



**OFFICE OF THE PUBLIC AUDITOR**  
**REPUBLIC OF PALAU**

**FINANCIAL STATEMENT**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

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**COVID-19 EMERGENCY RESPONSE PROJECT**  
**ADB GRANT NUMBER: 0727-PAL**

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**MINISTRY OF FINANCE**  
**REPUBLIC OF PALAU**

**MARCH 17, 2020 – FEBRUARY 04, 2021**

*Prepared by the Office of the Public Auditor*

MOF-ADB-COVID-19-20/21-F01\*opa00



REPUBLIC OF PALAU

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October 18, 2023  
*Serial #: opa24-007au*

Ms. Gail Rengiil  
Director  
Bureau of National Treasury  
Ministry of Finance  
Republic of Palau

**Subject: Revised Financial Statement and Independent Auditors' Report on MOF's  
"COVID-19 Emergency Response Project"**

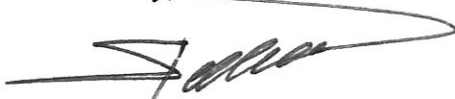
Dear Director Rengiil:

Transmitted herewith is a revised Financial Statement and Independent Auditors' Report on the Ministry of Finance's (MOF) COVID-19 Emergency Response Project. The revision was necessary to restate project expenditures.

The revised financial statement nullifies and supplants the Office of the Public Auditor's (OPA) earlier report dated September 25, 2023.

If you have any questions regarding the report or subject matters discussed therein, the OPA will be available to discuss them at your request.

Sincerely,



Satrunino Tewid  
Acting Public Auditor, ROP



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## **INDEPENDENT AUDITORS' REPORT**

Ms. Gail Rengiil  
Director  
Bureau of National Treasury  
Ministry of Finance  
Republic of Palau

We have audited the accompanying financial statement of the Ministry of Finance (MOF) for the COVID-19 Emergency Response Project, ADB Grant No. 0727-PAL (the "Project"), which comprises the schedule of receipts and disbursements for the period from March 17, 2020 through February 04, 2021, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the MOF's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MOF's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

- In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts and disbursements of the Ministry of Finance Project for the period from March 17, 2020 through February 04, 2021, in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- Project utilized the proceeds from the grant solely for the purpose of the project as set forth in the Grant Agreement entered into between the Republic of Palau and Asian Development Bank.

### **Other Matters**

In connection with our audit, nothing came to our attention that caused us to believe that the Ministry of Finance Project failed to comply with the terms or conditions of the Project Grant Agreement dated August 4, 2020 with Asian Development Bank (ADB), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding MOF's noncompliance with the above-referenced terms or conditions of the finance agreement, insofar as they relate to accounting matters.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of

accounting other than accounting principles generally accepted in the United States of America.  
Our opinion is not modified with respect to this matter.

A handwritten signature in black ink, consisting of several loops and a horizontal stroke, positioned above the name.

Satrunino Tewid  
Acting Public Auditor, ROP

October 18, 2023

**MINISTRY OF FINANCE**  
**COVID-19 EMERGENCY RESPONSE PROJECT**  
**ADB GRANT NUMBER: 0727-PAL**

Schedule of Receipts and Disbursements  
For the Period Ending March 17, 2020 to February 04, 2021

Receipts:	
ADB Grant	<u>\$ 1,000,000.00</u>
Disbursements:	
COVID-19 Supplies	248,788.79
Medical Equipment	315,625.50
Quarantine Support	106,873.93
COVID-19 Announcements and Forms	16,899.20
COVID-19 Materials	27,013.46
COVID-19 Overtime	<u>116,585.07</u>
Total disbursements	<u>831,785.95</u>
Remaining Amount	<u>\$ 168,214.05</u>

See accompanying Notes to Schedule of Receipts and Disbursements.

**COVID-19 EMERGENCY RESPONSE PROJECT  
ADB GRANT NUMBER: 0727-PAL**

Notes to Schedule of Receipts and Disbursements  
For the Period Ending March 17, 2020 to February 04, 2021

(1) Basis of Accounting

The schedule of receipts and disbursements has been prepared on the cash basis of accounting. Receipts have been recognized when received in cash and disbursements have been recognized when cash is disbursed. The cash basis differs from accounting principles generally accepted in the United States of America primarily because receipts/revenues are recognized when received, not when such are earned and disbursements/expenses are recognized when paid rather than when the obligation is incurred.

(2) Organization

The Ministry of Finance (MOF) is one of the eight major departments that make up the Executive branch of the Republic of Palau national government.

MOF is the executing agency of the Project funds provided under a grant agreement between the Asian Development Bank (ADB), via Asia Pacific Disaster Response Fund, and the Republic of Palau, dated August 4, 2020, for the purpose of assisting Palauans and communities with life preserving services affected by the COVID-19 pandemic.

(3) Return of Outstanding Advance

On April 07, 2022, pursuant to the project Grant Agreement, the Republic of Palau's Ministry of Finance returned the unobligated advance account balance of \$168,214.05 of the grant to the Asian Development Bank.

(4) Subsequent Events

The MOF has identified October 18, 2023 as the date the financial statements were available to be issued and the date through which subsequent events have been evaluated. The MOF has not identified any subsequent events that required adjustment to or disclosure in the financial statement as of October 18, 2023.

Management Representation Letter:

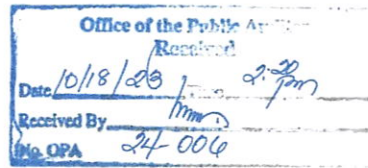
APPENDIX I



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October 18, 2023



Mr. Satrunino Tewid
Public Auditor
Office of the Public Auditor
Koror, Palau 96940

RE: ADB COVID-19 Emergency Response Project Revised Audit Response

Dear Public Auditor Tewid:

We are providing this letter in connection with your audit of the schedule of receipts and disbursements of the Ministry of Finance's COVID-19 Emergency Response Project with ADB Grant No. 0727-PAL (the Project) covering the period from March 17, 2020 through February 04, 2021. We have reviewed, understood, and agreed on the contents of the revised audit report and are very pleased that there were no findings.

We would like to take this opportunity to thank you and your office for assisting us with this request on such a short notice and look forward to receiving the final audit report soon.

Sincerely,

Gail Rengil
Director





**ILLEGAL OR WASTEFUL ACTIVITIES  
SHOULD BE REPORTED TO:**

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**MONDAY THRU FRIDAY  
7:30 a.m. - 4:30 p.m.**

**(Closed on Legal Holidays)**