



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Thursday, April 15, 2010

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 2009 Single Audit for FSM as of March 31, 2010 based on information received from Deloitte & Touche (DT) and Fortenberry & Ballard (FB).

FSM NATIONAL GOVERNMENT

1. FSM National Government: Audit testing and procedures are ongoing for both compliance and financial sections. 80% of the compliance and financial testing is completed. DT has provided the initial preliminary findings to the Assistant Secretary of National Treasury on April 7, 2010.
2. National Fisheries Corporation: We have provided a draft report to NFC for their review.
3. College of Micronesia-FSM: DT has commenced compliance testing and is approximately 85% completed with such. DT has received the trial balance and most of the related schedules. Fieldwork is approximately 70% complete.
4. MiCare Plan, Inc.: Final audit reports were issued on March 09, 2010.
5. FSM Coconut Development Authority: Fieldwork is approximately 60% complete. DT is waiting for inventory related documents.
6. FSM Development Bank: DT has commenced year-end audit procedures. Fieldwork is about 75% complete.

7. FSM Social Security Administration: Fieldwork is about 99% complete. DT is in the process of finalizing the draft report.
8. FSM Petroleum Corporation: DT has received the trial balance February 11, 2010 and commenced fieldwork testing.
9. FSM Telecommunications Corporation: Final audit reports were issued on December 11, 2009.

CHUUK STATE GOVERNMENT

1. Chuuk State Government: DT has completed approximately 95% of fieldwork.
2. Chuuk Health Care Plan: DT has received the trial balance as of September 30, 2009 and is in the process of planning the audit.
3. Chuuk Housing Authority: DT has received the trial balance as of September 30, 2009 and is in the process of planning the audit.
4. Chuuk Public Utility Corporation: DT has received the trial balance and some of the related schedules. Fieldwork is anticipated to commence on April 14, 2010.

KOSRAE STATE GOVERNMENT

1. Kosrae State Government: DT has completed approximately 95% of fieldwork.
2. Kosrae Utilities Authority: DT has received the trial balance and most of the supporting schedules and commenced fieldwork. Fieldwork is about 70% complete.
3. Kosrae Port Authority: KPA is in the process of revising the final trial balance. Commencement of fieldwork is pending the receipt of final trial balance and supporting schedules.

POHNPEI STATE GOVERNMENT

1. Pohnpei State Government: DT has completed approximately 95% of fieldwork.
2. Pohnpei Fisheries Corporation: Pohnpei State Finance is in the process of putting PFC financial statements on its books. DT will commence the audit upon receipt of the trial balance and related schedules.
3. Pohnpei Utilities Corporation: Fieldwork has been substantially completed and DT is in the process of drafting the audit report.
4. Pohnpei Port Authority: DT has commenced the year-end audit procedures. Fieldwork is about 90% complete.

YAP STATE GOVERNMENT

1. Yap State Government: The audit of Yap State is 90% complete. Yap State's fieldwork is complete. The audit report is in progress. Completion of the engagement also awaits receipt of several component unit financial statements from the Yap Public Auditor. A formal exit conference with the Governor and the possible resolution of a few 2008 and 2009 audit findings are in progress.
2. Yap State Public Service Corporation: The final audit report was issued on December 31, 2009.
3. Yap Diving Seagull, Inc.: The final audit report was issued on January 15, 2010.
4. Yap Visitors' Bureau: The final audit report was issued on February 01, 2010.

The completed audit reports for fiscal year 2009 can be accessed at the FSM Public Auditor's website at 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 (T. Pablo, M. Laaw, J. Mori, T. Reynolds)
All State Auditors (R. Yow, A. Leben, S. Taulung)