



**POHNPEI STATE GOVERNMENT
OFFICE OF THE PUBLIC AUDITOR**

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June 10, 2016

Honorable Destry Tom
Acting Director
Department of Education
Dolonier, Nett Municipality
Nett, Pohnpei State, FM 96941

Maing Acting Director Tom:

Introduction

As requested, I am pleased to inform you that we have conducted and completed an Inspection of the project to construct the Sekere Multi-Purpose Gymnasium. The purpose of the Inspection was to determine whether project funds were expended in accordance with the provisions of the grant agreement. We conducted our review in accordance with the Quality Standards for Inspections, Reviews and Evaluations issued by the Council of Inspector General on Integrity and Efficiency (CIGIE).

Background

The Department of Education, Pohnpei State was awarded \$194,628 by the Japan Embassy to the Federated States of Micronesia for the project to construct a Sekere Multi-Purpose Gymnasium facility. The facility is to be used mainly to provide the youth of Sekere an improved center for sporting, educational and cultural activities. In addition, the Gym shall be available to the State of Pohnpei to utilize in time of disaster or for other public events. The facility/building includes a basketball court and a volleyball court. The Inspection was conducted pursuant to a letter received from the Acting Director, Department of Education, Pohnpei State, requesting an audit or examination of the project as required by the grant agreement.

The Inspection Work Process

We visited the project site on May 20th and 23rd, 2016, and took pictures of the completed facility. From all indications, the project has been completed, inspected and paid in full. Please refer to the pictures/photographs taken during these site visits enclosed for reference. We also examined relevant expenditures, project progress reports and payment documents available at the Department of Treasury and Administration (DoTA) and the Office of the Transportation and Communication (T&I). We also conducted interviews with appropriate officials and personnel involved in the project administration and management.

Summary of Findings

Based on the results of our inspection, we found that:

- 1) A total of 286,535.09 was allocated for the project. Of this total, 194,626.00 was made available under a grant from the Japan Embassy Office to the FSM, \$32,350.28 from the FY-14 Pohnpei Infrastructure Maintenance Fund (IMF) and \$59,558.81 from the Pohnpei FY-15 IMF. We also found that the entire \$194,626.00 from Japan Embassy allocated for the project was fully expended.
- 2) The project to construct the Sekere Multi-Purpose Gymnasium has been completed, inspected and paid in full in accordance with the terms of the construction contract;
- 3) All funds awarded for the project to construct the Sekere Multi-Purpose Gymnasium were expended specific to the project and in accordance with the provisions of the grant agreement;
- 4) The facility is functioning for the purpose it was originally intended and more for the benefit of the Sekere community and Pohnpei as a whole.

We appreciate and would like to thank all those who assisted our Inspection Team during the engagement. Please do not hesitate to contact our Office of the Public Auditor for assistance, if required.

With warm regards, I am.

Sincerely,

for: Ihlen K. Joseph

Ihlen K. Joseph
State Auditor
Pohnpei

Enclosures

xc: Japan Embassy Office, FSM-Pohnpei
Governor, Pohnpei
Speaker, PSL