

AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

AUDITOR GENERAL
OFFICE OF AUDIT

AUDIT REPORT

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

CONTRACT NUMBER :)
CONTRACT CEILING :)
EXPIRATION DATE :)
PROJECT NUMBER :) ---- See Exhibit A
PROJECT TITLE :)
AUDIT PERIOD :)
TYPE OF AUDIT :)

Audit Report No. 75-315

Date: JUN 30 1975

AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

Contract No. AID/afr-653
Task Order Nos. 1 thru 6

SCOPE

The public accounting firm's audit of Contract No. AID/afr-653 and related task orders covered the period January 1, 1973 through December 31, 1973, and included a review of pertinent records and procedures at the Contractor's office in Philadelphia, Pa.

The primary purpose of the examination was to determine the propriety of expenditures incurred by the Contractor under the terms of the contract and related task orders, as well as the degree of compliance with established contracting standards and principles.

The status of task order funds as of December 31, 1973 is shown on Exhibit A of the attached public accountant's report.

CONTRACT/TASK ORDER PURPOSE

The contract between A.I.D. and OICI resulted from a 1969 study made by OICI to determine the feasibility of establishing a vocational training program in Ghana, Nigeria, Kenya and Ethiopia. In a sense, the program represents a dual experiment by A.I.D. The first part of the experiment contemplates testing new approaches to development and gaining additional experience with respect to non-formal approaches to education and training. The second part of the experiment deals with obtaining involvement of the traditionally non-participating business and industrial sectors of less developed communities in meeting skill training requirements of the development process. The program itself is patterned after the kind which OICI conducts throughout the United States to provide training for so called hard core unemployed individuals and placing them in jobs. A.I.D.'s fundamental objective is to foster appreciation and understanding of this new concept, and OICI has the primary responsibility for program design, content, implementation and evaluation.

Within A.I.D., the program is funded through a variety of task orders issued under the basic contract, and is managed by a number of offices both in Washington and overseas.

- Task Order Number 1 funds the costs of OICI's home office staff in the United States and is managed by the Office of North African and African Regional Affairs (AFR/NAR).
- Task Order Number 2 funds the OICI technical assistance team in Ghana and is managed in Washington by the Office of Central and West African Bilateral Affairs (AFR/CWA) and in Ghana by the USAID's Assistant Program Officer, Office of Population and Technical Services.
- Task Order Number 3 funds the OICI technical assistance team in Nigeria and is also managed in Washington by the Office of Central and West African Bilateral Affairs and in Nigeria by USAID's Assistant Program Officer, Office of Education.
- Task Order Number 4 funds the cost of feasibility studies performed by OICI in Kenya and Ethiopia and is managed by the Office of Eastern and Southern African Affairs (AFR/ESA). Task Orders 5 and 6 were issued in March 1973 to provide funds to assist OICI in establishing an entrepreneurial training program in Kenya and a technical skill training program in Ethiopia. These task orders are also managed by AFR/ESA.

FINDINGS AND RECOMMENDATIONS

Contract Costs

Costs claimed and reimbursed during the period totaling \$1,222,699 have been audited. Of this amount costs of \$865,441 may be accepted as proper under the terms of the contract and related task orders. Acceptance of the remaining \$357,258 is deferred pending a determination as to allowability of the questioned costs by the Contracting Officer, CM/ROD/AFR, and the results of an audit of the suspended costs by the Area Auditor General, Africa. These amounts are summarized below and shown in detail on Exhibits B thru G of the attached public accountant's report.

<u>Task Order No.</u>	<u>Costs Claimed</u>	<u>Audit Adjustments</u>		<u>Costs Accepted</u>
		<u>Questioned</u>	<u>Suspended</u>	
1	\$ 342,187	\$ 45,346	\$ 5,416	\$ 291,425
2	386,793	17,933	117,289 ^{1/}	251,571
3	280,729	3,177	101,964 ^{2/}	175,588
4	29,968	(2,441)	-	32,409
5	90,278	3,966	31,305 ^{3/}	55,007
6	92,744	2,613	30,690 ^{4/}	59,441
Total	\$ 1,222,699	\$ 70,594	\$ 286,664	\$ 865,441

Explanatory Notes:

- 1/ Represents foreign currency costs to be audited by the AAG/AFR (See note 3, Exhibit C of attached CPA report).
- 2/ Includes foreign currency costs of \$100,757 to be audited by the AAG/AFR (See note 3, Exhibit D of attached CPA report).
- 3/ Represents foreign currency costs to be audited by the AAG/AFR (See note 1, Exhibit F of attached CPA report).
- 4/ Represents foreign currency costs to be audited by the AAG/AFR, (See note 1, Exhibit G of attached CPA report).

Recommendation No. 1

Contracting Officer, CM/ROD/AFR, review the above finding and take necessary action to effect settlement of the questioned costs.

Exhibit A

OPPORTUNITIES INDUSTRIALIZATION CENTER INTERNATIONAL, INC.

Summary of Contract Data

	<u>Contract No. AID/afr-653</u>		
	<u>Task Order No. 1</u>	<u>Task Order No. 2</u>	<u>Task Order No. 3</u>
Task Order Ceiling	\$1,571,110	\$1,676,326	\$1,538,260
Expiration Date	6/30/74	6/30/75	6/30/75
Project Number	698-11-610-153	641-13-610-063	620-11-610-802
Project Title	Expanded In-Service Training OICI	Opportunities Industrializa- tion Center	Opportunities Industrializa- tion Center
Audit Period	1/1/73 - 12/31/73	1/1/73 - 12/31/73	1/1/73 - 12/31/73
Type of Audit	Interim	Interim	Interim

	<u>Contract No. AID/afr-653</u>		
	<u>Task Order No. 4</u>	<u>Task Order No. 5</u>	<u>Task Order No. 6</u>
Task Order Ceiling	\$183,256	\$292,263	\$287,000
Expiration Date	3/31/73	4/15/75	6/30/75
Project Number	698-11-610-153	615-11-420-159	663-13-670-175
Project Title	Expanded In-Service Training OICI	Opportunities Industrializa- tion Center	Opportunities Industrializa- tion Center
Audit Period	1/1/73 - 3/31/73	3/1/73 - 12/31/73	3/1/73 - 12/31/73
Type of Audit	Final	Interim	Interim

EXHIBIT B

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

Contract No. AID/afr-653
Task Order Nos. 1 thru 6

DISTRIBUTION OF AUDIT REPORT

Assistant Administrator/AFR	1
Support Division, CM/SD/SUP	3
Area Auditor General, AFR	2
Office of Financial Management, SER/FM/RSD	6
Inspector General of Foreign Assistance/State	1
Area Auditor General/Africa	1

AGENCY FOR INTERNATIONAL DEVELOPMENT
REPORT ON SPECIAL EXAMINATION
OF
OPPORTUNITIES INDUSTRIALIZATION
CENTERS INTERNATIONAL, INC.
DECEMBER 31, 1973

LUCAS, TUCKER & CO.
Certified Public Accountants

AGENCY FOR INTERNATIONAL DEVELOPMENT
REPORT ON SPECIAL EXAMINATION OF
OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Auditor's Report	1
Explanatory Comments and Recommendations:	
Introduction	3
Internal Control	3
Other Matters	8
Status of Funds	EXHIBIT A 10
Schedule of AID/afr-653 Task Order No. 1 (Central Office) Costs and Proposed Questioned and Suspended Costs	EXHIBIT B 12
Details of Proposed AID/afr-653 Task Order No. 1 (Central Office) Questioned Costs	SCHEDULE 1 13
Details of AID/afr-653 Task Order No. 1 (Central Office) Suspended Costs	SCHEDULE 2 18
Schedule of AID/afr-653 Task Order No. 2 (Ghana) Costs and Proposed Allowance (Questioned Costs)	EXHIBIT C 19
Details of Proposed AID/afr-653 Task Order No. 2 (Ghana) Allowance (Questioned Costs)	SCHEDULE 3 20

AGENCY FOR INTERNATIONAL DEVELOPMENT
REPORT ON SPECIAL EXAMINATION OF
OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Schedule of AID/afr-653 Task Order No. 3 (Nigeria) Costs and Proposed Allowance (Suspended and Questioned Costs)	EXHIBIT D 22
Details of AID/afr-653 Task Order No. 3 (Nigeria) Suspended U.S. Dollar Costs	SCHEDULE 4 23
Details of Proposed AID/afr-653 Task Order No. 3 (Nigeria) Allowance (Questioned Costs)	SCHEDULE 5 24
Schedule of AID/afr-653 Task Order No. 4 (Kenya and Ethiopia) Costs and Proposed Allowances and Cost Overrun	EXHIBIT E 25
Details of Proposed AID/afr-653 Task Order No. 4 (Kenya and Ethiopia) Allowances	SCHEDULE 6 26
Schedule of AID/afr-653 Task Order No. 5 (Kenya) Costs and Proposed Questioned Costs	EXHIBIT F 27
Details of Proposed AID/afr-653 Task Order No. 5 (Kenya) Questioned Costs	SCHEDULE 7 28
Schedule of AID/afr-653 Task Order No. 6 (Ethiopia) Costs and Proposed Allowance (Questioned Costs)	EXHIBIT G 29

AGENCY FOR INTERNATIONAL DEVELOPMENT
REPORT ON SPECIAL EXAMINATION OF
OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Details of Proposed AID/afr-653 Task Order No. 6 (Ethiopia) Allowance (Questioned Costs)	SCHEDULE 8 . 30

LUCAS, TUCKER & CO.
Certified Public Accountants
1101 17TH STREET, N.W. SUITE 307
WASHINGTON, D.C. 20036

02) 659-2911

OFFICES IN PRINCIPAL CITIES

AUDITOR'S REPORT

Office of the Auditor General
Agency for International Development
Department of State

We have examined the accounting records of Opportunities Industrialization Centers International, Inc. as they pertain to the following contracts:

<u>Contract Number</u>	<u>Location</u>	<u>Period Covered</u>	<u>Type of Audit</u>
AID/afr-653:			
Task Order No. 1	Philadelphia Central Office	January 1, 1973 to December 31, 1973	Interim
Task Order No. 2	Ghana	January 1, 1973 to December 31, 1973	Interim
Task Order No. 3	Nigeria	January 1, 1973 to December 31, 1973	Interim
Task Order No. 4	Kenya and Ethiopia	January 1, 1973 to March 31, 1973	Final
Task Order No. 5	Kenya	March 1, 1973 December 31, 1973	Interim
Task Order No. 6	Ethiopia	March 1, 1973 December 31, 1973	Interim

Office of the Auditor General
Agency for International Development
Department of State

Our examination was made in accordance with generally accepted auditing standards to the extent appropriate, in view of the character of the engagement, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the amounts billed by the contractor, except for the deferred/suspended items, after giving effect to proposed adjustments, are in all material respects in accordance with the financial provisions of the contracts enumerated above.

Lucas, Tucker & Co.

May 1, 1975
Washington, D.C.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

INTRODUCTION

Opportunities Industrialization Centers International, Inc. (OICI) was incorporated in March 1970 under the Pennsylvania non-profit corporation law on a non-stock basis and qualifies as a tax-exempt corporation under the Internal Revenue Code, 501(c)(3). The purpose of OICI is to supply or provide inter alia: trained administrators, volunteer workers and other personnel involved in the development of OICI self-help concept to solve the problems of unemployment, to train managers and vocational workers and initiate small business and industrial development schemes.

Except for a small general fund, OICI is totally funded by AID.

Costs were billed by OICI to AID on the accrual basis of accounting.

INTERNAL CONTROL

We have completed our examination of the accounting records of OICI as they pertain to the following contracts:

<u>Contract Number</u>	<u>Location</u>	<u>Period Covered</u>	<u>Total</u>
AID/afr-553:			
Task Order No. 1	Philadelphia Central Office	January 1, 1973 to December 31, 1973	Interim
Task Order No. 2	Ghana	January 1, 1973 to December 31, 1973	Interim
Task Order No. 3	Nigeria	January 1, 1973 to December 31, 1973	Interim
Task Order No. 4	Kenya and Ethiopia	January 1, 1973 to March 31, 1973	Final
Task Order No. 5	Kenya	March 1, 1973 to December 31, 1973	Interim
Task Order No. 6	Ethiopia	March 1, 1973 to December 31, 1973	Interim

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

INTERNAL CONTROL (Continued)

Our examination was made for the purpose of determining that the amounts billed by OICI were in all material respects in accordance with the financial provisions of the contract enumerated above, and have issued our opinion thereon, dated May 1, 1975. The nature and scope of such an examination does not contemplate a detail review of systems and procedures, nor was one made in the present instance. However, during our examination, we observed certain accounting and administrative areas where we believe improvements can be effected and which are commented upon in this letter report.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the contractor's system of internal accounting control for the year ended December 31, 1973 which was made for the purpose set forth in the second paragraph above, was not designed for the purpose of expressing an opinion on internal accounting control and it would not necessarily disclose all weaknesses in the system. However, such study and

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

INTERNAL CONTROL (Continued)

evaluation disclosed the following conditions that we believe to be material weaknesses:

1. Lack of procedures adequate to provide reasonable accounting control over expenses and adherence to contract requirements.
 - a. Consultants were hired without approval from AID as required by Article VIII, A, 5 of the Basic Agreement.
 - b. Bookkeeper was hired which violated the 15-employee ceiling provision of the contract. Task order no. 1 requires an amendment before a bookkeeper can be hired. The bookkeeper was classified under temporary personnel by OICI.
 - c. Purchases in excess of \$2,500 were not approved by the Contracting Officer (Clause 18 of the General Provisions, Cost Reimbursement Type Contract).
 - d. Several ocean shipments of household effects using foreign flag vessels and shipments of two foreign-made motor vehicles were made without AID approval.
 - e. An employee was assigned overseas without AID approval. (OICI sent a letter to the Contracting Officer but did not receive written approval.)
 - f. OICI has not obtained the approval of the Contracting Officer for the evaluation fixed price contract of \$25,000 with Community Sciences, Inc. (This contract was reduced by OICI to \$24,000. \$19,248 was disallowed in the previous audit and the balance of \$4,742 is questioned in the current audit.)

We recommend that OICI in order to comply with AID regulations, to secure written authorization on certain matters, institute a concerted program to get such approvals from the contracting officer however, difficult the task.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

INTERNAL CONTROL (Continued)

2. Lack of adequate guidelines for allocating costs and revenue between the OICI general fund (also known as private fund) and the AID supported task orders. The total costs charged to the general fund for the year ended December 31, 1973 amounted to \$54,485. The general fund is for OICI international programs, such as the Belize City and Ikare projects, which are not funded by AID. OICI conducts fund raising solicitations among international companies to support these programs. OICI did not charge the private fund allocable costs such as: rent, telephone, supplies and direct time spent by the international director and the accounting personnel on the private fund activities.

We also noted that a dividend check of \$850 received by OICI in 1973 from the Mutual Benefit Life Insurance Company as a result of favorable claims experience of the Group Life Insurance Policy No. G-160263 for the contract year ended November 30, 1972 was deposited to the private fund account. AID had reimbursed OICI for the total insurance premiums. At the instruction of the International Director, a check for the same amount was drawn as a contribution to Progress Ventures International, an outfit affiliated with OIC America.

We recommend that OICI should develop guidelines to equitably allocate costs common to both general fund and the AID supported task orders and that refunds or rebates should be credited to the applicable fund or task order.

3. Travel and per diem costs not adequately controlled to prohibit violation of Standardized Government Travel Regulations (SGTR) and contract provisions.
- a. OICI received approvals for travel to Africa in 1973 from the AID Contracting Officer. These approvals specified that the trips were restricted to the countries serviced by the central office. However side trips were made to Zambia, Ivory Coast, Tanzania, Cameroon, Sierra Leone and Gambia which are not countries serviced by the central office. In addition, local trips were made which were not in the scope of the contract such as fund raising trips to Chase Manhattan Foundation and IBM. OICI has a general fund (See item 2) that should have been charged with these expenses.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

INTERNAL CONTROL (Continued)

- b. Per diem was paid on the unauthorized foreign side trips and fund raising trips mentioned above. Six hundred thirty nine dollars of unauthorized per diem incurred during an African trip by the Director in October 1973 is not questioned in this report because the expense was not recorded and vouchered by OICI to AID until January 1974. That daily per diem rate of \$25.00 was paid to travelers for out-of-town trips within the U.S. even though overnight facilities were not required. (Travelers returned to Philadelphia the same day).
- c. A number of expense reports were not filled out completely; time of departure and arrival and purpose of trip were omitted.

We recommend that all travel expense reports be vouchered for support and to insure that they are in compliance with SGTR contract provisions and OICI policies. Any item questioned during this process should be charged to the traveler unless proper documentation and/or approval is obtained in writing.

4. Lack of a reasonable accounting system and control over fixed assets. According to OICI, the last inventory of Central Office fixed assets was conducted around December 1972 and of Ghana fixed assets in December 1973. We found no evidence that an inventory was ever done of the fixed assets in Nigeria, Kenya and Ethiopia.

A listing was prepared by the Central Office of fixed assets as of December 31, 1973. This listing was \$3,918 less than the general ledger control balance. This listing and the general ledger balance included ordinary repairs and maintenance. Accompanied by the OICI Chief Accountant, we physically verified most of the major acquisitions in 1973 and prior years in the Central Office.

The Central Office is currently in the process of completing the individual identification of its fixed assets and entering the necessary notations in the individual fixed asset ledger cards. The Office of Administrative Services instructed all field offices in November 1974 to prepare a complete listing of fixed assets. - 7 -

LUCAS, TUCKER & CO.
Certified Public Accountants

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

INTERNAL CONTROL (Continued)

To provide effective accountability over equipment and to assure reliability of records maintained, we recommend that the equipment and commodities account be subdivided so that equipment purchases and repairs and maintenance can be recorded separately. The general ledger and the fixed asset ledger cards should be agreed. Further, a physical inventory of equipment should be taken periodically, at least once a year. OICI should continue to maintain the equipment ledger card on a current basis and losses, if any, should be reported to the AID Contracting Officer for disposition.

OTHER MATTERS

1. In accordance with our discussions with the AID Office of Audit and Contracting Office, costs incurred overseas on Task Order Nos. 2 (Ghana), 3 (Nigeria), 5 (Kenya) and 6 (Ethiopia) were deferred subject to audit by the AID Area Auditor. Copies of our working papers and related documents were furnished by us under separate cover.
2. The types of costs questioned during the current audit, such as: costs in excess of task order, resource materials purchased not related to AID supported programs, training and participant cost paid to the Private Fund, lack of AID approvals, not keeping a telephone log when the Private Fund also used the same telephone, were also questioned in prior audit.
3. The current budget provides for overseas personnel basic furnishings under the line item allowances. These basic furnishings are for air conditioners, heaters, furniture and similar items and which are included in the list of fixed assets. The budget does not specifically classify ordinary repairs and maintenance. As a result, OICI included repairs and maintenance in the equipment account.

We suggest that the basic furnishings be reclassified to the equipment control account and repairs and maintenance to other direct costs. The fixed asset ledger cards could then easily be tied in with the equipment control account. (See recommendation 4)

4. OICI employees earned sick leave at the rate of 1½ days per month or 15 working days per annum. Clause 4 of the General Provisions, Cost Reimbursement Type Contract limits sick leave to 13 working days per annum.

8
LUCAS, TUCKER & CO.
Certified Public Accountants

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
EXPLANATORY COMMENTS AND RECOMMENDATIONS

OTHER MATTERS (Continued)

In our audit test, we found no employee who used up the allowable limit of 13 days.

We recommend however that OICI revise its sick leave policy to conform with the applicable contractual provision and that the present cumulative leave records be adjusted to agree with the 13-working day limitation.

The contents of this report were discussed with:

Opportunities Industrialization Centers International, Inc.:

Represented by:

Mr. Valfoulaye Diallo, International Director
Mr. Donald Green, Manager of Administrative Services

Lucas, Tucker & Co.:

Mr. Robert B. Williams, CPA, Partner
Mr. Klaus H. Buntua, CPA, Supervisor

OICI representatives reserved comments until they had a chance to review their records. They will make their comments directly to the Contracting Officer when they have been notified officially as to the results of the complete audit.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

STATUS OF FUNDS
DECEMBER 31, 1973

	AID/afr-653 Task Order No. 1 (Central Office)	AID/afr-653 Task Order No. 2 (Ghana)	AID/afr-653 Task Order No. 3 (Nigeria)
	<u>Interim</u>	<u>Interim</u>	<u>Interim</u>
Contract ceiling	\$1,571,110.00	\$1,676,326.00	\$1,538,260.00
Costs audited:			
Approved prior audit	\$ 616,157.24	\$ 520,790.66	\$ 461,666.39
Additional allowed for prior audit	10,882.57	---	---
Approved current audit	291,424.32	251,571.01	175,587.91
Total costs accepted	<u>918,464.13</u>	<u>772,361.67</u>	<u>637,254.30</u>
Total costs accepted	918,464.13	772,361.67	637,254.30
Current audit:			
Proposed questioned costs	45,346.14	17,932.68	3,176.98
Deferred foreign currency costs	---	117,289.26	100,756.58
Suspended U.S. Dollar costs	5,416.28	---	1,207.60
Prior audits:			
Disallowances - 12/31/72	73,036.91	22,426.51	29,940.88
Balance of suspended costs 12/31/72	40,093.21	161,594.04	278,715.11
Disallowances - 7/31/71	5,592.86	1,263.56	8,810.70
Total amount of vouchers reimbursed	<u>1,087,949.53</u>	<u>1,092,867.72</u>	<u>1,059,862.15</u>
Total amount of vouchers reimbursed	1,087,949.53	1,092,867.72	1,059,862.15
Balance of cash advance	65,000.00	80,000.00	80,000.00
Total	<u>\$1,152,949.53</u>	<u>\$1,172,867.72</u>	<u>\$1,139,862.15</u>
Total	\$1,152,949.53	\$1,172,867.72	\$1,139,862.15
Contract remaining balance	<u>\$ 652,645.87</u>	<u>\$ 903,964.33</u>	<u>\$ 901,005.70</u>
Contract remaining balance	\$ 652,645.87	\$ 903,964.33	\$ 901,005.70

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
STATUS OF FUNDS
DECEMBER 31, 1973

	AID/afr-653 Task Order No. 4 (Kenya and Ethiopia)	AID/afr-653 Task Order No. 5 (Kenya)	AID/afr-653 Task Order No. 6 (Ethiopia)
	Final	Interim	Interim
Contract ceiling	\$183,256.00	\$256,500.00	\$252,000.00
Costs audited:			
Approved prior audit	\$115,737.91	---	---
Additional allowed for prior audit	52,288.22	---	---
Approved current audit	32,408.53	\$ 55,006.98	\$ 59,441.77
Costs overrun (Note 1)	(17,178.66)	---	---
Total cost accepted	<u>183,256.00</u>	<u>55,006.98</u>	<u>59,441.77</u>
Current audit:			
Proposed questioned costs	---	3,965.64	2,612.99
Deferred foreign currency costs	---	31,305.36	30,689.57
Total amount of voucher reimbursement	<u>183,256.00</u>	90,277.98 (Note 2)	92,744.33
Balance of cash advance	---	<u>1,847.49</u>	<u>15,000.00</u>
Total	<u>\$183,256.00</u>	<u>\$ 92,125.47</u>	<u>\$107,744.33</u>
Contract remaining balance	<u>\$ ---</u>	<u>\$201,493.02</u>	<u>\$192,558.23</u>

- NOTES:**
1. The cost overrun of \$17,178.66 is net of the amount of disallowed costs in prior audit of \$6,519.05 and additional allowance in the current audit of \$2,441.43.
 2. The record of reimbursements maintained by the AID Office of Financial Management shows a cumulative balance as of December 31, 1973 of \$90,040.56. The difference of \$237.42 represents the amount deducted by OICI from the November, 1973 voucher. This deduction was vouchered in January, 1975 and reimbursed by AID.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 1 (CENTRAL OFFICE) COSTS AND
PROPOSED QUESTIONED AND SUSPENDED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

	Amount Reimbursed (Note 1)	Reclassifications (Note 2)	Proposed (Questioned Costs) (Schedule 1)	(Suspended Costs) (Schedule 2)	Balance
Personnel costs					
OIC staff	\$238,742.37	\$5,130.00 (a)	(\$ 8,869.84)		\$235,002.53
Temporary employees	5,130.00	(5,130.00) (a) 415.95 (b)			415.95
Consultants' fees and expenses	17,591.95	(415.95) (b) 559.04 (c)	(17,735.04)		---
Travel and transportation	16,946.06	(559.04) (c)	(3,558.16)		12,828.86
Other direct costs	45,329.52		(10,441.10)	(\$5,416.28)	29,472.14
Equipment	13,704.84		---		13,704.84
Evaluation	4,742.00		(4,742.00)		---
	<u>\$342,186.74</u>	<u>\$ - 0 -</u>	<u>(\$45,346.14)</u>	<u>(\$5,416.28)</u>	<u>291,424.32</u>
Amount previously audited and accepted					616,157.24
Equipment previously suspended, accepted this audit					10,882.57
Total					<u>\$918,464.13</u>

- NOTES:**
1. In 1973, OICI started billing AID from the balances of the monthly transactions as recorded in its general ledger. As a result, numerous adjustments were made in the March through May, 1973 vouchers to correct under or over billings made in prior years. Under the previous system, bills were prepared by using the general ledger balances, unrecorded vouchers, purchase orders and accrued expenditures. This method resulted in misclassifications and in billing erroneous amounts, usually overbillings.
 2. To reclassify expenses to the proper budget account.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 1
(CENTRAL OFFICE) QUESTIONED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Questioned Cost</u>
Personnel Costs - OICI Staff	Various	(\$ 7,536.88)	Salary of Wilhelmina Thomson, bookkeeper. This position exceeded the 15-employee ceiling provision of the contract.
Personnel Costs - OICI Staff	Various	(482.96)	FICA and unemployment tax incurred on Wilhelmina Thomson.
Personnel Costs - OICI Staff	Z-0276	(850.00)	Dividend check earned by OICI as a result of favorable claims experience of the Group Life Insurance Policy #G-160263 for the contract year ended November 30, 1972 deposited to the Private Fund. A check for the same amount was drawn as a contribution to Progress Ventures International, an affiliated organization.
		<u>(8,869.84)</u>	
Consultants' fees and expenses	Various	(<u>17,735.04</u>)	Consultants were not approved by AID as required by Article VIII, A, 5 of the Basic Agreement.
Travel and transportation	A-51987	(1,203.00)	Chargeable to Task Order No. 3 (Nigeria).
Travel and transportation	A-52045	(826.00)	Duplicate payment applied by travel agency to unpaid bills applicable to Task Order No. 2 (Ghana). (An additional cost to T.O. #2).
Travel and transportation	A-52166	(37.00)	Travel expenses to Chase Manhattan Foundation. This is in connection with OIC fund raising activities.
Travel and transportation	A-52201	(56.05)	Travel expenses to Chase Manhattan Foundation and expenses incurred by the Director for making a side trip to Lusaka, Zambia while on an African visit.
Travel and transportation	A-52239	(294.20)	Cost of airfare of the Director's side trip to Zambia and Tanzania.
Travel and transportation	A-52315	(153.10)	Chargeable to participants costs of Task Order Nos. 2 and 6 at \$76.55 each.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 1
(CENTRAL OFFICE) QUESTIONED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Questioned Cost</u>
Travel and transportation	A-52336	(\$ 40.80)	Portion of travel costs applicable for visiting the ambassador of Cameroon. Cameroon is not among the countries serviced by the Central Office.
Travel and transportation	A-52422	(83.20)	Travel expenses incurred for trips to Chase Manhattan Foundation and IBM.
Travel and transportation	A-52626	(195.71)	Cost of airfare of the Director's side trip to Abidjan, Ivory Coast while on an African trip.
Travel and transportation	A-52348	(19.10)	Travel expenses to meet the ambassador of Cameroon.
Travel and transportation	A-52019	(12.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52020	(37.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52021	(125.00)	Per diem for five days while in Lusaka, Zambia.
Travel and transportation	A-52201	(62.50)	Portions of per diems questioned for there were no overnight stays and per diem paid for trip to Chase Manhattan Foundation.
Travel and transportation	A-52314	(50.00)	Portions of per diems questioned for there were no overnight stays.
Travel and transportation	A-52422	(112.50)	Portions of per diems questioned for there were no overnight stays, and per diem paid for trip to IBM.
Travel and transportation	A-52469	(12.50)	Traveler paid for four days but only stayed in hotel for three nights.
Travel and transportation	A-52166	(37.50)	For trip to Chase Manhattan Foundation and portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52154	(12.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-51928	(12.50)	Portion of per diem questioned for there was no overnight stay.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afrc-653 TASK ORDER NO. 1
(CENTRAL OFFICE) QUESTIONED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Questioned Cost</u>
Travel and transportation	A-51925	(\$ 12.50)+	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52270	(25.00)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52272	(12.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52288	(12.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52307	(12.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52336	(50.00)	Portion of per diem questioned for there was no overnight stay, and travel expenses to meet ambassador of Cameroon
Travel and transportation	A-52348	(25.00)	For trip to Chase Manhattan Foundation, a fund raising activity.
Travel and transportation	A-52365	(12.50)	Portion of per diem questioned for there was no overnight stay.
Travel and transportation	A-52366	(12.50)	Portion of per diem questioned for there was no overnight stay.
		(<u>3,558.16</u>)	
Other direct costs	Various	(343.05)	Long distance calls made to Belize City, British Honduras, Gambia, Jamaica, Ikare, Zambia and Haiti. These are not among the countries serviced by Task Order No. 1.
Other direct costs	A-52151	(49.50)	For "Alternatives to Despair" written by Rev. Sullivan. This book does not relate to the international program.
Other direct costs	A-52273	(123.75)	For "Alternatives to Despair" written by Rev. Sullivan. This book does not relate to the international program.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 1
(CENTRAL OFFICE) QUESTIONED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Questioned Cost</u>
Other direct costs	A-52369	(\$ 4,115.00)	Cost of printing 2,500 booklets in French of "Toward a Greater Peoplehood". This was not approved by AID as required by Clause 18, b, 2 of the General Provisions, Cost Reimbursement Type Contract.
Other direct costs	A-52414	(197.50)	For 50 copies of "Build Brother Build". This book does not relate to the international program.
Other direct costs	A-52491	(247.50)	For 50 copies of "Alternatives to Despair". This book does not relate to the international program.
Other direct costs	A-51969 51978 52049 52171	(3,472.30)	Cost of producing the film titled "OIC International-Build a Bridge". This was not approved by AID as required by Clause 18, b, 2 of the General Provisions, Cost Reimbursement Type Contract.
Other direct costs	A-52453	(70.00)	For a newspaper space, a tribute to Rev. Sullivan on the rededication of Zion Baptist Church. This is a Private Fund expense.
Other direct costs	A-52079	(610.50)	Registration income of \$462.00 was not applied against the conference expenses paid by OICI and \$148.50 was for Rev. Sullivan's hotel bill.
Other direct costs	A-52119	(387.00)	Registration income was not applied against conference expenses.
Other direct costs	A-52362	(100.00)	Cost of staff development retreat of Erma Cornelius, an employee paid through the Private Fund.
Other direct costs	A-52392	(250.00)	Not adequately supported. Only support is Director's memo directing payment to OIC America Philadelphia for attending staff development program.
Other direct costs	A-52398	(100.00)	Not adequately supported. Only support is Director's memo directing payment to OIC America Philadelphia for attending staff development program.
Other direct costs	A-52027	(375.00)	One-third page advertisement in African Programs Magazine. Copy of advertisement not available.
		<u>(10,441.10)</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 1
(CENTRAL OFFICE) QUESTIONED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Questioned Cost</u>
Evaluation	A-51985 52112	(\$ 4,742.00)	Balance of subcontract with Community Sciences, Inc. vouchered to AID in 1973. (Payments made in 1973 totaled \$9,000 of which \$4,258 was vouchered in 1972 and questioned in the 1972 AID Audit Report No. 74-159). This subcontract has not been approved by the Contracting Officer as required by the contract.
Total		<u>(\$45,346.14)</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 1
(CENTRAL OFFICE) SUSPENDED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expens. Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Suspended Cost</u>
Other direct costs	Various	<u>(\$ 5,416.28)</u>	Balance of telephone charges, net of amount questioned of \$ 343.05. OIC does not maintain a telephone log whereby the purposes of the calls could be determined. Also, domestic long distance calls chargeable to the Private Fund were charged to this account.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 2
(GHANA) COSTS AND PROPOSED ALLOWANCE (QUESTIONED COSTS)
FOR THE YEAR ENDED DECEMBER 31, 1973

	Amount Reimbursed (Note 1)	Reclassifications (Note 2)	Deferred Foreign Currency Costs (Note 3)	Proposed Questioned Costs, Net (Schedule 3)	Balance
Personnel costs	\$242,097.27	\$	(\$ 46,986.67)	(\$10,454.41)	\$184,656.19
Allowances	52,848.34		(33,625.26)	(900.83)	18,322.25
Travel and transportation	73,700.71	(3,075.80)	(9,096.89)	(5,303.99)	56,224.03
Other direct costs	(6,394.96)		(16,346.53)		(22,741.49)
Equipment and commodities	17,528.70		(11,233.91)		6,294.79
Participant costs	7,012.89	3,075.80		(1,273.45)	8,815.24
	<u>\$386,792.95</u>	<u>\$ - 0 -</u>	<u>(\$117,289.26)</u>	<u>(\$17,932.68)</u>	251,571.01
Amount previously audited and accepted					<u>520,790.66</u>
Total					<u>\$772,361.67</u>

NOTES:

1. In 1973, OICI started billing AID from the balances of the monthly transactions as recorded in its general ledger. As a result, numerous adjustments were made in the March through May, 1973 vouchers to correct under or over billings made in prior years. Under the previous system, bills were prepared by using the general ledger balances, unrecorded vouchers, purchase orders and accrued expenditures. This method resulted in misclassifications and in billing erroneous amounts, usually overbillings. (Example: Other direct costs, above, showed a credit total billings of \$6,394.96).
2. To reclassify expenses to the proper budget account.
3. In accordance with our discussions with AID Office of Audit, expenses incurred in OIC African field offices were considered as Deferred Costs. These costs are to be audited by the AID Area Auditor. The total amount of \$117,289.26 included a duplicate payment of \$1,900.00 in educational allowance (Refer to Ghana advance request dated May 31, 1973 and Ghana voucher nos. 258 and 259 for \$950.00 each) and the acquisition cost of 15 Olivetti typewriters acquired in Ghana at \$3,913.02. OIC Central Office is not able to present Contracting Officer approval of the purchase of these typewriters as required by Clause 18, b, 2 of the General Provisions.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 2 (GHANA)
ALLOWANCE (QUESTIONED COSTS)
FOR THE YEAR ENDED DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Allowance (Questioned Cost)</u>
Personnel costs	Various	(7,042.62)	Salary of William Davis whose employment requires AID approval per Clause 6,a. of Additional General Provisions, Cost Reimbursement Type Contract.
" " "	Various	(911.79)	Fringe benefits incurred for William Davis. See above for reason.
" " "	Various	(2,500.00)	Payments of recontracting bonuses not authorized by the contract.
		<u>(10,454.41)</u>	
Allowances	Various	(900.83)	Post allowance and overseas differential paid to William Davis.
Travel and transportation	A-52045	826.00	Credit balance on Task Order No. 1 applied to Task Order No. 2 unpaid bills.
" " "	C-0912	(1,229.00)	Cost of air fare of William Davis and family whose hiring and overseas travel were not approved by AID.
" " "	C-0862	(276.60)	Cost of packing, crating and shipping overseas the household effects by William Davis whose overseas assignment was not approved by AID.
" " "	C-0867	(1,040.94)	
" " "	C-0911	(392.50)	
" " "	C-0866	(2,116.98)	Shipping cost of William Davis' 1971 Toyota (\$1,057.31) and Ronald Bunyon's 1970 Toyota Corona. Transportation of foreign-made motor vehicles requires approval of the Contracting Officer or Mission Director (Clause 3,i,ii,3 of Additional General Provisions, Cost Reimbursement Type Contract).
" " "	C-0912	(229.60)	Excess baggage of William Davis and family whose overseas assignment was not approved by AID.
" " "	C-0858	(844.37)	Shipment of Daniel Sparks' Toyota to Ghana on a non-U.S. flag vessel. The use of a foreign-flag vessel and the shipment of a foreign-made motor vehicle requires the approval of AID.
		<u>(5,303.99)</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.

DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 2 (GHANA)

ALLOWANCE (QUESTIONED COSTS)

FOR THE YEAR ENDED DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Allowance (Questioned Cost)</u>
Participants costs	C-0724	(75.00)	Duplicate payment. Already paid on Voucher # C-0718.
" "	C-0723	(75.00)	Duplicate payment. Already paid on Voucher # C-0717.
" "	Various	(1,200.00)	Training costs paid to the Private Fund which has not been approved by the Contracting Officer. It could not exactly be determined what costs were incurred to justify these payments.
" "	A-52315	76.55	Participant's travel expense erroneously charged to Task Order No. 1.
		<u>(1,273.45)</u>	
Total		<u>\$ (17,932.68)</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 3 (NIGERIA)
COSTS AND PROPOSED ALLOWANCE (SUSPENDED AND QUESTIONED COSTS)
FOR THE YEAR ENDED DECEMBER 31, 1973

	<u>Amount Reimbursed (Note 1)</u>	<u>Reclassifications (Note 2)</u>	<u>Deferred Foreign Currency Costs (Note 3)</u>	<u>Suspended U.S. Dollar Costs (Schedule 4)</u>	<u>Proposed Questioned Costs, Net (Schedule 5)</u>	<u>Balance</u>
Personnel costs	\$181,614.20		(\$ 37,536.99)			\$144,077.21
Allowances	62,250.49		(38,362.69)	(\$1,207.60)		22,680.20
Travel and transportation	99,276.72	(\$1,501.05)	(13,212.43)		(\$1,676.98)	82,886.26
Other direct costs	(71,031.29)		(11,454.75)			(82,486.04)
Equipment and commodities	10,684.15		(189.72)			10,494.43
Participant costs	1,758.80	1,501.05			(1,500.00)	1,759.85
Local training facility	(3,824.00)					(3,824.00)
	<u>\$280,729.07</u>	<u>\$ - 0 -</u>	<u>(\$100,756.58)</u>	<u>(\$1,207.60)</u>	<u>(\$3,176.98)</u>	<u>175,587.91</u>
Amount previously audited and accepted						<u>161,666.39</u>
Total						<u>\$637,254.30</u>

NOTES:

1. In 1973 OICI started billing AID from the balances of the monthly transactions as recorded in its general ledger. As a result, numerous adjustments were made in the March through May, 1973 vouchers to correct under or over billings made in prior years. Under the previous system, bills were prepared by using the general ledger balances, unrecorded vouchers, purchase orders and accrued expenditures. This method resulted in misclassifications and in billing erroneous amounts, usually overbillings (Examples: Other direct costs and local training facility, as a result of adjustments made in 1973, showed credit balances.)
2. To reclassify expenses to the proper budget account.
3. In accordance with our discussions with AID Office of Audit, expenses incurred in OIC African field offices were considered as Deferred Costs. These costs are to be audited by the AID Area Auditor.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF AID/afr-653 TASK ORDER NO. 3 (NIGERIA)
SUSPENDED U.S. DOLLAR COSTS
FOR THE YEAR ENDED DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Suspended Costs</u>
Allowances	Various	<u>(\$1,207.60)</u>	<p>Payments of post allowances to Westly Kirk for the period March 10, 1973 through December 14, 1973, cut-off pay period. According to the audit report dated November 16, 1973 submitted by the Area Auditor General Africa, Mr. Kirk was married to Miss Gloria Jones in early March of 1973. That Miss Jones is an AID direct-hire employee stationed in Lagos.</p> <p>OIC Finance Office stated that Mrs. Jones may have quit working after her marriage. The AID Area Auditor should be able to make the final determination with this information.</p>

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 3 (NIGERIA)
ALLOWANCE (QUESTIONED COSTS)
FOR THE YEAR ENDED DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Allowance (Questioned Cost)</u>
Travel and transportation	A-51987	\$1,203.00	Expenses erroneously charged to Task Order No. 1.
" " "	B-0897	(973.20)	Shipment made on a foreign-flag carrier/vessel. The use of a foreign-flag vessel/carrier requires AID approval.
" " "	B-0881	(1,098.14)	Shipment made on a foreign-flag carrier/vessel. The use of a foreign-flag vessel/carrier requires AID approval.
" " "	B-0879	(808.64)	Shipment made on a foreign-flag carrier/vessel. The use of a foreign-flag vessel/carrier requires AID approval.
		<u>(1,676.98)</u>	
Participant costs	Various	<u>(1,500.00)</u>	Training costs paid to the Private Fund which has not been approved by the Contracting Officer. It could not exactly be determined what costs were incurred to justify these payments.
Total		<u>(\$3,176.98)</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 4 (KENYA AND ETHIOPIA)
COSTS AND PROPOSED ALLOWANCES AND COST OVERRUN

FOR FOR THE PERIOD JANUARY 1, 1973 THRU MARCH 31, 1973

	<u>Amount Reimbursed (Note 1)</u>	<u>Amount Vouchered But Not Reflected In Aid Records</u>	<u>Proposed Allowances (Schedule 6)</u>	<u>Balance</u>
Personnel costs	\$ 6,824.91	\$ 7,298.50	\$ 2,085.74	\$ 16,209.15
Allowances	1,719.56	5,972.47		7,692.03
Travel and transportation	166.35	10,787.79	355.69	11,309.83
Other direct costs		(2,802.48)		(2,302.48)
	<u>\$ 8,710.82</u>	<u>\$21,256.28</u>	<u>\$ 2,441.43</u>	32,408.53
Amount previously audited and accepted			\$ 115,737.91	
Previously suspended costs accepted this audit			<u>52,288.22</u>	168,026.13
Cost overrun - the excess of costs over the sum of the contract				<u>(17,178.66)</u>
Total				<u>\$183,256.00</u>

NOTE 1: In 1973, OIC started billing AID from the balances of the monthly transactions as recorded in its general ledger. As a result, numerous adjustments were made in the March through May, 1973 vouchers to correct under or over billings made in prior years. Under the previous system, bills were prepared by using the general ledger balances, unrecorded vouchers, purchase orders and accrued expenditures. This method resulted in misclassifications and in billing erroneous amounts, usually over billings (Example: Other direct costs, above, showed a credit balance as a result of over billings/misclassifications in prior years).

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 4 (KENYA AND ETHIOPIA)
COSTS AND PROPOSED ALLOWANCES AND COST OVERRUN
 FOR FOR THE PERIOD JANUARY 1, 1973 THRU MARCH 31, 1973

	<u>Amount Reimbursed (Note 1)</u>	<u>Amount Vouchered But Not Reflected In Aid Records</u>	<u>Proposed Allowances (Schedule 6)</u>	<u>Balance</u>
Personnel costs	\$ 6,824.91	\$ 7,298.50	\$ 2,085.74	\$ 16,209.15
Allowances	1,719.56	5,972.47		7,692.03
Travel and transportation	166.35	10,787.79	355.69	11,309.83
Other direct costs		(2,802.48)		(2,802.48)
	<u>\$ 8,710.82</u>	<u>\$21,256.28</u>	<u>\$ 2,441.43</u>	<u>32,408.53</u>
Amount previously audited and accepted			\$ 115,737.91	
Previously suspended costs accepted this audit			<u>52,288.22</u>	168,026.13
Cost overrun - the excess of costs over the sum of the contract				<u>(17,178.66)</u>
Total				<u>\$183,256.00</u>

NOTE 1: In 1973, OIC started billing AID from the balances of the monthly transactions as recorded in its general ledger. As a result, numerous adjustments were made in the March through May, 1973 vouchers to correct under or over billings made in prior years. Under the previous system, bills were prepared by using the general ledger balances, unrecorded vouchers, purchase orders and accrued expenditures. This method resulted in misclassifications and in billing erroneous amounts, usually over billings (Example: Other direct costs, above, showed a credit balance as a result of over billings/misclassifications in prior years).

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 4 (KENYA AND ETHIOPIA) ALLOWANCES
FOR THE PERIOD JANUARY 1, 1973 THRU MARCH 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Allowance</u>
Personnel costs	Various	\$ 942.79	Pension costs erroneously charged to Task Order No. 5.
" "	Various	381.35	Pension costs erroneously charged to Task Order No. 6.
" "	F-0108	261.60	Group insurance premium of Douglas McQuillan erroneously charged to Task Order No. 6.
		<u>2,085.74</u>	
Travel and transportation	E-0049	355.69	Costs erroneously charged to Task Order No. 5.
Total		<u>\$2,441.43</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 5 (KENYA)
COSTS AND PROPOSED QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1973

	<u>Amount Reimbursed</u>	<u>Deferred Foreign Currency Costs (Note 1)</u>	<u>Proposed Questioned Costs (Schedule 7)</u>	<u>Balance</u>
U.S. salaries	\$35,618.31			\$35,618.31
Overseas incentive	3,072.88			3,072.88
Fringe benefits	5,445.76		(\$ 942.79)	4,502.97
OIC Kenya salaries	6,129.08	(\$ 6,129.08)		--
Allowances	16,000.96	(16,000.96)		--
Travel and transportation	14,831.09	(3,736.60)	(2,422.85)	8,671.64
Other direct costs	5,297.55	(4,571.06)	(600.00)	126.49
Commodities	1,825.50	(867.66)		957.84
Participants costs	2,056.85			2,056.85
Total	<u>\$90,277.98</u>	<u>(\$31,305.36)</u>	<u>(\$3,965.64)</u>	<u>\$55,006.98</u>

NOTE 1:

In accordance with our discussions with AID Office of Audit, expenses incurred in OIC African field offices were considered as Deferred Costs. These costs are to be audited by the AID Area Auditor. The total amount of \$31,305.36 included housing allowance of \$4,032.56 (Kenya check Nos. 491494, 165302, 165316, 390721 and Voucher #16) without supporting documentation and travel and transportation of approximately \$350.00 (Kenya check Nos. 165266 and 165272 incurred before March 1, 1973, the effective date of the contract.)

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 5
(KENYA) QUESTIONED COSTS FOR THE YEAR ENDED
DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Questioned Cost</u>
Fringe benefits	Various	(\$ 942.79)	Pension costs for the period July 1, 1972 to February 28, 1973 transferred to Task Order No. 4.
Travel and transportation	E-0009	(70.00)	Duplicate payment. Already paid on Voucher No. E-0005.
Travel and transportation	E-0042	(916.40)	Shipment made on a foreign flag carrier without AID approval.
Travel and transportation	E-0060	(387.75)	Shipment made on a foreign flag carrier without AID approval.
Travel and transportation	E-0062	(693.01)	Shipment made on a foreign flag carrier without AID approval.
Travel and transportation	E-0049	(355.69)	Costs chargeable to Task Order No. 4 (local currency costs).
		(2,422.85)	
Other direct costs	Various	(600.00)	Training costs paid to the Private Fund which has not been approved by the Contracting Officer.. It could not exactly be determined what costs were incurred to justify these payments.
Total		<u>(\$3,965.64)</u>	

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
SCHEDULE OF AID/afr-653 TASK ORDER NO. 6 (ETHIOPIA)
COSTS AND PROPOSED ALLOWANCE (QUESTIONED COSTS)
FOR THE YEAR ENDED DECEMBER 31, 1973

	<u>Amount Reimbursed</u>	<u>Deferred Foreign Currency Costs (Note 1)</u>	<u>Proposed Allowance (Questioned Costs) (Schedule 8)</u>	<u>Balance</u>
U.S. salaries	\$40,294.81			\$40,294.81
Overseas incentive	3,432.74			3,432.74
Fringe benefits	6,088.24		(\$1,142.95)	4,945.29
OIC Ethiopia salaries	11,714.00	(\$11,714.00)		--
Allowances	11,880.96	(11,410.52)		470.44
Travel and transportation	10,390.08	(4,160.50)	(946.59)	5,282.99
Other direct costs	3,360.86	(2,795.84)	(600.00)	(34.98)
Commodities	608.71	(608.71)		--
Participants costs	4,973.93		76.55	5,050.48
Total	<u>\$92,744.33</u>	<u>(\$30,689.57)</u>	<u>(\$2,612.99)</u>	<u>\$59,441.77</u>

NOTE 1:

In accordance with our discussions with AID Office of Audit, expenses incurred in OIC African field offices were considered as Deferred Costs. These costs are to be audited by the AID Area Auditor.

OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL, INC.
DETAILS OF PROPOSED AID/afr-653 TASK ORDER NO. 6 (ETHIOPIA)
ALLOWANCE (QUESTIONED COSTS)
FOR THE YEAR ENDED DECEMBER 31, 1973

<u>Expense Account</u>	<u>Reference</u>	<u>Amount</u>	<u>Reason for Proposed Allowance (Questioned Costs)</u>
Fringe benefits	Various	(\$ 881.35)	Pension costs applicable to Task Order No. 4.
" "	F-0108	(261.60)	Group insurance premium of Douglas McQuillan applicable to Task Order No. 4 (2/3 of \$392.40).
		<u>(1,142.95)</u>	
Travel and transportation	F-0050	(563.65)	Shipment made on a foreign-flag carrier without AID approval.
" "	F-0063	(382.94)	Shipment made on a foreign-flag carrier without AID approval.
		<u>(946.59)</u>	
Other direct costs	F-0036	(600.00)	Staff training costs paid to the Private Fund which has not been approved by the Contracting Officer. It could not exactly be determined what costs were incurred to justify these payments.
Participants costs	A-52315	76.55	Participant's travel expense erroneously charged to Task Order No. 1.
Total		<u>(\$2,612.99)</u>	