

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

OFFICE OF THE AUDITOR GENERAL
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INTERIM

AUDIT REPORT

NIGERIA

ZARIA INSTITUTE OF ADMINISTRATION - AHMADU BELLO UNIVERSITY
PROJECT NO. 620-11-770-740
UNIVERSITY OF PITTSBURGH CONTRACT NO. AID/afr-284

Period Covered by Audit:
September 30, 1969 through
December 31, 1971

Audit Report No. 4-620-72-104

Date Report Issued: 6/21/72

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PART I - SCOPE OF EXAMINATION

The purpose of this examination was to: (a) ascertain whether Project Agreements (ProAg), Contract and other implementation documents were prepared and executed in accordance with the appropriate Manual Orders and/or other directives; (b) verify compliance with the terms of the ProAg and Contract; (c) identify and report on any procedures or problems which, in our opinion, could adversely affect orderly progress of project implementation; and (d) evaluate the effectiveness of Mission monitorship of the project activities.

We completed a regularly scheduled interim audit of the Zaria Institute of Administration (Institute), Project No. 620-11-770-740 and Contract No. AID/afr-284 between the University of Pittsburgh and AID. Our examination covered the period from September 30, 1969, the cut-off date of the previous audit, through December 31, 1971, and includes those pertinent events and transactions occurring prior and subsequent to this period. Earlier issuance of our report was unavoidably delayed.

We conducted our examination considering the guidelines for Technical Assistance as contained in M.O. 793.1. We made our examination on a selective test check basis in accordance with generally accepted auditing standards and procedures. Accordingly, we reviewed pertinent project and financial records, had discussions with Mission and University of Pittsburgh (Contractor) officials and physically inspected selected AID-financed commodities at the project site.

PART II - BACKGROUND INFORMATION

Recognizing the need for training of administrators, in 1954 the Government of Northern Nigeria established the Institute of Administration at Zaria. Initially focus was on the training of clerical staff. In 1960 a few years after the Institution was established the Nigerians recognized the need for higher academic type training. This was essential to achieve a goal of increasing the number of Northern Nigerians capable of handling public administration type responsibilities. AID offered assistance and in 1962 contracted with the University of Pittsburgh to provide professional assistance in upgrading, strengthening, and expanding the Institute.

Following this, it was also decided to commence a program of training to meet the needs of the private sector for trained managerial manpower. In 1966 departments of Public and Business Administration were created at the Institute as a Faculty of Administration with full university status.

Since 1962 the AID financed contract with the Graduate School of Public and International Affairs of the University of Pittsburgh provided assistance in teaching, curriculum building, and research and

participant training in the fields of public administration, business administration, accounting, local government, and international affairs (including economic and social development).

Having established and tested basic curricula and graduated students in these several disciplines since 1965, it is now proposed to focus limited resources on clearly identified priority targets which take into account the changed situation in the North. Earlier the project was expected to end in FY 1972 but an extension seemed justified because the unsettled conditions stemming from civil disturbances of 1966-67 and the establishment of six states in 1968 out of the former Northern Region had impeded the normal progress expected. Accordingly, Project Agreement No. 214 extended the final contribution date under the project through June 30, 1973 and Contract No. AID/afr-284 is being extended May 31, 1972 to June 30, 1973.

PART III - SUMMARY OF AUDIT FINDINGS

From our observations and interviews with Contractor, CON and Mission officials, we found evidence of satisfactory progress toward project goals and objectives. However, we advanced suggestions about participant training (Section V-B-2) and advanced some arguments why Nigeria-ization of the Institute's faculty may be difficult to achieve. The Mission offered some comments about this which we included in our report. (Section V-B-3.)

We reviewed and discussed the findings of the report with Mission officials and included their comments where appropriate.

PART IV - FOLLOWUP ON PRIOR AUDITS

Our Audit Report No. 4-620-71-04 of August 15, 1970 included eight recommendations requiring corrective action. Action for one of the recommendations relating to participant reports remains outstanding. Consequently we included action addressed to it as a suggestion in this report (see Section V-B-2).

AG/AUD Audit Report No. 70-123, of December 24, 1969 asked the Mission to do an assist audit and advise them (AG/AUD) as to the date it might be completed. A Mission Controller memorandum of January 1970 (No. CO-021) and our later audit report (No. 71-04 of August 1970) fulfilled the requirement. The current report here supplements our earlier one.

PART V - AUDIT FINDINGS AND RECOMMENDATIONS

A - Project Financing

The Mission financial records indicated total U.S. dollar obligations and expenditures under the project from its inception through

December 31, 1971 as follows:

	<u>Obligations</u>	<u>Expenditures</u>	<u>Unliquidated Balance</u>
<u>Direct AID Financing:</u>			
Personnel Services	\$ 10,450	\$ 8,000	\$ 2,450
Participants	57,960	19,288	38,672
Commodities	11,134	8,962	2,172
Other Costs	<u>83,188</u>	<u>95,329</u>	<u>(12,141)</u>
Total	\$ 162,732	\$ 131,579	\$ 31,153
<u>Contract Financing:</u>			
Personnel Services	2,152,500	1,830,922	321,578
Participants	151,500	106,592	44,908
Commodities	117,500	81,210	36,290
Other Costs	<u>644,517</u>	<u>456,541</u>	<u>187,976</u>
Total	<u>\$3,066,017</u>	<u>\$2,475,265</u>	<u>\$590,752</u>
GRAND TOTAL	<u>\$3,228,749</u>	<u>\$2,606,844</u>	<u>\$621,905</u>

B - University of Pittsburgh Contract No. AID/afr-284

1. Contract U.S. Technicians and Leave Records

Since inception 25 U.S. technicians (regular staff) were assigned to the project. The first technician arrived in Nigeria on September 1, 1962. As many as 30 more participated since then of which four are currently on board (see Exhibit A). We reviewed the Contractor's field leave records and reports for accuracy, reliability and adequacy. We believe the Contractor maintains adequate leave records and furnishes the Mission with the required semi-annual leave statement reporting leave taken by members of its staff.

2. Participant Training

Mission accounting records showed direct AID and contract obligations and expenditures of \$209,460 and \$125,880 respectively for participant training from the inception of the project (1962) through December 31, 1971. The Mission and Contractor's records indicated 21 individuals were selected for training in the U.S. (see Exhibit B). Present reporting showed,

<u>Current Employment</u>	<u>Number of Participants</u>
Zaria Institute of Administration	6
Other Government Agencies (Nigeria)	8
Private Firms (Nigeria)	1
Still in School (U.S.A.)	<u>6</u>
	<u>21</u>

The most important objective sought through participant training was to upgrade, strengthen, and expand the faculty and by employing participants at the Institute following training, thus increase its overall managerial/administrative capability. Obviously from the table above there was a shortfall in meeting the objective. It would appear AID had to incur the cost of training 3 or more participants in the hope of having one of them return to the Institute. However, there is a partial explanation for this.

In 1968 when the six Nigerian states were established out of the former Northern Region additional administrative talents were needed urgently. Necessarily to accommodate this need caused a major setback for institution building. In the spring of 1968 six of the returned participants (eight at present reporting) opted to leave positions at the Institute to fulfill claims for their services advanced by the new State's governments. However, it appears participants were well selected and the training they received at the University of Pittsburgh appropriate to their needs. Although 9 participants either did not return or continue in the project, they are now filling responsible positions in State Governments. We understand several are occupying positions as senior administrative officers. They are making a very useful contribution to governmental administration in Nigeria which was also mentioned as an important overall objective of the project.

The Mission in reviewing the draft report suggested we include additional information in order to put the apparent loss i.e., in trained participants to the Institute in better perspective, viz.,

"Several of the eight participants now in other Government Agencies (Nigeria) are in positions in the northern states where they directly affect the positive working relations between the Institute and these northern states. For example, one participant is working in the Office of the Military Governor, North-East State, two as Senior Assistant Secretaries in the Office of the Military Governor, Kwara State, one as a Principal Assistant Secretary in Kwara State, and one as a Division Officer in the North-East State. To indicate improvement planned in the filling of supervisory positions in the Institute of Administration, mention should be made in the Audit Report in writing about Participants that in March, 1973 a participant will return as Acting Head of the Department of Administration. He will overlap with the contract Chief of Party through June, 1973."

In the course of the audit, we reviewed the Mission follow-up procedures, etc., and supporting records and files for returned participants. It disclosed there were no End-of-Training Reports on file in the USAID Training Office as required by M.O. 1389.1. The Training Officer advised that some of the participants had been requested verbally to submit the reports admitting however the reports were not forthcoming. Corrective action concerning this same deficiency was recommended in our previous audit report. The recommendation was cleared when the Mission assured the AAG steps were in progress to correct the situation. While the auditors admit participants cannot be forced to comply with reporting requirements, they suggest Mission files bear evidence the Mission Training Officer actually made a request for the report in writing. Participants receiving a letter request may be more apt to fulfill their obligations.

3. Contractor Performance

Under the terms of the contract, the Contractor was required to furnish technical advice and assistance to the Institute, viz.,

- in developing and conducting an integrated baccalaureate/diploma program to produce graduates in Public Administration, Business Administration and Accounting;

- in upgrading administrative/managerial manpower already employed in public and private sectors through in-service training, short courses and conferences;

- in developing it as a center of advisory and consultative services for government and business, as well as a depository of materials relevant to its needs and those of the Government of Northern Nigeria through a research and library development program; and

- in developing of an indigenous staff at the Institute as soon as possible.

Our examination convinced us the Contractor made satisfactory progress in all areas except for the development of the Institute's indigenous staffing. At present the Institute's faculty by department and nationality is as follows:

	<u>Accounting</u>	<u>Administration</u>		<u>Total</u>
		<u>Public</u>	<u>Business</u>	
Nigerian	2	7	5	14
American	1	4	3	8
Canadian	2	-	1	3
Indian	2	-	1	3
British	-	1	-	1
Total	<u>7</u>	<u>12</u>	<u>10</u>	<u>29</u>

When questioned as to why only 14 of the 29 faculty positions were filled by Nigerians, the Director of the Institute indicated that among the possible contributing factors were the Institute's less attractive salary scale and promotion potential when contrasted with those in private industry or GON agencies. He further advised that he (the Director) was the only Nigerian filling a supervisory position in the Institute; expatriates (non-U.S.) held such posts as the Dean of Faculty and heads of the Departments of Accounting, Business and Public Administration. As an explanation for expatriates occupying such positions he pointed to the high standards the Institute sets as preconditions for such appointments. Prospective appointees are required to possess Ph.D degree with several years of progressive college level teaching experience and to have authored a requisite number of publications.

4. Commodities

AID-financed commodity procurement consisted primarily of textbooks, reference books for the Kennedy Library and various items of office equipment. As of December 31, 1971 total expenditures for these commodities amounted to \$90,172 most of which (except \$6,000 spent for books) were included as a part of the last audit. We reviewed procurement documents and arrival records and inspected some of the office equipment and books. We noted the Contractor maintains procurement and arrival records for commodities. Moreover we observed the system for ordering and receipt of commodities provides for proper coordination between the interested parties, i.e., the Contractor's Chief of Party, the Mission and the Campus Coordinator.

C - Project Reports

1. Contract Reports

Under the terms of the contract, the Contractor is required to prepare and submit semi-annual reports covering the status of its work and the progress achieved. Such reports set forth plans for the ensuing half year in addition to recommendations covering the current needs of the Institute. Our review of the Mission records indicated the Contractor's semi-annual reports were timely and in conformity with the contract.

2. Mission Reports

We reviewed the Non-Capital Project Paper (PROP), Project Appraisal Reports (PAR) and Evaluations of Contractor Performance (U-307) and found they met acceptable standards for accuracy and completeness.

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 ZARIA INSTITUTE OF ADMINISTRATION - AHMADU BELLO UNIVERSITY
 PROJECT NO. 620-11-770-740

SCHEDULE OF CONTRACT PERSONNEL

<u>Name</u>	<u>Position</u>	<u>Departed</u>		<u>Arrived</u>		<u>Leave Taken</u>	
		<u>U.S.A.</u>	<u>Post</u>	<u>Post</u>	<u>Post</u>	<u>Annual</u>	<u>Sick</u>
<u>Regular Staff</u>							
Hugh G. MacNiven	Chief of Party	8/28/62	9/1/62	7/30/64			
James Wilson	Public Adm.	9/25/62	9/27/62	3/22/64			
Wade Cooper	Econ & Soc. Dev.	9/21/62	9/23/62	7/23/64	1/	20-1/2	
"	"	8/29/64	9/1/64	1/22/67	2/		
Gilbert W. Fairholm	Adm & Mgt. Consult.	4/30/63	5/2/63	5/3/65			
L. Franklin Elitz	Business Adm.	6/8/63	6/10/63	5/27/65			
Quinn G. McKay	"	7/31/63	8/3/63	7/18/65			
Grady H. Nunn	International Affairs	5/1/64	5/4/64	10/2/65	1/	20-1/2	
"	"	11/30/65	12/11/65	12/27/67	2/	20	
F. Gerald Brown	Public Adm	8/21/64	8/25/64	6/27/67		22	1
Albert B. Martin	Chief of Party	9/10/64	9/28/64	11/20/65			
Robert H. Cojeen	Public Adm	1/16/65	1/20/65	7/15/66		10	21
Elwyn A. Mauck	"	9/21/65	10/1/65	7/25/67		20	
Henry L. Munn	Business Adm	7/28/65	8/10/65	10/1/67		20	
Julian Malnak	Public	10/4/65	10/29/65	7/11/67		2	
Lincoln Deihl	Business	9/17/66	9/24/66	7/17/67			
C. Walter Birkelo	Local Govt.	9/17/66	9/25/66	11/19/69		47	4
Edward Muth	Public Adm	10/13/67	10/15/67	9/2/69		19	
Chester L. Hunt	Sociology	1/6/67	1/11/67	7/8/68		13	
Lawrence J. Hunt	Business Adm.	9/25/67	9/26/67	9/18/69		34	
Richard T. Karppinen	Accounting	10/14/67	10/15/67	9/30/68		19-1/2	
George Toulmin	Public Adm.	9/17/68	9/25/68	9/30/70			
R.R. Gamby	Business Adm.	8/5/68	8/7/68	8/5/70		15	
R.J. Simmons	Econ. & Soc. Dev.	5/21/69	5/24/69	At Post	3/	18	
Harry A. Green	Chief of Party	10/30/69	11/2/69	At Post	3/	9	
D.H. Brennecke	Business Adm.		3/17/71	"	"	3/	
D.E. Nemetz	Local Govt.		12/21/70	"	"	3/	

Short Term

Clifford Ham	10/23/64	10/26/64	12/11/64
Donald Alelrod	5/1/64	5/2/64	7/13/64
"	10/17/65	10/18/65	11/15/65
Joseph Pois	6/17/66	6/18/66	6/28/66
Jose James	-	6/21/65	6/30/65
William Frederick	11/17/65	11/19/65	11/25/65
"	4/12/66	4/14/66	4/24/66

1/ Employee's 1st tour of duty.

2/ Employee's 2nd tour of duty.

3/ As of 12/31/71

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SCHEDULE OF PARTICIPANTS

<u>Name</u>	<u>PIO/P</u>	<u>Period of Training</u>		<u>Field of Training</u>	<u>Degree Obtained</u>	<u>Present Position</u>
		<u>Started</u>	<u>Completed</u>			
Patrick C.A. Daudu	40051	Aug 1964	Dec 1965	Public Administration	Master	Lecturer, Institute of Adm., Zaria
" " "	10099	Sep 1971	-	" "	"	In Training for Ph.D Degree - Pittsburgh Univ. as of 12/31/71
Joshua O.C. Oyinloye	60028	Sep 1965	Aug 1966	" "	Master	Kwara State Public Service - Ilorin
Malam M. Tukur	60029	" "	Dec 1966	" "	"	Director, Institute of Adm., Zaria
Aaron T. Jacobs	60228	Aug 1966	Dec 1967	Political Science	"	Niger Dam Authority, Lagos
Timon C. Ilugbuni	60229	" "	Nov 1967	Econ. & Social Dev	"	Fed. Ministry of Econ. Planning - Lagos
Mwajun K. Garnwa	60251	" "	Jan 1968	Library Science	"	Asst. Registrar of A.B. College, Kano
Michael O. Oyeyipo	60252	" "	Aug 1967	Econ & Social Dev	"	State Public Service, Ilorin
Ahmed Algazali	60253	" "	Oct 1967	Public Adm.	"	" " " , Maiduguri
Amadu A. Ngedu	60254	" "	Jan 1968	Econ & Social Dev	"	Iron & Steel Corporation, Lagos
Usman G. Galtimari	70074	" "	" "	" " "	"	State Public Service, Maiduguri
Henry B. Afolabi	70228	Dec. "	Dec "	Public Adm	"	University of Lagos
Ibrahim Abdilsalami	80080	" 1967	" 1969	International Affairs	"	Faculty of Institute of Adm., Zaria
Ibitoye A. Akanbi	80081	Jan 1968	July 1969	Business Adm.	"	" " " " "
Ibrahim M. Omale	91133	Sep 1969	May 1971	Public Adm.	"	" " " " "
Abdulralman O. Kadir	91123	" "	June 1971	Business Adm.	"	" " " " "
Redford Fiderikumo	91124	" "	" "	" "	"	" " " " "
U.A. Zahradeen	01109	" 1970	-	" "	"	Still in School as of 12/31/71
Ayu B. Saulawa	20002	" 1971	-	Public Adm.	"	" " " "
William F. Shera	20007	Jan 1972	-	Training Adm.	"	" " " "
A.L. Kunini	20008	" "	-	Adm. Management	"	" " " "
Abubaker Koko	20009	" "	-	Public Adm.	"	" " " "

EXHIBIT C

AUDIT REPORT NO. 4-620-72-104
ZARIA INSTITUTE OF ADMINISTRATION
PROJECT NO. 620-11-770-740

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