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MANAGEMENT OF OPERATING FUNDS
IN LIBERIA
NEEDS TO BE IMPROVED

AUDIT REPORT NO. 0-669-81-96

JUNE 26, 1981

USAID Liberia officials have not assured that scarce operating expense funds are used effectively, economically, and in accordance with authorized purposes. We found that:

...Operating expense funds were inappropriately used for program costs, and

...controls over operating funds for telephone use, housing maintenance, motor pool, property, and purchases were inadequate.

USAID's management of operating funds must be improved.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

Introduction

In 1976 AID created the "Operating Expense Account" to provide better financial control of costs directly associated with basic operations. The concept of operating expenses has been an outgrowth of increasing Congressional interest in budgetary disclosure and accountability for the total operating expenses of AID. Operating expense funds are used to pay the salaries, benefits and overhead support costs for direct hire personnel, both U.S. and foreign nationals, in the Washington headquarters and overseas Missions. Direct-hire personnel are engaged in policy, planning, programming, coordination, monitoring, evaluation, management and support. In USAID Liberia overhead support costs include office rent, housing, utilities, supplies, equipment and motor pool operations.

The total value of the economic assistance program for Liberia including PL 480 was $15.0 million in 1979; $16.1 million in 1980; and $17.1 million is planned for 1981. At March 31, 1981, 25 U.S. direct hire and 148 foreign national USAID employees were involved in the support of this program. Operating expenses for the FY 1979-81 period totalled $8.2 million.

Purpose and Scope

The purposes of our audit were to evaluate USAID Liberia's management of operating expense funds, and to determine if Mission operating funds were being used effectively, economically, and in accordance with authorized purposes. In Liberia, we reviewed documents supporting the budget preparation, and discussed operational policies and procedures with USAID's management staff. The review included an analysis of obligating documents and expenditure data for procurement of services and supplies, travel and related costs, vehicle operation, allowances, communication, and property. Our audit concentrated on operating expense budgets and related transactions for the period October 1, 1978, through March 31, 1981.

USAID's MANAGEMENT OF OPERATING EXPENSE FUNDS NEEDS TO BE IMPROVED

From the number and severity of problems found in Mission operations, we conclude that management is not giving adequate attention to operating management matters. Limited operating expense funds are being used to support contractor employees who should be supported by program funds under their contracts. Charges for personal use of telephones were not always identified and contractors' official calls were paid from USAID operating funds. The motor pool was not managed well, causing losses of gasoline, deterioration of vehicles, and failure to charge for all nonofficial use of vehicles. Mission nonexpendable property was not properly controlled, and necessary inventories and reconciliations not made. Housing maintenance costs were not recovered from lessors and employees as provided in leases and regulations, and controls over government travel requests and bills of lading were lax, leaving open the possibility of improper use. Purchases were made without proper documentation or required competitive bidding. We believe these problems were partially caused by the Mission's policy of transferring these functions to Liberian employees without adequate training or supervision.

Operating Expense Funds Used to Support Contractors

AID's operating expense funds are used to pay some USAID Liberia program costs. Even though AID's concept of operating expenses prohibits this practice, USAID continued to use operating expense funds to pay for logistical and administrative support provided to contractors. USAID also paid housing, operating and maintenance costs for contractor employees from operating expenses. A similar finding that operating expenses were used to support project technicians on loan from other agencies was made in an October 1978 IG report on USAID Liberia's operating expenses. While there is no loss to the Agency, appropriated funds are misdirected from critically short operating expenses. Correction of this situation is required. (Pages 3-6)

Improper Use of Telephones

Contractors using USAID telephones for long distance calls were not charged for this service. Instead the costs were charge to operating expenses. Of the total $37,500 paid for telephone calls, almost $15,000 worth were made by contractors. In addition, operating funds were used to pay for long distance telephone calls costing $3,023 which, in our view, are questionable because USAID management officials could not identify the callers,or whether the calls were for officials purposes. (Pages 6-9)

Management of Motor Vehicles Needs Improvement

The effectiveness of the motor vehicles operations has been hindered by the lack of management oversight. Mismanagement contributed to costlier motor pool operations, deterioration of the fleet and a loss of integrity in the use of vehicles. Also, if personal use of government vehicles is allowed by the Embassy, USAID should recapture from users the appropriate charges. In our view, the major cause of rapid deterioration of Mission vehicles has been the lack of proper maintenance. USAID needs to improve its monitorship of the motor pool. (Pages 9-14)

Property Management Can be Improved

Controls over nonexpendable property records need to be improved. Because warehouse records are not properly maintained, stock control is lost. Moreover, annual certifications of inventory for fiscal year 1979 and 1980 were made without the benefit of a complete physical inventory. As a result, property reports to AID Washington are made without inventory reconciliations to property records and verification to USAID's property accounts in the general ledger. (Pages 14-17)

Recovery of Maintenance Costs Possible

Housing maintenance costs over an amount specified in the contract are to be paid by the lessor. However, we found numerous instances in which USAID had not identified and charged such costs to the lessors. As a result, the U.S. government paid for repairs that should have been made or paid for by the lessors. (Pages 17-18)

Controls Over Accountable Forms Lacking

Government travel requests and bills of lading forms are not being properly safeguarded. Consequently, a physical inventory should be made and officers should be informed of their responsibility for physical control of accountable forms. (Pages 18-19)

PROCUREMENT PRACTICES MUST BE IMPROVED

Procurement practices must be improved to assure that an adequate justification is given and a review of need is made for each purchase. In our view, USAID needs to assure that purchase orders are prepared before procurement is performed, and AID's usual competitive bidding practices must be followed. Also, USAID Liberia needs to update and reissue policy and procedure orders to improve procurement practices. (Pages 20-21)

Fund Control Breached in Procuring Commodities

AID's basic requirement for fund control was breached when commodities costing $13,107 were purchased before obligations were recorded. For example, USAID failed to issue and obligate a $3,014 purchase order for commodities received in fiscal year 1980. This purchase order was issued in fiscal year 1981. As a result, this action committed operating expense funds in excess of the amount permitted by USAID's fiscal year 1980 operating expenses allotment. However, AID's General Counsel concluded that actions by USAID personnel did not result in an antideficiency act violation. We have referred this matter to the Office of Financial Management for resolution. (Pages 21-24)

SUMMARY OF MANAGEMENT COMMENTS

AID Mission officials agreed with the audit findings and felt the findings presented could be used to improve management. In 1978 the Mission began a management improvement plan emphasizing Liberian staff development. This plan was to prepare Liberian employees to assume greater responsibility for management of Mission operations. According to USAID officers, some positive results have developed from formal and on-the-job training programs. Mission officials felt that the audit demonstrates the areas where future training efforts are needed to improve Mission's management.

IG's Response

In our view Mission officials were not giving adequate attention to operating management matters. Improvements must be made. The concept of Liberian staff development has not produced the desired results. USAID officials contend that two years is too short a time to see major accomplishments. Notwithstanding, Mission officers must assure that operating expense funds are used effectively, economically and in accordance with authorized purposes. To achieve this, we have made a number of recommendations which are contained in the body of the report and listed as Exhibit A.

The prior audit of operating expenses in Liberia (3-669-79-03, dated October 30, 1978) pointed out some of the problems discussed in this report. That is, the use of operating expenses to pay program support costs, inefficient motor pool operations, and deficiencies in property management. The fact that these problems had been pointed out previously and continue to exist leads us to believe that greater management discipline is needed.

Other prior audit reports on operating exense problems since 1978 which are listed at Exhitit C demonstrate the need to pay much greater attention to the internal management of the Mission. Whi[illegible]erating expenses are significantly less than program costs, failure [illegible]chieve a disciplined internal operation is detrimental to the Agency's program objectives and costly to the U.S. government in terms of waste and inefficiency. Given the significant amount of Congressional interest in, and press coverage of, the internal management of the Agency, it is imperative that more attention be directed to improvements in operating management.

BACKGROUND

Introduction

In 1976 AID established the Operating Expense Account as a distinct budget category for internal management purposes. This separate account was created to provide better financial control and to facilitate budget disclosure by separating the costs of AID's basic operating functions from those costs directly associated with programs. Operating expenses consist primarily of salaries, benefits and overhead support costs for direct-hire personnel, both U.S. and foreign national, who manage and operate the Washington headquarters or overseas Missions. Overhead support costs include: office rent, housing, utilities, supplies, equipment and motor pool operations. On the other hand, program expenses are those costs associated with implementation and evaluation of projects or programs.

The total value of the economic assistance program for Liberia including PL 480 was $15.0 million in 1979; $16.1 million in 1980; and $17.1 million is planned for 1981. The number of direct-hire personnel and the amount of operating expense funds required to administer this program for these years is summarized in the charts below:

	USAID Liberia Staff		
	FY 79	FY 80	FY 81 1/
U.S. Direct Hire (Including IDI)	31	24	25
Foreign National Direct-Hire	56	51	51
Foreign National Service Contracts	108	117	97
Total Foreign National	164	168	148
Total	195	192	173

1/ Personnel Profile - 2/19/81

	Operating Expenses ($000)		
	FY 79	FY 80	FY 81
U.S. Direct Hire	$1,577.4	$1,675.1	$ 768.0
Foreign Natio Direct Hire	363.5	391.3	227.9
U.S. Contract Personnel	8.6	-	-
Foreign Nat'l Contract Personnel	283.6	67.0	150.0
Housing	512.6	423.7	189.3
Office Operations	568.0	70[illegible].3	270.4
Total Operating Exp. Funds	$3,313.7	$3,258.4	$1,605.6 1/

1/ Obligations through 3/31/81

Purpose and Scope

We reviewed USAID Liberia's management of operating expense funds to determine if they were being utilized effectively, economically and in accordance with authorized purposes. We examined and analyzed operating expense budgets, and discussed policies and procedures with Mission officials. We also examined transactions and expenditures pertaining to procurement, personal property management, real property management, motor pool operations, travel and related costs, allowances, and communications. Our review concentrated on operating expense budgets and related transactions for the period October 1, 1978 through March 31, 1981. Work was performed at the USAID Mission in Liberia during February and March 1981.

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

USAID's MANAGEMENT OF OPERATING EXPENSE FUNDS MUST BE IMPROVED

USAID Liberia officials were not giving adequate attention to operating management functions. As a result, scarce operating expense funds were not being efficiently and effectively managed. We found that:

...Operating funds were being used to support contractor employees who should be supported by program funds;

...Charges for personnel use of telephones were not always identified or appropriately billed to the user;

...Controls over motor pool operations were inadequate, resulting in losses of gasoline, deterioration of vehicles and failure to charge for all nonofficial use of vehicles;

...Nonexpendable property was not properly controlled and necessary inventories and reconciliations not made;

...Housing maintenance costs were not recovered from lessors and employees as provided in leases and regulations;

...Controls over government travel requests and bills of lading were lax, leaving open the possibility of improper use; and

...Purchases were made without proper documentation or required competetive bidding.

In our view, the correction of these deficiencies requires prompt and positive management action. This is especially true since some of these problems have been reported previously to the Liberia Mission.

Operating Expense Funds Used to Support Contractors

USAID Liberia provides U.S. Government leased quarters and other administrative support to contractors. Rents and some utilities are identified and charged to appropriate allotments by virtue of lease agreements and utility bills. However, costs for housing maintenance, cooking gas, and other logistical and administrative support costs are not identified and charged to appropriate allotments. The USAID does not have an adequate system to accumulate these costs. As it now stands, these costs are paid from Mission operating expense funds, although the operating budget does not provide for them.

In an attempt to identify utility and housing maintenance costs paid for contractors during fiscal year 1980, the USAID property management section prepared "expenditure profile" reports for all USAID-leased residential quarters. Our analysis of these reports showed various discrepancies which need to be corrected in order to be useful. The costs accumulated included utility charges for more than one year while some expenses were omitted. The reason given for ommissions was that copies of all utility bills are not kept with property management records. Original bills were submitted to the controller's office with payment vouchers, thus making it difficult to accumulate these costs.

Another discrepancy noted in the expenditure reports was the quantity and price of cooking gas issued. The cost of cooking gas included in the reports was $4,516. Our review of purchase orders and expenditure records for fiscal year 1980 showed $7,977 worth of cooking gas had been purchased. This difference ($3,461) indicates that all issues of gas to residential quarters were not recorded in the property management records. We realize an inventory balance is maintained and the difference may not be this much. In addition, pricing of gas for the report was inconsistent. Some issues were priced at $10 instead of the correct amount of $20.50 for each cylinder. The expenditure profile reports also showed $10,722 was used to pay for contractor's utility and housing maintenance costs. However, this amount is understated due to an incomplete record.

In another effort to recover operating expense funds from contractors, USAID made a study to identify costs of USAID support provided to contractors. The type and level of support varied between contractors, but overall, support was the same provided U.S. direct-hire employees. This support included personal services, housing, warehouse, maintenance, security, transportation, communication and controller functions. In a meeting with contractors in September 1980, USAID proposed to charge contractors a fixed amount to recover the costs of logistical and administrative support provided. The amount to be charged was $2,000 for each contract staff member each year for ongoing projects and $10,000 each per year for new projects. We did not make an in-depth analysis of this study, but as all contractors were at post during fiscal year 1980, the $2,000 annual charge would apply. Based on USAID's study, an estimated $41,000 would be required to provide logistical support for contractors at post. Contractors have been reluctant to agree with USAID's method of charging for provided support.

The following are some of their comments:

- Our organization has the capability to provide all of the services internally, and that it would not be cost effective for our organization to enter into any shared administrative support agreements with USAID.

- Although willing to accept most support, one major type of USAID service which the project does not plan to use is coordination of house leasing and maintenance. Unable to attach a price to any of the services, there would be no hesitation in recommending to the home office the acceptance of any reasonable charges for making the valuable services.

- The project for which I am contractor is on an extremely tight budget. There will be need for a discussion about my utilization of these services when the charges are determined.

- Contract employees are operating under a host country contract. It was clearly defined that the only support we would get was advice of assistance with visas and duty-free items specified in our contract. Two years ago we were informed other services may be utilized. We appreciate this consideration and want to cooperate in every way possible under the guidelines of our existing contract.

- We would request that this project be given 100% of available services and such costs billed against the contract.

By the close of our field audit work in March 1981, an agreement had not been reached between USAID and contract representatives on just what and how much support would be provided. USAID needs to establish a system that will identify and accumulate on a monthly basis all costs provided by USAID for contractors. If the contractor does not desire such services and pay for them, they should not be provided.

Conclusions and Recommendations

In our view, Mission officials were improperly charging operating funds for contractor support costs which should have been paid from program funds. USAID officials agreed with the finding but contend there is a net saving to the U.S. Government and a net gain to Liberia if contractors spend their time transferring technical assistance rather than performing administrative functions. Nonetheless, as evidenced by their statements, we believe contractors are willing to provide administrative and logistical support for their staff as provided by contract. Thus, if USAID continues to provide this service, all support costs must be identified and charged accordingly. Moreover, if a system for recovering Mission operating funds cannot be agreed to by all contractors within 30 days of this report, USAID support to contractors should be terminated.

Recommendation No. 1

USAID Liberia should either charge contractors for logistical and administrative support provided or discontinue the practice of providing such support.

Improper Use of Telephones Places a Burden on Operating Funds

The cost of USAID's telephones could be reduced with the installation of tighter controls over their use. During fiscal year 1980, the cost of USAID's telephones was $52,107 as compared to $32,113 in fiscal year 1979. Mission operating expense funds were used to pay for this service. Consequently, management needs to establish priorities over the official calls made, and place restrictions on the number of calls made for personal use. This action is needed to protect scarce Mission operating resources.

In our view, the increase in the cost of telephones may be attributed to the convenience of placing calls from USAID's telephones. In April 1979 direct dial service was provided for three USAID telephones. Two lines are located in the USAID office building, and the third is located in the Director's house. From these three lines, long distance calls are made for official and personal use by Liberian and U.S. direct-hire employees and contractors.

In order to place a long distance call, prior approval of a designated USAID official is required. Pre-call authorization forms are located in the Director's office for this purpose. Even though the forms are numbered, there is no system to control them at this point, and no follow-up is made to determine if calls were placed or to identify missing forms. The custodian stated that completed forms were routinely sent to the executive office. We believe immediate action should be taken to establish a system of control to protect operating funds.

Our concern for this weakness in internal control resulted from our analysis of telephone charges over a 16-month period from October 1, 1979 through January 31, 1981. The tabulation below shows how operating expense funds were used to pay for telephone charges during this period.

Use of Operating Expense Funds for Telephone Calls

Description	Amount
Official calls	$37,511
Personal calls	13,934
Unidentified calls	3,023
Subscription fees	350
Service charge	1,028
	$55,846

Of the total, $3,023 worth of unidentified long distance calls, $521 were made from the Director's house, and calls costing $2,502 were placed from the USAID office building. In an attempt to identify these charges, USAID circulated a list of unidentified calls to USAID Officers, but as yet calls had not been identified. In our view, USAID should place more emphasis on identifying these calls so that proper charges can be made.

The Director keeps a log book to record the names of people making calls from his house. But calls are still made that cannot be identified. Nonetheless, we believe the Director is responsible for this phone and all costs associated with its use including monthly subscription fees and service charges. Therefore, a bill for collection should be issued to recover the cost of unidentified calls ($520.70) and other charges ($492.30) for the Director's phone.

The procedure for payment of official telephone calls must also be improved to assure that calls made by contractors are charged accordingly. As noted above, operating expense funds totaling $37,511 were used to pay for official telephone calls. From our review of supporting data for official calls made, we estimated that almost $15,000 worth of long distance telephone calls were made by contractors and not charged to proper allotments. Operating expense funds should not be used to pay for these calls. Therefore, a complete review of all pre-call authorization forms must be made to identify calls that should be charged to program allotments. All supporting data including pre-authorization forms should be submitted to the controller's office to facilitate this charge.

In February 1980, USAID issued a staff notice to all USAID personnel reminding them of the need to curb long distance telephone calls. The staff notice reported that AID Washington had received calls from Missions relating to matters which could have easily been communicated by cable or memorandum. Also the notice emphasized that long distance calls are a strain on AID's limited operating budget and should be made only when the matter is urgent and an appropriate response or resolution of the problem can be expected on the telephone. Otherwise, routine, priority, or immediate cables are to be sent.

From our review of official calls made, there appeared to be a number that could have been transmitted through the Embassy communication system, or that a call back was required for the answer. Some examples of these calls are:

- To straighten out checking account due to AID/W not making deposit on time. 12/1/80

- Resolve school fees situation and travel order confusion of dependent children 12/4/80

- Call AFR/DR concerning PDS funds for workshop. 12/15/80

- To set appointment with U.S. doctor 30 days before medivac orders were issued. 12/17/80

- To discuss contractor's transfer to AID. 12/10/80

- Locate PDS funds. 12/12/80

- To follow up on information regarding leased property from lessor in New Jersey. 12/17/80

- Request lawyer from REDSO/WA to assist on 636(c) contract 12/19/80

- To follow up on issue of an AID-leased residence. The lessor is located in New Jersey. 1/14/81

- To check on the status of design team - 1/16/81

In addition to calls that cannot be identified, personal calls costing $13,934 were paid for from operating expense funds. Collections received from employees for nonofficial telephone calls were returned to the U.S. Treasury. These collections were not available for use by the Mission. Thus, an added burden was placed on scarce operating expense funds. Upon our return to AID Washington, we talked to AID's Controller about the cost of nonofficial telephone calls and the procedure used by USAID Liberia to deposit receipts for these telephone calls into a treasury account. The Controller determined that to the extent that the cost of nonofficial telephone calls are being charged to operating funds, collections should be treated as "refunds" and credited to the operating expense account. Because instructions have been issued to USAID to correct this misunderstanding, we are not making a recommendation on this issue.

Conclusions and Recommendations

Savings in operating expense funds could be realized if tighter controls over the use of telephones were instituted and enforced. To assure the propriety of telephone charges, we make the following recommendations:

Recommendation No. 2

USAID Liberia should implement a system to improve control over the use of telephones so that callers can be identified and proper accounts charged on a current basis.

Recommendation No. 3

USAID Liberia should review all telephone bills and pre-call authorization forms during fiscal years 1979, 1980 and 1981 to identify costs that should be charged to the contractors and provide documentation to the USAID/Controller to make appropriate charges.

Recommendation No. 4

USAID Liberia should issue the Director a bill for collection to recover $1,013 for all unidentified long distance telephone calls ($520.70) and other telephone charges ($492.30) made from his residential phone.

Increased Attention Must be Given to Motor Vehicle Management

The effectiveness of the motor pool operations has been hindered by a lack of management oversight. We noted several deficient areas which contribute to costlier operations, deterioration of service, and a loss of integrity in the use of resources. These deficiencies mandate a need for increased attention on the part of management.

Policy guidelines for vehicle operations outdated

USAID Liberia's policies and procedures governing the use and operation of government-owned vehicles have not been updated and revised since 1975. In particular, the Mission's policy on the use of government vehicles for unofficial purposes needs to be addressed. The present written policy states that unofficial use of USAID vehicles is not authorized. This is in consonance with the U.S. Embassy policy. However, during the period of our audit, the USAID followed an unofficial policy which permitted personal use of government vehicles.

We understand the extenuating circumstances which caused a shift in policy to allow personal use of government vehicles after an employee's vehicle was destroyed in the 1980 coup. However, continued use of this policy led to increased reliance by more individuals on the use of Mission vehicles for personal transportation. Moreover, the Mission Director sold his personal car and does not plan to replace it. Instead, he relies on official vehicles for transportation. We feel the USAID should consider re-establishing its policy of allowing no unofficial use of government vehicles. This move is warranted in light of the Embassy's policy and the availability of adequate taxi service in Monrovia. However, should the Mission be allowed to use government vehicles in certain exceptional cases for private purposes, they should assure that the proper charge is assessed and collected.

Incomplete vehicle trip tickets limit their usefulness to management

The usefulness of daily vehicle trip tickets was limited because they were often incomplete. In particular, the purpose of the trip and whether it was for official or unofficial business was frequently not listed. In many cases, the explanation given for a trip was so vague that it was not possible to tell if the trip had been for official business. Daily vehicle trip tickets, which detail each trip a vehicle makes during the day, can be a valuable tool for management to help ensure that the fleet is being effectively and properly utilized.

Our review of the trip tickets showed numerous instances where the destination appeared to be employee residences. However, without an explanation of the trip, it was not possible for us or Mission management to determine whether it had been for official business. In our opinion, the Mission can have greater assurance that vehicles are used only for official business if passengers are required to provide a concise explanation of the trip. Additionally, if trip tickets are to serve any useful purpose, they must be reviewed by management on a frequent, periodic basis.

Our analysis of trip tickets also showed instances where vehicles were used over the weekend and trip tickets were not prepared or bills of collection issued, for example:

	Vehicle A	Vehicle B
Odometer reading at close of business on Friday	22,464	14,724
Odometer reading on Monday morning	22,527	14,750
Unexplained Mileage	63	26

We were not able to obtain an explanation of the above situation. However, we feel that these occurrences highlight the need for management to ensure that trip tickets are properly completed and reviewed.

Possibility exists that gasoline is being pilfered

During our review we noted occurrences which indicate that pilferage of gasoline might be occurring at the Mission. Although we cannot state with complete certainty that a problem exists, or determine its magnitude, we feel the instances discussed below indicate that Mission management needs to develop more stringent controls and increase their monitoring of gasoline usage.

The motor pool has two gasoline tanks which together hold 5,000 gallons of gasoline. Our ruler stick reading of the amount of gasoline in these tanks indicated they contained 294 gallons less than official records showed were on hand. Mission officials could not explain this shortage but felt their supplier could be making short shipments.

Our analysis of gasoline usage for Mission vehicles also raised suspicions as to whether gasoline was being siphoned from vehicle gas tanks. For example, a 1978 Chevrolet Malibu was averaging approximately 6 miles per gallon with some months receiving as low as 4.7 miles per gallon. Miles per gallon statistics also varied considerably from one month to the next. For example, the Mission's 2 1/2 ton truck got 7.8 miles per gallon one month and fell to 2.7 miles per gallon the next.

In another instance, we noted that a Chevrolet Sedan was issued 13.1 gallons of gasoline on a particular day. A few days later this same vehicle was issued another 9.9 gallons of gas. The vehicle was driven a total of 26 miles between these two fill ups.

We recognize that numerous variables can affect miles per gallon performance. However, exceptionally low miles per gallon or wide variances from month to month are definite indicators that a problem could exist.

Preventive maintenance and periodic inspection of vehicles not performed

The Mission is incurring a lot of repair costs and experiencing frequent downtime on vehicles because preventive maintenance and periodic inspections are not being performed. If properly performed, preventive maintenance should greatly reduce vehicle repair costs and minimize vehicle downtime.

In early 1980, the Mission hired a contractor who developed maintenance schedules and the related servicing for each vehicle which should be performed at prescribed intervals. Nonetheless, periodic maintenance is seldom being performed. For example, the Mission received four 1980 Chevrolet Citations during January through May 1980. The chart below shows the number of times these vehicles were scheduled for preventive maintenance during 1980 and the number of times this maintenance was performed.

Vehicle	Monthly Scheduled Maintenance		Quarterly Scheduled Maintenance		Semi-Annual Scheduled Maintenance	
	Scheduled	Performed	Scheduled	Performed	Scheduled	Performed
1	5	0	2	0	1	0
2	6	1	1	1	1	0
3	5	0	1	0	1	0
4	4	0	1	0	1	0

As shown above, 3 of the 4 vehicles have never had any preventive maintenance servicing. Our review of the maintenance records showed that 2 of these vehicles have never had an oil or oil filter change since they were acquired (one had been driven for 15,500 miles). For the most part, it appears that vehicles are sent to the maintenance facility only after they break down.

On an average day the pool has 12 vehicles in an operational status and 7 vehicles sidelined because they need repair. The length of time these vehicles are sidelined is often excessive due to the lack of spare parts.

The Mission has an adequate stock of certain auto parts. However, some essential parts (e.g., oil filters, batteries, spark plugs, air filters, certain tires) are not on hand. Thus, vehicles are sidelined for lengthy periods. Moreover, parts are purchased on the local market at prices much higher than they could be obtained from the States. The following examples illustrate some of the problems which are occurring:

- A 1980 Chevrolet Citation was sidelined from October 20, 1980 to January 30, 1981 because it needed a shift plate for the transmission. The vehicle was unavailable for use for 102 days while this part was being shipped from the States.

- When the transmission problem was corrected the car could not be put back into service because it needed tires. The car sat idle for an additional 18 days because the motor pool had no spare tires for a Citation and no funds to purchase any. When funding became available the tires were purchased locally for $72.00 each.

- Five days after the tires were purchased, the vehicle became sidelined again because of a problem with wheel bearings. This vehicle will be unavailable for a lengthy time period if new wheel bearings are ordered from the States, or the Mission will have to purchase them locally for $160.00 (twice the Stateside price).

- A 1980 Chevrolet Citation was sent to the maintenance facility for servicing on February 27, 1981. The work could not be completed that day because the motor pool did not have an oil filter or kerosene to steam clean the engine. By March 3rd, the supplies were purchased and the vehicle was put back into service. The price of the oil filter was $8.00.

The above examples demonstrate that the motor pool can increase the availability of the fleet and reduce the cost of operations if preventive maintenance is performed, and essential parts are kept in stock.

Conclusions and Recommendations

USAID needs to improve its management of the motor pool to ensure a more efficient fleet operation. In this regard, a decision must be made concerning unofficial use of government vehicles, and if personal use of vehicles is allowed, USAID should recapture from users the appropriate charges. Procedures need to be implemented to ensure that vehicle trip tickets are properly completed and the fleet is being properly used. Moreover, measures must be taken to safeguard gasoline. In our view, the major cause of rapid deterioration of Mission vehicles is the lack of proper maintenance.

In response to our audit findings USAID officials contend that unofficial use of government vehicles had not been excessive. They agreed to take action to improve use of daily vehicle trip tickets as a tool of Management. In this regard training sessions on how to complete trip tickets are planned for USAID drivers, and trip tickets will be routinely reviewed to detect weaknesses needing correction.

USAID officials also stated they had been concerned about the possibility of gasoline pilferage for some time. In October 1980 a gasoline meter was ordered to measure the receipt of gasoline from the vendor, and after the start of our audit, locks were installed on storage tanks. In addition, USAID officials believe the vehicle maintenance system installed in early 1980 is valid and still applicable. The breakdown arose because of poor supervisory oversight.

We recognize USAID's initial actions, and accept the comments made to our draft findings as a beginning to correct the deficiencies noted in this report. Nonetheless, we are recommending the following to assist the USAID in its efforts to improve motor pool operations.

Recommendation No. 5

USAID Liberia, after consultation with the Embassy concerning the local rules on the use of government vehicles, should update their policies and abide by them.

Recommendation No. 6

USAID Liberia should take a more active role in the management of the motor pool operation to ensure that:

(a) vehicle trip tickets are properly completed,

(b) passengers provide a concise and meaningful description and purpose of the trip,

(c) a frequent review of trip tickets is made to detect unofficial use of vehicles so that bills for collection can be issued, and

(d) preventive maintenance and periodic inspection of vehicles are performed.

Property Management Can Be Improved

The efficiency of Mission operations is affected by the lack of control over nonexpendable property. Several procedural and operational deficiencies must be addressed to assure that operating expense funds are used economically and to obtain maximum use of all property. These operational deficiencies include the need to maintain adequate property accountability and inventory records. Also, inventory of all AID-owned property must be completed and reconciled with USAID's general ledger property accounts, and excess property must be disposed of.

Effectiveness of property records is lost

Controls over nonexpendable property records need to be improved. Because warehouse records are not posted up-to-date stock control is lost. Daily postings of receipts and issues are far behind; therefore, it is impossible to determine from stock control cards the quantity on hand for any one item, or the quantity used during the last 90 days.

From our review of USAID property records, we confirmed that postings to composite and individual property record cards were not made for fiscal year 1981. Moreover, fiscal year 1980 property records were not accurate because there was duplication of posting for receipts to composite records. Some property disposals were not recorded, and posting errors of pricing and quantity were common problems in our sample check. In our view, USAID property records are of little value to management because they are incomplete and inaccurate. Special attention must be given to this problem before management can assure itself of adequate oversight of property management.

Inconsistent certification of year-end inventory

Nonexpendable property reports to AID Washington are made without inventory reconciliation to property records and verification to USAID's property accounts in the general ledger. Moreover, annual certifications of inventory for fiscal years 1979 and 1980 were made without the benefit of a complete physical inventory.

Under U.S. law (40 U.S.C. 483) annual inventories are required for all AID-owned property. After inventories are completed, an inventory certification and a trial balance report (U-754/1)is to be submitted to AID Washington (SER/FM/CAD). In addition, the USAID's property accounting officer is to submit a listing of all property to AID Washington Office of Overseas Property Management (AID/SER/MO).

On several occasions AID Washington's property management staff requested USAID to submit their list of Mission-held nonexpendable property. These requests were made so that the Washington property management office could meet its own reporting requirements for the Agency.

In January 1981 AID Washington's Office of Overseas Property Management transmitted to USAID a list of USAID-held nonexpendable property. USAID was requested to compare the Washington listing with their property records, but USAID Liberia has been remiss in doing so. As late as February 15, 1981 USAID was again reminded of the responsibility for reporting nonexpendable property to AID Washington.

USAID executive office officials are aware of this requirement but have not complied with it. Attempts have been made to reconcile physical inventories with property records, but for the last two years the reconciliations were not submitted to AID Washington. USAID officials did provide us with a copy of a memorandum dated December 7, 1979 which contained certain adjustments to the inventory. But after 15 months, their attempt to reconcile property records had failed.

In responding to our draft audit report USAID officials contend that the commodity control system implemented in November 1980 should correct this situation. As a complete physical inventory is now in process, they expect the reconciliation of property records to be completed within 30 days. This reconciliation would include adjustments necessary to bring property records into agreement with physical inventory, and allow for the required certification of inventory to AID Washington. We believe there is little room for deviation from this requirement.

<u>Disposal of excess property must be initiated</u>

There appears to be an excessive number of typewriters in relation to official need. Moreover, operating expense funds are used to fund a $4,450 maintenance contract for typewriters, and at the same time, USAID operates a machine repair shop.

We made a physical inventory of typewriters located in the USAID main office building, general service offices and the warehouse. Of the 97 typewriters on hand, we located 72 typewriters assigned to various offices, 20 typewriters in the warehouse storage area, and 5 typewriters in USAID's repair shop. There appears to be an excessive number of typewriters as only 26 secretaries and other typing personnel are listed on the USAID staff according to USAID's personnel office. This is an average of 2.7 typewriters for each person whose primary duty is typing.

Recent procurement of typewriters included 12 IBM Selectric II machines. These 12 units cost $10,340 including special components required for U.S. Embassy communication. An additional 20 typewriters costing $4,150 were purchased in August 1980 through AID's Excess Property Division. We recognized the need for adequate maintenance and repair of these units, but questioned the need to maintain a separate USAID repair shop and staff for equipment covered under a repair service contract.

In our view, the USAID should reassess their need for typewriters and dispose of excess equipment. At the same time, consideration should be given to dissolve the USAID typewriter repair shop as long as a local service contract is being funded to perform similar services.

In responding to our draft audit report, USAID made an analysis of their typewriter needs. They have determined a need of 73 typewriters to be used by 21 secretaries, 28 clerical and 18 other staff members. Six machines would be for replacements. The remaining 24 machines are earmarked for disposal. In addition, USAID has decided to terminate the repair service contract.

Conclusions and Recommendations

We recognize USAID has devoted much effort to improve management practices and working conditions for Mission operation. Nevertheless, there is still a need to improve controls over AID-owned property to assure that operating expense funds are used economically and to obtain maximum use of all property. Thus, property records must be maintained to assure property accountability and inventory; physical inventories must be completed and the total dollar value must be reconciled with USAID's general ledger property accounts; and USAID needs to take appropriate action to dispose of excess typewriters. Accordingly, we recommend the following courses of action.

Recommendation No. 7

USAID Liberia should initiate appropriate action to:

- update all property records to assure current accountability and inventory,
- complete a physical inventory of nonexpendable property, and
- reconcile the physical count with property records and USAID's general ledger.

Recommendation No. 8

USAID Liberia should submit a certified listing of all Mission-held nonexpendable property to AID Washington's Office of Overseas Property Management as required by AID regulations.

Efforts to Recover Maintenance Costs from Lessor Lacking

USAID has entered into 45 short-term lease agreements for residential quarters. Short-term leases negotiated by USAID have a standard clause which limits the amount that USAID will pay for maintenance and repair. In most leases, USAID is responsible for minor "maintenance of fixtures" up to a maximum $30 cost. However, in two leases the limit was increased to $50, and in two other leases the limit was raised to $200. In another lease USAID is responsible for all repairs required on the premises with the exception of structural repairs.

AID regulations suggest that repairs, other than those resulting from an act of negligence of USAID, are normally paid by the lessor. Our review of available maintenance and repair records showed that USAID exceeded their authorized limit of $30, and in most cases did not attempt to recover costs from the lessor. However, in two leases USAID entered into a special agreement with lessors to deduct repairs costing $390 from future lease payments.

The following tabulation is an example of the kind and cost of repairs paid for from operating expense funds:

Lease No.	Description	Amount
159	Bathtub faucet	$136
187	Face basin	135
191	Bathroom repairs	39
191	Kitchen cabinet repair	130
191	Formica top on kitchen cabinet	58
195	Roof repair	61
199	Shower head	51
200	New window	85

Housing maintenance records showed that repairs costing $19,147 were made during fiscal year 1980. However, from our review, we confirmed that these records do not include all materials purchased for maintaining USAID housing. Some charges for material and supplies were not entered on maintenance work orders. Rather, materials were issued directly to the house when purchased.

In our view, USAID needs to be consistent in their policy for payment of maintenance and repair costs. Moreover, an analysis needs to be made to determine the kind and frequency of repairs made. Perhaps some maintenance costs may be attributable to employee negligence or preferences and should be charged to the employee. Notwithstanding, emphasis should be placed on lessors' responsibility to maintain the premises in accordance with lease agreements.

In their response to our draft report, USAID officials agreed to re-examine and streamline the policy and practice regarding minor expenditures for maintenance and repairs of leased premises. Their analysis was to be completed soon and would establish their policy on the recovery of maintenance costs from lessors and employees.

Conclusions and Recommendation:

In our view, the policy and analysis of maintenance costs for leased housing was long overdue. The absence of management controls over this area is consistent with the other operating management problems discussed throughout this report. Accordingly, we recommend:

Recommendation No. 9

USAID Liberia should promptly implement the revised policy on recovering maintenance costs.

Controls Over Acccountable Forms Should Be Strengthened

USAID needs to strengthen existing controls over accountable forms. The Mission maintains control logs for the receipt and issuance of Government Travel Requests (GTR) and Government Bills of Lading (GBL). Our review of these logs indicated that they were being properly maintained and the forms seemed to be accounted for. However, as discussed below, our inability to determine the number of forms which should have been on hand prevented us from establishing complete accountability.

Government travel request forms are maintained in USAID's Communication and Records section, and are issued in batches (generally 50 forms) to the personnel office for issue to travelers. The number of travel request forms that USAID should have on hand can be established to a limited extent from the documents which accompanied the last shipment. However, we could not determine how many forms were on hand at the time this shipment was received. Consequently, we did not have the proper starting point for establishing complete accountability for these forms.

We also noticed another situation which could weaken controls over travel request forms. The accountable officer is a recently appointed Liberian supervisor in USAID's Communication and Records section. Even though her job called for physical control of the forms, she was not aware of this responsibility. In fact she did not know she had the forms until personnel requested a supply of additional forms.

On the day of our review, we were told that travel request forms issued to the personnel office were kept in a particular filing cabinet. However, this cabinet could not be locked because the key had been lost. Additionally, the forms were not in this cabinet, but were eventually located in a clerk's desk drawer.

Moreover, we could not determine the number of GBLs which the personnel office should be accountable for. At one time, the GBLs were maintained by the assistant general services officer. When he departed post, he gave a folder of GBLs to the personnel office. There was no record of how many forms he should have had nor any record created to establish how many forms were transferred to personnel. Thus, there was no starting point which could be used to verify that these forms were properly accounted for.

Conclusions and Recommendation

Accountable forms are not being properly safeguarded. We feel that management should fully inform accountable officers of their roles and responsibilities and the procedural aspects for properly controlling, issuing and reordering additional forms. A physical inventory of accountable forms should be made at the time responsible officers are changed. This is beneficial in relieving the accountability of the former officer, and establishes the number of forms to be controlled. We feel the Mission should adopt this practice because there is no basis for stating how many accountable forms officers are responsible for.

The USAID agreed on the need to strengthen the existing controls. By the end of our audit field work in April, USAID was drafting a new policy for the control of accountable forms. Nonetheless, we retain our recommendation until controls and responsibilities have been installed to safeguard these forms.

Recommendation No. 10

USAID Liberia should conduct an inventory of all accountable forms and assign responsibilities to accountable officers to ensure that forms are given proper physical safeguards.

USAID's PROCUREMENT PRACTICES MUST BE IMPROVED

USAID's procurement practices should be improved to assure that budgeted operating funds are being used economically and in the best interest of USAID Liberia's objectives. Improvements are needed to assure that: an adequate justification is given and a review of need is made for each Purchase; purchase orders are prepared before procurement is performed; and usual competitive bidding practices are followed. Without these improvements, the importance of proper planning and control of commodity procurement is diminished.

In fiscal year 1980, 327 purchase orders were issued. Of this total, 194 purchase orders valued at $362,026 were issued for procurement of commodities for mission operations. The remaining 133 purchase orders were initiated to procure project funded commodities. During the first four months of fiscal year 1981 another 69 purchase orders for $223,097 were issued for procurement to meet mission operating expense needs.

Our analysis of a random selection of 101 procurement transactions including 47 over $1,000 confirmed that:

- requisition forms were not always signed by the requesting official as required by USAID procurement procedures,
- some requisition documents and purchase orders were being prepared after the receipt of the vendors' invoices and the items purchased,
- "boilerplate" language was used to justify the purchase; i.e., "Items urgently needed for official USAID use" or "None in stock,"
- price comparison or quotations from qualified vendors were not documented for purchases over $500, and except for one procurement transaction, written quotations were not documented for procurement over $5,000.

The following examples illustrate the problems noted above. On November 4, 1980 a purchase requisition was issued for eight sheets of plywood costing $283. Even though the purchase requisition was approved by a general services official, there was no authorized signature of the employee requesting the material. No instructions were given for delivery. The justification statement on the requisition form was the items were urgently needed. However, the purchase order prepared on November 5,1980 indicated that the plywood was needed to build containers in the USAID warehouse for storing used residential draperies.

Another purchase order was issued November 12, 1980 for various items costing $3,014. A purchase requisition was not included in the order file. Further discussion with USAID procurement staff confirmed that a requisition had not been issued. However, the purchase order signed by the procurement officer indicated that the items had already been received. This purchase was justified because the items were urgently required for USAID official use in different areas. Further review of this transaction showed that the items had been purchased during July and August 1980, two months before the purchase order was initiated or the obligation made. Procurement was made in Fiscal Year 1980 and the obligation and expenditure occurred in Fiscal Year 1981. Purchase order files did not show where this material was used, and stock control records in the USAID warehouse were not posted to show that the material was received. Warehouse staff confirmed that a receiving report had not been prepared for these items. We talked to USAID officials about this problem and they stated that at the time these items were purchased, receiving reports were not prepared for all items. However, with the reorganization of the warehouse operations, all USAID procurement was now received in the warehouse. Also, receiving reports are to be prepared before items are posted to stock control cards. We confirmed from available documents furnished and through visual inspection that all items in question were received by USAID.

Further analysis of purchase orders indicated that procurement was made without reasonable competition. For local purchases of supplies and materials, purchase orders were generally issued without competition to only two sources (one general supply firm and one electrical firm). USAID procurement officials explained that local suppliers were reluctant to sell against purchase orders after the political unrest in April 1980. Thus, these two vendors accommodated USAID's purchase order system by selling from their stock and acting as a buying agent when they did not stock the item. We can understand the circumstances which may have contributed to the non-solicitation policy during early 1980, but the situation in Liberia does not exempt USAID from the requirement for sound procurement practices.

Fund Control Breached in Procuring Commodities

AID's basic requirement for fund control was breached when commodities costing $13,107 were purchased without prevalidation for availability of funds. Procurement was initiated and the items were received by USAID Liberia before obligations were recorded against the Mission operating expense allotment and accounting records.

Operating expense funds for USAID Liberia are allotted to the Director by the Controller, Office of Financial Management in AID Washington. The basic requirements for fund control may be found in AID's Handbook 19. Specifically, the USAID Controller supervises the maintenance of the operating expense allotment to avoid overobligation and overexpenditure of authorized funds. Thus, all documents representing obligation transactions must be directed to the USAID controller's office for prevalidation for availability of funds prior to the release to a supplier. Twenty purchase orders, the obligating documents, were prepared after the material and supplies had been received by USAID in July and August 1980. Even though 19 purchase orders for $10,093 were obligated in fiscal year 1980, one transaction for $3,014 was not obligated until fiscal year 1981.

The last purchase order for $3,014 was issued November 12, 1980 after the close of the fiscal year 1980 Mission operating expense allotment. This allotment had been fully obligated. Thus, a fiscal year 1980 commitment of operating expense funds occurred three months before the obligation was recorded against the 1981 operating expense allotment.

The tabulation below shows the status of the Mission operating expense allotment for the fourth quarter of fiscal year 1980.

Allotment Symbol: 000-50-669-00-10-01

Date	Allotment Amount	Obligation Amount	Administrative Reservations
July 31, 1980	$1,774,100	$1,526,000	$ -0-
Aug. 31, 1980	1,934,100	1,695,800	238,300
Sept. 30, 1980	1,944,100	1,944,100	-0-

We were concerned that the $3,014 transaction may have violated Section 3679 of the Revised Statutes (31 U.S.C. 665), the Antideficiency Act. In our view, the failure to record a $3,014 obligation in fiscal year 1980 committed operating expense funds in excess of the amount permitted by the Mission operating expense allotment.

We referred the issue to AID's General Counsel for their opinion. In their reply, General Counsel concluded that actions by USAID personnel did not result in a violation of the Act. They state:

> "In the absence of valid purchase orders, no obligation was created on delivery of the materials and supplies which could be recorded and result in a violation of the Antideficiency Act. 31 USC 200 precludes the recording of a legal obligation unless it is established by documentary evidence or a legal liability is created against an appropriation or fund legally available therefore.
>
> "There is a presumption that acts of Government officials are valid. GAO has ruled (58 Comp Gen 789, B-194853 dated September 21, 1979...) where there is no formal contract the test is whether the Government

has received a benefit and whether the procurement has been either expressly or impliedly ratified by an authorized contracting official of the Government. Where the test is affirmative, payment may be made for services rendered either under the unauthorized contract on quantum meriut for the reasonable value and, if a ratified contract, the contract price. This same decision also made it clear that if payment could be made the only proper appropriation to charge would be that available in the fiscal year in which the need arose and the materials and supplies were delivered.

"In the instant cases this office is not aware of any law or rule which would have been violated by execution of the 19 purchase orders in FY 80. Their execution can be construed as a ratification which fits the above GAO decisions. The purchase order issued in FY 81 also can be construed as a ratification unless the Antideficiency Act was violated. GC has issued a prior opinion...which, when applied to the facts of this case, would make it appear that the Act is not violated, unless an action taken results in an expenditure in excess of any apportionment or reapportionment by OMB. The violation of AID Handbook regulations (Handbook 19, Chapter 4, paragraph 4D2(d) or Appendix 1A, A9c(1)) should not be condoned by AID personnel and appropriate administrative correction may be warranted, but a violation of the Act occurs only when in fact there are expenditures in excess of the apportionment or reapportionment by OMB."

Conclusions and Recommendations

In our view, USAID procurement practices can be improved. The USAID's Policy and Procedures Orders on procurement of commodities were revised in March 1981 with the assistance of a regional procurement specialist from AID's Regional Economic Development Services Office for West Africa (REDSO/WA). In a memorandum to the USAID Executive Officer, he emphasized the need to review and re-issue these orders within the next two weeks. We agree this is the initial step to improve commodity management, but more important is the day-to-day activities required for proper planning and control of commodity procurement. In this regard, procurement justification needs to be addressed, and procurement must not be performed without a duly authorized requisition and purchase order. Also, solicitation of quotations from qualified sources should be enforced to assure that fair and equitable prices are paid for needed supplies.

In their comments to our draft report, USAID management officials stated that updated procurement procedures would be issued by the end of April 1981. Also, that when vendors refused to give pro forma invoices, purchase orders would so note and state why the vendor insists on cash. Nonetheless, we have retained our recommendations to improve commodity procurement practices.

In our view, solicitation of quotations from qualified sources should be obtained and documented regardless of the method of payment required. Furthermore, the importance of current procurement procedures for use by procurement staff in their day-to-day activities cannot be overlooked.

Also, AID's Controller should determine if fiscal year 1980 operating expense funds are available for obligating and paying for the $3,014 procurement transaction in question. According to AID's General Counsel, ratification of the November 12, 1980 purchase order appears to be the most acceptable solution provided payment can be made from 1980 funds.

In responding to our draft audit finding, AID's Controller agreed that a serious procedural deficiency existed for a time in USAID Liberia. Moreover, "...their deficiency could have resulted in a 3679 violation if the amount of the obligation so far exceeded the allotments in place as to preclude recording the obligations in the year incurred." Thus, the Controller directed an inquiry into the procurement and accounting transactions reported in our draft audit finding.

To address these matters, we make the following recommendations:

<u>Recommendation No. 11</u>

USAID Liberia should initiate commodity procurement procedures that require competition in accordance with AID regulations to assure that fair and equitable prices are paid for needed supplies.

<u>Recommendation No. 12</u>

AID's Office of Financial Management (AID/FM) should determine if Agency fiscal year 1980 operating expense funds are now available to obligate $3,014 for commodities purchased and received in fiscal year 1980.

LIST OF REPORT RECOMMENDATIONS

Page

Recommendation No. 1

USAID Liberia should either charge contractors for logistical and administrative support provided or discontinue the practice of providing such support. 6

Recommendation No. 2

USAID Liberia should implement a system to improve control over the use of telephones so that callers can be identified and proper accounts charged on a current basis. 8

Recommendation No. 3

USAID Liberia should review all telephone bills and pre-call authorization forms during fiscal years 1979, 1980 and 1981 to identify costs that should be charged to contractors and provide documentation to the USAID/Controller to make appropriate charges. 8

Recommendation No. 4

USAID Liberia should issue the Director a bill for collection to recover $1,013 for all unidentified long distance telephone calls ($520.70) and other telephone charges ($492.30) made from his residential phone.

Recommendation No. 5

USAID Liberia, after consultation with the Embassy concerning the local rules on the use of government vehicles, should update their policies and abide by them. 13

Recommendation No. 6

USAID Liberia should take a more active role in the management of the motor pool operation to ensure that:

(a) vehicle trip tickets are properly completed,

(b) passengers provide a concise and meaningful description and purpose of the trip, 13

(c) a frequent review of trip tickets is made to detect unofficial use of vehicles so that bills for collection can be issued, and

(d) preventive maintenance and periodic inspection of vehicles are performed 14

Recommendation No. 7

USAID Liberia should initiate appropriate action to:

- update all property records to assure current accountability and inventory,
- complete a physical inventory of nonexpendable property, and
- reconcile the physical count with property records and USAID's general ledger. 16

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LIST OF REPORT RECIPIENTS

Deputy Administrator	3
Assistant Administrator/Africa	5
USAID/Liberia	5
AFR/CWA	1
AFR/EMS	1
AAA/AFR/PMR	1
AA/SER	1
SER/CM	1
SER/MO	1
Assistant Administrator/LEG	1
General Counsel	1
Controller, FM	1
PPC/E	1
DS/DIU/DI	4
Inspector General	1
RIG/A/Cairo	1
RIG/A/Manila	1
RIG/A/Panama	1
RIG/A/Karachi	1
RIG/A/Nairobi	1
IG/PPP	1
IG/II	1
IG/II/AFR	1
REDSO/WA	1

PRIOR AID/IG AUDIT REPORTS OF OPERATING EXPENSES, 1978-81

Title	Number	Date
Audit of Mission Operating Expense Budgets, USAID/Afghanistan	5-306-78-5	Mar. 8, 1978
Audit of Mission Operating Expense Budgets, USAID/Nepal	5-367-78-6	Mar. 14, 1978
Audit of Mission Operating Expense Budget, USAID/Yemen	5-279-78-7	Mar. 15, 1978
Review of Operating Expenses, U.S.A.I.D. Mission to Colombia	1-514-78-11	Mar. 20, 1978
Report on Audit of Operating Expenses, Office of Southern Africa, Regional Activities Coordination (OSARAC)	3-690-78-12	Mar. 21, 1978
Audit Report, USAID/Philippines Operating Expenses	9-492-78-6	Mar. 22, 1978
Report on Audit of Operating Expenses of USAID/Ghana	3-641-78-13	Mar. 22, 1978
Audit Report, Review of Operating Expenses, USAID/Haiti	1-521-78-12	Mar. 23, 1978
Audit Report, Review of Operating Expenses, USAID/Panama	1-525-78-13	Mar. 23, 1978
Audit Report, UNITED STATES A.I.D. Mission to Bolivia, Review of Operating Expenses	1-511-78-10	Mar. 23, 1978
Report on Audit of USAID Tanzania, Operating Expenses	3-621-78-14	Mar. 28, 1978
Audit Report, USAID/Thailand Operating Expenses	9-493-78-7	June 7, 1978
Audit of Mission Operating Expense Budgets, USAID/Pakistan	5-391-78-14	June 14, 1978
Audit Report, Review of Operating Expenses, USAID/Guatemala	1-520-78-16	June 20, 1978
Audit of Operating Expenses, USAID/Peru	1-527-78-21	Aug. 23, 1978
Audit of General Services Office Activities, USAID/Nepal	5-367-78-16	Aug. 28, 1978

PRIOR AID/IG AUDIT REPORTS OF OPERATING EXPENSES, 1978-81

Title	Number	Date
Audit of Operating Expenses - USAID/Guyana	1-504-78-25	Sept. 15, 1978
Audit Report, USAID/Indonesia Operating Expenses	9-497-79-1	Oct. 17, 1978
Report on Audit of USAID Liberia Operating Expenses	3-669-79-03	Oct. 30, 1978
Report on Audit of USAID/Kenya Operating Expenses	3-615-79-04	Nov. 3, 1978
Reporting on Audit of Operating Expenses of USAID/Tunisia	3-664-79-05	Jan. 9, 1979
Audit Report, USAID/Korea Operating Expenses	2-489-79-4	Feb. 23, 1979
Audit Report on Mission Operating Expense Budget, USAID/Bangladesh	5-388-79-15	May 30, 1979
Audit of Mission Operating Budget for Fiscal Year 1980, USAID/Jordan	5--278-81-4	Oct. 28, 1980
Audit Report of USAID/Tanzania Operating Expenses	3-621-81-05	Jan. 28, 1981
Audit Report, Audit of Mission Operating Expense Budgets, USAID/Panama	1-525-81-13	Apr. 24, 1981