



# 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 Hot Line: (691) 320-6768; E-mail: FSMOPA@mail.fm

Wednesday, April 04, 2007

His Excellency Joseph J. Urusemal, FSM President  
Honorable Johnny David, Governor of Pohnpei State  
Honorable Wesley Simina, Governor of Chuuk State  
Honorable Sebastian Anefal, Governor of Yap State  
Honorable Robert Weilbacher, Governor for Kosrae State

Dear Mr. President & Mr. Governors:

The following is the 3/31/07 status of the 2006 Single Audit. For some of the entities, their percentages of completion are far behind and time is running out quickly for them.

### **YAP STATE:**

Yap State Government – It is still at about 30% complete. There is no movement since the last couple of months. If there is no significant improvement, this entity could potentially miss the June deadline.

Yap State Public Service Corporation: Done, the report has been issued.

Diving Seagull, Inc. – Done, the final report has been issued.

### **CHUUK STATE:**

Chuuk State Government – It's about 25% complete. The Trial Balance has not been completed. Chuuk State needed assistance on the FY05 audit adjustments. The Secretary of Finance is committed to send a consultant to assist Chuuk State Finance. If there is no significant improvement soon, this entity could potentially miss the June deadline.

Chuuk State Utility Corporation – New controller is on board. CPUC management is asking PUC for assistance. Secretary of Finance is committed to pay for a consultant to assist CPUC. Time is running out quickly.

Chuuk State Health Care Plan – Secretary of Finance is committed to pay for a consultant to assist CSHCP. Time is running out quickly.

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Chuuk State Housing Authority – Secretary of Finance is committed to pay for a consultant to assist CSHA. Time is running out quickly.

#### **KOSRAE STATE GOVERNMENT**

Kosrae State Government – The audit is about 82% completed. Kosrae still has some pending items. Draft report is expected this month (April).

Kosrae Utilities Authority – It's about 90% complete and audit team is clearing partner's review notes. The final report is expected soon.

Micronesia Petroleum Corporation – It's about 90% complete and audit team is clearing partner's review notes. The final report is expected soon.

#### **POHNPEI STATE:**

Pohnpei State Government – it's about 72% complete. There are still open items. Audit draft is expected by April 30<sup>th</sup>.

Pohnpei Utilities Corporation – Done, the final report has been issued.

Pohnpei Port Authority – Done, the final report has been issued.

Pohnpei Housing Corporation – It's about 90% complete.

Pohnpei Fisheries Corporation – It's about 70% complete.

#### **FSM NATIONAL GOVERNMENT:**

FSM National Government – It's about 78% complete. There are still pending items and auditors are communicating with the Secretary of Finance about such.

College of Micronesia – It's about 80% complete.

FSM Telecommunications – Done, the final report has been issued.

FSM Development Bank – This entity uses December 31<sup>st</sup> as the end of its fiscal year and the audit is approximately 95% complete.

FSM Social Security – This entity uses December 31<sup>st</sup> as the end of its fiscal year, and the audit is approximately 80% complete.

FSM Coconut Authority – Auditors are awaiting the close of the entity's accounting records (Approximately 70% complete)

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FSM National Fisheries Corporation – Auditors have provided the entity with September 30, 2004 and 2005 draft reports and are in the process of finalizing those reports. The entity is still closing its 2006 financial statements and the audit is approximately 15% complete. If there is no significant progress this month, this entity could miss the June deadline.

MiCare Plan – The audit is approximately 75% complete.

The open items for each of the five Government entities have already been sent to the Finance Directors directly by the auditors. The final audit reports for the entities whose FY-06 audits have already been completed are posted on the FSM Public Auditor's website at [www.fsmpublicauditor.fm](http://www.fsmpublicauditor.fm). Should you have any questions concerning the above, please let us know.

Sincerely,



Haser Hainrick  
National Public Auditor

Xc: FSM Vice President  
Speaker of FSM Congress  
Speaker of Pohnpei Legislature  
Speaker and President of Chuuk Senate & House of Representatives  
Speaker of Yap Legislature  
Speaker of Kosrae Legislature  
Director, Office of Compact Management  
All Finance Secretary/Directors (N. Andon, F. Perman, M. Laaw, B. Abraham & W. Bisalen)  
All State Auditors (G. Gootinan, A. Leben & M. Tosie)