

Audit Readiness and Completion (ARC) Initiative

Updated May 9, 2026



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Audit Readiness and Completion (ARC) Initiative



ARC Quick Update for May 9, 2026

1. Regional Snapshot

Background

ARC finance discussions were held the week of May 4, 2026 with insular government finance offices. This update is a current-cycle briefing that highlights changes since the prior ARC report, identifies governments requiring closer attention, and summarizes near-term priorities needed to protect current issuance targets.

This report does not restate the full government profiles included in prior ARC reports. Instead, it focuses on current audit timing, change since the prior report, current risk level, key developments from the latest discussion, additional risk areas, and near-term priorities.

Key Takeaways from This Update

- **Guam** and **Palau** reached major issuance milestones. Guam issued its FY24 audit on April 23, and Palau finalized its FY23 audit package and moved through final issuance/Clearinghouse steps.
- **CNMI** moved to Slight Delay. FY23 issuance is now expected to move from the prior May 31 target to June 30 due to typhoon-related disruption of EY and Department of Finance operations.
- **Kosrae** and **Pohnpei** moved to Watch. Both missed prior April targets and are working toward June 30, but issuance depends on BCA completing remaining testing, component-unit work, and review steps.
- Several unchanged governments still require close monitoring. **Chuuk, FSM National, USVI, Yap, and American Samoa** remain on prior target dates, but unresolved testing, staffing, auditor scheduling, component-unit, or documentation issues could still affect timing or quality.
- The main regional themes are staffing capacity and recruitment, component-unit readiness, auditor capacity and communication, late-stage testing and review, and maintaining FY25 readiness while FY23/FY24 audits are still being finalized.

ARC Quick Update: Changes from Prior Report



Insular Governments with Changed Audit Status

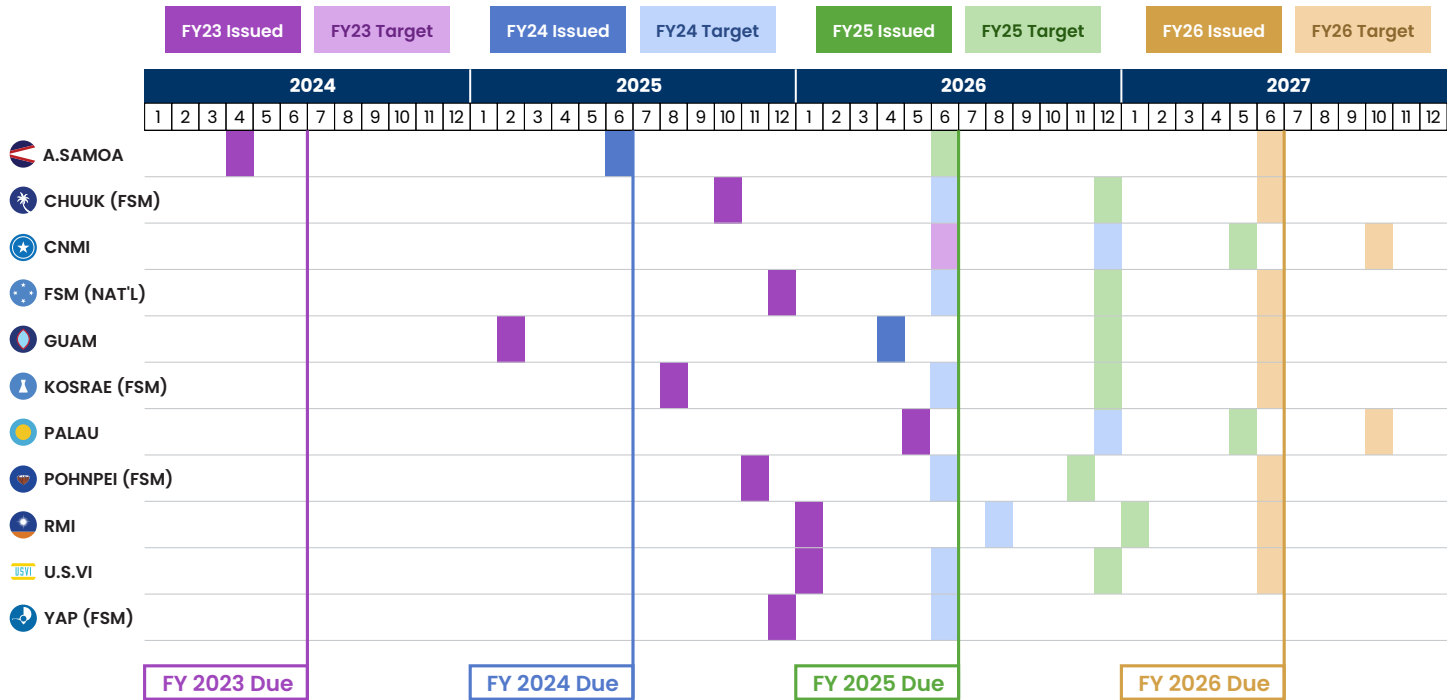
Government	5/9 Update	Current Audit	Expected Release	Mos Late	Notes	4/17	4/3	3/20	2/27	2/6	1/23	1/9	12/19	11/30	11/17
CNMI	Slight Delay	FY23	6/30/26	23	Typhoon-related delays	●	●	●	●	●	●	●	●	●	●
Guam	Issued	FY24	4/23/26	10	FY24 Issued 4/23/26	●	●	●	●	●	●	●	●	●	●
Kosrae (FSM)	Watch	FY24	6/30/26	12	Auditor and CU delays	●	●	●	●	●	●	●	●	●	●
Palau	Issued	FY23	5/30/26	23	FY23 finalized; awaiting issuance	●	●	●	●	●	●	●	●	●	●
Pohnpei (FSM)	Watch	FY24	6/30/26	12	Auditor and CU delays	●	●	●	●	●	●	●	●	●	●

Insular Governments with Unchanged Audit Status

Government	4/7 Update	Current Audit	Expected Release	Mos Late	Notes	4/17	4/3	3/20	2/27	2/6	1/23	1/9	12/19	11/30	11/17
Am Samoa	No Change	FY25	6/30/26	0		●	●	●	●	●	●	●	●	●	●
Chuuk (FSM)	No Change	FY24	6/30/26	12		●	●	●	●	●	●	●	●	●	●
FSM (Nat'l)	No Change	FY24	6/30/26	12		●	●	●	●	●	●	●	●	●	●
RMI	No Change	FY24	8/31/26	14		●	●	●	●	●	●	●	●	●	●
USVI	No Change	FY24	6/30/26	12		●	●	●	●	●	●	●	●	●	●
Yap (FSM)	No Change	FY24	6/30/26	12		●	●	●	●	●	●	●	●	●	●

ARC Quick Update

Insular Government Audit “Catch-Up” Schedule



Notes

- **FY2023:** Only American Samoa met the June 30, 2024, deadline. Guam (+8 mos), Kosrae (+14 mos), Chuuk (+16 mos), Pohnpei (+17 mos), FSM National (+18 mos), Yap (+18 mos), the RMI (+19 mos), the US Virgin Islands (+19 mos) and Palau (+23 mos) have since issued; CNMI targets May 31, 2026 (+23 mos).
- **FY2024:** Only American Samoa met the June 30, 2025, deadline. Guam (+10 months) has since issued. FSM National, Chuuk, Kosrae, Pohnpei, and USVI project issuance Q2 2026 (+12 mos); RMI projects Q3 (+15 months); CNMI and Palau project Q4 2026 (+18 mos).
- **FY2025:** Only American Samoa expects on-time issuance by June 30, 2026.
- **FY2026:** Nine governments are projected to meet June 30, 2027, with only Palau and CNMI (+4 mos) slightly delayed.

How to Read this Update

“Change Since Prior Report” describes movement from the prior ARC report. “Risk Level” describes the current level of concern about issuance timing or audit quality. A government may show No Change since the prior report while still carrying a Watch or At Risk risk level if unresolved issues remain.

Legend: Changes Since Prior Report

No Change	No material change in target date, issuance status, or audit posture.
Watch	The target date has not formally moved, but new information weakens confidence in the current schedule.
Slight Delay	A modest delay has occurred or appears likely.
Delayed	The prior target was missed, moved materially, or is no longer realistic.
Issued	The audit was issued, reissued, uploaded, certified, or otherwise formally completed.

Legend: Risk Levels

Stable	The current target appears realistic, and known issues are manageable.
Watch	The target remains plausible, but specific issues require monitoring.
Risk	The target or audit quality could be affected unless unresolved issues are addressed soon.
High Risk	Issuance timing or audit quality is seriously threatened.
Issued	The audit has been issued or reissued.

2. Government Status Highlights Since Prior Report

The following summaries provide government-specific highlights from the May 2026 ARC finance discussions. Detailed government profiles and historical risk background are maintained separately and updated periodically; this report focuses on the current-cycle management signal.

Detailed government profiles and historical risk background are maintained separately and updated periodically; this update focuses on the current-cycle management signal.

Current Audit & Timing	FY25 Audit started 7 months ago (October 2025), approximately 95% complete, expected June 30, 2026.
Change Since Prior Report	<p>No Change</p> <p>FY25 issuance remains expected by June 30, 2026, but ASG missed the April 30 investor deadline and obtained a 30-day extension.</p>
Risk Level	Stable
Primary Risk	The main forward-looking risk is that ASTCA’s remaining component-unit audit, late senior review of the rough draft, and severe ASG Treasury staffing shortages could compress final review and create late-cycle quality or timing issues.
What Changed This Cycle	ASG now has a rough FY25 audit draft and expects to finalize after ASTCA is incorporated. Staffing risk increased materially, with Treasury reportedly down to seven staff from a full team of about 15.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: The April 30 investor deadline was missed, but June 30 federal submission remains expected. • Component units: ASTCA is the remaining dependency before ASG can issue. • Audit quality: Senior review of the audit draft had not yet been completed. • Staffing/capacity: Treasury is significantly understaffed, and routine reconciliations are behind. • Auditor coordination: Weekly checklist-based auditor meetings continue to work well.
Near-Term Priorities	<ul style="list-style-type: none"> • Incorporate ASTCA’s component-unit audit into the FY25 draft and complete senior review. • Finalize the FY25 audit and submit it to investors and the Federal Audit Clearinghouse. • Resolve the closing-related finding language before final issuance. • Stabilize Treasury staffing and address delayed reconciliations before the FY26 audit cycle begins. • Complete the next three-year audit RFP without disrupting the October audit planning schedule.

Current Audit & Timing	FY24 Audit started 6 months ago (November 2025), approximately 75% complete, expected June 30, 2026 (+12 months).
Change Since Prior Report	<div style="border: 1px solid green; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">No Change</div> FY24 issuance remains targeted for June 30, 2026, but risk has increased because EY issued a large financial-statement sample request after several weeks of downtime.
Risk Level	<div style="border: 1px solid orange; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Watch</div>
Primary Risk	The main risk is that the EY request for 500+ financial-statement samples, pending draft findings, and remaining on-island work could compress review time before the June 30 target.
What Changed This Cycle	EY did not send financial-statement sample requests until after the March trial balance submission and during the typhoon disruption, and Chuuk is now pulling approximately 500 financial-statement samples. Compliance testing is largely complete, but draft findings have not yet been provided. EY is expected back on island for additional work next week.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: The June 30 target remains in place, but the audit has entered a compressed sampling and review period. • Audit quality: Potential findings remain unresolved for fixed-assets, procurement, cash management, and GASB 87 leases. • Component units: Chuuk Housing Authority remains dependent on the advisor’s handling of EY requests and is not expected to issue separately. • Staffing/capacity: Two audit assistants are helping with sample pulling, but higher-level advisory support after June 30 remains uncertain. • Systems/process: FreeBalance transition issues and FY25 bank reconciliations could affect the next audit cycle.
Near-Term Priorities	<ul style="list-style-type: none"> • Complete the current financial-statement sample pulls and prioritize items that can be reviewed during EY’s on-island visit. • Obtain EY’s draft findings ASAP so Chuuk has time to respond before the issuance deadline. • Resolve/document positions on fixed assets, procurement, cash management, and GASB 87 before final review. • Confirm the financial advisor’s June availability and negotiate support for FY25 before the FY24 audit closes. • Begin FY25 readiness planning around trial balance, SEFA, bank reconciliations, and FreeBalance reporting.

Current Audit & Timing	FY23 Audit started 6 months ago (November 2025), approximately 70% complete, expected May 31, 2026 (+23 months).
Change Since Prior Report	<div style="border: 1px solid #f08080; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Delayed</div> FY23 issuance appears likely to slip to late June 2026, compared with the prior May 31 target.
Risk Level	<div style="border: 1px solid #f08080; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Risk</div>
Primary Risk	Typhoon-related disruption to auditor and Finance operations is now the main forward-looking risk to FY23 issuance timing.
What Changed This Cycle	Typhoon impacts stopped EY work for at least two weeks and limited auditor office operations to generator-supported business hours. CNMI and EY discussed an approximately one-month delay from the prior (May) target.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: EY detailed testing and draft preparation have slipped. • Systems/process: FMIS, Tyler-Munis, remains on a locally hosted server and dependent on generator power. • Staffing/capacity: Government offices and program agencies have limited operating capacity. • Auditor coordination: Looking ahead, the FY24 EY contract remains unresolved, although an emergency procurement had been previously considered. • Compliance: FEMA disaster-cost accounting and SEFA treatment may become a future audit issue.
Near-Term Priorities	<ul style="list-style-type: none"> • Obtain EY's revised FY23 fieldwork, draft-report, partner-review, and issuance schedule. • Complete remaining FY23 follow-up requests and confirm whether additional sample requests are expected. • Preserve Finance access to FMIS and supporting records during generator and fuel constraints. • Execute the FY24 EY contract and confirm whether schedule milestones are included. • Confirm FEMA disaster-cost accounting and SEFA treatment with EY before large transfers are recorded.

Current Audit & Timing	FY24 Audit started 5 months ago (Jan 2026), approximately 40% complete, expected June 30, 2026 (+12 months).
Change Since Prior Report	<div style="border: 1px solid green; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">No Change</div> FY24 issuance remains targeted for June 30, 2026, but EY’s confidence in that date needs confirmation.
Risk Level	<div style="border: 1px solid orange; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Watch</div>
Primary Risk	Main fieldwork samples, UG testing, and Compact pass-through issues could still create late findings or delay final issuance.
What Changed This Cycle	EY has accepted the March 30 trial balance as the audit start point, and the SEFA has been submitted. FSM reports weekly EY meetings, improved coordination, and most portal requests cleared, but major sample testing has not yet started, and the last update from the public auditor considered the June issuance “at risk”.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: Main fieldwork samples are still pending. • Audit quality: : Prior-year documentation and tagging issues could repeat. • Compliance: Compact pass-through and subrecipient-monitoring treatment remain the key unresolved issues; FSM reports these are likely to be repeated in FY24 with an additional \$103 million of questioned costs. • Staffing/capacity: Added support helps, but core staff remain stretched. • Systems/process: FY25 opening balances and FMIS reconciliations remain carryover risks.
Near-Term Priorities	<ul style="list-style-type: none"> • Complete May fieldwork responses once EY sends the main FS and UG samples. • Resolve the SEFA treatment of Compact subrecipient monitoring before final review. • Complete the Schedule of Prior Audit Findings, especially items tied to subrecipient monitoring. • Use weekly EY meetings to identify possible findings before draft-report stage.

Current Audit & Timing	FY24 Audit started 14 months ago (March 2025), now 100% complete. FY25 timing will be clarified following an entrance conference with EY.
Change Since Prior Report	<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Issued</div> the FY24 financial statements and compliance reports were issued April 23, 2026.
Risk Level	<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 2px 10px; display: inline-block;">Issued</div>
Primary Risk	The main forward-looking risk is whether Guam can convert FY24 issuance into timely FY25 audit progress while addressing significant carryforward internal-control, SEFA, federal compliance, and documentation weaknesses.
What Changed This Cycle	The FY24 financial statements received unmodified opinions, but the Single Audit included five disclaimer opinions and seven qualified opinions across major federal programs. The report identified material weaknesses in financial reporting and federal compliance, including repeat issues in general ledger and SEFA reconciliation.
Additional Risk Areas	<ul style="list-style-type: none"> • Audit quality: Financial statement opinions were clean, but the volume and severity of federal findings remain a major quality concern. • Compliance: Five major federal programs received disclaimer opinions and seven received qualified opinions. • Systems/process: GL, SEFA, receivable, payable, and grant reconciliation issues remain active control risks. • Federal grants: FY24 SEFA reported \$604.6 million in federal expenditures and \$17.8 million passed through to subrecipients. • Staffing/capacity: Management identified the limited accounting pool and audit timeliness as continuing constraints.
Near-Term Priorities	<ul style="list-style-type: none"> • Use the issued FY24 report as the new ARC baseline and shift the status discussion from issuance risk to corrective-action execution. • Prioritize remediation of GL, SEFA, federal receivable/payable, and grant reconciliation weaknesses before FY25 testing accelerates. • Develop a federal-program corrective-action plan for the disclaimer and qualified opinion areas. • Confirm how FY24 findings will affect FY25 audit planning, sample selection, and documentation requests. • Preserve FY25 audit timeliness by addressing GDOE timing, auditor coordination, and staffing constraints early.



Current Audit & Timing	FY24 Audit started 9 months ago (September 2025), approximately 85% complete, expected June 30, 2026 (+12 months).
Change Since Prior Report	<div style="border: 1px solid orange; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Watch</div> FY24 issuance slipped from the prior April 30, 2026 target and now appears dependent on whether BCA can complete remaining component-unit work by late June.
Risk Level	<div style="border: 1px solid orange; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Risk</div>
Primary Risk	BCA's limited communication and unresolved component-unit testing could produce late requests or unresolved issues that push issuance beyond June 30.
What Changed This Cycle	Kosrae Housing Authority (KHA) submitted its final trial balance and general ledger after the April 30 target was missed. Port Authority appears to have uploaded requested documents in December, but BCA has not confirmed receipt or provided a current status update.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: June issuance depends on BCA confirming remaining requests and completing review quickly. • Component units: Kosrae Housing Authority (KHA) still has receivable and payable aging items pending. • Auditor coordination: Kosrae is not receiving timely direct updates from BCA. As BCA is based in CNMI, typhoon-related delays are currently unknown. • Audit quality: No findings have been identified so far, but auditor silence may not confirm a clean position. • Systems/process: KHA's accounting system and document organization remain weak.
Near-Term Priorities	<ul style="list-style-type: none"> • Obtain BCA's updated milestone schedule for the primary government and all three component units. • Complete remaining Housing receivable and payable aging support. • Confirm whether BCA has reviewed Port Authority's December submissions. • Resolve any remaining component-unit requests before final review. • Confirm FY25 audit contract status to preserve audit continuity after FY24 issuance.

Current Audit & Timing	FY23 Audit started 6 months ago (November 2025), 99% complete; final draft approved and final report pending.
Change Since Prior Report	<p style="text-align: center;">Issued</p> <p>FY23 issued early May; Palau has approved the final draft and instructed EY to finalize. Formal issuance and Clearinghouse submission remained pending as of the latest discussion.</p>
Risk Level	Stable
Primary Risk	Late partner-review issues, recurring GASB implementation matters, and component-unit timing could affect the FY24 schedule.
What Changed This Cycle	Palau reported that the FY23 final draft, including MD&A, was approved and the final report would be issued soon. FY24 preparation has begun, with FY23 adjustments being posted and the FY24 trial balance and SEFA expected the following week.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: The FY24 September target is compressed because FY23 is closing in May; a new timeline is expected following the FY24 entrance conference with EY. • Audit quality: Late-stage FY23 issues included GASB 87 leases, SBITA, GASB 68 pension allocation, duplicate drawdowns, and procurement findings. • Component units: PICRC and Housing finished FY23 late and could affect FY24 without earlier support. • Auditor coordination: Findings and partner-review comments were not surfaced early enough and led to late-stage delays. • Systems/process: Palau plans to improve tracking of audit requests and supporting-document submissions during FY24.
Near-Term Priorities	<ul style="list-style-type: none"> • Obtain the final FY23 report and complete Clearinghouse submission. • Submit the FY24 trial balance and SEFA after posting FY23 adjustments. • Set the FY24 entrance conference and establish earlier written identification of potential findings and partner-review issues. • Use OIA/RMA audit support to engage component units earlier, especially PICRC and Housing. • Resolve FY24 readiness issues for GASB 87, SBITA, GASB 68 pension allocation, and compensated absences before late-stage review.

Current Audit & Timing	FY24 Audit started 5 months ago (December 2025), approximately 85% complete, expected June 30, 2026 (+12 months).
Change Since Prior Report	<p style="text-align: center;">Watch</p> <p>FY24 issuance had previously moved to a likely June 30, 2026 deadline. The delay appears driven mainly by BCA's expanded testing and unresolved review timing rather than by newly identified documentation gaps from Pohnpei.</p>
Risk Level	Risk
Primary Risk	BCA's expanded testing, fixed-asset verification, and remaining component-unit work could push issuance beyond June 30.
What Changed This Cycle	BCA recently reported that additional samples and procedures are needed, including work tied to approximately \$13.6 million in assets and infrastructure documentation. Pohnpei reported that single audit testing is substantially complete, but financial statement testing, compliance follow-up items, and component-unit closeout remain active.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: April 30 was missed, May is no longer the working target, and June 30 depends on BCA completing additional work. • Audit quality: Fixed-asset existence, valuation, and infrastructure transfer documentation remain sensitive areas. • Component units: Housing and PPA appear close to issuance, while PUC still has pending documentation. • Auditor coordination: Weekly meetings remain useful, but BCA has not clearly confirmed the full path through management and partner review, and any CNMI-based typhoon impacts remain unclear. • Systems/process: FY25 cleanup and FreeBalance conversion are proceeding concurrently and could affect next-cycle readiness.
Near-Term Priorities	<ul style="list-style-type: none"> • Complete BCA's expanded sample and follow-up documentation requests. • Confirm BCA's full June 30 schedule, including management review, partner review, and final issuance steps. • Close remaining Housing, PPA, and PUC component-unit items before final review. • Resolve fixed-asset and infrastructure documentation issues and clarify whether they are likely to affect findings or opinion language. • Preserve FY25 audit readiness while preparing for the October 1 FreeBalance conversion.

Current Audit & Timing	FY24 Audit started 3 months ago (February 2026), approximately 40% complete, expected August 31, 2026 (+14 months).
Change Since Prior Report	<div data-bbox="349 384 527 430" style="border: 1px solid green; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">No Change</div> <p>The August 31, 2026 target remains in place, but confidence has narrowed because RMI now says earlier issuance is “highly remote” and CMI, KAJUR, and MWSC are expected to be omitted from the FY24 audit.</p>
Risk Level	Risk
Primary Risk	The main risk is that unresolved component-unit delays, manual BISAN workarounds, and any late-emerging federal findings could weaken audit quality and repeat adverse component-unit issues, even if the target issuance date holds.
What Changed This Cycle	RMI confirmed that August 31 remains achievable, but earlier issuance is no longer a realistic expectation. Finance also confirmed that CMI, MWSC, KAJUR, Ports Authority, and EPA have not yet started FY24 audit work.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: August 31 remains the target, but there is little schedule cushion now that earlier issuance is highly remote. • Component units: CMI, KAJUR, and MWSC are expected to be omitted from FY24, while Ports Authority and EPA also remain behind. • Systems/process: BISAN reporting issues have not yet been addressed, and budget-to-actual and GASB-required schedules are still prepared manually. • Audit quality: EY has identified one possible IDEA Part B federal grant finding with questioned costs, although no amount has been provided yet. • Staffing/capacity: Fernando, Marius, Leihani, and Ave are assigned to component-units, MOHHS, MEC, and MOF audit-support roles, but Finance has not yet established a standard turnaround time for component-unit review.
Near-Term Priorities	<ul style="list-style-type: none"> • Preserve the August 31 issuance target and treat earlier issuance as unlikely for ARC reporting purposes. • Complete MOF review of CMI, Ports Authority, and EPA submissions or document why they cannot be included without delaying issuance. • Obtain EY’s calculation and status for the possible IDEA Part B federal questioned-cost finding. • Track FY2025 preparation against the July 15, 2026 target for fund financial statements and supporting schedules.



Current Audit & Timing	FY24 Audit started 4 months ago (February 2026), approximately 80% complete, expected June 30, 2026 (+12 months).
Change Since Prior Report	<div style="border: 1px solid green; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">No Change</div> FY24 issuance remains targeted for June 30, 2026, with May 30 treated as a stretch date rather than the expected issuance date.
Risk Level	<div style="border: 1px solid orange; border-radius: 15px; padding: 2px 10px; display: inline-block; margin-bottom: 5px;">Watch</div>
Primary Risk	Unresolved depreciation, preliminary findings, agency documentation gaps, and component-unit issues could compress final review or weaken audit quality even if June issuance remains achievable.
What Changed This Cycle	GVI extended its “drop-pencil” deadline to April 15 and received a second draft of the financial statements, but depreciation remains the major outstanding financial statement item. Compliance testing is near completion, preliminary findings have been issued, and management expects many FY23 findings to repeat in FY24.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: May 30 is unlikely, but June 30 remains a realistic issuance target. • Audit quality: Repeat FY23 findings are expected, along with significant findings in programs newly tested in FY24. • Component units: Unaudited numbers have improved the FY24 package, but some hospital information remains incomplete and several component units still lack current audits. • Staffing/capacity: DPNR, Health, and other agencies continue to show heavy turnover, weak documentation, and reconciliation challenges. • Systems/process: Portal use, monthly reconciliations, depreciation processing, and ERP-supported adjustments remain active control concerns.
Near-Term Priorities	<ul style="list-style-type: none"> • Complete depreciation testing and process depreciation in the live ERP system without creating late financial statement changes. • Finalize management responses, MD&A, and resolution of preliminary findings without delaying issuance. • Utilize RMA support to stabilize departmental documentation, reconciliation, and audit-response capacity. • Obtain remaining component-unit information needed for the FY24 audit package, including missing hospital data. • Advance FY25 kickoff, SEFA preparation, and monthly reconciliation discipline so the December 31, 2026 FY25 target remains credible.

Current Audit & Timing	FY24 Audit started 4 months ago (Jan 2026), approximately 40% complete, expected June 30, 2026 (+12 months).
Change Since Prior Report	<p style="text-align: center;">No Change</p> <p>FY24 issuance remains targeted for June 30, 2026, but confidence has weakened because BCA has not confirmed its post-typhoon fieldwork or draft-report schedule.</p>
Risk Level	Risk
Primary Risk	BCA's typhoon-related disruption and unconfirmed fieldwork schedule could stress remaining testing and make the June 30 issuance target difficult to meet.
What Changed This Cycle	BCA continued issuing sample requests, including a large request of more than 500 items, but has not confirmed whether the prior May 31 draft target remains feasible.
Additional Risk Areas	<ul style="list-style-type: none"> • Timing: Fieldwork has not started, and BCA has not provided an updated schedule. • Auditor coordination: Post-storm communication has been limited to email and sample requests. As BCA is based in CNMI, typhoon-related delays are anticipated. • Component units: YFA remains unresolved, though Yap plans to begin compilation work with new support. • Staffing/capacity: Two locally recruited accounting staff are expected to start May 18. • Systems/process: FreeBalance implementation remains incomplete, with payroll and AP still not fully operating in the new system.
Near-Term Priorities	<ul style="list-style-type: none"> • Complete the current sample uploads and preserve documentation for any additional BCA requests. • Obtain BCA's revised fieldwork, draft-report, and issuance schedule. • Begin YFA compilation work once new accounting staff come on board. • Refocus World Bank-funded assistance on completing the FreeBalance transition.

