



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

Monday, December 04, 2006

His Excellency Joseph J. Urusemal, FSM President
Honorable Johnny David, Governor of Pohnpei State
Honorable Wesley Simina, Governor of Chuuk State
Honorable Robert Ruuecho, Governor of Yap State
Honorable Rensley Sigras, Governor of Kosrae State

Re. FY-06 Single Audit Status Report #3

Dear President & Governors.

This is the 2006 Single Audit Status Report as of November 30, 2006. Please refer to the attachment for detail information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Haser Hainrick", is written over a horizontal line.

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)

Haser Hainrick

From: Fitzgerald, Daniel S. (GU - Guam) [dafitzgerald@DELOITTE.com]
Sent: Friday, December 01, 2006 3:27 PM
To: Haser Hainrick
Cc: Ileshi, Simao (FM - Pohnpei); Lemuel, Mary (FM - Pohnpei)
Subject: Single Audit status report as of 11/30/06

Dear Mr. Public Auditor:

The following is the 11/30 status of the 2006 Single Audit:

YAP STATE:

Yap State Government – We have completed interim compliance and transactional tests and are awaiting the closing of the entity's year end financial statements.

Yap State Public Service Corporation: Fieldwork is substantially complete and the draft is expected to be sent to them shortly.

Diving Seagull, Inc. – Field work is substantially complete and we expect that a draft will be sent to them shortly.

CHUUK STATE:

Chuuk State Government – Sample requests have been provided to management and detailed tests are scheduled to commence on December 4th.

Chuuk State Utility Corporation – We have yet to be apprised if assistance will be required by the entity to close its books. We are expecting to learn more during our December 4th visit.

Chuuk State Health Care Plan – The same situation as for CPUC exists with respect to this entity.

Chuuk State Housing Authority – The same situation as for CPUC exists with respect to this entity.

KOSRAE STATE GOVERNMENT:

Kosrae State Government – The current status update report was provided you under a separate email.

Kosrae Utilities Authority – Cut off and inventory tests have been completed and we expect that fieldwork will commence in December.

Micronesia Petroleum Corporation – Cut off and inventory tests have been completed and we expect that fieldwork will commence in December.

POHNPEI STATE:

Pohnpei State Government – The current status update report has been provided to you under a separate email.

Pohnpei Utilities Corporation – Fieldwork is ongoing.

Pohnpei Port Authority – Report assembly and clearing open items is ongoing.

Pohnpei Housing Corporation – Planning processes have been reviewed and performed and we are commencing fieldwork.

Pohnpei Fisheries Corporation – Informational requests have been provided to management.

12/3/2006

FSM NATIONAL GOVERNMENT

FSM National Government – Tests of major programs and systems are being completed and we are awaiting the closing of the year end financial statements.

College of Micronesia – We have commenced control and compliance tests and are awaiting closing of the year end financial statements.

FSM Telecommunications – Planning has been completed and fieldwork commenced on December 4th.

FSM Development Bank – This is a December 31 year end but we are initiating interim procedures, which will be performed during December.

FSM Social Security – This is a December 31 year end but we are preparing to initiate interim procedures to be performed during December.

FSM Coconut Authority – We are **awaiting** the close of the entity's accounting records.

FSM National Fisheries Corporation – We have provided the entity with September 30, 2004 and 2005 draft reports. We will provide you, under separate cover, a separate status report of this entity's ability to have the 2006 audit performed.

MiCare Plan – The entity is still closing its books and fieldwork is not **expected** to commence until that occurs.

Should you have any questions concerning the above, **please** let me know.

Best regards,

Dan

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.

12/3/2006

Haser Hainrick

From: Fitzgerald, Daniel S. (GU - Guam) [dafitzgerald@DELOITTE.com]
Sent: Thursday, November 30, 2006 1:47 PM
To: Haser Hainrick
Subject: FW: Chuuk State FY 2006 Audit Status Report

Dear Mr. Public Auditor:

Attached is the current Chuuk State status report.

Best regards,

Dan

From: Diaz, Corey (GU - Guam)
Sent: Thursday, November 30, 2006 10:34 AM
To: Winiplat Bisalen
Cc: Randy Nunez; randynunez@yahoo.com; Fitzgerald, Daniel S. (GU - Guam)
Subject: Chuuk State FY 2006 Audit Status Report

Mr. Bisalen,

Please see attachment.

Should you have any questions or concerns, please contact me.

Best regards,
Corey.

Corey P. Diaz
Senior
Assurance & Advisory Services
Deloitte.
361 South Marine Corps Drive
Tamuning, GU 96913-3911 USA
Tel: (671) 646-3884 ext. 245
Fax: (671) 649-4265
coreydiaz@deloitte.com

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.

12/3/2006



Deloitte & Touche LLP
361 South Marine Corps Drive
Tamuning, GU 96913-3911
USA
Tel: (671)646-3884
Fax: (671)649-4265
www.deloitte.com

November 29, 2006

Mr. Winiplat Bisalen
Director, Administrative Services Chuuk State, FSM
State of Chuuk
P.O. Box 280
Weno, Chuuk State, FM
96942

RE: Audit Status as of 11/29/06

Greetings! In connection with the audit of Chuuk State for fiscal year ended September 30, 2006, here is a status report as to the progress of the audit:

1. We have received the expenditure details for all funds and have made selections for testing which have been provided, except for Fund 30 Expenditures. We have made arrangements with Randy Nunez to begin testing starting 12/4/06. Review of the documents provided will be performed. A listing of all items received and not received will be provided for our references and files.

We are pending the following:

2. Preliminary Schedule of Expenditures of Federal Awards (SEFA)
 - a. Federal Grants Fund 30 Expenditure Details Sorted by CFDA Number
3. Labor Cost Reports for the payroll items selected for testing, email dated 11/28/06.
4. Trial Balance for the year ended 9/30/06
5. Listing of checks on hand
 - a. I arranged with the staff at the Treasury Department on my visit to Chuuk on 10/25/06 to provide a listing of the checks on hand.

Should you have any questions or concerns or when the information is available, please contact me at (671) 646-3884 ext. 245 or via email at coreydiaz@deloitte.com.

Best regards,

Corey P. Diaz

C.C. Randy Nunez

Haser Hainrick

From: Fitzgerald, Daniel S. (GU - Guam) [dafitzgerald@DELOITTE.com]
Sent: Thursday, November 30, 2006 1:47 PM
To: Haser Hainrick
Subject: FW: PSG FY 2006 Audit Request Update

Dear Mr. Public Auditor:

Attached, please find the current status report for Pohnpei State

Best regards

Dan

From: Mesa, Alma (GU - Guam)
Sent: Tue 11/28/2006 7:31 PM
To: directordota@mail.fm
Cc: cofpohnpei@mail.fm; Ursula; Fitzgerald, Daniel S. (GU - Guam); Ieshi, Simao (FM - Pohnpei)
Subject: PSG FY 2006 Audit Request Update

Kasalelie Director Perman!

Attached is the updated pending items listing for your review. Please let me know as soon as the items requested are ready as Jereme is ready to begin fieldwork tomorrow. Should you have further inquiry, please contact me at 671-646-3884 ext 230 or amesa@deloitte.com.

Best regards,
Alma J. Mesa

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.

Pohnpei State Government
FY September 30, 2006
Pending Items Listing

As of 11/28/06			
Item No.	Request date	Item Description	Date recvd
15	10/30/06	Fixed Asset Register as of September 30, 2006	
16	10/30/06	Cash receipt register as of September 30, 2006	
18	11/06/06	Schedule of Expenditures of Federal Awards w/ all CFDA #s as of September 30, 2006, See Attachment C	
19	11/06/06	Please complete Internal Control Entity Questionnaire (attached seperately)	
20	11/06/06	Please complete preliminary analytical review	
21	11/06/06	Please complete and provide the Insurance Risk Questionnaire (attached seperately)	
25	11/06/06	Bank Reconciliations for all Depository Accounts as of September 30, 2006, please also provide listing of outstanding checks in electronic format	Provided 11/07/06, except Fund 955/122
26	11/06/06	Copy of Bank Statements for October 2006 for all bank depository accounts	Provided 11/07/06, except Fund 955/122
27	11/06/06	Disbursement Listing exceeding \$10,000 dating October 1, 2006 to date from the following checking accounts: a. Bank of Guam-General Fund Checking Account b. Bank of Guam-Payroll Checking Account c. Bank of FSM-PSG CIP Account	11/17/06 (To remain open until audit is completed)
28	11/06/06	Accounts Payable Schedules (as of 09/30/06) in excel format	Rcvd: 11/07/06 with the exception of Fund 955 and 920
29	11/06/06	Travel Advance Schedules(as of 09/30/06) in excel format	Provided 11/07/06 however does not appear to tie to GL
34	11/21/06	Please provide supporting documents for the following encumbrances listed on Attachment A	
35	11/21/06	Please provide grant awards for the following orgs presented on Attachment B	
36	11/21/06	Schedule of Continuing appropriations	
37	11/21/06	PO Advance Details	
38	11/21/06	The outstanding check listing provided for the payroll checking account included check amounts that were handwritten, please provide check numbers for these items.	
39	11/28/06	Please provide checks for review as listed on Attachment D	
40	11/28/06	Please provide the last invoice for the purchase of the following items listed on Attachment E for fiscal year 2006	
41	11/28/06	Please reconcile interfund as a variance of \$20K is presented between Fund 920 and 955	

Haser Hainrick

From: Fitzgerald, Daniel S. (GU - Guam) [dafitzgerald@DELOITTE.com]
Sent: Thursday, November 30, 2006 1:46 PM
To: Haser Hainrick
Subject: FW: KSG FY 2006 Audit Request Update

Dear Mr. Public Auditor:

Attached is the detail audit request **status** for Kosrae.

Best regards,

Dan

From: Mesa, Alma (GU - Guam)
Sent: Tue 11/28/2006 11:17 AM
To: kosraedoa@mail.fm
Cc: Shiro A Sigrah; JOHN SCHNEBLY; Fitzgerald, Daniel S. (GU - Guam); Ieshi, Simao (FM - Pohnpei)
Subject: KSG FY 2006 Audit Request Update

Greetings Director Boldon!

Hope all is well. We have received most of the items last week and yesterday. I have updated the pending items listing for your review. It appears that we have pretty much all of the required details for sample selections. I will go ahead and begin the selections and forward them to you as soon as possible. Should you have further inquiry, please contact me at 671-646-3884 ext 230 or amesa@deloitte.com.

Best regards,
Alma J. Mesa

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.

Kosrae State Government
FY September 30, 2006
Pending Items Listing

As of 11/28/06

Item No.	Request date	Item Description	Date recvd
12	09/11/06	Copies of Appropriation Laws & any Supplemental (if applicable)	To be provided upon auditor's arrival
20	11/03/06	Please complete and provide the Insurance Risk Questionnaire (attached separately)	
22	11/06/06	Payroll check register for all checks issued from 10/01/05 thru September 30, 2006 for the following Funds: Fund 11, 47, 60, 85, 91	11/21/06 except Fund 11 and 60 have not been provided
23	11/06/06	Please provide investment schedule for marketable securities held by FSM National Government as of September 30, 2006 in excel format	
24	11/06/06	Reserve for Related Assets Schedule (ALL FUNDS) in excel format	
28	11/06/06	Disbursement Listing exceeding \$10,000 dating October 1, 2006 to date from the following checking accounts: General Fund 77107-00894 Payroll 77107-00886 Copy of Bank Statements for October 2006 for all bank depository accounts	11/27/06 (to remain open until end of audit)
29	11/06/06	Please follow up on the following confirmations as they have not been received to date: a. Bank of Guam-Savings b. SEMO Micronesia-Investments c. Bank of FSM-Investments d. FSM National-ADB Note	
32	11/06/06		
34	11/28/06	Please provide grant awards for the following CFDA#S 1. 84.027b Special Education 2. 97.039 MALEM/UTWE DISTRIBUTION SYSTEM 3. 84.256 FASEG 4. 10.652 KOSRAE LANDS/SURVEY MODERNIZA. 5. 15.875 Compact CIP 6. 15.875 Compact Sector Grants	