



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Tuesday, February 12, 2019

Excellency FSM President
Honorable Members of FSM Congress

Excellency President and Honorable Members of the FSM Congress:

This is the first status report for the FY 2018 Single Audits and it is as of January 31, 2019. The status report is based on information received from Deloitte & Touche (DT), our contracted CPA firm. We will continue to send you status reports until all the Single Audits for FY 2018 are completed. The official completion deadline is June 30, 2019.

FSM NATIONAL GOVERNMENT AND COMPONENT UNITS:

1. FSM National Government: DT has commenced on audit planning and compliance testing and is approximately 40% completed. FSMNG continues to record year-end closing adjustments.
2. College of Micronesia-FSM: DT has not received a trial balance and audit schedules and audit fieldwork shall commence once trial balance and audit schedules received.
3. FSM Telecommunications Corporation: Final audit report completed and issued on January 18, 2019. A copy of the report can be accessed at the ONPA website www.fsmopa.fm.
4. FSM Telecommunications Cable Corporation: DT will commence fieldwork upon receipt of final trial balance and related schedules.
5. FSM Petroleum Corporation: DT has completed interim audit procedures for the period ended September 30, 2018 and final trial balance was received subsequent to January 31, 2019. DT will also commence year-end fieldwork upon the receipt of the requested audit schedules.
6. National Fisheries Corporation: DT will commence fieldwork upon the receipt of final trial balance and related schedules.
7. FSMNG Employees' Health Insurance Plan (MiCare Plan, Inc): DT has received a preliminary Trial Balance subsequent to January 31, 2019 without general

ledger detail and schedules. DT shall commence fieldwork once detailed supporting ledgers are received.

8. FSM Development Bank: DT has received the preliminary trial balance on January 29, 2019. DT has commenced audit planning.
9. FSM Social Security Administration: DT will commence fieldwork upon the receipt of the final trial balance and related schedules.
10. Caroline Islands Air: DT will commence fieldwork upon the receipt of the final trial balance and related schedules.

CHUUK STATE GOVERNMENT AND COMPONENT UNITS:

1. Chuuk State Government: DT has commenced audit planning, year-end substantive testing, and federal compliance test and is approximately 40% completed. CSG continues to record adjustments to its financial statements.
2. Chuuk Public Utility Corporation: DT received a preliminary trial balance subsequent to January 31, 2019 without the general ledger detail and schedules. DT shall commence fieldwork once they receive the detailed ledgers.
3. Chuuk State Health Care Plan: DT will commence fieldwork upon the receipt of the final trial balance and related schedules.
4. Chuuk Housing Authority: DT will commence fieldwork upon the receipt of the final trial balance and related schedules.

POHNPEI STATE GOVERNMENT AND COMPONENT UNITS:

1. Pohnpei State Government: DT has commenced audit planning, year-end substantive testing, and federal compliance tests and is approximately 40% completed. PSG continues to record adjustments to its financial statements.
2. Pohnpei State Housing Authority: DT has received the preliminary trial balance on January 10, 2019. DT has commenced audit planning.
3. Pohnpei Utilities Corporation: DT has not received a final trial balance. PUC has difficulties in closing its books as it does not appear to have accounting personnel with adequate work experience who can timely record transactions throughout the year and who can timely perform year-end closing procedures.
4. Pohnpei Port Authority: DT has received a final trial balance on January 9, 2019 and planning is on-going and field work will commence upon the receipt of all the requested schedules.

KOSRAE STATE GOVERNMENT AND COMPONENT UNITS:

1. Kosrae State Government: DT is approximately 50% complete with respect to federal compliance tests and approximately 20% complete with respect to the financial statement audit.
2. Kosrae Utilities Authority: DT has received the final trial balance on January 28, 2019 and started audit planning and have scheduled fieldwork with KUA in the first week of this month, February 2019.
3. Kosrae Port Authority: Final reports were issued on December 28, 2018.

YAP STATE GOVERNMENT AND COMPONENT UNITS:

1. Yap State Government: YSG would submit the final trial balance around the end of this month, February 2019. DT is working on a preliminary trial balance and approximately 50% completed with respect to federal compliance tests and 40% completed with respect to the financial statement audit.
2. Yap State Public Service Corporation: DT has performed on site audit work and are about 95% complete.
3. Yap Visitors Bureau: DT has sent a management representation letter for management's signature and dated the audit report as of January 31, 2019.
4. The Diving Seagull, Inc.: DT will commence fieldwork upon receipt of the final trial balance and related schedules.

A copy of this status report will be uploaded to the FSM Public Auditor's website at www.fsmopa.fm. Let me know if you have questions about this report.

Respectfully submitted,



Haser Hainrick
National Public Auditor

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cc: FSM Vice President
All State Governors
All Secretary & Directors of National & State Finance
All State Public Auditors