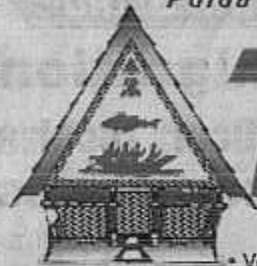


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## Hatohobei audit

### OPA found 17 deficiencies in state funds in 7 years



Patris

The Office of Acting Public Auditor (OPA) Satrunino Tewid on May 11, 2009 issued an audit report of Hatohobei State covering a period of seven years from October 1, 1999 to September 30, 2006 which found seventeen (17) serious problems and deficiencies relating to the administration of state funds.

The OPA made recommendations for their corrections which the new Hatohobei Governor, Thomas Patris, who was not in office during that period as he was the state's OEK Delegate, received and concurred with the report, its findings, and recommendations.

The report found that the Governor expended \$11,007 of state funds for supplies and materials for a dispensary project from an off-island vendor without bidding and proper supporting documents. The Governor also obtained a loan from a private company to fund state programs without approval from

the Congress and the state legislature.

The report revealed that the state spent \$79,473 in 2001, \$64,638 in 2004, and \$65,204 in 2006 to repair and drydock a state boat in the Philippines and that the Governor and Lt. Governor spent a total of \$16,429 on travel most of which were in connection with repair and dry-docking of the boat without proper supporting documents. The Governor also spent \$4,953.70 supposedly to purchase boat parts without supporting documents and \$6,355.21 for expenses, reimbursements, and boat inspections

see Hatohobei p. 15

## Hatohobei...

from page 1

tion fees without documents to substantiate the official purpose of the expenditures.

The OPA further found that the Governor failed to implement state travel policies and procedures and refunded a non-resident worker's pension plan contributions and expended funds for communication beyond those authorized by law. The Governor also procured goods and services costing over \$5,000 or more without competitive bidding. The Governor has not established a personnel system for employees for pay levels and other personnel actions as well as a system to account, monitor, and reconcile inventory of the state fixed assets and a reliable process to reconcile bank accounts.

From fiscal year 2000 to 2006, the Governor expended \$13,870 without supporting documents such as invoices or receipts to justify the official purpose of the expenditures. The state also spent \$1,602.44 to send the Governor to one-day training in Fiji on vessel operation and maintenance rather

than sending the state vessel's crews. The report also states that the Lt. Governor returned an unused travel advance; however, there was no evidence that it was redeposited into the State Treasury.

Mr. Towid states in the report that the objective of the audit is to determine whether (1) expenditures were incurred accordance with the national and state laws, (2) revenues/cash receipts were properly deposited into the State Treasury, (3) expenditures and cash receipts were supported by documentation, (4) earmarked CIP grants were expended for purposes for which they were authorized, and (5) the state has established proper internal controls to ensure proper recording.

The OPA states that the present Governor after receiving the Draft Audit Report agreed with all its findings and provided an action plan to correct the deficiencies and implement the recommendations.

The two governors in office during the period in question were Sabino Sakarias and Krispin Emilio who was succeeded by the present governor who took office this year.