



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Wednesday, June 06, 2007

His Excellency Manny Mori, 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 report on the status of the 2006 Single Audit for FSM as of May 31, 2007.

NATIONAL GOVERNMENT:

1. FSM National Government - It is about 85% complete. Deloitte & Touche (D&T) is communicating with the Department of Finance & Administration concerning the remaining open items.
2. FSM Coconut Authority - We are pending only close out documents for this audit, which is approximately 98% complete.
3. College of Micronesia - The audit is about 97% complete.
4. Mi Care Plan - Only the Management Discussion & Analysis (MD&A) and minor open matters and the closing documents are pending. This is approximately 92% complete.
5. National Fisheries Corporation - This audit is approximately 50% complete.
6. FSM Telecommunications Corporation – Done
7. FSM Development Bank - Done
8. FSM Social Security Administration – Done

KOSRAE STATE:

1. Kosrae State Government - Almost done and close to 100% complete; only a few minor information are pending.

2. Kosrae Utility Authority - This audit is expected to be finalized shortly as D&T is only pending the representation letter and approval of final adjustments.
3. Micronesia Petroleum Corporation - Almost done and only the MD & A and the final representation letter and approval of the final adjustments are pending.

POHNPEI STATE

1. Pohnpei State Government – It's at about 98% complete.
2. Pohnpei Fisheries Corporation: The draft report has been provided and D&T is awaiting the MD & A and the closing documents (representation letter, approved adjustments etc.).
3. Pohnpei Housing Corporation: The status of this audit is the same as for PFC above.
4. Pohnpei Utilities Corporation – Done
5. Pohnpei Port Authority – Done

CHUUK STATE:

1. Chuuk State Government - It's about 55% complete.
2. Chuuk Public Utilities Corporation – D&T has commenced fieldwork. Ms. Sihna Lawrence is on site assisting CPUC management to update their records. This audit has only just commenced as transactions for the year have yet to be recorded in a comprehensive system.
3. Chuuk Housing Authority – No audit will be necessary as its materiality is below threshold.
4. Chuuk Health Care Plan - The percentage of completion approximates 90%.

YAP STATE:

1. Yap State Government – D&T is currently drafting the reports and they estimate that it is 85% complete. D&T will provide drafts to State management this week and they will require one more trip to Yap to clear pending items. D&T has received all Component Unit information from the State Public Auditor with the exception of Yap Fishing Authority.
2. Diving Seagull, Inc. – Done.
3. Yap State Public Services Corporation – Done

The open items for each of the five Government entities have already been sent to the Finance Directors directly by D&T. 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. 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 (I. Joseph, F. Perman, M. Laaw, T. Reynold & W. Bisalen)
All State Auditors (G. Gootinan, A. Leben & M. Tosie)