

REPUBLIC OF THE MARSHALL ISLANDS  
**Office of the Auditor-General**



**Republic of the Marshall Islands**

**WOTJE ATOLL LOCAL GOVERNMENT**

**THE AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH  
GOVERNANCE**

*Period from October 1, 2018 through September 30, 2023*

Audit No.: 6/21 - 2400

August 26, 2025



REPUBLIC OF THE MARSHALL ISLANDS  
**OFFICE OF THE AUDITOR-GENERAL**

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August 26, 2025

Honorable Jess Gasper, Jr.  
Minister  
Ministry of Culture and Internal Affairs  
Republic of the Marshall Islands

Dear Minister Gasper, Jr.:

We were engaged to audit the financial statement of the Wotje Atoll Local Government (Wotje Government) for the period from October 1, 2018 through September 30, 2023, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon dated August 26, 2025.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Wotje Government is responsible.

This report is intended solely for the information and use of the management of the Wotje Government, the Office of the Auditor General, pass-through entities, and others within the Wotje Government organization and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

Very truly yours,

For

Junior Patrick  
Auditor-General

cc: The Management of Wotje Atoll Local Government

## **OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

Our responsibility under generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, has been described in our notification letter dated October 14, 2024. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards are:

- To express an opinion on the fairness of the presentation of the Wotje Government’s financial statement and the accompanying supplementary information, in relation to the financial statement as a whole, for the period from October 1, 2018 through September 30, 2023 (the “financial statement”), in conformity with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, in all material respects.
- To express an opinion on whether the supplementary information that accompanies the financial statement is fairly stated, in all material respects, in relation to the financial statement taken as a whole; and
- To report on the Wotje Government’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the period from October 1, 2018 through September 30, 2023, based on an audit of financial statements performed in accordance with standards applicable to financial audits contained in generally accepted government auditing standards.

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statement that has been prepared with the oversight of management and the Office of the Mayor is presented fairly, in all material respects, in conformity with the cash basis of accounting. The audit of the financial statement does not relieve management or the Office of the Mayor of their responsibilities.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statement, whether caused by fraud or error. In making those risk assessments, we considered internal control over financial reporting relevant to the Wotje Government’s preparation and fair presentation of the financial statement in order to design audit procedures that were appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Wotje Government’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wotje Government’s internal control over financial reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Wotje Government’s significant accounting policies are set forth in Note 2 to the Wotje Government’s financial statement. During the period from October 1, 2018 through September 30, 2023, there were no significant changes in previously adopted accounting policies or their application.

We have evaluated the significant qualitative aspects of the Wotje Government’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and consistently applied by management.

## **ACCOUNTING ESTIMATES**

As the Wotje Government is using the cash basis of accounting, no accounting estimates were recorded during the period from October 1, 2018 through September 30, 2023.

## **DISAGREEMENTS WITH MANAGEMENT**

We have not had any disagreements with management related to matters that are material to the Wotje Government's financial statement.

## **OUR VIEWS ABOUT SIGNIFICANT MATTERS THAT WERE THE SUBJECT OF CONSULTATION WITH OTHER ACCOUNTANTS**

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters.

## **SIGNIFICANT FINDINGS OR ISSUES DISCUSSED, OR SUBJECT OF CORRESPONDENCE, WITH MANAGEMENT PRIOR TO OUR RETENTION**

Throughout the period, routine discussions were held, or were the subject of correspondence, with management regarding the application of accounting principles or auditing standards in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions or correspondence were not held in connection with our retention as auditors.

## **OTHER SIGNIFICANT FINDINGS OR ISSUES ARISING FROM THE AUDIT DISCUSSED, OR SUBJECT OF CORRESPONDENCE, WITH MANAGEMENT**

Throughout the period, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant findings or issues requiring communication to the Office of the Mayor.

## **SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

In our judgment, we received the full cooperation of the Wotje Government's management and staff and had unrestricted access to the Wotje Government's senior management.

## **MANAGEMENT'S REPRESENTATIONS**

We have made specific inquiries of the Wotje Government's management about the representations embodied in the financial statement. In addition, we have requested that management provide to us the written representations the Wotje Government is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Attachment I, a copy of the representation letter we obtained from management.

## CONTROL-RELATED MATTERS

We have issued a separate report to you, dated August 26, 2025, on the Wotje Government's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, which was based upon the engagement to audit in accordance with *Government Auditing Standards*. Within that report, we noted certain matters that were considered to be material weaknesses under standards established by the American Institute of Certified Public Accountants. Although we have included management's written responses to our comments, such responses have not been subjected to the auditing procedures applied in our engagement to audit the financial statement and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

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*Wotje Atoll Local Government*  
P.O. Box 8108 – Wotje Marshall Islands 96960 Tel: (692) 455-0415  
Email: [lajar.rithen2809@gmail.com](mailto:lajar.rithen2809@gmail.com)

August 18, 2025

Junior Patrick  
Auditor-General  
Office of the Auditor-General  
Republic of the Marshall Islands, 96960

We are providing this letter in connection with your engagement to audit the financial statement of the Wotje Atoll Local Government (Wotje Government), which comprises the schedule of cash receipts and disbursements for period from October 1, 2018 through September 30, 2023, and the related notes to the financial statement, which is prepared in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

We confirm that we are responsible for the following:

- a. The preparation and fair presentation of the schedule of cash receipts and disbursements of Wotje Government using the cash basis of accounting.
- b. The design, implementation, and maintenance of internal control:
  - Relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  - To prevent and detect fraud.
- c. The review and approval of the schedule of cash receipts and disbursements and related notes and acknowledge your role in the preparation of this information. Specifically, we acknowledge that your role in the preparation of the financial statements was a matter of convenience rather than one of necessity. We have reviewed the financial statement preparation assistance provided by you and acknowledge that the financial statements are prepared in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than GAAP.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your engagement to audit.

1. As described in your Independent Auditor's Report, the financial statement referred to above were disclaimed due to lack of supporting documents for the cash receipts and cash disbursements. In addition:
  - a. Other supplementary information is measured and presented within prescribed

guidelines.

- b. Applicable laws and regulations are followed in adopting, approving, and amending budgets.
2. The Wotje Government has provided to you all relevant information and access as agreed in the terms of the audit notification letter.
3. The Wotje Government has provided you:
  - a. Minutes of the meetings of the Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - b. Financial records and related data for all financial transactions of Wotje Government and for all funds administered by Wotje Government. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by Wotje Government and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the financial statement has been prepared.
4. There has been no:
  - a. Action taken by Wotje Government management that contravenes the provisions of federal laws and Republic of the Marshall Islands' laws and regulations, or of contracts and grants applicable to Wotje Government except as described in your Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance.
  - b. Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statement.
5. The Wotje Government has not performed a formal risk assessment, including the assessment of the risk that the financial statement may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in Wotje Government and do not believe that the financial statement is materially misstated as a result of fraud.
6. Except for certain matters that were communicated to the proper authorities, we have no knowledge of fraud or suspected fraud affecting Wotje Government involving:
  - a. Management.
  - b. Employees who have significant roles in the Wotje Government's internal control.
  - c. Others, when the fraud could have a material effect on the financial statement.
7. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section C50, *Claims and Judgments*. For the period from October 1, 2018 through September 30, 2023, the Wotje Government did not utilize the services of legal counsel and was not considered as a defendant in any litigation, claims and assessments brought against the Wotje Government.
8. There are no:
  - a. Related-party transactions and related amounts receivable or payable, including sales, purchases, loan transfers, leasing arrangements, and guarantees.

- b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances or similar arrangement.
9. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the schedule of cash receipts and disbursements or as a basis for recording a loss contingency.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by the FASB ASC 450, *Contingencies* (formerly FASB Statement No. 5, *Accounting for Contingencies*).
10. There have been no significant assumptions used by us in making accounting estimates.
11. We are responsible for the compliance with local and RepMar laws, rules and regulations, and provisions of grants and contracts relating to Wotje Government's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable reports, effective and efficient operations, and compliance with laws and regulations. The Wotje Government is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.
12. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
13. There are no transactions that have not been properly recorded in the accounting records underlying the financial statement.
14. The Wotje Government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateralized.
15. The Wotje Government has complied with all aspects of contractual agreements that may have an effect on the financial statement in the event of noncompliance.
16. No department or agency of Wotje Government has reported a material instance of noncompliance to us.
17. The Wotje Government has disclosed whether, subsequent to September 30, 2023, any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses, have occurred.
18. Evidence of fraud, possible irregularities, or dishonesty in fiscal operations of programs administered by Wotje Government were discovered and communicated to the proper authorities.
19. The Wotje Government is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Wotje Government has elected not to purchase commercial insurance from independent third parties for the risks of loss to which it is exposed.
20. No events have occurred after September 30, 2023, but before the date of this letter that requires consideration as adjustments to, or disclosures in, the financial statement.

21. Regarding supplementary information, we are responsible for the preparation and fair presentation of the supplementary information in accordance with the cash basis of accounting. We believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.

Very truly yours,



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Rithen Lajar  
Mayor, Wotje Atoll Local Government

## Prevent Fraud, Waste and Abuse in the collection and expenditure of all public funds

### **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](http://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