

PROPOSAL TO AMEND CONSTITUTION

To amend Article XII, Section 3(b), of the Constitution of the Federated States of Micronesia to make all national government funds subject to audit by the Public Auditor.

Article XII. Section 3(b). The Public Auditor shall inspect and audit accounts in every branch, department, agency or statutory authority of the national government and in other public legal entities or nonprofit organizations receiving public funds from the national government. All national funds are subject to inspection and audit by the Public Auditor. Additional duties may be prescribed by statute.


INTENT AND PURPOSE OF AMENDMENT

It was the intent of the 1975 Convention that the Public Auditor have “the power, as well as the responsibility, to inspect and audit all public accounts.” 1975 ConCon, SCREP 17, Vol. II at 787 (Sept. 29, 1975) (emphasis added). The 1975 Convention also intended that the Public Auditor should be “guard[ed] against legislative efforts to control and circumscribe” the independence of the Public Auditor. Contrary to the intent of the 1975 Convention, Congress has excluded certain funds from the inspection and audit by the Public Auditor. This proposal will ensure that the Public Auditor has the power and responsibility to inspect and audit all national government funds regardless of which branch of government expends the funds.

Accountable fiscal stewardship and management of public expenditures, revenues and debts are important to foster transparency and good government as well as critical to curb corruption, reduce waste and improve the volume and quality of services yielded by public resources. Currently, there is the so called “discretionary government funding” that are not subject to audit and proper accounting and the impetus of this proposal is to make it mandatory that all government fundings be subject to inspection and audit by the Public Auditor.

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Introducer: _____


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