



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Monday, December 8, 2025

Excellency Wesley W. Simina
President
Office of the President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Excellency President Simina:

This is our status report for the 2024 single audits as of November 30, 2025. This report is based on information received from our contracted auditors, Ernst & Young LLP, Burger Comer Magliari CPAs (BCM), and Shinoda CPA. It covers the progress of audits for the FSM National Government, States of Chuuk, Kosrae, Pohnpei, and Yap, including their respective component units.

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
FSM National Government and Component Units			
1	FSM National Government	<ul style="list-style-type: none"><i>EY will prepare and submit engagement letter for review and approval. Audit commencement date to be determined after completion of the FY23 audit.</i>	
2	Caroline Islands Air, Inc	<ul style="list-style-type: none"><i>Management communicated that it will target to provide preliminary trial balance end of November/beginning of December.</i><i>Information is pending as of December 5, 2025. Audit commencement date to be determined</i>	

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<i>upon receipt of the information.</i>	
3	College of Micronesia, FSM	<ul style="list-style-type: none"> entity submitted the updated trial balance and SEFA on August 18, 2025. Planning meeting with management was held on September 15, 2025. Audit team planning commenced on September 2, 2025. Audit fieldwork began on September 29, 2025. Both financial statements (FS) and Uniform Guidance (UG) audits are progressing to date with completion percentages of 70% (FS) and 80%(UG). EY has submitted to COM-FSM management the draft FS and UG report on November 7, 2025 and November 21, 2025, respectively. Conclusion of the audit is dependent on COM-FSM's submission of major pending items. 	<ul style="list-style-type: none"> MD&A Information regarding skills, qualifications and experience of the personnel overseeing the non-audit work. Response to inquiries regarding inventory management. Additional samples for testing-revenues and receivables. Corrective action plan. Status of prior year audit findings. Response on fraud inquiries.
4	FSM Development Bank		Audit completed and issued on May 12, 2025.
5	MiCare Plan	<ul style="list-style-type: none"> Signed engagement letter received on April 28, 2025. Preliminary TB and GL report received on June 17, 2025. Preliminary audit request submitted on July 2, 2025. Entrance meeting was held on August 13, 2025. Per follow up on audit requests on September 29, 2025 and October 	<ul style="list-style-type: none"> Audit requests

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		28, 2025, and December 4, 2025, MiCare is still working on the audit request.	
6	National Fisheries Corporation	<ul style="list-style-type: none"> • Preliminary audit request submitted on September 22, 2025. • Preliminary trial balance was received on October 31, 2025. • Audit planning procedures to be commenced when substantial requests are provided. • Audit team is working closely with the entity on the open items in order to commence the audit. • JEs are necessary to sample transactions for testing. • AR and Fixed Asset are the accounts usually with issues. 	<ul style="list-style-type: none"> • Open items- Journal Entries • Receivable schedules and fixed asset register •
7	FSM Petroleum Corporation (FSMPC) & Vital (VEI)	<ul style="list-style-type: none"> • Preliminary TB was received on August 18, 2025. • Preliminary audit requests submitted on August 25, 2025. • Audit planning procedures commenced, and audit fieldwork will begin when substantial preliminary requests are provided. • Client planning meeting is set on December 4, 2025. 	<ul style="list-style-type: none"> • Preliminary audit requests
8	FSM Social Security Administration	<ul style="list-style-type: none"> • Preliminary TB was received on April 15, 2025. • Audit commenced in May 2025 and is currently in progress. 	

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<ul style="list-style-type: none"> Entrance meeting was held on August 13, 2025. Audit samples were requested on September 9, 2025. Fieldwork commenced on October 20, 2025 and currently wrapping up audit procedures with expectation to issue the final report within December 2025. 	
9	Telecommunication Cable Corporation		Audit completed and issued on November 21, 2025
10	FSM Telecommunication Corporation		Audit completed and issued on January 8, 2025
11	Telecommunication Regulation Authority		Audit completed and issued on September 30, 2025
Chuuk State Government and Component Units			
1	Chuuk State Government	<ul style="list-style-type: none"> Audit commencement date to be determined. 	
2	Chuuk Public Utilities Corporation	<ul style="list-style-type: none"> Audit adjustments have been incorporated into the draft FS report. Draft FS report has been provided to CPUC for revision on the MD&A. MD&A has been incorporated into the draft report and submitted for internal review after receiving the MD&A. 	
3	Chuuk State Health Care Plan	<ul style="list-style-type: none"> There is no change on the status regarding CSHCP audit. Shinoda CPA has yet to received any financial information for FY2024 from CSHCP and will follow up with management. 	
4	Chuuk State Housing	<ul style="list-style-type: none"> Audit commencement date to be determined. 	
Kosrae State Government and Component Units			

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
1	Kosrae State Government	<ul style="list-style-type: none"> • <i>BCA met with Renedgardo and Liapr.</i> • <i>Team of 7 people going to Kosrae on Monday December 8 to perform various procedures, including gaining an understanding of internal controls, performing fraud risk inquiries, and performing substantive testing on the item selected.</i> 	
2	Kosrae Port Authority	<ul style="list-style-type: none"> • <i>BCA is yet to receive the trial balance or any schedules.</i> • <i>Informed by KPA that Trial Balance is expected to be provided by Mid-December.</i> • <i>KSG's objective with the audits is to have the FY24 audit completed in January or February 2026 and to move on to the FY2025 audit and have it completed by June 30, 2026.</i> • <i>BCA is concerned about meeting such deadlines for the Port Authority.</i> 	
3	Kosrae State Housing Authority	<ul style="list-style-type: none"> • <i>BCA has received a trial balance and the full general ledger details.</i> • <i>Individual items are selected for testing for revenues and expenses.</i> • <i>BCA will need to obtain schedules for balance sheet items before testing.</i> • <i>All necessary schedules have requested.</i> • <i>Testing will begin when the team is in Kosrae.</i> 	

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
4	Kosrae Utilities Authority	<ul style="list-style-type: none"> • <i>BCA is yet to receive the trial balance.</i> • <i>BCA received several of the schedules requested.</i> • <i>A list of the items has been received.</i> • <i>Testing will be performed when the team is in Kosrae.</i> 	
Pohnpei State Government and Component Units			
1	Pohnpei State Government	<ul style="list-style-type: none"> • <i>Draft engagement letter is under review.</i> • <i>Roll-forward analytics on the TB is ongoing.</i> • <i>In preparation of preliminary listing of schedules and related audit documentation.</i> • <i>The general ledger and trial balance were received after 11/30/2025.</i> 	
2	Pohnpei State Housing Authority	<ul style="list-style-type: none"> • <i>TB and GL are received.</i> • <i>Draft engagement letter is under review.</i> • <i>Preliminary procedures and file roll-forward are still ongoing. Tracing subledger journals and loan trial balance changes to general ledger.</i> • <i>Sample selections are ongoing.</i> • <i>Overall preliminary schedule request near completion.</i> • <i>Pending certain various requested documentation and schedules.</i> 	
3	Pohnpei State Port Authority	<ul style="list-style-type: none"> • <i>TB accounts were uploaded</i> • <i>Verified that all FY2024 audit adjustments were properly posted to the general ledger.</i> 	<ul style="list-style-type: none"> • Pending certain various requested documentation and schedules.

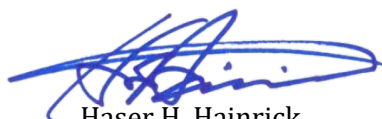
No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<ul style="list-style-type: none"> Analytical review procedures are ongoing. Sample selections are ongoing. Overall preliminary schedule request near completion. Pending certain various requested documentation and schedules. 	
4	Pohnpei Utilities Corporation	<ul style="list-style-type: none"> Draft engagement letter is under review. TB & SEFA are pending and in discussion with PUC's Management. Preparing the preliminary listing of schedules and related audit documentation. 	<ul style="list-style-type: none"> TB & SEFA
Yap State Government and Component Units			
1	Yap State Government	<ul style="list-style-type: none"> BCA has finalized the research on how loans granted by ADB need to be treated by YSG and YSPSC. BCA is currently revising the FY2023 YSG draft financial statements. According to FY2024, fieldwork has not yet started. 	
2	Yap Diving Seagull Inc.	<ul style="list-style-type: none"> Fieldwork has been completed, and the draft has been prepared. The draft report has been forwarded to audit manager for review. After manager review, the draft will be forwarded to Dave for review. 	
3	Yap State Public Service Corporation	<ul style="list-style-type: none"> The year-end inventory was conducted. 	

No.	Entity	Audit Phase & Percentage Completed	Outstanding Items to be provided by Entities
		<ul style="list-style-type: none"> • <i>TB has been received and general ledger posting.</i> • <i>FY2023 financial statements are being revised because of YSPSC's inability to make loan payments on three loans issued by ADB.</i> • <i>BCM plans to issue YSG FY23 financial statements next week, after which BCA can proceed with YSPSC's FY2024 audit work.</i> 	
4	Yap Visitors Bureau	<ul style="list-style-type: none"> • <i>Awaiting the trial balance for FY2024</i> 	

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.

Sincerely,



Haser H. Hainrick
National Public Auditor

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cc: FSM Vice President
Speaker, FSM Congress
All State Governors
Heads of all FSM & States Audit Entities
State Public Auditors