

UNITED STATES GOVERNMENT

5/20263-(53)

Memorandum

PD-AAA-299-A1

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TO : USAID/HRO/BRAZIL, Mr. Harold M. Midkiff

DATE: May 9, 1973

FROM : AG/AUD/LAD, Mr. B. R. Abshier

SUBJECT: Interamerican University Foundation - Final Audit on Contract Nos. AID-12-579, 613, 641, and 670 --- Audit Report No. 73-316

Introduction

The Office of Audit, Auditor General, has performed a final audit of the subject contracts. The examination, which covered the period October 1, 1967 through December 2, 1971, included a review of pertinent records and procedures at the Contractor's office in the United States.

The principal objective of the examination was to determine the propriety and applicability of expenditures incurred by the Contractor under the terms of the contracts as well as the degree of compliance with established contracting standards and applicable principles. The audit was performed in accordance with generally accepted auditing standards and included such tests of the accounting records and related supporting documentation as were considered necessary in the circumstances.

Summary of Findings and Recommendations

Costs reimbursed during the period under review in the amount of \$ 474,539.81 were audited. As a result, international transportation costs of \$ 76,000.00 were suspended pending Contracting Officer review and determination of allowability, and the balance of \$ 398,539.81 can be approved, subject to the acceptance of the Contractor's performance. See EXHIBIT A for details.

<u>CONTRACT NUMBER</u>	<u>COSTS REIMBURSED</u>	<u>COSTS SUSPENDED</u>	<u>COSTS ACCEPTED</u>
AID-12-579	\$ 99,385.78	\$	\$ 99,385.78
AID-12-613	167,841.40	38,000.00	69,841.40
AID-12-641	118,822.56	38,000.00	80,822.56
AID-12-670	148,490.07		148,490.07
TOTAL	<u>\$ 474,539.81</u>	<u>\$ 76,000.00</u>	<u>\$ 398,539.81</u>

Contracting Officer review the above finding and take appropriate action to accomplish the following:



a. Determine acceptability of Contractor's performance as a prerequisite to the approval of contract costs.

b. Determine allowability of suspended international transportation costs of \$ 76,000.00.

c. Accept costs of \$ 398,539.81 as proper under the contracts.

Discussion with Contractor

At completion of the audit, on April 26, 1973, we discussed our findings with ABI's representative, Mrs. Margaret L. Reeves. Mrs. Reeves concurred with the auditor's findings. However, the Contractor was certain that USAID Brazil records would substantiate the amount and allowability of the suspended international transportation costs of \$ 76,000.00

Attachments:

1. EXHIBIT A
2. EXHIBIT B

EXHIBIT

INTERAMERICAN UNIVERSITY FOUNDATION
 SUMMARY OF CONTRACT COSTS AND AUDIT RESULTS
 FOR THE PERIOD OCTOBER 1, 1966 THROUGH DECEMBER 2, 1971

CONTRACT NUMBER	CONTRACT PERIOD				Total	AUDIT RESULT	
	AID-12-516 10/1/67 THRU 9/30/68	AID-12-613 10/1/68 THRU 9/30/69	AID-12-611 11/1/69 THRU 11/2/70	AID-12-670 12/3/70 THRU 12/2/71		COSTS SUSPENDED	COSTS AC BILLED
TRANSPORTATION; GRUZEIPOT U.S. DOMESTIC	\$ 43,718.00	\$ 38,000.00	\$ 38,000.00	\$ 39,700.00	\$ 43,718.00	\$ 76,000.00	\$ 3,718.00
		4,121.10	2,665.13	9,297.43	114,700.00		8,700.00
					16,474.96		8,474.96
CHAMPION EXPENSES IN US	8,827.66	10,408.94	11,475.80	14,905.67	45,616.63		5,616.63
MEAL EXPENSES IN US	1,575.53	4,139.12	4,783.76	18,367.16	28,665.57		8,865.57
ADMINISTRATIVE EXPENSES	28,049.85	72,938.80	24,651.45	26,158.40	97,097.84		7,097.84
GRUZEIPOT EXPENSES IN US	6,185.71	72,175.02	34,896.42	41,071.41	126,066.76		16,066.76
TOTAL	\$ 92,305.79	\$ 187,641.68	\$ 118,822.66	\$ 148,490.07	\$ 474,539.81	\$ 76,000.00	\$ 38,198.61

FOOTNOTES

1/ This amount represents transportation costs incurred for:

GRUZEIPOT	\$ 43,718.00
CHAMPION	8,827.66
MEAL	1,575.53
TOTAL	\$ 54,121.19

Supporting documentation for subject costs was not available in AUI's New York City offices. The audit was conducted at requisite receipts were located at offices of ANTONIO UNIVERSITARIJA DE GRUZEIPOT, 1000 10th St. New York, NY. Accordingly, the subject costs were reported pending review by the AUI's New York City office. The total amount of \$126,066.76 reported above represents the amount billed for the subject costs. There was no evidence to substantiate the actual cost of the subject costs. Therefore, the amount of \$126,066.76 is reported for the subject costs.

EXHIBIT B

INTERAMERICAN UNIVERSITY FOUNDATION
Contract Nos. AFD-12-579, 613, 641, and 670

DISTRIBUTION OF AUDIT REPORT

USAID/HRO CONTRACTING OFFICER BRAZIL (2)

Area Auditor General, LA (2)

General Accounting Office (1)

Inspector General of Foreign Assistance/State (1)