



TERRITORIAL AUDIT OFFICE

2022 ANNUAL REPORT

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Honorable Governor Lemanu P.S. Mauga;
Honorable Senate President Tualo M. Fruean;
Honorable House Speaker Savali Talavou Ale

Talofa lava,

It is with great pleasure that I present the 2022 Annual Report of the Territorial Audit Office (TAO). I am required under **ASAC Section 4.0415, Annual Report**, to report to our leaders, ***“the Governor and the Legislature, at least once every calendar year, and these reports should be made public”***. As promoters of positive change, our continuing efforts to improve and to strengthen the internal financial controls of the American Samoa Government have resulted in the issuance of eleven completed reports and two more that are in progress, pending issuance next month, January 2023.



During the year, we performed unannounced cash counts, limited scope, performance, and special investigation audits. Engagement results have been reported to heads of departments audited (auditees), and reports were hand-delivered to the Honorable Governor and the Honorable Fono Leaders for their information.

Some highlights and achievements in 2022 include:

- The recruiting of eight new auditors
- The inclusion of the auditing and accounting services in the Atoa o Samoa’s MOU
- The official meeting of the Samoa Audit Office and the Territorial Audit Office
- APIPA’s 2022 Annual Conference online
- The first Ethics Officers training for ASG online
- Audit Reports, Cash Counts & Special investigation issued and pending

We understand that our people expect nothing less from us but our very best in delivering the government’s mandate to root out fraud, misuse, abuse, and corruption in government. However, our work involves more than that. Our drive is to streamline processes and improve each department’s operations effectively and efficiently to remain accountable and compliant with local and federal requirements.

The Territorial Audit Office’s findings and recommendations identify benefits that can be achieved, but the auditee’s management must spearhead their enforcement. Without enforcement and immediate implementation, the considerable benefits of our recommendation are lost.

I sincerely appreciate the Directors and staff of the departments, agencies, and offices we audited this year for their understanding, cooperation and support.

I must also thank your Honorable Governor and Lt. Governor and their staff, the Fono leaders, and the Office of Insular Affairs for your support, financial assistance, and advice throughout this year. You have all played important roles in our rough and rocky journey.

Lastly, I want to acknowledge my sincere appreciation to my staff for their outstanding performance this year. Without you, we wouldn’t have achieved this much, and I look forward to better results in CY2023!

Ma lo’u faaaloalo lava.

Faafetai tele,

Tofa Sualauvi H. Su’a
Acting Territorial Auditor
AMERICAN SAMOA
GOVERNMENT



2022 Annual Audit Report



TERRITORIAL AUDIT OFFICE AMERICAN SAMOA GOVERNMENT

CONTENTS

Acting Territorial Auditor’s Message	1-2
Introduction	5
Establishment	5
Duties and Responsibilities	5
Audit Reports	5
Administration	6
Highlights of Activities: Accomplishments 2022	7
Personnel Recruitment of Qualified Staff	7
ATOA o SAMOA’s MOU – Apia, Samoa October 2022	8
First Official Meeting of the two Samoa Audit Offices	8
APIPA 2022 Virtual Annual Conference Presentation	9
• DOI Assistant Secretary Cantor’s Welcoming Remarks.....	10
• TAO’s Audit Presentation by Talaleu F. Kaumaitotoya	10
Ethics Officers Virtual Training March 2022	11
• Lydia F. Nomura’s Opening Remarks.....	12
• Chief of Staff Loa’s Closing Remarks.....	13
ASG Departments Completed Audits in 2022	14

INTRODUCTION

Establishment:

The Territorial Audit Office was established by the Legislature of the American Samoa Government (ASG) as **an independent agency** to be under the direction of the Territorial Auditor (TA)

Duties and Responsibilities:

The duties and responsibilities of the TAO are to **perform independent appraisals of programs and activities of the Government** as well as to perform audit tests to determine that:

- a. Programs and activities of the ASG, including federal grants, are being carried out **effectively, efficiently, and economically**.
- b. Government assets are properly **safeguarded** and
- c. Instances where **fraud, waste, abuse, and misuse of local and federal funds** are uncovered and reported to proper officials.

AUDIT REPORTS:

According to the American Samoa Annotated Code (ASAC 4.0413), an audit report shall make special mention of:

1. Any apparent violation of laws within the scope of the audit; and
2. Any improper expenditure, accounting procedures, failure to properly record financial transactions, and other inaccuracies, irregularities, shortages, and defalcations.

Each report on a financial and compliance audit or an economy and efficiency performance audit must include a statement on the Scope of the audit, the Findings resulting from the audit, the underlying cause and the significance thereof, and an explanation or rebuttal submitted by the agency audited (auditee). A copy of each report must be submitted to the Governor, the President of the Senate, the House Speaker, and the audited agency head. If the audit discloses an apparent violation of a criminal statute, a copy of the report shall be submitted to the Attorney General. Audit reports are public records.

Administration:

The Territorial Audit Office has been under the direction of the Acting Territorial Auditor, Tofa Sualauvi Hine Su'a, whom Governor Lemanu Peleti Sialega Mauga and Lt. Governor Talauega Eleasalo Vaalele Ale officially appointed on January 03, 2021, to revive the office and to carry out its mandate after being inactive for many years, due to shortages of qualified staff.

- **Our Mission** is to serve the public by conducting independent performance audits, unannounced cash counts, and investigations to increase accountability and transparency, identify opportunities to enhance operational efficiencies, and protect public resources. Our process is built around critical decision points and ongoing communications under standards applicable to performance audits contained in the Generally Accepted Government Auditing Standards (GAGAS) issued by the Auditing Standards Board (United States), except for the peer review. Our goal is to make decisions early in the audit process to best target our efforts while remaining flexible in dealing with uncertainty.
- **Our Core principles are:**
 - **Accountability** - We believe all in government are accountable to citizens for their performance, use of resources, stewardship of assets, and ethical conduct.
 - **Transparency** - We believe that free and open access to information is necessary for government officials and agencies to be accountable
 - **Integrity** – We conduct our work and report results fairly, honestly, objectively, and independently. We strive to be accurate but will publicly acknowledge and correct our mistakes.
 - **Quality** – We are committed to producing high-quality work and continuously strive to improve our performance
- **Our Code of conduct:**

Because we evaluate the performance and conduct of other ASG employees, we hold ourselves to high standards. **In brief, we must preserve independence, act professionally, and properly use information, resources, and position.** Failing to abide by these standards of conduct could negatively impact the TAO's employees.

Highlights of Activities: TAO's Accomplishments in 2022

As we mark the end of 2022, I am honored to share the TAO's accomplishments that reflect our commitment to our mission, core principles, and code of conduct.

The Territorial Audit Office's audits and reviews in 2022 focused on preventing fraud, waste, and abuse and improving government operations' effectiveness, efficiency, and economy. To achieve this, we must have experienced and qualified staff with a genuine desire to serve our people and government and have the commitment and passion for pursuing what is right and fair.

Personnel Recruitment of Qualified Staff

Accomplishments were numerous and quite significant in terms of staff recruitment which saw our employees from four at the beginning of January 2021 to nine at the time of this report. However, we anticipate recruiting three more auditors before this year, 2022 ends which will bring our total staff to **twelve**. In our FY2023 Annual Budget proposal, the personnel budget was increased by fifty percent, and capital and the same amount reduced administrative expenditures. Our focus was to recruit experienced and qualified young college graduates to help drive TAO's mission and revive the office by offering good starting salaries and building their careers with the ASG at the Territorial Audit Office.



ATOA O SAMOA'S MEMORANDUM OF UNDERSTANDING (MOU) in Apia, Samoa October 2022



The signing of the MOU between the two countries' leaders highlighted **“the significance of human capital development for both countries through capacity building and professional development initiatives”**. This will surely enable the **“twinning systems and labor mobility”** as noted in the MOU, to go a long way to **“improve the delivery of audit and accounting services in both countries”**. This achievement of the recent **ATOA o SAMOA** summit will benefit not only the staff of both the SAO and TAO but will open up more opportunities for the Samoa Institute of Accountants (SIA), and its members, and Audit Practitioners in Samoa, as well as CPA firms and other Accounting & Audit companies in American Samoa.

FIRST OFFICIAL MEETING OF THE TWO SAMOA AUDIT OFFICES

During the ATOA o SAMOA summit in Apia in October 2022, American Samoa's Audit Office's Acting Territorial Auditor, Tofa Sualauvi H. Su'a, and one of the senior officials from Pago Pago, Mrs. Talaleu Fanene Kaumaitotoya, were welcomed by the Chief Auditor Afioga Fuimaono Camilo Afele and the Staff of the Samoa Audit Office in an 'ava ceremony in Apia. It was a momentous and historic occasion as the two offices met and greeted each for the first time.



Here are some highlights of those memorable and exciting moments.



APIPA 2022 ANNUAL CONFERENCE PRESENTATION

WASHINGTON – The U.S. Department of the Interior’s Office of Insular Affairs applauds the Association of Pacific Islands Public Auditors (APIPA) on completing its 33rd annual conference, held virtually from August 29 to September 2, 2022. More than 500 government financial accountability officials attended from all the Insular Areas and beyond.



Assistant Secretary Cantor shared welcome remarks virtually by encouraging the continued strengthening of accountability in the islands despite the challenges of distance and the recent pandemic. She also assured the participants of continued support of the Biden-Harris administration to address climate change, which continues to impact all of us at alarming rates, especially in the Insular Areas.

The APIPA 2022 conference provided training for auditing and financial accountability officials. Participants received up to 20 hours of continuing professional education (CPE) credits required by government auditing standards for auditors to maintain their professional competency. Thirteen (13) two-hour and four-hour courses were delivered during the Plenary, Audit, and Finance conference. The 2022 APIPA Conference, like prior years, showed excellent attendance. More than 507 participants joined the conference, expanding their skills in government auditing and financial standards, audit report writing, grants management, leadership, risk, and internal controls. In total, over 2,785 course certificates were awarded for 7,028 credit hours.

The APIPA virtual conference was hosted this year by the Federated States of Micronesia (FSM) Office of the National Public Auditor and opened with remarks from FSM President David Panuelo, encouraging participants to enhance accountability in their respective jurisdictions. APIPA Chair FSM National Public Auditor Haser Hainrick welcomed the attendees emphasizing the importance of maintaining core competencies in accountability to serve the government and the public better. Also participating in the meeting was the Inspector General of the U.S. Department of the Interior, Mark Lee Greenblatt; Special Agent Karden Kelly of the Office of Inspector General; and the Hawaii State Auditor, Les Kondo.

The Insular Area government officials participating in this year's virtual conference came from American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, the FSM, the Republic of the

Marshall Islands, the Republic of Palau; and were joined by government officials from Hawai'i, Fiji, and the Independent State of Samoa. Further, Representatives from the FSM came from the national government and each of its four states -- Chuuk, Kosrae, Pohnpei, and Yap.



The APIPA 2022 closing plenary featured recent audit findings and recommendations from island government audit offices, including ten reports ranging from COVID assistance to public utilities and trust funds to passport issuance. The American Samoa audit presentation was led by Mrs. Talaleu Fanene Kaumaitotoya of the Territorial Audit Office (TAO), based on audit findings from the American Samoa Election Office Performance Audit in 2021.

Conference training was funded through the U.S. Department of the Interior's [Office of Insular Affairs](#) and delivered by the Graduate School USA's [Pacific and Virgin Islands Training Initiatives](#).

The Assistant Secretary of Insular and International Affairs and the [Office of Insular Affairs](#) (OIA) carry out the Secretary of the Interior's responsibilities for the U.S. territories of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands. Additionally, OIA administers and oversees federal assistance under the Compacts of Free Association to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. OIA also administers a discretionary Technical Assistance Program for all the insular areas. Find information about OIA and its work on www.doi.gov/oia, [Facebook](#), [Twitter](#), [Instagram](#), and [YouTube](#).

The Ethics Officers Training

Pago Pago, American Samoa (March 28, 2022) – On March 21 and March 28, 2022, sixty-one American Samoa government ethics officers, representing the designated ethics officials for American Samoa Government (ASG) departments, took part in a government-wide training initiative delivered by the Pacific & Virgin

Islands Training Initiatives (PITI-VITI), supported by the U.S. Department of the Interior’s Office of Insular Affairs, and administered by Graduate School USA. The Ethical Decision-Making for Governmental Employees course was tailored to the unique needs of American Samoa, incorporating both general ethics concepts and the specific legal codes and relevant ethics legislation in the Territory.

The newly appointed American Samoa Government (ASG) Ethics Officer, Acting Territorial Auditor Tofa Sualauvi H. Su’a, requested that PITI-VITI provide this ethics training in response to Governor Lemanu’s Executive Order 008-2021, which created a Code of Ethics for the executive branch.

Within less than a month, the PITI-VITI team, along with ASG Ethics Officer Tofa Sualauvi Su’a and his team, planned and delivered eight hours of ethics training for governmental employees – providing timely support for the new Ethics function in the Territory and allowing the new departmental ethics officers to learn and discuss and apply key principles and the new ethics law.

American Samoa’s Field Representative for the Interior’s Office of Insular Affairs, Lydia Faleafine-Nomura, joined the first day of the ethics training to welcome participants and explain their new roles. She asked thought-provoking questions about what it means to be moral and ethical.

In addressing the ethics officers chosen to represent their departments, Faleafine-Nomura emphasized that, *“Sometimes it can be difficult especially here at home in American Samoa because of our culture, our family ties, our close network of friends and families... But if you’re in a situation where you are struggling to decide what to do, you simply must weigh two things.... Is it right or is it wrong?”*

The training offered two days of instruction, providing each ethics officer with eight Continuing Professional Education (CPE) credits. Graduate School USA instructor Drummond Kahn and



Jason Mitchell, the Chief Legal Counsel for the American Samoa Governor's Office, combined their expertise of American Samoa's legal system and best ethical practices in the workplace.

"Covering ethical concepts and connecting them with current government decision-making in American Samoa was very appropriate and timely given the new ethics code and gathering these ethics professionals to study and discuss ethical issues in government can help press the government's ethics efforts forward."

To conclude the ethics training, Chief of Staff for the American Samoa Governor's Office, Loa Tuimavave Tauapa'i Laupola, shared his acknowledgment and appreciation to the PITI-VITI staff, the American Samoa Government, and the participating ethics officers. He made it clear that the reason for having ethics training was that

"...in order to run a transparent and accountable government, a code of ethics must be established to provide a moral compass for the ASG workforce."

He focused on Governor Lemanu and Lieutenant Governor Talauega's philosophy of Integrity, Leadership, and Commitment.

"Integrity is doing the right thing whether anyone is looking or not; Leadership is will and influence that maximizes the efforts of others towards an achievement of a goal, in this case doing the right thing; And commitment is your ability to repeat this process because you know it is the right thing to do and will benefit our people."



The sixty-one ethics officers participating in the two-day training session helped push government efforts to improve its ethics-based approaches to decision-making in American Samoa's government.

ASG DEPARTMENTS' AUDITS COMPLETED IN 2022

1. Report No. 21-09 Department of Homeland – Vital Statistics, Cash Count
2. Report No. 21-10 Department of Agriculture, Market, Airport & Head Office, Cash Count
3. Report No. 22-01 Department of Treasury – Customs Division, Cash Count
4. Report No. 22-02 Department of Treasury – Tax Office, Performance Audit
5. Report No. 22-03 Department of Public Works – Dial a Ride Program, Cash Count (follow-up)
6. Report No. 22-04 Sports Complex Management Office, Cash Count (follow-up)
7. Report No. 22-05 Department of Public Works – Finance Division, Cash Count(follow-up)
8. Report No. 22-06 Department of Public Safety – OMV & Records Div. Cash Count (follow-up)
9. Report No. 22-07 Department of Health – Physical & Vets Clinic & Vessel Seaport, Cash Count
10. Report No. 22-08 Department of Health – Main Office, Performance Audit (pending)
11. Report No.22-09 Department of Legal Affairs – Territorial Registrar's Office, Cash Count
12. Report No. 22-10 Department of Port Administration – Tafuna & Fagatogo Main, Cash Count (follow-up)
13. Report No. 22-11 Department of Health – Environmental Health Services, Special investigation (pending)