6 | <p>Which modules have been purchased but not implemented or used?</p> | <p>The system is not live yet so we are not sure if there will be any modules that have been purchased and are not used.</p> |



FSMNG – FMIS Support & Maintenance

| | | |
|---|--|---|
| 7 | <p>Additional Support to devolve the system to line Departments</p> | <p>The World Bank will be providing support to devolve the use of the new FMIS to line Departments as part of PFM II. To start with all processing will be done by the Departments of Finance and once the system is live then Line Agencies will be asked to come on board.</p> <p>Things that will be processed by line agencies</p> <ul style="list-style-type: none"> • Purchase orders with review and approval by Finance • Receipt of goods • Invoices for payment (with review and approval by Finance) • Receipt of monies into the system • Entry of timesheets to be loaded and reviewed by Finance |
|---|--|---|



FSMNG – Performance Measures

| | FSMNG Department of Finance Performance Measures | Target | Period | Notes | Audit issue? |
|---|--|--------------------------------|--------------------|--|--------------|
| 1 | Reduction in overdue travel advances | reduction from prior period | Mntly | We are actively working on reducing the number of outstanding travel advances before the new system goes live. Currently over 3,000 to clear | Yes |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual or biannual | Full fixed asset inventory is underway | Yes |
| 3 | Bank Reconciliations completed on a timely basis | 30 days after month end | Mnthly | Bank reconciliations are being done on time except for one Overseas based account | Yes |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | We are actively working on reducing the number of outstanding encumbrances which currently are currently over 4,000. | Yes |



FSMNG – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|---|---------------------|--|--|
| 1 | Hire a new financial advisor | July 2024 | | As soon as possible |
| 2 | New FMIS in place and being used | January 2025 | Progress is going well. We have decided to change the structure of the chart of accounts which has delayed the implementation by 2 months. | March 2025 |
| 3 | Establish Internal Audit in DOFA | December 2024 | The person who will become the Internal Auditor is heavily involved with coordinating the FY23 audit along with other tasks and has not been able to move to Internal Audit. There is Internal Audit assistance included in PFM II including setting up the Unit | June 2025 |
| 4 | Get preparation of financial statements up to date for presentation to the auditors | December 2024 | We are behind on this task as we do not have a financial advisor | Late December 2024 |
| 5 | GASB Advisor to be funded by the World Bank | December 2025 | Will be used as the financial advisor if we are unable to find anyone | Will be brought forward to February 2025 |
| 6 | Standard Operating procedures developed | November 2024 | SOPs have been developed as required by the Auditors and will be released in December 2024. New SOPs are being developed for use with the new system | December 2024 |



**INSULAR GOVERNMENT UPDATES:
FEDERATED STATES OF MICRONESIA
POHNPEI STATE**



PSG - Most Recently Completed Audit

| | | | |
|---|--|---|-----------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | FY2022 | 9-12-2024 |
| 2 | What was the audit opinion? Qualified and modified opinion | # financial statement qualifications | 5 |
| | | # compliance qualifications | 3 |
| | | # qualifications related to component units | 10 |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | April 2023 to Nov 2024 - Nineteen (19) months | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Loan Guarantee Obligation qualification (PUC loan); PSG to book the obligation on its books - GASB 70 | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | There are two - 2022-001 & 2022-003 | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | We hired a CPA to do the Financial Reports and the footnotes | |

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



PSG – Current Audit Timeline

| | AUDIT STATUS DATES | FY22 completed / FY23 has only got started |
|---|--|--|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | TB for FY 2023 target to submit December 2024 |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Yes, the audit adjustments for FY 2022 has been adjusted with the opening balances agreed to the prior year. Responsible was the Assistant to Chief of Finance, Mr. Moses Hespak |
| 3 | Date the financial audit field work commenced (or scheduled) | There has been no field work scheduled yet for FY 2023 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | National Government to confirm the PSG revenue receipts |
| | | Investment with PFC – waiting for PFC FY 2023 audit to be completed Encumbrances / prepaid POs to liquidate or adjust out. Searching for documentation |
| 5 | Status of component units: # on schedule & # behind | Small Business FY 2023 Completed Pohnpei Transportation Authority - FY 2023 completed Pohnpei Port Authority - FY 2023 Field work completed Pohnpei Housing Authority - FY 2023 |
| 6 | Date of the approved extension request | No approved extension yet |
| 7 | Realistic estimated completion date | September 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | No schedule has been set up yet |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



PSG – Audit Process Structure

| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|---|---|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | FSM Public Auditor | FY 2022 -2023 has been contracted to BCM; FY 2024-2025 under bid |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | The Audit Oversight Committee is comprised of the Secretary of Finance, the National Public Auditor, and the State Directors. | Uncertain if this oversight committee is currently operational. |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Currently, the Director oversees all communication and planning activities concerning audit matters with the Financial Advisor | The Finance department is currently being reorganized. Upon completion of this process, the Audit Coordinator will be assigned. |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | There are no formal meetings scheduled; status meetings are convened on an as-needed basis. | |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | Yes, it is indeed the Public Auditor's role; however, it is the responsibility of the State finance to ensure their component units comply. | Current Status of Component Units FY 2023 audit: Pohnpei Housing Authority – Field work completed Pohnpei Port Authority – Field Work Completed Small Business Guarantee Corporation - Audit completed Pohnpei Transportation Authority – Audit completed |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | Given that Pohnpei State has not signed the engagement for the FY 2023 audit, we can incorporate the audit communication protocol into the engagement contract. | The financial advisor is working with the auditor and the FSM Public auditor auditor in coming up with this audit communication protocol. |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



PSG – Performance Measures

| | PSG Department of Finance Performance Measures | Target | Period | FY 2023 | FY 2024 | Trend | Notes | Audit issue? |
|---|--|---------------------------------|----------|-----------|-------------|-------|---|-----------------|
| 1 | Reduction in overdue travel advances | 10% reduction from prior period | Mntly | \$289,144 | \$554,516 | | There are no COFA fund overdue travel advance. General Fund, however, has its travel advance increased. | No Audit Issue |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Biannual | Completed | In progress | | | No audit Issue |
| 3 | Bank Reconciliations completed on a timely basis | 30 days after month end | Mnthly | Completed | In progress | | | No audit Issue |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | Completed | In progress | | | No audit issues |

5

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



PSG – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|--|---------------------|--|--------------------|
| 1 | Encumbrance cleaning and Update | 9/30/2024 | In progress | 12/31/2024 |
| 2 | Travel Advance cleaning and update | 9/30/24 | The write-off for FY2022 and earlier has been submitted to the Governor and Attorney General for approval. Any other travel expenses not submitted within 10 days post-travel will result in a payroll deduction | 12/31/2024 |
| 3 | Supply Advance Cleaning and Update | 9/30/24 | In progress | 12/31/2024 |
| 4 | Accounts Receivable Cleaning and Update | 9/30/24 | In progress | 12/31/2024 |
| 5 | Complete FY 2022 Audit | 9/30/24 | Completed | 12/31/2024 |
| 6 | Reconcile all accounts and submit TB 2023 to the auditor | 12/31/24 | In progress | 12/31/2024 |
| 7 | Complete FY 2023 Audit | 6/30/25 | In progress | 9/30/25 |



2024

INSULAR GOVERNMENT UPDATES: FEDERATED STATES OF MICRONESIA YAP STATE



YSG - Most Recently Completed Audit

| | | | | |
|---|--|---|-------------------------------|---------------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | | FY22 | Oct. 12, 2024 |
| 2 | What was the audit opinion? | Unmodified for the primary govt but adverse for a component unit (YFA) | financial qualification | 0 |
| | | | compliance disclaimer | 1 |
| | | | adverse opinion related to CU | 1 |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | March 23 to October 24 - 18 months | | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Adverse opinion on the component unit | | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | One finding related to late submission of reports | | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | The auditors did most of the work, but we provided them with information when we could, and also reviewed the draft statements and pointed out errors and discrepancies with prior year' presentations. | | |



YSG – Current Audit Timeline

| | AUDIT STATUS DATES | [Fiscal Year 2023] |
|---|--|---|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | Have not submitted TB |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Not yet. First had to deal with FY19 “hanging transactions” and also waiting for auditors to confirm correct list of AJEs. Finance Advisor |
| 3 | Date the financial audit field work commenced (or scheduled) | Not yet scheduled. Aiming to submit TB to auditors by end of January 2025. |
| 4 | Any major PBC schedules & reconciliations still outstanding? | Clean up of grant receivables, adjustments to match grant revenues to expenses. State leadership to formalize the nature of the YSPSC debt service payments that FSMNG deducted from Yap's Rev Share during FY23. |
| 5 | Status of component units: | 3 Component units - 2 on schedule and 1 behind. |
| 6 | Date of the approved extension request | No extension approved |
| 7 | Realistic estimated completion date | June 2025? |
| 8 | Date the compliance field work commenced (or is scheduled) | Sent the preliminary SEFA to auditors, no date set for compliance work. |



YSG – Audit Process Structure

| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|---------------|---|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | | FSM OPA |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | | No. |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | | No. Currently the Chief of Finance and Finance Advisor share this role. |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | | No regular meetings; mostly email communications on an “as-needed” basis. Auditor contract not shared with YSG. |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | | No. |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | | It’s been hard to do anything new without a director for many months. |



YSG – FMIS Support & Maintenance

| | | |
|---|---|--|
| 1 | What is the period of time on your maintenance/support agreement? | We are still with Fundware which currently has no support. |
| 2 | Can you share the annual cost with the group? | It used to cost \$15000 annually for YSG to contract Janice Patton to provide maintenance support. |
| 3 | What is the typical response time from your software vendor? | N/A |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? | N/A |
| 5 | Same question as above for change requests | N/A |
| 6 | Which modules have been purchased but not implemented or used? | N/A |



YSG – Performance Measures

| | YSG DOF Performance Measures | Target | Period | Prior Period -1 | Current Period 0 | Trend | Notes | Audit issue? |
|---|--|-----------------------------------|--------------------|-----------------|------------------|-------|---|---|
| 1 | Reduction in overdue travel advances | ----% reduction from prior period | Mntly | | | | Lifting of travel restrictions has outstanding TAs surging again. Reluctance to implement payroll deductions. | No monthly recon to the GL. |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual or biannual | | | | Completed first inventory in more than five years - still working on final report. | New FMR lowered capitalization threshold. |
| 3 | Bank Reconciliations completed on a timely basis | ---days after month end | Mnthly | | | | No one has been trained to undertake the task. | Being done as part of audit prep. |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | | | | As part of pre-migration clean up, have identified list for cancellations. | Fundware reports do not match Subledgers |



YSG – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|---|---------------------|---|--------------------|
| 1 | Recruitment of Staff (Chief Accountant) | 5/30/2024 | ON-Going, Announcement made for 30 days notice or until filled | 01/31/2025 |
| 2 | Distribute responsibilities for G/L Reconciliation among relevant staff | 6/30/2024 | On-Going | 02/28/2025 |
| 3 | Train new staff to understand how particular task effect the G/L | 2/30/2024 | On-Going | 02/28/2025 |
| 4 | Conduct Physical Inventory | 9/30/2024 | Completed Inventory, Pending Report | Mid-Dec,2024 |
| 5 | Audit Engagement FY2023 | 6/30/2024 | Yet to start since FY2022 Audit was finally completed in October 2024 | 09/30/2025 |
| 6 | FMIS(World Bank) | | Delayed implementation from March, 2025 to May 2025 | May, 2025 |



INSULAR GOVERNMENT UPDATES: GUAM



GUAM– Recently Completed Audit



| | | | |
|---|--|---|----------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | Fiscal Year 2022 | 11/26/23 |
| 2 | What was the audit opinion? | # financial statement qualifications | 8 |
| | | # compliance qualifications | 25 |
| | | # qualifications related to component units | 31 |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | 8 months | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Fixed Assets and Reconciliation | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | 10 | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | In House | |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



GUAM– Current Audit Timeline



| | AUDIT STATUS DATES | FY23 |
|---|---|------------------------------|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | April 17, 2024 |
| 2 | Were the audit adjustments entered, and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Yes, the respective sections |
| 3 | Date the financial audit field work commenced (or scheduled) | April 17, 2024 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | No |
| 5 | Status of component units: # on schedule & # behind | All have been completed |
| 6 | Date of the approved extension request | n/a |
| 7 | Realistic estimated completion date | December 2024 |
| 8 | Date the compliance field work commenced (or is scheduled) | April 26, 2024 |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



GUAM– Audit Process Structure



| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|--|----------------|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | Office of Public Accountability | |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | Yes, the Internal Auditors | |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes, the CFO | |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | Yes, weekly. But not required | |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | Yes | |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | Yes, weekly meetings and setting deadlines | |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



GUAM– FMIS Support & Maintenance



| | | |
|---|---|--|
| 1 | What is the period of time on your maintenance/support agreement? | 5 years with the option to extend an additional 5 years. |
| 2 | Can you share the annual cost with the group? | FY2022 1 st year: \$8,249,536 incl design and implementation FY2023 2 nd year: \$9,746,824 incl design & implementation FY2024 3 rd year: \$5,157,080 incl implementation FY2025 4 th year: \$2,874,178 FY2026 5 th year: \$2,250,222 |
| 3 | What is the typical response time from your software vendor? | It would depend on the problem |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? | No internal hierarchy, we have a support ticket for anyone who is having issues. |
| 5 | Same question as above for change requests | Yes, all change request must go through the Director |
| 6 | Which modules have been purchased but not implemented or used? | The Fixed Assets and the Grants Module |

4

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii

GUAM- Performance Measures



| | Department of Finance Performance Measures | Target | Period | Prior Period -1 | Current Period - 0 | Trend | Notes | Audit issue? |
|---|--|----------------------------------|-----------|----------------------|---------------------|-------|--|--------------|
| 1 | Reduction in overdue travel advances | 10 % reduction from prior period | Monthly | FY2023 100% | FY2024 100% | ➡ | FY24 TRAVEL A/R AGING | |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual | FY2023 100% | FY2024 0% | ➡ | Fixed Assets Cumulative Inventory Completion | |
| 3 | Bank Reconciliations completed on a timely basis | 15 days after month end | Monthly | Sept 2024 13 Days | Oct 2024 13 Days | ➡ | | |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Quarterly | | | | | |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii

GUAM- Performance Measures



| | Department of Finance Performance Measures | Target | Period | Prior Period -1 | Current Period - 0 | Trend | Notes | Audit issue? |
|---|--|--|----------------------|--------------------|--------------------|-------|------------------------------------|--------------|
| 5 | Revenue Estimates within target % | 5% over or under estimated revenues | Annual | FY2024 65.97% | FY2025 62.43% | ➡ | Revenue - Budget vs Actual | |
| 6 | Number of days to process an invoice paid by federal funds | 15 days from vendor invoice date to chk date | Avg over one quarter | FY24 Q4 15 Days | FY25 Q1 8 Days | ➡ | Avg # Days to Process Invoices | |
| 7 | Timeliness of SF425 reports | ___% of reports filed on time | Qtrly | | | | | |
| 8 | Reduction in Federal Grant receivables | ___% uncollected federal AR/ total funds | Quarterly | | | | | |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



GUAM– Performance Measures



| | Department of Finance Performance Measures | Target | Period | Prior Period -1 | Current Period - 0 | Trend | Notes | Audit issue? | | | | | | | | | | | | | | | | |
|-------------|---|-----------------------|-------------|------------------------------------|------------------------------------|-------|--|--------------|-----------|------------|-------------|------|----|----|-----|------|----|----|------|------|----|----|------|--|
| 5 | Percentage of personnel evaluations completed | 100% Completion | Annual | FY24 Q4 73% | FY25 Q1 40% | | <table border="1"> <tr> <th>ON TIME</th> <th>LATE</th> <th>VERY LATE</th> <th>NEEDS IMPRV</th> </tr> <tr> <td>6</td> <td>3</td> <td>1</td> <td>74</td> </tr> </table> | ON TIME | LATE | VERY LATE | NEEDS IMPRV | 6 | 3 | 1 | 74 | | | | | | | | | |
| ON TIME | LATE | VERY LATE | NEEDS IMPRV | | | | | | | | | | | | | | | | | | | | | |
| 6 | 3 | 1 | 74 | | | | | | | | | | | | | | | | | | | | | |
| 6 | # of training hours per finance employee | 16 hours per employee | Annual | FY2023 12 Empl 42 Hrs p/Empl | FY2024 38 Empl 17 Hrs p/Empl | | <table border="1"> <caption>Avg. Hrs. p/Employee</caption> <thead> <tr> <th>Fiscal Year</th> <th># of Empl</th> <th>Hrs p/Empl</th> <th>Avg p/Empl</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>12</td> <td>42</td> <td>3.5</td> </tr> <tr> <td>FY23</td> <td>38</td> <td>17</td> <td>0.45</td> </tr> <tr> <td>FY24</td> <td>38</td> <td>17</td> <td>0.45</td> </tr> </tbody> </table> | Fiscal Year | # of Empl | Hrs p/Empl | Avg p/Empl | FY22 | 12 | 42 | 3.5 | FY23 | 38 | 17 | 0.45 | FY24 | 38 | 17 | 0.45 | |
| Fiscal Year | # of Empl | Hrs p/Empl | Avg p/Empl | | | | | | | | | | | | | | | | | | | | | |
| FY22 | 12 | 42 | 3.5 | | | | | | | | | | | | | | | | | | | | | |
| FY23 | 38 | 17 | 0.45 | | | | | | | | | | | | | | | | | | | | | |
| FY24 | 38 | 17 | 0.45 | | | | | | | | | | | | | | | | | | | | | |



GUAM– Action Plan Progress



| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|---|---------------------|---|--------------------|
| 1 | Understanding Federal Programs (training on grants) | FY 2025 | Currently an on-going process. Working with agencies | FY 2025 |
| 2 | Recovery program section creation | August 2024 | Currently an on-going process | FY 2025 |
| 3 | Reconciliation of Advance Accounts | June 2024 | Currently an on-going process | Continuous |
| 4 | Training on requirements/processes | FY 2025 | Currently an on-going process | Continuous |
| 5 | Simply Reports | July 2024 | Currently working on simplify reports | FY 2025 |
| 6 | Financial Reports | June 2024 | Sending reports to Agencies on monthly basis to show their spending | Continuous |
| 7 | Resolving Post migration outstanding items | August 2024 | Currently an ongoing process, | Jan 2025 |



INSULAR GOVERNMENT UPDATES: REPUBLIC OF THE MARSHALL ISLANDS



RMI - Most Recently Completed Audit

| | | | |
|---|--|---|----------------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | FY2021 | March 10, 2023 |
| 2 | What was the audit opinion? Governmental Activities - Unmodified Aggregate Discretely Presented Component Units - Adverse General Fund - Unmodified Grants Assistance Fund - Unmodified Compact Trust Fund - Unmodified Aggregate Remaining Fund Information - Unmodified | # financial statement qualifications | |
| | | # compliance qualifications | |
| | | # qualifications related to component units | |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | Awaiting copy of engagement letter from EY | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Imprest Fund Fixed Asset | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | 3 audit findings | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | No | |



RMI – Current Audit Timeline

| AUDIT STATUS DATES | | FY22 |
|--------------------|--|---|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | FY22 - June 7, 2023 FY23 - early Jan |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | FY22 - Yes, Accounting/RCU |
| 3 | Date the financial audit field work commenced (or scheduled) | FY22 - Commenced July 5 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | FY22 - No |
| 5 | Status of component units: # on schedule & # behind | FY22 - 13 completed, 8 progressing, 4 did not provide trial balance |
| 6 | Date of the approved extension request | December 2024 |
| 7 | Realistic estimated completion date | February 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | Ongoing |



RMI – Audit Process Structure

| | AUDIT STATUS DATES | Current Status |
|---|---|---|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | Office of the Auditor-General |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | Public Accounts Committee Chaired by Senator Gerald Zackios |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes - Chief Internal Auditor |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | Not build in to contract - but we've continued to request audit status meeting with auditors. Will propose to OAG for new contract to have a schedule of meetings built into. However, due to auditors being on-site, informal meetings have been taking place. |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | No |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | Yes - audit task monitoring sheet Regular meeting with staff on outstanding audit tasks |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



RMI – FMIS Support & Maintenance

| | | |
|---|---|--|
| 1 | What is the period of time on your maintenance/support agreement? | Entering new contract Dec 2024-March 2025 for additional change requests |
| 2 | Can you share the annual cost with the group? | \$183,079.00 annual fee budgeted \$168,000.00 new change request costs |
| 3 | What is the typical response time from your software vendor? | 24 hour help desk (virtual) |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? | Each department head can reach out to the vendor on related issues to the department - IT can also contact vendor directly |
| 5 | Same question as above for change requests | Change requests comes through the Secretary's Office |
| 6 | Which modules have been purchased but not implemented or used? | NA |

4

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



RMI – Performance Measures

| | RMI Department of Finance Performance Measures | Target | Period | Prior Period 1 | Current Period 0 | Trend | Notes | Audit issue? |
|---|--|---------------------------------|--------------------|----------------|------------------|-------|-------|--------------|
| 1 | Reduction in overdue travel advances | 20% reduction from prior period | Mntly | 20% | | | | No |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Annual or biannual | | | | | Yes |
| 3 | Bank Reconciliations completed on a timely basis | 30days after month end | Mnthly | <30 days | <30 days | | | Yes |
| 4 | Reduction in invalid, outdated encumbrances | 25% invalid encumbrance | Qtrly | | | | | No |

5

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



RMI – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|----|--|---------------------|--|--------------------|
| 1 | Update SOPs | FY24 4th qtr | Need to update SOPs to reflect processes using Bisan | FY25 |
| 2 | Develop KPIs for each dept. | FY25 | Will be done in conjunction with SOP development | FY25 |
| 3 | Hire CPAs | FY25 | On-Going - TORs drafted, budget allocated | FY25 |
| 4 | Establish new positions in Accounting | FY25 | | FY25 |
| 5 | Boost Internal Audit | FY25 | Established. | FY25 |
| 6 | Audit Coordinator | FY25 | Established. | FY25 |
| 7 | Proper training for IT dept | FY25 | On-Going | FY25 |
| 8 | Regular reconciliation & drawdowns | FY24 4th qtr | On-Going | FY25 |
| 9 | Reduction of audit findings & questioned costs | FY25 | On-Going | FY25 |
| 10 | Cybersecurity software | FY25 | Ongoing - Digital RMI | FY25 |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



INSULAR GOVERNMENT UPDATES: U.S. VIRGIN ISLANDS



USVI- Most Recently Completed Audit

| | | | | |
|---|--|--|---|----|
| 1 | What fiscal year is the most recently completed & what was the completion date? | FY2021 | 03/31/2024 | |
| 2 | What was the audit opinion? | Unmodified | # financial statement qualifications | 17 |
| | | | # compliance qualifications | 90 |
| | | | # qualifications related to component units | 7 |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | 9 months | | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Lack of timely reconciliations and obtaining supporting documentations | | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | Maybe 20% | | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | Hired Assistance | | |

1

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



USVI – Current Audit Timeline

| AUDIT STATUS DATES | | [FY22] |
|--------------------|--|---|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | FY2022 – April 13, 2024 |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Yes, Accounting Director & Contracting firm |
| 3 | Date the financial audit field work commenced (or scheduled) | May 1, 2024 |
| 4 | Any major PBC schedules & reconciliations still outstanding? | Component Units |
| 5 | Status of component units: # on schedule & # behind | 3 were on schedule and the balance are behind |
| 6 | Date of the approved extension request | 12/31/2024 |
| 7 | Realistic estimated completion date | 03/31/2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | 07/31/2023 |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



USVI – Audit Process Structure

| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|---|--|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | Department of Property & Procurement | FY2023 audit contract pending execution |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | No | N/A |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes, Executive Asst Commr. | Gathering information to provide to auditors to begin the FY2023 audits |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | Yes, weekly meetings | Will upload information for FY2023 into the auditor's portal by 12/15/2024 |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | No | GVI makes direct communication with the component units regarding the importance of having timely financial statements |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | Involving all stakeholders in the weekly audit meetings | Provide technical assistance to departments to help with the federal receivables and SEFA reconciliations |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



USVI – FMIS Support & Maintenance

| | | |
|---|---|---|
| 1 | What is the period of time on your maintenance/support agreement? | Annual |
| 2 | Can you share the annual cost with the group? | \$941K |
| 3 | What is the typical response time from your software vendor? | We have a Tyler consultant assigned for addressing issues, requests and following up with support tickets. Currently have a newly assigned resource which requires some adjustment. |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? | Yes, DOF MIS Director |
| 5 | Same question as above for change requests | DOF MIS Director |
| 6 | Which modules have been purchased but not implemented or used? | None |

4

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



USVI – Performance Measures

| | USVI DOF Performance Measures | Target | Period | Prior Period 2023 | Current Period 2024 | Trend | Notes |
|---|---|--------------------------------|--------|-------------------------|---------------------------|-------|---|
| 1 | Reduction in overdue travel advances | 0% reduction from prior period | N/A | | | | We do not currently measure. |
| 2 | Completion of Fixed Asset Inventory FY2022/2023 | 50% completed and AJEs posted | N/A | 50% | 20% | | Due to staff shortage, we did not complete the fixed assets inventory 100 percent. The Department of Property and Procurement (DPP) Asset Management division is currently significantly understaffed, impacting our ability to complete the 100 percent inventory. Additionally, we are not conducting annual or biannual inventories at this; instead, inventories are being done randomly and as-needed basis. |



USVI – Performance Measures

| | USVI DOF Performance Measures | Target | Period | Prior Period 2023 | Current Period 2024 | Trend | Notes |
|---|--|-------------------------|--------|-------------------------|---------------------------|-------|--|
| 3 | Bank Reconciliations completed on a timely basis | 45 days after month end | Mnthly | 100% | 65% | | We are working toward automating the process and start daily bank reconciliation |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Qtrly | 54.9% | 0% | | Now that we have completed the year-end process, DOF will begin to coordinate the cancellation. DOF is working to engage DPP to manage this process as the government's contractual officer. We first need to know how much of those open purchase orders remaining are tied to contracts. We expect to finalize this by the second quarter of Fiscal Year 2025. |



USVI – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|--|-----------------------|---|--------------------|
| 1 | Complete SEFA FY2023 | 11/30/2024 | Reconciliation 75% complete | 12/31/2024 |
| 2 | Issue FY2022 Audits | 09/30/2024 | Draft completed | 03/31/2025 |
| 3 | Complete FY2022/2023 Indirect Cost | 12/31/2024 | OMB in the RFP process for a vendor to complete the rates | 03/31/2025 |
| 4 | Implement Plan for Daily Bank Reconciliation | 06/30/2025 | Will look into automation process for bank reconciliation | 09/30/2025 |
| 5 | Improve Daily Cash Management | 12/31/2024 | Consulting firm training inhouse personnel to manage cash on a daily basis | 03/31/2025 |
| 6 | Complete Corrective Action Plan for Audits FY2021/2022 | 03/31/2025-06/30/2025 | OMB/DOF will coordinate monthly to assist agencies with CAP development and implementation | 09/30/2025 |
| 7 | Train Fiscal Officers with necessary accounting skills | 12/31/2024 | Work in progress, expect to implement executive order allowing fiscal officers to report to the finance department by 2 nd quarter of this fiscal year | 09/30/2025 |
| 8 | Obtain external assistance to implement new GASBs | 03/31/2025 | Need financial assistance to hire a firm to assist with implementation of new GASBs. | 09/30/2025 |



INSULAR GOVERNMENT UPDATES: REPUBLIC OF PALAU



Palau- Most Recently Completed Audit

| | | | | |
|---|--|---|---|------|
| 1 | What fiscal year is the most recently completed & what was the completion date? | FY2021 on 11/18/24 | | |
| 2 | What was the audit opinion? | Unmodified | # financial statement qualifications | None |
| | | | # compliance qualifications | 2 |
| | | | # qualifications related to component units | None |
| 3 | How many months was the audit in progress from the date of the audit contract to completion? | March 31, 2024 and finalized on 11/18/24 = about 8 months | | |
| 4 | List the two most difficult qualifications of the Governmental Activities or General Fund to correct before the next audit | Fixed Asset and Grants Reconciliation | | |
| 5 | How many audit findings were related to reconciliations needing to be performed by the finance office? | 2 out of 8 findings (finding 01 & 02) | | |
| 6 | Did you prepare the Financial Reports and footnotes in house, or did you hire assistance? | EY prepared footnotes | | |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



Palau – Current Audit Timeline

| AUDIT STATUS DATES | | FY22 |
|--------------------|--|--|
| 1 | Date the Trial balance was submitted to and accepted by the auditors | FY22 TB - November 1, 2024 |
| 2 | Were the audit adjustments entered and the opening balances agreed to the prior year ending? Who is responsible for these tasks? | Yes, Audit team consisting of Audit Consultant, BNT Director, F&A Chief, and System Accountant |
| 3 | Date the financial audit field work commenced (or scheduled) | Not yet received |
| 4 | Any major PBC schedules & reconciliations still outstanding? | |
| 5 | Status of component units: # on schedule & # behind | 4 completed (BSCC, PCC, PNCC, PAN) 5 behind (NDBP, PICRC, PVA, PPUC, PHA) |
| 6 | Date of the approved extension request | 10/29/24 recd email from DOI to review request for FY22 to FY26 |
| 7 | Realistic estimated completion date | Finalize FY22 by April 30, 2025 |
| 8 | Date the compliance field work commenced (or is scheduled) | Haven't received request |

2

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



Palau – Audit Process Structure

| | AUDIT STATUS DATES | 2023 Response | Current Status |
|---|---|--|-------------------------|
| 1 | What office (department) is responsible for selecting and contracting the audit firm? | Public Auditor's Office | Awarded FY22-FY24 to EY |
| 2 | Does the government have an <u>active</u> audit oversight committee? Who is on the committee? | | |
| 3 | Have you assigned a financial audit coordinator who is responsible for monitoring auditor communications and audit progress? If so, what is their position? | Yes, Audit Consultant and the Director of Treasury | |
| 4 | Do you have regular status meetings with the auditor? Is it a requirement built into your audit contract? | Weekly status update, not built into contract | |
| 5 | Does your public auditor assist with ensuring the component units have contracted with an audit firm and are staying on track with their audits? | Yes, OPA follows up with component units and have mtgs with all of them to get status update | |
| 6 | Have you implemented a new procedure or idea to keep the audit and the auditors on track? | With EY, we have the weekly Client Audit Schedule update that we go over to ensure that we are on track with our requested documents | |

3

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



Palau – FMIS Support & Maintenance

| | | |
|---|---|--|
| 1 | What is the period of time on your maintenance/support agreement? | 5th and Final year on Grant, May 31, 2025 |
| 2 | Can you share the annual cost with the group? | increased to \$330,605 annually when we migrated to cloud |
| 3 | What is the typical response time from your software vendor? | 1 day |
| 4 | Do you have an internal hierarchy for requesting assistance from the vendor? Who in your organization has authority to contact the vendor directly? | ISSS, Director of Treasury, Chief F&A, and System Accountant |
| 5 | Same question as above for change requests | Same as above |
| 6 | Which modules have been purchased but not implemented or used? | ACFR, need more training on the module |

4

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



Palau – Performance Measures

| | Palau Department of Finance Performance Measures | Target | Period | Prior Period -1 | Current Period 0 | Trend | Notes | Audit issue? |
|---|--|----------------------------------|----------|-----------------|------------------|-------|---|--------------|
| 1 | Reduction in overdue travel advances | 100% reduction from prior period | Annual | FY2023 95% | FY2024 62% | | Total Travel FY24 was \$2.4M, \$1.5M Closed, \$947K Overdue | No |
| 2 | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Biannual | FY2023 97% | FY2025 0% | | Inventory to start Jan. 2025 | No |
| 3 | Bank Reconciliations completed on a timely basis | 30 days after month end | Mnthly | Sept'24 62.5% | Oct'24 62.5% | | Catching up on merchant transaction and identifying deposited revenue | No |
| 4 | Reduction in invalid, outdated encumbrances | 0% invalid encumbrance | Annual | FY2023 80% | FY2024 62% | | Ongoing work reconciling & closing out invalid encumbrances | No |

5

2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



Palau – Action Plan Progress

| | Task | Targeted Time Frame | Progress Notes | Updated Time Frame |
|---|--|---------------------|--|-------------------------|
| 1 | Finalized FY21 Single Audit | Jul-24 | Upload to FAC 12/06/24 | Nov-24 |
| 2 | FY2022-2024 Single Audit RFP Award | Jun-24 | Completed | |
| 3 | Complete audits in 6-months intervals until caught up for FY2025 | Jun-25 /Jun-26 | Ongoing – FY2022 by 04/30/25 | Finalize FY25 by Oct-26 |
| 4 | Bond Issuance – Soft Launch | Oct-24 | Completed | |
| 5 | Institutional Setup & Training – DMO | Dec-24 | Training completed Sept-24; setup ongoing with IMF | |

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2024 WINTER MEETING

December 10-12, 2024 | Honolulu, Hawaii



OPINION BUSTERS

Top 10 Financial Statement Opinion Busters

Presented by:
Frank Crawford, CPA
www.crawfordcpas.com
frank@crawfordcpas.com
[@fcrawfordcpa](https://twitter.com/fcrawfordcpa) (X)



Contact Information

Firm:

Crawford & Associates, P.C.

10308 Greenbriar Place

Oklahoma City, OK 73159

Office: 405-691-5550

Frank:

frank@crawfordcpas.com



2

What Will We Cover Today?

- ▶ The different types of opinions auditors can use
- ▶ Top 10 typical financial statement Opinion Busters and rationale for why they bust the audit opinions



3

Types of opinions

- ▶ Auditors can choose from a number of different types of opinions, and one non-opinion in certain circumstances
 - Unmodified opinions (also known as clean opinions)
 - Modified opinions (which include some type of qualification, using an “except for” mentality)
 - Adverse opinions (when the financial statements do not present fairly the results in accordance with GAAP)
 - Disclaimer of opinion (the non-opinion mentioned above, when the auditor can’t get enough audit evidence to even support an opinion on the financial statements)

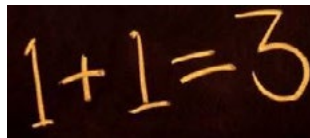


4

OPINION BUSTERS

#10

CLERICAL/FORMULA ERRORS


$$1+1=3$$



5

Clerical/Formula Errors

- ▶ Rounding
- ▶ Schedules that don't tie back and forth throughout the financial statements
- ▶ General sloppiness in putting the financial statements together
- ▶ Outdated cell formulas that were not adjusted for new and changing information



6

OPINION BUSTERS

#9

LATE AUDITS FROM COMPONENT UNITS



7

LATE AUDITS—COMPONENT UNITS

- ▶ Inability of component units to produce audited financial statements in a timely manner for inclusion in the PG financial statements
- ▶ CUs produce audited financial statements, but those audits include opinion busters themselves, which then carry over to the opinions for the PG



8

OPINION BUSTERS

#8

INABILITY TO RECONCILE CERTAIN ACCOUNTS



9

LACK OF RECONCILIATIONS

- ▶ Inability to reconcile significant account balances such as
 - Cash
 - Due from Federal Government
 - Due from others
 - Due to others
 - Grant revenues and expenditures
 - Significant other receivables and payables
 - Actuarial data vs amounts for such transactions recorded in the financial statements



10

OPINION BUSTERS

#7

BROKEN DOWN ACCOUNTING SYSTEMS



11

ACCOUNTING SYSTEMS

- ▶ Any accounting system that can't produce good trial balances without a significant amount of massaging of the numbers, or the need for significant support from multiple additional manual spreadsheets, isn't probably the best system at play when needing to produce accurate financial statements that are auditable.



12

OPINION BUSTERS

#6

TURNOVER OF KEY ACCOUNTING STAFF



13

EMPLOYEE TURNOVER

- ▶ Maybe the #1 enemy of producing timely and accurate financial statements is employee turnover, especially those key individuals needed for the production of financial statement amounts.
- ▶ Many opinions get busted simply due to the fact that certain people are no longer there and there isn't anyone else there than can explain variances or unusual transactions.



14

OPINION BUSTERS

#5

LACK OF RESOURCES



15

LACK OF RESOURCES

- ▶ This goes hand-in-hand with employee turnover on the previous slide
- ▶ The lack of hiring, maintaining and continuing to provide training for enough sufficient, competent personnel in the accounting and finance area typically contributes to less than clean opinions
- ▶ There just aren't enough qualified people to go around to balance all of the required items and need to get done.



16

OPINION BUSTERS

#4

LACK OF INVENTORY OF CAPITAL ASSETS



17

No inventory of capital assets

- ▶ Due to the significance of the amount of money invested into capital assets, some auditors feel an annual inventory is necessary in order to vouch the amounts reported.
- ▶ Without an actual periodic inventory of capital assets, some auditors believe that they can't get enough sufficient, competent, evidential matter in order to opine cleanly on any opinion unit where capital assets is the largest item on the Statement of Net Position



18

OPINION BUSTERS

#3

DISAGREEMENTS ON THE APPLICATION OF GAAP



19

GAAP APPLICATION ISSUES

- ▶ Sometimes, auditors and auditees do not see eye-to-eye on the application of GAAP accounting principles, and when unresolved, leads to opinion qualifications, or worse, adverse or disclaimed opinions (think CNMI dispute over pension trust accounting)
- ▶ In addition, sometimes an auditee will fail to implement a GAAP principle (think the previous leases and SBITA standards), and when material, the non-implementation will cause some kind of opinion bust



20

OPINION BUSTERS

#2 DISASTERS



21

DISASTERS

- ▶ When disaster strikes the auditee, it usually strikes their financial statements too
 - Disasters usually cause a high level of federal assistance to be given to the island that requires additional oversight
 - Some disasters result in opinion busts when records are destroyed (think like in a fire, or blown away in a typhoon)
 - Just a lot of hectic things occur in the aftermath of a disaster, and clean opinions on their financial statements is usually not first and foremost on everybody's minds when disaster strikes and recovery is underway



22

OPINION BUSTERS

1

FRAUD AND EMBEZZLEMENT



23

FRAUD / EMBEZZLEMENT

- ▶ Probably goes without saying, but fraud and embezzlement, if not accounted for correctly, will bust opinions all day long
- ▶ Technically, you can suffer a fraud or embezzlement, and as long as it is properly accounted for, it will not bust your opinion
- ▶ However, auditors are usually pretty gun-shy to opine cleanly on financial statements where they know a significant fraud has occurred, as they “don’t know what they don’t know”



24



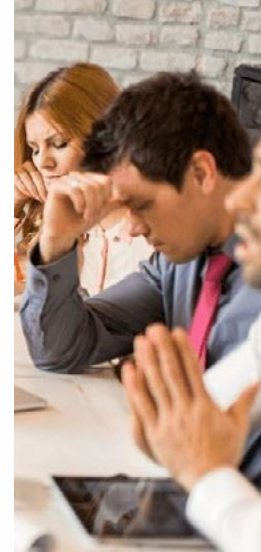
AUDITOR COMMUNICATIONS



Why is it so hard (or not useful) to communicate?



No one is always busy. It just depends on what number you are on their priority list.



1

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Status of the IGFOA

| Government | | Auditor communication requirement |
|----------------|---|---|
| Chuuk State | ✗ | No regular meetings |
| CNMI | ✓ | Biweekly meetings |
| FSM Natl Govt | ~ | Ad hoc meetings, not built into the contract |
| Guam | ✓ | Weekly, not required by contract |
| Kosrae State | ✗ | No regular meetings |
| Pohnpei State | ~ | No formal meetings scheduled; status meetings are convened on an as-needed basis. |
| Palau | ✓ | Weekly status update, not built into contract |
| Virgin Islands | ✓ | Weekly meetings |
| Yap State | ✗ | No regular meetings; mostly email communications on an "as-needed" basis. |
| Marshalls | | |

2

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A documented approach to audit communications

Regular updates help maintain transparency and trust.

- An initial communication at the start of the audit can outline the scope, objectives, and timeline.
- Periodic progress reports can update stakeholders on critical activities and preliminary findings.
- A comprehensive final report at the end of the audit provides detailed insights and recommendations.
- Follow-up communications are necessary to report on the implementation status of audit recommendations

3

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Best Practices in Audit Communication A Practical Approach

- **Assigning Responsibilities for Communication Activities**
 - This ensures accountability and consistency. Specific team members should be designated to prepare reports, deliver presentations, and manage stakeholder interactions. Clear roles and responsibilities help streamline communication and avoid overlaps or gaps.
- **Feedback Mechanisms**
 - These mechanisms allow stakeholders to ask questions, seek clarifications, and provide input on the audit process and findings. Regular feedback sessions, surveys, and informal check-ins can be used to gather stakeholder feedback. This helps address concerns promptly and enhances the overall effectiveness of the audit engagement by incorporating stakeholder insights.
- **Documenting the Communication Plan**
 - A written plan provides a clear roadmap for the audit team and ensures all planned communications are executed as intended. It also serves as a reference for future audit engagements, helping continuously improve the communication strategy.
- **Regular Reviews**
 - Regularly reviewing and updating the communication plan is essential to adapting to changing circumstances and stakeholder needs. Regular reviews help identify areas for improvement and incorporate lessons learned from previous engagements. An adaptive communication plan ensures that the audit process remains responsive and effective in a dynamic organizational environment.

4

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State of Hawaii audit contract template and auditor evaluation criteria

- 4. Progress reports. The Contract Auditor shall submit progress reports to the State Auditor as requested by the State Auditor. The progress reports shall indicate whether the project is on schedule, identify outstanding issues and problems, and identify and describe in detail the significant findings and recommendations.
- 5. Preliminary findings and recommendations: Prior to preparing a report outline, the Contract Auditor shall submit preliminary findings and recommendations (PF&R) and present it to the State Auditor for her approval. The PF&R shall include the elements of a finding (criteria, condition, effect, cause, and recommendation), and be formatted identical to Attachment 1 to these specifications.

3. Maintenance of communications with auditor staff

Unacceptable _____ Marginal _____ Acceptable _____ Good _____ Excellent X

Comments: The audit team was very responsive in all communications with our office.
In addition, per my observation, the firm has established good communication channels with the department in a professional manner.



Single Audits Best Practices

Pre-audit negotiations meeting with external auditor to discuss:

- 1) auditor's needs during engagement
- 2) requirements of the auditors to provide timely listing of federal programs to be audited
- 3) identification of lead auditors
- 4) provide list and identify key finance lead contacts as well as contact persons from the various agencies and departments.
- 5) Agree to schedule of progress meetings and reports and deliverables for progress payments



AUDIT DELAYS

Causes for Delays in the Audit Process: An Auditor's Perspective

IGFOA 2024 Winter Meeting
December 10 - 12, 2024



Agenda

- ▶ Introduction
- ▶ Incomplete or Delayed Client Documentation
- ▶ Regulatory and Industry-Specific Challenges
- ▶ Resource Constraints
- ▶ Data and Technology Issues
- ▶ Scope Changes and Quality Control
- ▶ Coordination and Communication Challenges
- ▶ Mitigation Strategies
- ▶ Conclusion



Introduction



EY

Incomplete or Delayed Client Documentation



EY

Client-Related Causes

- ▶ **Missing or incomplete documentation** - Clients may not provide the requested documents on time or in the required format.
- ▶ **Errors in financial records** - Documentation may contain errors or discrepancies that require correction or clarification, delaying the process.
- ▶ **Client's lack of preparedness** - Clients might not have organized their records or reconciled accounts before the audit begins.

EY

Regulatory and Industry-Specific Challenges



EY

Regulatory Impacts

- ▶ **Compliance by the client with new accounting standards** - Changes in accounting standards may require more time and effort to interpret and apply.
- ▶ **Compliance by the auditors with new auditing standards** - Changes in auditing standards may require increased scrutiny in key areas.
- ▶ **Industry-specific reporting requirements** - Primary Government financial statements continue to increase in their complexity with the advent of new GASB standards that extend the audit timeline.

EY

Resource Constraints



EY

Internal Challenges for Audit Teams

- ▶ **Audit Team Availability** - Staffing shortages, skill mismatches, or overburdened teams can slow progress of an audit engagement.
- ▶ **High workload during peak periods** - Audit firms face resource constraints during busy seasons, leading to prioritization and delays.
- ▶ **Limited access to specialized expertise** - Auditors rely on the assistance of specialists including the area of post employment benefits (pensions and OPEB) and valuations.

EY

Data and Technology Issues



EY

IT and Data Challenges

- ▶ **Challenges with IT systems** - Extracting data from client systems, especially if outdated or incompatible with auditing tools, can be time consuming.
- ▶ **Cybersecurity Concerns** - Delays in accessing information due to heightened data security protocols.
- ▶ **Complexity of Computer Systems** - Non-existence of visible audit evidence may require the increased involvement by IT specialists.

EY

Scope Changes and Quality Control



EY

Expanding Scope and Rigorous Reviews

- ▶ **Fraud or other risks identified during the audit** - Discovery of significant risks, fraud, or misstatements can lead to expanded testing and additional procedures.
- ▶ **Last-Minute Changes** - Adjustments to the audit plan due to client requests or evolving risks can delay completion.
- ▶ **Time-intensive quality reviews to meet compliance standards** - Audit firms are subject to external peer reviews and other internal quality control reviews.

EY

Coordination and Communication Challenges



EY

Coordination Issues

- ▶ **Third-Party Confirmations** - Delays in receiving confirmations from banks, attorneys, or vendors can hold up key audit areas.
- ▶ **Challenges in managing audits in multi-office locations** - Auditing entities from multi-office locations can be logistically challenging.
- ▶ **Miscommunication between client and audit teams** - lack of clear expectations, time pressure from unrealistic agreed upon deadlines, and cultural differences can impact the audit process.

EY

Mitigation Strategies



EY

How to Minimize Delays

- ▶ Establish clear timelines and communication protocols - establish the use of Gantt charts.
- ▶ Increase frequency of audit meetings - establish periodic meetings between client and audit team to identify roadblocks or challenges.
- ▶ Leverage technology for efficient data sharing - establish the use of client portals (EY Collab).
- ▶ Ensure sufficient staffing and expertise - from both the client and audit team perspective.

EY

Conclusion



EY

Questions?

Chris Wolseley
Audit Partner

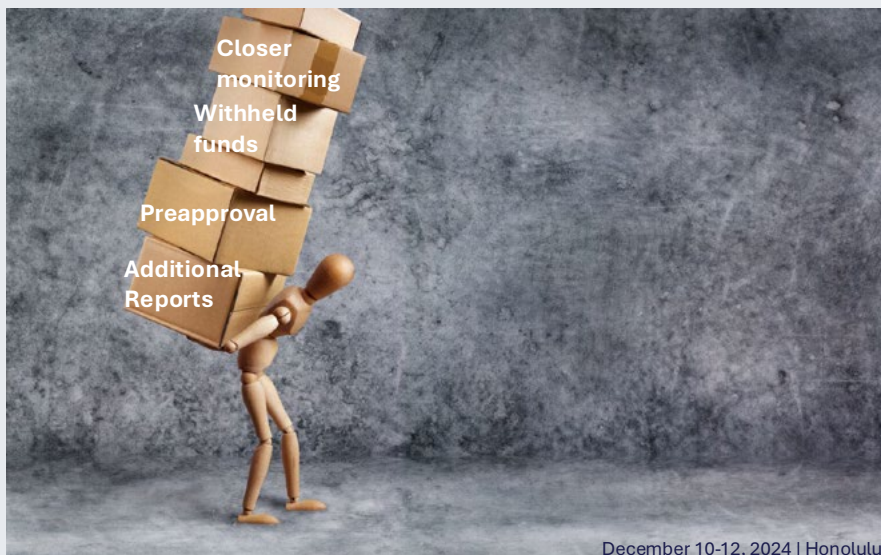
chris.wolseley@gu.ey.com

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THE BURDENS OF HIGH RISK STATUS

The Burdens of High Risk Status



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Federal agency review of risk posed by applicants Title 2 Subtitle A Chapter II Part 200 Subpart C § 200.206

Before awarding a grant the agency evaluates risk

- (2) In evaluating risks posed by applicants, the Federal agency should consider the following items:
- (i) **Financial stability.** The applicant's record of effectively managing financial risks, assets, and resources;
 - (ii) **Management systems and standards.** Quality of management systems and ability to meet the management standards prescribed in this part;
 - (iii) **History of performance.** The applicant's record of managing previous and current Federal awards, including compliance with reporting requirements and conformance to the terms and conditions of Federal awards, if applicable;
 - (iv) **Audit reports and findings.** Reports and findings from audits performed under subpart F or the reports and findings of any other available audits, if applicable; and
 - (v) **Ability to effectively implement requirements.** The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on recipients of Federal awards.



Code of Federal Regulations Title 29 Subtitle A Part 97.12.(a)

Additional considerations for a high risk grantee

§ 97.12 Special grant or subgrant conditions for “high-risk” grantees.

- (a) A grantee or subgrantee may be considered “high risk” if an awarding agency determines that a grantee or subgrantee:
 - (1) Has a history of unsatisfactory performance, or
 - (2) Is not financially stable, or
 - (3) Has a management system which does not meet the management standards set forth in this part, or
 - (4) Has not conformed to terms and conditions of previous awards, or
 - (5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award.

3

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DOJ Automatic High Risk Designation

1. Audit Report (OIG or Single Audit) recommendation(s) remain open more than one year and grantee has not submitted documentation sufficient to close the recommendations.
2. Grantee is Unresponsive to Audit Report Recommendations (e.g., Corrective Action Plan not provided within 105 days of transmission of final audit report (OIG or Single Audit) to the grantee; or Grantee becomes non-responsive at any point of audit follow-up process).
3. Open audit report recommendations with questioned costs of \$500,000 or more.
4. Grantee has been referred to the U.S. Department of Treasury, or other Federal agency, for collection of unpaid debt related to a prior DOJ award.
5. Grantee is on the active COPS (Community Oriented Policing) Restricted Grantees List.
6. Grantee has been recommended for government-wide suspension or debarment by DOJ, or has been suspended/debarred by any Federal agency.
7. Grantee is Financially Distressed (e.g., bankrupt, insolvent, subject of a going-concern finding, etc.)

4

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DOJ Referral for High Risk Designation

- Questioned costs identified through monitoring reviews or audits [below the \$500k automatic referral threshold] which are otherwise **material in amount or significant in nature**.
- Other **significant noncompliance issues** have been identified through normal grant administration and monitoring processes.
- Grantee **failed to respond** to DOJ requests to address open compliance issues (audit recommendations, financial or programmatic monitoring issues, etc.).
- OIG Investigation or Audit resulted in **significant noncompliance findings** requiring corrective action.
- Grantee is **delinquent in submitting required A-133 Single Audit Report(s)**.
- Grantee has **recurring and significant findings** in its Single Audit Reports.
- Grantee is referred and/or **designated as high-risk designation by another Federal agency** (outside of DOJ).
- Grantee is deemed not financially stable or is the subject of concerns regarding performance, reliability, or risk.

5

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Code of Federal Regulations Title 29 Subtitle A Part 97.12.(b)

If a grantee is designated as high risk, then the agency can impose extra conditions

- (b) Special conditions or restrictions may include:
- (1) Payment on a reimbursement basis;
 - (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
 - (3) Requiring additional, more detailed financial reports;
 - (4) Additional project monitoring;
 - (5) Requiring the grantee or subgrantee to obtain technical or management assistance; or
 - (6) Establishing additional prior approvals.

6

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Dept of Labor High Risk Requirements

- Requiring payments as reimbursements rather than advance payments (restricting cash drawdowns from the Health and Human Services Payment Management System);
- Withholding authority to incur additional expenditures, until receipt of evidence of acceptable performance within a given period of performance (issuing a stop work order to the grantee);
- Requiring additional or more detailed, financial, program, or performance reports;
- Requiring additional grant monitoring;
- Requiring the recipient to obtain technical or management assistance; or
- Establishing additional prior approvals for grant activities.

7

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Dept of Justice High Risk Requirements

If a grantee is designated as high risk, DOJ requires #1-3. Remaining requirements are dependent upon circumstances.

#7-16 withhold funds until condition is satisfied

1. Documentation upon request *(mandatory)*
2. Possible additional on-site monitoring *(mandatory)*
3. Financial grant administration training *(mandatory)*
4. Quarterly report – expenditures by budget category
5. Quarterly progress reports
6. Reimbursement basis
7. Separate bank account *withholding*
8. Subrecipient monitoring policies *withholding*
9. Time/attendance policies *withholding*
10. Procurement policies *withholding*
11. Third-party management *withholding*
12. Audit report issues *withholding*
13. Financial monitoring site visit issues *withholding*
14. Programmatic monitoring site visit issues *withholding*
15. Travel policies *withholding*
16. Grant closeout *withholding*



Code of Federal Regulations Title 29 Subtitle A Part 97.12.(c)

- (c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of:
- (1) The nature of the special conditions/restrictions;
 - (2) The reason(s) for imposing them;
 - (3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions and
 - (4) The method of requesting reconsideration of the conditions/restrictions imposed.



RECENT INSULAR DEMOGRAPHIC TRENDS



Recent Insular Demographic Trends

- FSM's population **declined by ~30%** from 2012 to 2022: ~102,000 to ~71,000 with all four states affected.
- The population **declined by ~36%** from its peak census population of ~107,000 in 2000.

1

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Recent Insular Demographic Trends

- RMI's population peaked at ~53,000 in the 2021 census and **declined by ~21%** to ~42,000 in 2021.
- Unclear how much further it may have declined during the COVID period.

2

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Recent Insular Demographic Trends

- Palau's population has been remarkably stable over recent decades; however, this population total masks a trend of moderately declining population of Palauans. Moderate growth in foreign workers has resulted in the observed stability.
- Estimates of a reduction in Palauans by ~200 annually is a decline of 1.7% annually. This would equate to a **decline of ~17%** over a decade (from 12,000 to 10,000 Palauans)

3

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Recent Insular Demographic Trends

- U.S. Virgin Islands 2020 population of ~87,000 was an **18% decline** from 2010.
- CNMI's 2020 population of ~47,000 was a **12.2% decline** from 2010 and a **25% decline** from 2000 and a **41% decline** from a 2001 peak of ~79,000

4

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Recent Insular Demographic Trends

- American Samoa's 2020 population of ~50,000 was a **10.5% decline** from 2010 and a **decline of 16%** from a peak population of ~58,000 in 2001.
- Guam's 2020 population of ~154,000 was a **3.5% decline** from 2010 [first decennial census decline since 1920].



THRIVING IN THE NEW WORLD OF WORK



Thriving in the New World of Work: Attracting and Retaining Talent

Bob Lavigna
Senior Fellow – Public Sector
UKG (Ultimate Kronos Group)





What We'll Cover

- The new world of work
- The global talent shortage
- The response – become a great place to work
- Using data to assess if you're a great place to work



Key Takeaways

- Organizations must adapt to the new world of work – and the global talent shortage
- To become an employer of choice – a great place to work – build employee engagement
- Build engagement by delivering a positive employee experience
- Measure the experience with data
- Talent is everyone’s job



UKG – Ultimate Kronos Group



Leading Comprehensive HCM

Powerful and Flexible Payroll

Impactful HR Service Delivery

Enterprise Workforce Management

Specialty Scheduling Solutions

HCM technology facilitates *what* needs to be done to become a great place to work

Better Organizational Performance

More Connected Workforces

More Engaged People

UKG

New World of Work

Changed employee expectations – flexibility, voice, wellbeing

Employees re-evaluating priorities – “great reassessment”

Intense competition for talent

UKG

Globally, the number one priority for CEOs is...
attracting and
retaining talent



Source: Conference Board, C-Suite Outlook, 2024

UKG

Global Talent Deficit



75%

of employers globally are struggling to fill open positions

Source: Manpower Group

UKG

The Global Talent Shortage Forecast for 2030



85.2

MILLION employee shortage for vacancies globally

Source: Korn Ferry, The Global Talent Crunch

UKG

The Workforce is at Risk ... of Leaving



Sources: ¹ Mercer Global Talent Trends 2024; ² Great Place to Work, Revolutionizing Employee Retention



Managers Make a Massive Difference



Sources: ¹ Gallup, State of the Global Workplace, 2024; ² UKG, Mental Health at Work, 2023





UKG

Resign, Resigned, or Re-sign?

Pandemic-era job quitters and their managers wish they had a do-over

43% GLOBALLY
“I was better off in my old job.”

41% GLOBALLY
“I quit my job too quickly.”

Globally, job changers miss the following most:

- 38%** My peers/coworkers
- 31%** Familiarity/comfort in the role
- 22%** The customers served
- 19%** Compensation/pay
- 16%** Work-life balance

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GFPA

Meeting Demand for State and Local Public Finance Jobs

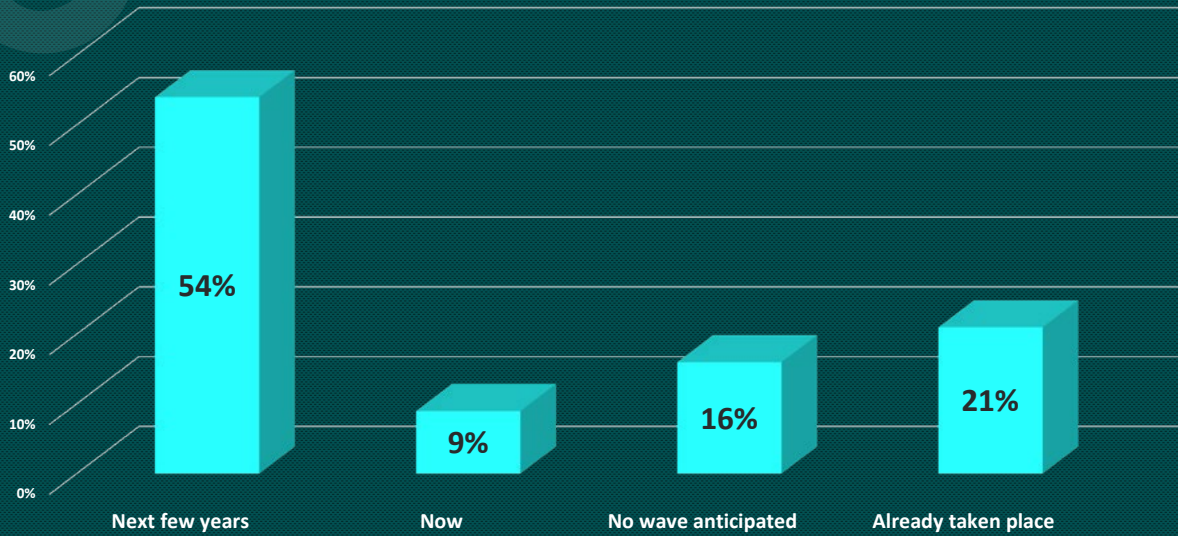
“The number one challenge I consistently hear about is attracting and retaining talent – and I’ve heard it described as a crisis for government finance more than once”

Chris Morrill
Executive Director/CEO
GFOA

“Demand for state and local public finance workers is far outstripping the incumbent supply and straining familiar talent pipelines”

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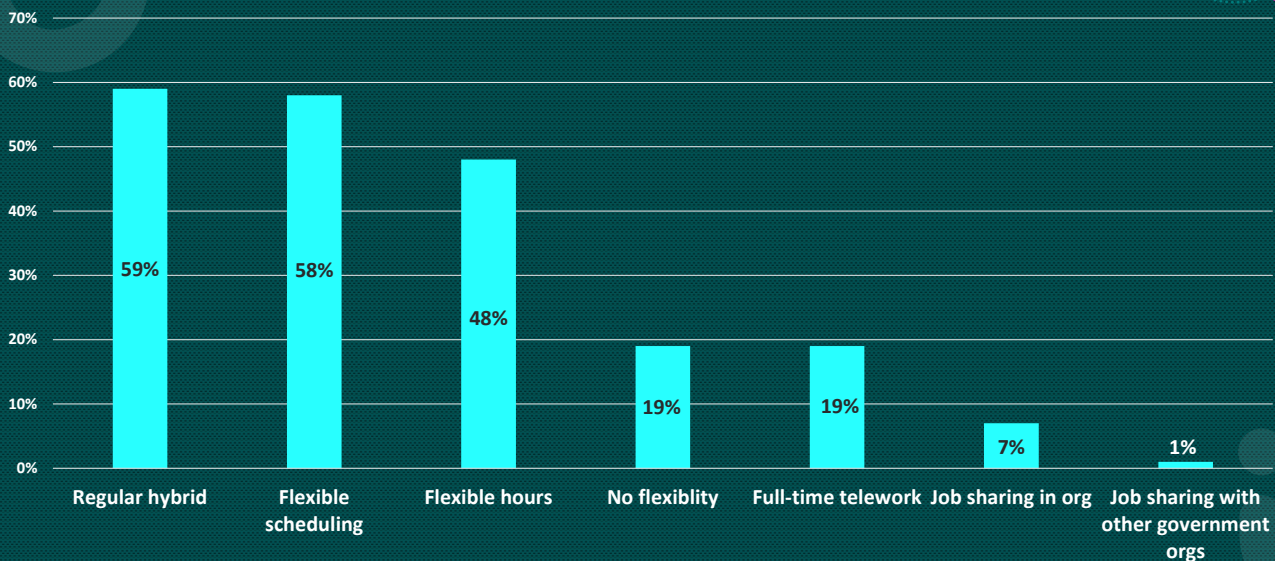
When Will Retirements Take Place?



MissionSquare Research Institute



Flexible Work Practices – Government



MissionSquare Research Institute



To Be an Employer of Choice ...



... Build Employee Engagement

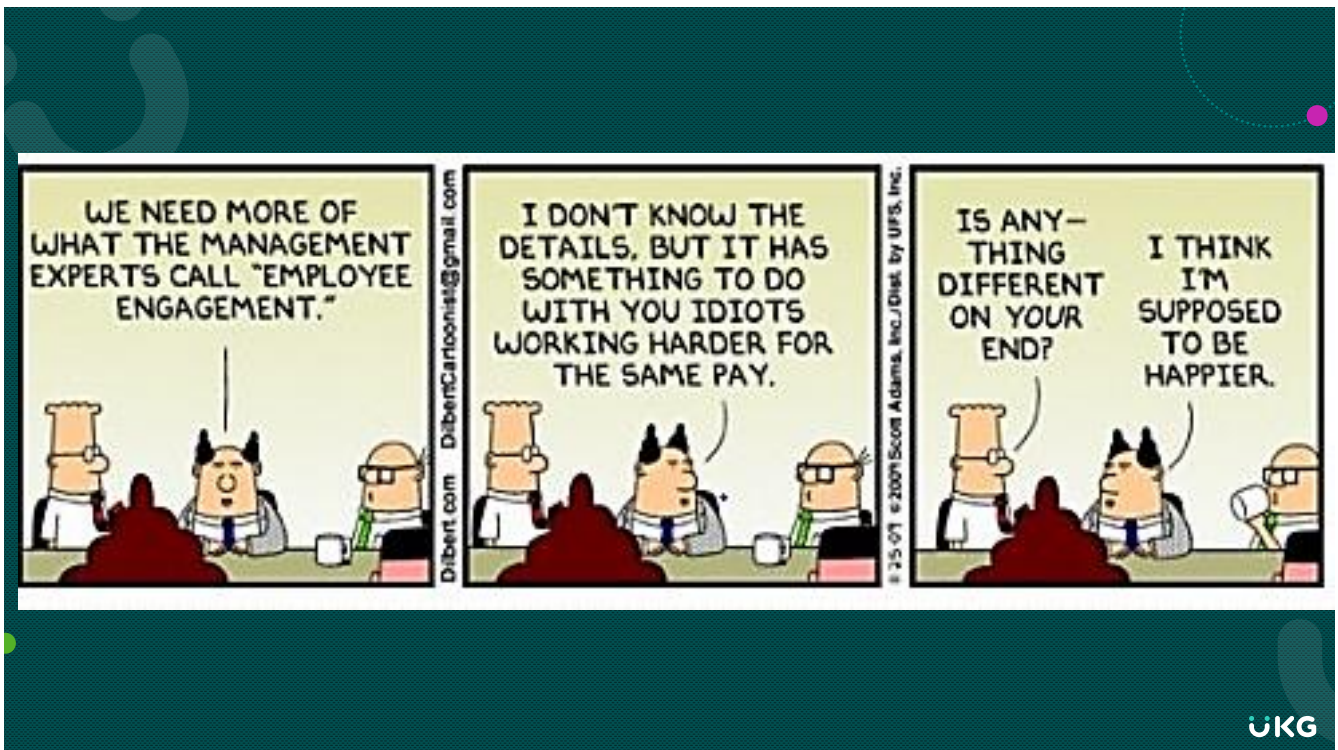


Table Activity: How Do You Define Engagement – in a Few Words?



Engaged Employees

Valued



Proud



Heard and
Trusted



Engaged Employees



- ✓ Have strong relationships in organization
- ✓ Will stay – even for less money
- ✓ Go extra mile for customers
- ✓ Recommend organization as good place to work
- ✓ Volunteer ideas
- ✓ Show up for work
- ✓ Work hard – and smart
- ✓ Get things done

GPS HR CONSULTING

UKG

Why Does Engagement Matter?

UKG





OPEN



Top Pet Insurance For Your Dog

Search Top Pet Insurance For Your Dog Today. Custom Options For You.

This cat is just pretending to be a dog for the health insurance. We've seen it a million times.

UKG



Great Places to Work Have Engaged Employees

| KPIs | Employees say ... | Great Place to Work-Certified Organizations | U.S. Average |
|--------------|---|---|-------------------|
| Productivity | Are given resources needed to do job | 81% | 52% |
| Recruiting | <i>Promote their organization to family and friends</i> | <u>86%</u> | <u>54%</u> |
| Retention | <i>Plan to work there for a long time</i> | <u>84%</u> | <u>55%</u> |
| Service | Provide excellent customer service | 89% | 66% |
| Agility | Organization moves fast and innovates | 82% | 49% |



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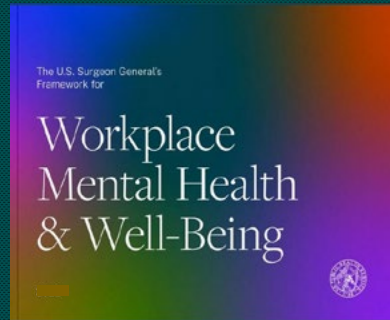
Engaged Employees in Government:

- 10 times more likely to believe organization is achieving mission
- Twice as likely to believe they influence cost savings
- 3 times more likely to say they influence customer service
- 3 times more likely to stay with the organization
- 4 times as likely to say their mental health is good or very good



Institute for Public Sector Employee Engagement

UKG



76%

of U.S. workers reported at least one symptom of a mental health condition.

84%

of respondents said their workplace conditions had contributed to at least one mental health challenge.

81%

of workers reported that they will be looking for workplaces that support mental health in the future.

“We can build workplaces that are engines of well-being, showing workers that they matter, that their work matters, and that they have the necessary resources and support to flourish”



Wellbeing at Great Places to Work

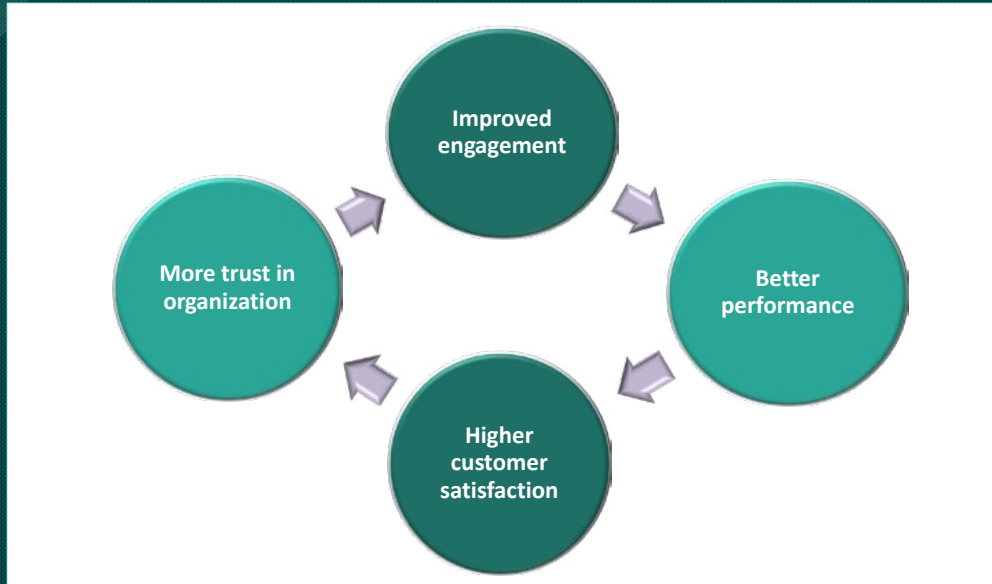
| | | |
|---------------------------------------|-----|-----|
| People flourishing at work | 16% | 58% |
| Psychologically / emotionally healthy | 53% | 82% |
| Work/life balance encouraged | 50% | 84% |
| Management cares about people | 52% | 85% |
| People can be themselves | 64% | 88% |
| People look forward to work | 46% | 84% |

Average Workplaces

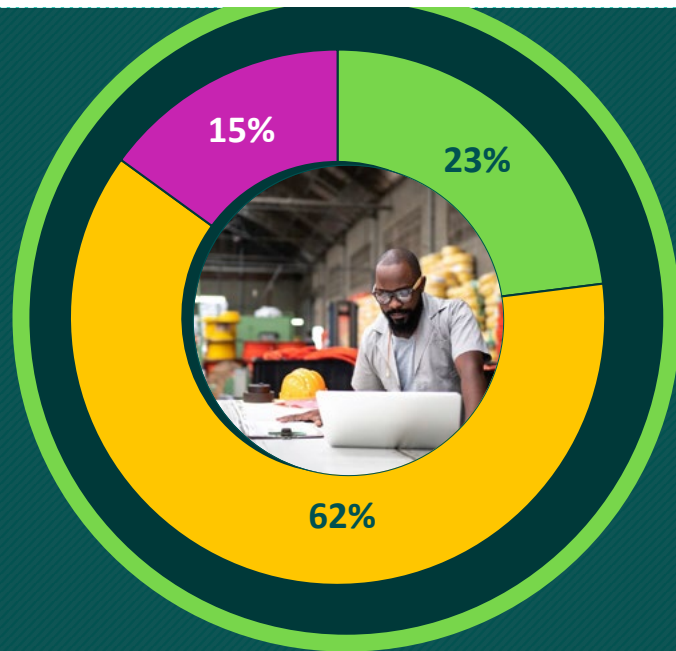
Certified Workplaces



Engagement Value Chain



Current State: Global Employee Engagement



■ Engaged ■ Not Engaged ■ Actively Disengaged

Source: Gallup, State of the Global Workplace, 2024



Table Discussion

Why Isn't Employee Engagement Higher?

—

What are the Barriers?

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The Power of Purpose in the Workplace

Purpose at Work Predicts if Employees Will Stay or Quit Their Jobs

Great Place To Work.

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How Do We Build Engagement?



Create a Positive Employee Experience





The Employee Experience – Moments That Matter



Positive Employee Experience: The Business Case



Josh Bersin



Positive Employee Experience Attracts Talent

“Engaged cultures will attract people from outside the organization who want to join. What happens internally goes external pretty quickly.”



Thriving in the New World of Work

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Conduct Workforce and Succession Planning

Determine your current and future talent needs



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Expand Talent Pipelines

Reach out more broadly – internally and externally – to recruit candidates



Focus on Employer Brand and Reputation

Understand how your organization is perceived and respond



Actual Employee Reviews – These?



1.0 Horrible Department
☆☆☆☆

1.0 Very stressful and unfair environment
☆☆☆☆

1.0 Miserable Place to Work
☆☆☆☆

1.0 Not a good place to work at
☆☆☆☆

1.0 Join for the mission and leave because of management
☆☆☆☆

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Or These?



5.0 i loved it!
★★★★★

5.0 Great environment and people
★★★★★

5.0 Perfect Place to Work
★★★★★

5.0 Love working here
★★★★★

5.0 Fun management
★★★★★

5.0 Great agency
★★★★★

5.0 Working with people who are as passionate as I am
★★★★★

59% of job seekers would not *apply* to an organization with a bad reputation – even if they were unemployed!

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Streamline Application and Hiring Processes

Simplify how potential employees engage with your organization



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Job Ads

This?

- 39 job responsibilities and 23 requirements
- *Include, but not limited to, stooping, kneeling, crouching, squatting, twisting, crawling, and lifting. Required to use hands to finger, handle, or feel objects. The employee is frequently required to stand, walk, sit, reach with hands and arms, climb, or balance. The position is required to be exposed to darkness.*

Or This?

“Join our dynamic team and be part of an organization that values your unique talents. Experience a fulfilling career where you can make an impact and thrive alongside a community of like-minded individuals. Take advantage of this incredible opportunity.”

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This?

Provides assigned departments/agencies with advice and guidance to facilitate the development of their respective annual budget; interprets budget guidelines and instructions formulated and disseminated by the Bureau, assist in the development of meaningful and realistic program goals, objectives and workload outputs consistent with the department/agency mandated missions; scrutinizes department/agency budget request for accuracy and consistency with established guidelines; prepares analysis and recommends realistic funding levels consistent with executive policies and priorities, attends legislative budget hearings to support the department/agency budget request on the Bureau's behalf. Prepares impact analysis of department/agency budget appropriations approved by the Legislature for the Governor's consideration develops appropriation and control records of authorized funds; interprets executive policy and legislative intent pertaining to the use of appropriations, expenditure funding, transfer of funds to departments/agencies. Reviews federal grant applications for compliance with state clearinghouse regulations; evaluates and makes recommendations on the need for requested program based on territorial state plans and priorities; coordinates with planning agencies in the review of grant applications; monitors grant awards and maintains budgetary control records. Monitors capital improvement project; insures compliance with established policies and requirements governing and processing and expenditure of funds. Reviews, analyzes, and recommends approval or disapproval of department/ agency requests for personnel actions, travel authorizations in accordance with executive policies. Prepares legislative testimony for the Director or Governor as assigned. Prepares budget narratives to reflect supporting analytical presentations. Conducts analysis to determine the most economical method of obtaining services (i.e. lease vs. purchase). Analyzes department's organization, mission or functions and makes appropriate recommendation on methods to achieve effectiveness, efficiency, and economy of operations. Analyzes existing or proposed functional charts to detect and eliminate duplication of functions in organizational units and to clarify organizational relationships. Reviews proposed organizational changes relative to consolidation, addition, deletion of transfer or organizational units to determine budget and/or programmatic impact. Performs management analysis of governmental organization to ensure efficiency in operations and resource allocation. Prepares revenue and expenditure projections. Assist in the development of guidelines for policies established by Executive Order or Legislative mandates. Analyzes and updates BACIS records affecting assigned departments/agencies. Reviews financial statement/reports to ensure expenditures are in consonance with established policies. Reviews and comments on proposed legislation, writes up proposed legislation to address assigned department/agency needs. Coordinates research, management studies and special projects. Represents the Bureau at Legislative Budget Hearing to answer queries by Senators on budget related matters. Performs related duties as required.

Or This?

Take A Leap Into Public Sector

Start here to see how a career within the Government of the USVI offers opportunities to reach your full potential!



Vacant Positions

For live technical support, call 1-855-524-5627 from 6am - 5pm (PST).



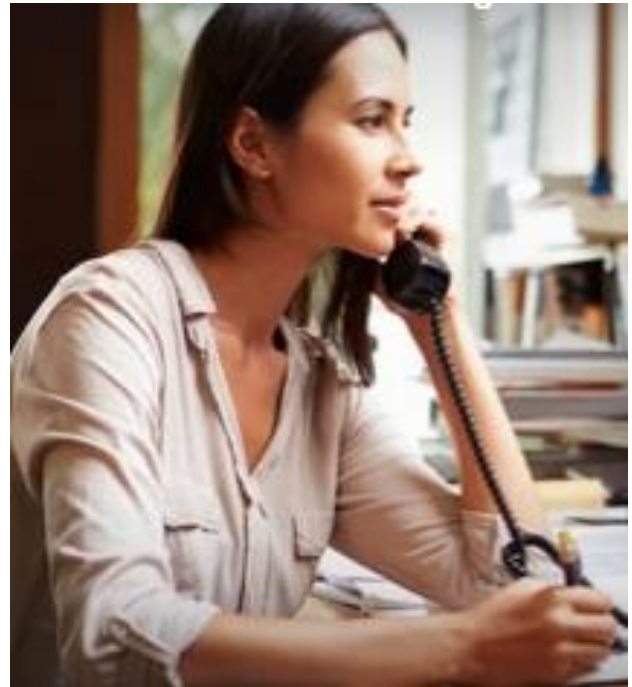
Submit Interest

Receive a notification when a job you may be interested in is posted.

A New Approach to Talent: Skills-based Strategy

Beyond upskilling and reskilling employees, mine the workforce to find critical skills in unexpected places

Where feasible, assess candidates based on skills and abilities, not academic qualifications or years of experience



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Skills-Based Organizations Thrive



107% MORE LIKELY:

Assign talent effectively



98% MORE LIKELY:

Have a reputation as a great place to work



98% MORE LIKELY:

Retain high performers

Source: Deloitte, Skills-Based Organization Survey, 2022

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Understand What *Truly Matters* to Employees

Understand the varying needs of all employees – from the office to the frontline – and respond



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Give Employees a Voice *and* Listen

Regularly ask for input from employees – and create action plans based on feedback



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Develop More Effective People Managers

Give managers at all levels the training, tools, and guidance needed to support their teams



Leadership Behaviors That Create Great Workplaces



What Makes a Great Place to Work?

[This is what makes employees happy at work | The Way We Work, a TED series \(youtube.com\)](#)

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Behaviors That Build a Culture of Trust A Checklist for Leaders

Ask yourself these questions to assess your personal behavior and become aware of the daily practices that encourage a culture of trust in your workplace:

- Am I listening to my employees and seeking their ideas, suggestions, and opinions?
- Am I open to employee ideas and including those ideas in the decision-making process?
- Am I setting and communicating consistent expectations regarding team and individual performance objectives?
- Do I tell employees the truth and follow through by doing what I say I am going to do, even when it is difficult?
- Am I treating everyone, no matter who they are or what their role is, with the same dignity and respect that I expect and would like to receive without bias, judgment, or personal favoritism?
- Are my career goals or personal agendas interfering with my team's performance and my commitment to my employees' success?
- Do I demonstrate concern and care for each employee, workgroup, and department?
- Do I set a good example and conduct myself in a manner consistent with the organization's mission, vision, and values?

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Recognition Drives Positive Experience

When employees believe they will be recognized, they are 2.7 times more likely to be highly engaged

Quantum Workplace



Recognition “Without Spending a Dime”

- Recognize employee achievements at staff meeting
- Surprise employee with Post-it note of thanks
- Put thank-you note on department bulletin board
- Compliment employee within earshot of others (and word will spread)



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Recognition “Without Spending a Dime”

- Mail handwritten note to employee’s home
- Send department-wide email praising employee or team
- Start meetings by recognizing employees and ask employees to recognize each other
- Pull employee aside and ask for his/her opinion



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Effective Recognition

Formal or informal, must be sincere and meaningful:

- Personal
- Specific
- Timely
- Deserved



Make Thanks Count

Situation

“I was worried we’d miss the deadline”

Behavior

“You worked the weekend to help”

Impact

“We submitted the report on time -- your commitment to our team is inspirational”

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New Employee Onboarding

| PRINCIPLES | | | | | |
|---|--|---|---|--|--|
| Align to mission and vision | | Connect to culture, strategic goals and priorities | | Integrate across process owners | |
| Apply to all employees | | | | | |
| ROLES | | | | | |
| + PROCESS OWNERS | | + PROCESS CHAMPIONS | | + EMPLOYEE | |
| PROCESS PHASES AND KEY ACTIVITIES | | | | | |
| BEFORE FIRST DAY | FIRST DAY/ ORIENTATION | FIRST WEEK | FIRST 90 DAYS | FIRST YEAR | |
| <ul style="list-style-type: none"> Extend personal welcome to employee Communicate first day logistics to employee Send paperwork in advance and/or online portal access Prepare for employee | <ul style="list-style-type: none"> Focus on sharing the mission and values Incorporate senior leadership Orient employee to organization and office norms Introduce employee sponsor Meet immediate requirements for employment | <ul style="list-style-type: none"> Ensure direct managerial involvement Set performance expectations and job scope Assign meaningful work Communicate resources or networks required for work | <ul style="list-style-type: none"> Provide essential training Monitor performance and provide feedback Obtain feedback through new hire survey and other means | <ul style="list-style-type: none"> Recognize positive employee contributions Provide formal and informal feedback on performance Create employee development plan | |
| OUTCOMES | | | | | |
| High employee job satisfaction level Retention of high-performing employees Continued employee engagement and commitment Faster time-to-productivity | | | | | |

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New Employee Onboarding Guide

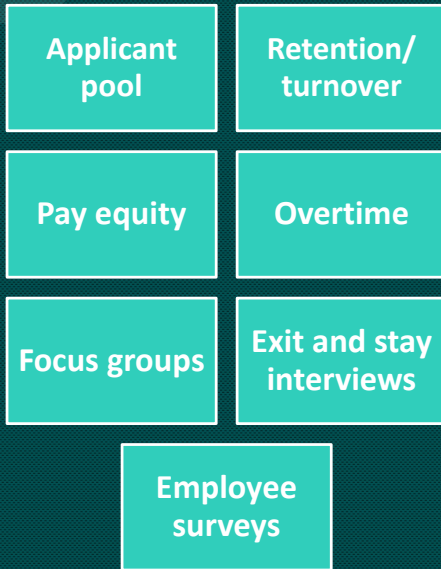


How Do We Know If We Are a Great Place to Work?



Collect and Analyze Data!

“Tell me what you know, not what you think”



Data – Who’s Staying, Who’s Leaving?



- Good or poor performers?
- Newer, younger employees?
- Other demographic groups?
- Specific occupations / levels?
- Individual departments, divisions, managers?
- Certain pay levels?

Fastest-Growing Jobs



5. Employee Experience Manager

4. Truck Driver

3. Diversity and Inclusion Manager

2. Human Resources Analytics Manager

1. Head of Revenue Operations



Fastest-Growing Jobs



5. Employee Experience Manager

3. Diversity and Inclusion Manager

2. Human Resources Analytics Manager



Attracting and Retaining Talent

- Expand recruiting
- Understand and manage brand
- Promote purpose
- Streamline hiring
- Onboard effectively
- Deliver customized employee experience to build engagement



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Attracting and Retaining Talent

- Understand how employees feel
- Provide workplace flexibility
- Recognize employee contributions
- Lead by listening – and then acting
- Apply technology
- Measure with data



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Questions and More Information

Bob Lavigna



bob.lavigna@ukg.com



608-395-8472



ukg.com



www.linkedin.com/in/bob-lavigna/





**GASB UPDATE: FINALLY, INTO
THE 100'S WE GO!**

1

GASB Update: Finally, into the 100's we go!

FRANK CRAWFORD, CPA
CRAWFORD & ASSOCIATES, P.C.
WWW.CRAWFORDCPAS.COM
FRANK@CRAWFORDCPAS.COM
[@FCRAWFORDCPA \(X\)](https://twitter.com/FCRAWFORDCPA)



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Contact information

- ▶ www.crawfordcpas.com
- ▶ frank@crawfordcpas.com
- ▶ 405-691-5550
- ▶ 10308 Greenbriar Place
- ▶ Oklahoma City, OK 73159

Effective Dates—June 30 Fiscal Year End

3

➤ 2024

- Statement 100—Accounting Changes and Error Corrections
- Implementation Guide 2021-1—Update (multiple effective dates)
 - One question and answer to be implemented in 2024
- Implementation Guide 2023-1—Update

➤ 2025

- Statement 101—Compensated Absences
- Statement 102—Certain Risk Disclosures

➤ 2026

- Statement 103—Financial Reporting Model Improvements
- Statement 104 – Classification of Nonfinancial assets (certain capital)

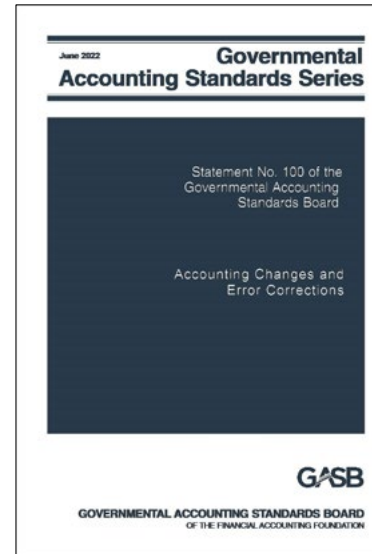
Approved
Statements
for 2024
and
Beyond

4

5

Statement 100

Accounting Changes and Error Corrections



6

Statement 100—Scope

Accounting Changes

- Change in accounting principle
- Change in accounting estimate
- Change to or within the financial reporting entity

Error Corrections

- Mathematical mistake
- Mistake in the application of accounting principles
- Oversight or misuse of facts that existed at the time the financial statements were issued

7

Change in Accounting Principle

Change from one GAAP principle to another—justified because change is preferable

- Qualitative characteristics used the basis for determination

Implementation of new authoritative pronouncement

8

Change in Accounting Estimate

Accounting estimate—amount subject to measurement uncertainty that is recognized or disclosed in the basic financial statements

- Estimates are outputs—determined based on inputs of data, assumptions, and measurement methodologies
 - Occurs with changes to inputs
 - Results from a change in circumstances, new information, or more experience

9

Change to or Within the Financial Reporting Entity

Addition or removal of a fund that results from the movement of continuing operations

Change in fund's presentation of as major or nonmajor

Additions or removals of component units, with exceptions

- Acquisitions, mergers, transfers of operations—Statement 69
- Component unit reported pursuant to Statement 90

Change in component unit presentation—blended/discrete

10

Comprehensive Implementation Guide Z.110.1

Q—Upon completion of a capital asset project during the year, the government closes out a major capital projects fund and moves the remaining resources to the general fund. Does this circumstance constitute a change to or within the reporting entity?

A—No. Even though the capital projects fund will no longer be included in the government's financial reports in future periods (that is, the fund will be removed for financial reporting purposes), it does not constitute a change to or within the financial reporting entity in accordance with paragraph 9a of Statement 100 because, in this case, the removal of the fund does not result from the movement of continuing operations. Instead, the movement of remaining resources to the general fund should be reported as interfund activity in accordance with paragraph 112 of Statement 34.

Accounting and Reporting—Accounting Changes and Error Correction

Change in accounting principle

- Single period—retroactively reported by restating beginning net position/fund balance for the cumulative effect
- Comparative—restating all prior periods, if applicable and practicable

Change in estimate

- Applied prospectively

Change to or within the financial reporting entity

- Adjust current reporting period's net position/fund balance—as if the change occurred as the beginning of the reporting period

Error correction

- Same as change in accounting principle without practicality exception

Aggregate amounts presented on face with details in the notes (illustrated in Statement)

Ghost Column – Change to or Within

- ▶ Par. 22 – Adjusting the current period's beginning net position, fund balance or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the financial reporting period
 - ▶ Enter weird reporting ☹ - must display all reporting units formerly displayed on financial statements as of the prior fiscal year end.

Ghost Column – Change to or Within

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 20X2

| | General Fund | Recreation Fund | Formerly Major Fund Private Grants Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------|-----------------|---|-----------------------------|--------------------------|
| REVENUES | | | | | |
| Total revenues | \$ 139,810,043 | \$ 41,194,812 | | \$ 34,070,898 | \$ 215,075,753 |
| EXPENDITURES | | | | | |
| Total expenditures | 142,780,234 | 39,082,987 | | 24,699,492 | 206,562,713 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,170,191) | 2,111,826 | | 9,371,366 | 8,312,801 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Total other financing sources (uses) | 6,192,157 | 2,016,236 | | (5,926,715) | 2,281,678 |
| NET CHANGE IN FUND BALANCES | 3,021,966 | 4,127,862 | | 3,444,651 | 10,594,479 |
| FUND BALANCES, 6/30/21, as previously reported | 27,094,293 | 6,646,703 | 2,587,439 | 5,705,268 | 46,033,703 |
| Change within financial reporting entity (major to nonmajor fund) | - | - | (2,587,439) | 2,587,439 | - |
| Change to financial reporting entity (discrete to blended CU) | - | - | - | 169,402 | 169,402 |
| Error correction | 194,216 | - | - | - | 194,216 |
| FUND BALANCES, 6/30/21, as adjusted or restated | 27,288,509 | 6,646,703 | - | 32,462,109 | 66,497,321 |
| FUND BALANCES, 6/30/22 | \$ 30,310,475 | \$ 10,774,565 | | \$ 15,906,790 | \$ 56,991,830 |

- ▶ Impact only change statement
- ▶ Balance Sheet – No presentation – No Ghosts!
 - ▶ Note: don't have to break out each causation can report in aggregate

Statement 100—Disclosures

- Change in accounting principle**
 - Nature of change—including line items affected
 - Reason for change
- Change in accounting estimate—Each circumstance that a change to an input had a significant effect on estimate**
 - Nature of change—including line items affected
 - Reason for change measurement methodology (unless required by GASB in a specific pronouncement)
- Change to or within the financial reporting entity**
 - Nature of change
 - Reason for change—except major/nonmajor change based on GASB thresholds
- Error correction**
 - Nature of error and its correction—including line items and years affected
 - Effect on prior period "change in net position/fund balance" as if error had not occurred

Required Supplementary Information and Supplementary Information

Change in accounting principle or change to or within the financial reporting entity

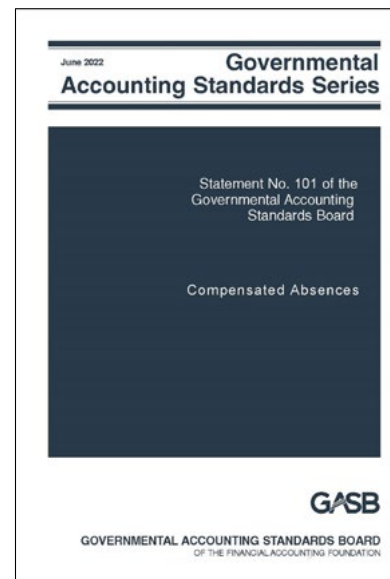
- Information should be consistent with the basic financial statements
- Information for periods prior to the adjustment/restatement should not be modified
- Explanation that prior-period information is not consistent (not modified) should be provided

Error correction

- All affected information should be corrected by restating the information
- Identify as restated
- Explanation of the nature of the error should provided

Statement 101

Compensated Absences



Why Statement No. 101

Objective of Statement 101

- ◀ Improve and provide additional guidance for recording liabilities for earned but unpaid leave

Timing of implementation

- ◀ Effective for fiscal years beginning after December 15, 2023, and all periods thereafter

Why a new standard on compensated absences?

- Statement 16 was issued 30 years ago
 - The business environment has evolved rapidly and governments are beginning to follow
 - Vacation, sick, personal time -> FTO, PTO, etc.
- Lack of guidance of certain types of leave that are either new or more commonly used
- Inconsistencies in application
- Inconsistencies with the conceptual framework development subsequent to issuance of Statement 16

What's changed?

- No distinction between accounting for sick versus vacation
- Focus is no longer on payments at termination (sick time), but rather EITHER on payments at termination OR future payment when leave is used for time off
- Probability threshold is lower (likely means HIGHER accruals).
- Much less prescriptive

Basics of Statement 101



Definition of compensated absences



Measurement and Disclosures



Implementation Process



Examples

21

Compensated Absences Description

Leave for which employees may receive one or more:

- Cash payments when the leave is used for time off
- Other cash payments, such as payment for unused leave upon termination of employment
- Noncash settlement, such as conversion to postemployment benefits

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Common Examples—Focus

Vacation and sick leave

Paid time off (PTO)

Certain types of sabbatical leave

Types where recognition should not occur until leave commences

- Parental leave
- Military leave
- Jury duty

Sabbatical Leave

Sabbatical leave in which an employee is not required to perform any significant duties for the government -unrestricted sabbatical leave - is a compensated absence

Sabbatical leave in which an employee is required to perform duties of a different nature for the government - is not a compensated absence

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Examples—Not Applicable

Benefits in the scope of Statement 47

- Termination benefits

Leave more likely than not will be settled through conversion to defined benefit postemployment benefit

- Statement 68—pensions
- Statement 75—OPEB

Liabilities for Compensated Absences 2 types of liabilities for recognition

1- Leave that has NOT been used

2 - Leave that has been used but not yet paid or settled

Not required to be aggregated for display
 EXAMPLE: Leave not used - compensated absence accrual
 Leave used – likely in accrued payroll

Include salary-related payments with both

Leave Used But Not Paid

- Liability for amount of cash payment or noncash settlement
- Likely part of the accrued payroll calculation
- Include applicable salary-related payments

Compensated Absences—Recognition

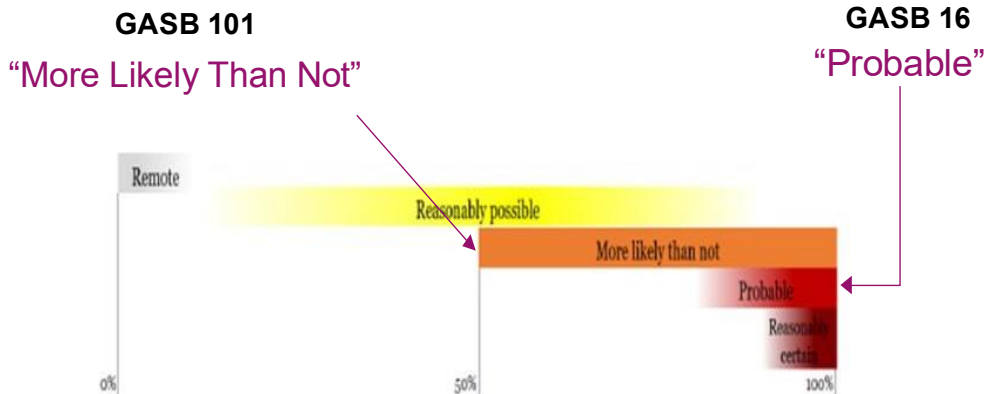
The leave:

- Is attributable to services already rendered
- Accumulates
- Is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means

Possible Significant Judgement

Start preparing—how much of sick leave is used?

Probability Threshold – GASB 16 vs. GASB 101



Considerations for More Likely Than Not

The government's employment policies related to compensated absences

Whether leave that has been earned is, or will become, eligible for use or payment in the future

Historical information about the use, payment, or forfeiture of compensated absences

Information known to the government that would indicate that historical information may not be representative of future trends or patterns

To recognize or Not – Recognition Exceptions

Leave more likely than not to be settled through conversion of defined benefit postemployment benefits

- Covered in DB postemployment benefit liabilities

Leave dependent upon occurrence of a sporadic event affecting relatively small portion of employees

- Recognize liability when leave commences
- Parental leave, military leave, jury duty

Unlimited leave and certain holidays

- No liability until leave is used

Leave Not Used - Measurement

Generally, use an employee's pay rate as of the date of the financial statements, unless:

- **More likely than not to be paid at a different rate (such as 1/2 employee's pay rate upon termination of employment)**
 - *Use that rate as of the date of the financial statements*
- **Leave not attributable to specific employee (such as donated leave pool)**
 - *Use estimated rate representative of eligible employee population*
- **More likely than not to be settled through noncash means**
 - *Use amount more likely than not for which it will be settled*

Remember to include salary-related payments

- Directly and incrementally related (for example, social security, Medicare)
- Defined contribution plan (based on current rate)
- Defined benefit plans—no

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Note Disclosures - Changes

- **No new note disclosures!**
- Now an option to present net increase or decrease with indication that is a net amount
- No longer required to disclose governmental fund used to liquidate these liabilities

Reporting the change

Report as a change in accounting principle in accordance with GASB 100

- Restating financial statements for all prior periods presented
- Cumulative effect as a restatement of beginning net position
- Additional note disclosures about the change in principle

Common Questions

What Pay Rate to Use

Question:

A government approves a pay increase effective 7/1/2024. Government is calculating compensated absences for the fiscal year end June 30, 2024. What pay rate should the government use?

Answer:

GASB 101, B34: "... because next year's rate does not reflect the present obligation of the government as of the date of the financial statements, the [GASB] Board decided not to incorporate the next year's pay rate into the measurement of the liability for compensated absences."

Pay Rates to use

- GASB 101, para 16: "A liability for leave...should be measured using an employee's pay rate as of the date of the financial statements, unless one of the criteria in paragraphs 17-19 is met."

- GASB 101, para 17: "If some or all of the leave is more likely than not to be paid at a rate different from the employee's pay rate at the time the payment is made, a government should measure that portion of the liability using that different rate as of the date of the financial statements."

Historical Data

Question:

How many years of historical trend information should be considered when applying GASB 101?

Answer:

GASB 101, B15. The Board believes that establishing more specific requirements would limit governments' use of professional judgment as to what is appropriate in their circumstances. Therefore, detailed application requirements were not included in this Statement.

Disaggregation of Data

Question:

How much do I need to disaggregate my data to come up with an appropriate estimate of compensated absences?

Answer:

It depends!

Disaggregation of Data

Union and non-union

Different union groups with different comp absence policies

Age

Years of service

Employee class (PT, FT, hourly, salary)

Action Plan

- Start Now!
 - Read the standard (first step)
 - Read the leave policies
 - Are changes needed to the policy?
 - Determine the additional information needed (i.e. usage reports or forfeiture reports)
- Identify how much will change from GASB 16 and how much of the GASB 16 calculation approach is still usable
- Even if a year off, consider doing an initial calculation this year.

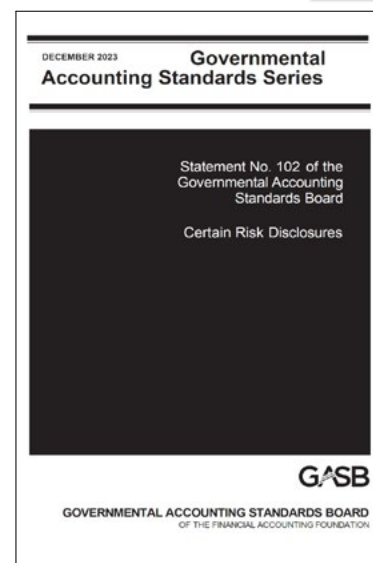
Action Plan

- Understanding the types of compensated absences
 - Create inventory
 - Identify exceptions
- Data Collection Efforts
 - How much historical data can be collected
 - Also, what kind of data?
 - Approach to “more likely than not” principle
- Draft preliminary estimates

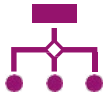
Statement 102

Certain Risk Disclosures

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Scope: Concentrations and Constraints



Concentrations: lack of diversity in an aspect of a significant inflow or outflow of resources



For example, the composition of (1) employers, (2) industries, (3) inflows of resources, (4) workforce covered by collective bargaining agreements, (5) providers of financial resources, and (6) suppliers of material, labor, or services



Constraints: limitations imposed by an external party or the government's highest level of decision authority



For example, (1) limitations on raising revenue, (2) limitations on spending, (3) limitations on the incurrence of debt, and (4) mandated spending



Concentrations and constraints limit a government's ability to acquire resources or control spending.

Application of Disclosure Criteria:



Primary government reporting unit, including blended component units, AND



Other reporting units that report a liability for revenue debt

45

Statement 102—Scope Limits

Disclosures would not cover:

- Nature of the government's operations
- Use of estimates

Exclusion for:

- Acts of God, war, sudden catastrophes (fire)
- Risks associated with financial instruments (addressed in other GASB standards)

Applies only to risks of the current period (if comparative statements are issued)

Disclosure Criteria

Disclosures would be required when a government determines that:

- A concentration or constraint is known to the government prior to the issuance of financial statements
- The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact
- An event or events associated with the concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statement are issued.

General Disclosure Principles



If comparative financial statements are presented, disclosure requirements only apply to the current period



Some requirements may supplement other note disclosures; combine to avoid unnecessary duplication



Information that is the same for more than one reporting unit should be combined to avoid unnecessary duplication



Disclosure for discretely presented component units subject to paragraph 63 of Statement 14, *The Financial Reporting Entity*

Disclosure Requirements:

Provide information in sufficient detail to enable users to understand the nature of the circumstances and the government's vulnerability to the risk of a substantial impact:

Description of the concentration or constraint

If they have occurred, description of each event associated with the concentration or constraint that could cause a substantial impact

Description of actions taken by the government to mitigate the risk

Effective Date and Transition

Effective for fiscal years beginning after June 15, 2024

- All reporting periods thereafter
- Transition is prospective

10

Disclosures

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Disclosures should be of sufficient detail to enable users of financial statements to understand the nature of each concentration or constraint and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint

- A description of the concentration or constraint
- A description of each event, if it has occurred or has begun to occur prior to the financial statements are issued, a description of each event associated with the concentration or constraint that could cause a substantial impact
- A description of actions taken by the government to mitigate the risk prior to the issuance of the financial statements

Overlap With Other Disclosures

For example, subsequent events

- In certain circumstances, disclosures should combine the information with that required by other note disclosure guidance to avoid unnecessary duplication

Implementation Considerations

Evaluation Framework

Identify the concentration or constraint

Does the concentration/constraint make the government vulnerable to the risk of a substantial impact?

Event(s) that could cause a substantial impact has occurred, have begun to occur or is more likely than not to occur within 12 months of the date the FS are issued.

Mitigation actions taken by government prior to issuance of FS - do they cause any of the above not to be met?

Identify the concentration or constraint

Examples:

- Substantial portion of the government's revenue source is from revenue stream
- One collective bargaining unit exists in which the majority of employees are members
- There is one major airline that serves an airport
- Regulatory requirements that mandate certain projects (spending) or limit revenue

Vulnerability to a substantial impact

Vulnerability

- Could be financial or operational

Substantial impact:

- Substantial has been defined by GASB as something more than material.

Events that could cause a substantial impact

Has occurred

Has begun to occur

Is more likely than not to occur within 12 months of the date the financial statements are issued

- *More likely than not – greater than 50% probability*
- *12 months of the date the FS are issued*

Mitigating actions prior to issuance of FS:

Has the government taken actions that address:

- The concentration/constraint
- Events associated with the concentration/constraint
- Other factors that contribute to a government's vulnerability to the risk of a substantial impact

Mitigation efforts that are planned but had not yet commenced are not considered in determining whether disclosure is required

58

Financial
Reporting Model
Improvements

STATEMENT 103

What Happened to the Model?

Key Events

Preliminary Views, *Recognition of Elements of Financial Statements and Measurement Approaches*, issued in June 2011

Post-implementation review began in 2013 (five years after Statement 34 was fully effective)

Research associated with PIR completed in July 2015

Project added to technical agenda in September 2015

Due Process

- Invitation to Comment—December 2016
- Preliminary Views—September 2018
- Exposure Draft—June 2020
- Redeliberations—May 2021

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What Remains

62

Primary Areas of Improvement

Management's discussion and analysis

Unusual or infrequent items

Proprietary fund/BTA statements—format and content

Major component units—presentations

Budgetary comparisons

Management Discussion and Analysis

Analysis should be presented in a manner that avoids unnecessary duplication and allows for professional judgment when determining what information is unnecessarily duplicative

Discussion of significant variations between the original and final budget amounts and between the final budget amounts and actual results for the general fund should be presented as notes to budgetary comparison information

Removed requirement to present information about infrastructure assets accounted for using the modified approach

MD&A—Currently Know Facts, Decisions, or Conditions

Description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or produce significant differences from the current year results of operations. This section of the MD&A should include examples, if applicable, of the following:

- Trends in relevant economic and demographic data, including changes in population, customer base, and unemployment rates
- Relevant factors used to develop the subsequent year's budget, including:
 - Change in rates and bases
 - Changes in planned spending with reference to sources such as inflation, labor contracts, new laws or regulations, and the addition, expansion, elimination or reduction of programs
 - Expected changes in budgetary net position or fund balance
- Information related to all actions the government has taken related to postemployment benefit plans, capital asset improvement plans, and long-term financings (including leases and siblings)
 - Remember that the measurement date is the starting point for postemployment benefit plans
- Actions other parties have taken—for example, new laws or regulations imposed on the government

65

Unusual or Infrequent Items

Replaces extraordinary items and special items

Inflows of resources and outflows of resources related to unusual or infrequent items should be displayed separately on the government-wide, governmental funds, and proprietary funds statements of resource flows and should not be netted

Unusual or infrequent items should be presented individually as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental funds, and proprietary funds statements of resource flows

The program, function, or identifiable activity to which the item relates, if applicable, should be disclosed in the notes to financial statements

Information regarding whether an unusual or infrequent item is within the control of management should be disclosed in the notes to financial statements

66

Proprietary Funds— Operating/Nonoperating

Definition—Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses

Nonoperating revenues and expenses should be described as:

- Subsidies received and provided
- Contributions to permanent and term endowments
- Revenues and expenses related to financing
- Resources from the disposal of capital assets and inventory
- Investment income and expenses

Exception—for example, certain loan programs should classify interest revenue as operating revenue and interest expense as operating expense

Definition of Subsidies

Resources received from another party or fund (1) for which the proprietary fund does not provide goods or services to the other party or fund and (2) that directly or indirectly keep current or future user fees and charges lower than they would be otherwise

Resources provided to another party or fund (1) for which other party or fund does not provide goods or services to the proprietary fund and (2) that are recoverable through the proprietary fund's current or future pricing policies

All other transfers

Proprietary Funds/BTAs—Presentation

Statement of revenues, expenses, and changes in fund net position should distinguish between: operating and nonoperating revenues and expenses, as well as separately report noncapital subsidies and provide a subtotal for operating income (loss) and noncapital subsidies

- **Operating revenues (detailed)**
 - Total operating revenues
- **Operating expenses (detailed)**
 - Total operating expenses
 - Operating income (loss)
- **Noncapital subsidies (detailed)**
 - Total noncapital subsidies
 - Operating income (loss) and noncapital subsidies
- **Other nonoperating revenues and expenses (detailed)**
 - Total other nonoperating revenues and expenses
 - Income (loss) before unusual or infrequent items
- **Unusual or infrequent items (detailed)**
 - Increase (decrease) in fund net position
- **Fund net position—beginning of period**
- **Fund net position—end of period**

Proprietary Funds/BTAs—Statistical Section

69

Governments engaged only in business-type activities or only in business-type and fiduciary activities, financial trend information in the statistical sections should distinguish between:

- Operating
- Noncapital subsidy
- Other nonoperating revenues and expenses

Presentation of Major Component Units

70

Major component unit information should be separately presented in the reporting entity's statements of net position and activities if it does not reduce the readability of the statements

If the presentation reduces the readability of the statements, combining statements of major component units should be included in the reporting entity's basic financial statements after the fund financial statements.

71

Budgetary Comparisons

Required Supplementary Information

- No optional reporting in basic financial statements
- Variance columns
 - Original and final budget amounts
 - Final budget amounts and actual budget results
- Includes explanations of significant variances in notes to RSI

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Effective Date

Fiscal years beginning after June 15, 2025, and all reporting periods thereafter

Earlier application is encouraged

73

Disclosures and Classification of Certain Capital Assets

STATEMENT 104

74

Assets Held For Resale—Criteria

Government has decided to sell the asset

- Factors to consider, but not limited to:
 - Whether the asset is available for immediate sale in its present condition
 - Whether an active program to locate a buyer has been initiated
 - Market conditions for selling that type of asset
 - Regulatory approvals needed to sale the asset

It is probable that the sale will be finalized within one year of the financial statement date

Note: Classification should be evaluated each reporting period

Disclosures—Certain Capital Assets—Redeliberated

75

Capital assets held for sale by major class of asset—separate from changes in capital assets disclosure

- Historical cost and accumulated depreciation

Disclose separately by major class of asset in changes in capital assets:

- Lease assets (underlying assets)
- P3s—new
- SBITAs
- Right-to-use assets other than leases, SBITAs, and P3s

Effective Date

76

Fiscal years beginning after June 15, 2025, and all reporting periods thereafter

Earlier application is encouraged



Thank you!



2020, 2021, AND 2022 PER-
FORMETER® AND A.F.T.E.R
ANALYSIS UPDATE

2020, 2021, and 2022 Performer[®] and A.F.T.E.R Analysis Update

Presentation to IGFOA Dec 2024
Prepared and Presented by Frank Crawford, CPA
Crawford & Associates, P.C.
www.crawfordcpas.com
frank@crawfordcpas.com
X: @fcrawfordcpa



1

Topics for today

- ▶ A brief review of what the *Performer and A.F.T.E.R Analysis* is (and what it is not...)
- ▶ Review of factors and circumstances contributing to the 2020/2021/2022 scores and causes
- ▶ Provide an update on the most recent 2020/2021/2022 *Performer* scores and A.F.T.E.R. findings for 2020/2021/2022



2

A brief review...

- ▶ The *Performer* measures the **financial health and success** of a government using a scale that all users (including decision makers) can understand, 0–10, with 0 = poor, 5 = satisfactory, and 10 = excellent
- ▶ Uses financial ratios for the evaluation
- ▶ The evaluation is only as **reliable** as the information found in the annual audited financial statements, and most **relevant** when the information can be used in a timely manner
- ▶ Relevance and reliability are the key concepts in accountability



3

A brief review...

- ▶ In addition, we have continued to divide up the overall score by its 3 components which are Financial Position, Financial Performance, and Financial Capability (also known as Financial Sustainability) and reported the individual scores for each of the 3 components.



A brief review...

- ▶ With this additional separation of components of the score, each government can now see the weakest and strongest components of their overall score
- ▶ For example, an overall score of a 3.8 might actually consist of an excellent score of 10 on Financial Performance, a poor score of 1.5 on Financial Position, and a Financial Capability score of 3.6. The combinations of these scores are what drives the overall score of 3.8.
- ▶ Lastly, a small red, yellow and green number at the bottom right of each slide gives the reader some perspective of the score of each ratio.



5

A brief review...

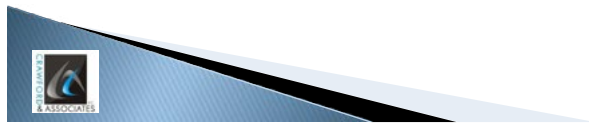
- ▶ The A.F.T.E.R. Analysis is very simple analysis of the status of audit findings, the timeliness of the submission of the audit and the resolution of certain audit exceptions; this analysis can be used to track a government's progress towards eliminating its most significant findings and exceptions, along with tracking the timeliness of submission to the Federal Clearinghouse.



6

Factors and Circumstances for 2021

- ▶ Due dates for the 2021 single audit filings were stretched by 6 additional month extension from their normal 9-month period deadline to a new deadline of 15 months. Most of the governments took advantage of that extension. For 5 of the 11 governments, the fiscal year ending September 30, 2021 produced improved results, while the other 6 governments' scores were lower.



7

Factors and Circumstances for 2022

- ▶ To my knowledge, no due dates for the 2022 single audit filings were officially extended beyond their normal 9-month period deadline.
- ▶ Of the two governments that have already completed and released their FY 2022 audited financial statements (American Samoa and Guam), both reported improved overall results.



8

Factors and Circumstances

► Highlights

- For all governments except the FSM and States, and the RMI, the impact of GASB 68's pension requirements in 2015 still remain a significant factor, with many of the governments' pension systems remaining severely underfunded
- For the FSM National Government and the RMI for FY 2021, and also for Palau for FY 2021(draft), the Social Security programs offered by the government remain at some of their lowest funding levels in the model's history, although most governments have now either addressed their SS deficiencies in some manner with increased contributions, or at least are holding discussions regarding it.



Factors and Circumstances for 2021

► Highlights

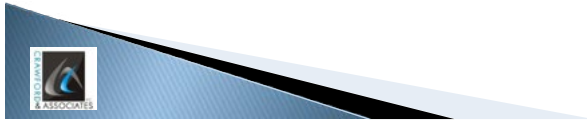
- Chuuk achieved their first ever score above a 5, coming in at 5.07, going back all the way to the first score measured in 2003.
- Pohnpei continues their zig-zag, with 2017 and 2018 being in the high 6s, 2019 and 2020 in the mid 5s, and 2021 back to the high 6s. I hope the zag upward continues for a least one more year to hold true to form.
- Yap and FSM National continue their trade off of high scores, with Yap winning the battle this year with a score of 8.39 to FSM National's 7.96. By the way, Yap's 8.39 is the highest insular government score in the 22+ year history of the Performer.



Factors and Circumstances for 2021

▶ Highlights

- The RMI continues to remain the model of consistency, deviating no more than 1.5 points over the last 12 years, settling in with a 6.62 for 2021, a slight decrease from last year's 6.64. This is the 2nd highest score that the RMI has had in the history of the model, just behind last year's score.



Factors and Circumstances for 2021

▶ Highlights

- All changes up or down in the Performer scores from 2021 were equal to or less than 25%
- Pohnpei takes the prize for the highest percentage increase in the overall score, with a 24% improvement during FY 2021.



Factors and Circumstances for 2022

▶ Highlights

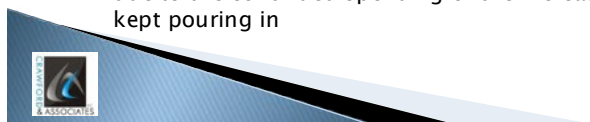
- Both governments, American Samoa and Guam, improved their overall scores.
- Guam's overall score was raised by 36%, a significant improvement from the prior year overall score.
- ASG's score improved by 17% year over year



Factors and Circumstances for 2021

▶ Highlights

- 3 of the 11 FY 2021 government financials received unmodified opinions, (formerly known as unqualified or clean opinions) on their financial statements, with 5 other additional governments only having 1 qualification each
- In FY 2021, no governments received unmodified (clean) opinions on *both* their Financial Statement audit and the audit of compliance with federal program monies (Single audit), although a couple of governments came close with only 1 single audit finding (FSM National, Kosrae)
- No government won the golden goose award with goose eggs (0s) all over their AFTER analysis in 2021, with a 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. A couple of governments were very close with only one finding tripping them up
- Questioned costs seemed to spike on nearly everyone this year, probably due to the continued spending of the increased federal assistance that kept pouring in



Factors and Circumstances for 2022

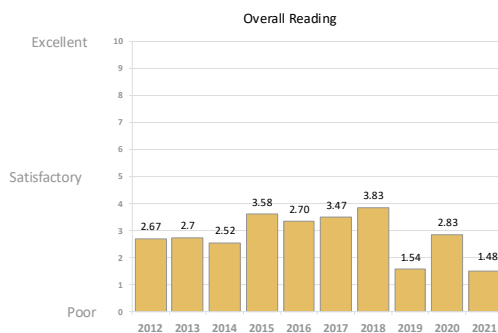
➤ Highlights

- While Guam received an unmodified opinions, (formerly known as unqualified or clean opinions) on their financial statements, ASG received a near clean opinion with only 2 component units causing opinion modifications. No other issues caused any further opinion modifications.
- As far as the single audit is concerned, Guam had 10 major federal programs with modified opinions on compliance, generating approximately \$11.2 million in questioned costs.
- ASG’s single audit only produced 3 total findings related to compliance with federal programs dollars, resulting in no modifications to their compliance opinions, and produced no questions costs at all.



Performer® Reading

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

| | |
|------------------------------|------------|
| Financial Position | 0.5 |
| Financial Performance | 0.0 |
| Financial Capability | 3.0 |

The 2021 reading of 1.43 indicates the evaluator’s opinion that the Commonwealth of the Northern Marianas Islands Government’s overall financial performance decrease when compared to the prior period, due primarily to the low score in the financial performance in the current year.

In addition, the Commonwealth’s financial position had a slight increase in score due to an improvement in Current and quick ratio in the current year.

FY 21 Overall Performer® Reading: **1.48**

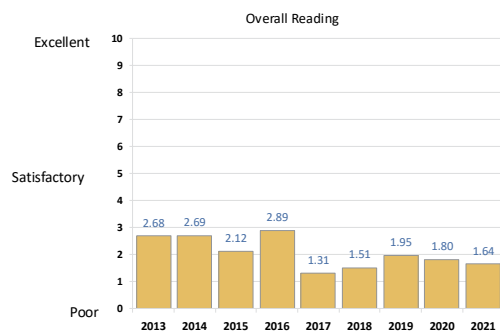
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Number of F.S. Opinion Qualifications/Exceptions | 3 | 7 | 2 | 5 | 5 | 5 | 3 | 4 | 5 |
| Number of Major Federal Program Qualifications/Exceptions | 8 | 7 | 8 | 8 | 6 | 6 | 6 | 4 | 4 |
| Number of F.S. Findings | | | | | | | | | |
| A. Internal Control and Compliance | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 0 | 1 |
| B. Internal Control Only | 18 | 11 | 13 | 12 | 12 | 14 | 14 | 14 | 21 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 |
| TOTAL | 20 | 13 | 15 | 13 | 13 | 15 | 14 | 14 | 22 |
| Percentage of Findings Repeated | 72.7% | 100% | 60% | 85% | 92% | 80% | 93% | 93% | 64% |
| Number of Single Audit Findings | | | | | | | | | |
| A. Internal Control and Compliance | 28 | 0 | 2 | 22 | 18 | 9 | 10 | 11 | 14 |
| B. Internal Control Only | 0 | 29 | 36 | 0 | 0 | 0 | 0 | 0 | 26 |
| C. Compliance Only | 0 | 1 | 0 | 5 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 28 | 30 | 38 | 27 | 18 | 9 | 10 | 11 | 40 |
| Percentage of S.A. Findings Repeated | 96% | 50% | 39.5% | 59% | 61% | 56% | 55% | 55% | 20% |
| Number of months after Y/E the F.S. were Released | 17 | 9 | 9 | ? | 10 | 9 | 8 | 19 | 28 |
| Number of Qualifications/Exceptions Related to C.U. | 2 | 7 | 2 | 4 | 4 | 4 | 2 | 2 | 2 |
| \$ of Questioned Costs-Current Year | \$6,620,692 | \$10,288,891 | \$3,754,204 | \$3,200,953 | \$16,067,272 | \$1,393,892 | \$369 | \$3,739,720 | \$47,874,171 |
| \$ of Questioned Costs- Cumulative | \$35,959,217 | \$45,848,108 | \$26,187,584 | \$17,114,454 | \$31,568,469 | \$21,722,238 | \$20,317,045 | \$24,056,765 | \$69,822,065 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$23,414,727 | \$55,526 | \$1,613,257 | \$11,240,123 | \$1,405,562 | \$0 | \$2,108,871 |

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

Financial Position **0.9**
Financial Performance **2.0**
Financial Capability **2.3**

The 2021 overall reading of 1.64 indicates the evaluator's opinion that the VI's overall financial health and performance slightly declined during the year.

The VI is still recovering from a number setbacks that it suffered in the previous four fiscal years, however that recovery will stretch over several years into the future.

FY 21 Overall Performer® Reading: **1.64**

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| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Number of F.S. Opinion Qualifications/Exceptions | 9 | 16 | 19 | 9 | 13 | 11 | 11 |
| Number of Major Federal Program Qualifications/Exceptions | 6 | 9 | 9 | 10 | 7 | 11 | 7 |
| Number of F.S. Findings | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 12 | 12 | 12 | 13 | 13 | 13 | 13 |
| C. Compliance Only | 2 | 2 | 2 | 4 | 4 | 5 | 5 |
| TOTAL | 14 | 15 | 15 | 17 | 17 | 18 | 18 |
| Percentage of Findings Repeated | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) |
| Number of A-133 Findings | | | | | | | |
| A. Internal Control and Compliance | 46 | 57 | 56 | 71 | 57 | 51 | 71 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 46 | 57 | 56 | 71 | 57 | 51 | 71 |
| Percentage of A-133 Findings Repeated | 100% | 84% | (100% estimate) | (100% estimate) | (100% estimate) | (100% estimate) | (100% estimate) |
| Number of months after Y/E the F.S. were Released | 12 | 9 | 9 | 24 | 21 | 21 | 32 |
| Number of Qualifications/Exceptions Related to C.U. | 3 | 6 | 5 | 3 | 4 | 5 | 5 |
| \$ of Questioned Costs- Current Year | \$1,172,427 | \$348,349 | \$0 | \$163,394 | \$283,945 | \$278,600 | \$280,277 |
| \$ of Questioned Costs- Cumulative | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |
| \$ of Questioned Costs Resolved – Current Year | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |

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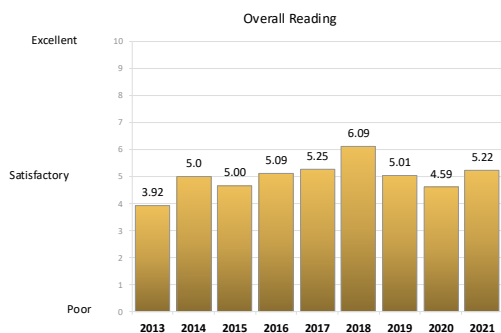
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Performer® Reading (DRAFT)

Republic of Palau

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

Financial Position 5.96
 Financial Performance 4.24
 Financial Capability 4.72

The 2021 reading of 5.22 indicates the evaluator's opinion that the Palau Government's overall financial health and performance increased slightly during the fiscal year ended September 30, 2021, and is just above a satisfactory reading.

Palau has maintained a relatively consistent level of scoring over the past 12 years. However, Palau's overall financial health did decline during the 2020 fiscal year and then partially recovered during FY 2021 due to better financial performance than in FY 2020. The primary reasons for the satisfactory reading are the high level General Fund's level of unassigned fund balance, the low debt service load ratio, the high readings of the quick ratio, and the overall above satisfactory financial position reading.

FY 21 Overall Performer® Reading: 5.22

Performer® Rating
5.22

20

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| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 7 | 6 | 9 | 5 | 3 | 1 | 2 | 0 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 1 | 3 | 1 | 1 |
| B. Internal Control Only | 3 | 3 | 1 | 1 | 5 | 0 | 3 | 1 |
| C. Compliance Only | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 1 |
| TOTAL | 3 | 4 | 1 | 2 | 6 | 3 | 4 | 3 |
| Percentage of Findings Repeated | 0% | 50% | 0% | 0% | 33% | 100% | 75% | 33% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 19 | 9 | 17 | 11 | 7 | 3 | 3 | 3 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 19 | 10 | 17 | 11 | 7 | 3 | 3 | 3 |
| Percentage of S.A. Findings Repeated | 47% | 80% | 29% | 73% | 43% | 67% | 0% | 0% |
| Number of months after Y/E the F.S. were Released | 10 | 9 | 9.5 | 9.5 | 9 | 9 | 16.5 | 31 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$183,006 | \$72,875 | \$354,018 | \$97,206 | \$0 | \$174,130 | \$44,448 | \$250,000 |
| \$ of Questioned Costs- Cumulative | \$2,690,163 | \$826,527 | \$753,136 | \$319,767 | \$314,686 | \$488,816 | \$359,134 | \$512,429 |
| \$ of Questioned Costs Resolved – Current Year | \$247,141 | \$1,936,511 | \$427,409 | \$204,848 | \$57,338 | \$0 | \$174,130 | \$44,448 |

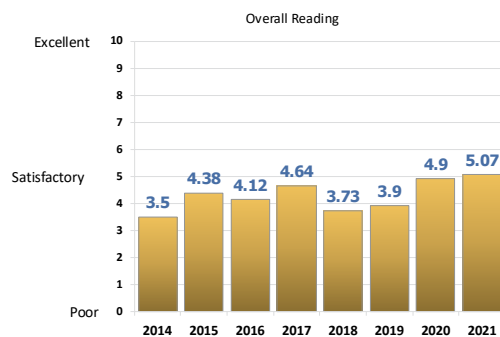
21

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Performer® Reading

State of Chuuk

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

Financial Position 0.87
 Financial Performance 10.0
 Financial Capability 7.80

The 2021 reading of 5.07 indicates the evaluator's opinion that Chuuk Government's overall financial health and performance was considered just above satisfactory as of and for the fiscal year ended September 30, 2021, and represents an increase from the reading of the prior year.

Chuuk's improvement of debt to asset ratio, change in net position, intergenerational equity, low debt and taxes margins, and low debt service load contributed to the improvement in the overall score. The size of the unrestricted net position deficit, the size of the General Fund unassigned fund balance deficit, and insufficient current and quick ratios remain the primary reasons for the reading of the current year.

FY 21 Overall Performer® Reading: 5.07

Performer® Rating
5.07

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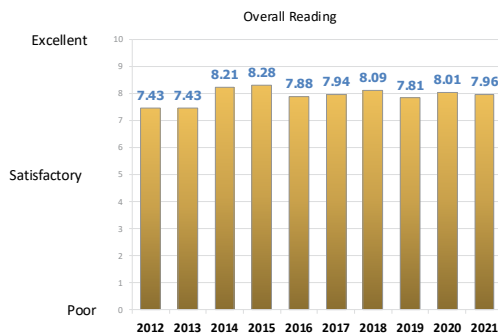
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-----------|-----------|-----------|-----------|-----------|------|----------|----------|----------|
| Number of F.S. Opinion Qualifications/Exceptions | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Major Federal Program Qualifications/Exceptions | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Number of F.S. Findings | | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| B. Internal Control Only | 5 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 1 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 5 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |
| Percentage of Findings Repeated | 60% | 100% | 100% | 100% | 100% | 67% | 100% | 100% | 100% |
| Number of Single Audit Findings | | | | | | | | | |
| A. Internal Control and Compliance | 3 | 2 | 4 | 1 | 0 | 1 | 3 | 3 | 1 |
| B. Internal Control Only | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4 | 3 | 4 | 1 | 1 | 1 | 3 | 3 | 1 |
| Percentage of S.A. Findings Repeated | 25% | 50% | 25% | 100% | 100% | 100% | 33% | 33% | 0% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 9 | 15 | 15 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$194,238 | \$134,918 | \$55,292 | \$0 | \$0 | \$0 | \$32,532 | \$32,532 | \$0 |
| \$ of Questioned Costs- Cumulative | \$194,238 | \$309,156 | \$364,448 | \$364,448 | \$0 | \$0 | \$32,532 | \$32,532 | \$0 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$0 | \$364,448 | \$0 | \$0 | \$0 | \$32,532 |

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Performer® Reading Federated States of Micronesia How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

| | |
|-----------------------|-----|
| Financial Position | 7.8 |
| Financial Performance | 10 |
| Financial Capability | 7.3 |

The 2021 reading of 7.96 indicates the evaluator's opinion that the Federated States of Micronesia Government's overall financial health and performance remained steady and consistent when compared to the prior period, and continues to be considered well above satisfactory.

The FSM National Government's continued consistency and improvements in intergenerational equity, debt to assets, taxes and debt per capita amounts, and high levels of current and quick ratios are the significant factors in the well above satisfactory reading of the current period.

FY 21 Overall Performer® Reading: 7.96

Performer® Rating
7.96

24

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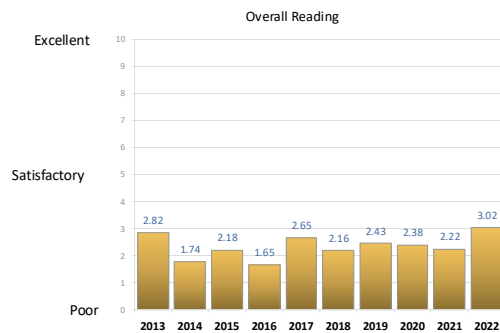
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------------|-------------|-------------|----------|----------|------|------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 6 | 1 | 0 | 0 | 2 | 0 | 0 | 1 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| B. Internal Control Only | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 4 |
| Percentage of Findings Repeated | 100% | 100% | 100% | 0% | 0% | 0% | 0% | 0% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 12 | 5 | 2 | 1 | 2 | 1 | 1 | 1 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 12 | 5 | 2 | 1 | 2 | 1 | 1 | 1 |
| Percentage of S.A. Findings Repeated | 16.7% | 0% | 50% | 0% | 0% | 100% | 100% | 0% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 15 | 15 | 19 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$580,807 | \$28,936 | \$0 | \$0 | \$0 | \$0 | \$0 | \$145,945 |
| \$ of Questioned Costs- Cumulative | \$4,223,602 | \$4,257,599 | \$27,391 | \$27,391 | \$0 | \$0 | \$0 | \$145,945 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$33,580 | \$4,230,168 | \$0 | \$27,391 | \$0 | \$0 | \$0 |

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Performer® Reading Government of Guam How Was Our Overall Financial Performance?



For the 2022 fiscal year, the readings by ratio category were as follows:

Financial Position **1.48**
Financial Performance **8.49**
Financial Capability **2.53**

The 2022 reading of 3.02 indicates the evaluator's opinion that the Government of Guam's overall financial health and performance improved significantly when compared to the reading of the previous year.

The primary reasons for the improvement was the increase in the current ratio, improvements in the shrinking of the GF unassigned fund balance deficit, the positive change in net position and intergenerational equity ratios, and a continued strong score in the debt service load. This improvement in overall score represents a 36% improvement from the overall score of the prior year and is GovGuam's highest score in the last 10 years.

FY 22 Overall Performer® Reading: 3.02

Performer® Rating
3.02

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| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------|-----------|-----------|-----------|-------------|-------------|--------------|---------------------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 4 | 4 | 4 | 4 | 2 | 6 | 15 | 10 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| B. Internal Control Only | 1 | 0 | 0 | 1 | 2 | 2 | 4 | 7 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| TOTAL | 1 | 0 | 0 | 1 | 2 | 2 | 5 | 7 |
| Percentage of Findings Repeated | 0% | 0% | 0% | 0% | 50% | 50% | 60% | 43% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 8 | 9 | 7 | 3 | 6 | 16 | 26 | 26 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 8 | 9 | 7 | 3 | 6 | 16 | 26 | 26 |
| Percentage of S.A. Findings Repeated | 12.5% | 33% | 71% | 100% | 33% | 31% | 35% | 50% |
| Number of months after Y/E the F.S. were Released | 9 | 8 | 9 | 9 | 11 | 8 | 9.5 | 13.5 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$348 | \$432,056 | \$135,451 | \$549,023 | \$1,113,368 | \$1,113,516 | \$41,688,920 | \$11,165,377 |
| \$ of Questioned Costs- Cumulative | \$14,798 | \$432,056 | \$567,507 | \$694,425 | \$1,662,391 | \$2,975,907 | \$44,664,827 | Unable to determine |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$85,314 | \$14,450 | \$348 | \$145,402 | \$0 | \$0 | Unable to determine |

27

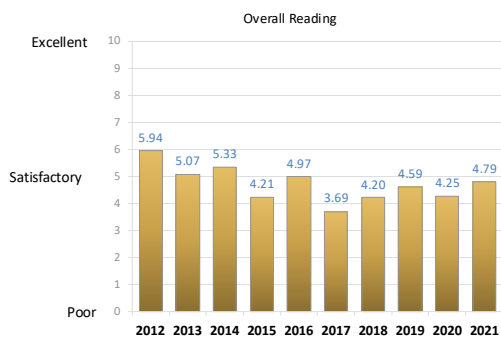
The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PIT-VITI Program through the United States Department of the Interior.



Performer® Reading

State of Kosrae

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

Financial Position 2.2
 Financial Performance 8.2
 Financial Capability 6.2

The 2021 overall reading of 4.79 indicates the evaluator's opinion that Kosrae's overall financial health and performance improved from the previous period and remains slightly below the satisfactory reading.

Kosrae's current year rating increase is due primarily to the increase in intergenerational equity, the increase in the quick ratios, and the increase in change in net position ratio.

FY 21 Overall Performer® Reading: 4.79

Performer® Rating
4.79

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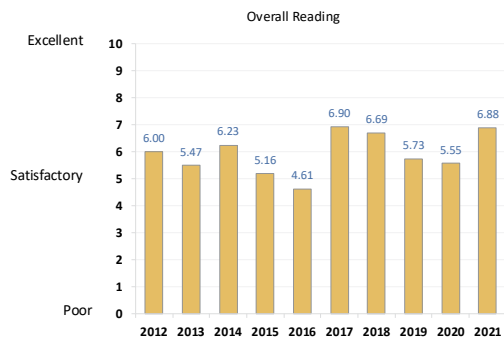
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------|------|------|------|------|------|------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Percentage of Findings Repeated | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Percentage of S.A. Findings Repeated | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 8 | 8.5 | 15 | 15 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$219,936 |
| \$ of Questioned Costs- Cumulative | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$219,936 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

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Performer[®] Reading

State of Pohnpei

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

Financial Position 5.6
Financial Performance 10
Financial Capability 6.9

The 2021 overall reading of 6.88 indicates the evaluator's opinion that Pohnpei's overall financial health and performance improved when compared to the prior period.

Pohnpei's overall financial health improved during the 2021 fiscal year and maintained an above satisfactory reading. The primary reasons for the improvement in the reading are the increase in the change in net position, increase in intergenerational equity, the low debt service load ratio, its low tax and debt burdens per capita, its low debt to assets ratio, the positive unrestricted net position and improvement in the level of unassigned fund balance.

FY 21 Overall Performer[®] Reading: 6.88

Performer[®] Rating
6.88

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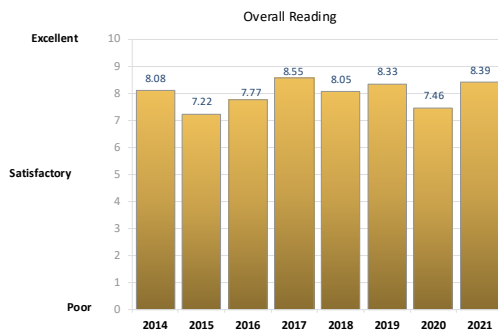
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-----------|-------------|-------------|-----------|-----------|-------------|-------------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Major Federal Program Qualifications/Exceptions | 1 | 1 | 0 | 0 | 0 | 2 | 2 | 2 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 1 | 1 | 2 | 1 | 1 | 2 | 2 | 1 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 1 | 2 | 1 | 1 | 2 | 2 | 1 |
| Percentage of Findings Repeated | 0% | 0% | 0% | 100% | 100% | 50% | 50% | 100% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 4 | 4 | 0 | 1 | 1 | 7 | 7 | 4 |
| B. Internal Control Only | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4 | 4 | 1 | 1 | 1 | 7 | 7 | 4 |
| Percentage of S.A. Findings Repeated | 25% | 25% | 100% | 100% | 0% | 14% | 14% | 50% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 15 | 15 | 19 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs- Current Year | \$541,593 | \$368,539 | \$0 | \$0 | \$0 | \$735,506 | \$735,506 | \$961,312 |
| \$ of Questioned Costs- Cumulative | \$663,275 | \$1,032,816 | \$1,032,816 | \$584,803 | \$584,803 | \$1,320,309 | \$1,320,309 | \$1,842,195 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$448,013 | \$0 | \$0 | \$0 | \$439,426 |

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Performer® Reading

State of Yap
How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

Financial Position 10.0
Financial Performance 8.3
Financial Capability 6.8

The 2021 overall reading of 8.39 indicates the evaluator's opinion that the Government of Yap's overall financial health and performance improved during the year and remains well above satisfactory.

Yap's overall unrestricted net position, the General Fund's level of unassigned fund balance, intergenerational equity, low tax and debt burdens per capita, an excellent debt-to-asset ratio, and excellent current and quick ratios are the primary reasons for the well above satisfactory rating.

FY 21 Overall Performer® Reading: 8.39

Performer® Rating
8.39

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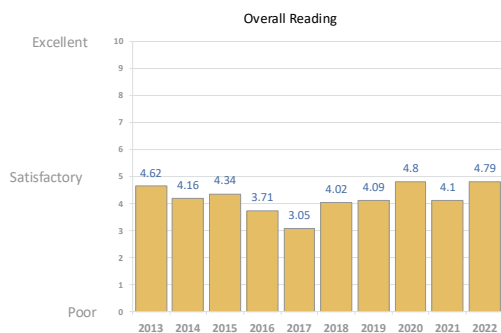
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-----------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Number of Major Federal Program Qualifications/Exceptions | 2 | 1 | 1 | 1 | 1 | 1 | 0 | 0 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 |
| B. Internal Control Only | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 |
| C. Compliance Only | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| Percentage of Findings Repeated | 100% | 100% | 50% | 100% | 100% | 100% | 100% | 100% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 5 | 3 | 4 | 2 | 2 | 2 | 0 | 0 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 5 | 3 | 4 | 2 | 2 | 2 | 0 | 0 |
| Percentage of S.A. Findings Repeated | 0% | 67% | 25% | 0% | 50% | 50% | 0% | 50% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 15 | 15 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| \$ of Questioned Costs-Current Year | \$129,385 | \$30,354 | \$74,514 | \$95,055 | \$375,880 | \$174,758 | \$0 | \$0 |
| \$ of Questioned Costs- Cumulative | \$993,644 | \$1,023,998 | \$1,098,512 | \$277,044 | \$652,924 | \$645,693 | \$645,693 | \$174,758 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$916,523 | \$0 | \$7,231 | \$0 | \$470,935 |

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Performer® Reading American Samoa Government How Was Our Overall Financial Performance?



For the 2022 fiscal year, the readings by ratio category were as follows:

Financial Position 3.07
Financial Performance 8.33
Financial Capability 5.04

The 2022 reading of 4.79 indicates the evaluator's opinion that the American Samoa Government's overall financial health and performance improved when compared to the prior period but remains just below satisfactory. The main reason of the overall increase in the ratio was the improvement of the overall positive change in net position and intergenerational equity, and the improvement of the GF unassigned fund balance.

FY 2022 Overall Performer® Reading: 4.79

Performer® Rating
4.79

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| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Number of F.S. Opinion Qualifications/Exceptions | 4 | 8 | 3 | 3 | 4 | 2 | 2 | 1 | 2 |
| Number of Major Federal Program Qualifications/Exceptions | 10 | 4 | 2 | 2 | 5 | 1 | 1 | 0 | 0 |
| Number of F.S. Findings | | | | | | | | | |
| A. Internal Control and Compliance | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 7 | 6 | 5 | 4 | 2 | 3 | 3 | 2 | 2 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| TOTAL | 8 | 7 | 6 | 5 | 3 | 4 | 4 | 3 | 3 |
| Percentage of Findings Repeated | 87.5% | 86% | 100% | 100% | 100% | 50% | 50% | 100% | 100% |
| Number of Single Audit Findings | | | | | | | | | |
| A. Internal Control and Compliance | 5 | 2 | 4 | 0 | 4 | 3 | 3 | 2 | 3 |
| B. Internal Control Only | 3 | 4 | 0 | 3 | 0 | 1 | 1 | 2 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 8 | 6 | 4 | 4 | 4 | 4 | 4 | 2 | 3 |
| Percentage of S.A. Findings Repeated | 50% | 33% | 100% | 50% | 50% | 50% | 50% | 100% | 100% |
| Number of months after Y/E the F.S. were Released | 9 | 7 | 7 | 8 | 7 | 7 | 7 | 7.5 | 8 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 2 | 1 | 1 | 2 | 0 | 0 | 1 | 2 |
| \$ of Questioned Costs-Current Year | \$279,912 | \$0 | \$0 | \$0 | \$881,844 | \$0 | \$0 | \$0 | \$0 |
| \$ of Questioned Costs- Cumulative | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |
| \$ of Questioned Costs Resolved – Current Year | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |

35

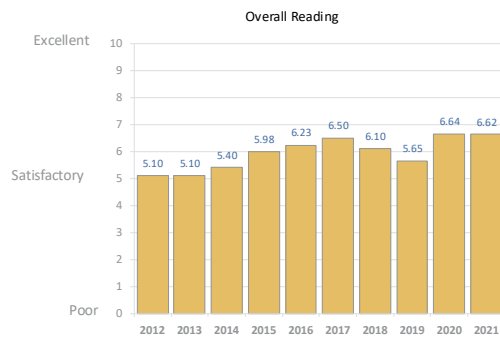
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Performer[®] Reading

Republic of the Marshall Islands

How Was Our Overall Financial Performance?



For the 2021 fiscal year, the readings by ratio category were as follows:

| | |
|-----------------------|-----|
| Financial Position | 4.4 |
| Financial Performance | 10 |
| Financial Capability | 7.6 |

The 2021 overall reading of 6.62 indicates the evaluator's opinion that the RMI's overall financial health and performance remained consistent when compared to the prior period.

The RMI's overall financial health remained relatively stable during the 2021 fiscal year and remains above satisfactory. The primary reasons for the above satisfactory reading are the low debt service load ratio, its low tax and debt burdens per capita, its high intergenerational equity, its low debt to assets ratio, intergenerational equity, and the change in net assets. This becomes the eleven consecutive year that the RMI has scored above a 5.

FY 21 Overall Performer[®] Reading: 6.62

Performer[®] Rating

6.62

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| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Number of Major Federal Program Qualifications/Exceptions | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 3 |
| Number of F.S. Findings | | | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 4 | 7 | 6 | 6 | 1 | 3 | 2 | 2 | 3 | 4 |
| C. Compliance Only | 0 | 1 | 2 | 1 | 2 | 0 | 0 | 1 | 0 | 0 |
| TOTAL | 4 | 8 | 9 | 8 | 3 | 3 | 2 | 3 | 3 | 4 |
| Percentage of Findings Repeated | 75% | 75% | 78% | 88% | 67% | 33% | 50% | 50% | 67% | 75% |
| Number of Single Audit Findings | | | | | | | | | | |
| A. Internal Control and Compliance | 7 | 3 | 4 | 12 | 9 | 8 | 9 | 5 | 3 | 13 |
| B. Internal Control Only | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 7 | 7 | 4 | 12 | 9 | 8 | 9 | 5 | 4 | 13 |
| Percentage of Single Audit Findings Repeated | 100% | 100% | 100% | 42% | 89% | 100% | 75% | 80% | 75% | 23% |
| Number of months after Y/E the F.S. were Released | 10 | 12 | 17 | 14 | 9 | 9 | 9 | 15 | 20.5 | 17.5 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| \$ of Questioned Costs- Current Year | \$35,857 | \$71,294 | \$318,321 | \$626,246 | \$67,261 | \$188,885 | \$398,764 | \$1,399,371 | \$4,518,402 | \$1,950,832 |
| \$ of Questioned Costs- Cumulative | \$7,441,820 | \$2,355,004 | \$2,673,325 | \$3,297,321 | \$1,917,560 | \$1,951,064 | \$2,518,629 | \$3,702,459 | \$8,220,861 | \$10,171,693 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$5,158,110 | \$0 | \$1,650 | \$1,447,662 | \$155,381 | \$0 | \$215,941 | \$0 | \$0 |

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Questions?





DOI-OIA'S NEW SINGLE AUDIT TRACKING

DOI-OIA's new Single Audit Tracking - Briefing for Insular Governments

OIA, Audit & Accountability Specialist,
Eunbin Morrison

Background

- OIA has recognized the increasing importance of Single Audit Tracking.
- DOI's Office of Financial Management's Single Audit Referral (Tracking) process monitors management decisions on single audit report findings. OIA has recently started participating in their Single Audit Tracking process (as of Nov 2024).

Single Audit Tracking

- DOI, Office of Financial Management (PFM-AM) monitors the Federal Audit Clearinghouse monthly and informs OIA of audit findings impacting OIA programs.
- Under Financial Management Memorandum 2014-024, a written response to PFM-AM outlining management decision is due to PFM-AM within 90 days of the referral date (Date of PFM-AM's notification to OIA).

Management Decisions

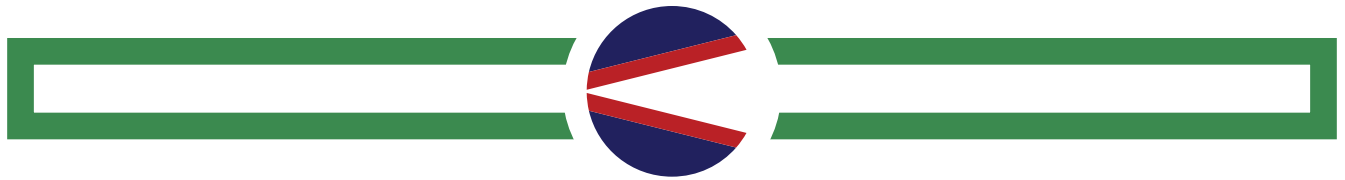
- Summary of decision reached
 - "we found the corrective actions taken to be acceptable" or "we found the corrective action to be unacceptable and issued a management decision requiring the following..."
- Implementation status (if known)
- Decision on cost (disallowance or determination that cost is not recoverable)
- For questioned cost:
 - Amount sustained,
 - Whether Treasury Department assistance in recovery is required (yes/no)
 - Amount recovered and recovery method

What needs to be done

1. Corrective Action Plans have been implemented?
 - OIA will request for a walk-through meeting and/or support documentation.
 - If OIA determines the proposed corrective action is insufficient, OIA should issue a written management decision advising additional actions needed.
2. Questioned costs: OIA (and other granting agencies) will determine
 - Amount to be sustained?
 - If so, Treasury Department assistance in recovery is required? Recovery method?

Conclusion

- OIA will reach out to Insular Governments for Single Audit Tracking.
 - Your timely assistance is greatly appreciated.
 - Please let me know if you have any questions at [Eunbin Morrison@ios.doi.gov](mailto:Eunbin_Morrison@ios.doi.gov) and by phone 1-(202)322-7203.
- Thank You.



12a

ACTION PLAN - AMERICAN SAMOA

IGFOA ACTION PLAN

Jurisdiction: American Samoa Government | Time period: December 2024 (Honolulu) through June 2024 (D.C.) | Page ___ of ___ | Draft Date: December 12, 2024

| FOCUS AREA for improvement: # ___ of ___ | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|--------------------|---------------------|------------------------------------|-----------|
| Key Tasks: > | | | | |
| > | | | | |
| > | | | | |
| > | | | | |

| FOCUS AREA for improvement: # ___ of ___ | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|--|--|------------------------------------|-----------|
| Key Tasks: > | 25 days after month end | D/Treasurer, CFO, Senior Accountant | | Monthly |
| > | 90% FY22 | D/Treasurer, Assigned staff, Grant Analysts | | 3 months |
| > | 99% FY23 | | | 3 months |
| > | 50% FY24 | | | |
| > | Clear overdue travel advances | | | |
| > | | | | |
| > | | | | |
| > | Number of days to process an invoice paid by federal funds | Accounts payable Manager, grant analysts, budget office | | |
| > | Timeliness of SF425 reports | Grant Analysts, D/Treasurers, CFO & Departments' Financial Officers | | Yearly |
| > | Reduction in Federal Grant receivables | Treasury D/P, Senior grant analysts, Departments' finance officers and directors | | 9 months |



12b

ACTION PLAN - COMMONWEALTH OF NORTHERN MARIANA ISLANDS

IGFOA ACTION PLAN

Jurisdiction: CNMI

Time period: December 2024 (Honolulu) through June 2025 (D.C.)

Page 1 of 1

Draft Date: 12/13/24

| # of | Performance Measures | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Notes |
|------|--|--|---------------------|------------------------------------|--|
| > | Bank Reconciliation | | | | |
| | Review all bank accounts to ensure all accounts are being reconciled | 31/12/24 | | | |
| | Communicate with Director Bernie to manage the following: 1. Downloading 2. Matching | 31/12/24 | | | |
| | FY2023 All Major Accounts - Annual Recon | 31/12/24 | | | |
| | FY2024 All Major Accounts - Annual Recon | 30/3/25 | | | |
| | FY2025 All Bank Accounts - Matching | Daily | | | |
| | All Bank Accounts - Annual Recon- Adjusted/Reconciled | 31/10/25 | | | |
| | FY2026 All Bank Accounts - Adjusted/Reconciled | 5 days after month end | | | |
| > | Review of Inactive encumbrances | ___% FY22 | | | |
| > | | ___% FY23 | | | |
| > | | ___% FY24 | | | |
| > | Tracking the Travel Advance Adjustment/Collections - Correct Adjustment | | | | |
| | FY2022 and FY2023 | 31/12/24 | | | |
| | FY2024 | 31/1/25 | | | |
| > | Timeliness of SF425 reports | Weekly | | | |
| | Include in the weekly progress report | 31/12/24 | | | |
| > | Number of days to process an invoice paid by federal funds | 30 days from vendor invoice date to chk date | | | From Approved Date > Research for a Munis Report that will generate approved date |
| > | Reduction in Federal Grant receivables | 3% unprocessed federal of Total Federal Expenditures Semi-Annually | | | |



12C

ACTION PLAN - FEDERATED STATES OF MICRONESIA CHUUK STATE

IGFOA ACTION PLAN
 Time period: December 2024 (Honolulu) through June 2024 (D.C.)

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 Draft Date: 12/12/2024

Chuuk State Government

| FOCUS AREA for improvement: | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|--|----------------------------------|------------------------------------|--------------|
| > Cleaning of invalid encumbrances by | 100% | ID specialist/Finance Advisor | Local funding | Jun. 2025 |
| > Training of employees/capacity building (to | 1 or 2 staff | Deputy Director/Chief of Finance | Compact/Local | 2 years |
| > Cross training within our sections/divisions (28 employees) | 20 hrs. per month (3 staff) | Deputy Director/Chief of Finance | | Annually |
| > To create an in house audit committee | | | | Jan. 2025 |
| FOCUS AREA for improvement: | Performance Measures | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
| > Bank Reconciliation | _15_ days after month end | | | Monthly |
| > Clear dated, invalid encumbrances | 50% FY22 | | | By June 2025 |
| > | 50% FY23 | | | |
| > | 20% FY24 | | | By Jan. 2025 |
| > Clear overdue travel advances | 100% FY22 | | | By Jan. 2025 |
| > | 100% FY23 | | | By Jan. 2025 |
| > | 25% FY24 | | | |
| > | 7_ days from vendor invoice date to chk date | | | Weekly |
| > Timeliness of SF425 reports | 95% of reports filed on time | | | Monthly |



12d

ACTION PLAN - FEDERATED STATES OF MICRONESIA POHNPEI STATE

IGFOA ACTION PLAN (for: Hawaii Winter 2024)

Jurisdiction: Pohnpei State
 Time period: June 2024 (Orlando) through December 2024 (Hawaii)
 Page ___ of ___
 Draft Date: December 2024

| FOCUS AREA for improvement: # ___ of ___ | Responsible Parties | Financial & Technical Support (\$) | Timeframe for FY 2023 | Timeframe for FY 2024 |
|--|---|------------------------------------|-----------------------|-----------------------|
| Key Tasks: > ENCUMBRANCE CLEANING AND UPDATE | It/COF/program coordinators | | 31/12/24 | 30/6/25 |
| FMIS transition Continue > TRAVEL ADVANCE CLEANING AND UPDATE | Director | | 31/12/24 | 30/6/25 |
| > SUPPLY ADVANCE CLEANING AND UPDATE | Chief of Finance COF/program coordinators | | 31/12/24 | 30/6/25 |
| > ACCOUNTS RECEIVABLE CLEANING AND UPDATE | Chief of Finance COF | | 31/12/24 | 30/6/25 |

| FOCUS AREA for improvement: # ___ of ___ | Responsible Parties | Financial & Technical Support (\$) | Timeframe FY 2023 | Timeframe FY 2024 |
|---|---------------------|------------------------------------|-------------------|-------------------|
| Key Tasks: > Reconciled all accounts and submit TB for FY 2023 audit | FA/Director | | 31/12/24 | 30/6/25 |
| Audit Improvement > Complete FY 2023 audit | FA/Director | | 30/6/25 | 30/9/25 |
| > | | | | |
| > | | | | |

2023 IGFOA highlighted topics: > Follow-up from prior action plans (esp. Portland)
 > Audit improvement tasks
 > Audit transition tasks
 > FMIS status/transition
 >Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94
 >Consider actions to optimize federal grant utilization
 >Tax reform and/or tax information system tasks
 ++ Others as relevant



12e

ACTION PLAN - FEDERATED STATES OF MICRONESIA KOSRAE STATE

IGFOA ACTION PLAN

Jurisdiction: Kosrae State Government Time period: December 2024 (Honolulu) through June 2024 (D.C.) Page ___ of ___ Draft Date: _____

| FOCUS AREA for improvement: | | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|--------------------|---------------------|------------------------------------|-----------|
| # ___ of ___ | | | | | |
| Key Tasks: | > Meeting the 9-month regulatory deadline | | Financial Advisor | | |
| | > Cross-training for major functional areas | | All staff | | |
| | > | | | | |
| | > | | | | |

| FOCUS AREA for improvement: | | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|--|---------------------------------|---|--|
| # ___ of ___ | | | | | |
| Key Tasks: | > Bank Reconciliation | 15 working days after receipt of bank statements | Bank recon staff | Financial Advisor reviews the bank recon and the Administrator approves it. | June 30, 2025 |
| | > Clear dated, invalid encumbrances | 80% FY22 / FY23 | Supply Officer | Technical support from contractor to remove negative encumbered amounts. | March 31, 2025 |
| | > | ___% FY23 | | | |
| | > | ___% FY24 | | | |
| | > Clear overdue travel advances | 100% FY22 75% FY23 | Payroll Officer | Financial Advisor is waiting for Payroll Officer to provide the status of each outstanding travel advances. | December 31, 2024 |
| | > | ___% FY23 | | | |
| | > | ___% FY24 | | | |
| | > Number of days to process an invoice paid by federal funds | 15 days from vendor invoice date to chk date | Administrator | | |
| | > | ___% of reports filed on time | Administrator | Financial Advisor reviews SF-425 reports | We submit SF-425 to FSM by the internal deadline |
| | > | ___% uncollected federal AR/ total funds | Financial Advisor Administrator | Non-Compact Federal AR Recon work with FSM is about 90% complete | December 31, 2024 |
| | > | Reduction in Federal Grant receivables | | | |



ACTION PLAN - FEDERATED STATES OF MICRONESIA NATIONAL GOVERNMENT

IGFOA ACTION PLAN

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

Page 1 of 2

Jurisc FSMING

Draft Date: _____

| FOCUS AREA for improvement: # ___ of ___ | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|--------------------|------------------------|------------------------------------|-------------|
| Key Tasks: > Recon Of Federal Grants & Compact- PN > Recon of Federal Grants & Compact - Kd > Recon Of Fed. Grants & Compact- Yap > Recon of Fed. Grants & Compact - Chuul | FY22 & FY23 | Franky, Melynda, July | Funding | By 12/30/24 |
| | FY22 & FY23 | Franky, Melyn, Julyn & | Funding | By 01/31/25 |
| | FY22 & FY23 | Franky & Melynda | Funding | By 02/28/25 |
| | FY22 & FY23 | Franky & Melynda | Funding | By 02/28/25 |

IGFOA ACTION PLAN

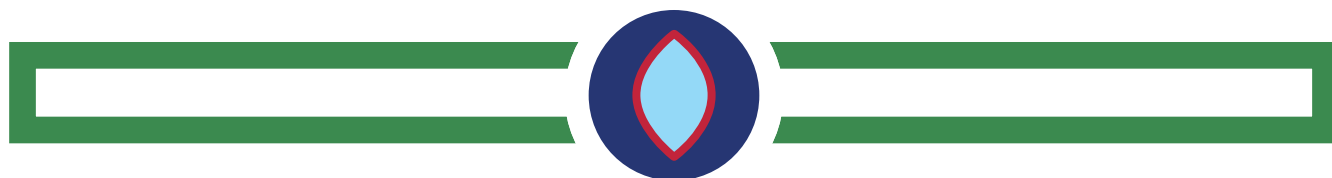
Time period: December 2024 (Honolulu) through June 2024 (D.C.)

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Jurisc FSMNG

Draft Date: _____

| FOCUS AREA for improvement: Performance Measures | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|--|--------------------------------|---------------------|------------------------------------|-----------|
| Key Tasks: > | 25 days after month end | Recon Team | None | 31/12/24 |
| > Bank Reconciliation- FY24 | 100% FY17-21 | JJ, Brandon, Chris | None | 28/2/25 |
| > Clear dated, invalid encumbrances | 100% FY22-23 | Warren & Melyn | None | 28/2/25 |
| Short Term > | 100% FY24 -25 | Kristy & Kiki | None | 28/2/25 |
| > Clear overdue PO, Invoices, | 100% FY21-22 | Chris & Melyn | None | 28/2/25 |
| > Clear Prior QCs | 100% FY23 | ALL | Finance Advisor | 30/6/25 |
| > FY23 Audit | 100% FY24 | ALL | Finance Advisor | 30/9/25 |
| > FY24 Audit | | | | |
| Long-Term > | | | | |
| > Percentage of personnel evaluations completed | 100% | Chris | None | 30/9/24 |
| > # of training hours per finance employee | 20hrs per employee | Supervisors | None | 30/9/24 |
| > Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Supply & Depts | None | 30/9/24 |
| > Receivables (Travel & Others) | 20% quarterly | Raynard & Jayleen | None | 30/9/24 |



12@

ACTION PLAN - GUAM

IGFOA ACTION PLAN

Jurisdiction: Guam

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

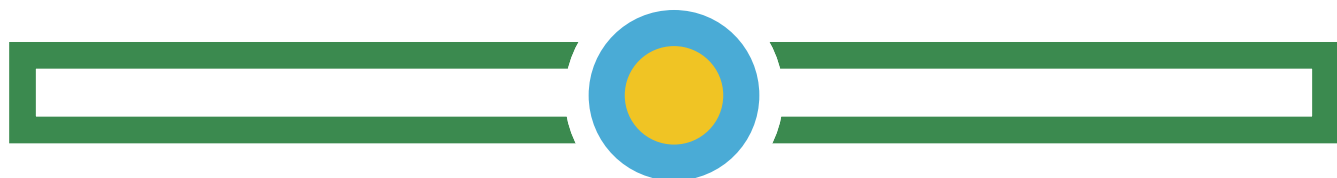
Page ___ of ___

Draft Date: 12/13/24

| FOCUS AREA for improvement: # ___ of ___ | Year End Closing | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|---------------------------------------|--------------------|------------------------|------------------------------------|------------|
| Key Tasks: > > > > | Completion of posting of invoices | 60 days after FY | AP and Federal Section | - | indefinite |
| | Reconciliation of Accounts | 60 days after FY | Respective Accountants | - | indefinite |
| | Completion of journal voucher posting | 60 days after FY | Respective sections | - | indefinite |
| | Fixed Assets review/tagging | 60 days after FY | Fixed Assets | - | indefinite |

| FOCUS AREA for improvement: | Training | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|-----------------------------|--------------------|---------------------|------------------------------------|------------|
| Key Tasks: > > > | Financial Statements | Annually | Supervisors | - | indefinite |
| | Cross-training of employees | Quarterly | Supervisors | - | indefinite |
| | Reconciliations | Annually | Supervisors | - | indefinite |

| FOCUS AREA for improvement: | Performance Measures | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|--|------------------------------|------------------------------------|-----------|
| Key Tasks: > > > | Bank Reconciliation | 15 days after month end | Accounts Receivable | - | Monthly |
| | Number of days to process an invoice paid by federal funds | 15 days from vendor invoice date to chk date | Federal and Accounts Payable | - | Bi-weekly |
| | Timeliness of SF425 reports | 95% of reports filed on time | Federal section | - | Quarterly |
| | Reduction in Federal Grant receivables | 20% uncollected federal AR/ total funds | Federal section | - | Weekly |



ACTION PLAN - REPUBLIC OF PALAU

IGFOA ACTION PLAN

Jurisdiction: Palau Page 1 of 2
 Time period: December 2024 (Honolulu) through June 2025 (D.C.) Draft Date: 12/12/24

| FOCUS AREA for improvement: | | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|---|---------------------|------------------------------------|-----------|
| FY22-25 Single Audit | | | | | |
| # 1 of 3 | | | | | |
| Key Tasks: | > | Finalize FY22 Single Audit | MOF/BNT | | 25-Apr |
| | > | Complete audit in 6 month intervals until caught up in FY2025 | MOF/BNT | DOI | 25-Jun |
| | > | Create internal audit office based on RMI Model | MOF Minister | Grantor | 25-Jun |

| FOCUS AREA for improvement: | | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|----------------------------------|---|---|---------------------|------------------------------------|-----------|
| Public Finance Management | | | | | |
| # 2 of 3 | | | | | |
| Key Tasks: | > | Issue RFP for DMO Consultant / RFP Tax System | MOF Minister | IMF | 25-Feb |

| FOCUS AREA for improvement: | | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------------|---|----------------------------------|---------------------|------------------------------------|-----------|
| Review and Update Policies | | | | | |
| # 3 of 3 | | | | | |
| Key Tasks: | > | Travel Policy | MOF/BNT | DOI | 25-Jun |
| | > | Procurement & Fixed Asset Policy | MOF/BNT | ADB/IMF | 25-Jun |
| | > | HR Policy | MOF/HR/ECC | IMF | 25-Jun |
| | > | Create Bank Policy for Treasury | MOF/BNT | ADB/IMF | 25-Jun |

IGFOA ACTION PLAN

Time period: December 2024 (Honolulu) through June 2025 (D.C.)

Page 2 of 2

Draft Date: 12/12/24

Jurisdiction: Palau

| FOCUS AREA FOR improvement: # ___ of ___ | Performance Measures | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|--|--|--|---------------------|------------------------------------|-----------|
| Key Tasks: > | Bank Reconciliation | 15 days after month end | BNT | | |
| | Clear dated, invalid encumbrances | 25% FY22 | P&S/F&A | | |
| | | 25% FY23 | P&S/F&A | | |
| | | 25% FY24 | P&S/F&A | | |
| > | Clear overdue travel advances | 25% FY22 | F&A | | |
| | | 25% FY23 | F&A | | |
| | | 25% FY24 | F&A | | |
| > | Number of days to process an invoice paid by federal funds | 14 days from vendor invoice date to chk date | F&A | | |
| > | Timeliness of SF425 reports | 100% of reports filed on time | Grants | | |
| > | Reduction in Federal Grant receivables | 0% uncollected federal AR/ total funds | Grants | | |
| > | Percentage of personnel evaluations completed | 85% | MOF/HR | | |
| > | # of training hours per finance employee | 40 hrs per employee | MOF/HR | | |
| | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | P&S/F&A | | |
| | Revenue Estimates within target % | +/- 2% over or under estimated revenues | Budget / BNT | | |



12i

ACTION PLAN - REPUBLIC OF THE MARSHALL ISLANDS

IGFOA ACTION PLAN

Jurisdiction: _____ RMI _____

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

Page __1__ of __2__

Draft Date: _____

| FOCUS AREA for improvement: # ___ of ___ | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|--|--|---------------------|---|-------------------|
| Key Tasks: > Meeting the 9-month regulatory deadline > Cross-training for major functional areas | | Financial Advisor | | |
| | | All staff | | |
| FOCUS AREA FOR improvement: Performance Measures # ___ of ___ | | | | |
| Key Tasks: > Bank Reconciliation > Clear dated, invalid encumbrances > Clear overdue travel advances | 15 working days after receipt of bank statements | Bank recon staff | Financial Advisor reviews the bank recon and the Administrator approves it. | June 30, 2025 |
| | 80% FY22 / FY23 | Supply Officer | Technical support from contractor to remove negative encumbered amounts. | March 31, 2025 |
| | 100% FY22 75% FY23 | Payroll Officer | Financial Advisor is waiting for Payroll Officer to provide the status of each outstanding travel advances. | December 31, 2024 |
| > | ___% FY23 | | | |
| > | ___% FY24 | | | |

IGFOA ACTION PLAN

Jurisdiction: RMI

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

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Draft Date:

| | | | | | | |
|---|--|---|--|---|--|--|
| > | Number of days to process an invoice paid by federal funds | 15 days from vendor invoice date to chk date | Administrator | | | |
| > | Timeliness of SF425 reports | <u> </u> % of reports filed on time | Administrator | Financial Advisor reviews SF-425 reports | We submit SF-425 to FSM by the internal deadline | |
| > | Reduction in Federal Grant receivables | <u> </u> % uncollected federal AR/ total funds | Financial Advisor Administrator | Non-Compact Federal AR Recon work with FSM is about 90% complete | December 31, 2024 | |
| > | Percentage of personnel evaluations completed | 0% | Office of Finance Office of Personnel | We will work together with the Office of Personnel and implement personnel evaluation system. | March 31, 2025 | |
| > | # of training hours per finance employee | <u> </u> hrs per employee | Director | Due to a funding issue, we cannot send staff to official finance training. | | |
| | Completion of Fixed Asset Inventory | 100% completed and AJEs posted | Supply Officer | We completed the FY2024 physical inventory. | | |
| | Revenue Estimates within target % | <u> </u> % over or under estimated revenues | Budget Office | Actual was \$1 million higher than the estimate due to more collection of fishing fee revenue share | | |



12j

ACTION PLAN - U.S. VIRGIN ISLANDS

IGFOA ACTION PLAN

Jurisdiction: Virgin Islands

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

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Draft Date: _____

| FOCUS AREA for improvement: # ___ of ___ | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|--------------------|--|------------------------------------|-----------------------|
| > # of days for GVI to process invoices for check run. | 30 Days | DOF | | FY 2025 First Quarter |
| > # of days for federal draw downs. (Will assist in cash management.) | 3 Days | All Agencies in receipt of Federal Funds | | FY 2025 First Quarter |
| > # of days to cancel carry forward purchase orders. | 120 Days | D&A, DOF, DPP & OMB | | FY 2025 First Quarter |
| > Improve Audit Findings | FY 2025 Ongoing | All Agencies | | FY 2025 Ongoing |

IGFOA ACTION PLAN

Jurisdiction: **Virgin Islands**

Time period: **December 2024 (Honolulu) through June 2024 (D.C.)**

Page 2 of 2

Draft Date: _____

| FOCUS AREA for improvement: Performance Measures # ___ of ___ | Measurement Target | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|--|--|--|---|-----------------------|
| Key Tasks: > | Bank Reconciliation | DOF- Treasury | | FY 2025 First Quarter |
| > | Clear dated, invalid encumbrances | | | Completed |
| > | | | | Completed |
| > | | | | January 31, 2025 |
| > | Clear overdue travel advances | | | To Be Determined |
| > | | | | To Be Determined |
| > | | | | To Be Determined |
| > | Number of days to process an invoice paid by federal funds | All agencies in receipt of Federal Funds | | February 1, 2025 |
| > | Timeliness of SF425 reports | All agencies in receipt of Federal Funds | | January 31, 2025 |
| > | Reduction in Federal Grant receivables | All agencies in receipt of Federal Funds | | January 31, 2025 |



12K

ACTION PLAN - FEDERATED STATES OF MICRONESIA YAP STATE

IGFOA ACTION PLAN

Jurisdiction: Yap State Government

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

Page 1 of 2

Draft Date:

| FOCUS AREA for improvement: # 1 of 3 | Audit Improvement | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|---|------------------------------------|------------------------------------|---------------|
| Key Tasks: > | | | | |
| G/L Reconcilia > | Distribute responsibilities for G/L Reconciliation among relevant staff | Financial Advisor/Chief of Finance | | 30/3/25 |
| Bank Reconcili > | Designate Staff to perform and maintain Bank Recon on a monthly basis | Chief of Finance/Financial Advisor | | 30/3/25 |
| On the Job Tra > | Train staff to understand how particular task effect the G/L | Financial Advisor | | 30/3/25 |
| FOCUS AREA for improvement: | Audit Transit | Responsible Parties | Financial & Technical | Timeframe |
| Key Tasks: > | | | | |
| FY2023 Audit > | Provide T/B & Supporting Schedules to Audit | | | Jan-25 |
| FY2023 Audit > | Build Meeting timetable to share w/Auditor & ONPA, Request the Audit Engagement letter for FY2023 Audit | Financial Advisor/Chief of Finance | | Mid-Jan, 2025 |
| FY2024 Audit > | Review G/L for obvious Errors & make correction | Accountants | | 31/3/25 |
| FOCUS AREA for improvement: | FMIS | Responsible Parties | Financial & Technical | |
| Key Tasks: > | Complete clean up of receivables, payables and encumbrances | Chief of Finance/Financial Advisor | | 1/2/25 |
| FMIS Impleme > | Work with FSM Treasury Advisor to finalize new Chart of Accounts | Chief of Finance/Financial Advisor | | 1/2/25 |
| | Develop plan for parallel run of two systems for at least one month. | Director OAS/Chief of Finance | | April, 2025 |

IGFOA ACTION PLAN

Jurisdiction: Yap State Government

Time period: December 2024 (Honolulu) through June 2024 (D.C.)

Page 2 of 2

Draft Date:

| FOCUS AREA for improvement: | | Performance Measures | Responsible Parties | Financial & Technical | |
|-----------------------------|---|---|--|---|---------|
| Key Tasks: | > | Bank Reconciliation | 30 days after month end | Accountants/Financial Advisor | 31/5/25 |
| | > | Clear dated, invalid encumbrances | 30 % per month for FY22 | Chief Accountant | 31/3/25 |
| | > | | 30 % FY23 | Chief Accountant | 31/3/25 |
| | > | | 30% FY24 | Chief Accountant | 31/3/25 |
| | > | Clear overdue travel advances | 30 % FY22 | Chief Accountant | 31/3/25 |
| | > | | 30 % FY23 | Chief Accountant | 31/3/25 |
| | > | | 30 % FY24 | Chief Accountant | 31/3/25 |
| | > | Number of days to process an invoice paid by federal funds | 15 days from vendor invoice date to chk date | Accountants/Chief of Finance | 28/2/25 |
| | > | Reduction in Federal Grant receivables(with held by National Gov't) | 90 % uncollected federal AR/ total funds | State Treasurer/Chief of Finance | 28/2/25 |
| | > | Percentage of personnel evaluations completed | 20 % | Chief of Finance | 30/8/25 |
| | > | # of training hours per finance employee | 20 hrs per employee | Chief of Finance | 30/9/25 |
| | > | Completion of Fixed Asset Inventory | 80% completed and AIEs posted | Chief of Procurement/Chief Accountant/Financial Advisor | 30/9/25 |
| | > | Revenue Estimates within target % | 10 % over or under estimated revenues | Chief Accountant/Chief of Finance | 30/9/25 |

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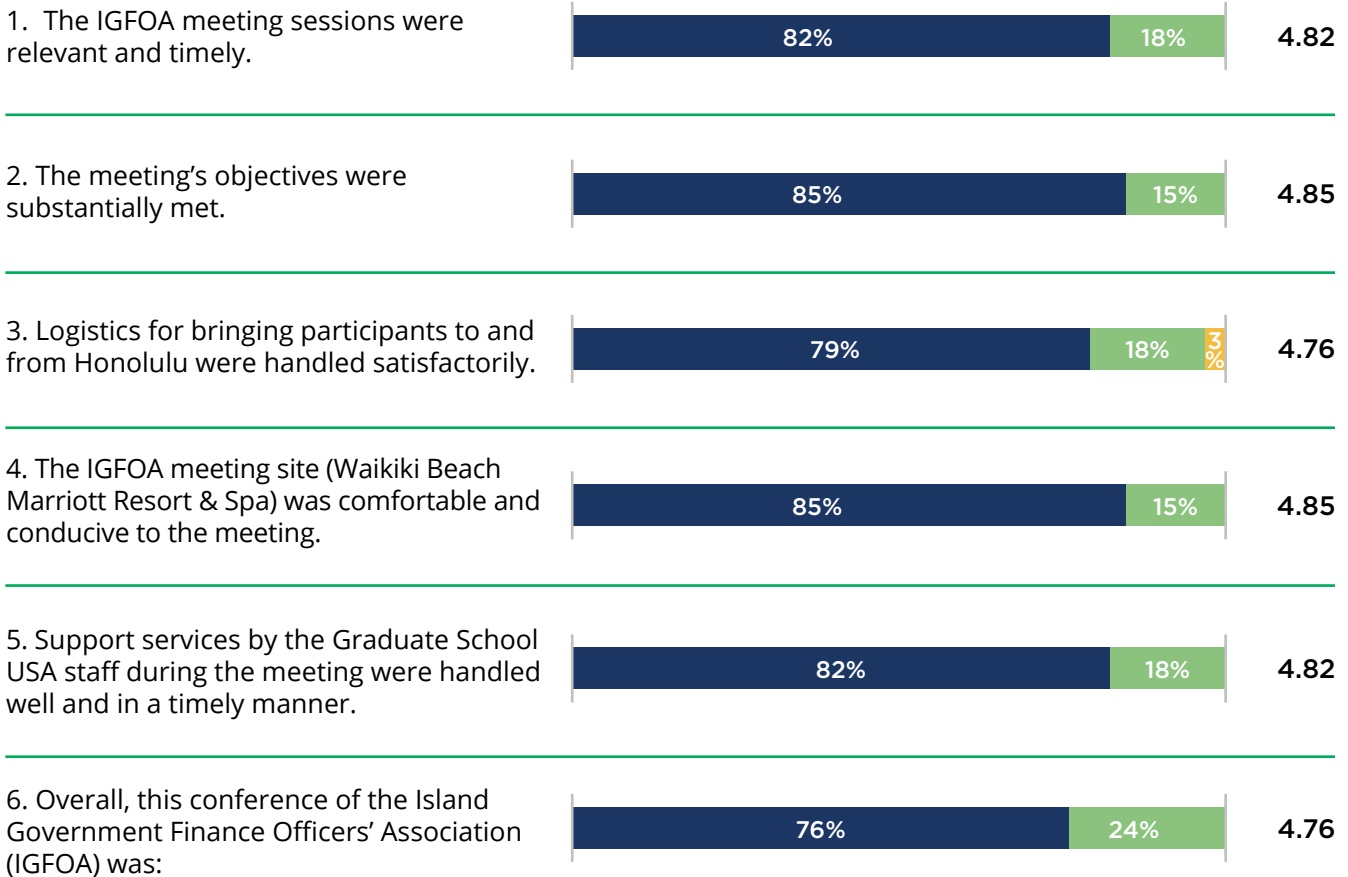
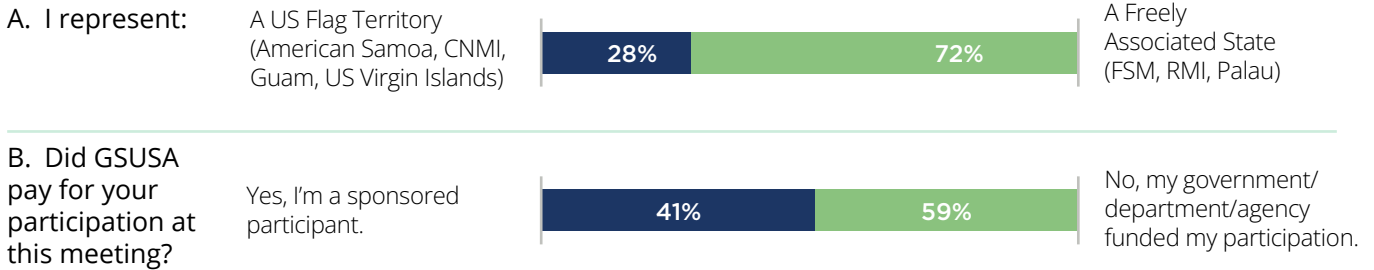
WINTER IGFOA EVALUATION RESULTS



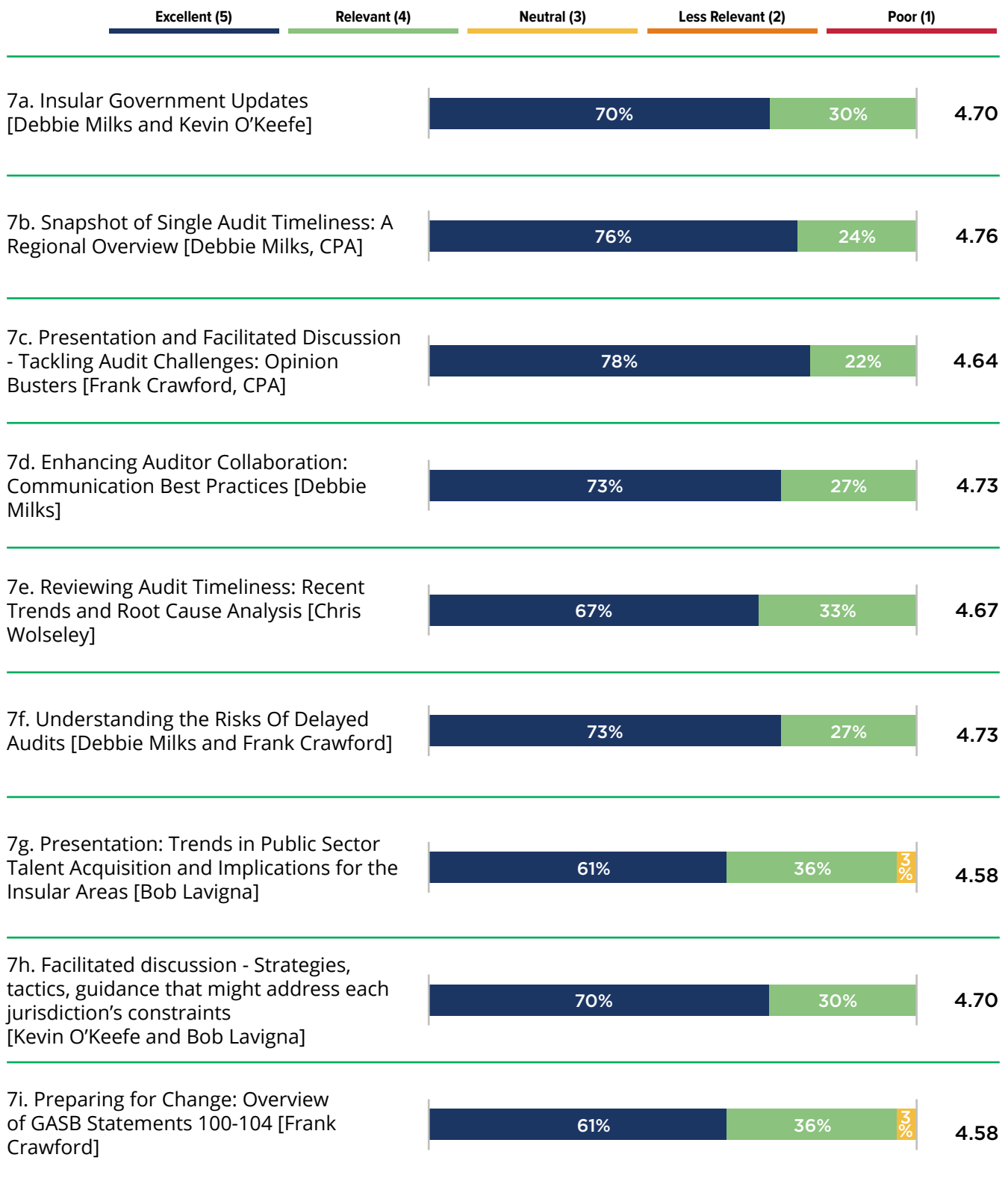
2024 WINTER CONFERENCE EVALUATION RESULTS






Conference Attendance



7. Please rate the individual IGFOA sessions below by circling a number, with 5 indicating an excellent/relevant session and 1 indicating a poor/less relevant session.



| | | |
|---|--|------|
| 7j. Performer Updates - Latest Available [Frank Crawford] |  | 4.52 |
| 7k. Updates from DOI, Office of Insular Affairs [Marina Tinali] |  | 4.48 |
| 7l. Revitalizing Finance Office Performance Measures [Debbie Milks, Frank Crawford and Jeanne Yamamura] |  | 4.67 |

8. What sessions of the IGFOA meeting were the most relevant and meaningful to you?

The session with Bob showed how all the islands talked about their struggles. I also liked the action planning.

The EY Auditor presentation and Frank Crawford’s Opinion Busters GASB.

Understanding fiscal delays and audits, renewing audit timelines.

Trends in public sector talent acquisition, communication, communicating best practices, updates from DOI facilitated discussions on challenges.

Overall status of each jurisdiction to know where we are compared to the rest.

I truly appreciated the overall discussion during this meeting. We focused on recruitment and retention.]

Talking, auditing, tackling audit challenges, discussing HR issues.

All including the networking meetings.

The session on performance measures.

The session by Bob Lavigne discussed the importance of succession planning and how those trends and strategies can be adapted. All are relevant.

All are relevant, but the one most relevant is when each country presents its problem areas and strategies so I could take with me some ideas of how I can improve the problem areas we encounter.

GASB, risk of delayed audits, and single audits—all are relevant.

Revitalizing finance office performance measures.

GASB updates and action plans.

HR, problem-solving sessions.

HR and the reports and presentations from each island and the presentations from all presenters.

I appreciate all of it, especially sessions on HR performance measures, audit, and EY.

All sessions were relevant and meaningful to me.

The last session on the action plan for countries, since it was my first time at IGFOA 2024.

HR issues, retention, and recruitment

Public sector talent acquisition and implications for insular areas.

Trends in public sector talent acquisition and implications for insular areas, and performance measures.

Jurisdiction discussions and information sharing.

Impact of audit delays on insular governments, presentations.

9. What are the most important items that you learned during the week, and how will you apply each when you return home?

Performance measures to make sure we are progressing and not regressing.

GASB 100-104—share what we learned.

Significance of a single audit and performance measures.

Better understanding of the people that I work with.

The importance of proper communication and holding specific staff accountable.

Remediation or reconciliation of bank accounts on time and ensuring liquidity, as well as liquidation of travel advances.

Engagement and measurement, importance of recruitment and retention, and valuing employees. The risk of delayed audits—try not to be late. GASB 100-104—need to know more and how we can use it.

Communicating best practices.

GASB updates, ensuring compliance by checking if the system's information aligns with new pronouncements, including compensated absences. Methods of recruitment and housing agreements with college fellowships.

Performance measures need to be more closely examined.

Performance measures and audits should be completed on time.

Risk of delayed audits and retention of talent.

Better understanding of the risks associated with delayed audits, providing support to the action team, enhancing audit collaborations, and collaborating better with the audit team.

GASB and HR—since it's my first time, everything was insightful.

The hiring process and ways to solve HR challenges, GASB updates, and implementing our action plan to meet the regulatory single audit deadline within three years.

Trends in public sector talent acquisition and its implications for insular areas.

HR problem-solving sessions, strategies, tactics, and guidance to address each jurisdiction's constraints.

Learning about all aspects of recruitment and retention of talent, particularly retention incentives to boost morale.

Bank reconciliation—just trying to get up to date as soon as possible. New GASB updates on HR.

HR was very interesting, particularly the issue of outmigration of skilled workers.

Recruitment and retention challenges, GASB updates, performance measures, employee recruitment and retention, audit scheduling, single audit challenges, and continued tracking of performance measures and action plans.

Better ways to communicate with auditors and use an audit status tracker (OIA).

Preparing schedules before submissions.

The importance of discussing challenges and successes with other island districts, which allows us to incorporate similar strategies within the USVI.

Renewing audits and how to prevent delays.

Enhancing auditor collaborations.

Establishing relevant performance measures and targets and updating periodic reporting.

10. What sessions or aspects during the week were the least relevant and meaningful to you.

GASB, it is important, but also dragging
Audits, specific Island challenges, none,
Leveraging audit timelines. None, none, none, not applicable the gas fee 100 to 104 none.
GASB reviewing audit timelines too long
When we discuss the shortage of key positions
This is my first time to participate in an IGFOA meeting. Everything was meaningful to me.
All aspects were meaningful as they are all relatable.
Aspects of the training were relevant to my daily work. Not Applicable. None
Performance measures will let individual timelines government select the criteria,
Opinion busters Mr. Lavigna's presentation.
GASB, however, it was great to get the updates not applicable. All sessions were insightful. Not Applicable. I find the sessions, relevance, all sessions relevant.

11. Please list any measurable achievements your government has made as a result of being represented at IGFOA conferences.

Being able to do an action plan makes it easier for us to see what is useful and how we can move forward.
Eliminating old purchase orders, reducing old encumbrances,
Completion of at least three action plans that have a significant impact on audit and operations. So
Close out a number of action tasks.
The IC FOA helps our government to continue to work hard to catch up with our audits.
Concentrate on the vital issues and activities, but would like to de-emphasize audit and mute and move towards more frequent management, financial reporting, more timely, more direct,
Continue to improve on the importance of evaluation measures and
On the complete and Focus on the completion of the single audits, audit coordination in place.
Audit control.
All governments are being encouraged by this meeting and
This is my first winter IGFOA, so not enough to see any, to see any yet.
Cross training within department,
Motivated to tackle on key task items.
KPI plans and all the measures required.
Importance of close out collaboration with auditors, renewed friendship by people on the US side, renewed friendship with key people on the US side,
Trying to catch up with audits.
Set up meetings internally to discuss audits KPIs with management
Last year, participating, participation. Last year participating helped me, gave me guidance and how to
Deal with component units, ADB, loans, delivery, delivery, delinquencies at working with FM some stakes and national.
Learning best practices from others gives us a model to strive for
Good audit turnout, better communication with state leaders with regard to state funds and accountability,
Trying to be on time for audits and action plans
Moving into the new system,
Recognizing the need for an audit coordinator and identifying me with the fiscal year,
Employee evaluation and training,
Capacity building, training hours system implementation prior to audit findings, monitoring.

12. Please provide any other comments concerning the IGFOA meeting that will make future conferences and meetings more meaningful and enjoyable.

I don't have any concerns. I like the fact that we are a network and meeting everyone and sharing ideas and solutions.

Continue the superb work Graduate School, USA,

It's always perfect.

Continue what you're doing and train all those that are next in line to carry the torch forward.

Invite users to for the other governments

As I mentioned in my first IGFOA this was my first IGFOA nd it was informational helpful.

This is my first IGFOA and I have no complaints. Job well done.

I am always in support of IK FOA meetings, as all the matters discuss are relevant to our operations. None.

Thank you very much.

All is excellent. All Excellent. Keep it up.

Recruitment and Retention were part of the agenda. HR should have been invited from the insular areas. FAS,

Please keep up the great work. Very much appreciated

Survey of other needs that each jurisdiction might have, and if they can be presented in IGFOA or provide a trainer that can go out to the entities and build and do capacity training.

The IGFOA conference is good overall and a good environment.

Everything is well coordinated and managed. Thank you.

Many staff are not friendly at check-in group activity or dinner.

Please make Wi Fi or hot spot available.



PARTICIPANT LIST

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American Samoa

Tina Va'a, *Department of Treasury*

CNMI

Angelina Phillips, Financial Analyst, *CNMI Office of Management and Budget*
Jazmin Camacho, Senior Financial Analyst, *CNMI Office of Management and Budget*
Jerry Deleon Guerrero, Senior Financial Analyst, *CNMI Department of Finance*
Pamela Marigmen, Senior Financial Analyst, *CNMI Department of Finance*
Ryan Camacho, Senior Financial Analyst, *CNMI Department of Finance*
Tracy Norita, Secretary of Finance, *CNMI Department of Finance*

FSM – National Government

Christina Elnei, Director, *Department of Treasury and Administration*
Neymi Makaya, Financial Management Specialist
Sohs John, Assistant Secretary, *Division of Budget and Economic Management*

FSM – Kosrae State

Lipar George, Director, *Department of Finance and Administration*
Makoto Shinoda, Financial Advisor, *Department of Administration and Finance*

FSM – Pohnpei State

Daisy Nanpei, CFO, *Pohnpei Utilities Corporation*
Kelly Keller, Financial Advisor, *Department of Treasury and Administration*
Latoya Salvador, Senior Analyst, *Budget Office*
Loreen Cyndi Hadley, Assistant CFO, *Pohnpei Utilities Corporation*
Ricky Carl, Senator, Chairman of Finance *Pohnpei State Legislature*
Shirley Ann Ligohr, External Assistance Coordinator, *Overseas Development Assistance Unit – Grants*
Sihna Lawrence, Director, *Department of Treasury and Administration*

FSM – Chuuk State

Jonas Paul, Director, *Department of Finance and Administration*
Restmena Nonumwar, Deputy Director, *Department of Finance and Administration*

FSM – Yap State

Gertrude Gootinan, Financial Advisor, *Office of Administrative Services*
Irene Laabrug, Chief of Finance & Treasury, *Office of Administrative Services*
Noimilynn Pigao, Legislative Budget Officer, *Yap State Legislature*
Pius Talimeisei, Senator, *Yap State Legislature*

Guam

Edward Birn, CPA, Director, *Guam Department of Administration*
Krystyna Ilagan, General Accounting Supervisor, *Guam Department of Administration*
Michael Cabral, General Accounting Supervisor, *Guam Department of Administration*

Palau

Darla Babauta, Chief of Finance & Accounting, *Ministry of Finance*
Jade Kloulchad, Senior Accountant, *Palau National Communications Corporation*
Kaleb Udui, Minister, *Ministry of Finance*
Leony Christman, Human Resource Specialist, *Ministry of Finance*
Mesiich Tiara F. Ngiramolau, *Economic Researcher, Ministry of Finance*
Novie Martinez, Accounting Duty Manager, *Palau National Communications Corporation*
Sharnnel Sumang, Chief of Property & Supply, *Ministry of Finance*

Marshall Islands

Anthony Maika, Executive Councilman for Finance, *Kwajalein Atoll Local Government*
Ayako Yamaguchi-Eliou, PFM & Budget Specialist, *Ministry of Finance*
Betty Tibon-Imekita, Executive Council for Finance, *Kwajalein Atoll Local Government*
David Paul, Minister, *Ministry of Finance*
Gerald Zackios, Senator, *Republic of the Marshall Islands*
Jasmine Myazoe, Assistant Secretary, *Ministry of Finance*
Katt Chong-Gum, Economist, *Ministry of Finance*
Lenie Sigman, Chief Accountant, *SOE*
Neri Wase, Deputy Secretary for Core Financial Services
Theodore J Kiluwe, Fiscal/Data Officer, *Administration*
Tracy Jetton, Director, Human Resources, *Ministry of Finance US Virgin Islands*

US Virgin Islands

Jamie Gaston, ARPA Grant Administrator, *Office of Management and Budget*
Julio Rhymer, Sr., Director, *Office of Management and Budget*

US Department of the Interior

Eunbin Morrison, Audit Liaison, *Office of Insular Affairs*
Marina Tinali, Deputy Policy Director, *Office of Insular Affairs*
Melissa Braybrooks, Economist, *Office of Insular Affairs*
Stephen Savage, Honolulu Field Office, *Office of Insular Affairs*
Tanya Joshua, Deputy Director of Technical Assistance, *Office of Insular Affairs*

Resource Consultants

Bob Lavigna, Senior Fellow, *Public Sector, UKG*
Chris Wolseley, CPA, *Ernst and Young, Guam*
Debbie Milks, CPA, *GSUSA*
Frank Crawford, CPA, *GSUSA*
Jeanne Yamamura, CPA, *GSUSA*
Kevin O'Keefe, Economist, *GSUSA*
Mark Sturton, Ph.D., Economist, *GSUSA*

Graduate School USA

Jason Aubuchon, Director, *PITI-VITI*
Monique Wedderburn, Program Manager, *PITI-VITI*
Skip Polson, Program Specialist, *PITI-VITI*





Graduate School USA, Pacific & Virgin Islands Training Initiatives (PITI-VITI)
900 Fort Street Mall, Suite 1540, Honolulu, Hawaii 96813
Additional information online at www.pitiviti.org

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