



# FEDERATED STATES OF MICRONESIA

## Office of The National Public Auditor

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Monday, February 06, 2012

Excellency Manny Mori, FSM President  
Honorable John Ehsa, Governor of Pohnpei State  
Honorable Johnson Elimo, Governor of Chuuk State  
Honorable Sebastian Anefal, Governor of Yap State  
Honorable Lyndon Jackson, Governor of Kosrae State

Dear President and Governors:

This is the second status report for the FY-2011 Single Audits and it is as of January 31, 2012. We will continue to send you the status reports every month until all the Single Audits for 2011 are completed. The official completion deadline is June 30, 2012.

The monthly status updates are based on information that we received from the contracted CPA firms. Below is the status update as of the month ended January 31, 2011.

### **FSM National Government & Component Units**

1. FSM National Government: The final trial balance was provided to Deloitte & Touche (DT), however adjustments may be provided at a later date upon completion of reconciliation between certain States. DT is updating the major program and major fund determination based on the trial balance provided. Fieldwork is ongoing for the Compact Sector and the AIP major programs. Our office (ONPA) is assisting Deloitte with the tax and revenue share audit procedures.
2. College of Micronesia-FSM: There is no change from last month's status. DT received a preliminary trial balance. The College is now finalizing the trial balance and the related schedules. Fieldwork is scheduled to commence on February 20, 2012.
3. Telecommunications Corporation: Done and the final audit report can be accessed at the FSM Public Auditor's website [www.fsmopa.fm](http://www.fsmopa.fm).
4. Petroleum Corporation: DT is approximately 70% complete with fieldwork.
5. National Fisheries Corporation: DT received the final trial balance and related schedules, and is performing planning activities. Fieldwork is scheduled to commence on February 20, 2012.

6. MiCare Health Insurance Plan: There is no change from the last status report. Trial balance and related schedules are not yet available. Fieldwork is scheduled to commence in March 2012.
7. Coconut Development Authority: There is no change from the last status report. DT is approximately 90% complete with fieldwork.
8. Development Bank: There is no change from the last status report. DT has received interim trial balances and investor trial balances. Final trial balances are yet to be provided. Fieldwork is scheduled to commence in March 2012.
9. Social Security Administration: There is no change from the last status report. Since this entity's fiscal year ends on December 31, significant audit procedures have yet to commence.
10. Caroline Islands Airline: Trial Balance is about 80% complete. Once the final trial balance is available, then all the remaining work should continue.

#### **Chuuk State Government and Component Units**

1. State Government: There is no change from the last status report. DT commenced compliance testing and year-end balance testing and is approximately 50% completed with both.
2. Chuuk Public Utility Corporation: DT commenced fieldwork on January 30, 2012.
3. Chuuk State Health Care Plan: DT received the final trial balance and several schedules. Fieldwork is scheduled to commence in March 2012.
4. Chuuk Housing Authority: There is no change from the last status report. DT will commence fieldwork upon the receipt of the final trial balance and related schedules.

#### **Pohnpei State Government and Component Units**

1. State Government: DT commenced compliance testing and is approximately 50% completed with such. DT will commence year-end balance testing upon receipt of the final trial balances and related schedules.
2. Pohnpei Housing Authority: There is no change from the last status report. DT is approximately 80% complete with fieldwork.
3. Pohnpei Utilities Corporation: DT received the trial balance and is in the process of conducting fieldwork.

4. Pohnpei Port Authority: The 2011 audit for PPA cannot start until the entity pays for its audit fee. Numerous follow-up communications by the Public Auditor's Office have been made. If the audit fee is not cleared, the audit cannot start. If there is no audit, this can potentially affect Pohnpei State's audit opinion for the year 2011.

#### **Kosrae State Government and Component Units**

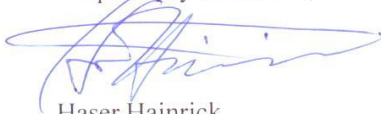
1. State Government: DT commenced compliance testing and year-end balance testing and is approximately 65% completed with both.
2. Kosrae Utilities Authority: Fieldwork is roughly 80% complete. The final fieldwork is scheduled to commence on February 13, 2012.
3. Kosrae Port Authority: DT received the final trial balance and the fixed asset register. Fieldwork is scheduled to commence on February 13, 2012.

#### **Yap State Government and Component Unit**

1. Yap State Government: There is no change from the last status report. Fortenberry & Ballard (FB) has completed the risk assessments and the audit program. All other audit requirements have not been provided to the CPA firm.
2. Yap Visitor's Bureau: There is no change from the last status report. The risk assessment, grant documentation and audit program have been reported as 100% complete. All other audit requirements are still outstanding and the audit cannot continue with such. Client had committed to provide the Trial Balance on January 6, 2012. This did not occur.
3. Yap State Public Service Corporation (YSPSC): Done and the final audit report can be accessed at the FSM Public Auditor's website [www.fsmopa.fm](http://www.fsmopa.fm).
4. Diving Seagull, Inc. There is no change from the last status report. The risk assessment, audit program, and grant documentation have been reported at 100% completion. All other audit requirements are still pending. DSI has agreed to provide the trial balance on February 21, 2012.

A copy of this January 2012 status report and all the completed audit reports are on the FSM Public Auditor's website at [www.fsmopa.fm](http://www.fsmopa.fm). Let me know if you have questions.

Respectfully submitted,



Haser Hainrick  
National Public Auditor

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cc: FSM Vice President  
Speaker of FSM Congress  
Director, SBOC  
All Finance Secretary/Directors  
All State Auditors