



# FEDERATED STATES OF MICRONESIA

## Office of The National Public Auditor

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Wednesday, May 05, 2010

His Excellency Manny Mori, FSM President  
Honorable John Ehsa, Governor of Pohnpei State  
Honorable Wesley Simina, Governor of Chuuk State  
Honorable Sebastian Anefal, Governor of Yap State  
Honorable Robert Weilbacher, Governor of Kosrae State

Dear Mr. President and Mr. Governors:

The following is the report on the status of the 2009 Single Audit for FSM as of April 30, 2010 based on information received from Deloitte & Touche (DT) and Fortenberry & Ballard (FB).

### FSM NATIONAL GOVERNMENT

1. FSM National Government: Audit testing and procedures are ongoing for both compliance and financial sections. 85% of the compliance and financial testing has been completed. DT has provided the initial preliminary findings to the Assistant Secretary of National Treasury on April 7, 2010.
2. National Fisheries Corporation: DT has provided a draft report to NFC for their review.
3. College of Micronesia-FSM: DT has commenced compliance testing and is approximately 85% completed with such. DT has received the trial balance and most of the related schedules. Fieldwork is approximately 75% complete.
4. MiCare Plan, Inc.: Final audit reports were issued on March 09, 2010.
5. FSM Coconut Development Authority: Fieldwork is approximately 65% complete. DT is waiting for inventory related documents.
6. FSM Development Bank: DT has commenced year-end audit procedures. Fieldwork is about 85% complete.
7. FSM Social Security Administration: Fieldwork is complete. DT has provided the draft report to FSMSSA for their review and comments..

8. FSM Petroleum Corporation: Fieldwork is complete and a draft copy of the audit report has been provided to FSMPC for their review and comments.
9. FSM Telecommunications Corporation: Final audit reports were issued on December 11, 2009.

#### CHUUK STATE GOVERNMENT

1. Chuuk State Government: DT has completed approximately 96% of fieldwork and in process of drafting the audit report.
2. Chuuk State Health Care Plan: DT has received the trial balance as of September 30, 2009 and is in the process of planning the audit. Fieldwork is anticipated to commence on May 10, 2010.
3. Chuuk Housing Authority: DT has received the trial balance as of September 30, 2009 and is in the process of planning the audit.
4. Chuuk Public Utility Corporation: Fieldwork is about 90% complete and DT is in the process of drafting the audit report.

#### KOSRAE STATE GOVERNMENT

1. Kosrae State Government: DT has completed approximately 98% of fieldwork. DT is in the process of drafting the audit report.
2. Kosrae Utilities Authority: DT has received the trial balance and most of the supporting schedules and fieldwork. is about 95% complete.
3. Kosrae Port Authority: DT has received the trial balance on April 29, 2010 and has start planning the audit. Fieldwork is anticipated to commence in May 2010.

#### POHNPEI STATE GOVERNMENT

1. Pohnpei State Government: DT has completed approximately 97% of fieldwork. DT is in the process of drafting the audit report.
2. Pohnpei State Housing Authority: Final audit reports were issued on February 18, 2010
3. Pohnpei Utilities Corporation: Final audit reports were issued on April 23, 2010.
4. Pohnpei Fisheries Corporation: During fiscal year 2009, Pohnpei State incorporated PFC's trial balance into PSG's basic financial statements. Testing of account balances for PFC was then performed in conjunction with the testing of general fund activities for Pohnpei State Government.

5. Pohnpei Port Authority: DT has commenced the year-end audit procedures. Fieldwork is about 95% complete.

#### YAP STATE GOVERNMENT

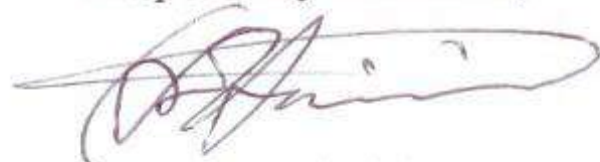
1. Yap State Government: The audit of Yap State is 90% complete. Yap State's fieldwork is complete. Completion of the engagement awaits:
  - 1) receipt of the financial statements for Yap State Public Transportation System and Yap Cooperative Association from the Yap Public Auditor,
  - 2) a final review by Yap State Office of Administrative Services of the yet to be released draft report, and:
  - 3) a formal exit conference with the Governor.

There may also be possible resolutions of some unresolved 2008 and 2009 audit findings which are unresolved at April 3, 2010.

2. Yap State Public Service Corporation: The final audit report was issued on December 31, 2009.
3. Yap Diving Seagull, Inc.: The final audit report was issued on January 15, 2010.
4. Yap Visitors' Bureau: The final audit report was issued on February 01, 2010.

The completed audit reports for fiscal year 2009 can be accessed at the FSM Public Auditor's website at [www.fsmopa.fm](http://www.fsmopa.fm). Let me know if you have questions about this report.

Respectfully submitted,



Haser H. Hainrick  
National Public Auditor

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xc: FSM Vice President  
Speaker of FSM Congress  
Speaker of Pohnpei State Legislature  
Speaker and President of Chuuk Senate & House of Representative  
Speaker of Yap State Legislature  
Speaker of Kosrae State Legislature  
Director, SBOC  
All Finance Secretary/Directors (T. Pablo, M. Laaw, J. Mori, T. Reynolds)  
All State Auditors (R. Yow, A. Leben, S. Taulung)