



# FEDERATED STATES OF MICRONESIA

## Office of The National Public Auditor

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Tuesday, June 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 May 31, 2010 based on information received from Deloitte & Touche (DT) and Fortenberry & Ballard (FB).

### FSM NATIONAL GOVERNMENT

1. FSM National Government: The audit is 92% complete. DT has provided the initial preliminary findings to the Assistant Secretary for National Treasury on April 7, 2010 and has been sending additional findings since then. DT is in the process of drafting the audit report.
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 90% completed with such. DT has received the trial balance and most of the related schedules. Fieldwork is approximately 80% complete.
4. MiCare Plan, Inc.: Final audit reports were issued on March 09, 2010.
5. FSM Coconut Development Authority: Fieldwork has been substantially completed with one open item (the attorney's response).
6. FSM Development Bank: Fieldwork is approximately 95% complete. DT has provided the preliminary draft report to FSMDB for their review and comments.

7. FSM Social Security Administration: Fieldwork is complete. DT has provided the draft report to FSMSSA. An exit conference is expected to be scheduled within the next few days.
8. FSM Petroleum Corporation: Final audit reports were issued on May 12, 2010.
9. FSM Telecommunications Corporation: Final audit reports were issued on December 11, 2009.

#### CHUUK STATE GOVERNMENT

1. Chuuk State Government: DT is in the process of drafting the audit report.
2. Chuuk State Health Care Plan: Fieldwork is about 95% complete and DT is in the process of resolving matters associated with the report.
3. Chuuk Housing Authority: Fieldwork is about 95% complete and DT is in the process of incorporating the numbers in the Chuuk State report.
4. Chuuk Public Utility Corporation: Fieldwork is complete and DT has provided a draft report to CPUC for their review. Pending items are the MD&A and the attorney's response.

#### KOSRAE STATE GOVERNMENT

1. Kosrae State Government: DT has provided the findings and potential adjustments to Kosrae State Government for their review and comment.
2. Kosrae Utilities Authority: DT has provided a draft audit report to KUA for their review and the exit conference has been scheduled.
3. Kosrae Port Authority: Fieldwork is about 30% complete. DT expects to complete fieldwork by the end of the first week of June.

#### POHNPEI STATE GOVERNMENT

1. Pohnpei State Government: 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.

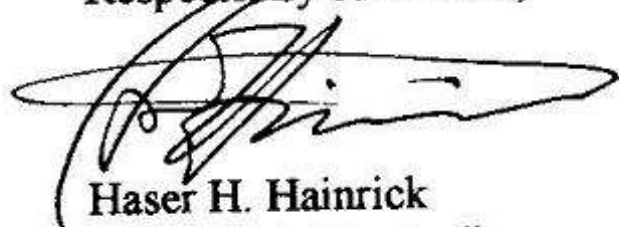
5. Pohnpei Port Authority: Fieldwork is complete. DT has provided the preliminary draft report to PPA for their review and comments.

## YAP STATE GOVERNMENT

1. Yap State Government: The audit of Yap State is 90% complete. Yap State's fieldwork is complete and all component unit information has been submitted by the Yap Public Auditor. The audit report is in progress. Completion of the engagement awaits:
  - 1) the submission of a draft audit report to the Yap State Office of Administrative Services,
  - 2) a final review and completed Management Discussion and Analysis by Yap State Office of Administrative Services of the yet to be released draft report, and:
  - 3) a formal exit conference with the Governor.
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)