



# FEDERATED STATES OF MICRONESIA

## *Office of The National Public Auditor*

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Thursday, March 08, 2012

Excellency Manny Mori, FSM President  
Honorable John Ehsa, Governor of Pohnpei State  
Honorable Johnson Elimo, Governor of Chuuk State  
Honorable Sebastian Anefal, Governor of Yap State  
Honorable Lyndon Jackson, Governor of Kosrae State

Dear President and Governors:

This is the third status report for the FY-2011 Single Audits and it is as of February 29, 2012. We will continue to send you the status reports every month until all the Single Audits for 2011 are completed. The official completion deadline is June 30, 2012.

The monthly status updates are based on information that we received from the contracted CPA firms.

### **FSM National Government & Component Units**

1. FSM National Government: There is not much change from last month's status. The final trial balance was provided to Deloitte & Touche (DT), however adjustments may be provided at a later date upon completion of reconciliation between certain States. Fieldwork is ongoing for the certain major programs. Our office (ONPA) is assisting Deloitte with the tax and revenue share audit procedures.
2. College of Micronesia-FSM: DT received the final trial balance and supporting schedules on February 23, 2012. Fieldwork is scheduled to commence in March 2012.
3. Telecommunications Corporation: Done and the final audit report can be accessed at the FSM Public Auditor's website [www.fsmopa.fm](http://www.fsmopa.fm).
4. Petroleum Corporation: There is no change from last month's status. DT is approximately 70% complete with fieldwork.
5. National Fisheries Corporation: There is not much change from last month's status. DT received the final trial balance and related schedules, and is performing planning activities. Fieldwork is scheduled to commence in March 2012.

6. MiCare Health Insurance Plan: DT received the final trial balance and some supporting schedules. Fieldwork is scheduled to commence in March 2012.
7. Coconut Development Authority: There is no change from the last status report. DT is approximately 90% complete with fieldwork.
8. Development Bank: There is no change from the last status report. DT has received interim trial balances and investor trial balances. Final trial balances are yet to be provided. Fieldwork is scheduled to commence in March 2012.
9. Social Security Administration: There is no change from the last status report. Since this entity's fiscal year ends on December 31, significant audit procedures have yet to commence.
10. Caroline Islands Airline: Fortenberry & Ballard (FB) has received the final trial balance. The risk assessment, audit program preparation, proposed adjusting journal entries, draft findings issuance, and draft reports are 100% complete. Control, compliance and substantive testing are reported at 99% complete, and target date of completion is March 7, 2012. All other audit requirements are still pending. Target date for the completion of the final report is March 14, 2012.

#### **Chuuk State Government and Component Units**

1. State Government: DT commenced compliance testing and year-end balance testing and is approximately 60% completed with both.
2. Chuuk Public Utility Corporation: There is no change from last month's status. DT commenced fieldwork on January 30, 2012.
3. Chuuk State Health Care Plan: DT has substantially completed fieldwork. Completion of fieldwork is pending receipt of a letter from Chuuk State Attorney General.
4. Chuuk Housing Authority: There is no change from the status reported for last month. DT will commence fieldwork upon the receipt of the related supporting schedules.

#### **Pohnpei State Government and Component Units**

1. State Government: DT commenced compliance testing and is approximately 60% completed with such. DT will commence year-end balance testing upon receipt of the final trial balances and related schedules.
2. Pohnpei Housing Authority: There is no change from the last status report. DT is approximately 80% complete with fieldwork.

3. Pohnpei Utilities Corporation: DT is approximately 80% complete with fieldwork.
4. Pohnpei Port Authority: We are still waiting for PPA to pay its audit fee. The audit cannot commence without the settlement of the audit fee.

#### **Kosrae State Government and Component Units**

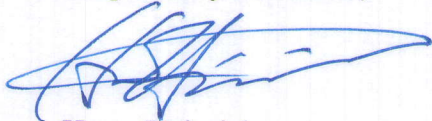
1. Kosrae State Government: DT commenced compliance testing and year-end balance testing and is approximately 70% complete with both.
2. Kosrae Utilities Authority: DT have substantially completed fieldwork and started drafting the report.
3. Kosrae Port Authority: DT have substantially completed fieldwork and started drafting the report.

#### **Yap State Government and Component Unit**

1. Yap State Government: FB had already received the final trial balance during the previous month, a correction to what we reported in the last status report. The engagement correspondence, risk assessment, audit programs, trial balance, grant documentation, proposed adjusting journal entries, and issuance of draft audit findings have been reported at 100% complete. The control, compliance and substantive testing are at 75% complete. All other items are pending. The final report and data collection form are targeted not later than April 2012. However, such may not be achieved because other Component Units' audits being done by the State Auditor will not be available for our Single Auditor until May 30, 2012, hence delaying the timely completion of Yap State audit.
2. Yap Visitor's Bureau: The risk assessment, grant documentation and audit program have been reported as 100% complete. FB has received the final trial balance, and they are 75% complete with the control, compliance and substantive testing. All other audit requirements are still pending. The final report is targeted for March 30, 2012.
3. Yap State Public Service Corporation (YSPSC): Done and the final audit report can be accessed at the FSM Public Auditor's website [www.fsmopa.fm](http://www.fsmopa.fm).
4. Diving Seagull, Inc.: The risk assessment, audit program, grant documentation, and proposed adjustments of journal entries have been reported at 100% complete. FB has received the final trial balance. All other audit requirements are still outstanding. The issuance of the final report is targeted for March 30, 2012.

A copy of this February 2012 status report and all the completed audit reports are on the FSM Public Auditor's website at [www.fsmopa.fm](http://www.fsmopa.fm). Let me know if you have questions.

Respectfully submitted,



Haser Hainrick  
National Public Auditor

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cc: FSM Vice President  
Speaker of FSM Congress  
Director, SBOC  
All Finance Secretary/Directors  
All State Auditors