

REPUBLIC OF THE MARSHALL ISLANDS
Office of the Auditor-General



Eighty-Fourth (84th) Semi-Annual Report of the Functions and
Activities of the Office of the Auditor-General

Volume I, II & III

SUBMITTED TO THE NITIJELA DURING ITS 47TH CONSTITUTIONAL REGULAR SESSION [PART I]

January 2026



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

January 19, 2026

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

Dear Speaker Wase:

I am pleased to submit herewith Thirty-Six (36) copies of our Eighty-Fourth (84th) 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 July 1, 2025 thru December 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,

A handwritten signature in blue ink, appearing to read "Junior Patrick".

Junior Patrick
Auditor-General

Enclosures: Thirty-Six (36) copies of 84th Semi-Annual Report of the Functions and Activities of the Office of the Auditor-General

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REPUBLIC OF THE MARSHALL ISLANDS
OFFICE OF THE AUDITOR-GENERAL

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

**EIGHTY-FOURTH (84TH) SEMI-ANNUAL REPORT OF THE FUNCTIONS
AND ACTIVITIES OF THE OFFICE OF THE AUDITOR-GENERAL
JULY 1, 2025 THRU DECEMBER 31, 2025 (AND INCLUDED 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-Fourth (84th) 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 a total of 20 staff, comprising 5 performance auditors, 5 financial auditors, 6 investigators, and 4 support staff.

We have not been able to fill the position of Audit Manager (financial/compliance auditing) since the manager resigned over two years ago to accept another employment with higher pay. During this period, we also lost an Audit Supervisor (performance auditing) who resigned to accept other employment with higher pay. One staff auditor (financial/compliance auditing) is still on educational leave pursuing a Bachelor’s Degree in Accounting at Eastern Oregon University in Oregon, USA.

During this reporting period, the following positions remain vacant:

1. Audit Manager (Financial/Compliance Auditing)
2. Audit Supervisor (Performance Auditing)

Exhibit I provides a detailed description of 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 XXXI*).

1. **RMI Embassy in Fiji_FY2017 through FY2021**
2. **Wotje Atoll Local Government_FY2018 through FY2023**
3. **Marshall Islands Marine Resources Authoirtiy_FY2024**
4. **Majuro Atoll Waste Company_FY2024**
5. **Air Marshalls, Inc._FY2024**
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7. Marshall Islands Shipping Corporation_FY2023
8. Majuro Resort Inc._FY2023
9. Health Care Revenue Fund_FY2023
10. Marshalls Energy Company_FY2023
11. Tobolar FY2023
12. Ports Authority_FY2023
13. Health Fund_FY2023
14. Scholarship_FY2023
15. Majuro Water & Sewer Company_FY2022
16. National Environmental Protection Authority_FY2022
17. College of the Marshall Islands_FY2022
18. Kwajalein Atoll Joint Utilities Resources, Inc._FY2021
19. Kili/Bikini/Ejit Local Government_FY2019
20. WB's Multisectoral Early Childhood Development Project II_FY2024
21. WB's Multisectoral Early Childhood Development Project II_FY2023
22. WB's Pacific Resilience Project II under the Pacific Resilience Program_FY2024
23. WB's Pacific Resilience Project II under the Pacific Resilience Program_FY2023
24. WB's Educational and Skills Strengthening Project_FY2024
25. WB's Educational and Skills Strengthening Project_FY2023
26. WB's Urban Resilience Project_FY2024
27. WB's Urban Resilience Project_FY2023
28. WB's Multisectoral Early Childhood Development Project_FY2023
29. WB's Digital RMI Project_FY2023
30. WB's Maritime Investment Project_FY2023
31. IFAD's Small Islands Food and Water Project_FY2024

SINGLE AUDIT OF REPMAR FY2024, 2023 & 2022 AS OF DECEMBER 31, 2025

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 status of the Single Audits of the RepMar and its component units for the fiscal year endings September 30, 2024, 2023, and 2022 as of December 31, 2025:

FY2024 AUDIT STATUS

A. Audits Completed and Issued:

- Air Marshall Islands, Inc. (FY2024)**
- Majuro Atoll Waste Company (FY2024)**
- Marshall Islands Development Bank (FY2024)**
- Marshall Islands Marine Resources Authority (FY2024)**

B. Trial Balances Provided for Audit

Marshall Islands National Telecommunications Authority (FY2024) - A preliminary trial balance was provided by the auditee on September 17, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on December 8, 2025, and is currently ongoing.

RMI Office of Commerce, Investment and Tourism (FY2024) - A preliminary trial balance was provided by the auditee on December 1, 2025, and preliminary risk assessment is in progress. Fieldwork is expected to commence January 12, 2026.

C. Trial Balances Not Provided for Audit

College of the Marshall Islands (FY2024)
Health Care Revenue Fund (FY2024)
Kwajalein Atoll Joint Utilities Resources, Inc. (FY2024)
Majuro Resort, Inc. (FY2024)
Majuro Water and Sewer Company, Inc. (FY2024)
Marshall Islands Health Fund (FY2024)
Marshall Islands Postal Services Authority (FY2024)
Marshall Islands Scholarship Grant and Loan Board (FY2024)
Marshall Islands Shipping Corporation (FY2024)
Marshall Islands Social Security Administration (FY2024)
Marshall's Energy Company, Inc. (FY2024)
National Training Fund (FY2024)
Public School System Education Fund (FY2024)
RMI Judiciary Fund (FY2024)
RMI National Environmental Protection Authority Fund (FY2024)
RMI Ports Authority (FY2024)
Tobolar Copra Processing Authority (FY2024)

As instructed by the Ministry of Finance (MOF), FY2024 trial balances were provided to MOF for the following auditees:

Majuro Resort, Inc. - provided on October 10, 2025.
Marshall Islands Postal Services Authority - provided on October 27, 2025.
Marshall Islands Scholarship Grant and Loan Board - provided on October 30, 2025.
Marshall Islands Social Security Administration - provided on November 21, 2025.
National Training Fund - provided on October 31, 2025.
Public School System Education Fund - provided on October 22, 2025.
RMI Judiciary Fund - provided on October 20, 2025.
Tobolar Copra Processing Authority - provided on December 8, 2025.

These trial balances remain with MOF and have yet to be transmitted to EY as of December 31, 2025.

FY2023 AUDIT STATUS

A. Audits Completed and Issued:

- Air Marshall Islands, Inc. (FY2023)**
- Health Care Revenue Fund (FY2023)**
- Majuro Atoll Waste Company (FY2023)**
- Majuro Resort, Inc. (FY2023)**
- Marshall Islands Development Bank (FY2023)**
- Marshall Islands Health Fund (FY2023)**
- Marshall Islands Marine Resources Authority (FY2023)**
- Marshall Islands National Telecommunications Authority (FY2023)**
- Marshall Islands Postal Services Authority (FY2023)**
- Marshall Islands Scholarship Grant and Loan Board (FY2023)**
- Marshall Islands Shipping Corporation (FY2023)**
- Marshall Islands Social Security Administration (FY2023)**
- Marshalls Energy Company, Inc. (FY2023)**
- RMI Judiciary Fund (FY2023)**
- RMI Office of Commerce, Investment and Tourism (FY2023)**
- Tobolar Copra Processing Authority (FY2023)**
- RMI Ports Authority (FY2023) ****

** RMI Ports Authority was in draft as of December 31, 2025, however, the audit report has since been completed and included in this semi-annual report.

B. Trial Balances Provided for Audit:

Government of the Republic of the Marshall Islands (FY2023) - A preliminary trial balance was provided by the auditee on January 6, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on July 15, 2025, and is currently ongoing along with engagement management review of working papers.

Progress of engagement by audit phase to date is as follows:

<u>Audit Phase</u>	<u>Open</u>	<u>In Progress</u>	<u>In Review</u>	<u>Complete</u>
Scope & Strategy	0%	5%	18%	77%
Execution	4%	19%	46%	31%
Conclusion	20%	58%	22%	0%

Draft reports were provided to management on December 9 and 15, 2025; however, such will be revised pending resolution by Ministry of Finance staff of certain FY2023 account reconciliation matters. The draft financial statements will not include the following component unit financial statements:

- College of the Marshall Islands**
- Kwajalein Atoll Joint Utilities Resources, Inc.**
- Majuro Water and Sewer Company, Inc.**

The FY2023 Single Audit Report of RepMar is expected to be complete by January 31, 2026. The final audit report package will be transmitted under a separate cover to the Nitijela as soon as it is issued.

College of the Marshall Islands (FY2023) - A preliminary trial balance was provided by the auditee on April 11, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on August 5, 2025; however, such has temporarily ceased due to non-payment of audit billings for FY2022. Fieldwork recommencement date is yet to be determined.

Kwajalein Atoll Joint Utilities Resources, Inc. (FY2023) - 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 Water and Sewer Company, Inc. (FY2023) - A preliminary trial balance was provided by the auditee on October 28, 2025; however, preliminary risk assessment has not been performed. Fieldwork commencement date is yet to be determined.

National Training Fund (FY2023) - 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 (FY2023) - 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 National Environmental Protection Authority Fund (FY2023) - A preliminary trial balance was provided by the auditee on August 28, 2025; however, preliminary risk assessment has not been performed. Fieldwork is expected to commence on January 10, 2026.

FY2022 AUDIT STATUS

A. Audits Completed and Issued:

Government of the Republic of the Marshall Islands (FY2022)
Air Marshall Islands, Inc. (FY2022)
College of the Marshall Islands (FY2022)
Health Care Revenue Fund (FY2022)
Majuro Atoll Waste Company (FY2022)
Majuro Resort, Inc. (FY2022)
Majuro Water and Sewer Company, Inc. (2022)
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's Energy Company, Inc. (FY2022)
RMI National Environmental Protection Authority 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

Kwajalein Atoll Joint Utilities Resources, Inc. (FY2022) - 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 on February 2, 2026.

A summary report on the status of the Single Audit of RepMar and its reporting entities for the fiscal year endings September 30, 2024, 2023, and 2022, provided by our audit contractor, Ernst & Young (RMI), Inc. as of December 31, 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 our Office, including those identified during our audit engagements. During this reporting period, we recorded two (2) new allegations involving public officials and government employees.

The first allegation concerns maladministration and unethical conduct, for which we are providing assistance to another government authority that is leading the investigation. The second allegation was referred by one of the audit divisions within the OAG and relates to suspected misappropriation and/or embezzlement of public funds and assets, procurement irregularities, and misconduct in public office.

At present, there are eight (8) ongoing investigations: three (3) are being conducted in collaboration with local and foreign law enforcement agencies; four (4) are in the data collection and analysis stage; and one (1) is in the planning stage.

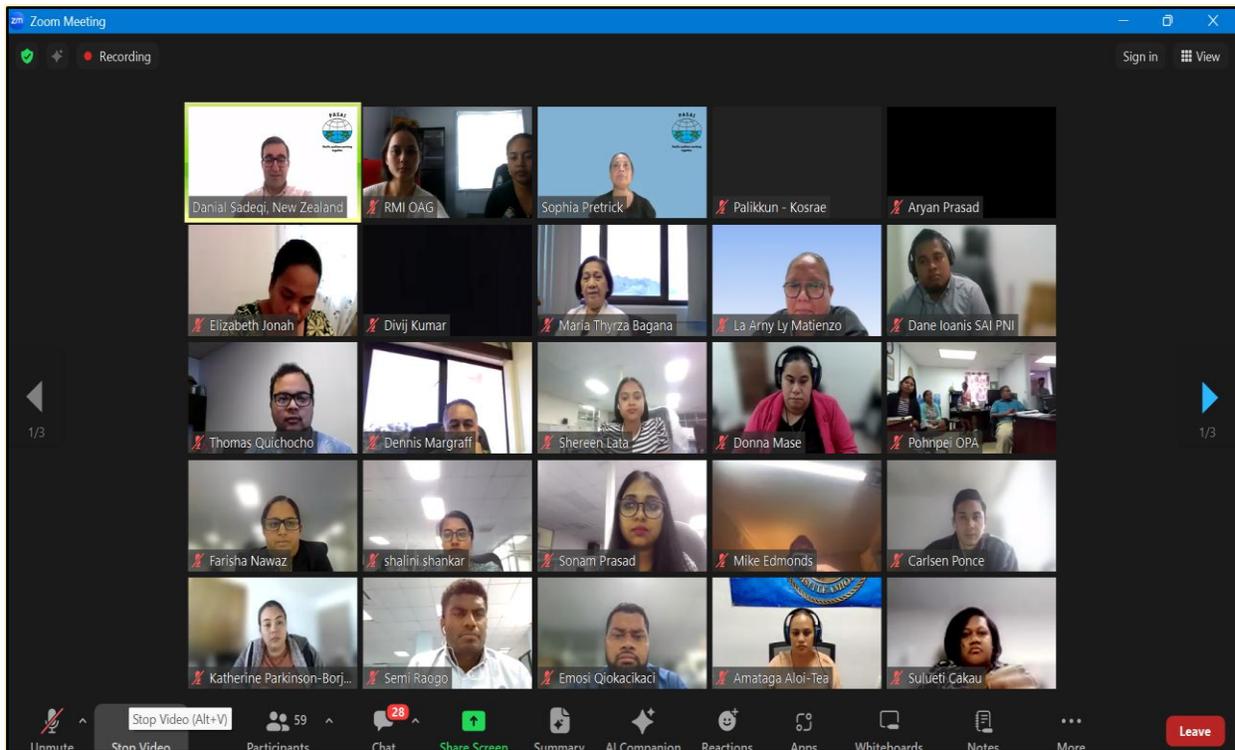
Our investigations will extend to other recorded allegations as appropriate. Any matters involving potential criminal law violations or civil recovery will be referred to the Attorney-

General, while matters requiring administrative action 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 August 14, 2025, two Deputy Chief Investigators attended the Fraud Awareness: Overview, an online webinar. The presentation promotes fraud awareness, creates the basic understanding of what constitutes fraud, fraud detection, red flags and warning signs, common types of fraud and fraud prevention measures. The presentation also aimed to help other SAI's in fraud awareness outreach briefings to stakeholders and the public sector. The session was sponsored and delivered by the Pacific Association of Supreme Audit Institutions (PASAI).



Participants at the Fraud Awareness Overview attended by Deputy Chief Investigators (Zoom screenshot)

- On August 14, 2025, the financial/compliance auditing staff attended a one-day workshop on OMB Uniform and Government Auditing Standards Board (GASB)

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.

Updates. The objective of the workshop was to explore the recently released pronouncements and guidance to prepare organizations for the necessary changes. The workshop explored the updates to the 2025 Uniform Guidance, 2025 Compliance Supplement, and other Agency/Program Updates and an overview of the compliance requirements under US Federal Grants and what auditors expect during an audit. The training was sponsored by Ernst and Young (RMI) Inc. and included accountants and grants managers from RMI governmental institutions.



Participants at the OMB Uniform Guidance and GASB updates at Melele Room (MIR), Majuro

- During August 26–29, 2025, the Auditor-General and the Audit Manager (Performance Auditing) attended the 26th Annual Congress of the Pacific Association of Supreme Audit Institutions (PASAI) in Noumea, New Caledonia. The Auditor-General also participated in the 43rd PASAI Governing Board meeting held at the start of the Congress week as the representative of the Micronesia audit offices (or SAIs). In addition to the PASAI business sessions, the Congress featured a series of workshops covering topics such as *identifying solutions to challenges faced by SAIs in Small Island Developing States (SIDS) in adhering to international standards, enhancing audit quality through regional collaboration, audit impact, strengthening collaborative work between SAIs and legislatures to improve accountability and transparency, and SAI independence*. Participants discussed lessons learned and shared good practices throughout the week.

The Auditor-General's travel was partially funded by PASAI, while the Audit Manager's participation costs were covered by the Office's travel budget.



Auditor-General and Audit Manager with participants at the 26th annual PASAI Congress in Noumea, New Caledonia

- During the week of September 8-12, 2025, the audit staff and investigators attended the 36th annual conference and workshop of the Association of Pacific Islands Public Auditors (APIPA) in Saipan, CNMI. The annual APIPA conference is a training opportunity for auditors, investigators, and accountants to improve their skills relevant to their roles. The audit staff also earned and maintained the continuing professional education (CPE) hours required of auditors who are performing audits and attestations engagement guided by the *Government Auditing Standards*. This event was hosted by the CNMI Office of the Public Auditor and chaired by APIPA Chairperson Dora I. Deleon Guerrero, who also serves as the Temporary Public Auditor of the CNMI. The instructors and materials for the Conference were provided by Graduate School USA and funded by the U.S. Department of the Interior's Office of Insular Affairs. Our participation was funded by the Office training budget.



OAG Team at the 36th annual APIPA Conference in Saipan, CNMI

- From September 19, 2025 to the present, the Investigation Division, together with the Auditor-General and Deputy Auditor-General, has participated in a series of weekly training sessions on the use of a new case management system, MatrixInvestigator. This investigation tool is designed to streamline investigative processes and improve operational efficiency. On December 11, 2025, MatrixInvestigator was officially launched, and the investigation team has since begun uploading case data and actively utilizing the system in their work. The training on the use of the system was delivered by MatrixInvestigator’s supplier, Matrix Pointe Software, LLC (Matrix), based in Cleveland, Ohio. The acquisition and ongoing maintenance of the investigation tool are funded through the Office’s budget.



The Investigators and Deputy Auditor-General during the Go-Live session of the MatrixInvestigator at OAG Conference Room

- From October 28-30, 2025, the OAG's mid-level auditors, investigator and a support staff participated in a Middle Management Development Workshop, which was specifically designed for public sector professionals responsible managing teams, navigating policy demands, and delivering services that impact communities. The workshop focused on strengthening participants' personal impact, influence, leadership and resilience through the development of core leadership skills. A separate session was conducted for senior-level managers across RMI public sector institutions, which was attended by Auditor-General and OAG senior team members. The leadership training was coordinated by the Office of the Chief Secretary and delivered by Ms. Ranju Kumar, Owner and Consultant at Smart Training, based in Fiji.



Audit Supervisors, Deputy Investigation and IT Manager/Communication Officer with Ms. Kumar at the Mid-level leadership training

- From November 17–20, 2025, the IT Manager/Communication Officer attended a stakeholder training workshop hosted by PASAI at the Guam Office of Public Accountability. The objective of the workshop was to strengthen communication and engagement between the audit office and its stakeholders. Specifically, it focused on how an audit office could implement effective stakeholder engagement practices to enhance the influence, value, and impact of its work. The workshop was sponsored and funded by PASAI.



IT Manager/Communication Officer (Mr. Leban Joash) receiving his certificate at the conclusion of the workshop in Guam

- On November 19, 2025, Deputy Chief Investigators attended a workshop on Corruption Risk Assessment focused on the design and implementation of corruption risk mitigation strategies for public sector organizations. The workshop enhanced participants' understanding of corruption risk assessment methodologies and explored opportunities for conducting initial assessments within the country. The workshop was sponsored by the United Nations Office on Drugs and Crime (UNODC).
- From December 1–5, 2025, an audit supervisor, who served as a team leader in the Asian Organization of Supreme Audit Institutions (ASOSAI) Capacity Development Program on Dealing with Fraud and Corruption in Auditing, participated in an Audit Review Meeting that marked the conclusion of the final phase of the two-year program, which began in 2024 and also included the participation of two OAG lead investigators during earlier training phases. During the meeting, participating SAI Team Leaders formally presented their respective audit findings, key observations, and highlights of audit results, including practical and actionable recommendations arising from their audit assignments, and shared experiences, challenges encountered, lessons learned, and good practices gained throughout the completion of their team assignments. This exchange of knowledge strengthened participants' technical competencies and contributed to enhancing audit quality and effectiveness in addressing fraud and corruption within their respective institutions. The audit supervisor's participation in the

Audit Review Meeting was sponsored by the Pacific Association of Supreme Audit Institutions (PASAI) under a partnership agreement with ASOSAI.



Audit supervisor (Mr. Raymond Saipaia) received his certificate at the conclusion of the Audit Review Meeting in Jakarta, Indonesia

OTHER MATTERS

ACQUISITION OF A NEW INVESTIGATION TOOL (MATRIXINVESTIGATOR)

During the reporting period, the OAG acquired a new investigation tool and case management system, MatrixInvestigator, as part of our efforts to improve the efficiency of investigation work. The tool was launched on December 11, 2025, following a series of weekly training sessions conducted over several months until the staff were familiar with its use. MatrixInvestigator serves as a centralized platform for managing investigation data, automating tasks, streamlining workflows, and helping investigators organize evidence effectively. It also facilitates report generation and maintains a clear audit trail of all investigation activities, among other benefits, ultimately enhancing the overall effectiveness and efficiency of our investigations.

IMPLEMENTATION OF NEW AUDIT REQUIREMENT – SYSTEM OF QUALITY MANAGEMENT

We previously reported that the Audit Manager (performance auditing) and an audit supervisor (financial/compliance auditing) were participating in a series of training provided

by PASAI on implementing the new audit quality requirements under the *2024 Government Auditing Standards (Yellowbook)*. These standards, effective for audits beginning on or after December 15, 2025, represent a major shift in focus from quality control to quality management.

The project to implement the new system of audit quality management, led by two senior auditors, is now in its final phase. It involved a comprehensive review of existing audit procedures and policies in our current audit manual, along with a detailed gap analysis to identify which practices are already in place and which additional procedures need to be incorporated to comply with the new standards. This process will result in an updated audit manual and practices.

Once the project is complete, we plan to have audit professionals review it to ensure that all requirements of the *2024 Government Auditing Standards* are fully addressed before adoption.

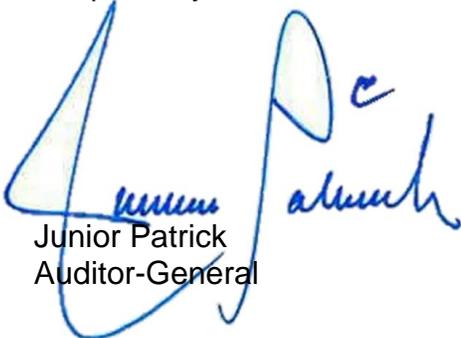
PROJECT TO DIGITIZE AND ENHANCE ACCESSIBILITY OF HISTORICAL REPORT IS ONGOING

The project to digitize and make historical reports accessible continued during this period, led by our IT/Communications Division. The initiative involves converting all semi-annual reports (SARs) and their accompanying audit reports, dating back to the first SAR in 1986, into digital format. Once completed, these digitized reports will be uploaded to the Office website, ensuring long-term preservation and cloud-based accessibility. While some older reports may be scanned with less-than-perfect quality, their contents will remain authentic, fully preserved and accessible.

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.

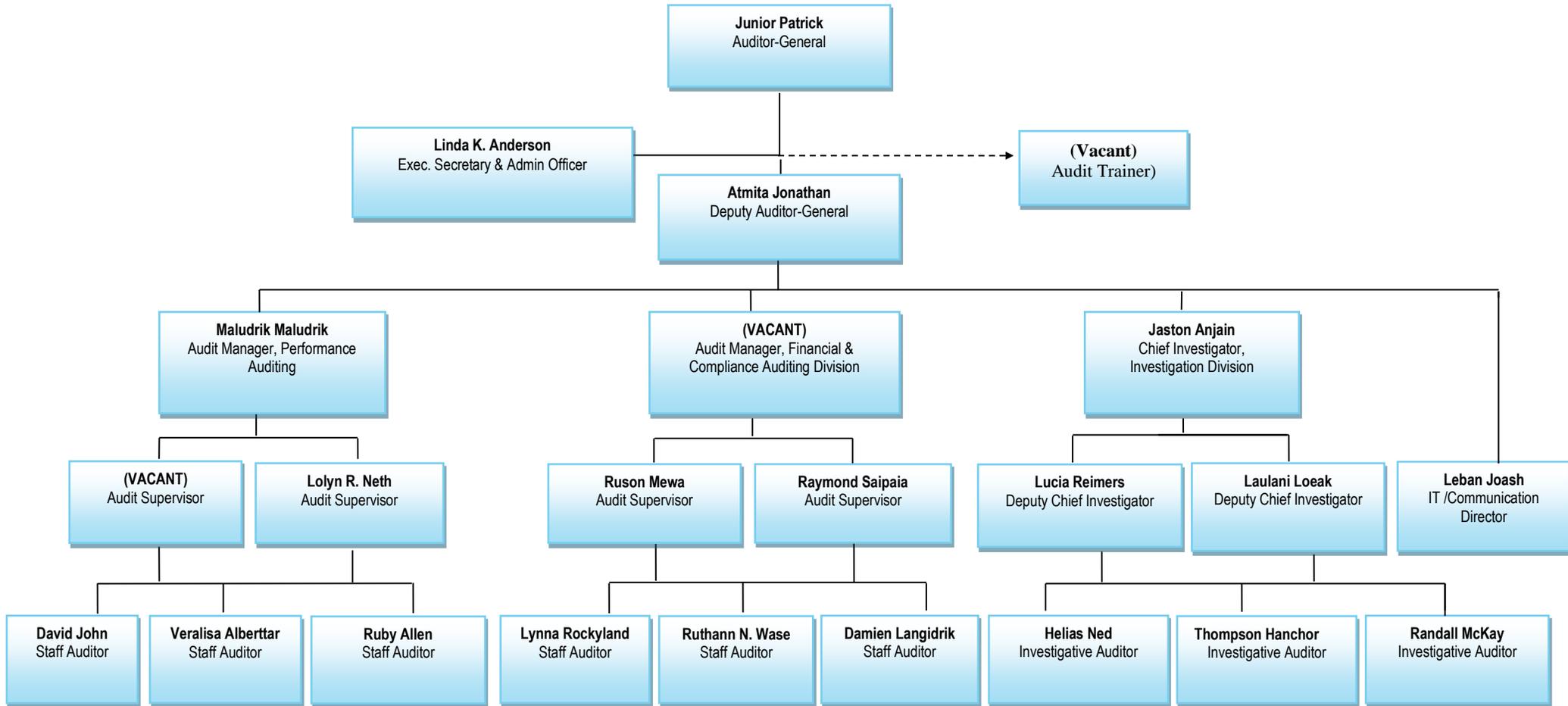
Respectfully,



Junior Patrick
Auditor-General

January 19, 2026

EXHIBIT I: UPDATED ORGANIZATIONAL CHART



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

<u>AUDITEE</u>	<u>TYPE OF AUDIT</u>	<u>REMARKS</u>
1. RMI Embassy in Fiji	Compliance Review [FY2017 thru FY2021]	Audit completed and included in this semi-annual report
2. Wotje Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Audit completed and included in this semi-annual report
3. Ebon Atoll Local Government	Financial/Compliance [FY2013 thru FY2023]	Audit report in drafting stage
4. Project for Procurement of Equipment for Copra Logistics (Japan Grassroots Grant)	Financial/Compliance [March 14 2024 thru March 30, 2024]	Draft audit report completed for issuance for comments
5. Likiep Atoll Local Government	Financial/Compliance [FY2017 thru FY2024]	Audit in planning phase
6. Namu Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Audit in planning phase
7. Mili Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Audit in planning phase
8. Namdrik Atoll Local Government	Financial/Compliance [FY2014 thru FY2023]	Audit planned for this year
9. Maloelap Atoll Local Government	Financial/Compliance [FY2019 thru FY2023]	Other arrangements are being considered due to Office conflict
10. RMI Embassy in Taiwan	Compliance Review [FY2017 thru FY2023]	Audit fieldworks in progress
11. RMI Consulate General Office HI	Compliance Review [FY2017 thru FY2023]	Audit in planning phase
12. RMI Embassy in S. Korea	Compliance Review [FY2022 thru FY2024]	Audit in planning phase **

** The auditor-in-change has resigned and the engagement has been assigned to another auditor

**EXHIBIT III: STATUS REPORT OF SINGLE AUDITS OF REPMAR FOR FY2024,
FY2023 AND FY2022 AS OF DECEMBER 31, 2025**



Ernst & Young (RMI), Inc.
P.O. Box 1288
Majuro, Republic of the Marshall
Islands 96960

Tel: 692 625 7387
ey.com

December 31, 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 December 31, 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, 2024, 2023, and 2022:

FISCAL YEAR 2024

A. Audits Completed and Issued

Air Marshall Islands, Inc. (FY2024)
Majuro Atoll Waste Company (FY2024)
Marshall Islands Development Bank (FY2024)
Marshall Islands Marine Resources Authority (FY2024)

B. Trial Balances Provided to EY for Audit

Marshall Islands National Telecommunications Authority (FY2024) - A preliminary trial balance was provided by the auditee on September 17, 2025, and preliminary risk assessment is in progress. Fieldwork commenced on December 8, 2025, and is currently ongoing.

RMI Office of Commerce, Investment and Tourism (FY2024) - A preliminary trial balance was provided by the auditee on December 1, 2025, and preliminary risk assessment is in progress. Fieldwork is expected to commence January 12, 2026.

C. Trial Balances Not Provided to EY for Audit

College of the Marshall Islands (FY2024)
Health Care Revenue Fund (FY2024)
Kwajalein Atoll Joint Utilities Resources, Inc. (FY2024)
Majuro Resort, Inc. (FY2024)
Majuro Water and Sewer Company, Inc. (FY2024)
Marshall Islands Health Fund (FY2024)
Marshall Islands Postal Services Authority (FY2024)
Marshall Islands Scholarship Grant and Loan Board (FY2024)
Marshall Islands Shipping Corporation (FY2024)

FISCAL YEAR 2024, continued

C. Trial Balances Not Provided to EY for Audit, continued

Marshall Islands Social Security Administration (FY2024)
Marshalls Energy Company, Inc. (FY2024)
National Training Fund (FY2024)
Public School System Education Fund (FY2024)
RMI Judiciary Fund (FY2024)
RMI National Environmental Protection Authority Fund (FY2024)
RMI Ports Authority (FY2024)
Tobolar Copra Processing Authority (FY2024)

As instructed by the Ministry of Finance (MOF), FY2024 trial balances were provided to MOF for the following auditees:

Majuro Resort, Inc. - provided on October 10, 2025.
Marshall Islands Postal Services Authority - provided on October 27, 2025.
Marshall Islands Scholarship Grant and Loan Board - provided on October 30, 2025.
Marshall Islands Social Security Administration - provided on November 21, 2025.
National Training Fund - provided on October 31, 2025.
Public School System Education Fund - provided on October 22, 2025.
RMI Judiciary Fund - provided on October 20, 2025.
Tobolar Copra Processing Authority - provided on December 8, 2025.

These trial balances remain with MOF and have yet to be transmitted to EY as of December 31, 2025.

FISCAL YEAR 2023

A. Audits Completed and Issued

Air Marshall Islands, Inc. (FY2023)
Health Care Revenue Fund (FY2023)
Majuro Atoll Waste Company (FY2023)
Majuro Resort, Inc. (FY2023)
Marshall Islands Development Bank (FY2023)
Marshall Islands Health Fund (FY2023)
Marshall Islands Marine Resources Authority (FY2023)
Marshall Islands National Telecommunications Authority (FY2023)
Marshall Islands Postal Services Authority (FY2023)
Marshall Islands Scholarship Grant and Loan Board (FY2023)
Marshall Islands Shipping Corporation (FY2023)
Marshall Islands Social Security Administration (FY2023)
Marshalls Energy Company, Inc. (FY2023)
RMI Judiciary Fund (FY2023)
RMI Office of Commerce, Investment and Tourism (FY2023)
Tobolar Copra Processing Authority (FY2023)

FISCAL YEAR 2023, continued

B. Fieldwork Completed and Draft Reports Issued

RMI Ports Authority (FY2023)

C. Trial Balances Provided to EY for Audit

Government of the Republic of the Marshall Islands (FY2023) - A preliminary trial balance was provided by the auditee on January 6, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on July 15, 2025, and is currently ongoing along with engagement management review of working papers.

Progress of engagement by audit phase to date is as follows:

<u>Audit Phase</u>	<u>Open</u>	<u>In Progress</u>	<u>In Review</u>	<u>Complete</u>
Scope & Strategy	0%	5%	18%	77%
Execution	4%	19%	46%	31%
Conclusion	20%	58%	22%	0%

Draft reports were provided to management on December 9 and 15, 2025; however, such will be revised pending resolution by Ministry of Finance staff of certain FY2023 account reconciliation matters. The draft financial statements will not include the following component unit financial statements:

- College of the Marshall Islands**
- Kwajalein Atoll Joint Utilities Resources, Inc.**
- Majuro Water and Sewer Company, Inc.**

College of the Marshall Islands (FY2023) - A preliminary trial balance was provided by the auditee on April 11, 2025, and preliminary risk assessment has been performed. Fieldwork commenced on August 5, 2025; however, such has temporarily ceased due to non-payment of audit billings for FY2022. Fieldwork recommencement date is yet to be determined.

Kwajalein Atoll Joint Utilities Resources, Inc. (FY2023) - 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 Water and Sewer Company, Inc. (FY2023) - A preliminary trial balance was provided by the auditee on October 28, 2025; however, preliminary risk assessment has not been performed. Fieldwork commencement date is yet to be determined.

National Training Fund (FY2023) - 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.

FISCAL YEAR 2023, continued

C. Trial Balances Provided to EY for Audit, continued

Public School System Education Fund (FY2023) - 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 National Environmental Protection Authority Fund (FY2023) - A preliminary trial balance was provided by the auditee on August 28, 2025; however, preliminary risk assessment has not been performed. Fieldwork is expected to commence on January 10, 2026.

FISCAL YEAR 2022

A. Audits Completed and Issued

- Government of the Republic of the Marshall Islands (FY2022)**
- Air Marshall Islands, Inc. (FY2022)**
- College of the Marshall Islands (FY2022)**
- Health Care Revenue Fund (FY2022)**
- Majuro Atoll Waste Company (FY2022)**
- Majuro Resort, Inc. (FY2022)**
- Majuro Water and Sewer Company, Inc. (2022)**
- 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)**
- Marshalls Energy Company, Inc. (FY2022)**
- RMI National Environmental Protection Authority 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 to EY for Audit

Kwajalein Atoll Joint Utilities Resources, Inc. (FY2022) - 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 on February 2, 2026.

Mr. Junior Patrick, Office of the Auditor-General

December 31, 2025

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.rmioa.g.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

