

PDAAS-290

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Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.

Grant Nos.

AID-G-128, AID-8C-2, AID/ASIA-G-1299,
AID 492-1687, AID 492-1694,
AID/PDC-0185-G-SS-1078-00,
388-0050-G-00-2002-00 and

Contract No.

AID/ta-C-1321

Audit Report No. O-000-84-09

October 26, 1983

Contract/Grant Audit of

HELEN KELLER INTERNATIONAL, INC.

Grant Nos.

AID-G-128, AID-80-2, AID/ASIA-G-1299,
AID 492-1687, AID 492-1694, AID/PDC-0185-G-SS-1078-00,
388-0050-G-00-2002-00 and

Contract No.
AID/ta-C-1321

Audit Report No. 0-000-84-09

Introduction

The Office of the Regional Inspector General for Audit/Washington (RIG/A/W) reviewed Audit Report No. 6171-3E160200-3-526, dated April 20, 1983, issued by the Defense Contract Audit Agency (DCAA). DCAA's examination was made to determine if costs claimed for reimbursement by Helen Keller International, Inc. (HKI) were allowable under the terms of the seven grants and the one contract. They examined the books and accounting records for Fiscal Years ended June 30, 1980, 1981 and 1982, for Grant No. 80-2. For the other grants/contracts, the examination covered Fiscal Years ended June 30, 1981 and 1982.

Grant/Contract Information

Summaries of grant and contract data are shown in Exhibit A; the status of grant and contract funds is shown in Exhibit B; a summary of grant and contract costs claimed, questioned, and accepted is shown in Exhibit C; and a schedule of AID-financed documents is shown in Exhibit D.

FINDINGS AND RECOMMENDATIONS

Grant/Contract Costs

Costs claimed and reviewed totaled \$1,116,743. Of this total, \$989,041 (89 percent) can be accepted as allowable costs and the balance of \$127,702 is questioned (see Exhibit C).

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The questioned costs of \$127,702 represent costs billed in excess of those recorded in HKI's books, and for which the grantee could not provide support. This anomaly is explained in some detail in Section 3 of the attached DCAA report and quoted, in part, herein:

"Mr. Lisi (the Assistant Treasurer) explained the difference between billed and recorded other direct costs questioned by us as being due to certain costs chargeable to specific grants, but erroneously omitted. He did not specify which costs were involved, and did not state the reasons for these significant amounts of charges being purportedly omitted other than to state they were due to a 'system deficiency'."

Recommendation No. 1

The Office of Contract Management (M/SER/CM) should assure settlement of the questioned costs totaling \$127,702.

Overhead Rates

The attached DCAA report recommends the following rates:

FY Ended June 30, 1980	8.5%
FY Ended June 30, 1981	14.7%
FY Ended June 30, 1982	15.1%

The report explains that the FY 1980 to FY 1981 increase in the overhead rate was caused primarily, by the acquisition of additional personnel, an increase of \$45,000, an increase in professional fees and contract service payments (\$13,000), and an increase in miscellaneous costs (\$7,000) for a total increase of \$65,000. The grantee did not offer an explanation for the increase of \$46,000 in FY 1982 costs over FY 1981 (shown on Page 4 of the DCAA report).

Recommendation No. 2

The Office of Contract Management (M/SER/CM) should negotiate final overhead rates for Fiscal Years 1980, 1981, and 1982.

Prior Audits

There were two earlier reports issued by the DCAA on examinations of Helen Keller International, Inc. Our records show that both audit reports were forwarded to M/SER/CM without being re-processed by RIG/A/W.

Report No. 6171-OB160250-0-115, issued June 18, 1980, was transmitted to M/SER/CM on TR #503. Report No. 6171-1B160169-1-351, dated February 9, 1981, was transmitted to M/SER/CM on February 11, 1981, on TR #614.

During the current examination, DCAA also reviewed the results of the earlier reports and revised the findings related to Grant No. AID/ASIA-G-1299 and Contract No. AID/ta-C-1321. These two documents are also included in the current report. Details of the adjustments made to overhead data appearing in the earlier reports are shown in Exhibits B and C of the attached DCAA report.

Inherent in these adjustments to overhead is the need for M/SER/CM to review the findings and independently determine what action is indicated. Therefore, we are not making a recommendation.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.

Summary of Contract/Grant Data

Grant Number: AID-G-128 (Haiti)
Grant Ceiling: \$215,000
Expiration Date: June 30, 1983
Project Number: 521-0141
Project Title: Nutritional Blindness
Prevention
Audit Period: FYE 6/30/81 and 6/30/82
Type of Audit: Interim

Grant Number: AID-80-2 (Indonesia)
Grant Ceiling: \$329,000
Expiration Date: June 30, 1983
Project Number: 0225
Project Title: Control of Vitamin A
Deficiency
Audit Period: FYE 6/30/80, 6/30/81 & 6/30/82
Type of Audit: Interim

Grant Number: AID/ASIA-G-1299 (Indonesia)
Grant Ceiling: \$732,741
Expiration Date: May 30, 1984
Project Number: 498-0251
Project Title: Integrated Program for
School Age Blind Children
Audit Period: FYE 6/30/81 and 6/30/82
Type of Audit: Interim

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.

Summary of Contract/Grant Data

Grant Number: AID 492-1687 (Philippines) 1/
Grant Ceiling: \$869,585
Expiration Date: November 30, 1985
Project Number: 879-0261
Project Title: Rural Rehabilitation
Program - Eye Care
Audit Period: FYE 6/30/81 and 6/30/82
Type of Audit: Interim

Grant Number: AID 492-1694 (Philippines) 1/
Grant Ceiling: \$184,205
Expiration Date: July 31, 1983
Project Number: 492-0345
Project Title: Human Resources Development -
Eye Care
Audit Period: FYE 6/30/81 and 6/30/82
Type of Audit: Interim

Grant Number: AID/PDC-0185-G-SS-1078-00
(Four Countries) 1/
Grant Ceiling: \$2,419,997
Expiration Date: July 31, 1984
Project Number: 938-0185
Project Title: Primary Health Systems - Eye Care
Audit Period: FYE 6/30/81 and 6/30/82
Type of Audit: Interim

1/ Information was obtained from HKI.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.

Summary of Contract/Grant Data

Grant Number: 388-0050-G-00-2002-00 (Bangladesh) 1/
Grant Ceiling: \$100,000
Expiration Date: September 30, 1983
Project Number: 388-0050
Project Title: Xerophthalmia Prevalence Protocol
Survey
Audit Period: FYE Ended 6/30/82
Type of Audit: Interim

Contract Number: AID/ta-C-1321 (Indonesia)
Contract Ceiling: \$1,192,224
Expiration Date: August 30, 1980
Project Number: 931-0045.14
Project Title: Characterization of Vitamin A
Deficiency and Design
Effectiveness Interest
Audit Period: FYE 6/30/81
Type of Audit: Final

1/ Information was obtained from HKI.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
Status of Contract/Grant Funds

Grant No. AID-G-128 1/

Grant Ceiling		\$215,000
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>110,657</u>	
Subtotal	\$110,657	<u>110,657</u>
Amount Questioned and Due AID	<u>9,526</u>	
Total Reimbursed Grant Balance	<u>\$120,183</u>	<u>\$104,343</u>

Grant No. AID-80-2 1/

Grant Ceiling		\$329,000
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>151,539</u>	
Subtotal	\$151,539	<u>151,539</u>
Amount Questioned and Due AID	<u>20,471</u>	
Total Reimbursed Grant Balance	<u>\$172,010</u>	<u>\$177,461</u>

1/ Information was obtained from DCAA report and verified with the grantee.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
Status of Contract/Grant Funds

Grant No. AID/ASIA-G-1299 1/

Grant Ceiling		\$732,741
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>284,236</u>	
Subtotal	\$284,236	<u>284,236</u>
Amount Questioned and Due AID	<u>41,911</u>	
Total Reimbursed Grant Balance	<u>\$326,147</u>	<u>\$448,505</u>

Grant No. AID 492-1687 2/

Grant Ceiling		\$869,585
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>203,949</u>	
Subtotal	\$203,949	<u>203,949</u>
Amount Questioned Due AID	<u>27,408</u>	
Total Reimbursed Grant Balance	<u>\$231,357</u>	<u>\$665,636</u>

1/ Information was obtained from DCAA report and verified with the grantee.

2/ Activity is in the Philippines, but the grantee was reimbursed from AID/W.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
Status of Contract/Grant Funds

Grant No. AID 492-1694 1/

Grant Ceiling		\$184,205
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>71,690</u>	
Subtotal	\$71,690	<u>71,690</u>
Amount Questioned and Due AID	<u>27,927</u>	
Total Reimbursed Grant Balance	<u>\$99,617</u>	<u>\$112,515</u>

Grant No. AID/PDC-0185-G-SS-1078-00 1/

Grant Ceiling (Obligated)		\$1,200,000
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>66,988</u>	
Subtotal	\$66,988	<u>66,988</u>
Amount Questioned and Due Grantee	<u>(3,158)</u>	
Total Reimbursed Grant Balance	<u>\$63,830</u>	<u>\$1,133,012</u>

1/ Activity is in the Philippines, but the grantee was reimbursed from AID/W.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
Status of Contract/Grant Funds

Grant No. 388-0050-G-00-2002-00 1/

Grant Ceiling		\$100,000
Amount Reimbursed:		
Costs Audited-		
Prior Audit	\$ -0-	
Current Audit	<u>24,684</u>	
Subtotal	\$24,684	<u>24,684</u>
Amount Questioned and Due Grantee	<u>(750)</u>	
Total Reimbursed Grant Balance	<u>\$23,934</u>	<u>\$75,316</u>

Contract No. AID/ta-C-1321

Contract Ceiling		\$1,192,224
Amount Reimbursed:		
Costs Audited-		
Accepted Prior Audit	\$1,112,559	
Accepted Current Audit	75,298	
Unaudited Costs	<u>-0-</u>	
Subtotal	\$1,187,857	<u>1,187,857</u>
Amount Questioned and Due AID	<u>(4,367)</u>	
Total Reimbursed Contract Balance	<u>\$1,192,224</u>	<u>\$4,367</u>

1/ Information was obtained from DCAA report and verified with the grantee.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
Summary of Contract/Grant Costs Claimed, Questioned, and Accepted

<u>Contract/ Grant No.</u>	<u>Period Covered Fiscal Year Ended</u>	<u>Costs</u>		
		<u>Claimed</u>	<u>Questioned</u>	<u>Accepted</u>
AID-G-128	6/30/81 - 6/30/82	\$120,183	\$ 9,526	\$110,657
AID-80-2	6/30/80 - 6/30/81 & 6/30/82	172,010	20,471	151,539
AID/ASIA-G-1299	6/30/81 - 6/30/82	326,147	41,911	284,236
AID 492-1687	6/30/81 - 6/30/82	231,357	27,408	203,949
AID 492-1694	6/30/81 - 6/30/82	99,617	27,927	71,690
AID/PDC-0185-G- SS-1078-00	6/30/82	63,830	(3,158)	66,988
AID/388-0050-G- 00-2002-00	6/30/82	23,934	(750)	24,684
AID/ta-C-1321	6/30/81	<u>79,665</u>	<u>4,367</u>	<u>75,298</u>
Total		<u>\$1,116,743</u>	<u>\$127,702</u> a/	<u>\$989,041</u>

a/ Details pertaining to the costs questioned are summarized below and detailed by contract/grant in Exhibit A (Page 1 of 2) of the attached DCAA report:

<u>FYE</u>	<u>Costs Questioned</u>		<u>Total</u>
	<u>Direct</u>	<u>Overhead</u>	
1980	\$ (2,278)	\$ (194)	\$ (2,472)
1981	81,768	(11,938)	69,830
1982	<u>87,040</u>	<u>(26,696)</u>	<u>60,344</u>
Total	<u>\$166,530</u>	<u>\$(38,828)</u>	<u>\$127,702</u>

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
Schedule of AID-Financed Documents

<u>Document No.</u>	<u>Country</u>	<u>Fiscal Data Obtained</u>		<u>Amount Reimbursed</u>
		<u>AID/W</u>	<u>Grantee</u>	
AID-G-128	Haiti		X	\$ 120,183
AID-80-2	Indonesia		X	172,010
AID/ASIA-G-1299	Indonesia		X	326,147
AID 492-1687 *	Philippines	X		231,357
AID 492-1694 *	Philippines	X		99,617
AID/PDC-G-1078 *	Four Countries	X		63,830
388-0050-G-00- 2002-00	Bangladesh		X	23,934
AID/ta-C-1321 **	Indonesia	X		<u>79,665</u>
Total Claimed and Reimbursed				<u>\$1,116,743</u>

* Reimbursed out of M/FM.

**The contract's fiscal activity was completed o/a December 31, 1980.

APR 25 1 19 PM '83

REPORT ON INTERIM AUDIT OF COSTS BILLED FOR
FISCAL YEARS ENDED 30 JUNE 1980, 1981 AND 1982
UNDER AID GRANT NO. 80-2 AND FOR
FISCAL YEARS ENDED 30 JUNE 1981 AND 1982
UNDER VARIOUS OTHER AID GRANTS AND CONTRACTS
HELEN KELLER INTERNATIONAL, INC.
NEW YORK, NEW YORK

The Defense Contract Audit Agency has no objection to the release of this report, at the discretion of the Contracting Officer, to the duly authorized representatives of Helen Keller International, Inc.

Under the provisions of Title 32, Code of Federal Regulations, Part 290.26(b)(2) (as amended 10 August 1977), all Freedom of Information Act requests for audit reports received by DCAA will be referred to the cognizant contracting officer for determination as to releasability and a direct response to the requestor.

Contractor information contained in this audit report may be confidential. The restrictions of 18 USC 1905 should be considered before this information is released to the public.

This report may not be released to any Federal agency outside the Department of Defense without the approval of Headquarters, DCAA, except to an agency requesting the report in negotiating or administering its contract.

DEFENSE CONTRACT AUDIT AGENCY
PHILADELPHIA REGION
NEW YORK BRANCH OFFICE
NEW YORK, N.Y. 10001

AUDIT REPORT NO. 6171-3E1G0200-3-526

DATE OF REPORT: 20 APR 1983

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Per GC Memo
of 11/21/87
Initial *APJ*

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DEFENSE CONTRACT AUDIT AGENCY

PHILADELPHIA REGION
NEW YORK BRANCH OFFICE
252 SEVENTH AVENUE
NEW YORK, NEW YORK 10001

IN REPLY REFER TO

20 APR 1983

6171-3E160200-3-526

SUBJECT: Report on Interim Audit of
Costs Billed for Fiscal Years Ended
30 June 1980, 1981 and 1982
Under AID Grant No. 80-2 and for
Fiscal Years Ended 30 June 1981 and 1982
Under Various Other AID Grants and Contracts
Helen Keller International, Inc.
New York, New York
Audit Report No. 6171-3E160200-3-526

TO: — Agency for International Development
Regional Inspector General's Office
for Audit/Washington
Room 514 SA-16
Washington, D.C. 20523
Attn: Mr. Richard Billig, Supervisory Auditor

1. Purpose and Scope of Audit.

As requested by your letters dated 26 February and 1 November 1982, supplemented by verbal request of 20 December 1982, we performed an interim audit of billed costs under various AID grants and contracts awarded to Helen Keller International, Inc. (HKI), for fiscal years ended 30 June 1980, 1981 and 1982.

We have examined the grantee's accounting records and financial operating procedures for the purpose of determining whether amounts claimed for reimbursement by grantee constitute allowable costs under the terms of the awards. The examination was performed in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances. The cost principles contained in FPR Subpart 1-15.2 and OMB Circular A-122 were used as a guide in the determination of acceptable costs.

2. Conclusions.

The summary conclusions and recommendations relating to amounts claimed for reimbursement are set forth herewith:

FOR OFFICIAL USE ONLY

Audit Report No. 6171-3E160200-3-526

Amounts Claimed For Reimbursement:

Direct costs	\$1,028,894
Overhead	87,849
Total	<u>\$1,116,743</u>

Results of Audit Review:

Questioned Costs

Direct costs	\$ 166,530
Overhead	<38,828>
Total	<u>\$ 127,702</u>

< > Denotes upward adjustment.

Details are presented in Exhibit A of this report.

In addition, certain revisions to our prior audit reports 6171-1B160169-1-351 dated 9 February 1981, and 6171-0B160250-0-115 dated 18 June 1980 appear in Exhibits B and C of this report and are summarized below:

<u>Audit Report No.</u>	<u>Billed by HKI</u>			<u>Results of</u>
	<u>Total</u>	<u>Overhead</u>	<u>Overhead</u>	<u>Audit Review</u>
	<u>Costs</u>	<u>Rates</u>	<u>Costs</u>	<u>Questioned</u>
				<u>Costs</u>
<u>6171-1B160169-1-351</u> <u>(Exhibit B)</u>				
Results per Audit Report	\$286,885		\$ 11,414	\$<12,962>
Adjusted results	278,762	10%	27,876	4,090
Adjustment	<u>\$ 8,123</u>		<u>\$<16,462></u>	<u>\$ 17,052</u>
<u>6171-0B160250-0-115</u> <u>(Exhibit C)</u>				
Results per Audit Report:				
FYE 30 June 1978	\$463,404		\$ 37,343	\$ 7,685
FYE 30 June 1979	391,529		39,181	4,727
Total	<u>854,933</u>		<u>76,524</u>	<u>12,412</u>
Adjusted Results:				
FYE 30 June 1978	463,404		46,340	16,682
FYE 30 June 1979	391,529		39,181	4,727
Total	<u>854,933</u>		<u>85,521</u>	<u>21,409</u>
Adjustment	<u>\$ -0-</u>		<u>\$ <8,997></u>	<u>\$ 8,997</u>

< > Denotes upward adjustment.

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3. Exit Conference.

The results of audit were discussed on 31 January 1983 with Mr. A. Lisi, Assistant Treasurer of HKI; Mr. Lisi concurred with our overhead rate recommendations, namely 14.7% for fiscal year ended 30 June 1981 and 15.0% for fiscal year ended 30 June 1982 (see, however, discussion in paragraph 4.a. below). With respect to other direct questioned costs, in the amount of \$166,530, Mr. Lisi explained the difference between billed and recorded other direct costs questioned by us as being due to certain costs chargeable to specific grants, but erroneously omitted. He did not specify which costs were involved, and did not state the reasons for these significant amounts of charges being purportedly omitted other than to state they were due to a "system deficiency." We could not pinpoint exactly which costs were overbilled (or under-recorded) as the recorded costs and the billings are not always compatible in description. In the absence of specific data as to which costs were allegedly under-recorded, we continue to consider the excess of billings over recorded costs as questionable.

4. Other Matters to Be Reported.

a. It will be noted that the proposed overhead rates have increased from 8.5% in 1980 to 14.7% in 1981 and 15.1% in 1982. The effect of these increases is an addition to proposed overhead costs of \$53,908. Review of the contractor's overhead pool indicate that there were increases primarily in the following expenses:

<u>Expenses</u>	<u>Increase in 1981 Over 1980</u>	<u>Increase in 1982 Over 1981</u>
Salaries	\$45,000	
Professional fees and contract service payment	13,000	\$ 8,000
Occupancy		8,000
Telephone		6,000
Furniture and fixtures		18,000
Miscellaneous (net)	7,000	6,000
Total	<u>\$65,000</u>	<u>\$46,000</u>

In connection with the above the following is noted:

(1) The increase in 1981 of \$65,000 was incurred despite a slight decrease in the overhead distribution base of \$31,000.

(2) We were informed that the increase in Salaries of \$45,000, beginning with 1981, noted above, was attributable to the hiring of a new Assistant Director, including a secretary, based on

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Management's decision that the Director was overburdened. We were not furnished any information, although requested, as to the reasons for increase in other expenses.

For the information of the contracting officer, it is noted that AID participation in the overhead pool for 1981 and 1982 was 27% and 38% respectively.

(3) Though the proposed distribution base increased by \$245,303 from 1980 to 1982 (\$1,148,225 to \$1,393,528), the total proposed overhead G&A pool increase of \$112,419 (\$98,098 to \$210,517) was disproportionately greater.

b. During the course of our review of AID Grant No. 492-1694, we noted that travel costs totalling \$33,785 had been included in HKI's grant proposal and apparently deleted as such from the formal grant, being compensated for with a corresponding increase in "US Personnel Costs." However, according to data submitted on the Financial Status Report, travel costs incurred on this grant, through 30 June 1982, totalled \$22,151 (approximately the same as recorded on HKI's books). Furthermore the aforesaid status report (line 1) indicates that the original travel amount of \$33,785, apparently deleted as such for the formal grant, was "authorized." This information is furnished your office for information and review by your office to determine whether the expenditure of travel costs under subject grant was in fact contemplated by the contracting officer.

5. Concluding Remarks.

We will be pleased to furnish any accounting counsel, including any related audit service, which may be desirable and appropriate in the circumstances. Our telephone number is (212) 620-6356, or FTS 660-6356, Mr. B. Wigder.

This report should not be used for any purpose other than immediately intended without prior consultation with this office regarding its applicability.

We would appreciate being advised as to the final disposition of this report.

Defense Contract Audit Agency

for 
PAUL E. STAMBAUGH, Branch Manager

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Statement of Grantee's Billings and Results of Audit Review of AID Grant No. 80-2 for Fiscal Years Ended 30 June 1980, 1981 and 1982, and Various Other AID Grants and Contracts for Fiscal Years Ended 30 June 1981 and 1982	Exhibit A 6-7
Statement of Modifications to Our Audit Report No. 6171-1B160169-1-351 Dated 9 February 1981 for Fiscal Year Ended 30 June 1980	Exhibit B 8-9
Statement of Modifications to Our Audit Report No 6171-0B160250-0-115 Dated 18 June 1980 for Fiscal Year Ended 30 June 1978	Exhibit C 10-11

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Helen Keller International, Inc.
New York, New York

STATEMENT OF GRANTEE'S BILLINGS AND RESULTS OF
AUDIT REVIEW OF AID GRANT NO. 80-2 FOR FISCAL YEARS ENDED
30 JUNE 1980, 1981 AND 1982 AND VARIOUS OTHER AID GRANTS AND
CONTRACTS FOR FISCAL YEARS ENDED 30 JUNE 1981 AND 1982

Grant or Contract Number	Grantee's Account (Job) Number	Direct Cost				Overhead				Total Cost				Reference
		Fiscal Years Ended 30 June			Total (A)	Fiscal Years Ended 30 June			Total (B)	Fiscal Years Ended 30 June			Total (C)=(A+B)	
		1980	1981	1982		1980	1981	1982		1980	1981	1982		
Costs Per Financial Status Reports:														
AID-G-128	50-41-11		\$ 40,853	\$ 69,915	\$ 110,768		\$ 3,473	\$ 5,942	\$ 9,415		\$ 44,126	\$ 75,857	\$ 120,183	Note 1
80-2	50-41-9-7	\$24,906	37,676	95,953	158,535	\$2,117	3,202	8,156	13,475	\$27,023	40,378	104,109	172,010	1
AID/ASIA-G-1299	25-58-15		149,060	151,537	300,597		12,670	12,880	25,550		161,730	164,417	326,147	1
AID492-1687	25-58-16		53,202	160,031	213,233		4,522	13,602	18,124		57,724	173,633	231,357	1
AID492-1694	35-58-17		30,953	60,865	91,818		2,631	5,168	7,799		33,584	66,033	99,617	1
PDC-0185-G-55-1078-00	40 Series			58,830	58,830			5,000	5,000			63,830	63,830	1
388-0050-G-00-2002-00	50-41-8			21,621	21,621			2,313	2,313			23,934	23,934	2
*AID/ta-C-1321	50-41-1		73,492		73,492		6,173		6,173		79,665		79,665	3
Total		\$24,906	\$385,238	\$818,757	\$1,028,894	\$2,117	\$32,571	\$51,061	\$87,849	\$27,023	\$417,907	\$671,813	\$1,116,743	
Results of Audit Review:														
Costs Questioned														
AID-G-128	50-41-11		\$ 7,058	\$ 7,388	\$ 14,456		\$ (1,493)	\$ (3,437)	\$ (4,930)		\$ 5,575	\$ 3,951	\$ 9,526	
80-2	50-41-9-7	\$ (2,278)	11,316	16,119	25,157	\$ (194)	(673)	(3,819)	(4,686)	\$ (2,472)	10,643	12,300	20,471	
AID/ASIA-G-1299	25-58-15		21,468	31,634	53,102		(6,066)	(5,105)	(11,191)		15,382	26,529	41,911	
AID492-1687	25-58-16		19,549	16,249	35,798		(425)	(7,965)	(8,390)		19,124	8,284	27,408	
AID492-1694	35-58-17		14,523	14,713	29,436		216	(1,725)	(1,509)		14,739	13,188	27,927	
PDC-0185-G-55-1078-00	40 Series			580	580			(3,738)	(3,738)			(3,158)	(3,158)	
388-0050-G-00-2002-00	50-41-8			157	157			(907)	(907)			(750)	(750)	
*AID/ta-C-1321	50-41-1		7,844		7,844		(3,477)		(3,477)		4,367		4,367	
Total		\$ (2,278)	\$ 81,758	\$ 87,040	\$ 166,530	\$ (194)	\$ (11,938)	\$ (26,696)	\$ (38,826)	\$ (2,472)	\$ 69,830	\$ 60,344	\$ 127,702	

* Denotes contract.
(c) Denotes upward adjustment.

Explanatory Notes:

1. HKI billed its overhead costs for these AID grants at our audit determined rate of 8.5% of total direct costs for fiscal year ended 30 June 1980. See our preceding Audit Report No. 6171-1B160169-1-351 dated 9 February 1981.
2. HKI billed its overhead costs for this AID grant at the provisionally established billing rate of 10.7% of total direct costs for fiscal year ended 30 June 1982.
3. HKI billed its overhead costs for this AID contract at 8.4% of total direct costs for fiscal year ended 30 June 1981.
4. Represents difference between billings for direct cost per Financial Status Reports and as recorded on HKI's records.
5. Represents difference between billings for overhead per financial status reports at rates set forth in Notes 1, 2, and 3 above, and DCAA computed overhead, by application to direct costs not questioned of DCAA recommended overhead rates of 8.5%, 14.7% and 15.0% for 1980, 1981 and 1982 respectively. These computations resulted in upward revisions as indicated for 1980, 1981 and 1982 totalling \$38,828.

Helen Keller International, Inc.
New York, New York

STATEMENT OF MODIFICATIONS TO OUR AUDIT REPORT NO. 6171-1B160169-1-351
DATED 9 FEBRUARY 1981 FOR FISCAL YEAR ENDED 30 JUNE 1980

	Billed by HKI			Results of Audit Review	
	Total Direct Costs	Overhead		Overhead Adjustment	Refer- ence
		Rates	Costs		
Costs per Audit Report:					
Grant No. AID/ta-G-1305	\$ 28,169		\$ 1,498	\$ <896>	
Grant No. AID/ASIA-G-1299	108,333		8,486	<714>	
Contract No. AID/ta-C-1321	150,383		1,430	<11,352>	
Total	<u>286,885</u>		<u>11,414</u>	<u><12,962></u>	
Adjustments to Audit Report:					
Grant No. AID/ta-G-1305:					
FYE 30 June 1978			<889>	889	Note 1
FYE 30 June 1979			<430>	430	i
FYE 30 June 1980	4,101	10%	410		2
Total for Grant	<u>4,101</u>		<u><909></u>	<u>1,319</u>	
Grant No. AID/ASIA-G-1299:					
FYE 30 June 1978			<1,891>	1,891	1
FYE 30 June 1979			<234>	234	1
FYE 30 June 1980	4,022		180		3
Total for Grant	<u>4,022</u>		<u><1,945></u>	<u>2,125</u>	
Contract No. AID/ta-C-1321:					
FYE 30 June 1978			<11,123>	11,123	1
FYE 30 June 1979			<2,485>	2,485	1
Total for Grant			<u><13,608></u>	<u>13,608</u>	
Total	<u>8,123</u>		<u><16,462></u>	<u>17,052</u>	
Adjusted Audit Report:					
Grant No. AID/ta-G-1305	24,068	10%	2,407	423	
Grant No. AID/ASIA-G-1299	104,311	10%	10,431	1,411	
Contract No. AID/ta-C-1321	150,383	10%	15,038	2,256	
Total	<u>\$278,762</u>		<u>\$ 27,876</u>	<u>\$ 4,090</u>	

< > Denotes upward adjustment.

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Explanatory Notes:

1. Represents our adjustment for downward billing adjustments made by HKI during fiscal year ended 30 June 1980 for prior fiscal years ended 30 June 1978 and 1979, not noted in our original audit report. The effect of the adjustments is to indicate that total billings by HKI for 1978 and 1979 were actually greater and that our costs adjustments are similarly greater.

2. Represents credit in the amount of \$4,511 applied on final public vouchers under contract number AID/ta-G-1305, dated 28 July 1980.

3. HKI shifted \$4,022 of direct costs and related overhead of \$180 billed for Grant No. AID/ASIA-G-1299 from fiscal year ended 30 June 1980 to fiscal year ended 30 June 1979.

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Helen Keller International, Inc.
New York, New York

STATEMENT OF MODIFICATIONS TO OUR AUDIT REPORT
NO. 6171-0B160250-0-115 DATED 18 JUNE 1980
FOR FISCAL YEAR ENDED 30 JUNE 1978

	Billed by HKI		Results of Audit Review	
	Total Direct Costs	Overhead Rates Costs	Disallowed Costs	Reference
<u>Costs per Audit Report:</u>				
<u>FYE 30 June 1978</u>				
Grant No. AID/ASIA-G-1299	\$ 63,021		\$ 2,269	
Grant No. AID/ta-G-1305	29,640		208	
Contract No. AID/ta-C-1321	370,743		5,208	
Total	<u>463,404</u>		<u>7,685</u>	
<u>Adjustments to Audit Report:</u>				
Grant No. AID/ASIA-G-1299				
Grant No. AID/ta-G-1305		<859>	859	Note 1
Contract No. AID/ta-C-1321		<8,138>	8,138	1
Total		<u><8,997></u>	<u>8,997</u>	
<u>Revised Audit Report:</u>				
Grant No. AID/ASIA-G-1299	63,021	10%	2,269	
Grant No. AID/ta-G-1305	29,640	10%	1,067	
Contract No. AID/ta-C-1321	370,743	10%	13,346	
Total FYE 30 June 1978	<u>463,404</u>		<u>16,682</u>	
FYE 30 June 1978 (No Change)	<u>391,529</u>		<u>4,727</u>	
Total Revised Audit Results	<u>\$854,933</u>		<u>\$21,409</u>	

< > Denotes upward adjustment.

Explanatory Notes:

1. Represents our adjustments for downward billing adjustments made by HKI during fiscal year ended 30 June 1978 of our cost disallowances for prior period ended 30 June 1977, not noted in original audit report. The effect of this adjustment is to indicate that total billings by HKI for 1978 were actually \$8,997 greater and that our costs questioned should have similarly been greater, in the same amount.

Contract/Grant Audit of
HELEN KELLER INTERNATIONAL, INC.
List of Report Recipients

Associate Assistant to the Administrator for Management Services, M/AAA/SER	1
Audit Liaison Office, M/AAA/SER	1
Assistant Administrator, Bureau for ASIA, AA/ASIA	2
Audit Liaison Office, AA/ASIA/PMC	1
Senior Assistant Administrator, Bureau for Science & Technology, SAA/S&T	2
Directorate for Health and Population, S&T/HP	1
Audit Liaison Office, S&T/PO	1
Assistant Administrator, Bureau for Latin America and the Caribbean, AA/LAC	2
Audit Liaison Office, LAC/DP	1
Office of Financial Management, M/FM/ASD	2
Office of Contract Management, M/SER/CM	1
Office of Contract Management, SER/CM/ROD/LAC	1
Office of Contract Management, CM/ROD/ASIA	1
Office of Contract Management, CM/COD/PE	1
Office of Contract Management, CM/SD/SUP	1
Office of Contract Management, SER/CM/SOD	1
Office of Contract Management, CM/SOD/OSC	1
Office of the Inspector General, IG	1
DCAA, New York Branch Office	1
Mission Director, USAID/Haiti	1
RIG/A/LA	1
Regional Development Officer, USAID/South Pacific (Suva, Fiji)	1
Mission Director, USAID/Manila	1
RIG/A/Manila	4
Mission Director, USAID/Indonesia	1
Mission Director, USAID/Bangladesh	1
RIG/A/Karachi	1
IG/II	1
IG/PPP	1
IG/EMS/C&R	16