



Office of the Public Auditor

Calendar Year 2022 Work Plan

The **Office of the Public Auditor (OPA)** is a constitutionally established, independent agency of the Commonwealth of the Northern Mariana Islands (CNMI) Government with the responsibility to audit the receipt, possession, and disbursement of public funds and to perform such other duties as required by law per 1 CMC § 2301.

The CNMI Legislature has expanded OPA's authority and responsibilities to include audits, investigations, and oversight authority in a number of areas, including elections, ethics, and expenditures of public funds.

Anticipated Engagements for Calendar Year 2022

CNMI Government—CNMI Single Audit FY 20 - FY 21

Tax Rebate
Cash Receipts
Coronavirus Aid, Relief, and Economic Security (CARES) Act
COVID-19 Disaster Assistance
Pandemic Unemployment Assistance (PUA)
Advance Child Tax Credit (ACTC) Payouts
American Rescue Plan Act (ARPA)

Department of Finance (DOF) FY 21 - FY 22

Division of Procurement Services

*Government Vehicles
*Procurement/Contract Selection Process
Vendor Advances

Division of Treasury

Cash Collections

Division of Revenue and Taxation

Business Gross Revenue Tax Collection

Secretary of Finance

ARPA Reporting

Division of Customs and Quarantine

Port Collections—Excise Tax

Division of Financial Services

Premium Pay Eligibility
*Payroll—Policies, Processes, and Internal Controls

**Identified as a high area of concern in the CNMI Government Employee Survey*

OPA's Mission

We promote and advance government accountability and public trust through the prevention and detection of fraud, waste, and abuse of public funds, while maintaining the highest standards of independence, integrity, and professionalism.

OPA's Strategic Vision

- Execute audits and investigations with the highest standards of integrity, objectivity, and diligence in accordance with the law, regulations, and professional standards. Operate with efficiency, effectiveness, and excellence.
- Educate and enforce compliance with law and regulations.
- Focus on governance to prevent and detect fraud, waste, and abuse of public funds.
- Communicate with stakeholders regularly and frequently to promote government transparency and accountability while advancing the public trust in government spending and operations.
- Attract, develop, and retain top talent.



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Federal COVID-19 Relief and Disaster Assistance Funding

In response to the 2019 Coronavirus Disease (COVID-19) pandemic, economic relief efforts were created through federal legislation. As a result, the CNMI Government received funding assistance through the CARES Act, Continued Assistance Act (CAA), ARPA, and disaster grants.

With these funding sources, the CNMI Government was able to release PUA, Economic Impact Payments, ACTC, funds for COVID-19 related expenses, and provide other relief fund assistance to CNMI Government agencies and businesses.

Funding Source	Award ¹ <small>(Source of reported figures)</small>
CARES Act	\$36.3M <small>(US Department of the Treasury)</small>
PUA	\$716M <small>(CNMI Department of Labor)</small>
ARPA	\$482M <small>(US Department of the Treasury)</small>
Disaster Grants Public Assistance	\$44M obligated <small>(FEMA.gov)</small>

¹ Actual expenditures may differ from the award amounts shown.

OPA will be assisting in the audit of these awards by actively participating in the CNMI Government's Single Audit and will also be monitoring these high-risk programs for internal controls, procurement practices, and reporting requirements.

CNMI Government Wide Single Audit: OPA's Role

The CNMI Wide Single Audit (Single Audit) is contracted out to independent auditing firms in accordance with 1 CMC § 2306(a), which states "the Public Auditor may obtain services of independent certified public accountants, qualified management consultants, or other professionals, as the Public Auditor deems necessary to assist in carrying out his or her duties."

OPA oversees the Single Audit and works in partnership with independent auditors by providing assistance where needed or required. In addition, OPA coordinates the Single Audit with the Secretary of Finance's Office and autonomous agencies to ensure audit requests and requirements are addressed and filing deadlines are met.

Strategic Plan Working Session

Over the course of this past fiscal year, OPA has been in discussions with the Pacific Association of Supreme Audit Institutions (PASAI) to assist with the development of OPA's strategic plan. OPA plans to kick-off the development of its strategic plan before the end of FY 2022.

Engaging with the Autonomous Agencies

OPA has begun its active participation in overseeing the CNMI Government's Financial and Single Audit requirements of its autonomous agencies. OPA has developed plans for each agency which include scheduling initial meetings with agency Chief Executive Officers/Chief Financial Officers/Executive Directors and providing an audit questionnaire to participate in reviewing and commenting on external audit reports prior to issuance. Further, OPA has been focused on managing OPA fee receivables.

OPA plans to provide assistance and training opportunities, where needed and resources when available, per OPA mandates.

CNMI Government Employee Survey

OPA conducted a CNMI Government wide online survey for government employees in December 2021 to solicit areas of interest for future audits and investigations within their workplace. Audit concerns raised by respondents include accounting of funds, transparency, and procurement.

OPA plans to conduct audits on a risk-based approach highlighting the results from the online survey (see page 1).



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Peer Review

Generally Accepted Government Auditing Standards (GAGAS) requires OPA to undergo external peer reviews to determine whether OPA's internal quality control system provides reasonable assurance of compliance with auditing standards issued by the Comptroller General of the United States.

External peer reviews are conducted at least every three years by other government audit organizations who are members of the Association of Pacific Islands Public Auditors. OPA received a peer review rating of pass for its 2018 external peer review, and is scheduled for another peer review this year covering the period from October 1, 2017 to September 30, 2020.



CNMI and Palau OPA staff conducted Guam's peer review with technical assistance provided by Drummond Kahn, December 2021

OPA Tips and Complaints

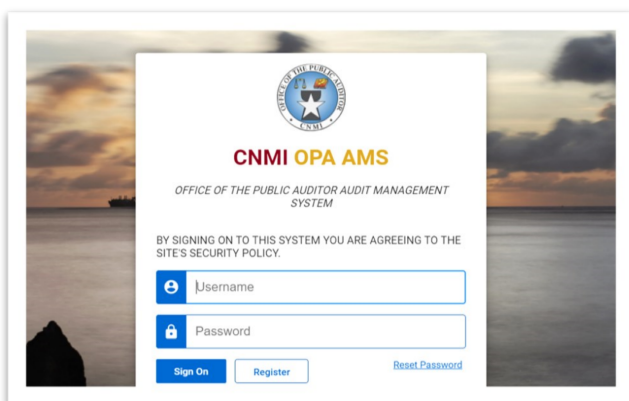
Tips and complaints are received primarily via telephone and through the OPA website. Other avenues for submitting tips and complaints can be made via email, fax, or letters, including referrals from government employees, law enforcement agencies, internal OPA audit referrals, investigative analysis, and other compelling sources.

Tips and complaints are assigned to conduct a preliminary investigation. A preliminary investigation will determine if tips and complaints are founded or unfounded. OPA has developed guidelines that are taken into consideration when deciding whether to convert tips and complaints to an "open investigation."

During the preliminary investigations, tips or complaints may be deemed to be merited but do not satisfy OPA's guidelines. At this point, the OPA may refer the information to law enforcement agencies that have jurisdiction.

OPA has received 22 tips and complaints during the period of January 1, 2022 to March 31, 2022. The investigations team plan to continue working diligently to disposition open tips, complaints, and open cases.

Audit and Investigations Management System Implementation



In August 2021, OPA executed an agreement with Tyler Technologies through the support and resources from the Office of the Secretary of Finance for the implementation of an audit management system (AMS) and investigation case management system (ICMS). OPA's goal is to implement a paperless "lean" office, focused on reducing costs and increasing the efficiency and productivity of the office environment.

In March 2022, after a comprehensive demonstration and walkthrough, OPA audit staff are currently in the test phase of the AMS and anticipate launching before the end of FY 22. The ICMS is scheduled to kick off before the end of FY 22.



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Other OPA Mandates



CNMI General Election

OPA assists the Commonwealth Election Commission in monitoring the absentee ballot mailing process, polling stations during special elections, early voting, and election day voting to prevent and detect fraud and abuse in the election process (1 CMC § 6529).

Frequency and Timing: Every election year



Citizen-Centric Report (CCR) Coordination and Oversight

OPA is responsible for the collection and tracking of CCRs from government entities, as well as imposing penalty fees on submission violations. CCRs are also posted on OPA's website (1 CMC § 2311).

Frequency and Timing: Annually, due every October 30 and up to November 29, before penalty



Receiving and Monitoring of Campaign Statement of Accounts (CSAs)

OPA is responsible for receiving and monitoring the CSA submissions of election candidates (1 CMC § 6424). OPA shall refer any candidate who fails to comply with the filing requirements to the Office of the Attorney General for prosecution (1 CMC § 6430).

Frequency and Timing: Every Election year, due within 50 days after election



Report on Agencies' Implementation of Audit Recommendations

Commonly referred to as the Audit Recommendations Tracking System (ARTS) report, OPA maintains a tracking system to monitor the pending implementation and resolution of OPA's audit and inspection recommendations (1 CMC § 7823(e)). OPA plans to include financial audit findings and recommendations in future ARTS reports.

Frequency and Timing: Semiannually, June and December reporting period



Statement of Financial Interest (SFI) Oversight

OPA is responsible for the oversight of SFI submissions from reporting individuals (1 CMC §§ 8511-23).

Frequency and Timing: Annually, due May 1st



Ethics Act Rulings & Training

OPA conducts CNMI Government Ethics Code training to public officials and employees. OPA is also designated to receive complaints of violations, investigate, and take action as appropriate (1 CMC § 8561). OPA hopes to conduct more trainings as COVID-19 restrictions begin to ease.

Frequency and Timing: As requested. OPA encourages training once a year



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GAGAS and Professional Requirements

According to the GAGAS, commonly referred to as the “Yellow Book”, audit staff are required to develop and maintain their professional competence by completing at least **80 CPE credit hours** every two years, 24 hours of which must be government related. OPA’s investigative staff maintain the highest professional standards by attending professional training throughout the year. OPA’s continuing education and training are provided through its association with the following professional organizations:

- **Graduate School USA** provides training in the Pacific region throughout the year covering a wide range of accounting and auditing topics.
- **Association of Pacific Island Public Auditors (APIPA)** offers an annual conference for auditing and financial accountability professionals in the Pacific region covering topics related to auditing and finance.
- **The Pacific Association of Supreme Audit Institutions (PASAI) Congress** is PASAI’s supreme authority and consists of all PASAI members. This year’s congress, to be hosted by the Republic of Palau in 2022, is an opportunity for members to get together to share ideas and resources.
- **The Department of the Interior, Office of the Inspector General (DOI-OIG)** offers the “Lakewood Experience”, an on-site, hands-on training aimed at providing meaningful experiences for auditors beginning their careers in the Pacific region.
- **The Association of Inspectors General (AIG)** is a professional, non-profit organization that supports and advances the professionalism and integrity of Inspectors General offices. The Association serves as a civic, educational, charitable, and benevolent organization for the exchange of ideas, information, education, knowledge, and training among municipal, local, state, national, and international Inspectors General. Industry-leading Certification is offered for Inspector General, Investigator, Auditor, and Evaluator through the INSPECTOR GENERAL INSTITUTE®. Two investigators will be applying to attend the AIG’s Certified Inspector General Investigator Curriculum slated for August 2022. Upon course completion, the investigators will be awarded the designation of Certified Inspector General Investigator (CIGI).
- **National Association of State Auditors, Comptrollers and Treasurers (NASACT)** offers a yearly conference that bring together state auditors, comptrollers, and treasurers from around the nation to cooperatively address government financial management issues. This year’s conference will be held in Charleston, North Carolina.
- **National State Auditors Association (NSAA)**, a branch of NASACT, offers an annual conference designed to provide maximum opportunities for state auditors to network and hear industry leaders speak on current and emerging issues.
- **The Association of Government Accountants (AGA) Guam Chapter**, serves professionals in the government financial management community by providing quality education, fostering professional development certification, and supporting standards and research to advance government accountability. The AGA Guam Chapter offers periodic training throughout the year to audit and non audit staff.
- **The National White Collar Crime Center (NW3C)** delivers economic crime investigation, high-tech crime investigation, digital forensics, criminal intelligence, and other criminal justice training and technical assistance. Federal funding allows the NW3C to provide training and other services at no cost to state, local, tribal, and territorial criminal justice practitioners throughout the United States. Understanding that criminals and crime do not stop at jurisdictional or geographic boundaries, NW3C uses other funding sources to develop and deliver similar high-quality, industry-leading training to federal agencies, the private sector, and criminal justice professionals worldwide.