



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Monday, March 08, 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 February 28, 2010 based on information received from Deloitte & Touche (DT) and Fortenberry & Ballard (FB).

FSM NATIONAL GOVERNMENT

1. FSM National Government: DT has received the final year-end balance and most schedules. Audit testing and procedures are ongoing. In addition, DT is also waiting for feedback from Finance Office on the ARRA (American Recovery and Reinvestment Act) Funding received by the FSM (as a whole). DT needs to determine at the earliest possible moment if the funding was received in FY'09 or FY'10. In the ARRA website updated as of 11/18/09, the FSM received \$3.6M.
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 80% completed with such. DT has received the trial balance and most of the related schedules.
4. MiCare Plan, Inc.: An exit conference was held on January 18, 2010. The audit report is expected to be issued shortly.
5. FSM Coconut Development Authority: Fieldwork is approximately 60% complete. DT is waiting for inventory related documents.

6. FSM Telecommunications Corporation: Final audit reports were issued on December 11, 2009.
7. FSM Development Bank: DT has commenced year-end audit procedures. Fieldwork is about 45% complete.
8. FSM Social Security Administration: DT has commenced year-end audit procedures. Fieldwork is about 90% complete. Items pending are January 2010 bank statements and entity adjustments relating to accruals.
9. FSM Petroleum Corporation: DT has received the trial balance February 11, 2010 and commenced fieldwork testing.

CHUUK STATE GOVERNMENT

1. Chuuk State Government: DT has commenced compliance testing and completed 95% of the task and has completed approximately 25% of the year-end balance testing.
2. Chuuk Health Care Plan: DT has received the trial balance and some of the related schedules. Fieldwork is anticipated to commence on March 8, 2010.
3. Chuuk Housing Authority: DT has requested a trial balance as of September 30, 2009 and related schedules. Commencement of fieldwork is pending the receipt of the requested documents.
4. Chuuk Public Utility Corporation: DT has requested a trial balance as of September 30, 2009 and related schedules. Commencement of fieldwork is pending the receipt of the requested documents.

KOSRAE STATE GOVERNMENT

1. Kosrae State Government: DT has commenced the compliance testing and is 95% complete with this task and has completed approximately 80% of the year-end balance testing.
2. Kosrae Utilities Authority: DT has received the trial balance and most of the supporting schedules and commenced fieldwork. Fieldwork is about 30% complete.
3. Kosrae Port Authority: KPA is in the process of revising the final trial balance. Commencement of fieldwork is pending the receipt of final trial balance and supporting schedules.

POHNPEI STATE GOVERNMENT

1. Pohnpei State Government: DT has commenced compliance testing and has completed 95% of this task and has completed approximately 35% of the year-end balance testing.

2. Pohnpei Fisheries Corporation: Pohnpei State Finance is in the process of putting PFC financial statements on its books. DT will commence the audit upon receipt of the trial balance and related schedules.
3. Pohnpei Housing Authority: Final audit reports were transmitted to ONPA on February 18, 2010.
4. Pohnpei Utilities Corporation: Fieldwork has been substantially completed and DT is in the process of drafting the audit report.
5. Pohnpei Port Authority: DT has commenced the year-end audit procedures. Fieldwork is about 70% complete.

YAP STATE GOVERNMENT

1. Yap State Government: The audit of Yap State is 70% complete. Yap State has not finished their SEFA or the final trial balance.
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. Let me know if you have questions about this report.

Respectfully submitted,



Haser H. Hainrick
National Public Auditor

CE

- 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)