



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

Thursday, November 09, 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 Sigrah, Governor of Kosrae State

Re: FY-06 Single Audit Status Report #2

Dear President & Governors:

This is the Status Report on the FSM single audits for fiscal year 2006, and it is as of October 31, 2006. Please refer to the attachment for detailed information.

Respectfully submitted,

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: Wednesday, November 08, 2006 4:23 PM
To: Haser Hainrick
Cc: Lemuel, Mary (FM - Pohnpei); Ieshi, Simao (FM - Pohnpei)
Subject: FW: Status report as of 11/8/06

Dear Mr. Public Auditor:

You have requested a status report of the 2006 single audit reports. Hereunder is that report. Please let us know if you have any questions with respect to these matters:

YAP STATE:

Yap State Government – We are completing interim compliance and transactional tests this week and will be awaiting the entity's closing of their books at the end of the month.

Yap State Public Service Corporation - We are completing fieldwork today and will then commence report drafting.

Diving Seagull, Inc. – The entity has advised us that they will be ready for audit at the end of November and fieldwork is accordingly being scheduled for early December.

CHUUK STATE:

Chuuk State Government – We have provided the entity with our initial sampling requests and are awaiting clarification of the SEFA prior to being able to commence detail tests.

Chuuk State Utility Corp. – We understand that a new controller is coming on board and that until the arrival of that person and the resulting assessment, we are not able to currently estimate when this audit will be scheduled. We additionally have yet to be apprised if assistance to the entity will be provided from outside sources as occurred in the prior year.

Chuuk State Health – The same situation as for CPUC exists with this entity.

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

KOSRAE STATE:

Kosrae State Government – Under separate cover, I am providing you the current list of outstanding items and a copy of our communication to Director Abraham about these matters.

Kosrae Utilities Authority – We have been in communication with the entity and are expecting that fieldwork will commence upon closing of their books. We are hopeful that fieldwork will be performed in December.

Micronesia Petroleum Corporation – We have been in communication with the entity and are hopeful that fieldwork will commence in December.

POHNPEI STATE:

Pohnpei State Government: As you are aware, in October, Pohnpei State management was quite busy with its Fundware implementation. We have provided Pohnpei State with our request lists and are expecting that field work will commence later this month. I am providing you with a copy of this request under separate transmittal.

Pohnpei Utilities Corporation – Our initial request list has been delivered to PUC and it is expected that fieldwork will commence at the end of the month.

Pohnpei Port Authority – The fieldwork for this audit has been completed and we are now in the report assembly phase.

Pohnpei Housing Corporation – The entity is in the process of closing its records and fieldwork is pending that process.

Pohnpei Fisheries Corporation – The entity is in the process of closing its records and fieldwork is pending that process.

FSM NATIONAL GOVERNMENT:

FSM National Government – We have commenced tests of major programs and of systems and we are awaiting the closing of the entity's accounts.

College of Micronesia – FSM – We have obtained preliminary data and are engaged in selecting major federal program transactions to be tested.

FSM Telecommunications – We have been in contact with the entity and are expecting that fieldwork will commence in early December

FSM Development Bank – This entity has a December 31 year end and no audit procedures have accordingly been initiated as of this date.

FSM Social Security – This entity has a December 31 year end and no audit procedures have accordingly been initiated as of this date.

FSM Coconut Development – We have performed inventory observation and other cut off procedures and await the close of the entity's accounting records.

FSM National Fisheries Corporation – We have drafted the 04 financial statements and are clearing matters with management and are approximately 80% complete with the 2005 financial statements. The entity is still in the process of closing its books for 2006 and we are not currently able to estimate when this will occur.

MiCare Plan – The entity is currently in the process of closing its books and fieldwork will commence when that closing occurs.

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.

Haser Hainrick

From: Fitzgerald, Daniel S. (GU - Guam) [dafitzgerald@DELOITTE.com]

Sent: Wednesday, November 08, 2006 4:24 PM

To: Haser Hainrick

Subject: FW: KSG FY 2006 Audit Request

From: Mesa, Alma (GU - Guam)

Sent: Monday, November 06, 2006 7:11 PM

To: kosraedoa@mail.fm

Cc: Shiro A Sigras; Fitzgerald, Daniel S. (GU - Guam); Ieshi, Simao (FM - Pohnpei)

Subject: KSG FY 2006 Audit Request

Greetings Director Boldon!

In connection to the audit with Kosrae State Government for fiscal year ended September 30, 2006, I have attached the updated list of pending items for your review. 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.

3/6

Kosrae State Government
 FY September 30, 2006
 Pending Items Listing

As of 11/06/06

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
15	11/01/06	Please complete Internal Control Questionnaire (Attached seperately)	
16	11/03/06	Please provide detail expense and revenue history reports for all funds in excel format as of September 30, 2006 (Please tie to trial balance provided on 11/06/06)	
17	11/03/06	Schedule of Expenditures of Federal Awards w/ all CFDA #s as of September 30, 2006	
18	11/03/06	Cash receipt register from August 1, 2006 to September 30, 2006 (register should include receipt no., receipt date, total receipt amount, and fund/org credited)	
19	11/01/06	Please complete and provide Internal Control Entity Questionnaire (attached seperately)	
20	11/03/06	Pllea complete and provide the Insurance Risk Questionnaire (attached seperately)	
21	11/06/06	Payroll check register for all checks issued as of August 1, 2006 thru September 30, 2006 for Fund 100, 680, 720, 730, 740, 750, 760, 770, 300, 320, 330, 340, 370, 390, 410, 440, & 460 (Please indicate fund and org payroll was disbursed against)	
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	
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	
25	11/06/06	Annual Leave Schedule (as of 09/30/06) in excel format	
26	11/06/06	Accounts Payable Schedules (as of 09/30/06) in excel format	
27	11/06/06	Travel Advance Schedules(as of 09/30/06) 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	
29	11/06/06	Bank Reconciliations for all Depository Accounts as of September 30, 2006, please also provide listing of outstanding checks in excel format	
30	11/06/06		
31	11/06/06	Encumbrance details as of September 30, 2006 for all funds 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	
32	11/06/06	d. FSM National-ADB Note	

4/1

Haser Hainrick

From: Fitzgerald, Daniel S. (GU - Guam) [dafitzgerald@DELOITTE.com]
Sent: Wednesday, November 08, 2006 4:24 PM
To: Haser Hainrick
Subject: FW: PSG FY 2006 Audit Request

From: Mesa, Alma (GU - Guam)
Sent: Monday, November 06, 2006 3:47 PM
To: directordota@mail.fm
Cc: dotafinadvisor@mail.fm; JOHN SCHNEBLY; Fitzgerald, Daniel S. (GU - Guam); Ieshi, Simao (FM - Pohnpei)
Subject: PSG FY 2006 Audit Request

Kasalelie Director Perman!

In connection to the audit with Pohnpei State Government for fiscal year ended September 30, 2006, I have attached the updated pending items listing for your review. Should you have any questions or comments, 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 11/06/06

Item No.	Request date	Item Description	Date recvd
14	10/30/06	P135 Report in text format for General Fund (Fund 100), Sector Grants Fund (Fund 450, 720, 725, 730, 750, 760), US Federal Grants Fund (Fund 300)	Received on 11/03/06 however Still pending P135 Report for Fund 300
15	10/30/06	Fixed Asset Register as of September 30, 2006	
16	10/30/06	Cash receipt register as of September 30, 2006	
17	11/06/06	Please provide P135 Reports in text format for the following Funds listed below: Fund 250, 390, 400, 420, 510, 530, 575, 576, 577, 578, 580, 600, 810, 920	
18	11/06/06	Schedule of Expenditures of Federal Awards w/ all CFDA #s as of September 30, 2006	
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	Pllea complete and provide the Insurance Risk Questionnaire (attached seperately)	
22	11/06/06	Please provide payroll check register (history) and payroll transaction report as of 08/01/06 thru 09/30/06 for the following funds: Fund 100, 450, 720, 725, 730, 750, 760, 300	
23	11/06/06	Please provide payroll check register (history) & payroll transaction report as of 10/01/05-09/30/06 for the following funds: Fund 390, 400, 530, 575, 578, 580, 600	
24	11/06/06	Encumbrance details as of September 30, 2006 for all funds	
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	
26	11/06/06	Copy of Bank Statements for October 2006 for all bank depository accounts	
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	
28	11/06/06	Accounts Payable Schedules (as of 09/30/06)	
29	11/06/06	Travel Advance Schedules(as of 09/30/06)	
30	11/06/06	Annual Leave Schedule (as of 09/30/06)	
31	11/06/06	Reserve for Related Assets Schedule (ALL FUNDS)	
32	11/06/06		
		Please provide the final inventory listing for Fund 510 Account 300 as of September 30, 2006	
33	11/06/06	Please provide the investment schedule for the marketable securities held by FSM National Government as of September 30, 2006	

6/6