



ASSOCIATION OF PACIFIC ISLANDS PUBLIC AUDITORS

REVISED MEMORANDUM OF UNDERSTANDING

This revised Memorandum of Understanding is entered into on the 29th day of July, 2004, by and between the following:

Territorial Auditor of the Territory of American Samoa
Public Auditor of the Commonwealth of the Northern Mariana Islands (CNMI)
Public Auditor of the Federated States of Micronesia National Government (FSM)
Public Auditor of Guam
Public Auditor of the Republic of Palau
Auditor-General of the Republic of the Marshall Islands
State Public Auditor of Kosrae, FSM
State Public Auditor of Pohnpei, FSM
State Public Auditor of Yap, FSM
Inspector General of the Virgin Islands
Controller and Chief Auditor of Samoa

All of the above are hereinafter collectively referred to as the Principals for the purpose of reaffirming the formation of an unincorporated association of supreme audit institutions.

WHEREAS, the Principals agree that each audit institution or organization has similar problems and concerns related to personnel education and training; professional staff recruitment and development; and organizational development; and

WHEREAS, the Principals recognize the benefits to be gained by offering mutual support, and therefore, are willing to form an unincorporated association of their audit institutions;

NOW THEREFORE, the Principals mutually agreed to reaffirm the formation of an association of public auditors to be known as the "Association of Pacific Islands Public Auditors" (APIPA) originally created by that Memorandum of Agreement entered into on January 29, 1988, by the initial members who comprised of:

Public Auditor of the Federated States of Micronesia
Public Auditor of the Republic of Palau
Public Auditor of the Commonwealth of the Northern Mariana Islands
Territorial Auditor of the Territory of American Samoa
Auditor-General of the Republic of the Marshall Islands

7/29/04

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Members
Office of the Public Auditor
of

Territory of American Samoa. Commonwealth of the Northern Marianas Islands.
Republic of the Marshall Islands. Federated States of Micronesia. Republic of Palau.
Pohnpei State. Yap State. Territory of Guam. Chuuk State. Kosrae State.
Samoa. Virgin Islands.

It is also agreed that the Office of Inspector General, United States Department of Interior, will remain a non-voting member of APIPA.

IT IS FURTHER AGREED THAT the association shall strive to achieve, by mutual cooperation, the following objectives:

- To establish an organized body to act as one voice in support of the goal of promoting efficiency and accountability in the use of public resources of member jurisdictions;
- To provide a forum for the sharing of ideas, experiences, and concerns, and for identifying solutions which are often unique to the member audit institutions;
- To sponsor auditing, investigation, and accounting training workshops in cooperation with member offices, associations, organizations, Federal agencies, and other institutions for member offices;
- To promote public awareness of the purpose and importance of conducting audits of public resources, and to promote the auditing/accounting profession; and
- To promote cooperation and coordination between audit institutions and financial managers of government departments/agencies by taking a proactive approach in performing audits and assisting auditees.

OFFICERS

There shall be a Chairperson, Vice Chairperson, and Secretary/Treasurer.

Chairperson

The Chairperson shall be the principal of the office hosting the annual APIPA conference. He/she will hold office for a period of one year commencing on January 1 of the year he/she will host the annual conference.

The Chairperson will be responsible for the planning and hosting of the annual APIPA conference and training workshops. He/she will coordinate the selection of the courses/topics with all APIPA members and with the agencies/organizations/trainers who will sponsor/conduct training workshops.

The Chairperson shall be responsible for the management and reporting of all APIPA financial transactions during his/her term. He/she shall maintain a bank account for the organization, and shall prepare financial report to be provided to all members at the end of his/her term. He/she may appoint a Secretary /Treasurer to assist in maintaining the financial and other records of the organization.

During his/her term, the Chairperson shall also be the primary point of contact between members and all other external organizations on APIPA matters.

Vice Chairperson

The Vice Chairperson shall be the principal who is the next in line to be Chairperson.

Secretary/Treasurer

The Secretary/Treasurer shall be a staff member of the office of the Chairperson. Selection and specific responsibilities shall be at the discretion of the Chairperson. The Secretary/Treasurer shall report to the Chairperson. The Chairperson shall be responsible for all APIPA financial matters during his/her term as Chairperson.

MEMBERSHIP

There will be the following membership categories.

Voting Membership shall consist of the current Principals and may be accorded to additional offices of nations, territories, or states that express a desire to join the APIPA based on a two-thirds vote of existing Principals who are active voting members.

Non-voting Membership shall be accorded to other audit or financial organizations that have interaction or share common goals with the APIPA. This type of membership shall be by invitation only, and by unanimous acceptance of the voting members.

Active Members shall be all voting and non-voting members who are current in the payment of their APIPA dues.

COMMITTEES

Executive Committee

There shall initially be one committee of APIPA, which shall be known as the APIPA Executive Committee, and it shall be comprised of APIPA principals and one staff member from each member office. The selection of the staff member shall be at the discretion of each member office.

Peer Review Committee

A Peer Review Committee shall be established to monitor the scheduling, funding, and progress of the APIPA Peer Review Program. The Chair of the Committee shall be designated by the Chairperson and approved by a simple majority of the APIPA voting members.

Other Committees

Other Committees may be formed from time to time by simple majority of APIPA voting members.

MEETINGS

Annual Meeting

There will be an annual meeting of the APIPA Executive Committee that shall be scheduled by the Chairperson at a designated day and time during the annual APIPA conference. The date of the annual meeting may be changed by agreement of the members of the Executive Committee. Minutes of the annual meeting shall be provided to all members.

Special Meetings

The Chairperson may, at his/her discretion, call a meeting of the Executive Committee if there are matters that require urgent resolution and cannot be resolved by mail or telecommunication. Minutes of the special meeting shall be provided to all members.

QUORUM AND VOTING REQUIREMENTS

Quorum

A quorum is required to hold an official APIPA meeting and shall constitute fifty percent (50%) plus one of all active voting members.

Voting

Passage or approval of actions or measures shall require a majority of all active voting members present at a meeting where a quorum is present.

QUALITY CONTROL REVIEW

To ensure that each organization is complying with auditing standards in the performance of its audit responsibilities, members hereby agree to officially adopt an APIPA Quality Control Program, and each member organization shall be asked to report on the status of its quality control review, or "peer review", during the annual Executive Committee meeting.

RETENTION OF RECORDS

The minutes of all Executive Committee meetings held after the date of this MOU shall be posted on the APIPA website within a reasonable amount of time after the meeting. To the extent feasible (i.e., to the extent that electronic copies of past minutes are readily available), past minutes of APIPA Executive Committee meetings shall be posted on the website.

The financial records of APIPA annual conferences and meetings shall remain on file with the Chair hosting the conference and meeting.

Peer Review records shall remain in the auditee's office in accordance with the current APIPA Peer Review Manual and the National Association of Local Government Auditors' (NALGA's) Peer Review Manual.

ANNUAL DUES

The rate of the annual dues and the rate and types of other dues of APIPA shall be established during the annual APIPA Executive Committee meeting, and can be reviewed each year at the request of any member.

FISCAL YEAR

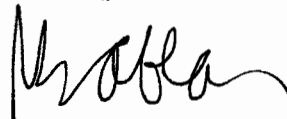
The fiscal year shall run congruently with the calendar year.

AMENDMENTS

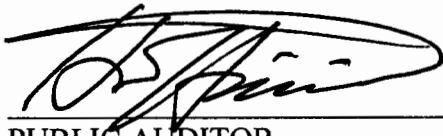
This Memorandum may be amended from time to time by a vote of two-thirds of all active voting members. If changes are contemplated, the matter shall be placed on the agenda of the next annual APIPA Executive Committee meeting.



TERRITORIAL AUDITOR
Territory of American Samoa



PUBLIC AUDITOR
Commonwealth of the Northern Mariana Islands



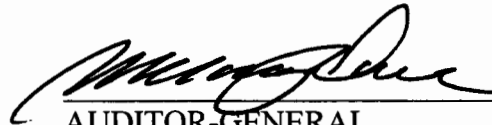
PUBLIC AUDITOR
Federated States of Micronesia
National Government



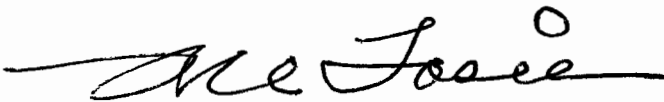
PUBLIC AUDITOR
Guam



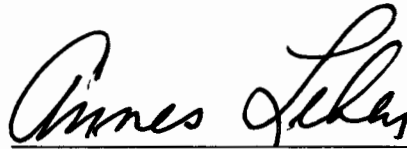
PUBLIC AUDITOR
Republic of Palau



AUDITOR-GENERAL
Republic of the Marshall Islands



STATE PUBLIC AUDITOR
Kosrae, FSM



STATE PUBLIC AUDITOR
Pohnpei, FSM

Arturo Antuan

STATE PUBLIC AUDITOR

Yap, FSM

Stenya Beveland

INSPECTOR GENERAL

Virgin Islands

CONTROLLER and CHIEF AUDITOR

Samoa