



# FEDERATED STATES OF MICRONESIA

## *Office of The National Public Auditor*

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Thursday, June 04, 2009

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 2008 Single Audit for FSM as of May 31, 2009 based on information received from Deloitte & Touche (DT).

### FSM NATIONAL GOVERNMENT

1. FSM National Government: Fieldwork is currently ongoing and items not provided to DT for the pending items list of May 06, 2009 are being drafted as preliminary findings..
2. National Fisheries Corporation: DT has commenced fieldwork and is about 55% completed with such.
3. College of Micronesia-FSM: Fieldwork is about 98% complete and DT is in the process of drafting the audit report.
4. MiCare Plan, Inc. Final audit report was issued May 27, 2009.
5. FSM Coconut Development Authority: DT has provided a draft audit report to FSMDCOA for their review and comments.
6. FSM Development Bank: Fieldwork is approximately 95% complete. A draft report was provided to the Bank for discussion purposes on April 27, 2009. DT is in the process of finalizing the audit.
7. FSM Social Security Administration: DT has commenced fieldwork and is about 92% completed with such.

8. FSM Petroleum Corporation – DT is still waiting for the revised trial balance and other schedules requested on May 18, 2009.

#### CHUUK STATE GOVERNMENT

1. Chuuk State Government: DT has received the final 9/30/08 trial balance and several related schedules. DT has commenced testing of payroll and non-payroll expenditure samples and resolution of pending items is on-going. Additional testing is pending the receipt of requested items.
2. 2009 Chuuk State Government Quarterly Audits: The Second Quarter audit report was issued May 27, 2009.
3. Chuuk Health Care Plan: Fieldwork was completed on May 28, 2009. DT is currently performing wrap-up procedures but there is a substantial number of pending items and open issues. The completion of the audit may be impacted by the absence of an Accountant who was terminated a day after fieldwork.
4. Chuuk Housing Authority: DT is awaiting financial statements from the entity and no procedures have been conducted yet. DT has been informed by Chuuk State Finance that a trial balance may be available by June 6, 2009.
5. Chuuk Public Utility Corporation: DT has commenced fieldwork and is about 85% complete with such.

#### POHNPEI STATE GOVERNMENT

1. Pohnpei State Government: A draft audit report has been provided to Pohnpei State for their review and comments.
2. Pohnpei Housing Authority: The final audit report was issued on May 21, 2009.
3. Pohnpei Port Authority: The final audit report was issued on May 05, 2009.

#### YAP STATE GOVERNMENT

1. Yap State Government: DT has received the trial balance and several schedules on June 1, 2009 and will commence fieldwork once DT has reviewed the documents provided.
2. Yap State Public Service Corporation: The final audit report was issued May 18, 2009.
3. Yap Diving Seagull, Inc.: DT has requested a trial balance as of September 30, 2008 and other related documents. Commencement of fieldwork is pending the receipt of the requested documents. DT plans to be in Yap by June 8, 2009.

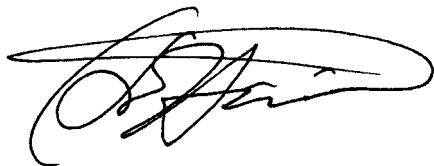
4. Yap Visitors' Bureau: DT has provided the draft report to YVB based on their internal financial statements and complete planning. DT expects the fieldwork to be finalized during the week of June 8, 2009.

#### KOSRAE STATE GOVERNMENT

1. Kosrae State Government: DT is in the finalizing process. Report draft has already been issued to the State, pending the receipt of the MD&A and responses to the findings.
2. Kosrae Utilities Authority: A draft audit report has been provided to KUA, pending the receipt of the signed representation letter.
3. Micronesia Petroleum Corporation: DT is in the process of drafting the MPC audit report, pending the receipt of the revised loan agreement.
4. Kosrae Port Authority: DT has completed approximately 95% of the fieldwork.

The finished audit reports for fiscal year 2008 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 (F. Perman, T. Pablo, M. Laaw, J. Mori, T. Reynold)  
All State Auditors (W.Dolosa (Acting), A. Leben, S. Taulung)