



**GOVERNMENT OF KOSRAE**  
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Rec'd  
10/14/20  
[Signature]

October 13, 2020

The Honorable Steven L. George  
Director, Kosrae Housing Authority  
Kosrae State Government  
Tofol, Kosrae State FSM 96944

The Honorable Director,

The Office of the Public Auditor is pleased to submit to you a Management Letter Report NAS 005-20 regarding a cash count and inspection of the Kosrae Housing Authority on October 2, 2020. The results of the cash count include the following:

1. **Total cash tallied with the total receipt**
  - Cash count covers collections October 2, 2020 at 12:00 noon. Auditor counted the amount of \$125.00 this represents receipt #5892 which is the only cash collected during the cash count.
2. **Weakness in usage of official receipt**
  - Auditor noted that KHA did not use its official receipts in chronological order. This practice exposes KHA collection on the risk of collection fraud.

Details of the findings and recommendations are provided in the Management Letter Report.

Thank you.

Alice S. George  
Acting Public Auditor