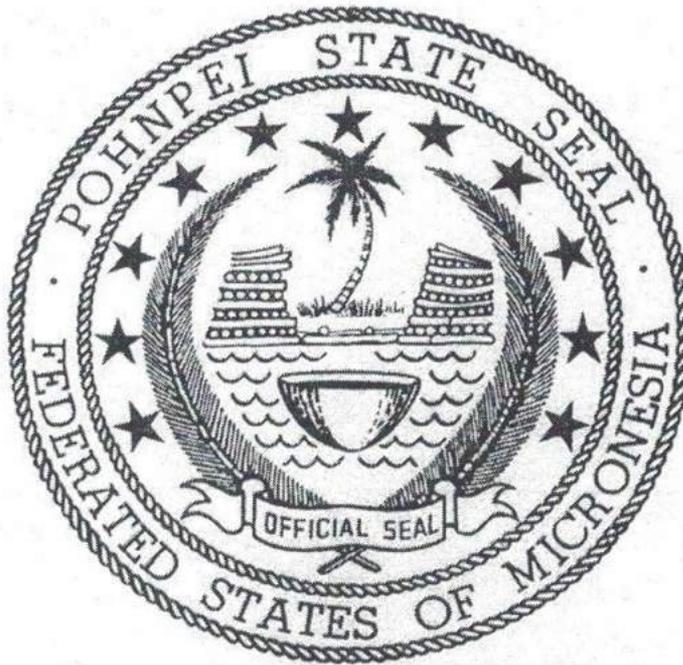


POHNPEI STATE GOVERNMENT
Performance Audit of the Department of Land
Fiscal Years 2017 and 2018

AUDIT REPORT NO. 001-20

Office of the Public Auditor
State of Pohnpei



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July 18, 2020

The Honorable Reed B. Oliver, Governor of Pohnpei State
The Honorable Ausen T. Lambert, Speaker, 10th Pohnpei Legislature
Honorable Members of the 10th Pohnpei Legislature
Honorable Peter M. Lohn, Director, Department of Land, Pohnpei

Maing Ohlloakoa oh Lihoakoa:

EXECUTIVE SUMMARY

Our Pohnpei Office of the Public Auditor (POPA) has conducted and completed a performance audit of the Pohnpei State Government Department of Land program services and performance activities for fiscal years 2017 and 2018. The audit was conducted in accordance with the generally accepted government auditing standards applicable to performance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The audit was also performed pursuant to the provisions of *Article 11, Section 8 (2) of the Pohnpei Constitution*, and the *Pohnpei State Law No. 1L-10-79, as amended*.

The audit objectives were to assess the efficiency and effectiveness of the Department of Land;

- 1) In recording, updating, monitoring, administering and managing public lands and related programs and activities;
- 2) In achieving its mandated duties and responsibilities in preserving the historical and archeological sites, traditions, customs and cultural heritage and artifact of Pohnpei; and,
- 3) In carrying out its mandated duties and responsibilities specific to the survey and mapping program activities and services.

Based on the results of our audit, we conclude that there is much room to improve and strengthen in the Department of Land oversight management and administration of its programs and related activities. We identified a number of significant internal and other systematic control

weaknesses and deficiencies that may have contributed to the ineffective and inefficient administration of land programs and related services. These, among others, include:

- 1) **Unfavorable control environment and leadership:** Management did not set the right tone at the top to clearly define the Departmental values, operational goals and commitment to competency leading to non-compliance and non-achievement of the Department's mandated duties and responsibilities timely.
- 2) **Inadequate control activities** – Management did not ensure that a comprehensive set of policies and procedures were clearly and articulately developed to provide guidance on how DOL employees should engage in their day-to-day duties and responsibilities.
- 3) **Ineffective information/communication system** – Management did not ensure that important land related information (minutes of meetings, incoming and outgoing communications, inspection reports, etc.) was captured, recorded or documented and properly maintained.
- 4) **Lack of proper monitoring** - Management did not develop and implement suitable supervisory review and monitoring guidelines, including risk assessment, to ensure program activities and related services were performed as planned and problems, if any, were identified and resolved timely.

At the outset, we conclude that the Department of Land did not fully fulfilled its mandated duties and responsibilities during the audited period. Refer to the Schedule of Findings and Recommendations on pages 6 to 22 of this report for further information.

As customary, we provided copies of the draft report to the Director, DOL and his management team for review, and subsequently held an audit exit conference with them to address and discuss the report in greater detail. At the end of our discussions, DOL management was given ten (10) working days to further review and submit a written response to the audit findings and conclusions. Refer to Exhibit I on pages 23 to 30 of this audit report for DOL's response and corrective measures proposed for the resolution of the findings identified in the report.

In summary, the DOL management agreed to all of the audit conclusions and also provided their action plan proposed for the timely resolution of each of the audit findings. We thank the DOL management for their constructive responses and wish to remind them that the Pohnpei SL No. 5L-08-00, as amended, requires all "auditees to prepare and submit monthly report to the State Auditor indicating its progress in clearing audit deficiencies cited in audit report, which period shall not exceed six (6) months" from the issuance of the audit report.

On separate but related issues, we highlight below the followings:

- 1) **Office Building** - The Department of Land is currently housed in an old office building that was built by the Trust Territory Government back in the late 1950s or early 1960s. Due to

aging and lack of proper maintenance, the structural condition of the office facility is no longer safe and suitable to house the Department's personnel, equipment, important land documents/files and related assets. On-site visit disclosed concrete walls, ceiling, and floor are cracking with pieces of concrete falling-off. Responsible management officials are urged to give priority consideration and initiate appropriate corrective measures necessary for the resolution of this matter at the earliest time possible.

- 2) **Resource Allocation** – A detail and more in-depth analysis to determine the level of resource allocation required to improve and strengthen the DOL delivery of its mandated duties and responsibilities is strongly recommended. The assessment should include financial, human, equipment and other facility requirements needed to improve and strengthen the efficiency and effectiveness of the DOL public services.
- 3) **Governing Board** – All three (3) divisions operating under the direct supervision and management of the Director of Land have their own regulatory boards. Each Board is responsible for establishing standard operating regulations, policies and procedures specific to their respective functions. It is proposed the Pohnpei leadership to consider establishing one regulatory "Board" to provide the management and the administrative oversight of all lands (public and private) related matters in Pohnpei.

We appreciate very much the support and the kind assistance extended to our Audit Team by the managements and the workforce members of DOL, DoT&A, and others during the course of our audit. Our Pohnpei Office of the Public Auditor (POPA) may be contacted directly for further information concerning this report, if required.

With friendly greetings and warm regards, I am.

Sincerely,


Ihlen K. Joseph
State Auditor
Pohnpei

Cc: All Departments, Pohnpei Government
All Offices, Pohnpei Government
All Agencies, Pohnpei Government
All Municipal/Local Governments, Pohnpei

Pohnpei State Government
Performance Audit of the Department of Land
Fiscal Years 2017 and 2018

Audit Report No. 001-20

Introduction

The audit of the Department of Land was included as part of the Pohnpei Office of the Public Auditor (POPA) work plan for the fiscal year 2019. The audit was imperative due to the importance of land for Pohnpei social, economic and cultural infrastructure development, and also for the fact that there has not been an independent review solely for the Department's performance and activities for the past 20 years. This report contains the results of our review.

Background

The Department of Land (DOL) is one of the six (6) major departments operating within the executive branch of the Pohnpei State Government. DOL is headed by a Director who is appointed by the Governor with the advice and consent of the Pohnpei Legislature, to serve for a term of four (4) years. The Director leads and provides the overall supervisory and management of the Department, with support of 2 staffs and an operating budget of \$134,092 during the audited period.

The Department has three (3) functional divisions and these include:

- 1) **Division of Public Land** – under the administrative direction of a Chief who has the following primary duties and responsibilities:
 - a) To direct the implementation of the policies, projects, and programs of the Division as are determined by the Governor and the Board of Trustees (the Board);
 - b) To maintain liaison by the Division through the Governor with the Legislature, the Administration, the traditional leaders, and others concerned with the objectives and programs of the Division;
 - c) To propose legislation to the Legislature through the Governor pertaining to the programs, powers, and duties of the Division.
 - d) To establish rules and regulations in accordance with applicable laws for the conduct of the business and activities of the Division.
 - e) To maintain close communication with the Chairman of the Board as to the current status and activities of the Division;
 - f) To report to the Board at each meeting on the status of the programs, projects, financial standing and plans, and to recommend to the Board projects and programs for the Division.

- g) To perform other duties and responsibilities relating to the proper management and administration of the Division's operation, programs and activities authorized and/or required by law.

The Division has five (5) full-time support staffs and an operating budget of \$182,243 for the two years audited.

2) **Division of Survey and Mapping** – with the following primary duties and responsibilities.

- a) To administer and manage statewide system of land information and records, including cadastral survey and mapping of private and public lands, and archival of land documents and records;
- b) To outsource private surveying, survey and delineation of access (right of way) for public infrastructure projects, certify and approve of maps and survey on tracts, parcels, subdivisions, assignments, stipulations and improving environment for investment and business start-up, business expansion and development;
- c) To provide the Board of Land Surveyors of Examiners with the necessary clerical personnel, office facilities, technical and other administrative and logistical support as the Board may require; and,
- d) To carry out other duties and responsibilities relating to the management and administration of land survey and mapping in Pohnpei State as required by law.

Headed by a Chief who reports directly to the Director of DOL, the Division has 16 employees with an operating budget of \$383,054 for the two years audited.

3) **Division of Historic Preservation** – with the following primary duties and responsibilities.

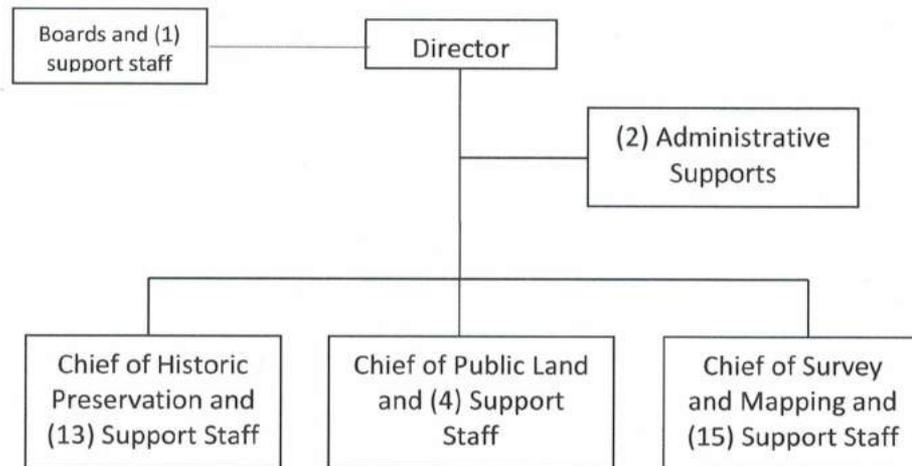
- a) Establish and maintain programs and facilities to preserve the Cultural, Historical and Anthropological Heritage of Pohnpei;
- b) Establish and implement program activities to encourage the continuation of Pohnpei customs and traditions;
- c) Establish and maintain a state museum;
- d) Responsible for the comprehensive Historic Preservation Program in Pohnpei State; and,
- e) Perform other duties and responsibilities concerning the efficient management and effective administration of the preservation of the cultural, historical and anthropological heritage of Pohnpei, as mandated by law.

The Division functions under a Chief who is supported by 13 staffs and a budget of \$119,675 for the two years audited, and reports directly to the Director of the Department of Land.

The Department of Land through its Division of Public Lands provides administrative and clerical supports to the Boards of Trustees. Hence, a total of \$21,380 to cover for one full-time staff and associated costs was approved and included in the Department's budgets for the period reviewed.

In summary, a total of \$840,444 was appropriated to fund DOL operations, programs and activities during the fiscal years 2017 and 2018. For the period, DOL had 39 employees in total.

The Department Organizational Chart is presented below:



Audit Objectives

Our audit objectives were to assess the efficiency and effectiveness of the Department of Land:

- 1) In recording, updating, monitoring, administering and managing the public lands and related programs and activities;
- 2) In achieving its mandated duties and responsibilities in preserving the historical and archeological sites, traditions, customs, and cultural heritage and artifacts of Pohnpei; and,
- 3) In carrying out its mandated duties and responsibilities specific to land survey and mapping programs and related activities.

Audit Scope and Methodology

The audit looked at the Department of Land's performance in terms of its oversight and management over its divisions, programs and related activities for the fiscal years 2017 and 2018. To ensure that we achieved our audit objectives, we applied the following audit techniques and methodologies:

- 1) Reviewed applicable laws, regulations and related policies and procedures;
- 2) Interviewed responsible management officials and other relevant personnel within and outside of the Department;
- 3) Conducted in-depth examination and inspection of applicable and pertinent documentary information (work plan, work objectives and goals, performance and activity progress reports, official communications, etc.).

- 4) Reviewed and analyzed other relevant financial reports and related data information; and,
- 5) Performed other audit procedures we deemed necessary to achieve our audit objectives.

Our audit was conducted pursuant to Article 11, Section 8(2) of the Pohnpei Constitution, the State Law No. 1L-10-79, as amended, and in accordance with the generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

Prior Audit Coverage

This audit engagement is POPA's first comprehensive review of the Department of Land's programs and performance activities. There has been no other significant review or study performed recently or within the past several years, except the Department is included and covered under the single audit performed annually by the external auditor for the government of Pohnpei State.

Audit Conclusion

Based on the results of our audit, we conclude that there is much room for the Department of Land to improve and strengthen its oversight and management to provide good governance and better performance of its operations, programs and related activities, specifically:

- 1) In recording, updating, monitoring, administering and managing the Division of Public Lands programs and related activities;
- 2) In achieving its mandated duties and responsibilities in preserving the historical and archeological sites, traditions, customs, and cultural heritage and artifacts of Pohnpei; and,
- 3) In carrying out its mandated duties and responsibilities specific to the Survey and Mapping programs and related activities.

Our review identified significant and systematic internal control weaknesses and deficiencies in the Department that directly contributed to its ineffective and inefficient administration of its programs and activities. These include:

- 1) **Unfavorable control environment and leadership oversight.** Management did not set the right tone at the top reflecting its values, operating styles and commitment to competence leading to critical and mandated functions, duties and responsibilities not fulfilled and/or performed.
- 2) **Inadequate control activities.** Management did not ensure that a comprehensive set of policies and procedures were established and clearly articulated to guide how employees engage in their day-to-day activities.
- 3) **Ineffective information/communication system.** Management did not ensure that important records and information were captured, documented and maintained.
- 4) **Lack of proper monitoring.** Management did not implement proper supervision and review (including risk assessment) to ensure programs and activities were performing as planned and problems/issues (if any) were detected and resolved timely.

Detail information concerning these internal control weaknesses and deficiencies and related issues can be found in the Schedule of Findings and Recommendations shown on pages 6 to 22 of this report.

Pohnpei State Government
Performance Audit of the Department of Land
Fiscal Years 2017 and 2018

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Objective No. 1: To assess the efficiency and effectiveness of the Department of Land in recording, updating, monitoring, administering and managing of the public lands and related programs and activities.

DIVISION OF PUBLIC LAND

Finding No. 1: Weak Internal Control System in the Administration and Management of Public Lands

Criteria

The Director of the Department of Land and the Board of Public Land Trustees are responsible for establishing and implementing a comprehensive internal control structure to ensure that the requirements of applicable laws are complied with and that, among others, management is effectively and efficiently recording, updating and monitoring, administering, and managing the Division of Public Lands programs and related activities.

Condition

During our review, we found the following:

- Recording and updating of documents and records were poor. For homesteading, the only files the Division had were for two (2) land titles both dated back to the 1960s. Also, there were no records kept showing that inspection of homesteads was performed as required by law;
- The list of public lands was not updated. The last inventory of residential and commercial leases was performed in 2016 and records concerning public lands being occupied by trespassers was and has not been updated;
- Monitoring and managing of the activities relating to dredging and mining was not effective. The Division did not conduct on-site inspection and monitoring of the dredging and mining sites to ensure that the affected land areas are restored back to conditions acceptable to the Board. Monitoring of permits issued were not performed to ensure only authorized permittees are allowed to dredge/mine and are paying the royalty fees in accordance with applicable rules and policies;
- An instance where the Division has been issuing dredging/mining/earth moving permits to a permittee for ten (10) years and just recently found out that the permittee has not been paying the royalty fees as required by law. This is due to lack of close monitoring and coordination between the Division and DoT&A, in particular the Division of Revenue and Taxation on billing and collection of the royalty fees;

- Documentation of the dredging and mining activities, including the process for monitoring and tracking the amount of materials removed needs to be improved. The Division relied only on the permittees' estimation and records to determine amount owed for materials removed/dredge/mine and also for renewal of permit;
- There was lack of written policies, procedures, and/or strategies in place to direct and guide in the management and administration of the Division's operation and program activities. For instance, Public Law No. 6-116-08 was established more than 10 years ago to provide for the transfer of land titles to eligible residential lessees after three years of occupation, however this has not been accomplished;
- Some land owners still do not have quitclaim deeds/titles. For example, the administration and settling of "Navy Leases" remained incomplete without quitclaim deeds, which is contributing to the high volume of work backlog for the Division; and,
- The Board did not have appropriate written rules or guidelines regarding conflict of interest in the conduct of its business affairs.

Cause

The condition exists because management was lax in its responsibilities and failed to provide proper oversight of the Division of Public Lands. Management did not ensure that a suitable and functioning internal control system is in place where sound control environment exist and the Division is equipped with appropriate control related policies and procedures including effective monitoring and information systems to guide the operation and activities. Also, to due the absence of risk assessment, management was not in the position to respond to potential risks and problems in order to lessen or prevent them from happening.

Effect

The condition resulted to deficient accountability and transparency in the administration and management of public lands' related programs and activities. Also, the condition further hindered performances and services of the Division contributing to possible loss of at least \$3.8M government revenues, increased volume of work backlog, create more legal issues and difficulties and could also lead to negative impact on the environment and public trust.

Recommendation

We recommend:

The Director and the Board of Trustees to give priority consideration to developing and implementing a far more robust internal control system to improve and strengthen the Division's operations, programs and activities, including:

- Develop and implement written work guidelines and strategies designed with specific action plans;
- Create a favorable control environment that is conducive to promoting and supporting good internal control practices and the values it espouse;

- Assess the overall operation to identify risks for potential problems and prepare mitigation action plan to respond to those risks;
- Institute a monitoring mechanism to ensure control activities continue to function effectively; and,
- Establish and maintain an effective information, documentation, and communication system that will ensure records, documents and data are created or captured, organized and maintained for proper accountability and transparency.

Finding No. 2: Loss of Revenues Due to Inadequate Monitoring and Timely Collection of Commercial Lease Payments

Criteria

Article XXV of the Commercial Lease Agreement (Agreement) requires that “Lessee shall not be deemed to be in default hereunder the payment of rent or the payment of any other moneys as herein required unless Lessor shall first give the Lessee ten (10) days written notice of such default and Lessee fails to cure such default within 10 days.

Article XXVIII of Commercial Lease Agreement provides that "All amounts payable by Lessee to Lessor under any of the provisions of this Lease agreement, if not paid when the same become due as provided in this Lease agreement, shall bear interest from the date they become due until paid at the rate of twelve percent (12%) per annum, or such other rate as provided by the administrative rules of Lessor”.

Condition

Our review disclosed that the Division of Public Lands (or DOTA) did not implement the provision of the Lease Agreement and was not sending written notices to lessees who failed to pay for their commercial leases in both fiscal years 2017 and 2018. Of the possible commercial lease revenues of \$256,000 for the two-year period reviewed, DOTA only collected \$87,000 (\$55,000 for FY 2017 and \$32,000 in FY2018). About \$169,000 was not collected and lessees were not notified regarding their payment default. We confirmed in our review that the amount of the commercial lease in arrears has increased to approximately \$2.3M at September 30, 2018.

Our review further disclosed that the Division of Public Lands (and/or DOTA) are not charging the 12% interest for late payment of commercial land leases (rents). Based on DOTA’s financial records, the estimated interest charge for fiscal years 2017 and 2018 is \$36,000. The revenue was not collected.

Cause

The condition happened due to management not fully understanding the commercial lease agreements to properly monitor and enforce the requirements, such as, failure to notify the defaulted lessees. Another cause is poor collection process and management did not coordinate with DOTA to ensure the 12% interest fee for late payment is applied and collected.

Effect

As a result, Pohnpei State Government lost the opportunity to collect at least \$36,000 in revenues, and, the leverage to compel lessees to pay for their commercial leases on time. Also, the condition exposed the government to higher risk of not collecting the whole outstanding amount of more than \$2.3M in commercial land leases.

Recommendations

We recommend the Director and the Board of Trustees to:

- Duly review the lease agreements to fully understand the requirements updates and amends where necessary. Once updated and approved, the Agreement should be applied uniformly. Establish monitoring guidelines, train and direct the Division of Public Land to strictly and properly enforce the provisions of the Commercial Lease Agreement;
- Improve and strengthen the collection process to ensure all commercial lease rents are collected; and,
- Coordinate with DOTA in the monitoring, notification and collection of commercial leases including the late payment fees. Collection of accounts in-arrears should be strictly enforced and the renewal/extension of leases should include evaluation of leases on payment history; or,

Finding No. 3: Requirement for Fire Insurance Not Enforced

Criteria

Article XI of Commercial Lease Agreement provides that "In addition to the monthly rental payments, Lessee shall carry fire and extended coverage insurance on the premises during the entire term of this lease agreement...The record of all such policies shall be delivered to Lessor. In the event of failure of lessee to procure the required insurance and to pay the premiums thereon, or to properly maintain and keep in force the insurance, Lessor shall have the right to procure the insurance and to pay the premiums thereon, which amounts shall be deemed additional rent.

Condition

We could not find any records of or copies of fire insurance policies for commercial lessees in the Division's files. In addition, the Division did not procure any insurance nor did it pay any premium (and add to the rent) as required by the lease agreements, as it is obvious the lessees failed to obtain the required fire insurance.

Cause

The Division failed to enforce or implement the fire insurance requirement as stipulated in the Commercial Lease Agreements. The provision may be viewed not applicable.

Effect

Non-compliance with the provision of the Commercial Lease Agreement that may expose both parties involved to unnecessary liability and protection risks.

Recommendation

We recommend DOL management should review the Commercial Lease Agreement, update and amend the provisions that are no longer relevant or appropriate. DOL should also develop, train and build capacity of responsible employee in the monitoring and proper administration and implementation of the Lease Agreement provisions.

Finding No. 4: Lack of Written Consent for Sub-Lease Agreements**Criteria:**

Article XIV of commercial agreement provides "Lessee shall not assign this Lease Agreement, or any interest herein, and shall not sublet the premises, or any part thereof, without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

Condition:

During the audit, we found three (3) sub-lease agreements filed with the Division of Public Lands. In the files however, we could not find corresponding consents as required in the Commercial Lease Agreement. Further review revealed lack of the Division's records or documentation for additional sublet arrangements. Yet, we observed other commercial lease premises being occupied or used commercially by tenants who were not the primary lessees.

Cause:

This is due to inadequate management oversight and monitoring to ensure compliance with the Commercial Lease Agreement regarding sublet arrangement.

Effect:

The condition resulted (or could result) as follows:

- Non-compliance with the law and may lead to legal issues, such as, term of sublease agreement surpassing that of the primary lease agreement;
- Pohnpei Government including the Department not having full awareness and knowledge of its sub-lease activities and status;
- The Department of Land may lose control over the commercial land leases leading to possible problems including loss of revenues for the government;
- Sub-leasing government lands without proper consent and documentation undermines the Commercial Lease Agreement and may render it useless;
- Information and the actual number of premises re-assigned or sub-leased to others without written consent of the Lessor would not be readily available for decision making purpose and/or reference.

Recommendation

We recommend that the Board of Trustees and the Director should:

- Provide proper oversight and management of the Division's operation and activities to ensure that the administration of government lands (involving commercial leases and sub-leases) are carried out in accordance with applicable laws, regulations, lease agreements and prudent practice.
- Direct the Division to improve, strengthen, update and maintain its records and documentation to ensure that the government is well protected from legal issues and that commercial leases and sub-leases are arranged properly and transparently;
- Compel the Division to conduct and document periodic on-site inspection of leased premises to ensure Lessees are complying with the provisions of the Commercial Lease Agreement.

Finding No. 5: Periodic Inspection of Commercial Lease Premises Not Performed

Criteria:

Article XXII of Commercial Lease Agreement provides that "Lessor reserves the right of access to the Premises at any reasonable hour for the purpose of inspection, upon a minimum of 24 hours prior notice".

Condition:

Based on our review, we found the Division did not conduct regular inspection of commercial lease premises during the period audited. The Division only started the inspections of both commercial and residential leases because of the audit.

Cause:

The Division lacks policies and procedures on inspection to direct and guide employees in the performance of their mandated responsibilities and services. Staffs responsible simply did not take the initiative to ensure that appropriate inspections are conducted.

Effect:

Without regular inspections of the commercial lease properties, potential problems and violations specific to the lease agreement provisions and other applicable mandates, damage to properties, etc., would not be found and dealt with timely.

Recommendation:

We recommend management should:

- Establish inspection policies and procedures governing commercial leases and implement the guidelines to ensure compliance;
- Train and develop capacity of responsible employees on how to conduct inspection in accordance with the guidelines; and,
- Ensure that regular inspections of commercial lease premises are timely performed, properly documented, reported and filed for information/reference and monitoring purposes.

Finding No. 6: Lack of Written Consent for Holding Over of Leases

Criteria:

Article XVII of commercial lease agreement provides that "Any holding over after the expiration of the term of this Lease Agreement, with consent of Lessor, shall be construed to be a tenancy from month to month, at the same rental as required to be paid by Lessee".

Condition

The records at the Division of Public Lands reflect 169 documented commercial land leases in Pohnpei. During our audit, we observed that 36 of these leases were already expired (31 of them prior to the audited period and 5 in 2019). We did not find documented consent by the Board of Trustees justifying continued tenancy or action plan in process for the renewal of the lease agreements. Further review disclosed that 31 of these lessees were seriously delinquent on their lease payments, and that 11 of them have been expired for more than 10 years.

On-site inspection of these 36 expired commercial lease premises revealed that 35 of the lessees (including the delinquent lessees) were still actively engaged in commercial/business activities. One (1) lot was found vacant (no business activity). Subsequent to our inspection in December 2019, the Board of Trustees approved renewal of 8 of the leases, 6 pending approval, and 3 were put up for re-advertisement.

Cause

This condition is due to inattentive management, lax oversight body and ineffective monitoring system to ensure applicable provisions of the commercial lease agreements were complied with.

Effect

The condition can lead to the weakening of the Commercial Lease Agreement and would become hard to enforce.

Recommendation

We recommend the Board of Trustees and the Director of Land should take the following actions to ensure good management of the government commercial leases:

- Provide proper oversight and attention to the administration and the control process concerning commercial leases.
- Establish and implement an effective monitoring system to guide and provide better control and management of the commercial lease agreements to ensure proper enforcement and compliance.
- Review the Commercial Lease Agreement provision on "holding over" and if necessary, amend or make changes as appropriate.

Finding No 7: Lack of Documented Minutes of Meetings

Criteria

42 PC 1-112 tasks the Division Chief with the following duties and responsibilities: i) To record and maintain minutes of all meetings with the Board, Governor and others, ii) To maintain liaison through the Governor with the Legislature, the Administration, the traditional leaders, and others concerned with the objectives and programs of the Division, and iii) To maintain close

communication with the Chairman of the Board as to the current status and activities of the Division.

Condition

During our review, we could not find minutes or documented meetings of the Chief of Public Lands with the Board, Governor and others for the fiscal years 2017 and 2018. The Chief of Public Lands however informed the audit team that he maintains liaison with the Chairman of the Board, the Governor, the Legislators, and the traditional leaders but did not document the minutes or record the nature of the meetings. He further informed the Team that he has started recording the results of all his meetings with staffs, Governor, Board and other stakeholders in FY-2019.

Cause

The condition is due to not truly understanding the importance of 'documentary records' relating to the administration of public lands and the implications if not performed. Also, the Division lacks written administrative and operational policies and procedures to guide employees in the performance of their duties and responsibilities.

Effect

The condition undermines the Division's ability to prove transparency and accountability to the public, government leaders and other stakeholders. Important issues and decisions made or actions taken were not captured, documented, and maintained for information and reference. Documentary information would not be readily made available when needed.

Also, for not having records of issues and decisions made may bring negative views regarding the Division's services and performances which could adversely affect the Department as a whole.

Recommendation

We recommend that the Director should ensure that the entire DOL's personnel understand the importance of preparing and maintaining written records of meetings with the Board and other officials and stakeholders to provide and support the Department's accountability and transparency to the public and others. The Director should require the Division Chief to continue taking and keeping written records of all meetings he attends representing the DOL.

Finding No. 8: Problems in the Issuance of Quitclaim Title for Residential Leases

Criteria

PL No. 6-116-08 provides any lessee who believes he/she has complied with the requirement of the applicable law may, not less than three years following the effective date of the law or within three years following the effective date of the law or within three years following the issuance of his lease from the Board, may apply to the Board to transfer to said lessee, by quit-claim title, such interest held by the Board in the leasehold property.

Condition

During our review, we found that not all residential lessees hold quit claim titles to their assigned leases. We were informed by DOL management that about fifty percent (50%) of the total residential leases has been issued quitclaim titles. The remaining half without quitclaim titles are

still being maintained on lease agreements that are no longer applicable or enforceable due to the law transferring land ownership to the lessees.

Cause

This is due to the lack of a feasible and implementable plan prepared by DOL in response to the public law. Without a suitable plan and with the Division of Survey and Mapping having backlog of applications for land surveys and public hearings, issuance of quitclaim titles will take longer time due to the sizable number of lessees.

Effect

The requirement of law remained unmet and the issue will continue to drag on unsolved. Unwarranted problems may arise without appropriate residential lease agreement in force or quitclaim titles properly settled.

Recommendation

We recommend that the Board of Trustees and the Director should prioritize, prepare and implement action plans necessary to ensure that requirements of laws are complied with in timely manner.

The Director should direct and ensure that the Division of Public Lands closely coordinate with the Division of Survey and Mapping to expedite the process of land survey pertaining to all applications for quit claim titles. Both Divisions should set timelines and targets on how they would resolve the work backlogs relating to the residential leases.

Objective No. 2: To assess the efficiency and effectiveness of the Department of Land in achieving its mandated duties and responsibilities in preserving the historic and archeological sites, traditions, customs, and cultural heritage and artifacts of Pohnpei.

DIVISION OF HISTORIC PRESERVATION

Finding No. 9: Non-establishment of the Pohnpei Historic and Cultural Preservation Board Affects Operations.

Criteria

22 PC 1-105 mandates the establishments of Pohnpei Historic and Cultural Preservation Review Board.

Condition

We found that the Pohnpei Historic and Cultural Preservation Review Board has not been established. According to the DOL management, the Department annually submits the names of potential nominees to the Governor for the past five (5) years but until now, there has been no action taken by responsible government officials. This inaction has left the powers, the duties and responsibilities delegated to the review board unattended.

Cause

The appointment of the review board was probably not deemed important and thus was not prioritized, and so the required nomination and confirmation process has not taken place.

Effect

The HPO Division is not in the position to carry out all its mandated duties and responsibilities in full without the required review board. The Board reviews and approves all major programs, projects, and activities undertaken by the Division.

Recommendation

We recommend the Director should resubmit the nominees and lobby the Governor and other officials responsible to give serious and immediate attention to the formation of the Board. The Review Board is important regulatory authority in the protection, preservation and maintenance of Pohnpei historical sites, cultural values, and customary and traditional infrastructure.

Finding No. 10: Non-Establishment of Pohnpei State Museum**Criteria**

22 PC 1-105 mandates the establishment and maintenance of a Pohnpei State Museum.

Condition

Our review disclosed that a museum has not been formally established to house, display and protect the historical records, photographs and artifacts of Pohnpei. Since the relocation of HPO from the former State Museum, historical artifacts and items were temporary kept in one of the rooms at the Department of Land building for safekeeping. During our visit, we observed damaged to most of the photographs, records and historical artifacts due to leaking roof.

We also noted that the manner and the environment in which the remaining artifacts and related items are currently stored and displayed may be harmful and could expose artifacts to unfavorable environment elements such as insects, wood deterioration, moisture due to insufficient lighting, and etc.

Cause

This is due to lack of proper planning. Continuation plan and strategies were not in place at the closing down of the former HPO. Thus, there were no adequate resources to finance and manned the establishment and operation of a State Museum. Also, non-establishment of the governing board to provide oversight support and direction for the museum project contributed to the cause of the museum not established.

Effect

The non-establishment of the state museum poses a greater risk for the Pohnpei historical objects, documents, and cultural artifacts to be exposed to potential harm, damage or loss without proper housing and safeguarding.

Recommendation

We recommend the Director and responsible management officials should:

- work closely with the Governor and the Legislature for early establishment of the Historic and Cultural Preservation Board to assume and support the creation of a Pohnpei Museum;
- identify, seek, pursue and secure appropriate resources (including grants) for the establishment, operation and maintenance of the Pohnpei State Museum; and,
- develop and implement appropriate policies and procedures governing the administration and management of Pohnpei Museum, including guidelines for identifying and collection of historical, cultural artifacts and related inventories, display and preservation methodologies and processes.

Finding No 11: Non-Establishment of State Registry of Historical Properties

Criteria

Title 22, Section 1-114 of Pohnpei Code states “There is hereby established a State Registry of Historical Properties for the purposes of preserving, protecting, and educating present and future generations about culturally important and significant historic and cultural resources that are important and meaningful in the continuation and maintenance of the traditions and heritage of the people of Pohnpei.”

Condition

The Division has not established but it has a copy of the US Registry of Historical Properties for Pohnpei State. The Division could not provide to us documentation of inventory it has performed of the historical or cultural properties of Pohnpei State to indicate it has taken steps in the continuation, update and maintenance of Pohnpei historical properties. We also found out that the Division has not taken the initiative to prepare and maintain a database for these properties to ensure reference continuation and documentation of such properties of importance to Pohnpei.

Cause

The condition is due to the lack of a review board to oversee and governs the operation of the Division, including the review and approval of properties for inclusion in the State Registry of Historical Properties. Also, the Division management lacked the expertise and the will to take initiatives necessary to ensure the provisions of the law are acted upon.

Effect

As a result, the Division does not have in its possession an updated and well documented registry of all (including potential) historical and cultural properties of Pohnpei. This could also result to the Division not in the position to assess and mitigate potential risks, including damage or loss that may threaten the historical or cultural properties of Pohnpei.

Recommendations

We recommend the Director and the Division management should:

- work with the Governor to ensure the review board is established and that required resources are identified and obtained;
- update and identify other potential properties for approval and inclusion in the Pohnpei Registry once the review board is established;
- develop and implement necessary work plan to provide mitigation guidelines for ensuring the protection and preservation of Pohnpei cultural and historical properties; and,
- establish and implement public awareness programs to promote better understanding, appreciation and the importance of protecting and preserving Pohnpei Historical and Cultural Properties.

Finding 12: No Survey Report for the Identification of Historic Properties

Criteria

Title 22 PC 1-109 1.E. states that the Division should “Conduct surveys for the identification of historic properties in advance of development projects and undertakings”.

Condition

During the audit, we found that the Division currently does not conduct surveys prior to development projects or related activities taking place. The survey is aimed to identify and protect potential historical property from harm and/or damaged.

The audit team noted that the Division has a field researcher responsible for conducting development sites surveys, yet the duty was not being performed. The Field Researcher informed the audit team that the surveys were conducted when the Division had an archaeologist or anthropologist employed.

Cause

The Division does not fully understand the significance of the survey or lack of it. Hence, it appointed a field researcher but did not adequately train the person with the necessary working knowledge and skills to perform the required duty.

Effect

The condition can result in historical significance or property not identified, reported and protected from harm or damaged. Without this required survey, potential historical and cultural importance could be in danger of damage or loss.

Recommendation

We recommend the Director of DOL and the Division management should require that survey is conducted in advance of development project undertakings to identify and protect potential

historical properties/importance. The survey should be required most especially when there is known or potential historical significance at or near the proposed project sites.

In addition, the Director and the Division should ensure that the Field Researcher is adequately trained to carry out the surveys of development project undertakings to identify and protect potential historical properties.

Finding 13: No Written History of Pohnpei Developed, Compiled and Indexed Specific to Traditional Laws and Their Under-laying Principles.

Criteria

22 PC 1-109 1.L provides that one of the duties and responsibilities of the Division is to “Develop a written history of Pohnpei, compiling and indexing information on the traditional laws of the state and their underlying principles”.

Condition

The Division has not developed a written history of Pohnpei. However, there are some organizations and/or individual works regarding the history of Pohnpei that are widely available and can be accessed. One such organization is Micronesian Seminar.

We learned during our review that the Division is in the process of collecting oral history on traditional laws and their underlying principles from various knowledgeable individuals and traditional leaders. The Division plans to publish a book on this undertaking upon its completion. The status of the compilation and indexing of the information collected and still to be collected is still not known at this time.

Cause

The condition is due to the following:

- Inadequate financial and manpower to identify, secure, and publish written history of Pohnpei. Only one person is currently assigned to the project.
- Little knowledge concerning developing, compiling and indexing of information

Effect

There is risk of historical and traditional information getting lost or distorted over time with the passing of knowledgeable individuals. Also, the State does not have readily available or in its possession these important documents to pass down from generation to generation.

Recommendations

We recommend the Director and the Division management should work to:

- Identify and secure financial and technical support necessary to undertake and complete the documents and the activities required and called for in the law.

- Obtain an Advisor/Expert in the field to provide support in collecting, compiling and indexing the information and at the same time train and develop local capacity for the perpetual continuity of the project.
- Establish a file management system in hard and electronic copies so important information can be maintained and easily accessible.

Finding 14: No Professional or Certified Technical Staff to Provide Needed Guidance

Criteria

22 PC 1-109 1.M. authorizes the Division to “Employ professional and technical staff necessary to carry out the provisions of this chapter through the state public service system and within the limits of appropriations thereof”.

Condition

We noted during the review that the Division lacked professional staff, i.e., archaeologist or anthropologist, to carry out the technical aspects of the jobs or duties required by law. Two (2) staffs have gone through a series of related training programs to acquire certificates and the “know-how” of doing some of the professional work required. However, this has not been adequate to meet the requirement of the law.

The Division does not have the financial capacity to get a professional staff. Hiring of the professional personnel for the Division is dependent on the approval of such position in the U. S. National Park Services’ grant.

Cause

Lack of financial resources has made it difficult for the Division to hire a full-time professional or expertise to assist in the historical and cultural preservation program.

Effect

The condition will continue to affect the Division’s ability to properly carry out its mandated duties and responsibilities fully concerning historical and cultural importance and properties of Pohnpei.

Recommendation

We recommend the Director and the Division’s management should:

- Identify and work with responsible officials to secure resources necessary to enable, improve and institute DOL’s programs and activities concerning the preservation and maintenance of Pohnpei historical and cultural properties;
- Explore and identify financial and technical assistance from sources within and outside of Pohnpei to provide and enhance the required services mandated by law and important to the government and citizens of Pohnpei.

Finding No. 15: Lack of Written Guidelines to Govern the Operations and Program Activities of the Division

Criteria

Best practice requires that every organization (public or private) should have written policies and procedures to govern and ensure that responsible management and all employees understand the overall functions, program objectives, goals and performance outputs and outcomes are achieved timely.

Condition

We found during our review that the Division did not have:

- Written policies and procedures in place to guide the day-to-day and long-term plan of its operations;
- Reliable and adequate monitoring mechanism to ensure proper recording and documentation of its programs and related activities;
- Public awareness programs conducted to promote awareness and better understanding of its program activities and services; and,
- Adequate documentation and maintenance of significant and important records of decisions and related activities made to support operations.

Cause

Inadequate management oversight and understanding of the value and the benefit of having written guidelines to support performance productivity, work continuity, staffs' on-the-job training and professional development, and timely completion and achievement of the Division's program and operational goals and objectives.

Effect

As a result, the Division has:

- Poor filing and record keeping management system and was unable to produce records, reports, and documentary information we needed timely;
- Not been able to effectively assess and measure its program activities and accomplishment against targeted goals and objectives; and,
- Not conducted public community meetings to promote awareness of its services and at the same time secure stakeholders support in the implementation of its programs;

Recommendation

We recommend:

- Responsible management officials to give immediate consideration and action to develop and implement work policies and procedures to guide the overall operations and performance of

the Division in achieving its mandated duties and responsibilities in a productive and timely manner.

Objective No. 3: To assess the efficiency and effectiveness of the DOL in carrying out its mandated duties and responsibilities concerning the survey and mapping program activities in Pohnpei.

DIVISION OF SURVEYING AND MAPPING

Finding No.16: Board of Land Surveyors Examiners Has Not Been Established

Criteria

38 PC 6-104 (1) provides that “There is hereby created a Board of Land Surveyors Examiners within the State of Pohnpei consisting of five members, two of whom shall be land surveyors”.

Condition

During our review, we found out that the Pohnpei Board of Land Surveyors Examiners has not been reestablished again, since 2009. We were informed that the names of potential nominees were submitted every year, even as late as May 13, 2019, to the Governor for consideration and further action. As of this writing, there has not been action taken by responsible officials on this important and significant matter.

Cause

Responsible management officials have not seriously considered and take action necessary to establish the Board of Land Surveyors Examiners as mandated by law.

Effect

As a result, the Division is functionally handicapped without the Board to certify the registered surveyor (s) and approve mapped land documents.

Recommendation

We recommend the Director of DOL and the Division management should:

- Work with the Governor and other responsible officials to give priority consideration for the formal establishment of the Pohnpei Board of Land Surveyors Examiners at the earliest time possible.
- Consider identifying and engaging the service of registered and qualified private surveyor (s) to review and sign-off on documents pending. This will not only reduce the Division’s work backlog pending but will also decrease the Division of Public Land’s related works accumulated.
- Coordinate and work with appropriate management officials to review and where necessary, amend the law as applicable

Finding No.17: Lack of Documented Information/Records of Importance

Criteria

The Division of Mapping and Survey is responsible to administer and manage statewide system of land information and records, including cadastral survey and mapping of private and public lands, and archival of land documents and records. Hence, the Division should have written work policies and procedures to govern, guide and used as training and reference manual to ensure that land documents and survey and mapping documentations and records are captured and/or prepared, maintained and updated and kept safely intact.

Condition

We found during the audit that there were no written operational guidelines or policies and procedures of critical areas of programs or activities of the Division. Employees perform their daily work based on practical knowledge. For example, we requested for the policies and/or procedures showing the process of applying for land surveys. We were informed that the survey is performed based on a request (written or oral). For the fiscal years 2017 and 2018, none of the requests for land survey was logged or recorded even if the request was made orally. The Division admitted that they have started the recording recently in 2019.

The survey activities were not documented either, except for the cadastral maps.

Cause

The cause of this condition is similar to the other divisions of DOL. There was a systematic lack of proper oversight, management and accountability at the Department of Land. The situation also stems from the leadership not prioritizing DOL's relevant affairs, such as the headship was often left vacant for a time contributing to the problem.

Effect

The condition resulted to inadequate audit trail and leave DOL without documented records of its work. loss of documents if not maintained where accessible to pertinent employees.

Recommendation

We recommend the Director should direct the Division management to ensure appropriate and relevant policies and procedures to guide employees and the operations of the Division are established, maintained and are easily accessed. We also recommend that all pertinent and important records that support and justify the Division's work and accountability should be captured or prepared, updated and maintained and kept intact.

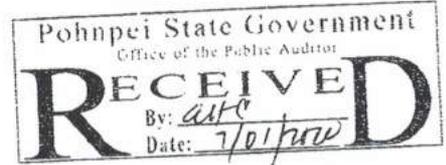
POHNPEI STATE GOVERNMENT
DEPARTMENT OF LAND

APPENDIX I – AUDITEE RESPONSE

FISCAL YEARS 2017 AND 2018



Department of Land
Pohnpei State Government
P. O. Box 158
Kolonia, Pohnpei FSM 96941



OFFICE OF THE DIRECTOR

APPENDIX I

July 1, 2020

The Honorable Ihlen Joseph
State Public Auditor
Public Auditor Office
Pohnpei State Government
Kolonia, Pohnpei FM 96941

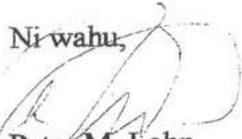
Re: Management Response and Comments

Dear Iso Nahnken Joseph:

I am pleased to submit herewith Department of Land Management Response & Comments and division's response to the audit findings and recommendations.

Thank you.

Ni wahu,


Peter M. Lohn
Director

Enclosures

MANAGEMENT RESPONSE AND COMMENTS

SUMMARY

The Public Land Trust, Board of Trustees, Staff and Management of the Department of Land extends our warmest greetings and kalahngan lap pahn kupwuren Iso Ihlen Joseph, Pohnpei State Public Auditor and your Staff for the review of the Department's performance and activities which have resulted in identifying management weaknesses and other deficiencies contributing to inefficient and ineffective implementation of its functions as noted in the Audit Report. This is one of the major and oldest department operating under the Executive Branch of Pohnpei State Government and one would assume that there should be some kind of Operational Manuel or Guidelines to guide management and staff in carrying out their daily activities. Unfortunately, none could be located as indicated in your report. This, I believe is the major contributing factor to the Ineffective and Inefficient Operational Performance. We appreciate the fact that these problems have been identified and could serve as the starting points of this New Administration moving forward. However, it needs to be noted that in some areas of our operation, we will definitely require highly skilled personnel to assist the management to put together request policy and procedure framework, upgrade of our computer systems as well as the Technical capacities of our employees. This will require additional funding.

MANAGEMENT RESPONSE:

We agreed to all audit findings and the following actions will be taken to improve the situation. We will have each Division Chief publish and document the Policies and Procedures for their respective operation by the end of the 1st Quarter of next fiscal year. We will then compile it into one operational manual that will be available to all Staff and other interested parties via our website or by other means. Revisions of the Manual will be made as needed to ensure the Manual is current at all times. All Staff and other concerned individuals will be advised of the revisions.

MANAGEMENT PLAN OF ACTION IN RESOLVING AUDIT FINDINGS:

In the interim, pending a fully integrated and comprehensive operational Manuel, the management will issue Departmental Directive and Memoranda's that will address and resolve the Audit Findings in a timely manner. This may include but not limited to the following:

1. Define the Mission Statement of the Objectives and the Objectives to achieve desired outcomes and goals. Establish policies consistent with enabling laws for proper administration and implementation.

2. Establish policies and guidelines that will clearly define functions and responsibilities of a given position and how to engage in their daily assignment. A recording and communication system will be established and implemented for proper reporting and documentation.
3. Review of position functions and responsibilities will be made and delineated accordingly to ensure responsible employees are carrying out their daily assignment as required and with the approval of their immediate Supervisor.
4. Management will prioritize and oversee that Commercial Lease Rental fees are collected in accordance with Lease Agreements. A rigorous monitoring of dredge and mining sites will be implemented to ensure that the Government is not losing its revenues. A designated employee will be assigned to do the collection processes in conjunction with the Department of Treasury and Administration.
5. Review of Commercial Lease Agreement will be made to ensure that the Provisions are consistent and relevant to the subject of the lease. All irrelevant and redundancy provisions will be omitted.

The management is committed in resolving these Audit Findings in a timely manner and will report as required by the Auditor's Office.

CONCLUSION:

The Department of Land is structured with a rather instinct element but yet woven into a department and functioning in a coordinated fashion in the areas of historic preservation, public and private land management, survey and mapping, land planning and zoning, and conservation functions. All of these divisions have its own regulatory board which set standards rules and regulations and make decisions on issues pertaining to their respective functions. However, for the past two Administrations, these Boards were never filled or their terms were expired but still engaged in Boards affairs with holdover terms. This is an issue that has negatively impacted the Department of Land in its delivery of service to the General Public. My humble appeal to the Pohnpei State Government Leadership that it is high time we revisit this issue and address it with the focus on realities of Pohnpei today. The simple question is, **"DO WE HAVE THE CAPACITY TO HAVE ALL OF THESE BOARD?"**

Division of Public Land

Finding No. 1: Weak Internal Control System in the Administration and Management of Public Lands

- The failure on management part to monitor all functions and hold employee accountable for their work.
- Failure on management part to develop and adopt administrative policies/regulations on standard operation procedure (SOP) to update and ensure:
 - a. Clear lines of responsibility and coordination among the division staff to ensure timely execution of leases and permits, maintenance of adequate land lease records.
 - b. Clear lines of responsibility to ensure leases and permits are reviewed and monitored for compliance purposes periodically.

Plan of Action

- a. Develop a tracking system to monitor the submission of required requested (application) documents and consistently review, maintain, and update the master list in order to accurately track all active public land leases.
- b. Provide adequate training for all staff which relevant to duties and utilize a reliable accounting software and data base to eliminate redundant tasks and process transactions efficiently.
- c. Develop regulations (guideline) pertaining to each public land programs.

Finding No. 2: Loss of Revenue Due to Inadequate Monitoring and Timely Collection of Commercial Leases Payment.

- Failure on management to enforce due to;
 - a. Lack of manpower
 - b. Non- coordination with Revenue Office to update the accounts

Plan of Action

- a. Management will seek funding for additional staff.
- b. Management will seek collaboration from Department of Treasury on clear lines of responsibility on sending billings.
- c. Management will recommend amendment to legislation that will require lessee to provide copy of payment receipt to Public Land.
- d. Management will need to purchase accounting software and data base.

Finding No. 3: Requirement for Fire Insurance not enforced

- Failure on management part to review the lease and enforce the provisions

Plan of Action

- a. Management will ensure that lessee provide the evidence before issuance of the lease.

- b. Management will have a complete compliance report on all commercial lease pursuant to this requirement by March 2021.
- c. Management will review the policy or public law enabling insurance requirement. Will seek legal advice from Attorney General Office.

Finding No. 4: Lack of Written Consent for Sub-lease Agreement

- Failure on management to enforce the requirement.

Plan of Action

- a. Management will conduct inspection on all residential and commercial leasehold and by December 30, 2020, management will have a report on all sub-leases.
- b. Management will assess delinquent fees pursuant to lease rate approved by Board
- c. Management will report to Board of Trustees on delinquent status before considering their consent on the request for sub-lease.

Finding No. 5: Periodic Inspection of Commercial Lease Premises not Performed

- Failure on management part to enforce this provision due to;
 - a. Shortage of manpower
 - b. Unavailability of transportation for that purpose.

Action Plan

- a. Will seek funding for additional staff.
- b. Will have to commence a periodic timeline of inspection once a month beginning July 2020.
- c. Management will seek funding for two (2) additional vehicles to serve the purpose.

Finding No. 6: Lack of Written Consent for Holding Over Leases

- Failure of management to conduct review and enforce this provision
 - a. Shortage of staff

Action Plan

- a. Management will ensure that it reviews all commercial leases and will ensure that holding over clause is included in the lease.
- b. Management will ensure that the required holder over clause is enforced.

Finding No. 7: Lack of Document and Minutes of Meetings

- Failure on management part to enforce due:

- a. Management cannot purchase more recording instrument due lack of funding.

Action Plan

- a. Management will seek funding for addition of 2 or 3 recording instruments.

Finding No. 8: Problems in the Issuance of Quit Claim Title for Residential Leases

- Failure on management part to review and recommend resolutions.
- Unavailability of Licensed Surveyor in the Department to certify the maps as require by law that wild attached the application for Quit Claim and transmit to Court of Land Tenure.

Action Plan

- a. The Department is now working to resolve the Licensed Surveyor issue.
- b. Management will review the public law again to enforce compliance requirement.

Division of Historic Preservation

Finding No. 9. Non- Establishment of the Pohnpei Historic and Cultural Preservation Board Affects Operations.

- We collaborated with the Local Chief Executive with exceptive municipalities and received their recommendations for their review board member. We already submitted the list to Governor's Office for his consideration and appointment.

Finding No.10. Non- Establishment of Pohnpei State Museum

- Lack of funding, however we're upgrading a limited space in our office to place certain artifact for display while the governments find funding.

Finding No. 11. Non- Establishment of State Registry of Historical Properties

- We collaborated with the Local Chief Executive with exceptive municipalities and received their recommendations for their review board member. We already submitted the list to Governor's Office for his consideration and appointment.

Finding No. 12. No Survey Report for the identification of Historic Properties

- Now a days we, do mostly on reconnaissance survey instead of intensive survey and in October of this year, the FSM Anthropologist will visit our HPO Office

Finding No. 13. No Written History of Pohnpei Developed, Compiled and Indexed Specified to Traditional Laws and Their Under-Laying Principles

- We already plan and select a timeframe to collect and document certain histories of Pohnpei.

Finding No. 14. No Professional or Certified Technical Staff to Provide Needed Guidance

- Pohnpei HPO including three other States in FSM which provide services from one Professional and she is scheduled to visit Pohnpei HPO this year.

Finding No. 15. Lack of Written Guidelines to Govern the Operations and Program Activities of the Division

- We are in the process of putting this together with the assistance of Dr. Takuya Nagauka from Japan.

Division of Survey & Mapping

Finding No. 16: Board of Land Surveyors Examiners Has Not Been Established

- Newly appointed Director, the Honorable Peter M. Lohn (Wasahi Sokehs), is currently working with the Governor and members of the Legislature in prioritizing this particular subject and have an effective solution in the near future. The resolute and leadership of our new Director will steer us in the right direction. Furthermore, the Chief of S&M is also seeking other recommendations from other officials on how to resolve the matter in other means.
- The Board of Land Surveyors Examiners is responsible for the technical aspects of the Division of Survey and Mappings functions and how it operates. Currently, the Board has been inactive which leads to most of the Divisions poor accomplishments.

Finding No. 17: Lack of Documented Information/Records of Importance

- The Division is currently working with the Director to establish a manual which will include the operational guidelines that will guide the Division's daily operation. We have just started and maintained a system which includes the accurate communications and logging of all assignments and how it will be documented and filed.



IMPORTANT MESSAGE

We actively solicit and welcome allegations of any insufficient and wasteful practices, fraud and abuse of Pohnpei State Government public resources. Fraud, waste and abuse in government should be concern of everyone in Pohnpei. You can report allegations of fraud and abuse by contacting us at address below:

Office of the Public Auditor
P.O. Box 370
Kolonia, Pohnpei State, FM 96941
Phone: (691) 320-2638
Hotline: (691) 320-8497 – (24/7)
E-Mail: opsa_psa@mail.fm
Website: www.opapni.fm

MEHN KAPEHSEH KESEMPWAL

Pwukoa en tetehek, apwapwalih oh doadoahki mwohni oh dipwisou en kopwermment en wein Pohnpei sapwelimatail karos (tohn doadoahk en kopwormment, Ohpis en Public Auditor oh aramas karos en Pohnpei). Komw kak repwohtki omwi iren kapwunod kan me pid sou itar en apwalih mwohni, dipwsou de awahn doadoahk en kopwormment en Pohnpei ni ahnsou karos ong ni:

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