

# Strategic Action Plan

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Office of the Public Auditor

2024 - 2029



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Kosrae State Government  
Tofol, Kosrae

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## Foreword

It is my pleasure to present to you the Strategic Action Plan of the Kosrae State Office of the Public Auditor (Kosrae OPA), covering fiscal years 2024 to 2029. The process to develop this document was a welcomed opportunity for the Kosrae OPA to evaluate its organizational direction, the collective state of the organization, and determine its relevance to the needs and expectations of the Kosrae society. This strategic action plan reflects identified priorities and initiatives that will put Kosrae OPA in better position to drive accountability, transparency and ensure more impactful public programs and services in the state.

I must acknowledge and express our utmost gratitude to the Pacific Association of Supreme Audit Institutions and the project consultant, Mr. Pritom Phookun, for the invaluable support and guidance over the course of the project. This sentiment also goes to the members of the Kosrae OPA staff who served on the Project Strategic Planning Team and also served as Facilitators.

Kosrae OPA sought the input and listened to the expectation and concerns of our key stakeholders, and consequently developed a strategic plan that attempts to address this stakeholder input. We appreciate the stakeholder involvement and, more importantly, look forward to our collaboration on the initiatives of this plan going forward.

The Strategic Planning Team of this project made the deliberate decision to call this planning document as the Kosrae Strategic Action Plan to underscore the importance of 'action' behind this plan. Action from Kosrae OPA alone does not deliver on the objectives and initiatives embedded in this plan. Rather, the collaboration and action from all parties concerned is critical to ensure the success of this plan.

Kosrae OPA, therefore, commits itself and looks forward to engaging and collaborating with our stakeholders in the coming six years under this plan!

Sincerely,



Palikkun N. Kilafwasru  
Public Auditor

## Acronyms

AICPA	American Institution of Certified Public Accountants
APIPA	Association of Pacific Islands Public Auditors
CIA	Certified Internal Auditor
CFE	Certified Fraud Examiner
CPA	Certified Public Accountant
GAGAS	Generally Accepted Government Auditing Standards
KPI	Key Performance Initiatives
KPM	Key Performance Measurements
MEP	Monitoring and Evaluation Plan
OOP	OPA Operational Plan
OPA	Office of the Public Auditor, Kosrae State Government
PASAI	Pacific Association of Supreme Audit Institutions
PMF	Performance Monitoring Framework
SAP	Strategic Action Plan
SPT	Strategic Planning Team
SDG	Strategic Development Goals
SDP	Strategic Development Plan

## Introduction

The Office of the Public Auditor (OPA) is established pursuant to Title 10, Chapter 4 of the Kosrae State Code. OPA is independent of the three branches of the state government and holds audit jurisdiction over all public funds of the state government. OPA is empowered to have full and complete access to all books, accounts and other financial records of state agencies or instrumentalities. This authority also extends to non-government organizations or programs receiving state public funds.

OPA is vested with broad authority to conduct a range of audits, inspection and investigations, attestations or related engagements as may be requested or the State Auditor deems to be in the public interest, consistent with state laws. This role is exclusive to the OPA and is vital to inform sound policy formulation and decision-making processes of the government. Informing policy and decision-making is an indispensable step to enhancing sound governance and maximizing the impact of the government on the society.

OPA is headed by the Public Auditor, who is appointed by nomination of the Governor with advice and consent of the Legislature. The Public Auditor serves for a term of four years or until a successor is approved. The Public Auditor may be removed by cause by a two-thirds vote of the legislature. Internal staffing of the OPA is at the discretion of the Public Auditor, subject to budgetary appropriation.

Strategic planning enhances the effective execution of OPA mandates, establish measures for quantifying progress towards established targets, and provide the opportunities for continuous organizational improvement through performance monitoring and rectification of low or non-performing areas.

## Strategic Action Plan Development Process

The OPA Strategic Action Plan (SAP) is developed in partnership with the Pacific Association of Supreme Audit Institutions (PASAI). The execution of the SAP project was led by the Kosrae OPA, through a Strategic Planning Team (SPT). The OPA SPT is comprised of representatives of the OPA administration, the senior auditor on the audit staff, and two members of the OPA staff who were designated and trained as SPT Facilitators.

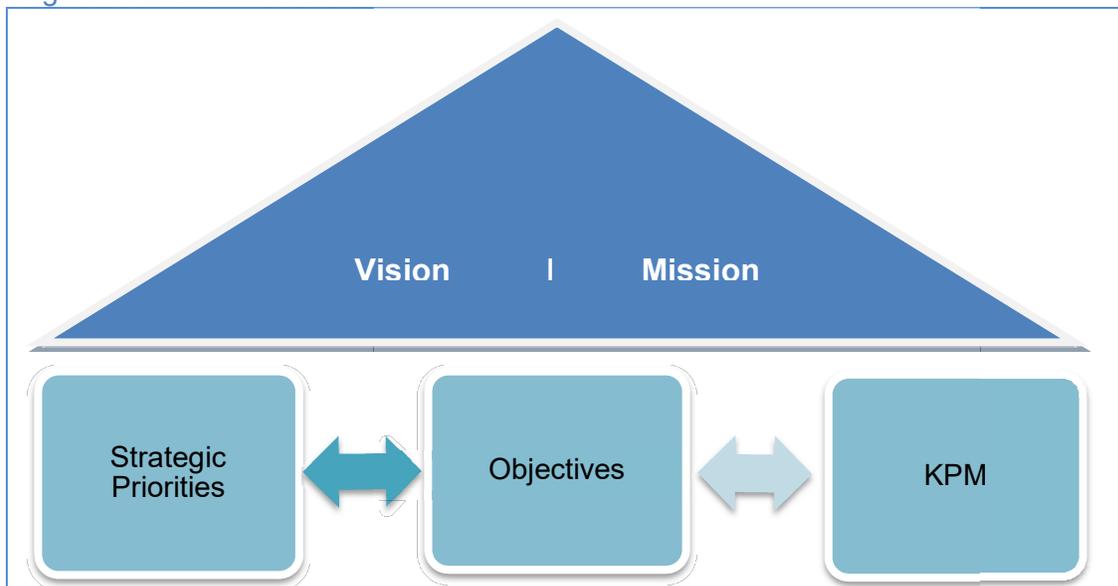
Technical assistance over all phases of the project and the training of the SPT Facilitators were provided by PASAI. PASAI additionally provided monitoring of project execution through coaching and quality checks from initiation to the completion of the SAP projects.

A consultative approach was employed in the process of developing the SAP. Consultative meetings were held with individual stakeholder to solicit and capture its perception, expectations or concerns as they relate to the audit role of the OPA. The selection of the key stakeholders was made based on stakeholder analysis conducted by the SPT. The outcome of the consultation meetings were taken into account in the hashing out of the SAP strategic priorities and corresponding objectives and key performance measurement indicators.

### OPA Strategic Planning Framework

The Strategic Action Plan represents the high level strategic planning to address the identified SAP strategic priorities. Priorities of the SAP holds strategic relevance to the collective perceptions and expectations of the OPA, represented in the organizational vision and mission statements. The SAP Strategic Priorities are supported by corresponding objectives and performance measurement indicators.

Figure 1: Elements of SAP

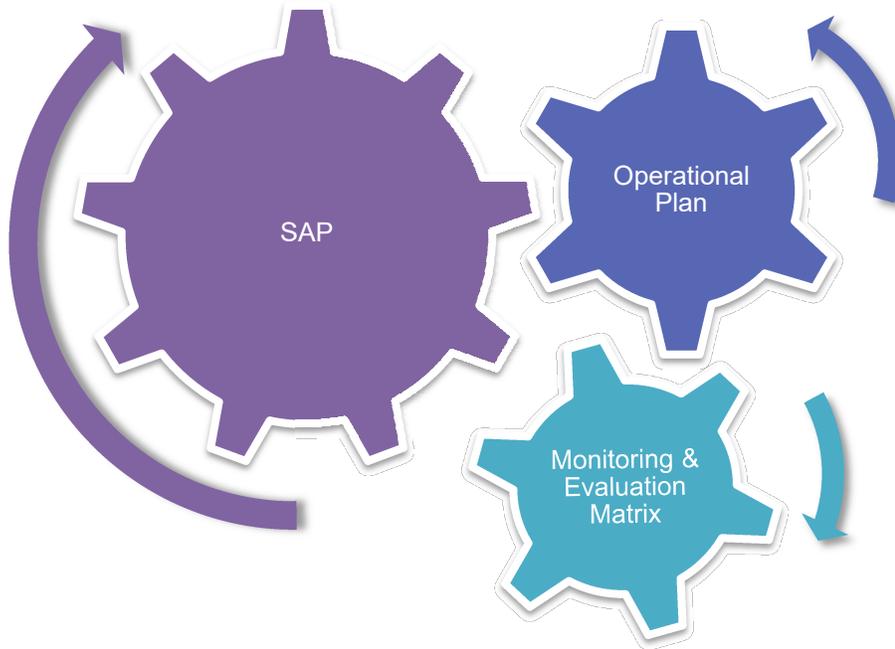


The SAP is complemented by a OPA Operational Plan (OOP) and a Monitoring and Evaluation Framework (MEF).

The OPA Operational Plan (OOP) provides the necessary tactical planning complementary to the SAP and provides more practical details detailed relative to the SAP. The OOP includes activity level planning specific to desired outputs, financial requirements for activity execution and the sequential order to implement OOP activities. The Monitoring and Evaluation Framework (MEF), on the other

hand, is the monitoring and evaluation mechanism over organizational performance improvement.

**Figure 2: OPA Planning Framework**



**Mission, Vision, and Core Values**

The Office of the Public Auditor is dedicated to fully execute its responsibilities that are duly mandated by law. That OPA is the sole organization in the State Government with exclusive audit authority resonate the need to execute such mandates effectively and in a manner that offers the most impact on the Kosrae society. The OPA mission and vision statements reflect on this commitment.

The OPA mission and vision, moreover, are statements that reflect its collective expectations and requirements.

**Mission**

Mission Statement		
Perform high quality audit and investigation to promote greater impact in people’s lives.		

The OPA mission statement includes key terms that highlight the core principles by which OPA operates and the organizational commitment toward these principles. Providing high quality audit services remains the core of the OPA and is rightfully reflected in the mission statement. High quality audit services entail work products that are objective, independent and timely, and support sound decision-making.

High quality audits maximize the impact of public programs and services on the Kosrae society.

## Vision

### Vision Statement

A model organization that promotes government transparency and accountability.

The OPA vision statement represents the status and effect the organization aims for. To be a model organization entails excelling in virtually all aspects of its work. The OPA vision takes the assumption that full and effective achievement of the SAP strategic priorities is a prelude to the successful achievement of the OPA vision.

## Values

### Core Values

Independent | Integrity | Accurate | Professional & Competent | Objective

The OPA is committed to providing audit services under the following values. These core values of the OPA are important to guarantee high quality audits and ensure work product of the most impact.

**Independent:** We discharge our audit and investigation functions independently. Independence of the OPA and its staff entail that we do not submit to undue outside influence.

**Integrity:** We carry out our duties with absolute honesty and professional competency.

**Accurate:** We deliver audit reports, conclusions and recommendations which are developed by a professionally skilled audit staff and guaranteed through a high standard performance management and precise quality control system.

**Professional and competent:** We possess the technical skills, professional judgment and the conduct incumbent upon a competent audit staff.

**Objective:** We provide objective, unbiased audit reports and findings rooted in verified evidence and facts.

## Strategic Priorities

The Strategic Priorities (SP) of the OPA reflects the outcome of the SAP consultative exercises for internal and external stakeholders. Strong consideration was also given to the result of the extensive environmental assessment over the strengths, opportunities, weaknesses and threats (enablers and disablers) of five environmental components: political, social and culture, economic, environmental and technological.

OPA established its strategic priorities with careful consideration of the result of consultative exercises and internal SPT assessments. Kosrae OPA identified five strategic areas that cater toward strengthening institutional capacity and elevating the OPA level of engagement with external stakeholders.

### SP 1. Strengthen independence of the Kosrae OPA

The independence of the Kosrae OPA underpins its ability to provide objective, high quality, timely and impactful audit services. It remains imperative that OPA improve upon and maintain its independence status to ensure that its audit and investigation processes do not subject to any form of undue interference, influence or coercion and protect the integrity of its audit processes. Though the pursuit on this front requires collaboration of key external stakeholders and may not be directly within the control of the OPA, the significance of OPA's independence warrants its prioritization and continued focus going forward.

This strategic priority focuses on strengthening the organizational, financial and functional independence of the OPA.

### SP 2. Improve quality and impact of audit and investigation services

The quality and impact of audits and investigations represent the core mission of the OPA. Consequently, OPA places priority on applying an adequate system of

internal quality control and assurance, a system aligned with updated standards and practical audit methodologies.

OPA prioritizes its role that promotes the effectiveness, efficiency, equitability and compliance of state public programs and services. The prevalence of these principles in the government ensures impact of public services in the general Kosraean society. OPA is cognizant of the need for audit coverage over high risk topics and, therefore, places focus on expanding audit coverage to maximize impact of government services.

### **SP 3. Maintain staff professional competency**

It is important for an audit staff to possess the professional competency and a well-rounded diversity in skill and experience. The appropriate application of the OPA system of internal quality control and assurance rests on the collective competency and ability of the staff.

This reflects the OPA priority to continue to build staff competency. Maintaining compliance with Continuing Professional Education credit earning requirements and through a longer-term attainment of professional certification in audit-related designations are approaches to addressing this priority.

### **SP 4. Strengthen internal governance**

OPA takes into account the significance and effect of an adequate internal governing framework on the whole of the organization. The OPA focuses on internal governance entails elevating and maintaining organizational planning, including regularly monitoring and reporting on organizational performance while simultaneously addressing governance policy gaps. An adequate governing framework translates to an environment conducive to effectiveness, productivity, and integrity.

### **SP 5. Improve stakeholder communication and engagement**

The OPA remains committed to promoting public sector accountability through the execution and reporting of its auditing responsibilities. OPA places priority on elevating its level of communication and engagement with external stakeholders, understanding that effective communication and engagement improves transparency. OPA believes that transparency is a prelude for accountability.

## SAP Framework

Figure 3 contains the SAP logistical framework and the corresponding objective and Key Performance Measurements (KPM). Objectives and key performance measurement indicators support the OPA Strategic Priorities and are employed in the monitoring and measurement of performance towards these priorities.

**Figure 3: SAP Framework**

<b>SP 1. Strengthen independence of the Kosrae OPA</b>	
Objective	1.1. Establish clear organizational independence
KPM	1. Number of advocacy involving key external stakeholders
	2. Number of legislation establishing organizational independence of the OPA
Objective	1.2. Secure financial independence
KPM	1. Maintain a funding minimum of 1.5 percent of the annual state operational budget
<b>SP 2. Improve quality and impact of audit and investigation services</b>	
Objective	2.1. Strengthen internal quality control and assurance
KPM	1. Implement updates to the standards of the OPA Audit Manual corresponding to updates to the U.S. or international auditing standards.
	2. 100 percent of internal quality control checklist is met.
	3. Retain a satisfactory APIPA Peer Review rating.
Objective	2.2 Expand audit coverage

KPM	1. 100 percent of approved staff positions are filled.
	2. At least 75 percent coverage of high risk topics.
Objective	2.3. Monitor implementation of audit recommendations
KPM	1. Number of audit recommendations implemented
<b>SP 3. Maintain staff professional competency</b>	
Objective	3.1. Develop staff capacity
KPM	1. Number of staff maintaining 100 percent compliance with CPE requirement
	2. At least one member of the staff is a holder of a U.S.-certified CPA
Objective	3.2. Enhance training and education
KPM	1. At least 2 members of the staff attain professional certifications related to auditing.
<b>SP 4. Strengthen internal governance</b>	
Objective	4.1. Enhance ethical standards
KPM	1. Implement OPA ethics policy
Objective	4.2. Strengthen organizational planning and reporting
KPM	1. Improve PMF indicator SAI-3, SAI-5, SAI-6 and SAI-7 scores.

	2. Provide annual audit and operational plans.
	3. Number of quarter and annual progress reports.
<b>SP 5. Improve stakeholder communication and engagement</b>	
Objective	5.1. Strengthen communication and collaboration
KPM	1. 100 percent of engagement reports are published on the OPA website and social media platform
	2. 100 percent of engagement reports are provided to CSOs and other stakeholders
Objective	5.2. Raise awareness
KPM	1. Deliver at least 4 awareness programs annually.
	2. At least 80 percent satisfactory response on annual survey questionnaires.

## OPA Operational Plan

The OPA Operational Plan (OOP) provides the activity level and tactical planning for the execution of SAP Strategic Priorities. The OOP is developed in conjunction with the SAP.

The OOP guides the formulation of annual operational budget and project proposals. The OOP includes practical details, including, identified lead responsibilities for staff or collaborating offices, scheduled timing for performance, and required budgetary input.

## Monitoring and Evaluation

The SAP monitoring and evaluation is tied to the OPA governance processes. However, a Monitoring and Evaluation Plan (MEP) will be employed for the monitoring of the SAP.

Reporting of the SAP will apply the quarterly reporting requirement for activity level performance and outcome level reporting on an annual basis.

~ END~