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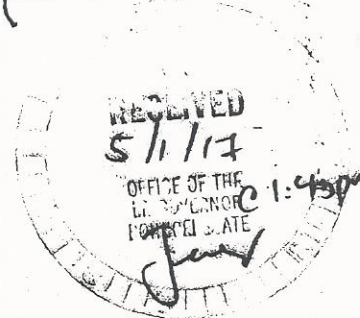
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April 25, 2017

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Honorable Benjamin Rodriquez
Chief Justice
Pohnpei Supreme Court
Kolonia, Pohnpei State, FM 96941



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5/1/17

Management Report: Result of Follow-Up Review of Pohnpei Supreme Court Revenue Collection

Maing Chief Justice Rodriquez:

We conducted a follow-up review of the Pohnpei Supreme Court Revenue Collection at 9:00 a.m on April 25, 2017. The objective of the review was to determine whether Pohnpei Supreme Court has taken steps to resolve the audit findings cited in our management report dated March 07, 2014. Thus, we conducted an unannounced cash count, made inquiries and interviewed Pohnpei Supreme Court, reviewed and tested cash on hand and cash receipts.

This exercise is part of our annual work plan and was aimed primarily to determine if proper controls were in place and working effectively to safeguard government funds from loss or abuse. It was also intended to protect and reduce the risk for fraud, abuse and mismanagement of public resources and at the same time promote accountability and transparency in our government.

Summarized below is the result of our follow-up review:

Finding No.	Finding Title	Status	Comments

1	Cash on hand	<p>Partially Implemented</p> <p>The total amount of cash on hand was \$45.00</p> <table border="1"> <thead> <tr> <th>Quantity :</th> <th>Bills</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$20.00</td> </tr> <tr> <td>2</td> <td>10.00</td> </tr> <tr> <td>1</td> <td>\$5.00</td> </tr> </tbody> </table>	Quantity :	Bills	1	\$20.00	2	10.00	1	\$5.00	<p>There were receipts for the \$40.00 amount of cash on hand. However, a receipt for \$5 dollars was missing. The Bills that were receipted were 1 bill of \$20.00 and 2 bills of \$10.00. We were instructed by the custodian that the \$5.00 bill is an overage.</p>
Quantity :	Bills										
1	\$20.00										
2	10.00										
1	\$5.00										
2	Cash Receipts	<p>Implemented properly.</p> <p>The cash receipt numbers are in proper sequence.</p>	<p>The cash receipt numbers are in proper sequence. We noticed that the daily deposits were done every closing of a day to the State Treasury.</p>								
3	Petty Cash	Fully Implemented	<p>No more petty cash fund. MS request are processed for urgent transactions only.</p>								

Our follow-up review revealed that management has taken the steps to address and implement the following recommendations that our office (OPA) suggested to them on our previous cash count review.

- 1) We recommend Court's management to develop and implement necessary measures to strengthen compliance and management oversight over its activities involving cash handling and related services.

Result: They are in full compliance of receiving and recording revenues.

- 2) We recommended close management oversight and enactment of segregation of duties specific to revenue collection, depositing of collected funds and the Petty Cash maintenance to ensure compliance and safeguarding of government funds.

The Director of Treasury and Administration should also improve his/her monitoring oversight to ensure that collected funds are properly safeguarded and deposited intact and timely.

Result: The Daily Collection Reports with the revenue funds are presented at the Department of Treasury & Administration to sign-off and deposited intact.

3) We recommended immediate closure of the Pohnpei Supreme Court account at the Bank of Guam. All proceeds from the account closed should be deposited at the Pohnpei Treasury for appropriation.

Result: The Pohnpei Supreme Court's separate bank account at the Bank of Guam is still with the Pohnpei Supreme Court.

Our review on April 25, 2017 disclosed that management has implemented these recommendations, except for the management of the Bank of Guam account.

Please do not hesitate to call on us if you require additional information regarding this matter. We sincerely appreciate your continued support and cooperation.

With warm regards, I am.

Sincerely,

For



Ihlen Joseph
State Public Auditor

xc: Governor, Pohnpei State
Speaker, 9th Pohnpei Legislature
Attorney General, Pohnpei State
Director, DOT&A
Director of Administration, Pohnpei Supreme Court