

REPUBLIC OF THE MARSHALL ISLANDS
Office of the Auditor-General



Eighty-Third (83rd) Semi-Annual Report of the Functions and Activities
of the Office of the Auditor-General

SUBMITTED TO THE NITIJELA DURING ITS 46TH CONSTITUTIONAL REGULAR SESSION [PART II]
August 2025



REPUBLIC OF THE MARSHALL ISLANDS
OFFICE OF THE AUDITOR-GENERAL

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August 18, 2025

The Honorable Brenson S. Wase
Speaker
Nitijela of the Marshall Islands
Majuro, MH 96960

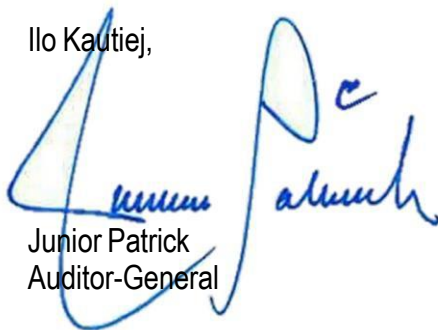
Dear Speaker Wase:

I am pleased to submit herewith Thirty- S i x (36) copies of our Eighty-Third (83rd) Semi- Annual Report of the Functions and Activities of the Office of the Auditor-General in accordance with Article VIII, Section 15(4) of the Constitution of the Republic of the Marshall Islands and Section 903(1) of the Auditor-General Act of 1986. This report covers activities of the Office during the period from January 1, 2025 thru July 31, 2025, and it includes all activities as of the printing date of this report.

The electronic copies of each report completed and included in this Semi-Annual will also be available to Honorable Members of the Nitijela and other Stakeholders including the General Public via the Office website at www.rmioag.com.

Should you or any Member (s) of the Nitijela have questions concerning this submission, please do not hesitate to contact this Office.

Ilo Kautiej,



Junior Patrick
Auditor-General

Enclosures: Thirty-Six (36) copies of 83rd Semi-Annual Report of the Functions and Activities of the Office of the Auditor-General

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Project for Procurement of School Bus for Majuro Seventh Day Adventist School
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Attachment I

Marshall Islands Development Bank
(A Component Unit of the Republic of the Marshall Islands)
Financial Statements, Required Supplementary Information, Supplementary Information and
Independent Auditor's Report
Year ended September 30, 2024 and 2023

Marshall Islands Development Bank
(A Component Unit of the Republic of the Marshall Islands)
The Auditor's Communication With Those Charged With Governance
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Marshall Islands Development Bank
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(A Component Unit of the Republic of the Marshall Islands)

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Marshall Islands National Telecommunications Authority

(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2023

Marshall Islands National Telecommunications Authority

(A Component Unit of the Republic of the Marshall Islands)

The Auditor's Communication With Those Charged With Governance

Year ended September 30, 2023

Marshall Islands National Telecommunications Authority

(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Management Letter Report

Year ended September 30, 2023

Marshall Islands National Telecommunications Authority

(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Report on Compliance with Aspects of Contractual Agreements and Regulatory Requirements

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Marshall Islands Postal Services Authority

(A Component Unit of the Republic of the Marshall Islands)

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Years ended September 30, 2023 and 2022

Marshall Islands Postal Services Authority

(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2023

Marshall Islands Postal Services Authority

(A Component Unit of the Republic of the Marshall Islands)

The Auditor's Communication With Those Charged With Governance

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Marshall Islands Postal Services Authority

(A Component Unit of the Republic of the Marshall Islands)

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(A Component Unit of the Republic of the Marshall Islands)

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(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Report on Internal Control and Compliance

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Marshall Islands Social Security Administration

(A Component Unit of the Republic of the Marshall Islands)

The Auditor's Communication With Those Charged With Governance

Year ended September 30, 2022

Marshall Islands Social Security Administration

(A Component Unit of the Republic of the Marshall Islands)

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Majuro Water and Sewer Company, Inc.

(A Component Unit of the Republic of the Marshall Islands)

Financial Statements and Independent Auditor's Report

Year ended September 30, 2021

Majuro Water and Sewer Company, Inc.

(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2021

Majuro Water and Sewer Company, Inc.

(A Component Unit of the Republic of the Marshall Islands)

The Auditor's Communication With Those Charged With Governance

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Majuro Water and Sewer Company, Inc.

(A Component Unit of the Republic of the Marshall Islands)

Independent Auditor's Management Letter Report

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Republic of the Marshall Islands

Improving the Quality of Basic Education in the North Pacific

(Financed by the Asian Development Bank's Special Fund (Grant No. 0536 RMI (SF))

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(Financed by the Asian Development Bank's Special Fund (Grant No. 0536 RMI (SF))

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Republic of the Marshall Islands

Improving the Quality of Basic Education in the North Pacific

(Financed by the Asian Development Bank's Special Fund (Grant No. 0536 RMI (SF))

The Auditor's Communication With Those Charged With Governance

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Improving the Quality of Basic Education in the North Pacific

(Financed by the Asian Development Bank's Special Fund (Grant No. 0536 RMI (SF))

Report of Independent Accountants on the Schedule of Project Expenditures

Year ended September 30, 2024

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Republic of the Marshall Islands

Public Financial Management Project

(Financed by the Asian Development Bank's Special Fund)

(A Governmental Fund of the Republic of the Marshall Islands)

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Republic of the Marshall Islands

Public Financial Management Project

(Financed by the Asian Development Bank's Special Fund)

(A Governmental Fund of the Republic of the Marshall Islands)

Independent Auditor's Report on Internal Control and Compliance

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Republic of the Marshall Islands

Public Financial Management Project

(Financed by the Asian Development Bank's Special Fund)

(A Governmental Fund of the Republic of the Marshall Islands)

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Republic of the Marshall Islands

Public Financial Management Project

(Financed by the Asian Development Bank's Special Fund)

(A Governmental Fund of the Republic of the Marshall Islands)

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Year ended September 30, 2024

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Republic of the Marshall Islands

Preparing Urban Service Improvement Projects

(Financed by the Asian Development Bank's Special Fund- Grant No. 6028 RMI (SF))

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Republic of the Marshall Islands

Preparing Urban Service Improvement Projects

(Financed by the Asian Development Bank's Special Fund- Grant No. 6028 RMI (SF))

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2023

Republic of the Marshall Islands

Preparing Urban Service Improvement Projects

(Financed by the Asian Development Bank's Special Fund- Grant No. 6028 RMI (SF))

The Auditor's Communication With Those Charged With Governance

Year ended September 30, 2023

Republic of the Marshall Islands

Preparing Urban Service Improvement Projects

(Financed by the Asian Development Bank's Special Fund- Grant No. 6028 RMI (SF))

Report of Independent Accountants on the Schedule of Project Expenditures

Year ended September 30, 2023

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Republic of the Marshall Islands

Ebeye Water Supply and Sanitation Project

(Jointly Financed by the Asian Development Bank's Special Fund (Grant No. 0438 RMI (SF) and 0749 RMI (SF)

And the Government of Australia (Grant No. 0439 RMI (EF))

Financial Statement, Supplementary Information and Independent Auditor's Report

Year ended September 30, 2021

Republic of the Marshall Islands

Ebeye Water Supply and Sanitation Project

(Jointly Financed by the Asian Development Bank's Special Fund (Grant No. 0438 RMI (SF) and 0749 RMI (SF)

And the Government of Australia (Grant No. 0439 RMI (EF))

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2021

Republic of the Marshall Islands

Ebeye Water Supply and Sanitation Project

(Jointly Financed by the Asian Development Bank's Special Fund (Grant No. 0438 RMI (SF) and 0749 RMI (SF)

And the Government of Australia (Grant No. 0439 RMI (EF))

The Auditor's Communication With Those Charged With Governance

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Republic of the Marshall Islands

Ebeye Water Supply and Sanitation Project

(Jointly Financed by the Asian Development Bank's Special Fund (Grant No. 0438 RMI (SF) and 0749 RMI (SF)

And the Government of Australia (Grant No. 0439 RMI (EF))

Report of Independent Accountants on the Schedule of Project Expenditures

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Republic of the Marshall Islands

Ebeye Water Supply and Sanitation Project

(Jointly Financed by the Asian Development Bank's Special Fund (Grant No. 0438 RMI (SF) and 0749 RMI (SF)

And the Government of Australia (Grant No. 0439 RMI (EF))

Independent Auditor's Management Letter Report

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Republic of the Marshall Islands

Project to Strengthen Budget Execution and Financial Reporting Systems – Grant No. D322-MH

(Financed by the International Development Association)

Financial Statement, Supplementary and Other Information and Independent Auditor's Report

Years ended September 30, 2024 and 2023

Republic of the Marshall Islands

Project to Strengthen Budget Execution and Financial Reporting Systems – Grant No. D322-MH

(Financed by the International Development Association)

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2024

Republic of the Marshall Islands

Project to Strengthen Budget Execution and Financial Reporting Systems – Grant No. D322-MH

(Financed by the International Development Association)

The Auditor's Communication With Those Charged With Governance

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Attachment XI

Republic of the Marshall Islands

Project to Strengthen Budget Execution and Financial Reporting Systems – Grant No. D322-MH

(Financed by the International Development Association)

Financial Statement, Supplementary and Other Information and Independent Auditor's Report

Year ended September 30, 2023

Republic of the Marshall Islands

Project to Strengthen Budget Execution and Financial Reporting Systems – Grant No. D322-MH

(Financed by the International Development Association)

Independent Auditor's Report on Internal Control and Compliance

Year ended September 30, 2023

Republic of the Marshall Islands

Project to Strengthen Budget Execution and Financial Reporting Systems – Grant No. D322-MH

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Republic of the Marshall Islands
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(Financed by the International Development Association)
Financial Statement, Supplementary and Other Information and Independent Auditor's Report
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Republic of the Marshall Islands
Sustainable Energy Development Project – Grant No. D261-MH

(Financed by the International Development Association)
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Republic of the Marshall Islands
Sustainable Energy Development Project – Grant No. D261-MH

(Financed by the International Development Association)
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Republic of the Marshall Islands
Sustainable Energy Development Project – Grant No. D261-MH

(Financed by the International Development Association)
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Attachment XIII

Republic of the Marshall Islands
Sustainable Energy Development Project – Grant No. D261-MH

(Financed by the International Development Association)
Financial Statement, Supplementary and Other Information and Independent Auditor's Report
Year ended September 30, 2023

Republic of the Marshall Islands
Sustainable Energy Development Project – Grant No. D261-MH

(Financed by the International Development Association)
Independent Auditor's Report on Internal Control and Compliance
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Republic of the Marshall Islands
Sustainable Energy Development Project – Grant No. D261-MH

(Financed by the International Development Association)
The Auditor's Communication With Those Charged With Governance
Year ended September 30, 2023

Attachment XIV



REPUBLIC OF THE MARSHALL ISLANDS
OFFICE OF THE AUDITOR-GENERAL

P.O. Box 245
Majuro, Republic of the Marshall Islands 96960
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**EIGHTY-THIRD (83RD) SEMI-ANNUAL REPORT OF THE FUNCTIONS
AND ACTIVITIES OF THE OFFICE OF THE AUDITOR-GENERAL
JANUARY 1, 2025 THRU JULY 31, 2025 (INCLUDING ALL AUDITS COMPLETED AS OF
THE PRINTING DATE OF THIS REPORT)**

INTRODUCTION

The Auditor-General, under the Constitution of the Republic of the Marshall Islands, Article VIII, Section 15, is charged with the responsibility to audit *“Public funds and accounts of the Republic of the Marshall Islands including those of all Departments or offices of the legislative, executive and judicial branches of government and of any other public corporation or statutory authority constituted under the law of the Republic unless, in relation to any such public corporation or other statutory authority, provision is made by Act for audit by any other person”*.

In addition, the following legislations imposed other duties and responsibilities upon the Auditor-General:

1. Public Law 1986-25 (The Auditor-General's Act of 1986) – *“The Auditor-General shall from time to time make such other audits of the government agencies, activities, contracts, or grants as are possible within the budget provided for him and as he deems to be in the public interest and consistent with this Act”*. This Act also imposes a responsibility upon the Office of the Auditor-General to *“prevent and detect fraud, abuse, and waste in the collection and expenditure of all public funds”*. In accordance with Section 6 (1) of the Act the *“Auditor-General may retain the services of independent certified public accountants, qualified management consultants, or other professional persons, as he deems necessary to assist him in carrying out his duties”*.
2. Public Law 1981-2 (Local Governments Act of 1980), designates the Auditor-General as auditor for local governments' funds and accounts.
3. Public Law 1993-63 (Ethics in Government Acts of 1993). The Auditor-General is a member of the Government Ethics Board pursuant to provisions of this Act, and therefore, the Auditor-General has a responsibility to enforce the ethical conduct principles stipulated in the Act.

The Auditor-General is required under the Constitution to report, “*at least once annually to the Nitijela at its regular session*”. We have established a policy of preparing semi-annual reports in January and August. This is the Eighty-Third (83RD) semi-annual report.

In the interest of maintaining organizational independence, Article VIII Section 15 (5) of the Constitution of the Republic of the Marshall Islands states, “*The Auditor-General shall not receive any direction from the Cabinet or from any other authority or person, but shall act independently*”. All reports submitted herein were performed and completed without known impairments to audit independence.

ORGANIZATIONAL STATUS

As of the reporting period, the Office of the Auditor-General (OAG) has 19 officers: 6 performance auditors, 5 financial auditors, 6 investigators, and 4 support staff. One staff auditor in our financial auditing division is currently on educational leave pursuing a Bachelor’s Degree in Accounting at Eastern Oregon University in Oregon, USA. The Audit Manager position (Financial/Compliance Auditing) remains vacant as of this reporting period.

Exhibit I describes the organizational structure of the Office.

AUDIT ACTIVITIES

Exhibit II provides a status of audits that were commenced, ongoing, and completed during the reporting period. The following audits were completed during this reporting period (*See Attachments I through XIV*).

Project for Procurement of School Bus: Period from March 16, 2023 thru April 6, 2024
Marshall Islands Development Bank FY2024
Marshall Islands National Telecommunication Authority FY2023
Marshall Islands Postal Services Authority FY2023
Marshall Islands Social Security Administration FY2022
Majuro Water and Sewer Company, Inc. FY2021
ADB’s Improving Quality of Basic Education in the North Pacific FY2024
ADB’s Public Financial Management Project FY2024
ADB’s Preparing Urban Service Improvement Projects FY2023
ADB and Government of Australia’s Ebeye Water Supply and Sanitation Project FY2021
WB’s Project to Strengthen Budget Execution and Financial Reporting System FY2024
WB’s Project to Strengthen Budget Execution and Financial Reporting System FY2023
WB’s Sustainable Energy Development Project FY2024
WB’s Sustainable Energy Development Project FY2023

SINGLE AUDIT OF REPMAR FY2023, 2022 and 2021

The Government of the Republic of the Marshall Islands (RepMar) is required under the Compact Treaty to submit an annual Single Audit to the U.S. Government after each financial year. The deadline for this audit is 9 months after each financial year (September 30th) or by June of the following year. For RepMar to meet this requirement, we are required to audit the financial statements of RepMar and all its reporting entities or component units and include them in the audit of RepMar each year.

Below is a summary report of the status of the Single Audits of the RepMar and its component units for the fiscal year endings September 30, 2023, 2022, and 2021 as of August 18, 2025:

FY2023 AUDIT STATUS

A. Audits Completed and Issued:

Air Marshall Islands, Inc. (FY2023)
Majuro Atoll Waste Company (FY2023)
Marshall Islands Development Bank (FY2023)
Marshall Islands Marine Resources Authority (FY2023)
Marshall Islands National Telecommunications Authority (FY2023)
RMI Judiciary Fund (FY2023)
RMI Office of Commerce, Investment and Tourism (FY2023)

B. Trial Balances Provided for Audit:

Government of the Republic of the Marshall Islands - A preliminary trial balance was provided by the auditee on January 6, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on July 15, 2025 and is currently ongoing.

College of the Marshall Islands - A preliminary trial balance was provided by the auditee on April 11, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on August 5, 2025 and is currently ongoing.

Health Care Revenue Fund - A preliminary trial balance was provided by the auditee on April 15, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

Kwajalein Atoll Joint Utilities Resources, Inc. - A preliminary trial balance was provided by the auditee on June 17, 2025; however, preliminary risk assessment has not been performed. Fieldwork is expected to commence upon completion of the FY2022 audit.

Majuro Resort, Inc. - A preliminary trial balance was provided by the auditee on November 22, 2024, and preliminary risk assessment has been performed. Fieldwork commenced on March 3, 2025 and is currently ongoing.

Marshall Islands Health Fund - A preliminary trial balance was provided by the auditee on April 15, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

Marshall Islands Scholarship Grant and Loan Board - A preliminary trial balance was provided by the auditee on April 15, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on April 21, 2025 and is currently ongoing.

Marshall Islands Shipping Corporation - A preliminary trial balance was provided by the auditee on November 28, 2024, and preliminary risk assessment has been performed. Fieldwork commenced on January 27, 2025 and is currently ongoing.

Marshall Islands Social Security Administration - A preliminary trial balance was provided by the auditee on June 9, 2025, and preliminary risk assessment has been performed. Fieldwork is substantially complete and engagement review is in progress.

Marshall Islands Energy Company, Inc. - A preliminary trial balance was provided by the auditee on January 22, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on February 10, 2025 and is currently ongoing.

National Training Fund - A preliminary trial balance was provided by the auditee on July 8, 2025, and preliminary risk assessment has been performed. Fieldwork is being conducted concurrently with RepMar.

Public School System Education Fund - A preliminary trial balance was provided by the auditee on July 15, 2025, and preliminary risk assessment has been performed. Fieldwork is being conducted concurrently with RepMar.

RMI Ports Authority - A preliminary trial balance was provided by the auditee on March 10, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on April 30, 2025 and is currently ongoing.

Tobolar Copra Processing Authority - Fieldwork is complete, draft reports have been issued, and final engagement review is in progress.

C. Trail Balances Not Provided for Audit:

Majuro Water and Sewer Company, Inc. (FY2023)

RMI National Environmental Protection Authority Fund (FY2023)

FY2022 AUDIT STATUS

A. Audits Completed and Issued:

Government of the Republic of the Marshall Islands (FY2022).
Air Marshall Islands, Inc. (FY2022)
Health Care Revenue Fund (FY2022)
Majuro Atoll Waste Company (FY2022)
Majuro Resort, Inc. (FY2022)
Marshall Islands Development Bank (FY2022)
Marshall Islands Health Fund (FY2022)
Marshall Islands Marine Resources Authority (FY2022)
Marshall Islands National Telecommunications Authority (FY2022)
Marshall Islands Scholarship, Grant and Loan Board (FY2022)
Marshall Islands Shipping Corporation (FY2022)
Marshall Islands Social Security Administration (FY2022)
Marshall Islands Postal Services Authority (FY2022)
Marshall Islands Energy Company, Inc. (FY2022)
National Training Fund - included in RepMar's General Fund (FY2022)
Public School System Education Fund - included in RepMar's General Fund (FY2022)
RMI Judiciary Fund (FY2022)
RMI Office of Commerce, Investment and Tourism (FY2022)
RMI Ports Authority (FY2022)
Tobolar Copra Processing Authority (FY2022)

B. Trial Balances Provided for Audit:

College of the Marshall Islands - A preliminary trial balance was provided by the auditee on April 11, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

Kwajalein Atoll Joint Utilities Resources, Inc. - A preliminary trial balance was provided by the auditee on June 17, 2025; however, preliminary risk assessment has not been performed. Fieldwork commencement date is yet to be determined.

Majuro Water and Sewer Company, Inc. - A preliminary trial balance was provided by the auditee on August 6, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on August 11, 2025 and is currently ongoing.

RMI National Environmental Protection Authority Fund - A preliminary trial balance was provided by the auditee on February 7, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

FY2021 AUDIT STATUS

The remaining component unit of RepMar for the financial year ending September 30, 2021 as of the date of this report is provided below:

Kwajalein Atoll Joint Utilities Resources, Inc. - Fieldwork is complete, draft reports have been issued, and final engagement review is in progress.

A summary report on the status of the Single Audit of RepMar and its reporting entities for the fiscal year endings September 30, 2023, 2022, and 2021, provided by our audit contractor, Ernst & Young (RMI), Inc. as of August 18, 2025, is attached to this report as Exhibit III. We will continue to follow up and remind RMI government reporting entities of their responsibility to ensure all accounting records are ready and available for audit.

INVESTIGATION ACTIVITIES

We continue to review all known allegations of fraud reported to us, including those identified during our audit engagements. During this period, we recorded six (6) new allegations involving public officials and government employees. These allegations relate to the misappropriation and/or embezzlement of public funds and assets, procurement irregularities, financial misconduct, and misconduct in public office.

During this reporting period, we completed four (4) investigations concerning unfair procurement, misappropriation of public assets, and misconduct in public office. Of these, two (2) have been referred to the Attorney-General's Office for further legal proceedings; one (1) was resolved through an Ad-Hoc committee comprising representatives from the Office of the Chief Secretary, the Attorney-General's Office, and the Office of the Auditor-General; and one (1) is in the final review stage before being referred to the appropriate authorities.

At present, we have five (5) ongoing investigations. Three (3) are being conducted in coordination with local and foreign law enforcement agencies, while the remaining two (2) are in the data collection and analysis stage.

Our investigations will extend to other recorded allegations, and any criminal law violations and civil recovery proceedings will be referred to the Attorney-General. Matters requiring administrative proceedings will be referred to the appropriate authorities in accordance with the revised Audit Act¹.

TRAINING AND CAPACITY BUILDING

We maintain training programs to increase staff proficiency. During this reporting period, we participated in the following training and capacity-building programs:

- On January 22, 2025, the Audit Staff attended a webinar on the New Government Auditing Standards (Yellow Book 2024 Revision) focusing on quality management requirements to be implemented for audits beginning on or after December 15, 2025. The session outlined the new quality management requirements and their application to audit offices. The training was also attended by auditors from the

¹ In 2019, Nitijela passed an Amendment to the Audit Act enabling the Auditor-General to refer matters directly to any government agency for administrative sanctions and remedies when the alleged breach or wrongdoing is by the agency's employee.

Association of Pacific Islands Public Auditors (APIPA) jurisdictions and sponsored by Graduate School USA with funding support from the U.S. Department of the Interior, Office of Insular Affairs.

- From March 3–7, 2025, the Chief Investigator, a Deputy Chief Investigator, and an Audit Supervisor (Financial Auditing) participated in a Capacity Development Program hosted by the Asian Organization of Supreme Audit Institutions (ASOSAI) in Bangkok, Thailand. The program, titled *“Dealing with Fraud and Corruption in Auditing,”* provided practical tools to strengthen audit practices, with a focus on identifying fraud risks, recognizing common fraud schemes, and enhancing robust audit planning. The workshop was organized and delivered by ASOSAI in partnership with the Pacific Association of Supreme Audit Institutions (PASAI).



Audit Supervisor and Investigators with participants at the ASOSAO workshop in Bangkok, Thailand

- From March 18–21, 2025, a Deputy Chief Investigator participated in a series of online sessions under the UNDP Pacific Anti-Corruption Project. The webinars covered topics including public procurement fraud, complex money laundering and international financial investigations, and the use of commercial contracts and Mutual Legal Assistance (MLA) in corruption cases. The sessions provided expert insights and best practices for tackling regional anti-corruption challenges.
- From April 1–3, 2025, the Audit Manager (Performance Auditing) and an Audit Supervisor (Financial/Compliance Auditing) attended a follow-up workshop on the System of Audit Quality Management (SoAQM) in Auckland, New Zealand. This workshop was built on the initial session held in Nadi, Fiji, in 2024, where participating SAIs learned the fundamentals of developing a SoAQM. The training focused on meeting new auditing standard requirements, ensuring audit quality is maintained throughout the audit process, and aligning office policies with these standards. The Audit Manager’s travel was funded by PASAI, while the Audit Supervisor’s travel was covered by the Office’s capacity-building budget.



Audit Manager and Supervisor at the SoAQM Workshop in Auckland, New Zealand

- From May 5–8, 2025, the Deputy Chief Investigators attended the Association of Certified Fraud Examiners (ACFE) Exam Review Course in Austin, Texas. The course was led by ACFE President John Gill, J.D., CFE, and Training Director Jason Zirkle, CFE, both highly respected leaders in the field. The ACFE is the world's largest organization dedicated to fighting fraud, focusing on professional training, awarding the Certified Fraud Examiner (CFE) credential, and supporting a global network of anti-fraud professionals. This specialized course provided a thorough review of the key concepts covered in the CFE Examination. The Investigators' participation was funded through the Office's training and capacity-building budget.



Deputy Chief Investigators at the ACFE Exam Review Course in Austin, Texas, USA.

- From May 20–22, 2025, the Auditor-General and the IT Manager/Communication Officer attended the UNDP workshop entitled *North Pacific Fiscal Oversight for Sustainable Development* in the U.S. Territory of Guam. The workshop brought together audit offices and Chairs of Parliamentary Accounts Committees (PACs) from across the North Pacific. Its objective was to strengthen the role of key fiscal oversight bodies and government officials in achieving the Sustainable Development Goals (SDGs) through effective public financial management (PFM). The event was sponsored by the UNDP in collaboration with the IMF's Pacific Financial Technical Assistance Centre (PFTAC).



Auditor-General and IT Manager/Communication Officer with participants at the UNDP Workshop in Guam

- On May 22, 2025, the Performance Division staff attended the second webinar on Report Writing, alongside other Pacific auditors. The one-hour session, delivered by PASAI's Director and Performance Audit Consultant, Mr. Mike Scott, provided practical guidance and tips for writing effective audit reports that clearly convey key messages. The training was sponsored by PASAI.
- From May 26–29, 2025, the Audit Manager and a Staff Auditor (Performance auditing) participated in a Regional Reporting Workshop in Nadi, Fiji, coordinated by the PASAI. The workshop brought together auditors from nine (9) participating Pacific audit offices that participated in a global cooperative audit on climate change adaptations (CCAA audit). The purpose of the workshop was to identify and consolidate key themes from the individual performance audits to produce a Regional Report, which will contribute to the development of a Global Report for presentation to international stakeholders, including at the UN Climate Change Conference in November 2025. PASAI funded the Audit Manager's participation, while the Staff Auditor was funded through the Office's travel budget.



Audit Manager and Staff Auditor with participants at the CCAA Reporting Workshop in Nadi, Fiji

- From July 15–16, 2025, a Deputy Chief Investigator participated in specialized Financial Investigation Training co-hosted by the United States Department of Defense and the IRS Criminal Investigations Unit. The training was organized with the support of the RMI Office of National Security, which also coordinated registration for RMI law enforcement agencies. The course equipped investigators with skills to trace financial transactions across traditional banking systems, cryptocurrencies, and corporate records, with a focus on addressing vulnerabilities in Decentralized Autonomous Organizations (DAOs) identified in a recent evaluation by the Asia/Pacific Group on Money Laundering (APG). Participants

included representatives from the Attorney-General's Office, the Marshall Islands Police Department, the Banking Commission, and the Ministry of Foreign Affairs and Trade.



Deputy Chief Investigator (bottom left) with participants from other RMI law enforcement agencies at the Financial Investigations Training

- On July 22, 2025, the Audit Manager and Deputy Auditor-General conducted an in-house training session for the benefit of our two new auditors. The session provided an overview of performance auditing, including its purpose and the phases of the audit cycle. It also served as a refresher for existing staff. This training is part of the Office's ongoing efforts to bring new staff up to speed and strengthen overall knowledge of performance auditing.
- From July 28–31, the entire Audit Staff and four Investigative Staff attended a four-day in-house audit training. The first two and a half days focused on financial auditing, specifically on assessing financial-related activities and controls. The remaining one and a half days covered conducting performance audits. Through this training, participants earned 32 Continuing Professional Education (CPE) hours. The training was sponsored by the Graduate School USA, PITI-VITI, with funding support from the United States Department of the Interior, Office of Insular Affairs. The training was delivered by Mr. Drummond Kahn, a faculty member of the Graduate School USA.



OAG staff with Mr. Drummond Kahn during the training

PUBLICATION OF AUDIT REPORTS SUBMITTED

In accordance with the Auditor-General Act of 1986 [P.L. 1986-25], all audits completed during this reporting period will also be made available to the Honorable Members of the Nitijela and other stakeholders including the general public via the official website of the OAG at www.rmioag.com.

Respectfully,

Junior Patrick
Auditor-General

August 18, 2025

EXHIBIT I: UPDATED ORGANIZATIONAL CHART

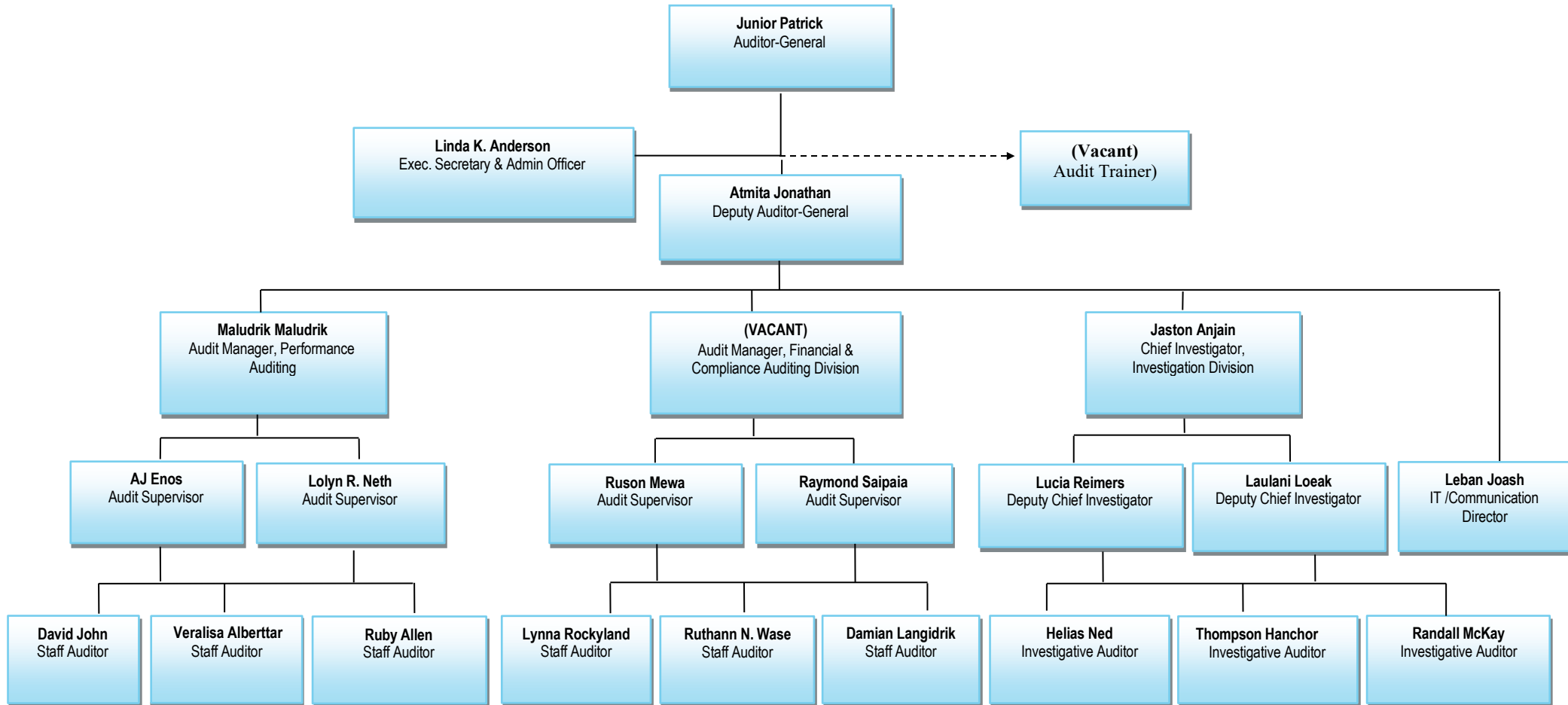


EXHIBIT II: AUDIT ACTIVITIES (JANUARY 1, 2025 THRU JULY 31, 2025 (INCLUDING STATUS AS OF PRINTING DATE OF THIS REPORT))

<u>AUDITEE</u>	<u>TYPE OF AUDIT</u>	<u>REMARKS</u>
1. Project for Procurement of School Bus (Japan Grassroots Grant)	Financial/Compliance Mar 16, 2023 thru Apr. 6, 2023	Audit completed and included in this semi-annual report
2. RMI Embassy in Fiji	Compliance Review [FY2017 thru FY2021]	Audit completed and sent to management for comments
3. Wotje Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Audit completed and sent to management for comments
4. Ebon Atoll Local Government	Financial/Compliance [FY2013 thru FY2023]	Audit fieldworks completed and report being drafted
5. Maloelap Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Other arrangements are being considered due to Office conflict
6. Likiep Atoll Local Government	Financial/Compliance [FY2017 thru FY2024]	Audit in planning phase
7. Mili Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Audit planned for this year
8. Namdrik Atoll Local Government	Financial/Compliance [FY2014 thru FY2023]	Audit planned for this year
9. Namu Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Audit planned for this year
10. Project for Procurement of Equipment for Copra Logistics (Japan Grassroots Grant)	Financial/Compliance [March 14 2024 thru March 30, 2024]	Audit in planning phase
11. RMI Embassy in Taiwan	Compliance Review [FY2017 thru FY2023]	Audit fieldworks in progress
12. RMI Consulate General Office HI	Compliance Review [FY2017 thru FY2023]	Audit in planning phase
13. RMI Embassy in S. Korea	Compliance Review [FY2022 thru FY2024]	Audit in planning phase
14. Covid-19 Relief Funds (National Treasury)	Compliance [FY2020 thru FY2022]	Audit was terminated to focus on Embassy Reviews**

*** Decision was made to terminate the audit to focus on the Embassy reviews. Review of Covid-19 Relief funds will be covered in the respective donors' audits.*

EXHIBIT III: STATUS REPORT OF SINGLE AUDITS OF REPMAR FOR FY2023, FY2022 AND FY2021 AS OF AUGUST 18, 2025



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August 18, 2025

Mr. Junior Patrick
Auditor General
Office of the Auditor-General
Majuro, MH 96960

Dear Mr. Patrick:

The following is a summary report as of August 15, 2025 on the status of the Single Audits for the Government of the Republic of the Marshall Islands (RepMar) for the years ended September 30, 2023, 2022, and 2021:

FISCAL YEAR 2023

A. Audits Completed and Issued

Air Marshall Islands, Inc. (FY2023)
Majuro Atoll Waste Company (FY2023)
Marshall Islands Development Bank (FY2023)
Marshall Islands Marine Resources Authority (FY2023)
Marshall Islands National Telecommunications Authority (FY2023)
Marshall Islands Postal Services Authority (FY2023)
RMI Judiciary Fund (FY2023)
RMI Office of Commerce, Investment and Tourism (FY2023)

B. Trial Balances Provided for Audit

Government of the Republic of the Marshall Islands - A preliminary trial balance was provided by the auditee on January 6, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on July 15, 2025 and is currently ongoing.

College of the Marshall Islands - A preliminary trial balance was provided by the auditee on April 11, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on August 5, 2025 and is currently ongoing.

Health Care Revenue Fund - A preliminary trial balance was provided by the auditee on April 15, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

Kwajalein Atoll Joint Utilities Resources, Inc. - A preliminary trial balance was provided by the auditee on June 17, 2025; however, preliminary risk assessment has not been performed. Fieldwork is expected to commence upon completion of the FY2022 audit.

FISCAL YEAR 2023, continued

B. Trial Balances Provided for Audit, continued

Majuro Resort, Inc. - A preliminary trial balance was provided by the auditee on November 22, 2024, and preliminary risk assessment has been performed. Fieldwork commenced on March 3, 2025 and is currently ongoing.

Marshall Islands Health Fund - A preliminary trial balance was provided by the auditee on April 15, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

Marshall Islands Scholarship Grant and Loan Board - A preliminary trial balance was provided by the auditee on April 15, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on April 21, 2025 and is currently ongoing.

Marshall Islands Shipping Corporation - A preliminary trial balance was provided by the auditee on November 28, 2024, and preliminary risk assessment has been performed. Fieldwork commenced on January 27, 2025 and is currently ongoing.

Marshall Islands Social Security Administration - A preliminary trial balance was provided by the auditee on June 9, 2025, and preliminary risk assessment has been performed. Fieldwork is substantially complete and engagement review is in progress.

Marshall Islands Energy Company, Inc. - A preliminary trial balance was provided by the auditee on January 22, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on February 10, 2025 and is currently ongoing.

National Training Fund - A preliminary trial balance was provided by the auditee on July 8, 2025, and preliminary risk assessment has been performed. Fieldwork is being conducted concurrently with RepMar.

Public School System Education Fund - A preliminary trial balance was provided by the auditee on July 15, 2025, and preliminary risk assessment has been performed. Fieldwork is being conducted concurrently with RepMar.

RMI Ports Authority - A preliminary trial balance was provided by the auditee on March 10, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on April 30, 2025 and is currently ongoing.

Tobolar Copra Processing Authority - Fieldwork is complete, draft reports have been issued, and final engagement review is in progress.

FISCAL YEAR 2023, continued

C. Trial Balances Not Provided for Audit

Majuro Water and Sewer Company, Inc. (FY2023)
RMI National Environmental Protection Authority Fund (FY2023)

FISCAL YEAR 2022

A. Audits Completed and Issued

Government of the Republic of the Marshall Islands (FY2022)
Air Marshall Islands, Inc. (FY2022)
Health Care Revenue Fund (FY2022)
Majuro Atoll Waste Company (FY2022)
Majuro Resort, Inc. (FY2022)
Marshall Islands Development Bank (FY2022)
Marshall Islands Health Fund (FY2022)
Marshall Islands Marine Resources Authority (FY2022)
Marshall Islands National Telecommunications Authority (FY2022)
Marshall Islands Scholarship, Grant and Loan Board (FY2022)
Marshall Islands Shipping Corporation (FY2022)
Marshall Islands Social Security Administration (FY2022)
Marshall Islands Postal Services Authority (FY2022)
Marshall Islands Energy Company, Inc. (FY2022)
National Training Fund - included in RepMar's General Fund (FY2022)
Public School System Education Fund - included in RepMar's General Fund (FY2022)
RMI Judiciary Fund (FY2022)
RMI Office of Commerce, Investment and Tourism (FY2022)
RMI Ports Authority (FY2022)
Tobolar Copra Processing Authority (FY2022)

B. Trial Balances Provided for Audit

College of the Marshall Islands - A preliminary trial balance was provided by the auditee on April 11, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

Kwajalein Atoll Joint Utilities Resources, Inc. - A preliminary trial balance was provided by the auditee on June 17, 2025; however, preliminary risk assessment has not been performed. Fieldwork commencement date is yet to be determined.

Majuro Water and Sewer Company, Inc. - A preliminary trial balance was provided by the auditee on August 6, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on August 11, 2025 and is currently ongoing.

Mr. Junior Patrick, Office of the Auditor-General

August 18, 2025

FISCAL YEAR 2022, continued

B. Trial Balances Provided for Audit, continued

RMI National Environmental Protection Authority Fund - A preliminary trial balance was provided by the auditee on February 7, 2025, and preliminary risk assessment has been performed. Fieldwork is complete and draft reports are in progress.

FISCAL YEAR 2021

Kwajalein Atoll Joint Utilities Resources, Inc. - Fieldwork is complete, draft reports have been issued, and final engagement review is in progress.

College of the Marshall Islands - Audit reports were issued on September 27, 2024.

Majuro Water and Sewer Company, Inc. - Audit reports were issued on May 9, 2025.

Marshall Islands Marine Resources Authority - Audit reports were issued on November 16, 2023.

RMI National Environmental Protection Authority Fund - Audit reports were issued on December 13, 2024.

If you have any questions on the above, please do not hesitate to contact us at your convenience.

Yours truly,



John R. Onedera
Country Managing Partner

Copy to Ministry of Finance, Banking and Postal Services: Minister David Paul
Secretary Ayako Yamaguchi-Eliou

HOTLINE

Telephone Line (692) 625-3390 / 3192

[Call us to report any allegations of fraud, waste and abuse in the collection and expenditure of all public funds]

OR

Fill out the Complaint Form from our website www.rmioag.com

[If you want to remain anonymous, do not disclose your email address or other contact information]

OR

Write to us through the mailing address below:

Office of the Auditor-General

P.O. Box 245

Majuro, MH 96960

[If you do not want to reveal your identity, do not disclose a return address]

OR

Visit us at the Office Complex in Delap village, Majuro