

APIPA

ASSOCIATION OF PACIFIC ISLAND PUBLIC AUDITORS

December 27, 2002

Ms. Ursula S. Abalos
Acting State Auditor
Office of the Pohnpei State Auditor
Pohnpei State Government
Federated States of Micronesia
P. O. Box 370
Kolonias, Pohnpei, FM 96941

Dear Ms. Abalos:

We have completed an external quality control review of the Office of the Pohnpei State Auditor (OPSA) for audits issued during the period October 1, 2001 through September 30, 2002. In conducting our review, we followed the standards and guidelines contained in the APIPA Quality Control Review Guide published September 1995 by the Association of Pacific Island Public Auditors (APIPA).

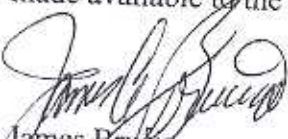
As prescribed by the APIPA Guide, we reviewed the internal quality control system of your audit organization and tested sample audits conducted by your office for compliance with government auditing standards issued by the Comptroller of the United States. Due to variances in individual performance and judgment, compliance does not imply adherence in most situations.


We have concluded from our review that your system of internal control was suitably designed and provided reasonable assurance that applicable government auditing standards were followed in your audit work. We have also concluded from the sample of audits tested that your quality controls were working effectively and that audits were conducted in conformance with applicable standards during the period under review.

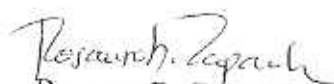
In our opinion the Office of the Pohnpei State Auditor was in compliance with government auditing standards during the period October 1, 2001 through September 30, 2002.

We have also prepared a separate letter to management, which offers suggestions for further strengthening your internal quality control system. The management letter should be considered an integral part of this report.

It is recommended that this report, and the accompanying management letter, should be made available to the public.


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