



Association of Pacific Islands Public Auditors

October 10, 2014

Michael Pai, CPA
CNMI Public Auditor
Office of the Public Auditor
P.O. Box 501399
Saipan, MP 96950
Northern Mariana Islands

Dear Mr. Pai:

We have completed a peer review of your Office of the Public Auditor for the period October 1, 2011 through September 30, 2014. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published by the Association of Pacific Islands Public Auditors (APIPA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine whether your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the Office of the Public Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the period October 1, 2011 through September 30, 2014.

Respectfully submitted,

Stoney Taulung,
Kosrae State Public Auditor
Team Leader

Alice Etse, Senior Auditor
Pohnpei State Auditor's Office
Team Member

Charles Hester, CPA
APIPA Peer Review
Technical Consultant



Association of Pacific Islands Public Auditors

October 10, 2014

The Honorable Eloy S. Inos, Governor
Office of the Governor
Commonwealth of the Northern Mariana Islands
Caller Box 10007, Capitol Hill
Saipan, MP 96950

Dear Governor Inos:

Attached for your reference is the final report on the CNMI's Office of the Public Auditor pursuant to a Peer (Quality Control) Review done by our team of auditors from the Association of Pacific Islands Public Auditors (APIPA). External quality control reviews of all audit offices issuing audit reports guided by *Government Auditing Standards* (GAS) are required at least every three years. Because of this requirement, your Public Auditor initiated and contracted with APIPA.

Your Public Auditor's office was determined to be in full compliance with *Government Auditing Standards* for the period reviewed. Full compliance is the highest of three possible ratings issued in an external quality control review. The report now becomes public information and may be made accessible to any interested person(s). The working papers and other supporting documentation accumulated during our review will be maintained by the Public Auditor's office.


For your information, the expenses of the Peer (Quality Control) Review were borne by the U.S. Department of Interior's Office of Insular Affairs.

It was a privilege working with the staff of the Office of the Public Auditor, most especially Mr. Pai, the Public Auditor. Each member of Mr. Pai's office was most cooperative and helpful to the team and exemplifies the highest standards of the auditing profession.


Respectfully submitted,



Stoney Taulung,
Kosrae State Public Auditor
Team Leader



Alice Etse, Senior Auditor
Pohnpei State Auditor's Office
Team Member



Charles Hester, CPA
APIPA Peer Review
Technical Consultant

Attachment



Association of Pacific Islands Public Auditors

October 10, 2014

The Honorable Joseph P. Deleon Guerrero
Speaker of the House
18th CNMI Legislature
P.O. Box 500586
Saipan, MP 96950
Northern Mariana Islands

Dear Speaker Deleon Guerrero:

Attached for your reference is the final report on the CNMI's Office of the Public Auditor pursuant to a Peer (Quality Control) Review done by our team of auditors from the Association of Pacific Islands Public Auditors (APIPA). External quality control reviews of all audit offices issuing audit reports guided by *Government Auditing Standards* (GAS) are required at least every three years. Because of this requirement, your Public Auditor initiated and contracted with APIPA.

Your Public Auditor's office was determined to be in full compliance with *Government Auditing Standards* for the period reviewed. Full compliance is the highest of three possible ratings issued in an external quality control review. The report now becomes public information and may be made accessible to any interested person(s). The working papers and other supporting documentation accumulated during our review will be maintained by the Public Auditor's office.

For your information, the expenses of the Peer (Quality Control) Review were borne by the U.S. Department of Interior's Office of Insular Affairs.

It was a privilege working with the staff of the Office of the Public Auditor, most especially Mr. Pai, the Public Auditor. Each member of Mr. Pai's office was most cooperative and helpful to the team and exemplifies the highest standards of the auditing profession.

Respectfully submitted,

Stoney Taulung,
Kosrae State Public Auditor
Team Leader

Alice Etse, Senior Auditor
Pohnpei State Auditor's Office
Team Member

Charles Hester, CPA
APIPA Peer Review
Technical Consultant

Attachment



Association of Pacific Islands Public Auditors

October 10, 2014

The Honorable Ralph Dlg. Torres
Senate President
18th CNMI Legislature
P.O. Box 500129
Saipan, MP 96950
Northern Mariana Islands

Dear President Torres:


Attached for your reference is the final report on the CNMI's Office of the Public Auditor pursuant to a Peer (Quality Control) Review done by our team of auditors from the Association of Pacific Islands Public Auditors (APIPA). External quality control reviews of all audit offices issuing audit reports guided by *Government Auditing Standards* (GAS) are required at least every three years. Because of this requirement, your Public Auditor initiated and contracted with APIPA.

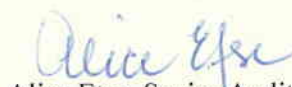
Your Public Auditor's office was determined to be in full compliance with *Government Auditing Standards* for the period reviewed. Full compliance is the highest of three possible ratings issued in an external quality control review. The report now becomes public information and may be made accessible to any interested person(s). The working papers and other supporting documentation accumulated during our review will be maintained by the Public Auditor's office.


For your information, the expenses of the Peer (Quality Control) Review were borne by the U.S. Department of Interior's Office of Insular Affairs.

It was a privilege working with the staff of the Office of the Public Auditor, most especially Mr. Pai, the Public Auditor. Each member of Mr. Pai's office was most cooperative and helpful to the team and exemplifies the highest standards of the auditing profession.

Respectfully submitted,


Stoney Taulung,
Kosrae State Public Auditor
Team Leader


Alice Etse, Senior Auditor
Pohnpei State Auditor's Office
Team Member


Charles Hester, CPA
APIPA Peer Review
Technical Consultant

Attachment