



# FEDERATED STATES OF MICRONESIA

## Office of The National Public Auditor

P.O. Box PS-05, Palikir, Pohnpei FSM 96941

Tel: (691) 320-2862/2863 Fax: (691) 320-5482

CID Hotline: (691) 320-6768; Website: [www.fsmopa.fm](http://www.fsmopa.fm)

Facebook: FSM Office of the National Public Auditor; E-mail: [info@fsmopa.fm](mailto:info@fsmopa.fm)

Monday, September 19, 2022

Excellency David W. Panuelo  
 President  
 Office of the President  
 Federated States of Micronesia  
 Palikir, Pohnpei FM 96941

Excellency President Panuelo:

This is the status report for the FY2021 single audits and it is as of August 31, 2022. This report is based on information received from Deloitte & Touche LLP, our contracted auditor.

For easy references, we have color coded the audit phases to show the ongoing efforts on the FY2021 single audit. In addition, we have summarized below the information on *Table 1*:

- Yet to Commence - Three (3) audits as the Internal Financial Statements and other related documents are yet to be submitted to the auditors.
- On-going - Twenty-two (22) audits (2 - Reporting and 20 - either on planning or planning/substantive stages)
- Finalized & Issued - Two (2) audits

Table 1 - Monthly Status Update as of August 31, 2022		
No.	Entity	Audit phases
● Audit Not started ● Planning ● Substantive Tests ● Drafting Reports ● Report Issued		
<b>FSM National Government and Component Units</b>		
1	FSM National Government	● ●
2	College of Micronesia - FSM	●
3	FSM Telecommunication Corporation	●
4	FSM Telecommunications Cable Corporation	● ●
5	FSM Petroleum Corporation	● ●
6	National Fisheries Corporation	●
7	FSM MiCare Plan, Inc	● ●
8	FSM Development Bank	●
9	FSM Social Security Administration	●
10	Caroline Islands Air	●
11	Telecommunication Regulation Authority	● ●
<b>Chuuk State Government and Component Units</b>		
12	Chuuk State Government	● ●

Table 1 - Monthly Status Update as of August 31, 2022		
No.	Entity	Audit phases
● Audit Not started ● Planning ● Substantive Tests ● Drafting Reports ● Report Issued		
13	Chuuk Public Utilities Corporation	● ●
14	Chuuk State Health Care Plan	●
15	Chuuk Housing Authority	● ●
<b>Pohnpei State Government and Component Units</b>		
16	Pohnpei State Government	● ●
17	Pohnpei State Housing Authority	● ●
18	Pohnpei Utilities Corporation <sup>1</sup>	● ●
19	Pohnpei Port Authority	● ●
<b>Kosrae State Government and Component Units</b>		
20	Kosrae State Government	● ●
21	Kosrae Utilities Authority	● ●
22	Kosrae Port Authority	● ●
23	Kosrae Housing Authority	● ●
<b>Yap State Government and Component Units</b>		
24	Yap State Government	●
25	Yap State Public Service Corporation	● ●
26	Yap Visitors Bureau	●
27	The Diving Seagull, Inc	●

Table 2 provides the details of documents yet to be provided by the Entities for the successful completion of respective audits.

Table 2 - Listing of Outstanding Documents to be provided to Deloitte		
No.	Entity	List of Documents
1	FSM National Government	<ul style="list-style-type: none"> <li>• Copy of unaudited financial report</li> <li>• Copies of final or closing trial balance and general ledger details.</li> <li>• Final consolidated SEFA. The SEFA received on 07/01/22 required material revisions.</li> <li>• Budgetary statements for the general fund with details such as continuing operations</li> <li>• Final Revenue Share schedules</li> <li>• Final reconciliation of revenue share</li> </ul>
2	FSM Telecommunications Cable Corporations	<ul style="list-style-type: none"> <li>• Certain detailed documentation requests</li> <li>• Scrutinization of DoFA subsequent reimbursements (FY2022) that pertain to FY2021</li> </ul>
3	FSM Petroleum Corporation	<ul style="list-style-type: none"> <li>• Fixed Assets - Project COR-15 project completion report</li> <li>• Construction in Progress - Invoices, payments and other supporting documents for 2 transactions procurement documents</li> <li>• Salaries &amp; Wages - payroll register for CDU PPE</li> </ul>

<sup>1</sup> According to PUC documents have already been provided to Deloitte in March and June 2022.

Table 2 – Listing of Outstanding Documents to be provided to Deloitte		
No.	Entity	List of Documents
		12/26/2021-01/08/2022, selected employee's updated and approved PAFs, timesheets for the PPE, and their payroll schedule <ul style="list-style-type: none"> <li>Other Operating Expenses – invoice, payment details, other supporting documents</li> </ul>
4	National Fisheries Corporation	Final internal financial statement and related schedules
5	Caroline Islands Air, Inc	Final internal financial statement and related schedules
6	Chuuk State Government	Final revenue share schedules to be provided by the FSM National Government
7	Chuuk Public Utility Corporation	<ul style="list-style-type: none"> <li>WIP – Receiving Reports</li> <li>Revenue (Water) – Report for which accounts were newly active/reconnected and disconnected in FY2021</li> <li>Revenue (Cash Power) – Verifone settlement batch reports, online details report, and bank statement for the merchant account</li> <li>Payroll – PDEARs, Timesheets and approved OT forms</li> </ul>
8	Chuuk Housing Authority	<ul style="list-style-type: none"> <li>Loan receivable ledger with principal repayments, interest payments, adjustment if any</li> <li>Schedule of fixed assets deriving net book value</li> <li>Schedule of cash disbursements for all bank accounts – sorted by check number, payee (starting from Oct. 1, 2020 to Sept. 30, 2021)</li> <li>Schedule of cash collections – sorted by cash receipt number, payor (starting from Oct. 1, 2020 to Sept. 30, 2021)</li> </ul>
9	Pohnpei State Government	Final Revenue Share to be provided by the FSM National Government
10	Pohnpei State Housing Authority	Accrued interest receivable calculation and possible adjustment
11	Pohnpei Port Authority	<ul style="list-style-type: none"> <li>Schedule of plan assets applicable for FY2021 (from Oct. 1, 2020 to Sept. 30, 2021)</li> <li>List of employees hired in FY2021 and the effective date of hire</li> <li>List of employees resigned in FY2021 and the effective date of resignation</li> <li>Scanned copies of board meeting minutes from October 2020 until present</li> <li>Listing of PPA board members and titles in FY2021 until present (including new members and the date membership became effective)</li> <li>Scanned copies of PPA internal policies, procedures, and manuals applicable for FY2021</li> <li>Copies of amendments to PPA's FMS, if any</li> <li>Scanned copies of public laws applicable to PPA for</li> </ul>

Table 2 – Listing of Outstanding Documents to be provided to Deloitte		
No.	Entity	List of Documents
		FY2021, if any <ul style="list-style-type: none"> <li>• Copy of PPA’s organizational chart effective in FY2021</li> <li>• Status of prior year’s (FY2020) audit findings 2020-001</li> <li>• Business Process Inquiries/Updates</li> <li>• Movement Analysis</li> </ul>
12	Kosrae State Government	<ul style="list-style-type: none"> <li>• Final Revenue Share Schedule to be provided by FSM National Government</li> <li>• Compliance Reporting Documents – SF 425</li> <li>• Fundware Expenditure Report – SF 425</li> <li>• Reconciled line of credit</li> <li>• Reconciled SEFA</li> </ul>
13	Yap Visitors Bureau	Final internal financial statement and related schedules

Our records shows that five (5) component units submitted the trial balance by February 28, 2021<sup>2</sup> which are: FSM Telecommunication Corporation, FSM Development Bank, Chuuk Public Utilities, Pohnpei Port Authority and Yap State Public Service Corporation.

On August 09, 2022, the United States Department of the Interior approved the extension of the completion timeline for the FY2021 Single Audit from June 30, 2022 to October 31, 2022. The extension was communicated to the Heads of Finance for all Primary Governments on August 10-11, 2022.

A copy of this status report will be uploaded to the FSM Public Auditor’s website at [www.fsmopa.fm](http://www.fsmopa.fm). The final audit reports that have been issued for FY2021 can also be accessed from our website.

Let me know if you have questions about this report.

Sincerely,

Haser Hainrick  
National Public Auditor

cc: FSM Vice President  
Speaker, FSM Congress  
All State Governors  
Heads of all FSM Audit Entities  
Secretary & Directors, National and State Finance Departments  
State Public Auditors

---

<sup>2</sup> As per the contract agreement, each Government entity shall provide a complete trial balance no later than February 28, 2022 for fiscal year 2021. If a Government entity is unable to meet the February 28<sup>th</sup> deadline, that entity shall immediately notify the National Public Audit and provided a revised schedule to submit a completed trial balance.