



REPUBLIC OF THE MARSHALL ISLANDS

OFFICE OF THE AUDITOR-GENERAL

Inspection Report of the RMI Embassy in Tokyo, Japan
Fiscal Years 2013 to 2015



AUDIT NO: OAG 03/16-1671

January 16, 2018

Date

P.O. BOX 245
MAJURO, MH 96960
REPUBLIC OF THE MARSHALL ISLANDS



REPUBLIC OF THE MARSHALL ISLANDS
OFFICE OF THE AUDITOR-GENERAL

P.O. Box 245
Majuro, Republic of the Marshall Islands 96960
Email Address: patrjun@gmail.com Web: www.rmioag.com

Telephone:
Auditor-General: (692) 625-3192
Staff: (692) 625-3390
Facsimile: (692) 625-5135
Fraud Hotline:
Telephone: (692) 625-1155
Facsimile: (692) 625-1156

Honorable John M. Silk
Minister of Foreign Affairs and Trade
Government of the Republic of the Marshall Islands
Majuro, MH 96960

Re: Inspection of the RMI Embassy in Tokyo, Japan

Dear Minister:

We have completed our inspection of the Republic of Marshall Islands (RMI) Embassy in Tokyo, Japan for fiscal years 2013, 2014, and 2015. The objectives of our inspection were to determine: (1) the extent of compliance to the Imprest Fund Guidelines, and (2) whether the internal controls in place at the RMI Embassy are adequate to safeguard the assets of the RMI and that expenditures are properly authorized and expended in accordance with relevant policies, rules, and regulations. In June 19, 2014, the OAG issued a related audit report.

Based on our review, we found that the Embassy did not comply with many requirements of the approved Imprest Fund Procedures and Guidelines, many of which were raised in our previous review. Of the 27 key Imprest Fund requirements that we specifically examined, the Embassy did not comply with 16 of the requirements during FY 2013; 16 of the requirements during FY 2014 and 14 of the requirements during FY2015. Proper management of the Imprest Fund is crucial for proper accountability and for the Embassy to effectively and efficiently operate. Non-compliance with the Imprest Fund Guidelines creates greater risk of abuse and misuse of government funds.

Also, we determined that the Embassy's need for better internal control activities continues to be present that would ensure (1) proper petty cash management; (2) personal loans to and reimbursements from the Imprest Fund are adequately documented; (3) only Embassy or official-related costs are paid by the Imprest Fund account; and (4) avoiding use of the Imprest Fund to pay for cost of living related expenses.

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Non-compliance and/or absence of effective internal controls has led our Office to question a total in reimbursement of \$30,883 in representation expenses and \$10,504 in educational expenses that were allowed by the Ministry of Finance due to lack of proper documentation, attesting to the nature and circumstances of the expense. Another \$2,691 in cost of living related expenses that were reimbursed to Embassy personnel but should not have been reimbursed.

Many of the issues that we found were the direct result of the absence of proper training, tools, proper monitoring and oversight from the Ministry of Foreign Affairs and the Ministry of Finance on how to effectively manage and administer the Imprest Fund.

These issues are discussed in greater detail throughout our report and represent recurring issues from prior reviews of the Embassy Imprest Fund despite assurances from MOFA and the Embassy staff to correct the deficiencies. This report also describes other issues that we noted during our review, such as the purchase of a second vehicle by the Embassy through a personal loan of an Embassy employee and reimbursed through the Imprest Fund account, all of which circumvented RMI procurement policy.

Issues pertaining to the discrepancies of amounts during the closing and opening of a new bank account and accumulated unknown withdrawals of \$132,256 that was identified by the Ministry of Finance will be reviewed separately and results will be transmitted to authorities as deemed appropriate. For each exception noted throughout this report, we provide recommendations to enhance transparency and accountability of the Embassy's Imprest Fund.

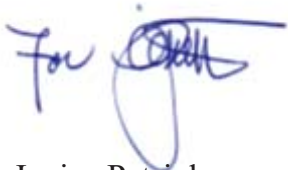
Pursuant to the Auditor-General Act of 1986, we provided the Secretary of Foreign Affairs, Secretary of Finance, and the Ambassador with a copy of our draft findings and recommendations based on our review. We appreciate the responses from the Embassy and the Ministry of Finance, which we have included as Appendix I and Appendix II in our report. No response was provided by the Ministry of Foreign Affairs. Our responses to the Embassy's comments are provided in Appendix III.

The most important outcome of any audit or review is the correction of past deficiencies and an improvement in the internal controls and operation. We believe that the implementation of our recommendations is a step in that direction. This Office maintains a "Follow-Up System" and in order for this review to be closed we would expect the actions detailed in Appendix V to be taken by your Ministry and the Ministry of Finance.

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We wish to express our sincere appreciation to the Ambassador, Secretary of Foreign Affairs and Secretary of Finance, and their staffs for their cooperation during the course of the review and for their desire to enhance the transparency and accountability of Embassy operations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Junior Patrick", with a large, stylized flourish extending from the end of the signature.

Junior Patrick
Auditor-General

January 16, 2018

Cc: President
Minister of Finance, Banking and Postal Services
Secretary of Finance, Banking and Postal Services
Secretary of Foreign Affairs and Trade
Ambassador, Tokyo Embassy
Attorney General
OAG File

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Background

The Republic of the Marshall Islands (RMI) Embassy in Tokyo, Japan was established in 1990 pursuant to Cabinet Minute 192(90). The functions and responsibilities of the Embassy are set forth in RMI Public Law No. 2007-88 (Foreign Affairs Act of 2007). The functions include:

1. Pursuing foreign policy objectives of the Government in the host country and jurisdictional areas of responsibilities;
2. Seeking bilateral, multilateral and international assistance to support national development goals of the Republic;
3. Transmitting official communications between the Government of the Republic of the Marshall Islands and Government of other countries and international organizations;
4. Promoting and protecting the interest of Marshallese citizens residing in the host country and jurisdiction areas of responsibility;
5. Providing consular services for citizens of the Republic abroad; and
6. Any other functions as directed by the President and Cabinet.

The RMI laws and regulations govern all activities of the Embassy. Specifically, the operations of the Embassy are guided by the Financial Management Act, Procurement Code, Income Tax Act, Travel Policy, the Imprest Fund Guidelines, and other applicable laws and policies of the Republic. The Imprest Fund Guidelines are prescribed by the Secretary of Finance.

The Ambassador is the Head of the Embassy. The Ambassador is appointed by the President and Cabinet and confirmed by the Nitijela. The Ambassador has the responsibility to ensure that the operational expenditures of the Embassy are administered and carried out in accordance with the relevant laws and policies of the Republic.

The Embassy is operating through an Imprest Fund. Imprest Fund are cash fund set aside for the operational expenditures of the Embassy. At the close of each month, the Embassy prepares and submits itemized and detailed expenses paid out of the Imprest Fund for the purposes of replenishing the Imprest Fund to its original amount. The monthly report is submitted with the supporting document such as, invoices, cancelled checks, bank statement/reconciliation, and such other relevant documents to the Ministry of Foreign Affairs and Finance for review and approval. Once expenses have been

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reviewed and approved for the month, the amount requested is processed and Imprest Fund Account is replenished to its initial amount.

The maintenance of complete and accurate supporting documentation is required in an Imprest Fund environment.

Objectives, Scope, and Methodology

Objectives & Scope

The purpose of the review was to determine (1) the extent of compliance to Imprest Fund Guidelines, and (2) whether the internal controls in place at the RMI Embassy are adequate to safeguard the assets of RMI and that expenditures are properly authorized and expended in accordance with relevant policies, rules, and regulations. The review covered fiscal years 2013, 2014, and 2015. The review was conducted pursuant to Article VIII, Section 15(1) of the RMI Constitution, which states in part:

“The Auditor-General shall audit public funds and accounts of the Republic of the Marshall Islands including those of the Department or Offices of the legislative, executive and judicial branch of government and of any other public corporation or other statutory authority constituted under the law of the Marshall Islands unless, in relation to any such public corporation or other statutory authority, provision is made by Act for audit by any other person”.

Our review was conducted in accordance with the *Quality Standards for Inspections and Evaluations*, issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and included tests of accounting records and procedures as we considered necessary under the circumstances.

Methodology

The fieldwork was conducted at the Embassy, at the Ministry of Finance (MOF) and at the Ministry of Foreign Affairs (MOFA). We reviewed accounting records, financial reports and documentation related to the financial transactions of the Embassy. We reviewed all expenditures related to “representation”, “other charges and expenses”, and “cost of living allowances” paid out of the Imprest Fund account to determine whether expenditures were allowable and properly reimbursed in

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accordance with existing policies. We judgmentally selected other transactions for further examination. We also examined and verified the existence of the fixed assets maintained at the Embassy and at staff premises in the absence of a fixed asset listing and conducted line by line review of transactions recorded in the Embassy's petty cash book as well as the Embassy's bank account transaction activity for the Imprest Fund. The review included other procedures that were necessary under the circumstances.

During our review, we discovered discrepancies of amounts during the closing and opening of a new bank account by the Embassy and an accumulated unknown withdrawals of \$132,256 that was identified by Ministry of Finance. These matters will be reviewed separately and results will be referred to RMI authorities as deemed appropriate. These activities of concern occurred in 2014.

The matters covered in this report were discussed with Embassy, Ministry of Finance, and Ministry of Foreign Affairs officials during and at the conclusion of this inspection. We also provided a draft copy for review and formal comments. The Embassy and Ministry of Finance generally agreed with our recommendations and agency views regarding the issues we identified were incorporated as appropriate. Ministry of Foreign Affairs did not provide any formal responses but generally agreed with the recommendations during our exit meeting. For a full description of the formal comments submitted by the Embassy and Secretary of Finance, see Appendix I and II, respectively.

Prior Audit Coverage

This is the fourth review undertaken by the Office of the Auditor-General on the Embassy's operation covering fiscal years 2013 to 2015.

Findings and Recommendations

Finding No.1– Many Opportunities Are Present to Improve Compliance with Imprest Fund Management

A. Imprest Fund Account is Not Reconciled

Section 5.2 of the Imprest Fund Procedures and Guidelines requires reconciliation of the Imprest Fund account on a monthly basis. By comparing revenue deposits against all reimbursements and other payments, reconciliation serves to ensure that all deposits and payments are properly accounted

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for. Reconciliation of the Imprest Fund account takes on greater importance when all bills and reimbursements are paid by cash. Because the culture in Tokyo, Japan is one that does not commonly accept checks as a form of payment, the Tokyo Embassy withdraws substantial amounts of cash to pay bills and other expenses. When cash is withdrawn, the amount of the withdrawals should match the total value of the receipts received when bills and other expenses are paid. These receipts are then used, in turn, to request reimbursement from Ministry of Finance to replenish the Imprest Fund.

We noted the following conditions during our review:

1. During fiscal years 2013 through 2015, the Embassy has not successfully reconciled the expense receipts to the cash withdrawals from the Imprest Fund because amounts withdrawn are not based on total of invoices to be paid in one particular time, nor has the Embassy successfully reconciled the deposits to the Imprest Fund against available Imprest Fund balances.
2. Review of RMI's Single Audit Management Letters for these periods also disclosed that the Embassy's Imprest Fund has not been successfully reconciled. For instance, the September 2014 reconciliation performed by the Ministry of Finance included a \$20,910 replenishment request that was not recorded in the Imprest Fund account as of September 30, 2014. Additionally, the following reconciling items were reported:
 - \$18,983 unrecorded deposits
 - \$27,073 in unknown deposits
 - \$43,050 in disallowed amounts, and,
 - \$132,256 in unknown withdrawals
3. Review of selected monthly reimbursement vouchers and the related expense receipts disclosed a total of \$330,649 in expenses reported for reimbursement while total of receipts attached with these vouchers was \$443,255 as shown on Table 1 below. Details of these discrepancies are presented in Exhibit 7 attached to this report.

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Table 1: Schedule of Imprest Fund Reconciliation

Fiscal Year	Total Reported as Expense ¹		Total of the Expense Receipts	
	YEN	USD	YEN	USD
2013	¥ 9,408,380	\$ 97,494	¥ 21,505,366	\$ 221,237
2014	¥ 10,780,498	\$ 105,116	¥ 13,027,542	\$ 123,468
2015	¥ 15,674,610	\$ 128,039	¥ 12,024,739	\$ 98,550
Grand Total	¥ 35,863,488	\$ 330,649	¥ 46,557,648	\$ 443,255

Source: Embassy's Replenishment Reports and Expense Receipts

- Unexplained differences between the balances shown in the Imprest Fund bank account register and the amounts requested for reimbursement by the Embassy were also noted. As a result, proper accountability over RMI's financial resources is greatly diminished because the Embassy had not yet established a process to conduct reconciliation of the Imprest Fund account.

A reconciliation process serves to help ensure expenditures are properly accounted for and the Embassy does not exceed its budgeted amount. As shown in Table 2 below, the Embassy exceeded its budget for two of the three years under review. Embassy officials explained that their budget was increased and that the current Ministry of Finance reports do not reflect the amounts authorized by the Cabinet.

Table 2: Budget vs. Actual Analysis

Fiscal Year	Amended Budget	Actual Expenditure	Encumbrance	Budget Remaining
2013	\$ 469,717	\$ 462,953	\$ 90,975	\$ (84,211)*
2014	\$ 511,209	\$ 408,998	\$ 83,716	\$ 18,496*
2015	\$ 505,585	\$ 423,344	\$ 83,716	\$ (1,475)*

Source: Appropriation Acts & Ministry of Finance Financial Budget Reports (DILOG 240-P)

*Difference in budget remaining totals is due to year to date encumbrance balances. Refer to Exhibit 1-A through Exhibit 1-C.

Recommendations:

To ensure and strengthen compliance with Reconciliation Procedures for the Imprest Fund, we recommend that the:

- Embassy should perform reconciliation of the Imprest fund account on a monthly basis to ensure all transactions are properly accounted for. Additionally, the Embassy should withdraw funds based on the total bills and invoices on hand to be paid.

¹ Total reported as expense is based on total of vouchers submitted for reimbursement

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2. Secretary of Finance should establish tools and procedures for use by the Tokyo Embassy to reconcile the Imprest Fund bank account on a monthly basis. The process should include the development of forms that show the beginning account balance, evidence of review of prior period activity, and ending account balances. For any identified variance, the Ministry of Finance should develop a Variance form that describes the amount of the variance, the reason for the variance, and supporting documentation.
3. Secretary of Finance should provide proper training to the Embassy staff responsible for management and reconciliation of the Embassy Imprest Fund account. And effective immediately, Ministry of Finance work with the Embassy to resolve the reconciling items and further recommend that in the future, notify the Embassy in a timely manner of any discrepancies identified for Embassy's corrective action.
4. Secretary of Foreign Affairs should amend Embassy official contracts to include the requirement to provide full compliance of the Imprest Fund Procedures and Guidelines and attach copies to contracts of Embassy officials and staff.

B. Petty Cash Management is Not Properly Implemented

Section 4.1 of the Imprest Fund Procedures and Guidelines require the establishment of a petty cash fund in the amount of up to \$500. While the Embassy took action to establish a petty cash box to provide reimbursements for small valued expenses, the Embassy did not establish a process that would maintain and reconcile receipts against the available cash on hand to ensure that receipts and cash on hand match the total petty cash fund. At the time of our visit, our inspection of the petty cash box showed about 50 cents available for the payment of small expenses. We noted the Embassy maintains a petty cash book, which provides a detailed accounting of all known expenses, but this book was not used to reconcile Imprest Fund withdrawals or the petty cash box.

Recommendations:

To facilitate better management of petty cash, we recommend that the:

5. Secretary of Finance should develop a petty cash reconciliation worksheet for use by the Embassy. The worksheet should include original petty cash totals, line by line description of

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expenses incurred and amounts, and comparison of petty cash receipt totals with expenditure totals.

C. Embassy Does Not Maintain RMI's Two-Signatory Policy for its Bank Account

Section 2.1 of the Imprest Fund Procedures and Guidelines requires a separate bank account for deposits of Imprest Fund revenue and at least two signatories for every withdrawal from the bank account.

Although the Embassy was in compliance with maintaining a separate bank account for the Imprest Fund, the Embassy is not in compliance with the requirement to have two signatories on the account. The Head of Mission remains the only signatory for every withdrawal and explained opting against having a secondary signatory for better control despite assurances by Ministry of Foreign Affairs in 2014 that a second signatory would be added. A second signatory would allow the opportunity to monitor banking activity, increasing governmental accountability if exercised properly. As the only signatory on the Imprest Fund account, the Head of Mission has withdrawn substantial amount of cash to pay Embassy expenses but we could not fully trace these withdrawals to payments of expenses. As a result, we could not determine whether all of the cash withdrawn were adequately accounted for and reported for reimbursement, as the Embassy did not complete reconciliation of cash withdrawals.

Finally, we determined that the Head of Mission did not receive Ministry of Finance approval to close existing bank account and opened a new account as required by RMI policy. The Head of Mission had closed a previously used Imprest Fund bank account over concerns about the bank's customer service and then opened a new bank account at another bank in 2014. This was done without the knowledge or authorization of the Ministry of Finance. Further, when the account was closed, we noted that the amount withdrawn or closing balance did not correspond with the amount deposited to open the new bank account. Accordingly, we could not determine whether funds withdrawn to close the account were properly accounted for.

Recommendations:

To ensure that the Embassy maintains a two-signatory policy for its bank account, we recommend that the:

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6. Secretary of Foreign Affairs immediately require the Head of the Mission to add the DCM as the second signatory on the Imprest Fund account, and develop procedures to require Embassy staff to provide proof of compliance with the two-signatory policy prior to providing reimbursements to the Imprest Fund.
7. Secretary of Foreign Affairs should amend the contracts of Embassy officials to prohibit the opening of bank accounts without the written approval of the Secretary of the Ministry of Finance.

D. Expenses are Not Properly Supported

Section 5.1 of the Imprest Fund Procedures and Guidelines requires that expenses submitted for reimbursement should be properly authorized and adequately supported by invoices, receipts and relevant supporting documentation prior to approval. Common internal controls to implement this requirement would include providing a detailed description of the purpose of the expense, for whom the expense was incurred, and if meals were involved, identification of the persons incurring meal expenses. This type of documentation provides the information needed to ensure that expenditures were in direct support of the operations of the Embassy.

We randomly selected a total of \$68,339 in expenses paid by the Imprest fund during fiscal years 2013 through 2015 for review and examination. Of this amount, we questioned the reimbursement of \$44,507 by Ministry of Finance that may not have been in direct support of Embassy operation or official Embassy business: \$30,883 in representation expenses that did not contain purpose of the expense, such as attendance to specific Embassy meetings or events, or names or capacity of officials for which the expense was for; \$10,505 in education allowances as receipts provided do not bear the name of the schools the children attend; \$2,691 in cost of living allowances as receipts provided pertains to taxi fares, dry cleaning, foods and other personal related items; and \$428 in other charges and expenses, which receipts are for school related expenses that did not bear name of schools. Lack of proper review and scrutiny of the supporting documentation by both the Ministry of Foreign Affairs and Ministry of Finance has allowed these charges to be reimbursed.

The lack of sufficient information or justification as to the nature of these payments has made it difficult to justify the reimbursement. Explaining that an expense was for lunch or cab fare is not adequate and proper way to justify public fund spending. Generally, these types of expenses should

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have been paid by the Cost of Living Allowances (COLA) provided to the Embassy officials. When these types of expenses are submitted for reimbursement through the Imprest Fund, RMI is at high risk of reimbursing these expenses twice. Table 3 below shows the summary of these expenses and Exhibits 2 through 5 show the details of these expenses.

Table 3: Summary of Questionable Expenses

Account	FY 2013	FY 2014	FY 2015	Total	Questionable
Representation	\$10,330.37	\$8,410.41	\$12,412.50	\$31,152.28	\$30,882.92
Education Allowance	\$4,249.39	\$15,308.51	\$14,509.43	\$34,067.33	\$10,504.57
Cost of Living Allowance	\$2,147.08	\$543.97	NIL	\$2,691.05	\$2,691.05
Other Charges & Expenses	\$234.07	\$194.35	NIL	\$428.42	\$428.42
Overall Total	\$16,960.91	\$24,457.24	\$26,921.93	\$68,339.08	\$44,506.96

Source: Embassy Replenishment Reports and Cash/Check Registers

Recommendations:

To ensure expenses are directly related to the operation of the Embassy, we recommend the following:

8. Embassy develop procedures to ensure payments for all expenses submitted in the monthly reimbursement reports are supported by receipts that clearly described the purpose and nature of the expenses, and ensure all receipts are translated before submitting to Ministry of Finance.
9. Secretary of Finance defer any reimbursement of expenses until the receipts are properly documented with the following information: the specific purpose of the expense, who incurred the expense, and the identification of parties with whom the expense was incurred. This would require the information to be written on the receipt itself.
10. To ensure proper oversight of Imprest Fund payments, the Secretary of Finance should develop a review checklist for Replenishment Reports that require Ministry of Finance staff to identify whether expenses were properly documented and require Ministry of Finance supervisors to review the checklist to ensure all exceptions have been adequately resolved with the Embassy prior to replenishment of the Imprest Fund.
11. Secretary of Finance to investigate the nature of the \$44,458 we questioned from fiscal years 2013 through 2015 to determine whether any of these expenses should be recovered by responsible official(s). If necessary, seek the assistance of the Attorney General's Office.

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E. Embassy is Unable to Maintain an Adequate Level of Cash

Section 3 of the Imprest Fund Procedures and Guidelines requires that the Embassy must have available funds of at least 10 percent of the Imprest Fund budget amount. At the time of our review, the Embassy had about \$21 USD in the Imprest Fund bank account, which was insufficient to pay major bills and expenses as they came due. Embassy management explained that Ministry of Finance does not provide timely reimbursement of Imprest Fund expenditures, which is supported to some extent by our analysis showing that the Embassy was timely in its submittal for 15 of the reports to the Ministry of Finance for review and reimbursements. However, the Embassy did not submit on a timely basis 20 replenishment reports, which would affect the ability of the Ministry of Finance to issue the funds on a timely basis. The Embassy would also have more available cash on hand if it had better processes in place to review and deny reimbursement of expenditures that are not in direct support of the Embassy.

Recommendations:

To ensure that the Embassy maintains available cash in the Imprest Fund, we recommend that the:

12. Secretary of Foreign Affairs established procedures regarding filing dateline for monthly reimbursement report to be submitted to the Ministry of Foreign Affairs and Ministry of Finance for review and approval. For instance, January reimbursement report along with the related supporting documentation must be filed with Ministry of Foreign Affairs by no later than the 10th of February.
13. Secretary of Finance, upon receiving the replenishment reports, should provide written notice of the potential payment date of the Imprest Fund replenishment so that Embassy officials could make operating decisions accordingly.

F. Private Money is Co-mingled with the Imprest Fund

Section 7 of the Imprest Fund Procedures and Guidelines prohibits the comingling of private money with the Imprest Fund. Our review identified that 12 loans were made to the Imprest Fund by three Embassy officials. Embassy officials explained that personal loans were made to the Imprest Fund because of the untimely payments by the Ministry of Finance to replenish low cash levels of the Imprest Fund. When these payments or loans to the Imprest Fund were made, the Embassy, except in one case, did

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not prepare and execute proper loan documents. As a result, we could not verify the amount of the loans against bank deposits to the Imprest Fund because many of the loans were used to pay bills and other expenses directly. The bills that were paid did not include documentation that the amount was paid from personal finances.

The primary record maintained by the Embassy to show receipts and repayment of loans is a transaction book, where we noted \$38,267.84 described as loans and \$99,528.19 as reimbursement. However, we could not verify whether the loans described on the transaction book were accurately recorded because of the absence of loan documentation or invoices. Moreover, when personal loans by Embassy diplomats and staff were made, the Embassy did not always provide for their reimbursement. Of the three individuals that we identified as making loans to the Imprest Fund, two were fully reimbursed and one individual was not fully reimbursed.

Additionally, of the \$99,528.19 reimbursed, \$1,405.22 was paid to an Official, however we could not identify through available records whether personal loans were made to the Imprest Fund by this official. Noted also a reimbursement of \$3,751.56 which we were unable to identify due to no description provided. For the two other Officials who were fully reimbursed, the amount of the repayment exceeded the loan amount recorded on the Embassy transaction book. Finally, one other Embassy employee was partially reimbursed for all the personal loans made to the Imprest Fund and continues to be owed \$2,594.85. The magnitude of this finding prompted further review into fiscal year 2016. Table 4 below shows the total value of loans by Embassy officials and staff and the amount of the repayment.

Table 4: Personal Loans to the Imprest Fund: FY14 thru FY16.

Embassy Officials	Total Number of Personal Loans to the Imprest Fund Identified	Total Value of Personal Loans Made to the Imprest Fund	Amount of Personal Loans that Was Reimbursed by the Imprest Fund	Balance
Official #1	6	\$ 29,582.83	\$ 86,747.63	\$ (57,164.80)
Official #3	1	\$ 5,700.33	\$ 7,233.94	\$ (1,533.61)
Official #4	5	\$ 2,984.68	\$ 389.83	\$ 2,594.85
Official #2		Unable to determine	\$ 1,405.23	\$ (1,405.22)
Unknown		Unable to determine	\$ 3,751.56	\$ (3,751.56)
Total	12	\$ 38,267.84	\$99,528.19	\$ (61,260.34)

Source: Embassy's Transaction Book

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Recommendations:

To prevent co-mingling of personal money with the Imprest Fund, we recommend that the:

14. Embassy should immediately cease making personal loans to the Imprest Fund.
15. Secretary of Finance immediately repay the personal loans to Embassy Official #4 in the amount of \$2,594.85 and to include interest expense accrued from FY 2013 at market rates.
16. For loan reimbursements paid in excess of the loan amount, the Secretary of Finance should withhold amount due to RMI from wage garnishment activities until the excess amount is paid in full.
17. Secretaries of Foreign Affairs and Finance should jointly develop criteria that would justify immediate replenishment of Imprest Fund accounts that would avoid the use of loans made by others to support Embassy operations.

G. Absence of Tracking and Managing Fixed Assets

All overseas missions shall annually furnish to the Ministry of Foreign affairs a listing of fixed assets that belong to the government under the custody of the Embassy, whether donated or purchased with funds appropriated to the Embassy. All fixed assets shall be marked to indicate government ownership. In addition, the Imprest Fund Procedures and Guidelines developed by the Secretary of Finance advises that a Fixed Assets Register be maintained at the Embassy at all times. The Imprest Fund Procedures and Guidelines further indicates that the Fixed Asset Register shall be updated every two years indicating all assets acquired and disposed. The Fixed Asset Register serves the purpose of tracking and identifying government owned property.

In spite of assurance made in May 2014 by the Tokyo Embassy officials to develop a Fixed Asset Register, such record had not been prepared at the time of review. Our physical inspection of the Embassy's property and official diplomatic residences identified at least 79 assets, such as furniture, computer equipment, and durable goods, such as those shown in Figure 1 below. None of the assets that we identified were affixed with proper identification tags showing government ownership. Without a fixed asset register to allow proper tracking of government owned property and without properly claiming

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government assets by proper tagging, RMI is highly vulnerable to theft or the sale of government property without its knowledge.

Figure 1: Examples of RMI assets that are not properly recorded on fixed assets registry.



Finally, most Embassies have one government vehicle purchased by RMI to travel to and from official Embassy business. The contract between RMI and the Ambassador authorizes the purchase of one government vehicle, but the Embassy purchased two vehicles. A second vehicle – a passenger van – was purchased by an Embassy employee who was subsequently reimbursed by the Imprest Fund. The purchase of the vehicle did not follow procurement regulations. Circumventing RMI procurement laws and coupled with the lack of maintenance of a fixed assets register attesting to the existence of these two vehicles leaves RMI, again, highly vulnerable to future loss of sale of these assets without its knowledge.

Recommendations:

To implement proper segregation of duty and internal controls for fixed asset management, we recommend the following:

18. The Secretary of Finance should develop a Fixed Asset Register template for use by the Embassy and require its use in tracking and identifying all fixed assets purchased for Embassy operations.
19. The Secretary of Finance conduct a complete inspection and tagging of all Embassy property to identify all assets of RMI, including the Embassy's two vehicles.

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20. The Embassy should update the Fixed Assets Register bi-annually supported by documentation of new purchases or disposal records of aging assets.

Finding 2: Absence of Strong Internal Control Environment has Allowed Personal Expenses to be Paid by Government Funds

A. Imprest Fund Is Used to Pay for Personal Living Expenses

In addition to base salaries, RMI provides a cost of living allowance (COLA) to diplomatic personnel to accommodate and supplement the cost of living expenses in the host nation. These living expenses include the cost of transportation for non-mission related purposes, for utility expenses associated with their personal residence as well as for food, clothing, and other personal incidentals. The amount of the COLA varies by host nation and is to be reviewed periodically. At the Tokyo Embassy, we noted that COLA were provided to the Head of Mission, the Deputy Chief of Mission (DCM) and the First Secretary in the amounts of \$75,000, \$59,400 and \$46,000, respectively during FY 2013 to FY 2015.

Our review found that many expenses that should have been paid from the COLA allowances were paid by the Imprest Fund. These expenses include food and clothing for the Embassy officials. Also, other cost of living expenses, such as cab fares to local churches and schools were also reimbursed through the Imprest Fund. We were unable to determine the magnitude of these reimbursements because of the lack of sufficient information or proper justification as to the purpose of the expenses, and which officials had incurred the expenses. Table 5 below shows \$2,691.05 in other cost of living related expenses and \$2,662.45 in utility expenses that were paid from the Imprest Fund. Details of these are presented in Exhibit 3 and Exhibit 6.

Table 5: Cost of Living Related Expenses Reimbursed by the Imprest Fund

Fiscal Year	COLA Expenses Paid through the Imprest Fund	Utility Expenses paid through the Imprest Fund
2013	\$2,147.08	\$ 1,633.19
2014	\$543.97	\$ 99.24
2015	N/A	\$ 930.02
Totals	\$2,691.05	\$2,662.45

Sources: Embassy's Monthly Cash/Check Registers and Replenishment Reports

Cost of living related expenses were submitted for reimbursement and were not questioned by the Ministry of Foreign Affairs or the Ministry of Finance. Ministry of Finance staff explained that because

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receipts are in Japanese, it was difficult to determine the nature of the expense and to verify whether the purpose of the expense described on the replenishment report fully supported the expense receipt provided. Ministry of Finance officials explained that their staff now contact Ministry of Foreign Affairs to inquire about unusual expenses.

Recommendations:

To improve the internal control environment at the Tokyo Embassy, we recommend that:

21. In the future, Embassy should comply with the Imprest Fund Guidelines by ensuring purposes of the expenses incurred are properly documented on the receipts in English.
22. Secretaries of the Ministry of Finance and Ministry of Foreign Affairs work together and develop criteria that clearly define the types of expenses to be cost of living related.
23. Secretary of Finance review and determine the eligibility of all cost of living expenses paid by the Embassy's Imprest Fund account as shown in Exhibit 3 and Exhibit 6, and if necessary, require the responsible officials to reimburse the Embassy Imprest Fund.
24. Secretary of Foreign Affairs establish written guidelines indicating clearly the intention of the COLA entitlements and specific types of personal living expenses that are covered by the allowance. The guidelines should clearly specify that living expenses which are covered under the COLA may not be reimbursed by the Imprest Fund account.

B. Educational Expenses Were Improperly Supported

Overseas diplomatic employees accompanied by spouses and children, including children under their legal guardianship are entitled to education allowances to contribute towards the cost of education and related expenses in the host nation. At the Tokyo Embassy, two employees are eligible for education allowances. The amount of the education allowances is not to exceed \$6,000 per dependent per year. In total, one official is eligible for up to \$24,000 annually in education allowances and the other official is eligible for up to \$18,000 annually in allowances.

Our review found that the Imprest Fund was used to provide an education allowance to the children of Embassy officials throughout the audit period. The Imprest Fund reimbursed educational related

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expenses such as PTA fee, sporting equipment, school clothing, stationaries, etc. The amount of these types of expenses were \$34,067.33. Out of this amount, \$23,586.65 did have sufficient supporting documents justifying expenses. The remaining balance of \$10,480.68 did not have sufficient documents as reported in Finding No. 1.D. Details of these amounts can be found in Exhibit 4. Additionally, we determined that the Imprest Fund also paid for train and cab fares to school, which could also be cost of living related expenses but the RMI has not yet developed criteria on types of expenses that constitute education or cost of living related expenses. We could not identify all education related expenses that were reimbursed by the Imprest Fund because receipts supporting meals or school tuitions do not bear the name of the schools. Lack of proper review and scrutiny of these receipts by both the Ministry of Foreign Affairs and the Ministry of Finance has allowed these charges to be reimbursed. Some of the expenses were directly paid out of the Imprest Fund without recording the expenses or receipts in the Replenishment Reports for the Embassy.

Based on our review and analysis of the payments identified as educational allowances, total expenses charged as educational allowances did not exceed the authorized amount for each child per the respective periods under review. Table 6 below shows the total value of education related expenses that we could positively identify as Education-related for each fiscal year under review.

Table 6: Identified Educational Expenses Paid by the Imprest Fund

Fiscal Year	Amount
2013	\$ 4,249.39
2014	\$ 15,308.51
2015	\$ 14,509.43
Totals	\$ 34,067.33

Source: Embassy's Cash/Check Registers and Replenishment Reports

Recommendations:

To ensure expenses incurred are actually education related, we recommend:

25. The Embassy should ensure payments for education expenses are supported by proper school invoices or receipts bearing the name of the school and these invoices or receipts should be translated into English as required by the Imprest Fund Guidelines.

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26. Secretaries of the Ministry of Finance and Ministry of Foreign Affairs should develop criteria that clearly define the types of expenses to be education related.
27. Secretary of Finance should review the monthly replenishment reports to ensure all claims submitted for reimbursement are adequately supported and justification of the expense is provided. Any school expenses not adequately supported should be disallowed and officials who incurred the expenses should be responsible to reimburse the Imprest Fund.

C. Payments for Salaries are Not Supported

Proper Internal Control System requires that payments for salaries be supported by valid contracts. Our inspection identified that the Embassy has few controls governing the accurate capture of employee's time. Also, we saw no evidence of controls by Ministry of Foreign Affairs or the Embassy to monitor the compensation paid to employees although these reports are available from the Ministry of Finance.

Our review found that salaries were paid from the Imprest fund to three (3) employees locally hired as Administrative Assistant and Drivers without valid contracts. Contracts noted on file were not fully executed. Per the contracts, salaries for these employees range from \$37,000 to \$42,000 annually. Based on review and comparative analysis of salaries paid during the periods under review, we have determined that salaries paid in the amount of \$154,275 were not supported by valid contracts as shown on Table 7 below. Contracts noted on file for these employees were not fully executed as such were only signed by the Ambassador and the employees and not signed by the Minister of Foreign Affairs, Secretary of Finance and the Attorney General as required. In addition, two of the contracts were expired on December 2013 and February 2014, respectively, but employees were still receiving salaries up to September 30, 2015. This has happened because the expired contracts were not renewed but the Embassy continues to employ them.

Our review also noted one Embassy Official's contract that was effective February 2012 for three years but was not fully executed until October 2012 however, the employee has already been on duty. It appears that employment contracts were not being processed in a timely manner.

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Table 7: Summary of Salary Expenses

Periods	Administrative Assistant	Driver #1	Driver #2	Totals
	Contract duration 2/14/13 – 2/14/14	Contract duration 12/4/12 – 12/4/13	Contract duration 8/15/15 – 8/15/16	
2013	\$ 19,044	\$ 28,536	\$ -	\$67,949
2014	\$ 26,938	\$ 32,325	\$ -	\$84,866
2015	\$ 21,967	\$ 24,005	\$ 1,460	\$1,460
Totals	\$ 67,949	\$ 84,866	\$ 1,460	\$154,275

Source: Embassy's Local Hires' Contracts

Recommendations:

To ensure salary expenses are properly supported by valid contracts, we recommend that:

28. The Embassy should ensure employment contracts for local hires are properly approved prior to work commencement and if contracts are expired, should ensure contracts are renewed and maintained on file for reference.
29. The Secretary of Foreign Affairs should ensure an employee contract is fully executed before an employee starts working.

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Exhibits

Exhibit 1-A: Line Item Budget FY 2013

Account Name	Acct. No	Amended Budget	Expended	Encumbered	Balance Remaining
Salaries & Wages Expat	1010	\$ 77,000.00	\$ 5,769.23		\$ 71,230.77
Salaries & Wages Marsh	1011	\$ 57,000.00	\$ 79,955.22		\$ (22,955.22)
Personnel Benefits-Marsh	1115	\$ 4,165.00	\$ 4,626.86		\$ (461.86)
Employee Insurance Expense	1116	\$ 12,000.00	\$ 44.64		\$ 11,955.36
Audit Expense	1515	\$139.00	\$ 61.00		\$ 78.00
Contractual Services	1520	\$4,000.00	\$ 13,538.00		\$ (9,538.00)
Travel	2020	\$6,700.00	\$ 10,329.03		\$ (3,629.03)
International Travel	2021	\$14,000.00	\$ 6,643.16	\$8,404.20	\$ (1,047.36)
Cost of Living Allowance	2110	\$45,000.00	\$ 47,490.63		\$ (2,490.63)
Leased & Rental Housing	2115	\$160,698.00	\$115,134.26		\$ 45,563.74
Utilities	2215	\$13,800.00	\$ 25,190.96		\$ (11,390.96)
Communication	2305	\$6,351.00	\$ 8,499.33		\$ (2,148.33)
Insurance	2315	\$1,400.00	\$ 547.34		\$ 852.66
Subscriptions, Dues & Fee	2330	\$ 664.00	\$ 336.07		\$ 327.93
Office/Computer Supplies	2405	\$1,200.00	\$ 524.18		\$ 675.82
POL (Fuel)	2410	\$ 4,100.00	\$ 4,433.13		\$ (333.13)
Other Supplies/Materials	2450	\$1,000.00	\$ 492.00		\$ 508.00
Representation Allowance	2605	\$9,000.00	\$ 13,873.54	\$2,000.00	\$ (6,873.54)
	2615	\$37,800.00	\$ 15,119.17		\$ 22,680.83
Other Charges & expenses	2750		\$ 99,256.79	\$80,570.56	\$ (179,827.35)
Furniture & Fixtures	3133	\$13,700.00	\$11,088.79		\$ (2,611.09)
Grant Total		\$ 469,717.00	\$ 462,953.33	\$90,974.76	\$ (84,211.09)*

Source: Appropriation Acts & Ministry of Finance Financial Budget Reports (DILOG 240-P)

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Exhibit 1-B: Line Item Budget FY 2014

Account Name	Acct No	Amended Budget	Expended	Encumbered	Balance Remaining
Salaries & Wages Expat	1010	\$ 59,318.27	\$ 26,892.67		\$ 32,425.60
Salaries & Wages Marsh	1011	\$ 74,681.73	\$ 83,880.50		\$ (9,198.77)
Personnel Benefits-Marsh	1115	\$ 4,165.00	\$ 4,223.02		\$ (58.02)
Employee Insurance Expense	1116	\$ 1,000.00	\$ 728.19		\$ 271.81
Audit Expense	1515	\$ 138.61	\$ 361.00		\$ (222.39)
Contractual Services	1520	\$ 5,898.04	\$ 103.43		\$ 5,794.61
Travel	2020	\$ 11,734.24	\$ 13,098.37		\$ (3,364.13)
International Travel	2021	\$ 10,227.18	\$ 9,082.18	\$ 1,145.00	\$ -
					\$
Cost of Living Allowance	2110	\$ 45,000.00	\$ 63,074.00		(18,074.00)
Leased & Rental Housing	2115	\$ 131,791.93	\$ 133,871.17		\$ (2,079.24)
Utilities	2215	\$ 9,514.04	\$ 8,810.54		\$ 703.50
Communication	2305	\$ 11,194.36	\$ 10,948.33		\$ 246.03
Insurance	2315	\$ 1,400.00	\$ 1,400.00		\$ -
Repair	2325	\$ 1,216.43	\$ 1,271.45		\$ (55.02)
Subscriptions, Dues & Fee	2330	\$ 823.45	\$ 565.01		\$ 258.44
Office/Computer Supplies	2405	\$ 4,452.84	\$ 3,653.03		\$ 799.81
POL (Fuel)	2410	\$ 4,762.16	\$ 4,116.67		\$ 645.49
Representation	2605	\$ 8,886.99	\$ 6,813.41	\$ 2,000.00	\$ 73.58
Allowance	2615	\$ 40,000.00	\$ 28,108.54		\$ 11,891.46
Other Charges & Expenses	2750	\$ 84,342.56	\$ 7,996.02	\$ 80,570.56	\$ (4,224.02)
Office Equipment & Computer	3132	\$ 661.10			
					\$
Grant Total		\$ 511,208.93	\$ 408,997.53	\$ 83,715.56	18,495.84*

Source: Appropriation Acts & Ministry of Finance Financial Budget Reports (DILOG 240-P)

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Exhibit 1-C: Line Item Budget FY 2015

Account Name	Acct No	Amended Budget	Expended	Encumbered	Balance Remaining
Salaries & Wages Marsh	1011	\$ 80,000.00	\$ 52,703.94		\$ 27,296.06
Personnel Benefits-Marsh	1115	\$ 8,400.00	\$ 3,489.63		\$ 4,910.37
Employee Insurance Expense	1116	\$ 1,000.00	\$ 728.19		\$ 271.81
Audit Expense	1515	\$ -			\$ -
Contractual Services	1520	\$ 77,000.00	\$ 29,215.89		\$ 47,784.11
Travel	2020	\$ 7,252.00	\$ 6,354.76		\$ 897.68
International Travel	2021	\$ 16,577.50	\$ 15,432.50	\$ 1,145.00	\$ -
Cost of Living Allowance	2110	\$ 45,000.00	\$ 52,500.00		\$ (7,500.00)
Leased & Rental Housing	2115	\$ 118,376.00	\$ 44,692.51		\$ 73,684.47
Land Lease	2210	\$ -	\$ 12,500.00		\$ (12,500.00)
Utilities	2215	\$ 13,800.00	\$ 6,805.78		\$ 6,994.22
Communication	2305	\$ 6,051.00	\$ 5,101.82		\$ 949.18
Insurance	2315	\$ 1,400.00	\$ 1,039.63		\$ 360.37
Subscriptions, Dues & Fee	2330	\$ 664.00	\$ 370.33		\$ 293.67
Office/Computer Supplies	2405	\$ 3,000.00	\$ 2,639.83		\$ 360.17
POL (Fuel)	2410	\$ 3,600.00	\$ 2,544.04		\$ 1,055.96
Representation Allowance	2605	\$ 9,829.76	\$ 4,786.24	\$ 2,000.00	\$ 3,043.52
	2615	\$ 30,000.00	\$ 12,438.98		\$ 17,561.02
Other Charges & expenses	2750	\$ 81,030.56	\$ -	\$ 80,570.56	\$ 460.00
Furniture & Fixtures	3133	\$ 2,602.00	\$ -		\$ 2,602.00
Transfer Out	4510		\$ 170,000.00		\$ (170,000.00)
Grant Total		\$ 505,584.56	\$ 423,344.07	\$ 83,715.56	\$ (1,475.07)*

Source: Appropriation Acts & Ministry of Finance Financial Budget Reports (DILOG 240-P)

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Exhibit 2: Schedule of Representation Expenses FY 2013 through 2015

Period	Account	Description of Purchase	Yen	USD	Purpose Stated
Fiscal Year 13					
2-Nov	Representation	Meals	21,671.00	263.89	No
3-Nov	Representation	Clothes	16,720	203.60	No
7-Nov	Representation	Meal	9,421	114.72	No
7-Nov	Representation	Meal	5,770	70.26	No
7-Nov	Representation	Meal	6,320	76.96	No
16-Nov	Representation	Meal	39,050	475.52	No
30-Nov	Representation	Photograph	2,000	24.35	No
1-Dec	Representation	Food & Drinks	6,079	70.69	No
1-Dec	Representation	Food & Drinks	2,018	23.47	No
1-Dec	Representation	Food & Drinks	7,626	88.67	No
1-Dec	Representation	Food & Drinks	22,798	265.09	No
1-Dec	Representation	Food & Drinks	12,124	140.98	No
4-Dec	Representation	Food & Drinks	12,477	145.08	No
7-Dec	Representation	Food & Drinks	9,163	106.55	No
8-Dec	Representation	Food & Drinks	30,823	358.41	No
20-Dec	Representation	Food & Drinks	7,460	86.74	No
22-Dec	Representation	Food & Drinks	8,127	94.50	No
23-Dec	Representation	Food & Drinks	4,800	55.81	No
24-Dec	Representation	Food & Drinks	7,648	88.93	No
25-Dec	Representation	Food & Drinks	4,485	52.15	No
27-Dec	Representation	Food & Drinks	10,320	120.00	No
27-Dec	Representation	Food & Drinks	10,320	120.00	No
27-Dec	Representation	Food & Drinks	6,800	79.07	No
28-Dec	Representation	Food & Drinks	10,500	122.09	No
28-Dec	Representation	Food & Drinks	11,466	133.33	No
28-Dec	Representation	Food & Drinks	3,750	43.60	No
29-Dec	Representation	Food & Drinks	11,494	133.65	No
4-Jan	Representation	Meal	10,354	113.78	No
6-Jan	Representation	Meal	12,500	137.36	No
16-Jan	Representation	Meal	16,729	183.84	No
16-Jan	Representation	Meal	500	5.49	No
18-Jan	Representation	Foods	13,708	150.64	No
20-Jan	Representation	Foods	33,769	371.09	No
25-Jan	Representation	Foods	9,458	103.93	No
25-Jan	Representation	Meals	5,230	57.47	No
28-Jan	Representation	Meal	9,133	100.36	No
4-Mar	Representation	Meal	4,890	51.99	No
4-Mar	Representation	Meal	2,847	30.27	No

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5-Mar	Representation	Meal	2,760	29.35	No
6-Mar	Representation	Meal	3,590	38.17	No
6-Mar	Representation	Meal	3,390	36.04	No
8-Mar	Representation	Meal	2,520	26.79	No
8-Mar	Representation	Clothes	2,480	26.37	No
8-Mar	Representation	Meal	9,920	105.48	No
18-Mar	Representation	Taking photograph and developing	2,000	21.27	No
26-Mar	Representation	Meal	19,180	203.93	No
27-Mar	Representation	Meal	500	5.32	No
31-Mar	Representation	Meal	2,470	26.26	No
31-Mar	Representation	Meal	2,234	23.75	No
2-Apr	Representation	Meal	8,740	89.26	No
10-Apr	Representation	Meal	59,060	603.15	No
17-Apr	Representation	Costume rental fee	25,000	255.31	No
17-Apr	Representation	Costume rental fee	25,000	255.31	No
22-Apr	Representation	Meal	4,430	45.24	No
22-Apr	Representation	Meal	7,900	80.68	No
25-Apr	Representation	Meals	1,550	15.83	No
27-Apr	Representation	Meals	8,500	86.81	No
3-May	Representation	Meals	4,050	40.03	No
4-May	Representation	Meals	4,260	42.10	No
14-May	Representation	Meal	3,440	34.00	No
17-May	Representation	Coffee	520	5.14	No
17-May	Representation	Meal	800	7.91	No
22-May	Representation	Meal	1,550	15.32	No
11-Jun	Representation	Meal	1,170	11.87	No
30-Jun	Representation	Meals	2,860	29.01	No
30-Jun	Representation	Meals	2,360	23.94	No
1-Jul	Representation	Coffee	1,660	16.92	No
1-Jul	Representation	Meals	26,340	268.56	No
2-Jul	Representation	Meals	5,695	58.06	No
3-Jul	Representation	Meals	2,310	23.55	No
6-Jul	Representation	Meals	5,278	53.81	No
6-Jul	Representation	Meals	3,690	37.62	No
7-Jul	Representation	Meals	3,100	31.61	No
7-Jul	Representation	Meals	4,795	48.89	No
7-Jul	Representation	Meals	3,715	37.88	No
8-Jul	Representation	Meals	4,050	41.29	No
8-Jul	Representation	Meals	3,580	36.50	No
10-Jul	Representation	Meals	7,450	75.96	No
12-Jul	Representation	Meals	3,000	30.59	No
12-Jul	Representation	Meals	3,697	37.69	No

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12-Jul	Representation	Meals	4,555	46.44	No
12-Jul	Representation	Meals	6,410	65.35	No
12-Jul	Representation	Meals	1,800	18.35	No
13-Jul	Representation	Coffee	400	4.08	No
13-Jul	Representation	Coffee	200	2.04	No
13-Jul	Representation	Meals	2,834	28.89	No
13-Jul	Representation	Meals	1,980	20.19	No
14-Jul	Representation	Meals	2,000	20.39	No
14-Jul	Representation	Meals	5,301	54.05	No
14-Jul	Representation	Meals	3,549	36.18	No
16-Jul	Representation	Meals	5,950	60.66	No
18-Jul	Representation	Meals	6,933	70.69	No
18-Jul	Representation	Meals	2,885	29.41	No
20-Jul	Representation	Meals	1,942	19.80	No
20-Jul	Representation	Meals	1,448	14.76	No
22-Jul	Representation	Meals	1,710	17.43	No
22-Jul	Representation	Meals	1,480	15.09	No
25-Jul	Representation	Meals	1,240	12.64	No
25-Jul	Representation	Meals	1,140	11.62	No
28-Jul	Representation	Meals	2,675	27.27	No
28-Jul	Representation	Meals	2,167	22.09	No
6-Aug	Representation	Meals	7,382	75.05	No
6-Aug	Representation	Meals	12,173	123.76	No
7-Aug	Representation	Meals	930	9.46	No
7-Aug	Representation	Meals	3,423	34.80	No
8-Aug	Representation	Meals	1,580	16.06	No
8-Aug	Representation	Meals	1,386	14.09	No
8-Aug	Representation	Meals	840	8.54	No
8-Aug	Representation	Meals	980	9.96	No
8-Aug	Representation	Meals	530	5.39	No
8-Aug	Representation	Meals	3,370	34.26	No
10-Aug	Representation	Meals	2,840	28.87	No
16-Aug	Representation	Meals	4,020	40.87	No
16-Aug	Representation	Meals	3,910	39.75	No
16-Aug	Representation	Meals	1,180	12.00	No
16-Aug	Representation	Meals	1,560	15.86	No
18-Aug	Representation	Meals	1,322	13.44	No
19-Aug	Representation	Meals	1,560	15.86	No
19-Aug	Representation	Meals	860	8.74	No
3-Sep	Representation	Meals	4,032	41.25	No
14-Sep	Representation	Meals	1,100	11.25	No
14-Sep	Representation	Meals	900	9.21	No
15-Sep	Representation	No description provided	200	2.05	No

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15-Sep	Representation	Meals	1,600	16.37	No
15-Sep	Representation	Meals	1,100	11.25	No
15-Sep	Representation	No description provided	400	4.09	No
15-Sep	Representation	Meals	45,122	461.61	No
29-Sep	Representation	Meals	5,141	52.59	No
29-Sep	Representation	Meals	7,280	74.48	No
29-Sep	Representation	Representation	18,931	193.67	No
29-Sep	Representation	Representation	5,040	51.56	No
29-Sep	Representation	Representation	13,960	142.81	No
30-Sep	Representation	Meals	3,690	37.75	No
Total			¥927,883.00	\$10,061.02	
Fiscal Year 14					
4-Oct	Representation	Coffee	1,420	14.41	No
4-Oct	Representation	Meals	1,960	19.89	No
12-Oct	Representation	Meals	8,000	81.19	No
17-Oct	Representation	Meals	16,065	163.05	No
25-Oct	Representation	Meals	1,050	10.66	No
25-Oct	Representation	Meals	980	9.95	No
28-Oct	Representation	Meals	650	6.60	No
28-Oct	Representation	Meals	3,700	37.55	No
1-Nov	Representation	Meals	680	6.64	No
12-Nov	Representation	Drinks	548	5.35	No
12-Nov	Representation	Meals	670	6.54	No
12-Nov	Representation	Meals	390	3.81	No
28-Nov	Representation	Foods for thanksgiving day	565	5.52	No
28-Nov	Representation	Foods for thanksgiving day	7,212	70.42	No
28-Nov	Representation	Foods for thanksgiving day	2,475	24.17	No
28-Nov	Representation	Foods for thanksgiving day	3,584	34.99	No
28-Nov	Representation	Foods for thanksgiving day	3,150	30.76	No
28-Nov	Representation	Foods for thanksgiving day	4,237	41.37	No
28-Nov	Representation	Foods for thanksgiving day	4,071	39.75	No
28-Nov	Representation	Foods for thanksgiving day	22,217	216.92	No
30-Nov	Representation	Meals	1,230	12.01	No
30-Nov	Representation	Meals	18,720	182.78	No
30-Nov	Representation	Meals	3,690	36.03	No
30-Nov	Representation	Meals	5,400	52.72	No
30-Nov	Representation	Meals	2,529	24.69	No
30-Nov	Representation	Meals	6,356	62.06	No
30-Nov	Representation	Meals	8,570	83.68	No
30-Nov	Representation	Meals	5,368	52.41	No
30-Nov	Representation	Meals	3,680	35.93	No
30-Nov	Representation	Meals	3,160	30.85	No
30-Nov	Representation	Meals	2,266	22.12	No

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30-Nov	Representation	Meals	2,728	26.64	No
30-Nov	Representation	Meals	3,960	38.66	No
30-Nov	Representation	Meals	16,885	164.86	No
30-Nov	Representation	Meals	11,416	111.46	No
9-Dec	Representation	Meals	4,166	39.97	No
9-Dec	Representation	Meals	6,460	61.97	No
12-Dec	Representation	Meals	600	5.76	No
18-Dec	Representation	Meals	800	7.67	No
18-Dec	Representation	Meals	1,080	10.36	No
18-Dec	Representation	Meals	128	1.23	No
18-Dec	Representation	Meals	680	6.52	No
16-Jan	Representation	Foods	3,400	33.18	No
16-Jan	Representation	Parking Fee	1,000	9.76	No
17-Jan	Representation	Bathroom Goods	1,194	11.65	No
17-Jan	Representation	Bathroom Goods	2,248	21.94	No
29-Jan	Representation	Bathroom Goods	1,538	15.01	No
29-Jan	Representation	Parking Fee	900	8.78	No
2-Feb	Representation	Representation	1,232	12.12	No
2-Feb	Representation	Representation	850	8.36	No
2-Feb	Representation	Representation	688	6.77	No
3-Feb	Representation	Representation	1,900	18.69	No
4-Feb	Representation	Representation	6,800	66.90	No
4-Feb	Representation	Representation	3,600	35.42	No
4-Feb	Representation	Representation	3,992	39.27	No
4-Feb	Representation	Representation	22,730	223.61	No
4-Feb	Representation	Representation	5,731	56.38	No
4-Feb	Representation	Representation	13,650	134.28	No
5-Feb	Representation	Representation	14,440	142.06	No
10-Feb	Representation	Representation	5,160	50.76	No
10-Feb	Representation	Representation	860	8.46	No
10-Feb	Representation	Representation	1,557	15.32	No
10-Feb	Representation	Representation	2,310	22.73	No
10-Feb	Representation	Representation	4,870	47.91	No
14-Feb	Representation	Representation	560	5.51	No
14-Feb	Representation	Representation	1,710	16.82	No
14-Feb	Representation	Representation	4,670	45.94	No
16-Feb	Representation	Representation	357	3.51	No
16-Feb	Representation	Representation	1,940	19.09	No
16-Feb	Representation	Representation	320	3.15	No
16-Feb	Representation	Representation	340	3.34	No
16-Feb	Representation	Representation	1,780	17.51	No
5-Mar	Representation	Foods	3,700	35.95	No
6-Mar	Representation	Foods	660	6.41	No

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6-Mar	Representation	Foods	420	4.08	No
7-Mar	Representation	Foods	5,500	53.44	No
7-Mar	Representation	Foods	200	1.94	No
10-Mar	Representation	Foods	880	8.55	No
11-Mar	Representation	Foods	3,300	32.06	No
12-Mar	Representation	Foods	7,620	74.04	No
18-Mar	Representation	Foods	2,940	28.57	No
18-Mar	Representation	Foods	3,250	31.58	No
21-Mar	Representation	Foods	75,460	733.19	No
21-Mar	Representation	Flowers	15,000	145.74	No
29-Mar	Representation	Foods	3,210	31.19	No
29-Mar	Representation	Foods	2,350	22.83	No
5-Apr	Representation	Meals	4,500	43.92	No
5-Apr	Representation	Meals	3,479	33.95	No
9-Apr	Representation	Meals	2,835	27.67	No
11-Apr	Representation	Meals	34,436	336.06	No
13-Apr	Representation	Meals	57,440	560.55	No
14-Apr	Representation	Meals	3,000	29.28	No
14-Apr	Representation	Meals	9,900	96.61	No
15-Apr	Representation	Meals	3,498	34.14	No
27-Apr	Representation	Meals	2,782	27.15	No
28-Apr	Representation	Meals	4,740	46.26	No
30-Apr	Representation	Meals	1,830	17.86	No
8-May	Representation	Meals	15,552	152.98	No
23-May	Representation	Meals	2,690	26.46	No
30-May	Representation	Meals	23,030	226.54	No
3-Jul	Representation	Meals	500	4.87	No
July	Representation	Meal	4,836	47.06	No
July	Representation	Meal	5,960	57.99	No
July	Representation	Meal	2,143	20.85	No
July	Representation	Meal	2,769	26.94	No
July	Representation	Meal	1,192	11.60	No
July	Representation	Meal	2,180	21.21	No
July	Representation	Meal	3,482	33.88	No
July	Representation	Meal	2,374	23.10	No
July	Representation	Meal	1,560	15.18	No
July	Representation	Meal	2,460	23.94	No
July	Representation	Meal	2,070	20.14	No
July	Representation	Meal	2,240	21.80	No
July	Representation	Meal	2,160	21.02	No
July	Representation	Meal	8,130	79.11	No
July	Representation	Meal	5,938	57.78	No
July	Representation	Meal	10,520	102.36	No

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July	Representation	Dry cleaning fee	10,630	103.43	No
July	Representation	Meal	24,354	236.98	No
Aug	Representation	Meal	7,110	68.55	No
Aug	Representation	Meal	2,076	20.02	No
Aug	Representation	Meal	1,192	11.49	No
Aug	Representation	Meal	1,192	11.49	No
Aug	Representation	Meal	3,564	34.36	No
Aug	Representation	Meal	1,240	11.96	No
Aug	Representation	Meal	1,933	18.64	No
Aug	Representation	Meal	4,828	46.55	No
Aug	Representation	Meal	2,830	27.28	No
Aug	Representation	Meal	1,000	9.64	No
Aug	Representation	Meal	8,200	79.06	No
Aug	Representation	Meal	850	8.20	No
Aug	Representation	Meal	587	5.66	No
Aug	Representation	Meal	648	6.25	No
Aug	Representation	Meal	3,208	30.93	No
Aug	Representation	Meal	2,785	26.85	No
Aug	Representation	Meal	2,390	23.04	No
Aug	Representation	Footwear	1,980	19.09	No
30-Sep	Representation	Meals	1,192	11.44	No
30-Sep	Representation	Meals	1,610	15.46	No
30-Sep	Representation	Meals	6,156	59.10	No
30-Sep	Representation	Meals	4,924	47.27	No
30-Sep	Representation	Meals	5,913	56.76	No
30-Sep	Representation	Meals	21,228	203.78	No
30-Sep	Representation	Souvenirs	39,240	376.69	No
30-Sep	Representation	Souvenirs	23,871	229.15	No
30-Sep	Representation	Dry cleaning service	9,570	91.87	No
30-Sep	Representation	Meals	2,257	21.67	No
30-Sep	Representation	Meals	3,726	35.77	No
Total			¥862,823.00	\$8,410.40	
Fiscal Year 15					
20-Nov	Representation	Meals	5,400	45.86	No
13-Oct	Representation	Meals	12,711	114.88	No
31-Oct	Representation	Meals	3,169	28.64	No
31-Oct	Representation	Meals	8,953	80.91	No
31-Oct	Representation	Meals	4,347	39.29	No
31-Oct	Representation	Meals	2,996	27.08	No
31-Oct	Representation	Meals	7,162	64.73	No
31-Oct	Representation	Meals	7,251	65.53	No
31-Oct	Representation	Meals	6,199	56.02	No
31-Oct	Representation	Meals	23,350	211.03	No

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31-Oct	Representation	Meals	8,208	74.18	No
		Meals for Embassy			
31-Dec	Representation	staffs/interns	4,674	38.91	No
31-Dec	Representation	Meals for staff meeting	19,456	161.98	No
		Meals for Embassy			
31-Dec	Representation	staffs/interns	8,301	69.11	No
		Meals for Embassy			
31-Dec	Representation	staffs/interns	3,348	27.87	No
31-Dec	Representation	Meals for staff meeting	17,910	149.11	No
31-Dec	Representation	Meals for staff meeting	39,890	332.11	No
31-Dec	Representation	Meals for staff meeting	4,247	35.36	No
31-Dec	Representation	Meals for Embassy staffs	54,242	451.60	No
31-Dec	Representation	Meals for Embassy staffs	460	3.83	No
31-Dec	Representation	Contribution to P.I.C	40,903	340.55	No
31-Dec	Representation	Contribution to P.I.C	29,310	244.03	No
31-Dec	Representation	Flu shot	2,970	24.73	No
31-Dec	Representation	Flu shot	2,970	24.73	No
31-Dec	Representation	Flu shot	2,970	24.73	No
31-Dec	Representation	Flu shot	2,970	24.73	No
		Official's membership fee for			
5-Jan	Representation	ALFS	5,000	42.57	No
31-Jan	Representation	Clothing allowance	5,400	45.98	No
31-Jan	Representation	Meals for staff meeting	4,488	38.22	No
31-Jan	Representation	Meals for staff meeting	3,349	28.52	No
31-Jan	Representation	Meals for interns	2,883	24.55	No
31-Jan	Representation	Meals for interns	3,713	31.62	No
31-Jan	Representation	Meals for staff meeting	3,890	33.12	No
		Articles for ALFS Charity			
31-Jan	Representation	Bazaar	278,266	2,369.43	No
1-Feb	Representation	Meals for staffs and interns	7,130	59.83	No
24-Feb	Representation	Meals for meeting	1,500	12.59	No
28-Feb	Representation	Meals for meeting	6,750	56.64	No
28-Feb	Representation	Meals for staff and interns	12,566	105.45	No
30-Apr	Representation	Daiwa kutsulen	2,808	23.80	No
30-Apr	Representation	Steak kuni	5,960	50.51	No
30-Apr	Representation	Steak kuni	14,140	119.83	No
30-Apr	Representation	Oukarou	1,600	13.56	No
30-Apr	Representation	McDonald's	2,861	24.25	No
30-Apr	Representation	Mizuguchi shokudou	10,730	90.93	No
2-May	Representation	Dry cleaning service	4,200	33.84	No
3-May	Representation	Meals for staff	6,198	49.94	No
3-May	Representation	Meals for internship student	3,259	26.26	No
4-May	Representation	Meals for staff meeting	22,096	178.04	No

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4-May	Representation	Meals for internship student	5,623	45.31	No
5-May	Representation	Meals for internship student	910	7.33	No
5-May	Representation	Meals for staffs and Interns	17,385	140.08	No
8-May	Representation	Dry cleaning service	6,860	55.27	No
9-May	Representation	Meals for internship student	2,246	18.10	No
11-May	Representation	Meals for internship students	2,358	19.00	No
12-May	Representation	Meals for internship students	2,007	16.17	No
12-May	Representation	Meals for staff meeting	3,166	25.51	No
12-May	Representation	Meals for Internship	1,350	10.88	No
13-May	Representation	Meals for internship student	5,545	44.68	No
13-May	Representation	Meals for staff meeting	6,600	53.18	No
19-May	Representation	Dry cleaning service	3,690	29.73	No
19-May	Representation	Meals for internship students	750	6.04	No
19-May	Representation	Meals for staffs and interns	1,390	11.20	No
21-May	Representation	Meals for staff	961	7.74	No
22-May	Representation	Meal for staff	1,983	15.98	No
23-May	Representation	Meals for internship students	5,832	46.99	No
23-May	Representation	Meals for staff	2,450	19.74	No
25-May	Representation	Meals for staff	2,147	17.30	No
28-May	Representation	Meals for staffs and interns	43,476	350.30	No
29-May	Representation	Meals for staff	750	6.04	No
30-May	Representation	Dry cleaning service	6,000	48.34	No
5-Jun	Representation	Meals for staff	3,698	29.97	No
5-Jun	Representation	Meals for meeting	44,360	359.51	No
6-Jun	Representation	Event costume for volunteer staff	3,564	28.88	No
6-Jun	Representation	Event costume for volunteer staff	99,684	807.88	No
6-Jun	Representation	Event costume for volunteer staff	96,876	785.12	No
15-Jun	Representation	Meals for staff	10,935	88.62	No
15-Jun	Representation	Meal for meeting	19,872	161.05	No
19-Jun	Representation	Meals for staff	5,042	40.86	No
19-Jun	Representation	Meals for staff	5,290	42.87	No
19-Jun	Representation	Meals for staff	2,738	22.19	No
22-Jun	Representation	Meal for staff	3,680	29.82	No
23-Jun	Representation	Meals for staff	4,400	35.66	No
23-Jun	Representation	Meals for staff	16,227	131.51	No
23-Jun	Representation	Meal for meeting	2,150	17.42	No
27-Jun	Representation	Event costume for volunteer staff	99,684	807.88	No
29-Jun	Representation	Meal for meeting	19,499	158.03	No
29-Jun	Representation	Meal for staff	2,950	23.91	No

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29-Jun	Representation	Meal for staff	8,160	66.13	No
30-Jun	Representation	Meals for staff	782	6.34	No
30-Jun	Representation	Meal for staff	52,390	424.59	No
30-Jun	Representation	Meal for staff	5,627	45.60	No
30-Jun	Representation	Meal for staff	8,489	68.80	No
3-Jul	Representation	Meals for staff meeting	9,350	75.34	No
3-Jul	Representation	Meals for visitors	3,400	27.40	No
3-Jul	Representation	Meals for trainees	6,700	53.98	No
4-Jul	Representation	Meals for trainees	2,920	23.53	No
11-Jul	Representation	Meals for staff meeting	21,224	171.01	No
20-Jul	Representation	Meals for trainees	640	5.16	No
20-Jul	Representation	Meals for staff meeting	11,590	93.38	No
21-Jul	Representation	Meals for trainees	4,487	36.15	No
21-Jul	Representation	Meals for staff meeting	9,898	79.75	No
22-Jul	Representation	Meals for trainees	2,374	19.13	No
22-Jul	Representation	Meals for staff meeting	3,073	24.76	No
29-Aug	Representation	Coffee for staff meeting	200	1.65	No
29-Aug	Representation	Meals for staffs	2,620	21.61	No
29-Aug	Representation	Meals for trainees	2,133	17.60	No
29-Aug	Representation	Meals for staffs	2,750	22.69	No
13-Sep	Representation	Costume for an official	3,900	32.51	No
15-Sep	Representation	Meals for staff	36,860	307.29	No
Total			¥ 1,496,849	\$12,411.50	
Grand Total			¥3,287,555	\$30,882.92	

Source: Embassy's Monthly Cash/Check Registers and Replenishment Reports

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Exhibit 3: Schedule of COLA Expenses FY 2013 through 2015

Month	Account	Description of Purchase	Yen	USD
Fiscal Year 13				
21-Jan	Cost of Living Allowance	Clothes	8,070	88.68
20-Feb	Cost of Living Allowance	Nappies	1,248	13.49
1-Mar	Cost of Living Allowance	Clothing	4,330	46.04
1-Mar	Cost of Living Allowance	Clothing	6,455	68.63
1-Mar	Cost of Living Allowance	Clothing	1,424	15.14
5-Mar	Cost of Living Allowance	Foods	6,758	71.86
6-Mar	Cost of Living Allowance	Clothing	11,965	127.22
17-Mar	Cost of Living Allowance	Foods	1,969	20.94
26-Mar	Cost of Living Allowance	Clothing for children	9,040	96.12
27-Mar	Cost of Living Allowance	Stationaries for children	12,380	131.63
18-Apr	Cost of Living Allowance	Foods	3,416	34.89
18-Apr	Cost of Living Allowance	Taxi Fares	1,260	12.87
22-Apr	Cost of Living Allowance	Foods	4,537	46.33
22-Apr	Cost of Living Allowance	Foods	2,183	22.29
22-Apr	Cost of Living Allowance	Foods	2,730	27.88
18-Jun	Cost of Living Allowance	Foods	1,188	12.05
28-Jun	Cost of Living Allowance	Shoes	3,150	31.95
28-Jun	Cost of Living Allowance	Foods	2,224	22.56
1-Jul	Cost of Living Allowance	Coffee powder	598	6.10
5-Jul	Cost of Living Allowance	Foods	990	10.09
5-Jul	Cost of Living Allowance	Foods	9,790	99.82
7-Jul	Cost of Living Allowance	Dry cleaning	3,340	34.05
7-Jul	Cost of Living Allowance	Dry cleaning	2,280	23.25
10-Jul	Cost of Living Allowance	Snacks	516	5.26
5-Aug	Cost of Living Allowance	Snacks	818	8.32
5-Aug	Cost of Living Allowance	Snacks	356	3.62
3-Sep	Cost of Living Allowance	Foods	1,414	14.47
5-Sep	Cost of Living Allowance	Meals	1,575	16.11
7-Sep	Cost of Living Allowance	Meals	16,643	170.26
13-Sep	Cost of Living Allowance	Meals	1,230	12.58
13-Sep	Cost of Living Allowance	Meals	2,040	20.87
13-Sep	Cost of Living Allowance	No description provided	275	2.81
13-Sep	Cost of Living Allowance	No description provided	399	4.08
19-Sep	Cost of Living Allowance	No description provided	2,436	24.92
20-Sep	Cost of Living Allowance	Meals	1,194	12.21
26-Sep	Cost of Living Allowance	Snacks	356	3.64
29-Sep	Cost of Living Allowance	Clothes	9,990	102.20
29-Sep	Cost of Living Allowance	Clothes	18,500	189.26

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29-Sep	Cost of Living Allowance	Clothes	16,895	172.84
29-Sep	Cost of Living Allowance	Clothes	13,930	142.51
30-Sep	Cost of Living Allowance	Shoes	17,325	177.24
TOTAL			¥ 207,217	\$2,147.08
Fiscal Year 14				
24-Oct	Cost of Living Allowance	Foods	658	6.68
27-Oct	Cost of Living Allowance	Foods	110	1.12
27-Oct	Cost of Living Allowance	Foods	240	2.44
27-Oct	Cost of Living Allowance	Foods	268	2.72
27-Oct	Cost of Living Allowance	Foods	665	6.75
30-Nov	Cost of Living Allowance	Clothes	29,375	286.81
30-Nov	Cost of Living Allowance	Dry cleaning fee	16,540	161.49
30-Nov	Cost of Living Allowance	Dry cleaning fee	6,800	66.39
30-Nov	Cost of Living Allowance	First aid equipment	980	9.57
Total			¥55,636	\$543.97
Fiscal Year 15				
NIL				
Grand Total			¥262,853	\$2,691.05

Source: Embassy's Monthly Cash/Check Registers and Replenishment Reports

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Exhibit 4: Schedule of Educational Expenses FY 2013 through 2015

Period	Account	Description of Purchase	Yen	USD	Appropriately Supported*
Fiscal Year 13					
5-May	Educational Allowance	Shoes	9,450	93.40	No
1-May	Educational Allowance	School uniform	13,650	134.91	No
10-May	Educational Allowance	Fine art equipment	5,700	56.34	No
10-May	Educational Allowance	School lunch fee for children	25,740	254.40	No
12-May	Educational Allowance	School bag	5,900	58.31	No
16-May	Educational Allowance	Fine art equipment	5,600	55.35	No
19-Jun	Educational Allowance	School equipment	22,003	223.18	No
25-Jun	Educational Allowance	No description provided	37,600	381.38	No
1-Jul	Educational Allowance	Swimming gears	6,562	66.90	No
2-Jul	Educational Allowance	Swimming gears	1,134	11.56	No
5-Jul	Educational Allowance	Sports gears	9,660	98.49	No
5-Jul	Educational Allowance	Sports gears	13,831	141.02	No
17-Jul	Educational Allowance	School lunch fee	25,470	259.69	No
24-Aug	Educational Allowance	Lunch fee and textbook fee	12,300	125.05	No
28-Aug	Educational Allowance	School uniform	6,200	63.03	No
10-Sep	Educational Allowance	School lunch fee	12,300	125.83	No
29-Sep	Educational Allowance	School uniform	1,990	20.36	No
29-Sep	Educational Allowance	School uniform	18,525	189.51	No
29-Sep	Educational Allowance	School uniform	10,500	107.42	No
29-Sep	Educational Allowance	School uniform	158	1.62	No
29-Sep	Educational Allowance	Representation	6,044	61.83	No
30-Sep	Educational Allowance	School caps for official 1's children	840	8.59	No
Total			¥251,157	\$2,538.17	
Fiscal Year 14					
22-Nov	Educational Allowance	Stationaries	116	1.13	No
12-Nov	Educational Allowance	Stationaries	1,034	10.10	No
12-Nov	Educational Allowance	Stationaries	170	1.66	No
14-Nov	Educational Allowance	School lunch fee	6,500	63.46	No
19-Nov	Educational Allowance	Stationaries	126	1.23	No
19-Nov	Educational Allowance	Stationaries	11,800	115.21	No

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19-Nov	Educational Allowance	Stationaries	840	8.20	No
26-Nov	Educational Allowance	School lunch fee	15,345	149.82	No
3-Dec	Educational Allowance	School lunch fees	16,380	157.14	No
23-Jan	Educational Allowance	School bag	8,300	81.00	No
23-Jan	Educational Allowance	School uniform	49,830	486.29	No
30-Jan	Educational Allowance	Lunch fee	5,015	48.94	No
4-Feb	Educational Allowance	School equipment	5,979	58.82	No
4-Feb	Educational Allowance	School equipment	11,130	109.49	No
4-Feb	Educational Allowance	School uniform	12,430	122.28	No
15-Feb	Educational Allowance	School uniform	13,220	130.05	No
15-Feb	Educational Allowance	Stationaries	1,942	19.10	No
15-Feb	Educational Allowance	Stationaries	25,673	252.56	No
5-Mar	Educational Allowance	Sports goods	15,150	147.20	No
12-Mar	Educational Allowance	Lunch fee	25,740	250.10	No
14-Mar	Educational Allowance	Lunch fee	23,910	232.32	No
20-Mar	Educational Allowance	School uniforms	21,600	209.87	No
10-Apr	Educational Allowance	Sports equipment	4,489	43.81	No
		School hat and			
11-Apr	Educational Allowance	shoes	6,586	64.27	No
21-Apr	Educational Allowance	Sports equipment	7,311	71.35	No
22-Apr	Educational Allowance	Sports equipment	8,989	87.72	No
8-May	Educational Allowance	School uniforms	13,149	129.34	No
14-May	Educational Allowance	School uniforms	22,340	219.75	No
16-May	Educational Allowance	Luncheon fee	9,174	90.24	No
5-Jun	Educational Allowance	Fee for school trip	11,000	108.06	No
23-Jun	Educational Allowance	Luncheon fee	37,600	369.35	No
10-Jul	Educational Allowance	Sports equipment	29,600	288.02	No
July	Educational Allowance	Sports equipment	5,425	52.79	No
July	Educational Allowance	Sports equipment	8,034	78.17	No
July	Educational Allowance	Sports equipment	2,700	26.27	No
July	Educational Allowance	Sports equipment	12,960	126.11	No
July	Educational Allowance	Sports equipment	3,271	31.83	No
July	Educational Allowance	Sports equipment	2,646	25.75	No
1-Aug	Educational Allowance	Luncheon fees	12,082	116.49	No
		Stationaries and			
16-Sep	Educational Allowance	PE costumes	4,784	45.92	No
24-Sep	Educational Allowance	Stationaries	1,156	11.10	No
Total			¥ 475,526	\$ 4,642.31	
Fiscal Year 15					
8-Nov	Educational Allowance	School uniform	24,840	210.97	No
		Expense for			
12-Nov	Educational Allowance	stationery	2,813	23.89	No
28-Nov	Educational Allowance	Luncheon fee	6,500	55.21	No

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28-Nov	Educational Allowance	Luncheon fee	19,988	169.76	No
28-Nov	Educational Allowance	Luncheon fee	21,128	179.45	No
1-Oct	Educational Allowance	School supplies	760	6.87	No
7-Oct	Educational Allowance	School supplies	756	6.83	No
		School supplies for physical education			
31-Oct	Educational Allowance	School supplies for physical education	3,888	35.14	No
		School supplies for physical education			
31-Oct	Educational Allowance	School supplies for physical education	6,989	63.16	No
		School supplies for physical education			
31-Oct	Educational Allowance	School supplies for physical education	7,980	72.12	No
		Commuter train pass			
12-Dec	Educational Allowance	Commuter train pass	16,260	135.38	No
20-Dec	Educational Allowance	Flu shot	2,970	24.73	No
31-Dec	Educational Allowance	School uniforms	3,190	26.56	No
31-Dec	Educational Allowance	School uniforms	11,908	99.14	No
31-Dec	Educational Allowance	School uniforms	15,940	132.71	No
31-Dec	Educational Allowance	School uniforms	18,752	156.12	No
23-Jan	Educational Allowance	School lunch	1,000	8.51	No
23-Jan	Educational Allowance	School lunch	500	4.26	No
23-Jan	Educational Allowance	School lunch	500	4.26	No
23-Jan	Educational Allowance	School lunch	1,000	8.51	No
23-Jan	Educational Allowance	Train fare	1,000	8.51	No
23-Jan	Educational Allowance	Stationary	1,000	8.51	No
23-Jan	Educational Allowance	Stationary	1,000	8.51	No
23-Jan	Educational Allowance	Luncheon fee	5,004	42.61	No
9-Feb	Educational Allowance	Luncheon fee	13,150	110.35	No
Feb	Educational Allowance	Luncheon fee	13,900	116.64	No
		Club membership fee			
17-Feb	Educational Allowance	Club membership fee	8,400	70.49	No
30-Apr	Educational Allowance	Daiso	1,620	13.73	No
2-May	Educational Allowance	School club fee	3,000	24.17	No
		School uniform (shoes)			
2-May	Educational Allowance	School uniform (shoes)	3,240	26.11	No
2-May	Educational Allowance	School equipment	12,090	97.41	No
		School uniform (PE costume)			
13-May	Educational Allowance	School uniform (PE costume)	15,886	128.00	No
18-May	Educational Allowance	School uniform	13,170	106.12	No
2-Jun	Educational Allowance	School uniform	32,130	260.39	No
13-Jun	Educational Allowance	School club	8,000	64.84	No
13-Jun	Educational Allowance	Stationary	5,216	42.27	No

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17-Jun	Educational Allowance	School equipment	4,870	39.47	No
11-Jul	Educational Allowance	Fee for school trip	18,000	145.03	No
11-Jul	Educational Allowance	Stationaries	2,106	16.97	No
11-Jul	Educational Allowance	Stationaries	1,804	14.54	No
16-Jul	Educational Allowance	Luncheon fee	12,788	103.04	No
16-Jul	Educational Allowance	Luncheon fee	18,348	147.84	No
16-Jul	Educational Allowance	Luncheon fee	32,000	257.84	No
24-Jul	Educational Allowance	Stationary	200	1.61	No
24-Jul	Educational Allowance	Stationary	1,296	10.44	No
24-Jul	Educational Allowance	Stationary	4,352	35.07	No
Total			¥401,232	\$3,324.09	
Grand Total			¥1,127,915	\$10,504.57	

Source: Embassy's Monthly Cash/Check Registers and Replenishment Reports

*Appropriately supported is defined as supporting documents states the purpose of the purchase, for whom the purchase was for and bears the school name.

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Exhibit 5: Schedule of Other Charges Expenses FY 2013 through 2015

Month	Account	Description of Purchase	Yen	USD
Fiscal Year 13				
8-Mar	Other Charges/Expenses	PTA fee	2,000	21.27
8-Mar	Other Charges/Expenses	PTA fee	2,000	21.27
13-Mar	Other Charges/Expenses	Annual fee of soccer club	3,000	31.90
16-Apr	Other Charges/Expenses	Penalty for illegal parking	15,000	153.19
17-Apr	Other Charges/Expenses	Party Fee	315	3.22
17-Apr	Other Charges/Expenses	Train Fares	315	3.22
Total			¥22,630	\$234.07
Fiscal Year 14				
		Membership fees for Asia-Pacific Ladies Friendship Society (ALFS)		
2-Dec	Other Charges/Expenses		20,000	191.86
2-Dec	Other Charges/Expenses	No description provided	260	2.49
Total			¥20,260	\$194.35
Fiscal Year 15				
NIL				
Grand Total			¥42,890	\$428.42

Source: Embassy's Monthly Cash/Check Registers and Replenishment Reports

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Exhibit 6: Schedule of Utility Expenses FY 2013 through 2015

Date	Account	Description	Yen	USD
Fiscal Year 2013				
26-Dec-12	Utilities	Electricity @ Official #2 residence for Nov. Use	10,162	118.16
26-Dec-12	Utilities	Electricity @ Official #2 residence for Nov. Use	579	6.73
22-Feb-13	Utilities	Electricity for Official #2 residence	27,164	293.63
21-Mar-13	Utilities	Electricity for Official #2 residence	31,671	336.75
16-Apr-13	Utilities	Electricity bills for Official #2 residence	15,986	163.26
7-May-13	Utilities	Electricity bills for Official #2 residence	9,160	90.53
13-Aug-13	Utilities	Electricity for Official #2 residence	20,884	212.32
24-Aug-13	Utilities	Electricity for Official #2 residence	8,676	88.21
6-Sep-13	Utilities	Electricity for Official #2 residence	31,632	323.60
Total			¥ 115,914	\$ 1,633.19
Fiscal Year 2014				
17-Jun-14	Utilities	Electricity for Official #2 residence	10,214	99.24
Total			¥ 10,214	\$ 99.24
Fiscal Year 2015				
4-Oct-14	Utilities	Electricity for Official #2 residence	25,150	227.29
29-Oct-14	Utilities	Electricity for Official #2 residence	16,315	147.45
9-Dec-14	Utilities	Electricity for Official #2 residence	10,741	89.43
15-May-15	Utilities	Electricity for Official #2 residence	28,752	231.67
2-Jul-15	Utilities	Electricity for Official #2 residence	16,441	132.47
21-Aug-15	Utilities	Electricity for Official #2 residence	12,329	101.71
Total			¥ 109,728	\$ 930.02
Grand Total			¥ 235,856	\$ 2,662.45

Source: Embassy's Monthly Cash/Check Registers and Replenishment Reports

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Exhibit 7: Schedule of Imprest Fund Reconciliation

Fiscal Year	Month	Total on the Voucher		Total of the Receipts	
		YEN	USD	YEN	USD
FY 13	JAN	¥ 2,821,214	\$ 31,003	¥ 4,073,130.46	\$ 44,759.68
	MAY	¥ 2,586,603	\$ 25,565	¥ 5,357,675.00	\$ 52,951.92
	SEPT	¥ 4,000,563	\$ 40,926.48	¥ 12,074,561.00	\$ 123,524.92
	TOTAL	¥ 9,408,380	\$ 97,494.48	¥ 21,505,366.46	\$ 221,236.51
FY 14	NOV	¥ 3,119,016	\$ 30,453.19	¥ 2,813,610.00	\$ 23,896.81
	JAN	¥ 3,951,902	\$ 38,566.43	¥ 6,504,352.00	\$ 63,475.67
	JUL	¥ 3,709,580	\$ 36,095.94	¥ 3,709,580.00	\$ 36,095.94
	TOTAL	¥ 10,780,498	\$ 105,115.56	¥ 13,027,542.00	\$ 123,468.42
FY 15	DEC	¥ 5,552,578	\$ 46,229.11	¥ 5,373,626.62	\$ 44,739.21
	MAY	¥ 4,749,647	\$ 38,269.66	¥ 1,954,716.00	\$ 15,749.87
	JUN	¥ 5,372,385	\$ 43,539.87	¥ 4,696,396.00	\$ 38,061.40
	TOTAL	¥ 15,674,610	\$ 128,038.64	12,024,738.62	\$ 98,550.48
Grand Total		¥ 35,863,488	\$ 330,648.68	¥ 46,557,647.08	\$ 443,255.41

Source: Embassy's Replenishment Reports

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Appendices: Agency Responses

Appendix I: Embassy's Response to Recommendations



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27 December 2016

Mr. Junior Patrick
Auditor-General
Office of the Auditor-General
P.O. Box 245
Majuro, Republic of the Marshall Islands
96960

Dear Auditor-General,

In transmitting the official response by the Embassy of the Republic of the Marshall Islands in Tokyo, Japan, to the draft audit report for fiscal years 2013 to 2015, I wish to express sincere appreciation to your good office for allowing me the opportunity to review and present the Embassy's recommendations and responses to the findings and recommendations put forth in the report.

I wish to start off by imparting on the fact that aside from Japan, as mandated by the Cabinet, the RMI Embassy in Tokyo's jurisdictional area of responsibility spreads across the Asian rim to include 11 other countries at the moment. (Please refer to attached copy of Nitijela Resolution and Cabinet Minutes for reference). The current budget earmarked for the Embassy is not reflective of the current situation, thus affecting the Embassy's operation every fiscal year. The current level of the Embassy's budgetary allocation is strictly based on the cost of maintaining the RMI presence here in Japan and its engagements here in Japan alone. As we are all aware, Japan is one of the most expensive countries in the world, therefore, the operation of the Embassy was bound to suffer from the start considering the already inadequate budgetary allocation provided to the Embassy every fiscal year. Over the years, I've written numerous letters to the Office of the President, Ministry of Finance and the Ministry of Foreign Affairs explaining the struggle and challenges facing the Embassy and its staffs, to which I am attaching for your reference.

As you have accurately mentioned in the report, I, as the Ambassador, have full responsibility over the operational expenditures of the Embassy and that it is my duty to ensure full compliance of the administration of the Embassy's imprest fund in accordance with the relevant laws and policies of the RMI. The report listed down a number of laws and regulations which should have been the Embassy's guiding principles in how we utilize the Embassy's imprest fund. While I appreciate the fact that these documents are in existence, I must inform you that none of these laws and regulations were ever provided to either myself as the custodian of the Embassy's

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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imprest fund, nor any of my staff, for the whole duration of the three-year-period covered by this report. In my view, the current Imprest Fund Guidelines does not take into account the reality on the ground where RMI Embassies exist and I firmly believe that it requires further review and amendments.

Notwithstanding the fact the need to amend these aforementioned guidelines and policies, I would like to propose that prerequisite to posting a new ambassador or staff to an embassy, that there be some sort of training and/or induction briefing on the relevant guidelines and policies. Having such a system in place is needed to ensure that all relevant entities involved in the imprest fund process are well-informed of the whole imprest fund process from the reporting to the management/ administration side of it. This proposed training/induction workshop would ensure that all diplomats are readily equipped to manage these fiscal resources prior to taking posts and alleviate unnecessary mistakes such as charging expenses under the wrong accounts as just one example.

Furthermore, I must emphasize on the fact that since I first took up my post, I have continued to stress the importance of having an annual financial and performance audits as opposed to the usual triennial audits that does more harm to the respective embassies rather than helping at all and is not conducive to improved and effective operations of the embassies and management of the respective imprest funds. I understand that budget is allocated annually for this sort of audit activity and yet, we continue to let the years pass without utilizing these funds for their intended purposes.

In any event, I will attempt to provide herein a comprehensive response towards each finding and recommendation put forth in the audit report. I will go by each finding to allow for ease of following. I want to stress, however, that as the custodian of the imprest fund, I will be responsible to pay off any claims that the Ministry of Finance or the Office of Auditor-General deemed questionable with the condition that a more comprehensible and thorough audit be undertaken.

Finding No.1- Many Opportunities Are Present to Improve Compliance with Imprest Fund Management:

A. Imprest Fund Account is not Reconciled:

The Embassy agrees with this finding and recommendation, however, due to the fact that the Embassy's account has not been reconciled since 2006 (as reported in the Embassy's last Audit Report for Fiscal Years 2006-2010 done in March of 2010), this poses a challenge for the Embassy. We are, nevertheless, in the process of attempting to reconcile the Embassy's imprest fund commencing from October 2012 through the

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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temporary hiring of a certified accountant. We are hopeful that this will somehow explain some of the figures reported in the draft report and raised in the Embassy's email to your office for which your office has failed to clarify on account of the fact that these figures were derived out of some other audit report and reconciliations conducted by an independent audit agency namely, Deloitte & Touche and the Ministry of Finance respectively.

It is evident my disappointment with the OAG's response to the Embassy's queries pertaining to where the figures reported in this section derived from. The draft report stated that there were items unreconciled with \$18,983 in unrecorded deposit, \$27,073 in unknown deposits, and \$132,256 in unknown withdrawals, without any explanations as to where these figures were derived from. In the OAG's response letter, it is stated that the figures were taken out of the reconciliations done by the Ministry of Finance and the audit report done Deloitte & Touche. It seems negligent of the OAG not to independently verify these figures by having their auditors scrutinize and review the Embassy's records and not based findings solely on the reports. Is that not after all why your staffs came to Japan to do?

Regarding the \$43,050 reported as "payments that should have been disallowed," I seek the indulgence of the OAG in shedding some light into this matter because I am perplexed as to how these claims are made when the Ministry of Finance (as the Ministry in charge of administering and ensuring compliance to the Financial Management Act and the Imprest Fund Guidelines) in reviewing these expenditures deemed the documents/receipts provided as sufficient thus reimbursing these charges back to the Embassy. Furthermore, in reviewing the Imprest Fund Guidelines I fail to see a listing of disallowable and/or allowable costs/expenditures.

On page 4 under Table 1: Budget vs Actual Analysis, the OAG claimed the Embassy to have exceeded its budgetary allocation for each of the three years in review. The Embassy, however, believed that the OAG made a mistake on its calculations, to which was later confirmed to be a true and accurate statement via the same letter from your office mentioned earlier.

Recommendation:

1. The Embassy recommends that the OAG provides the Embassy with a comprehensive breakdown as to how all figures reported herein were derived, as well as any supporting document and/or the actual dates of alleged transactions the report deemed as "unrecorded deposit," "unknown deposits" and "unknown withdrawals" were made. Having these proper supporting documents and a comprehensive breakdown would allow for the Embassy to properly address this particular finding.

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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2. The Embassy recommends that the OAG amends the draft report to reflect the correct numbers that were found to be incorrect and inaccurate and resubmit to the Embassy for its final review and response.
3. Comprehensive Audit on Embassy imprest funds should be undertaken annually.

Petty Cash Management is Not Properly Implemented:

The Embassy does not maintain a petty cash fund at the Embassy instead the Embassy has set up a system whereas each week, upon a thorough examination of the actual bills/invoices received at the Embassy and compiled by the Administrative Assistant, I will then proceed to withdraw the exact amount of cash from the bank using the Embassy's ATM card. Should there be a need for any of my staff to be reimbursed for expenses incurred for official activities and/or for items allowable for reimbursement under the Educational Allowance, these receipts will be reimbursed at the same time payments for the other invoices/bills are being made.

Recommendation:

1. I find no valid reasons for the Embassy to hold a petty cash fund as it is easier to maintain and keep record of the imprest fund this way.
- B. Embassy Does Not Maintain Two-Signatory Policy for Its Bank Account**
Although the Imprest Fund Procedures and Guidelines requires at least two signatories for every withdrawal from the Embassy's bank account, as indicated in previous reports, Japan uses only cash or credit cards for all business transactions.

Recommendation:

1. For this reason, the Embassy does not see the need for the Embassy to maintain a two-signatory policy for its bank account, as the requirement is not relevant to the Embassy considering that it does not maintain a checking account.
- C. Expenses are Not Properly Supported:** As with previous requests, the Embassy needs your office to elaborate more on this as it is unclear what exactly is required or accepted as supporting documents other than the original receipts which were already submitted to the Ministry of Finance as requirement for MOF to replenish the imprest fund. The Embassy has reviewed its own records which and has determined that these original documents/ receipts were in fact submitted to MOF with detailed explanation as to whom the reimbursement/expenses were made by and for what purposes, which contradicts your office's finding.

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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Recommendation:

1. The Embassy recommends that the proper forms/templates required by OAG as supporting documents to be included with the original receipts be provided to the Embassy at the earliest opportunity.

D. Embassy is Unable to Maintain an Adequate Level of Cash:

The Embassy agrees with the finding and recommendation set forth by the OAG, however, with the constant delay in the imprest fund's replenishment, it is quite difficult to maintain the required 10% of the Imprest fund budget in the Embassy's account.

Recommendation:

1. The Embassy will attempt to refrain from taking out future loans, however, should the Ministry of Finance fail to replenish the imprest fund account on a timely manner, I will have no other option but to continue taking out personal loans to maintain the Embassy's operation.

E. Private Money is Co-Mingled with the Imprest Fund:

The Embassy agrees with OAG's finding on this item particularly on the fact that the Imprest Fund Guidelines prohibits the comingling of private money with the Imprest Fund, however, as I alluded to above, monthly imprest fund replenishments are often delayed sometimes for more than 4 months at a time, which often lead to us being threatened with eviction notices or the cut-off of our utilities. As the Head of Mission, it is my responsibility to ensure the welfare of my staff members and their families and will take extra measures to assure their safety and wellbeing, particularly through the using of private monies to pay off residential lease payments and/or utilities expenses.

On page 9, under Table 3, entitled "Personal loans made to the imprest fund and subsequently reimbursed, FY14 through FY16," it's stated here that there are no available records to prove that these loans were made to the Imprest Fund or that the repayment of loans exceeded the loan amount recorded. Since OAG is not able to provide us with the supporting documents or in the case where there were no supporting documents provided to satisfactorily explain how your office reached these figures, it is difficult at this time to provide a response to your office's finding.

Moreover, OAG is recommending that the Embassy immediately ceases making personal loans to the Imprest Fund, however, with the constant delay in the imprest fund's monthly replenishment, it is near to impossible to avoid taking up loans when my family and that of my Deputy's continue to face the threat of

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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being evicted every month due to the failure to maintain monthly rents. (Please refer to attached warning letters received from landlords of both the Ambassador and Deputy).

Recommendation:

1. The Embassy is recommending that MOFA and MOF both take concrete measures to address the constant delay in processing and replenishing of the Embassy's Imprest Fund claims. In the last audit, the Embassy made a pledge to submit its monthly imprest fund claims on a timely manner, to which we have been doing, and yet, replenishments are still delayed.

G: Absence of Maintenance of Fixed Assets Tracking and Management:

Since I first took up my current post, I have been requesting Home Office and MOF to send an official from the Supply and Procurement Department to Tokyo to tag and compile a list of all the government assets to no avail.

Recommendations:

1. The Embassy recommends that an officer from the Supply and Procurement Department be dispatched to Tokyo for the purpose of tagging the government assets.

On page 11, also under Finding G, it is reported that there is a contract between the RMI Government and the Ambassador, which authorizes the purchase of only one government vehicle by the Ambassador. The Embassy has not been provided with a copy of said contract, if it even exists at all. Furthermore, on the claim that the Embassy currently has two official vehicles, it is indeed accurate. As I had mentioned to the auditors that visited the Embassy, the second vehicle mentioned here was purchased by the Embassy's First Secretary with the approval by the Cabinet. The said vehicle bought as a used second-hand vehicle, is being used for the Embassy's daily activities while the official BMW is only used for formal events held by the Imperial Household and other diplomatic partners, including the host nation. For ease of reference, the Embassy is attaching the receipt of purchase for said vehicle.

Recommendations:

1. The Embassy recommends that the RMI laws stipulating that an Ambassador is allowed for only one vehicle be amended as it would be difficult to maintain only one vehicle for the Embassy given the increase in the number of RMI dignitaries and citizens visiting Japan, which oftentimes require the Embassy's transportation of delegations.

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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2. As alluded to above, the Embassy recommends that an officer from Supply and Procurement be dispatched here to tag the government's fixed assets to meet existing requirements under this particular item.

FINDING 2: ABSENCE OF STRONG INTERNAL CONTROL ENVIRONMENT HAS ALLOWED PERSONAL EXPENSES TO BE PAID BY GOVERNMENT FUNDS

A. Imprest Fund is Used to Pay for Personal Living Expenses:

Under this particular finding, the Embassy duly noted the OAG's finding and further agrees to only incur expenses that are Embassy or official-related and to ensure that all expenses submitted for reimbursement are adequately supported with proper receipts and documentations. In saying this, I wish to inform your office that the Embassy has strictly adhered to these regulations/policies with the enclosed letter from the Minister of Foreign Affairs to the Minister of Finance re: Temporary Guidelines Governing Imprest Fund Allowable Costs dated 03 December 2016, as the Embassy's guideline. In accordance with the Annual Appropriations Act, Financial Management Act 1990, the Procurement (Code) 1988, and the MOFA Act 2007, its regulation and manual, and the Foreign Policy, the Minister of Foreign Affairs in said letter has determined allowable costs under the imprest fund until such time the Cabinet approve a Policy on Imprest Fund Allowable Costs, and further furnished a list of allowable costs to be claim against sub-accounts such as Representation, Educational Allowance, Travels, Other Charges and Expenses, Clothing Allowances, Utilities and Communications.

Recommendation:

1. The Embassy recommends that the Cabinet conducts a thorough review and further approve a Policy on Imprest Fund Allowable Costs that could be used to maintain consistency across the board.
- B. Educational Expenses Were Improperly Supported:**
- In the case of the Education Allowance, the Embassy sought clarification on what the OAG would constitute as supporting documents and or justified expenses when even the tuition fees, exam fees, school lunch fees, school uniforms, transportation costs to school and other related expenses are being questioned. In your letter, you stated that the original receipts submitted as part of the imprest fund reports should be translated into English and must state who the reimbursements were made it. The Petty Cash form we submit along with the original receipts, clearly states these information.

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Furthermore, under this finding, the report claims that there was insufficient or absence of supporting documents for claims reimbursed by the Embassy's staffs. As alluded to above, the Embassy have provided original receipts for tuition fees, school uniform fees, school lunch charges, etc, in its monthly submissions, to which the OAG claim to be insufficient.

Recommendations:

1. The Embassy recommends that the proper forms required by OAG as supporting documents to be included with the original receipts be provided to the Embassy at the earliest opportunity.
2. The Embassy recommends that OAG provides the exact terms to use in the imprest fund report's petty cash form because each time we file these claims, the Embassy provides a separate form that briefly explains the nature of the claims/reimbursements.
3. Educational allowance is an entitlement as stipulated in the contracts to defray costs of education other related expenses for the officials' dependents. As such, as with other entitlements offered to diplomats, the Embassy recommends that the Ministry of Finance implements the quarterly allotment scheme for dependents' school allowances to ensure that there is available funding for each dependent through a fiscal year, and more importantly, it will ensure MOF honors each official's contract.

Under Table 5: Identified Educational Expenses Paid Through the Imprest Fund, it indicates that the total expenses for educational allowances did not exceed the authorized amount for each child per the respective periods under review.

Recommendation:

1. As such, the Embassy recommends that each dependent be reimbursed for the unused amount stated in the report, in accordance with the staff's contracts which stipulates that educational allowances are in fact entitlements.

C-Payments for Salaries are not Supported and Not Consistent:

The Embassy agrees with the finding and has taken concrete steps to ensure that all employees have current contracts and are fully executed before a new employee start working. Furthermore, the Embassy has started submitting payroll timesheets together with copies of payment for salary requests for every payroll. It is worth noting also that I had personally hand-carried the Embassy's official driver's contract in 2015, however, to date, the Embassy has yet to receive any confirmation on whether it has been approved or otherwise. The Embassy cannot put its operation on hold and will fail to operate fully without a driver and an administrative officer.

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

**Office of the Auditor-General
Inspection Report of the RMI Embassy in Tokyo, Japan
Fiscal Years 2013 to 2015**



**EMBASSY OF THE REPUBLIC OF THE
MARSHALL ISLANDS**

3F MG Atago Building, 3-13-7 Nishi-Shinbashi, Minato-ku, Tokyo 105-0003 Japan

Furthermore, I think it's also worth noting that my Deputy and First Secretary worked for more than 5 months without any salary due to capital's failure to complete their contracts in time.

Recommendation:

1. The Embassy noted this finding and as alluded to earlier, aims at improving how payroll and employee contracts are being handled, and further recommends that Home Office and MOF ensure that employee contracts are updated and maintained at all time.

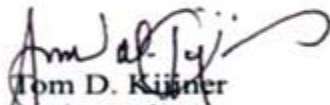
Lastly, on page 40, under Exhibit 7: "Schedule of Salary Expenses," it is noted in the table that there were officials who were overpaid and some were underpaid during FY14 and FY15. We are perplexed as to how this could happen when Finance is in charge of payroll for these mentioned officials. The Embassy has no control over our payroll except for the LES. The Embassy raised this issue with your office to which your staff explained that this was another oversight on their part, to which I find to be an unacceptable response for reasons stated earlier.

Recommendation:

1. The Embassy recommends that the OAG amends the draft report to reflect the correct amounts stated in the findings which were found to be incorrect and inaccurate and then resubmit to the Embassy for its final review and response.

In closing, I wish to take this opportunity to express my gratitude to the Office of the Auditor-General for the spirit of cooperation and close working relationship. I am in open to suggestions and guidance as to how I can ensure compliance at all times in adherence to the relevant rules and regulations governing the use and management of the Embassy's imprest fund and looks further to assisting further should the need arise.

Yours Sincerely,


Tom D. Kijiner
Ambassador

Cc: Secretary Bruce Kijiner, Ministry of Foreign Affairs
Secretary Maybeline Anton-Bing, Ministry of Finance

Tel: 03-6432-0557

EMAIL: rmiembassytokyo@gmail.com

Fax: 03-6432-0558

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Appendix II: Ministry of Finance, Banking & Postal Services Response to Recommendations

Responses to Japan Embassy Audit for FY2013-2015

Finding 1:

Finding No.1– Many Opportunities Are Present to Improve Compliance with Imprest Fund Management

Responses 2-3: The Ministry of Finance fully agrees with recommendations. There is a template that is existing for the Embassy to keep log of expenditures. The MOF further uses that to disallow the expenditures for various reasons including no supporting documents, no budget, etc. The Embassy is aware of what they need to do in terms of Bank reconciliations. There is a reporting requirement (monthly basis) that requires for the Embassy to report on the details of expenditures with provisions of supporting documents such as the receipts, the bank statements and other reports of what the government funds have been used for.

Responses to 5: The Ministry of Finance fully agrees with recommendation. The recommendations in this draft audit report has been shared with MOF Management to immediately work with MOFAT and the Embassy to ensure the existing petty cash reconciliation worksheet is used effectively.

Responses to 9-11: The Ministry of Finance totally agrees with the recommendations. The Ministry continues to hold off on unallowable reimbursement.

Response to 13: The Ministry of Finance Agrees. The Ministry has assigned one staff responsible for Imprest fund matters to ensure communications to and from the Embassy is addressed.

15. Secretary of Finance immediately repay the personal loans to Embassy Official #4 in the amount of \$2,594.85 and to include interest expense accrued from FY 2013 at market rates.

Responses to 15: The Ministry of Finance will ensure that the loan is paid back to Embassy Official. The Ministry will work with MOFA to obtain Employee information for the purpose of repayment.

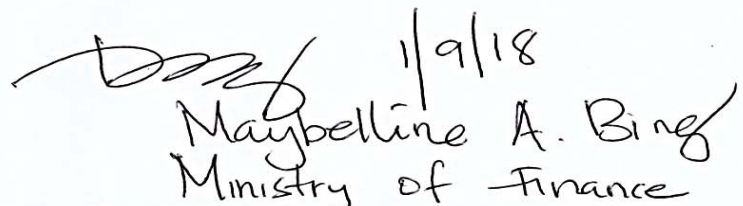
Responses 18-19: The Ministry of Finance agrees that it needs to strengthen its Fixed Asset tagging and monitoring. The Ministry will ensure that this matter is dealt with accordingly in this fiscal year (FY18).

Finding 2:

FINDING 2: ABSENCE OF STRONG INTERNAL CONTROL ENVIRONMENT HAS ALLOWED PERSONAL EXPENSES TO BE PAID BY GOVERNMENT FUNDS

Responses to 22-23: The Ministry of Finance agrees with the recommendation and it will work closely with the MOFA to ensure these recommendations are carried out within this fiscal year (FY2018).

Responses to 27: The Ministry of Finance Agrees. There is an Accountant solely responsible for imprest fund accounts. This is to ensure that all the expenditures are supported and expended accordingly. For any unallowable costs, the Ministry of Finance continues to disallow.


1/9/18
Maybelline A. Bing
Ministry of Finance

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Appendix III: Auditors' Response to the Embassy's Comments

We thank the Embassy for its responses to the findings and recommendations in our draft report. Prior to providing written responses, the Embassy had requested the auditors to clarify certain issues raised in our draft report. Auditors have responded to these enquiries and provided clarification in our letter dated January 4, 2017, attached as Appendix IV. Where appropriate, the draft report was amended and also rewritten to provide further clarification. However, it appears the Embassy did not accept our clarification of the issues and has decided not to submit a final response to our final report. We believe that we have sufficiently addressed the issues raised by the Embassy and wish to direct the attention of Embassy officials to our recommendations in order to improve operation and compliance with established Imprest Fund Management Guidelines and RMI policies.

Auditors' Responses to Specific Issues Raised in the Embassy's Responses

Auditors' response to clarify Embassy's comment regarding Imprest Fund Account is Not Reconciled:

The Embassy agrees with the finding and recommendation regarding the absence of reconciliation of the Imprest Fund account, but questioned the source of the amounts we reported as exceptions.

We did conduct our own analysis of the activities of the Embassy in which the results are reported under item no. 1, 3 and 4 in the report. Our analysis supports the issues raised by Ministry of Finance regarding unknown withdrawals and disallowed amounts, which the external auditors have included as a finding in RMI's Management Letters. It should also be noted that these issues are repeated findings as highlighted in the external auditors' reports.

With respect to the \$43,050 reported initially as "payments that should have been disallowed", we have reworded the finding to clarify that the amount of \$43,050 represents "disallowed amounts" that were accumulated from prior years that have not been repaid back to the Embassy, resulting in the depletion of the Imprest fund account.

In its response, the Embassy also indicated that attempts were made to reconcile the Embassy's Imprest fund commencing from October 2012 through the temporary hiring of a certified accountant. We are confused about the date stated here, because during our review we found no reconciliation performed by the CPA hired by the Embassy. We consider that it is the responsibility of the Embassy to actively pursue our recommendation to reconcile the Imprest Fund Account periodically.

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In relation to comments regarding Table 1 (Budget vs. Actual Analysis), the Embassy is referring to our preliminary draft that was amended which now correspond with the detailed budget analysis presented on Exhibits 1-A through 1-C.

Regarding comprehensive audit on the Embassy's Imprest funds to be undertaken annually, the Embassy has the primary responsibility in implementing financial management activities that fully adhere to RMI requirements. A strong system of internal control to prevent fraud, waste and abuse and to facilitate efficiency and effectiveness of operations requires continuous monitoring and evaluation by executive management. The routine monitoring and evaluation that should be implemented could include spot checking of expenditures to ensure they are properly documented and supported, monthly reviews of budgeting versus expenditures analysis and inspecting the existence of selected fixed assets on a quarterly or semi-annually basis. To administer a lesser role would likely create the same exceptions and conditions that we identified during our inspection and evaluation. OAG's role is not to provide daily or monthly monitoring of compliance. By waiting for bi-annual reviews, the Embassy will not be in a position to prevent problems prior to their occurrence. It is not the OAG's role to fulfill management's responsibility. We reiterate our recommendation that the Embassy should be proactive in conducting monthly reconciliations to ensure that funds are properly accounted for and that withdrawal of funds should be based on the total bills and invoices on hand to be paid.

Auditors' response to Embassy's comment regarding Petty Cash Management is Not Properly Implemented:

The Embassy states there are

no valid reasons to hold a petty cash fund and explained the process currently in practice regarding cash payments. We noted in the report that the Embassy did not establish a process that would maintain and reconcile receipts against the available cash on hand to ensure receipts match total petty cash fund. The petty cash book maintained was not used to reconcile Imprest Fund withdrawals. Given that the financial management of the Embassy is cash-based, it is imperative that a petty cash log be properly maintained and that small valued expenses be properly tracked and recorded. We stand by the recommendation made in the report that provide proper controls and other safeguards of RMI financial resources.

Auditors' response to comments regarding Embassy not maintaining a two-signatory policy for its banking account:

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The Embassy acknowledges the two-signatory requirement, however states that it sees no need to maintain a two-signatory policy for its bank account as the requirement is not relevant to the Embassy considering that it does not maintain a checking account. It should be noted that regardless of a savings or checking account, the two signature policy applies to ensure proper accountability of public funds. Having one person responsible for the account provides no assurance that banking activities are being reviewed and monitored by another official, which will provide adequate safeguards to prevent fraud, waste and abuse. In a prior audit report, Ministry of Foreign Affairs reported that it will take action to require the Embassy to maintain two signatures for financial transactions for better control. Accordingly, we reiterate our recommendation to the Embassy to maintain a two-signatory over the Imprest Fund account and withdrawals that provide proper controls and other safeguards of RMI financial resources, and consistent with Imprest Fund Management Guidelines.

Auditors' response to comments regarding Expenses are Not Properly Supported:

We believe we have sufficiently clarified this issue in our letter to the Embassy dated January 4, 2017, attached as Appendix IV. The issue is not about having no receipts, as commented by the Embassy. The issue is that receipts supporting payments did not contain sufficient information to identify and justify the purpose of the expense. We verified that detailed information are not available on the receipts and that full descriptions are not provided, as indicated in Exhibits 2 through 5. Description should include names of Embassy officials that participated in the event and how the event is related to the business of the Embassy. For example, stating that payments are for meals or cab fare is not the proper way to justify expenses with public funds. Accordingly, we reiterate our recommendations that the Embassy should develop procedures to ensure payments for expenses are adequately supported with receipts that clearly describe the purpose and nature of the expenses and that receipts be translated before submitting to the Ministry of Finance.

Auditors' response to comments regarding Private Money is Co-Mingled with the Imprest Fund:

Embassy agrees with the finding but stated that since OAG is not able to provide the supporting documents or satisfactory explanation as to how OAG reached the figures, it is difficult for the Embassy to provide a response to the finding.

As stated in the report, the primary record maintained by the Embassy to record loans and repayment of these loans is a transaction book, also called petty cash log. The Embassy did not maintain loan document or receipts of payments that agreed to amounts posted on the transaction book. This matter was discussed and clarified in our exit meeting with the Embassy on January 3, 2017 during which the Embassy indicated that it has the loan documents and will provide copies to us for examinations.

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However, the Embassy was able to provide only three (3) loan documents, which we could not identify or match to any of the amounts recorded in the transaction book.

We noted in the report the need for the Embassy to pay rent and utilities as they become due. However, we are very concerned about the number of reimbursements made to the Embassy Officials as recorded in the Embassy's transaction book that do not match records showing the nature and purpose of the personal loan. The current practice of co-mingling private funds with Embassy Imprest account is against the established Imprest Fund Guidelines approved by the RMI Government. In addition, without proper documentation and controls the co-mingling scheme increases the likelihood that fraud can occur which may not be detected and corrected in a timely manner. We stand by our report that sufficiently addresses the issues raised by the Embassy as explained in details in our letter dated January 4, 2017 to the Embassy (see Appendix IV). Accordingly, we reiterate our recommendation that the Embassy should immediately cease the current practice of making personal loans to the Imprest Fund.

Auditors' response to comments regarding Educational Expenses Are Not Properly Supported

We stand by our report that sufficiently addresses the Embassy's concerns. We also provided adequate detail in our letter dated January 4, 2017 to the queries posed by the Embassy (see Appendix IV) and reworded the finding to clarify the issue raised.

During our fieldwork, we discussed the descriptions of receipts recorded in the replenishment reports that did not match the actual receipts with an Embassy official who acknowledged the discrepancies. The receipts were in Japanese without translation. Upon our translation, we noted that the expenses were for shoes, bags and stationeries which appear to be personal in nature. In addition, we cannot accept explanation that an expense was for school lunch or school tuition when the receipts do not bear the name of the schools the children attend. This is not the proper way to justify expenses with public funds.

Regarding the Embassy's recommendation for each dependent to be reimbursed for unused amount stated in the report, OAG disagrees with the recommendation because although the data shows that they did not exceed the allowances, it does not factor in the posting errors that was noted where education expenses were accounted for in the COLA allowances. Accordingly, we reiterate our recommendation that the Embassy should ensure payments for educational expenses are supported by proper school invoices or receipts bearing the name of the school and these invoices or receipts should be translated into English as required by the Imprest Fund Guidelines.

Auditors' response to comments regarding Payments for Salaries Not Supported

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The Embassy partially agrees with the finding and recommends that the draft report be amended. We acknowledge that the Embassy does not have control over payroll activities except those for local hires. Additional analysis was conducted to the amounts reported in the preliminary draft and based on the additional work, the finding was amended and the title was changed to reflect the amendment. Exhibit 7 has now become Table 7 to clarify the issue raised. We reiterate our recommendation that the Embassy should ensure employment contracts for local hires are properly approved prior to commencement of work and that expired contracts should be renewed and maintained on file for ease of referencing to avoid compensation inconsistencies.

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Appendix IV: Auditors' Letter Response to Clarify Embassy's Queries



REPUBLIC OF THE MARSHALL ISLANDS
OFFICE OF THE AUDITOR-GENERAL
P.O. Box 245
Majuro, Republic of the Marshall Islands 96960
www.rmioag.com

Telephone
Auditor General: (692)625-3192
Staff: (692)625-3390
Facsimile: (692)625-5135
Fraud Hotline
Telephone: (692)625-1155
Facsimile: (692)625-1156

January 4, 2017

Honorable Tom D. Kijiner
Ambassador
Embassy of the Republic of the Marshall Islands
Tokyo, Japan

Dear Ambassador:

The Office of the Auditor-General commends your Embassy in its active role and participation throughout the Embassy's review process.

The purpose of this letter is to provide clarification to the inquiries raised by your Deputy Chief of Mission in her email dated December 21, 2016 regarding some of the issues cited in the Embassy's draft report that was provided to your Office for review and comments. Followings are our written responses to the issues.

1. Japan Embassy: On page 3, under Finding No.1, it's reported here that there were items unreconciled with \$18,983 unrecorded deposit, \$27,073 in unknown deposits, and \$132,256 in unknown withdrawals. It's stated here to refer to Exhibit 8 for more explanation on this finding, however, it doesn't really provide us with any supporting documents or a more detailed explanation of how you arrived at these figures. I must apologize as I am terrible with numbers and I can't easily catch on just by looking at these numbers. If you can provide the actual dates the "unrecorded deposit" or "unknown deposits" and even the "unknown withdrawals" you referred to were made, it would really help us with our responses.

OAG Response: Per the report on page 3, the source of information used to support the \$18,983 in unrecorded deposits, \$27,073 in unknown deposits, and \$132,256 in unknown withdrawals are from the RMI's Single Audit Management Letter Report for FY2014 issued by RMI's external auditors (Deloitte & Touche). Because the Embassy does not perform monthly reconciliation of the imprest fund, MOF has been doing it on a monthly basis when it receives the monthly reimbursement reports and the related supporting documentation from the Embassy, so the above amounts were identified by MOF in their September 30, 2014 imprest fund reconciliation as reconciling items, related to unrecorded deposits, unknown deposits and unknown withdrawals. These amounts were accumulated from prior years. Exhibit 8 as stated in the report does not refer to these amounts but the \$443,255 that we could not reconcile between the Imprest Fund replenishment vouchers and receipts across three fiscal years (FY2013-2015). During our visit to the Embassy, the Ambassador acknowledged that receipts were missing.

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2. Japan Embassy: On page 4, in the second paragraph, it states that the Embassy exceeded its budget for each of the three years of review. Under Table 1: Budget vs Actual Analysis, however, it clearly shows that aside from 2013, the Embassy had a remaining balance of \$29,426.47 and \$1926.93 respectively. Now, our question is why is it stated that the Embassy exceeded the budget for all of these 3 years? Are there other figures missing from the table that would prove that we exceeded the budget for aforesaid FYs?

OAG Response: We want to thank you for pointing this out, it was an oversight and will be amended accordingly.

3. Japan Embassy: On page 6, under section D. "Expenses are Not Properly Supported," we will need you to elaborate more on this as it's not clear what exactly is required or accepted as supporting documents other than the original receipts which were already submitted to MOF. We have reviewed our records which prove that the original receipts were in fact submitted to MOF. Should there be a form of some sort that is further required as part of these receipts, we'd be most grateful to receive a copy. However, in the meantime, we'd appreciate your advice as to what will be acceptable other than the original receipt itself.

OAG Response: As described on page 6, acceptable documentation is to provide a detailed description of the purpose of the expense, for whom the expense was incurred, and if meals were involved, identification of the person(s) incurring meal expenses. Please note that the issue raised here is that receipts submitted to MOF for reimbursement that were incurred and charged to education expenses, cost of living expenses, representation and other charges may not be in direct support of Embassy operation or official Embassy business. For instance, the receipts were in Japanese and most of the receipts recorded as educational allowances did not contain English translation that shows the name of the school the child attends. Some receipts were for shoes, bags and stationaries, which appear to be personal in nature. There were also charges for school equipment and sport gears for which the purpose was not indicated. For representation expenses, there were receipts for foods and drinks that did not contain the purpose, name and title of officials; the receipts also included charges incurred for meals that did not have description of the purpose, name and title of officials the meals were incurred for. Receipts for foods, clothing, meals, snacks, shoes, etc. were also charged to cost of living allowances where description or purpose of the expense was not provided. These items appear to be personal in nature. Please refer to Exhibits 2-4 for details of these charges.

4. Japan Embassy: In the case of the Education Allowance, what does Auditor-General's Office constitute as supporting documents and or justified expenses when even the tuition fees, exam fees, school lunch fees, school uniforms, transportation costs to school and other related expenses are being questioned? Please provide samples of what the AG's Office deemed as valid supporting documents.

OAG Response: We point out in the report that the MOFA needs to have clearly defined criteria on the types of education expenses that could be reimbursed by RMI. It is not known whether many of the expenses submitted for reimbursement through the Imprest Fund were clearly education related when purchases were made from area stores versus directly from the school, which is further complicated when the receipt did not include written explanation as to why the

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purchases were made, for whom, and for what purposes. Further, when MOFA and MOF reviews the expenses, it is difficult for them to determine the allowability of the expense when receipts are in Japanese versus English. We recommend in the report that the Embassy should ensure that payments for education expenses are properly supported by school invoices or receipts and these invoices or receipts should be translated into English.

5. Japan Embassy: On page 9, under Table 3, displaying "personal loans made to the imprest fund and subsequently reimbursed, FY14 through FY16," it's stated here that there are no available records to prove that these loans were made to the Imprest Fund or that the repayment of loans exceeded the loan amount recorded. Can you please provide us with the supporting documents or in the case where there were no supporting documents present, please elaborate more in detail on how you arrived at these figures?

OAG Response: As we note in the report, the primary record maintained by the Embassy to show receipts and repayment of loans is a transaction book. This is also referred to as the petty cash book. We state in the report that we could not verify whether the loans described on the transaction book were accurately recorded because of the absence of loan documentation or invoices. Of the four (4) employees that loaned monies to the Imprest Fund, we only found one document signed by the employee and the Ambassador. It was indicated during our meeting on January 3, 2017 that the loan documents are available and copies will be provided to us. We will await receipt of these documents for further review and determination on the matter.

6. Japan Embassy: On page 12, again the report made reference to the lack of proper documentation as to the purchase of the expense under the Imprest fund, and yet, as custodian of the Imprest fund account, the Ambassador will in no way accept any reimbursements or refunds from the imprest fund account without the original receipt. Again, if I may request for the type of documentations deemed by the auditor's office as valid and if we could be provided with the right forms.

OAG Response: As noted on page 12 of the report, we were unable to determine the magnitude of these reimbursements because of the lack of proper documentation as to the purpose of the expense, what the expense was for, and which official had incurred the expense. Please refer to response for number 3 above.

7. Japan Embassy: On page 13, under section B. "Educational Expenses Were Improperly Supported," in the first paragraph, it states that one official is eligible for up to \$24K and another official is eligible for \$18K annually. Please advise us as to where you got these figures as the figures in our contracts contradict these amounts stated in the report. Again, in this section, the report claims that there was insufficient or absence of supporting documents for these claims. As alluded to above, we have provided original receipts for tuition fees, school uniform fees, school lunch charges, etc, and yet these are found to be insufficient. The auditor's office should elaborate on what exactly is required and what would be considered valid evidence for educational related expenses/charges.

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OAG Response: Per the employee contracts, \$6,000 educational allowance is authorized to be paid from the Imprest Fund, per dependent per year. The amounts reflected in the draft report are for one year based on the number of eligible dependents. For instance, the Ambassador has 4 dependents (4 x \$6,000 = \$24,000) and the DCM has 3 dependents (3 x \$6,000 = \$18,000). Please refer to response for number 3 regarding receipts for educational allowances and response for number 4.

8. Japan Embassy: Lastly, on page 40, under Exhibit 7: "Schedule of Salary Expenses," it is noted in the table that there were officials who were overpaid and some were underpaid during FY14 and FY15. We are perplexed as to how this could happen when Finance is in charge of payroll for these mentioned officials. The Embassy has no control over our payroll except for the LES. If you could elaborate more on these, we'd be most appreciative.

OAG Response: We acknowledge that the Embassy does not have control over payroll activities except those for local hires. We have amended the finding and Exhibit 7 to only reflect the issues regarding LES.

We hope the responses provided herein satisfies your queries. Please do not hesitate to contact our office should additional information is needed.

Sincerely,



Junior Patrick
Auditor General

Cc: Annette N. Note, Deputy Chief of Mission

Office of the Auditor-General
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Fiscal Years 2013 to 2015

Appendix V: OAG Follow-Up System

#	FINDING	ACTION TO BE TAKEN
1-A	Imprest Fund Account is not Reconciled	<p>Embassy: Provide copy of the reconciliation performed by the CPA hired by the Embassy.</p> <p>Secretary of Finance and Foreign Affairs: Provide written assurance that recommendations will be implemented.</p>
1-B	Petty Cash Management is Not Properly Implemented	<p>Secretary of Finance: Provide written assurance that recommendation will be implemented and provide copy of the petty cash reconciliation worksheet.</p>
1-C	Embassy Does Not Maintain Two-Signatory Policy for its Bank Account	<p>Secretary of Foreign Affairs: Provide written assurance that recommendation will be implemented.</p> <p>Embassy: Provide written assurance that recommendation will be implemented and copy of the signature card.</p>
1-D	Expenses are Not Properly Supported	<p>Embassy Provide written assurance that recommendation will be implemented and provide copy of procedures developed.</p> <p>Secretary of Finance and Foreign Affairs: Provide written assurance that recommendations will be implemented and provide copy of the review checklist for replenishment report.</p>
1-E	Embassy is Unable to Maintain an Adequate Level of Cash	<p>Secretary of Foreign Affairs: Provide copy of established procedures regarding filing dateline for monthly</p>

Office of the Auditor-General
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		<p>reimbursement report to MOFA and MOF for review and approval.</p> <p>Secretary of Finance: Provide written assurance that recommendation will be implemented.</p>
1-F	Private Money is Co-mingled with the Imprest Fund	<p>Embassy: Provide written assurance that recommendation will be implemented.</p> <p>Secretary of Foreign Affairs: Provide written assurance that recommendation will be implemented.</p> <p>Secretary of Finance: Provide copy of check reimbursing Embassy staff and provide written confirmation that deductions have been made from Embassy Officials.</p>
1-G	Absence of Tracking and Managing Fixed Assets	<p>Embassy: Provide copy of the Fixed Asset Register listing all assets of the Embassy.</p> <p>Secretary of Finance: Provide copy of the fixed assets inventory report.</p>
2-A	Imprest Fund is Used to Pay for Personal Living Expenses	<p>Embassy: Provide written assurance that recommendation will be implemented.</p> <p>Secretary of Foreign Affairs: Provide copy of guidelines established regarding COLA entitlements.</p>

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2-B	Educational Expenses Were Improperly Supported	<p>Embassy: Provide written assurance that recommendation will be implemented.</p> <p>Secretary of Finance and Foreign Affairs: Provide copy of the criteria developed that clearly define the types of expenses as educational related</p>
2-C	Payments for Salaries are Not Supported	<p>Embassy and Secretary of Foreign Affairs: Provide written assurance that recommendations will be implemented</p>

**Office of the Auditor-General
Inspection Report of the RMI Embassy in Tokyo, Japan
Fiscal Years 2013 to 2015**

Contact and Acknowledgement

OAG Contact

Junior Patrick, Auditor-General

Phone (692) 625-3192/3390

Fax (692) 625-5135

Email patrjun@gmail.com

Website www.rmioag.com

Acknowledgement

The following auditors made key contributions to this report.

Atmita Jonathan, Assistant Auditor-General

Ayako Yamaguchi-Eliou, Audit Manager

Maludrik Maludrik, Audit Supervisor

David John, Staff Auditor

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