



# FEDERATED STATES OF MICRONESIA

## Office of The National Public Auditor

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Monday, February 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 January 31, 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. 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) to determine whether 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 has not been issued due to some pending items.
5. FSM Coconut Development Authority: Fieldwork is approximately 50% 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 performed some interim audit procedures. Commencement of year-end audit is pending the receipt of the year end trial balance and underlying schedules and documents.
8. FSM Social Security Administration: Interim audit procedures as of October 31, 2009 were performed. Year-end audit procedures will commence on February 03, 2010.
9. FSM Petroleum Corporation: DT is waiting for the trial balance and related schedules.

#### CHUUK STATE GOVERNMENT

1. Chuuk State Government: DT has commenced compliance testing and completed 90% of the task and has completed approximately 20% of the year-end balance testing.
2. Chuuk Health Care Plan: 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.
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 90% complete with this task and has completed approximately 75% of the year-end balance testing.
2. Kosrae Utilities Authority: DT requested a trial balance as of September 30, 2009 and related schedules. Commencement of fieldwork is pending the receipt of the requested documents.
3. Kosrae Port Authority: DT has received the trial balance and some of the related schedules. Commencement of fieldwork is pending the receipt of rest of the requested documents.

## POHNPEI STATE GOVERNMENT

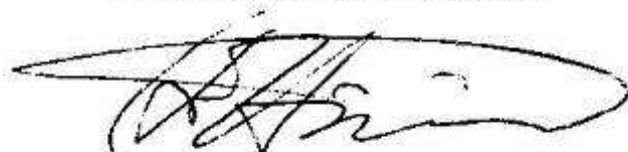
1. Pohnpei State Government: DT has commenced compliance testing and has completed 90% of this task and has completed approximately 30% of the year-end balance testing.
2. Pohnpei Fisheries Corporation: Pohnpei State Finance is in the process of putting PFC financial statements on its books. DT will commence the audit upon receipt of the trial balance and related schedules.
3. Pohnpei Housing Authority: DT is in the process of finalizing the audit report.
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 received the year-end trial balance and other underlying schedules. Fieldwork will commence on February 03, 2010.

## 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. However bank reconciliations have been completed and the auditors have progressed through risk assessments, documenting and testing of financial and federal control processes and they have performed available substantive and compliance tests of revenues, expenditures, journal entries and federal compliance.
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 audit is 90% complete. The audit report is being prepared and the exit conference is awaiting the director to return to the island.

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

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)