

# **INSPECTION REPORT**

## **Rumuu Elementary School Improvement Project**

September 09, 2020



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September 09, 2020

Honorable Henry S. Falan, Governor, State of Yap  
Honorable Vincent A. Figir, Speaker, and Members of the 10<sup>th</sup> Legislature, State of Yap  
Mr. Cal Habichmai, Acting Director Department of Education  
His Excellency Sobashima Hidenobu, Ambassador, Embassy of Japan in the FSM

## **RE: Yap State Rumuu Elementary school Improvement Project Inspection**

We have completed our inspection of the Yap State Rumuu Elementary School Improvement Project. The inspection resulted from a request from the Yap State Department of Education on May 21, 2020 to certify the usage of funds awarded by the Embassy of Japan to the FSM for the project.

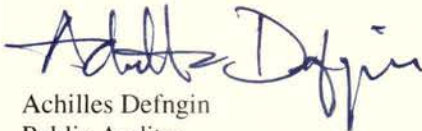
The inspection was conducted pursuant to the authority vested in the Public Auditor and in accordance with *Quality Standards for Inspections and Evaluations* issued by the US Council of the Inspectors General on Integrity and Efficiency.

The Rumuu Elementary Improvement Project was made possible through a Grant Assistance for Grassroots Human Security Projects, by the Embassy of Japan in the FSM in the amount of \$80,320. We inspected the contract and relevant financial and supporting documentations of the project, conduct site inspection of the project and concluded that the contract was implemented and completed in accordance with the terms and conditions given by the Japanese Embassy as well as terms and conditions stipulated in the construction contract.

The grant award has an unexpended balance of \$7,440 that is still with the Yap State Government.

Our sincere appreciation is extended to the Director and staff of the Yap State Department of Education for assistance and cooperation during our inspection. We are looking forward to the continuation of such professional relationship.

Respectfully submitted,



Achilles Defngin  
Public Auditor

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## **1.0 INTRODUCTION**

This inspection report contains results and conclusions following our inspection of the Rumuu Elementary School Improvement Project as requested by the Department of Education.

## **2.0 BACKGROUND RUMUU ELEMENTARY SCHOOL IMPROVEMENT PROJECT**

Notice of approval for a grant totalling \$80,320 was received in March 2018 and a grant contract was signed between the Department of Education and the Embassy of Japan to the FSM. The project included the construction of security fences to protect the school's safety from night-time and weekend intruders and vandalism and to build a drainage system to provide clean sanitary conditions and help prevent the spread of infectious diseases, and thus to create a safe, secure and healthy education environment.

The project was awarded to JC Company for the amount of \$72,880, less than the grant awarded of \$80,320, due to revisions in the scope of works. The contract was paid out in three instalments after completion of each agreed upon phase throughout the duration of the contract period from September 2018 to February 2019. The last payment for the contract was issued in March 2019, after an inspection was conducted by the DOE Infrastructure Unit Coordinator and issuance of a Certificate of Completion.

## **3.0 OBJECTIVES AND SCOPE**

### **3.1 Objectives**

The primary objective of this inspection is to determine if the Rumuu Elementary School Improvement Project was implemented in accordance with the terms and conditions given by the donor of the project funds, the Japanese Embassy and also in accordance with the signed contract between the Department of Education and the Contractor.

### **3.2 Scope**

This inspection will focus on the period covering March 2018 to March 2019.

## **4.0 METHODOLOGY**

Our inspection was conducted in accordance with the Quality Standards for Inspections and Evaluations issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE).

Our inspection included physical inspection of the financial records maintained by the Department of Education – Infrastructure Unit and the Yap State Office of Administrative Services, interviewing key personnel, and data review and analysis of pertinent documents of the project.

We also reviewed contracts and conducted a visit to the project site to gather physical evidence to further substantiate our conclusion of the inspection.

## **5.0 PRIOR YEARS INSPECTION**

No prior inspection has been done specifically for this Rumuu Elementary School Improvement Project.

## **6.0 APPRECIATION**

Our sincere appreciation is extended to the Department of Education for their assistance and cooperation during our inspection. We are looking forward to the continuation of such professional relationship.

## **7.0 CONCLUSION**

The Rumuu Elementary Improvement Project was made possible through a Grant Assistance for Grass-roots Human Security Projects, by the Government of Japan in the amount of \$80,320. We inspected the contract and relevant financial and supporting documentations of the project and concluded that the contract was implemented and completed in accordance with the terms and conditions given by the Japanese Embassy as well as terms and conditions stipulated in the construction contract.

The grant award has an unexpended balance of \$7,440 that is still with the Yap State Government.

## 8.0 INSPECTION RESULTS

### 8.1 Contract Payment Schedule

We obtained copies of all payment checks to the contractor for the Rumuu Elementary School Improvement Project as illustrated in the Table 1.1 below.

**Table 1.1: Contract Payment Schedule**

Check Date	Payment Number	Description	Amount (\$)	Award Balance (\$)
<b>Funds from Japanese Embassy</b>				<b>80,320</b>
10/18/19	1	First payment upon execution of contract	18,220	62,100
11/22/19	2	Second payment upon 50% completion of the project	18,220	43,880
03/26/19	3	Final payment upon successful completion, certification, and acceptance by the Government	36,440	7,440
<b>Total</b>			<b>72,880</b>	<b>7,440</b>

All these payments above were made within the contract terms and conditions and prior approval was being made by the Japanese embassy after certification by the Department of Education that all project phases have been satisfactorily completed as per scope of works in the signed contract agreement.

### 8.2 Site Visit and Remaining Grant Balance

The audit team conducted site visit inspection at the project site and confirmed that the project was completed in accordance with the scope of works within the signed contract agreement. Refer to the Appendix for photos of the project during the audit site inspection.

The construction of water gutter was excluded from the scope of work of the project as the guttering was already been constructed by the school community. This resulted in the reduction of the contract sum from \$80,320 to \$72,880.

## 9.0 RECOMMENDATION

We recommend that the:

- Department of Education request the Japanese Embassy to utilise the remaining balance of funds (\$7,440) to purchase office equipment and/or furniture for the Rumuu Elementary School.

## 10.0 RESPONSE FROM THE DEPARTMENT OF EDUCATION



FEDERATED STATES OF MICRONESIA  
**YAP STATE DEPARTMENT OF EDUCATION**  
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August 26, 2020

Mr. Achilles Defngin  
Public Auditor  
Yap State Government  
Colonia Yap, FM 96943

Subject: Rumuu Community School Improvement Project 2018

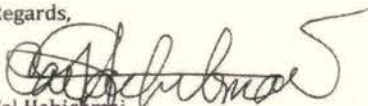
Dear Mr. Defngin,

The draft audit report concerning the above project was received on August 24, 2020. The Yap State Department of Education concurred with the audit finding and therefore satisfied with everything covered related to the project.

The Yap State Department of Education will contact the Japan Embassy to inquire about applying for the remaining balance left from the completed improvement project. We have another minor repair project at the Rumuu Community School that needs funding.

The exit conference is scheduled for August 27, 2020 at 10:00 at the DOE conference room. Should you have other related questions please let me know at earliest convenience.

Regards,

  
Cal Habichmai  
Acting Director, Department of Education

### 11.0 APPENDIX – COMPLETED FENCE AT RUMUJU ELEMENTARY SCHOOL







