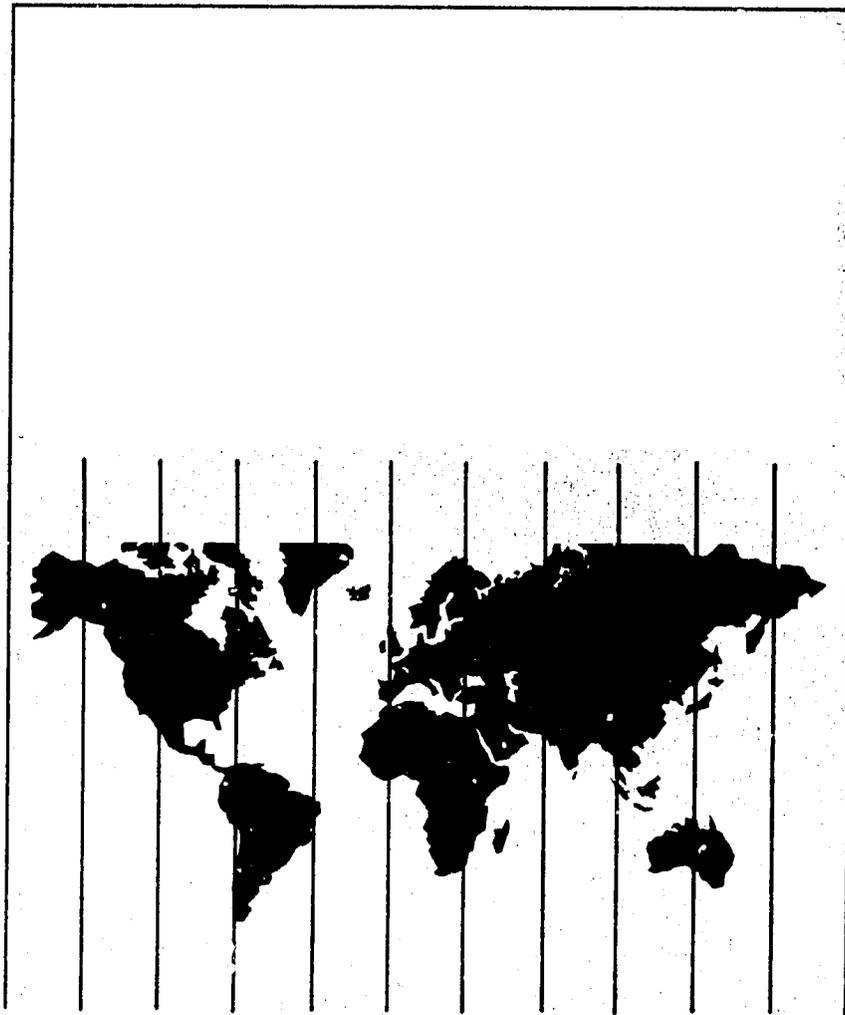


UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

THE
INSPECTOR
GENERAL



Regional Inspector General for Audit

DAKAR

FD-ABD-311

**Audit Report of the Regional Economic
Development Services Office for
West and Central Africa's
Automated Accounting Support Services**

**Audit Report No. 7-669-91-14
September 13, 1991**

The Regional Economic Development Services Office for West and Central Africa (REDSO/WCA) has provided automated accounting and controller services to selected USAIDs in its region. REDSO/WCA's client missions considered these services both valuable and essential. Nonetheless, REDSO/WCA needs to take some actions in the areas of staffing, quality control, and telecommunications to improve and fine-tune these services.

AGENCY FOR INTERNATIONAL DEVELOPMENT
Office of the Regional Inspector General for West Africa

September 13, 1991

MEMORANDUM

TO: Fritz Gilbert, Director/REDSO/WCA

FROM: Paul E. Armstrong, RIG/A/Dakar

SUBJECT: Audit of the Regional Economic Development Services Office for West and Central Africa's Automated Accounting Support Services

Enclosed are five copies of our report on the audit of the automated accounting support services provided by your West Africa Accounting Center. In preparing this report, we reviewed your comments on our draft and included them as an appendix to this report. Based on your comments Recommendations 2 and 3 are resolved and we will close them when the appropriate actions are completed. We believe that it is necessary to thoroughly assess the personnel needs in terms of the skill and performance level of Center staff as well as its number in order to resolve Recommendation 1. Please respond to this report within 30 days, indicating any actions planned or already taken to implement the open recommendations. We appreciate the cooperation and courtesies extended to our staff during the audit.

Background

As of December 31, 1990, the Regional Economic Development Services Office for West and Central Africa (REDSO/WCA) was providing controller and automated accounting support services through its West Africa Accounting Center (WAAC) to twelve of its 24 client countries in West and Central Africa by using A.I.D.'s Mission Accounting and Control System (MACS). WAAC provided (1) controller and MACS-based accounting services for missions whose programs were not large enough to justify a controller and staff and (2) MACS-based accounting services for missions with controllers but no MACS.

WAAC serves as the official accounting station for these clients and regularly provides the MACS reports managers need to monitor their operations. To assist missions without controllers, WAAC managers and financial analysts periodically travel to client missions to perform internal control assessments of

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USAIDs and host government organizations involved in the implementation of AID-financed programs. In this process WAAC staff members periodically inspect accounting procedures and practices, and make recommendations to eliminate bottlenecks and internal control vulnerabilities. WAAC also conducts country financial management reviews for all accounting client USAIDs semi-annually at WAAC in Abidjan.

In fiscal year 1990, WAAC maintained financial records for 194 projects comprising of 472 allotments totaling a pipeline of over \$316 million. During that period it processed 55,000 accounting transactions including almost 8,000 payment vouchers. To carry out these duties, WAAC had an A.I.D. controller, three other A.I.D. financial management specialists, and 17 local and third-country national accounting personnel who were either permanent or contract employees.

WAAC has a Computer Resources Center to provide the automation support necessary for WAAC operations and automation (or computer) services to any REDSO/WCA client mission upon request. The Computer Resources Center is staffed by two A.I.D. Data Management Officers (DMO) and three contract computer professionals who are responsible for providing these services and for WAAC's \$1.6 million investment in computer hardware. Like the controller staff, these computer professionals travel to client missions in the region to respond to requests for services. The services they have provided include hardware and software installation (some of which was related to MACS), training, software applications development, needs assessment, and procurement assistance.

One way WAAC hopes to improve the exchange of financial data with its clients is through the Agency's International Communications System (ICS). ICS is an electronic mail system with its hub in the Washington, D.C. area. With this system, information can be transferred between locations more quickly and, it is hoped, more cost effectively than sending paper copies. WAAC's ICS is managed by the Computer Resources Center.

Audit Objectives

We audited the REDSO/WCA's automated accounting support services to its client missions in USAIDs in West and Central Africa to answer the following objective:

- *Did the West Africa Accounting Center provide its clients with useful, complete, and timely financial information in accordance with the provisions of Appendix 1E of A.I.D. Handbook 19?*

In answering this audit question, we tested whether responsible A.I.D. officials followed the applicable internal control procedures and requirements prescribed in the handbook cited above and the related source regulations and laws. Our tests were sufficient to provide reasonable--but not absolute--assurance of detecting abuse and illegal acts that could significantly affect the audit objective. However, we did not continue testing when we found that, for the items tested, WAAC followed A.I.D. procedures and complied with legal requirements. Therefore, we limited our conclusions concerning these positive findings to the items actually tested. But when we found problem areas, we performed additional work to:

- determine that WAAC did not meet the provisions cited above,
- identify the causes and effects of the problems, and
- make recommendations to correct the causes of the problems.

Our discussion of the scope and methodology for this audit is in Appendix I and our reports on internal controls and compliance are in Appendices III and IV respectively.

Audit Findings

Did the West Africa Accounting Center Provide Its Clients With Useful, Complete, and Timely Financial Information in Accordance with the Provisions of Appendix 1E of A.I.D. Handbook 19?

We found that the West Africa Accounting Center was providing useful accounting information to its clients. However, the usefulness of the information was hindered because it was not always up-to-date or complete.

The West Africa Accounting Center has established for itself a high standard of performance in customer service, i.e. providing clients with timely and accurate accounting services. We found that the WAAC controller had adopted, in his words, "a bias for action" for improving financial management at client missions. These initiatives included

- publishing a MACS Users Guide for Project Officers that was clear concise, and understandable;

- assisting clients with the acquisition and installation of telecommunications equipment to improve exchange of financial management information;
- developing software applications for clients for OE budgeting, commodity tracking, and voucher control; and
- creating a regional center for financial management and computer training.

We sent questionnaires to all of WAAC's clients concerning MACS and WAAC's accounting services. At that time, the financial records at two of WAAC's current accounting clients (USAID/Gambia and Burkina Faso) had not been completely converted to MACS, so those missions were not able to respond. The controller staff for two other clients (Liberia and Sierra Leone) had been evacuated due to a revolution in Liberia and were also not able to respond to the questionnaire. All other WAAC clients responded.

As stated in WAAC's Statement of Goals and Objectives, these services include MACS-based accounting services for client Missions' projects and operation-expense accounts. To further assist missions without controllers, WAAC managers and financial analysts also periodically:

- travel to client locations to perform internal-control assessments of USAIDs and host government organizations involved in the implementation of AID-financed programs;
- travel to client locations to inspect accounting procedures and practices, and make recommendations to eliminate bottlenecks and internal control vulnerabilities; and
- conduct country financial management reviews for all accounting client USAIDs semi-annually at WAAC in Abidjan.

WAAC serves as the official accounting station for these clients and regularly provides the MACS reports which managers need to monitor their operations.

During our field work and through the questionnaire responses, we found that the client missions were generally pleased with the services they received from WAAC. We were impressed with WAAC managers' interest in customer service and the initiatives they took to improve their services. However, some WAAC clients complained that the MACS reports they received were "not accurate." After further investigation, we found that what was meant by "not accurate" was really--not timely and not complete. All respondents mentioned "time-lag" problems. Respondents stated that the reports from WAAC generally arrived

on a regular basis, but the information was out of date. In some cases, we found that the MACS reports were not complete.

We found no management disasters caused by untimely or incomplete information. Similarly, mission managers who received WAAC accounting services were not able to point out negative examples. They did, however, state that they found it uncomfortable and inconvenient to not constantly know the "accurate" financial picture of their portfolios. They pointed out that their need for timely and complete information was most critical during the end of year (for the executive officers) and end of project (for the project officers) rush to conclude all outstanding business. We believe that this rush to tie up loose ends without good information could at some point in the future cause some bad financial management decisions.

We found three reasons why the financial information was not timely and complete:

- WAAC did not have enough qualified personnel to handle its regional workload.
- The communication links between WAAC and its clients are generally inefficient and costly.
- Some reports were not being reviewed before being sent to clients.

WAAC Did Not Have Enough Qualified Personnel to Handle Its Regional Workload

A.I.D.'s financial management procedures, which are based on federal laws and regulations, require that A.I.D. managers receive accurate and timely financial management information. We found that some accounting data were not being entered in the system on a timely basis because WAAC did not have the staff to handle its workload. As a result, the official accounting information appeared to be inaccurate and forced managers to rely on their own records that were "based on the best information available." Thus, a second--duplicate--set of financial records is kept by the managers.

Recommendation No. 1: We recommend that the Director, Regional Economic Development Support Office for West and Central Africa assess current and projected technical and support staffing needs and take necessary action to obtain qualified staff.

Appendix 1E of A.I.D. Handbook 19 entitled *A.I.D. Financial Management System* stipulates a policy that applies to all of A.I.D.'s manual and automated accounting systems. According to this appendix,

"The policy stems from OMB Circular A-127, the Budget and Accounting Procedures Act of 1950, Federal Managers Financial Integrity Act and related legislation 31 U.S.C. 1108, 31 U.S.C. 3511 and 31 U.S.C. 3512."

The "Financial Management Systems Objectives" section of the appendix requires that A.I.D. managers receive useful, timely, and complete financial management information from their financial management system--in this case MACS from the WAAC. Further, the *MACS Users' Guide* states that MACS is a real-time system into which accounting transactions are processed as soon as they are received.

It is WAAC's stated objective to provide accurate and timely financial management information to their clients to help them make better decisions regarding their operations. But this is not always happening. The major criticism WAAC clients had was that the financial information contained in their MACS reports was not always timely or complete.

...examiners had to do a great deal of research to obtain the necessary information to make proper postings to the MACS records.

The group in WAAC that had the most difficulty keeping up with the workload was the voucher examining section. There was a substantial backlog of incoming vouchers at WAAC that had not been posted--some dating back to 1987. WAAC managers told us these vouchers, which come from Department of State Financial Management Centers (FMC) usually did not have all the information required by the A.I.D. accounting standards. Consequently, examiners had to do a great deal of research to obtain the necessary information to make proper postings to the MACS records. WAAC officials stated that they have not had enough voucher examiners to track down the documentation and make the postings on a timely basis. Thus, incoming vouchers accumulated to an unacceptable point.

WAAC managers had already taken action to correct the incoming vouchers and personnel problems. Specifically, WAAC hired a team of three local accounting professionals to do the necessary research for the backlogged vouchers and to make postings into the MACS.

We observed that, indeed, WAAC may not have had enough staff at its disposal to ensure timely posting of accounting transactions. At the time of the audit, there were only two project accountants to handle all of the client missions' operations. Moreover, the chief accountant position and one financial analyst position were vacant. So, WAAC has hired a new financial analyst and is recruiting a new chief accountant and two project accountants. WAAC officials believe these additions will bring WAAC to "appropriate staffing levels."

In their written comments, WAAC managers stated that they have determined that the level of the accounting staff was inadequate. Staffing conditions would have been evaluated by the Controller's Office Assessment conducted by A.I.D./Washington, Office of Financial Management. However, we were not permitted to read the assessment. Further, REDSO officials offered no other documentation to support their conclusion.

We did not do time and motion studies or a workload analysis and WAAC officials were not able to provide us with one. So, we were not convinced that the sole cause of the problem is the quantity of WAAC accounting staff. Further, WAAC officials told us that not all of the staff had performed at the desired level and that finding qualified replacements was a difficult process. Thus, it is possible that there may also have been a skills or training deficiency. Due to our limited time and scope, we were not able to determine the precise training and skills problems. However, we believe that an assessment is necessary before staffing level decisions can be made in the organization.

Because of the untimely information in their MACS reports, managers believed that much of the value of the MACS reports as management tools was lost. To compensate for this, some WAAC clients--controllers as well as other mission managers--relied on their own unofficial records to know the financial picture of mission operations. They believe that the MACS reports will eventually enable them to verify their own unofficial records. But, they do not yet have the confidence to rely solely on the WAAC MACS reports. Until they do, this duplicate record keeping will continue to add unnecessary costs, in terms of managers' time, to the financial management process. Further, if WAAC fails to assess the skills needs of its staff and provide them the needed training, they may have to contract for temporary outside accounting help, again.

Management Comments and Our Evaluation

REDSO/WCA officials agreed with our finding and are taking actions to rectify the staffing level problems. We will consider this recommendation resolved and closed when REDSO/WCA provide evidence that it has assessed WAAC staffing needs in terms of both quality and quantity.

An additional quality assurance step is needed

A.I.D.'s financial management procedures which require that A.I.D. managers receive accurate and timely financial management information also required that the information be complete. We found that WAAC was sending some MACS reports to clients that were not complete. We found that WAAC staff were not entering certain accounting data into some USAIDs' MACS records. But we did not find a systemic reason for the postings not being made. We did find that these reports were not being checked before being sent to clients. The result was similar to that above and reinforced the idea among USAID managers that these reports were not accurate and were, therefore, of no use to them. Again, managers had no confidence in the official financial records and were forced to rely on their own duplicate records to know the financial status of their programs.

Recommendation No. 2: We recommend that the Director, Regional Economic Development Support Office for West and Central Africa add a step to WAAC's quality control procedures to verify the completeness of reports before they are sent to clients.

The "Financial Management Systems Objectives" section of appendix 1E of A.I.D. Handbook 19 requires that A.I.D. managers receive financial management data that is "complete and accurate." Further, the *Standards for Internal Controls in the Federal Government* requires that supervisors continuously review and approve the assigned work of their staffs to ensure that internal control objectives are achieved.

During our field work and through the responses to a RIG/A/D questionnaire, we found that some WAAC clients considered the MACS reports they received "not accurate." After further investigation, we found that this really meant not complete.

We found several complaints about incomplete postings in one area--Life-of-Project Funding..

We reviewed these questioned MACS reports at the mission we visited and reviewed the records of several Country Financial Management Reviews between WAAC officials and client financial management staff. We found several complaints about incomplete postings in one area--Life-of-Project Funding

(budget allowance) entries. These problems usually were raised and corrected during the Country Financial Management Reviews or during technical assistance visits. However, because of the incomplete information in their MACS reports, some WAAC clients relied instead on their own unofficial records to know the financial picture of mission operations.

We attribute this problem to a failure to review the reports for completeness...

We attribute this problem to a failure to review the reports for completeness before they are sent to clients. We believe that this should be a part of WAAC's quality assurance procedures. WAAC managers pointed out to us that these reports are checked during the semi-annual Country Financial Management Reviews. We believe that this frequency is too low. If WAAC wants to improve its customer service, it needs to include this quality assurance step. Like all quality assurance procedures, this additional step will affect WAAC's workload and should be considered during any future workload analysis.

Management Comments and Our Evaluation

REDSO/WCA officials concurred with the recommendation and stated their intention to instigate additional quality control steps to avoid recurrence of the problem. Based on REDSO/WCA comments and planned actions, we consider this recommendation resolved and will close it when REDSO/WCA provides evidence of the completion of the planned actions.

Financial information takes too long to pass between the clients and WAAC

MACS was intended to be a real-time system. That is a system that can provide managers with accurate, up-to-date financial management information that includes the latest changes at any time. WAAC's client mission managers do not have a real-time system. In order to be able to provide up-to-date financial information, WAAC has encouraged its client USAIDs to invest in and install an A.I.D. International Communications System (ICS). However, WAAC's own ICS station was hardly ever operating due to inadequate service from the local telephone company. Even though they knew of this problem, WAAC officials were doing nothing to fix it. As a result, client USAIDs were not receiving the expected benefits from their investment and WAAC was wasting the money paid for leasing fees to the telephone company.

Recommendation No. 3: We recommend that the Director, Regional Economic Development Support Office for West and Central Africa:

- 3.1 take necessary actions to ensure WAAC's ICS is operational all the time; and**
- 3.2 cancel the leased data line between REDSO/WCA and the American Embassy until the Ivoirian PTT provides assurance and demonstrates that the line will work.**

According to the *MACS Users Guide*, MACS is intended to be a real-time system. In order for MACS or any other system to be real-time, the time between the transaction and its reflection on the database must be minimal. The shorter this time lag is, the closer a mission manager is to having real-time information.

...managers' like to have real-time information and on-line access...

We found that managers like to have real-time information and on-line access to their MACS data. This is possible in missions that are adequately automated and have their own MACS. However, providing real-time or even near real-time information to clients that are scattered around West and Central Africa requires good data communications.

Currently, WAAC and its clients utilize three means of communication to transfer information among themselves: the pouch system, DHL or other courier services, and FAX.

The Pouch -- While the pouch system is relatively cheap and can carry a large volume of documentation, it is too slow and unreliable. It might take several weeks or even months for a document to get from one mission to the other since it may have to go through Washington.

Express Mail Services -- Express mail services, like DHL, can also handle adequate volume for transfer of MACS financial management information. However, it is costly and does not always guarantee rapid delivery of mail due to the unreliability of the airline services in this region. In fact, our recent experience with DHL has demonstrated long delays and lost documents.

Facsimile Machines -- FAX is almost instantaneous when it gets through, but its high cost severely constrains its use. In West Africa international FAX can cost up to \$9 per minute. In REDSO and all missions we visited, all FAX and long distance telephone use had to be approved by the Director.

...WAAC launched a campaign beginning in 1989 to encourage its client missions to install ICS...

Recognizing these problems, WAAC launched a campaign beginning in 1989 to encourage its client missions to install ICS which allows "subscribers" to exchange electronic and FAX data with other subscribers. To date, WAAC has helped install ICS in Cape Verde and Burkina Faso. WAAC plans to help install ICS in the Gambia, Ghana, Guinea, and Togo in the near future. Indeed these efforts should result in significantly better regional information exchange.

However, WAAC's ICS hardly ever works.

The objective of WAAC's ICS campaign is to lower the cost of and speed up the exchange of MACS information with their clients, thus improving service and efficiency. Obviously, the success of the campaign depends on the WAAC's own ICS being operational. However, WAAC's ICS hardly ever works. The WAAC/ICS was never operational during any of our visits to WAAC during the past seven months and WAAC's ICS logbook showed that the system was rarely ever operating. In fact, during half of 1990, WAAC's ICS was not even turned on.

...the problem...is caused by the Ivoirian Government's Post, Telephone, and Telegraph (PTT) organization...

According to the chief of WAAC's Computer Resources Center, the problem is not one directly related to the ICS but is caused by the Ivoirian Government's Post, Telephone, and Telegraph (PTT) organization not providing a good link (adequate telephone line) between WAAC and the U.S. Embassy. REDSO was paying over \$10,000 per year for this line that rarely works, but WAAC officials

had not actively pursued a solution to the problem. The WAAC Computer Center person, a contractor, who normally handled the ICS operations had quit. The Computer Center Director told us that as a result, he had neither the staff nor the time to dedicate to the ICS problem. The main computer operations and TDY commitments were of higher priority.

We met with the U.S. Embassy's communications chief who usually handles problems with the PTT. Although he knew of the problem and had brought it to the attention of PTT official before, he had not pursued a solution. The WAAC leased line was not a high priority among his duties. Although he promised to contact the PTT again on this matter, he expressed doubt that the PTT would respond. Neither REDSO officials nor the Embassy communications staff had withheld payment to the PTT or tried to recover fees for periods when the leased line was not working.

As a result of the WAAC ICS station being inoperable, client USAIDs were not receiving the expected benefits from their investment and WAAC was wasting its leasing fees to the telephone company.

...the African Development Bank... communicates with Europe every day...they never have problems with their data links between the Bank and the Abidjan satellite station...

It seemed reasonable to us that REDSO/WCA was not the only user of data communications in Abidjan provided by the Ivoirian PTT, so we spoke with the computer systems manager at the African Development Bank to determine if they had an operable line. He told us that the Bank communicates with Europe every day to transfer market quotations. He said that they never have problems with their data links between the Bank and the Abidjan satellite station--they always work. So, we concluded that the Ivoirian PTT can provide data-quality telecommunications between points in Abidjan. If it works for the African Development Bank, it can work for REDSO/WCA

In their comments, REDSO/WCA officials stated their commitment to having ICS operational in Abidjan by the end of fiscal year 1991 and outlined their plans to achieve this. Specifically, WAAC plans

- to assign a computer center person to work with the ICS and
- to install a computer for ICS in the U.S. Embassy thus avoiding the need to lease a line between the Embassy and REDSO/WCA.

Management Comments and Our Evaluation

REDSO/WCA officials recounted their long-standing interest and numerous efforts to improve regional inter-mission communications and agreed that problems still exist. They also concurred with our recommendation and outlined their intended actions to make the WAAC ICS station operational. Based on REDSO/WCA comments and planned actions, we consider this recommendation resolved and will close it when REDSO/WCA provides evidence of its completion of the planned actions.

SCOPE AND METHODOLOGY

Scope

We audited the automated accounting support services provided by Regional Economic Development Services Office for West and Central Africa (REDSO/WCA)'s West Africa Accounting Center (WAAC) in accordance with generally accepted government auditing standards from June to December 1990. Our audit originally covered Automated Data Processing (ADP) services provided by REDSO/WCA to its client Missions. As we proceeded, we learned that the issues fell into two major categories: one, those related to the overall implementation of automation and the Mission Accounting and Control System (MACS) at the USAIDs in west and Central Africa, and two, those related to the MACS-based centralized automated accounting services provided by WAAC. This report deals with the latter issues. Our Information Report entitled *The Implementation of MACS and automation in West and Central Africa* discusses the former issues.

This audit covered the WAAC's reporting on the centralized MACS-based accounting of USAID programs for twelve countries in West and Central Africa during 1989 and 1990. During our preliminary work, we noted some of WAAC's client missions were not satisfied with all of the MACS-based financial management information they were receiving from WAAC. It was not possible to visit all WAAC client missions, so, in our questionnaire on MACS (Appendix V), we included questions specifically addressing WAAC services to its accounting clients. We reviewed responses from all of WAAC clients except USAID/Liberia which had been evacuated. Then, we conducted field work in the offices of: REDSO/WCA, USAID/Ghana, USAID/Guinea, American Embassy/Abidjan, and the African Development Bank in Abidjan.

The audit did not cover the following areas:

- The audit did not include an evaluation the internal workings of the MACS software itself or any other standard A.I.D. application software. Our Office of Program and Systems Audits is currently conducting an audit of MACS software internal controls.

- The audit did not attempt to certify the financial integrity or accuracy of the accounts maintained by WAAC. Other RIG/A/Dakar audits perform such verification of computer-generated financial data routinely.

Methodology

To accomplish the audit objectives, we identified (1) the applicable laws, regulations, and Agency procedures related to the delivery of financial management information to A.I.D. managers and (2) identified the problems associated with WAAC's reporting of MACS information to its clients.

During our survey work in Abidjan, we found that six of nine client missions (the number has since grown to 12) were not satisfied with all of the MACS-based financial management information they were receiving from WAAC. It was not possible to visit all WAAC client missions, so, we designed a questionnaire on MACS and WAAC services to its clients based on our preliminary survey findings.

Then, we made a judgmental selection of two major WAAC accounting client missions--the two largest, in order to isolate the problems and determine the causes.

Based on the missions' responses to our questionnaires, we decided to do follow-up field work in two WAAC accounting client missions before returning to REDSO to complete the audit. At those missions, we reviewed documents, procedures, and records and interviewed responsible officials in order to verify the information, problem areas, and trends cited in the questionnaire responses. All respondents mentioned timeliness of information as problem. Officials at one of the two missions visited mentioned incomplete reporting of Life of Project Funding as a problem. The MACS reports at the other mission showed the same discrepancy.

Then, at WAAC, we looked for further instances of the incomplete and untimely reporting. We reviewed WAAC's internal processes for producing and checking reports and compared them with the procedures required by WAAC and A.I.D. policies and the *MACS Users Guide*. We also examined the processes and factors affecting timely exchange of automated accounting information between WAAC and its clients and WAAC's attempts to improve them.

Mission Comments

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AIDAC

DAKAR FOR DAN GOWAN, SECSTATE FOR MICHELLE ADAMS, IRM

E.O. 12356:N/A
 SUBJECT: AUDIT OF REGIONAL ECONOMIC DEVELOPMENT
 SERVICES OFFICES FOR WEST AND CENTRAL AFRICA ADP
 SUPPORT SERVICES - DRAFT AUDIT REPORT

REFSO/WCA HAS REVIEWED WITH INTEREST THE DRAFT AUDIT
 REPORT ENTITLED AUDIT OF REGIONAL ECONOMIC DEVELOPMENT
 SERVICES OFFICES FOR WEST AND CENTRAL AFRICA ADP
 SUPPORT SERVICES. THIS MESSAGE CONSTITUTES OUR INITIAL
 COMMENTS ON THE PROPOSED REPORT. SEPARATE COMMENTS
 WILL ALSO BE PROVIDED BY THE AFRICA BUREAU, THE OFFICE
 OF FINANCIAL MANAGEMENT AND THE OFFICE OF INFORMATION
 MANAGEMENT RESOURCES.

REFSO/WCA AGREES THAT AGENCY MUST CONTINUE TO ADVANCE
 THE USE OF AUTOMATION. WE APPRECIATE THE INSPECTOR
 GENERAL'S ATTENTION IN THIS AREA AND THE AUDITOR'S
 SINCERE INTEREST IN PROVIDING AGENCY MANAGEMENT WITH
 CONSTRUCTIVE SUGGESTIONS TO IMPROVE AUTOMATION
 PRACTICES. IN KEEPING WITH THE AGENCY'S NEW GOALS IN
 STRATEGIC MANAGEMENT, ADDITIONAL ACTIONS NEED TO BE
 TAKEN TO MAXIMIZE THE BENEFITS OF AUTOMATION.

REFSO/WCA HAS SEVERAL COMMENTS ON THE DRAFT REPORT'S
 ORGANIZATION, CONTENT AND RECOMMENDATIONS. WE FOUND
 SECTIONS OF THE DRAFT REPORT HARD TO READ AND
 INTERPRET. TO INSURE THE REPORT OBTAINS THE DESIRED
 RESULTS, WE BELIEVE THE RECOMMENDATIONS SHOULD BE
 CLARIFIED TO MAKE THEM MORE ACTIONABLE AND ADDITIONAL
 DETAILS NEED TO BE ADDED TO DEMONSTRATE WHAT ACTUALLY
 HAS BEEN ACCOMPLISHED IN THE REGION. THE REPORT COULD
 BE IMPROVED IF IT INCLUDED MORE BACKGROUND INFORMATION
 IN THE EXECUTIVE SUMMARY AND THE BODY.
 THE REPORT SHOULD LAY OUT SOME BENCH MARKS WHICH WOULD
 INDICATE WHERE AUTOMATION WAS IN WEST AND CENTRAL
 AFRICA IN 1984 AND WHERE IT IS TODAY. THE COMPARISONS
 SHOULD SHOW HOW AUTOMATION HAS FARED IN WEST AND
 CENTRAL AFRICA WHEN COMPARED WITH OTHER BUREAUS IN THE

AGENCY OVER THE SAME TIME PERIOD. THERE IS STILL ROOM FOR IMPROVEMENT BUT MANY SINGULARLY SIGNIFICANT ACCOMPLISHMENTS HAVE BEEN MADE. THESE ACCOMPLISHMENTS WHICH INCLUDE REGIONAL CONFERENCES, TRAINING COURSES, THE DEVELOPMENT OF SPECIALIZED SOFTWARE APPLICATIONS AND TDYS EFFECTED ARE NOT REFLECTED IN THE DRAFT REPORT.

WE BELIEVE THE REPORT WOULD BE MORE USEFUL IF THE TITLE WERE MODIFIED AND ITS ADDRESSEES CHANGED. THE REPORT ACTUALLY COVERS TWO DIFFERENT SUBJECTS AND SHOULD BE DIVIDED INTO TWO PARTS AND ISSUED AS TWO SEPARATE REPORTS. ONE REPORT SHOULD BE TITLED IMPLEMENTATION OF AID'S AUTOMATION PROGRAM IN WEST AND CENTRAL AFRICA. THIS REPORT SHOULD BE ADDRESSED TO THE OFFICE OF INFORMATION RESOURCES MANAGEMENT WITH COPIES TO THE AFRICA BUREAU, THE OFFICE OF FINANCIAL MANAGEMENT AND REDSO/WCA. THE SECOND REPORT SHOULD BE TITLED THE WEST AFRICA ACCOUNTING CENTER'S MANAGEMENT OF THE MISSION ACCOUNTING CONTROL SYSTEM. THIS REPORT SHOULD BE ADDRESSED TO THE REDSO DIRECTOR WITH COPIES TO THE OFFICE OF FINANCIAL MANAGEMENT AND THE AFRICA BUREAU. IN BOTH CASES WE DEFINITELY BELIEVE THAT THE EFFORT TO PROTECT THE ANONYMITY OF THE MISSIONS, BY LABELING THEM WITH LETTERS, IS NOT HELPFUL TO MANAGEMENT AND DETRACTS FROM THE REPORTS CREDIBILITY.

WE COMMEND THE AUDITORS FOR THEIR FIELD WORK WHICH INCLUDES SITE VISITS TO CHAD, GHANA, GUINEA, AND THE IVORY COAST AND THEIR OWN FIRST-HAND OBSERVATIONS OF AUTOMATION PRACTICES AS IMPLEMENTED IN SENEGAL.

WE FOUND THAT THE REPORT'S RECOMMENDATIONS LACK THE PRECISION NECESSARY TO BE CORRECTLY IMPLEMENTED. REDSO/WCA RECOMMENDS THAT THE DRAFT RECOMMENDATIONS BE RE-WRITTEN AS FOLLOWS:

RECOMMENDATION NO. 1: WE RECOMMEND THAT THE DIRECTORS OF FINANCIAL MANAGEMENT AND INFORMATION AND RESOURCES MANAGEMENT, IN COORDINATION WITH THE DIRECTOR OF THE AFRICA BUREAU'S OFFICE OF MANAGEMENT:

1.1 DEVELOP A PLAN TO PROVIDE USAID/CHAD WITH ACCESS TO MACS;

1.2 PROVIDE ADDITIONAL TRAINING TO FIELD POST ON USE OF THE MACS FLAT FILE LAYOUTS AND THE WANG REPORT UTILITY SO THAT THEY CAN GENERATE CUSTOMIZED MACS REPORTS TO RESPOND TO SPECIAL REQUESTS FOR ADDITIONAL ACCOUNTING INFORMATION.

1.3 REPLICATE THE PROJECT OFFICER'S GUIDEBOOK FOR THE USE AND IMPLEMENTATION OF MACS REPORTS DEVELOPED BY REDSO/WCA AND DISTRIBUTE IT TO WCA MISSIONS WHICH ARE NOT WAAC CLIENTS.

1.4 CONDUCT A FOLLOW-UP SEMINAR ON THE TECHNIQUES FOR

USING MACS REPORTS TO IMPROVE FINANCIAL MANAGEMENT AND DEVELOP AND PRESENT ADDITIONAL TRAINING PROGRAMS FOR PROJECT OFFICERS WHICH EMPHASIZE HOW MACS CAN BE USED TO FACILITATE PROJECT MANAGEMENT.

RECOMMENDATION NO. 2: WE RECOMMEND THAT THE DIRECTOR OF THE OFFICE OF INFORMATION RESOURCES MANAGEMENT, IN COORDINATION WITH THE DIRECTOR OF THE OFFICE OF MANAGEMENT OF THE AFRICA BUREAU ESTABLISH AND IMPLEMENT A COMPREHENSIVE AUTOMATION PLAN FOR USAIDS IN WEST AND CENTRAL AFRICA THAT INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

2.1 REINSTATE IN THE ANNUAL APS PROCESS THE REQUIREMENT TO PREPARE AN OFFICE AUTOMATION NARRATIVE;

2.2 DEVELOP A FORMAL REVIEW PROCESS IN AID/W WHERE AUTOMATION NARRATIVES ARE REVIEWED AND APPROVED TO ASSURE THAT MISSION PLANS SPECIFIED IN SUCH NARRATIVES ARE IN ACCORDANCE WITH A GLOBAL AGENCY POLICY. SUCH NARRATIVES SPECIFY OBJECTIVES, PRIORITIES AND STANDARDS AND REPORT ON EQUIPMENT AVAILABILITY TO PERSONNEL AND PROGRAM RATIOS;

RECOMMENDATION NO. 3: WE RECOMMEND THAT THE DIRECTOR, REGIONAL ECONOMIC DEVELOPMENT SERVICE OFFICE FOR WEST AND CENTRAL AFRICA:

3.1 ASSESS CURRENT AND PROJECTED TECHNICAL AND SUPPORT STAFFING NEEDS AND TAKE NECESSARY ACTION TO OBTAIN QUALIFIED STAFF.

3.2 ADD A PROCEDURE TO WAAC'S QUALITY CONTROL PROCEDURES TO VERIFY THE LIFE OF PROJECT FUNDING AUTHORIZED AGAINST OBLIGATIONS SHOWN TO DATE ON ALL MACS POGB REPORTS PRIOR TO THEIR DISTRIBUTION.

3.3 TAKE NECESSARY ACTION TO ENSURE WAAC'S ICS IS OPERATIONAL ON DEMAND.

REDSO/WCA'S COMMENTS ON THESE REVISED RECOMMENDATIONS FOLLOW:

RECOMMENDATION NO. 1: WE RECOMMEND THAT THE DIRECTORS OF FINANCIAL MANAGEMENT AND INFORMATION RESOURCES MANAGEMENT, IN CONJUNCTION WITH THE DIRECTOR OF THE AFRICA BUREAU'S OFFICE OF MANAGEMENT:

1.1: DEVELOP A PLAN TO PROVIDE USAID/CHAD WITH ACCESS TO MACS

REDSO CONCURS WITH RECOMMENDATION TO DEVELOP A PLAN TO PROVIDE USAID/NDJAMENA WITH ACCESS TO MACS.

FOLLOWING DISCUSSION WITH IRM IN 1989, THE USAID REQUESTED THAT REDSO CONDUCT AN AUTOMATION ASSESSMENT IN NDJAMENA TO DETERMINE FUTURE AUTOMATION NEEDS AT THE USAID. THE AUTOMATION ASSESSMENT REPORT WAS ISSUED IN MAY 1989 (SEE NDJAMENA CABLE 2735 DATED 5/12/89). THIS REPORT ADDRESSED HARDWARE, SOFTWARE, AND AUTOMATED

APPLICATIONS (INCLUDING MACS) REQUIREMENTS AT THE MISSION AND DISCUSSED THE ISSUES INVOLVED IN SUPPORTING AND MAINTAINING A WANG VS SYSTEM (NEEDED TO RUN MACS) IN CHAD. APPENDIX II

PEISO BELIEVES THAT UNTIL MACS CAN BE MIGRATED TO A PC PLATFORM, ACCOUNTING AND REPORTING RESPONSIBILITY FOR CHAD SHOULD BE TRANSFERRED TO A REGIONAL ACCOUNTING POST.

1.2: PROVIDE ADDITIONAL TRAINING TO FIELD POSTS ON THE USE OF THE MACS FLAT FILE LAYOUTS AND OF WANG REPORT UTILITY SO THAT THEY CAN GENERATE CUSTOMIZED MACS REPORTS TO RESPOND TO SPECIAL REQUESTS FOR ADDITIONAL ACCOUNTING INFORMATION

ALTHOUGH ALL MACS SITES IN THE REGION HAVE QUALIFIED MACS STAFF THAT CAN RUN THE VS SYSTEM AND PERFORM DAILY BACKUP PROCEDURES, IT IS TRUE THAT ONGOING TRAINING AND UPDATING OF STAFF SKILLS IN MACS COULD CONTRIBUTE POSITIVELY TO THE EFFECTIVE FUNCTIONING OF MACS SITES. WAAC HAS A PROGRAMMING STAFF WELL-VERSED IN THE INTRICACIES OF THE MACS DATABASE AND SKILLED IN SUCH AREAS AS COBOL PROGRAMMING. THIS HAS ALLOWED WAAC TO DEVELOP, ON AN ONGOING BASIS, A NUMBER OF APPLICATIONS NEEDED TO RESPOND TO SPECIAL REQUESTS FOR ADDITIONAL ACCOUNTING INFORMATION. BUDGET AND STAFFING RESTRICTIONS, AS WELL AS THE LACK OF QUALIFIED PERSONNEL, MIGHT MAKE IT DIFFICULT FOR SOME OTHER MACS SITES IN THE REGION TO DEVELOP SUCH IN-HOUSE

EXPERTISE. REDSO BELIEVES, HOWEVER, THAT ANY MACS SITE CAN DRASTICALLY IMPROVE ITS ABILITY TO RESPOND TO SPECIAL ACCOUNTING INFORMATION NEEDS BY FAMILIARIZING PERSONNEL WITH THE MACS FLAT FILE LAYOUTS AND TRAINING APPROPRIATE STAFF MEMBERS IN THE USE OF WANG UTILITY PROGRAMS SUCH AS THE REPORT UTILITY. AN INITIAL TARGET AUDIENCE FOR SUCH TRAINING ARE THOSE COMPUTER AND ACCOUNTING STAFF MEMBERS WHO DEAL WITH MACS ON A DAILY BASIS.

THROUGH ITS WORK ON SUCH TOOLS AS MIDAS, WE BELIEVE THAT AID/W HAS SHOWN AN ONGOING INTEREST IN ENHANCING THE ABILITIES OF MISSIONS TO MEET SPECIALIZED MACS REPORTING REQUIREMENTS. FOR ITS PART, WAAC HAS CONDUCTED TRAINING IN FLAT FILES AND UTILITIES AT THE AUTOMATED WORKSHOPS IN ABIDJAN AND DURING INDIVIDUAL TRIPS TO ABIDJAN BY STAFF MEMBERS OF OTHER MACS SITES. REDSO IS PREPARED TO WORK IN CONJUNCTION WITH AID/W OFFICES SUCH AS FM, MS/IRM, AND AFR/MGT TO EXPAND AND/OR FORMALIZE SUCH TRAINING. POSSIBLE CONTRIBUTIONS BY REDSO COULD INCLUDE USE OF WAAC STAFF FOR TRAINING AND THE USE OF THE REDSO COMPUTER TRAINING CENTER TO CONDUCT SUCH TRAINING.

1.3: REPLICATE AND DISTRIBUTE THE PROJECT OFFICER'S GUIDEBOOK FOR THE USE AND IMPLEMENTATION OF MACS REPORTS, DEVELOPED BY REDSO/WCA, TO WCA MISSIONS WHICH ARE NOT WAAC CLIENTS

MACS, EVEN AFTER YEARS OF USE WORLDWIDE, REMAINS IN SOME CASES A MYSTERY TO MANY PROJECT OFFICERS. ACCORDINGLY, WAAC IN 1990 PREPARED A GUIDE WHICH ATTEMPTS TO HELP PROJECT OFFICERS USE MACS TO ITS FULL POTENTIAL. THE GUIDE CAN HELP PROJECT OFFICERS WHEN THEY HAVE QUESTIONS ABOUT THE MEANING OR INTERPRETATION OF MACS REPORTS. THE GUIDE IS ALSO USEFUL IN HELPING TO ARTICULATE REQUIREMENTS FOR SPECIAL REQUESTS, MANY OF WHICH CAN BE RESPONDED TO THROUGH THE USE OF THE WANG REPORT UTILITY. WAAC HAS DISTRIBUTED THIS GUIDE TO ALL WAAC CLIENT MISSIONS AND HAS CONDUCTED LIMITED TRAINING AT THESE SITES. DISTRIBUTION OF THE GUIDE TO OTHER SITES IN THE WCA REGION (I.E., MACS SITES) WILL PLACE IN PROJECT OFFICERS' HANDS A USEFUL GUIDE FOR UNDERSTANDING MACS.

1.4 CONDUCT A FOLLOW-UP SEMINAR ON THE TECHNIQUES FOR USING MACS REPORTS TO IMPROVE FINANCIAL MANAGEMENT AND DEVELOP AND PRESENT ADDITIONAL TRAINING PROGRAMS FOR PROJECT OFFICERS

REDSO WOULD LIKE TO WORK WITH AID/W OFFICES IN DEVELOPING TRAINING PROGRAMS TARGETED TO PROJECT OFFICERS WITH THE INTENT OF ENHANCING THEIR ABILITY TO USE MACS REPORTING CAPABILITIES. REDSO AND AID/W COULD WORK JOINTLY TO DEVELOP TRAINING SESSIONS AND SEMINARS FOR PROJECT OFFICERS THROUGHOUT THE WCA REGION (INCLUDING BOTH WAAC CLIENT POSTS AND OTHER MISSIONS WITH MACS INSTALLATIONS). WE BELIEVE THAT THE PROJECT

OFFICER'S GUIDEBOOK WOULD SERVE AS AN EXCELLENT BASIS **APPENDIX II**
FOR THIS TRAINING.

RECOMMENDATION NO. 2: WE RECOMMEND THAT THE DIRECTOR OF THE OFFICE OF INFORMATION RESOURCES MANAGEMENT, IN COORDINATION WITH THE DIRECTOR OF THE OFFICE OF MANAGEMENT OF THE AFRICA BUREAU, ESTABLISH AND IMPLEMENT A COMPREHENSIVE AUTOMATION PLAN FOR USAIDS IN WEST AND CENTRAL AFRICA THAT INCLUDES BUT IS NOT LIMITED TO THE FOLLOWING:

-REINSTITUTION IN THE ANNUAL ABS PROCESS THE REQUIREMENT TO PREPARE AN OFFICE AUTOMATION NARRATIVE;

-DEVELOP A FORMAL REVIEW PROCESS IN AID/W WHERE AUTOMATION NARRATIVES ARE REVIEWED AND APPROVED TO ASSURE THAT SUCH NARRATIVES SPECIFY OBJECTIVES, PRIORITIES AND STANDARDS AND REPORT ON EQUIPMENT AVAILABILITY TO PERSONNEL AND PROGRAM RATINGS.

ALL/W OFFICES SUCH AS MS/IRM AND FM HAVE PROVIDED BOTH TECHNICAL AND POLICY GUIDANCE TO MISSIONS IN THE WCA REGION IN THE AREA OF AUTOMATION AND AUTOMATED ACCOUNTING SYSTEMS. THIS GUIDANCE, ALONG WITH FREQUENT CONTACT WITH THE USAIDS, HAS SERVED AS A BASIS FOR THE RAPID AUTOMATION AND GENERALLY SUCCESSFUL GROWTH EXPERIENCED BY USAIDS IN THE AREA. PELTSO BELIEVES, HOWEVER, THAT DEVELOPMENT OF A MORE FORMALIZED PLAN FOR AUTOMATION IN THE REGION WOULD INCREASE THE FOCUS AND UNIFORMITY OF THE AUTOMATION

PROGRAM IN THE WCA REGION. INVOLVEMENT OF THE AFR BUREAU IN THE PLANNING PROCESS WILL BE CRITICAL TO THE SUCCESS OF ANY AUTOMATION PLAN DEVELOPED FOR THE REGION, PARTICULARLY IN VIEW OF THE BUREAU'S KNOWLEDGE OF PROGRAMS IN THE REGION AND ITS CONTROL OF BUDGET RESOURCES EXERCISED BY AFR/CONT.

WITHIN THE CONTEXT OF ANY OVERALL PLAN CENTRALLY DEVELOPED IN AID/W, INDIVIDUAL MISSIONS SHOULD BE ABLE TO PROVIDE INPUT, PARTICULARLY CONCERNING THE IMPLEMENTATION PHASES OF SUCH A PLAN. THIS GOAL CAN BE ATTAINED BY REINSTITUTING THE REQUIREMENT TO PREPARE AN ANNUAL ABS AUTOMATION NARRATIVE BY EACH MISSION. REVIEW OF THESE NARRATIVES BY MS/IRM AND THE AFR BUREAU (AND BY FM REGARDING AUTOMATED ACCOUNTING AND FINANCIAL APPLICATIONS) WOULD GO FAR TO ENSURE THAT MISSION AUTOMATION PROCEEDED ACCORDING TO THE CENTRAL PLAN. IT WOULD ALSO ALLOW EACH MISSION TO IDENTIFY ANY UNIQUE FACTORS (E.G., LOCAL MAINTENANCE CONDITIONS OR SPECIAL PROGRAMS EMPHASIZED BY MISSION MANAGEMENT) WHICH SHOULD BE INCORPORATED INTO THE AUTOMATION SCENARIO FOR THAT MISSION.

TO INSTITUTE A FORMAL REVIEW PROCESS IN AID/W FOR THE AUTOMATION PORTION OF THE ABS, GUIDANCE ON THE PREPARATION OF THE AUTOMATION PORTION OF THE ABS WILL HAVE TO BE DEVELOPED BY AID/W AND ISSUED TO THE FIELD. WE RECOMMEND THAT THE REVIEW PROCESS BE MORE INTENSIVE AND STRUCTURED THAN THE REVIEW PROCESS CONDUCTED IN PAST YEARS AND THAT, WHEN NECESSARY, A DIALOGUE BE UNDERTAKEN BETWEEN AID/W AND AN INDIVIDUAL POST, TO ENSURE THAT INDIVIDUAL MISSION AUTOMATION PROGRAMS ARE CONGRUENT WITH THE OVERALL AUTOMATION PROGRAM DEVELOPED IN WASHINGTON.

RECOMMENDATION NO. 3: WE RECOMMEND THAT THE DIRECTOR, REGIONAL ECONOMIC DEVELOPMENT SUPPORT OFFICE FOR WEST AND CENTRAL AFRICA:

3.1 ASSESS CURRENT AND PROJECTED TECHNICAL AND SUPPORT STAFFING NEEDS AND TAKE NECESSARY ACTION TO OBTAIN QUALIFIED STAFF.

3.2 ADD A PROCEDURE TO WAAC'S QUALITY CONTROL PROCEDURES TO VERIFY THE LIFE OF PROJECT FUNDING AUTHORIZED AGAINST OBLIGATIONS SPOWN TO DATE ON ALL MACS PCB REPORTS PRIOR TO THEIR DISTRIBUTION.

3.3 TAKE NECESSARY ACTION TO ENSURE WAAC'S ICS IS OPERATIONAL ON DEMAND.

REGARDING RECOMMENDATION 3.1:

REFSO HAS ASSESSED ITS ACCOUNTING STAFF AND DETERMINED THAT THERE IS AN INADEQUATE LEVEL OF STAFFING TO MEET WAAC WORKLOAD REQUIREMENTS AND TO ENSURE THE ACCURACY, INTEGRITY, AND TIMELINESS OF ACCOUNTING AND FINANCIAL SYSTEMS AT WAAC.

APPENDIX II

THE UNDERSTAFFING OF THE WANG ACCOUNTING OPERATION WAS EXACERBATED DUE TO THE DEPARTURE OF BOTH THE CHIEF ACCOUNTANT AND ONE FINANCIAL ANALYST. THE ACCOUNTING STAFF WILL SOON BE AT APPROPRIATE PERSONNEL LEVELS: THE FINANCIAL ANALYST POSITION HAS BEEN FILLED AND RECRUITMENT IS CURRENTLY UNDERWAY FOR A NEW CHIEF ACCOUNTANT, TWO ADDITIONAL PROJECT ACCOUNTANTS, ONE VOUCHER EXAMINER, AND ONE CLERK TYPIST.

WE ARE CURRENTLY REEVALUATING THE STAFFING REQUIREMENTS OF THE COMPUTER CENTER TO PROVIDE WIDER AND MORE INTENSIVE COVERAGE AND SUPPORT OF AUTOMATION IN THE REGION. THE FOLLOWING POSITIONS ARE UNDER CONSIDERATION:

A. ADMINISTRATIVE ASSISTANT (APPROXIMATELY \$10,000 - \$15,000 PER YEAR) TO HANDLE ADMINISTRATIVE TASKS, REDSO PROCUREMENT ACTIONS PLUS PROCUREMENT SUPPORT TO THE REGION AS REQUIRED, INTERFACE WITH WANG AND OTHER VENDORS, AND COORDINATION OF ACTIVITIES SUCH AS REGIONAL CONFERENCES AND TRAINING SEMINARS;

B. PROGRAMMER (APPROXIMATELY \$25,000 - \$30,000 PER YEAR) TO DEVELOP AND IMPLEMENT SYSTEMS FOR REDSO AND THE REGION; AND

C. TRAINING SPECIALIST (APPROXIMATELY \$20,000 - \$25,000 PER YEAR) TO CONDUCT TRAINING IN SUCH AREAS AS PC SOFTWARE (MSDOS, LOTUS, DBASE, ETC.) AND WANG UTILITY PROGRAMS. THIS TRAINING SPECIALIST WOULD BE RESPONSIBLE FOR REDSO AND REGIONAL TRAINING. THE EMPHASIS WOULD BE ON PROVIDING TRAINING AT THE REDSO

COMPUTER TRAINING CENTER PUT THE TRAINING SPECIALIST *APPENDIX II* COULD BE AVAILABLE FOR CONDUCTING TRAINING AT POSTS IN THE REGION.

REGARDING RECOMMEN
DATION 3.2:

REDSO CONCURS IN THE RECOMMENDATION AND WILL INSTIGATE ADDITIONAL QUALITY CONTROLS TO ENSURE THAT LIFE OF PROJECT FUNDING (AUTHORIZED VS. OBLIGATED) WILL BE ACCURATELY POSTED IN THE POSR MACS REPORT.

REGARDING RECOMMENDATION 3.3:

REDSO'S HAS HAD A FIRM LONG-TERM COMMITMENT TO THE USE OF TELECOMMUNICATIONS IN WEST AFRICA. IN SEPTEMBER OF 1987, REDSO SERVED AS THE WORLDWIDE VS TEST SITE FOR THE ICSII, THEN THE LATEST VERSION OF ICS. BOTH AID/W AND REDSO HAD HOPED THAT THE SUCCESSFUL IMPLEMENTATION OF ICS IN ABIDJAN WOULD BE FOLLOWED BY THE PROLIFERATION OF THE SYSTEM IN OTHER WCA MISSIONS. HOWEVER, NO OTHER MISSION HAD BEEN SUCCESSFUL IN INSTALLING ICS AS OF THE END OF CY 1989, ALTHOUGH SEVERAL APORITIVE ATTEMPTS WERE MADE. IMPEDIMENTS TO THE INSTALLATION OF ICS IN THE REGION INCLUDE GENERAL COMMUNICATIONS PROBLEMS IN THE REGION AND THE LACK OF TECHNICAL EXPERTISE AT THE USAIDS NEEDED TO INSTALL ICS.

BEGINNING IN NOVEMBER OF 1989, FOLLOWING CONSULTATION WITH IRM, REDSO PROPOSED TO SEVERAL MISSIONS IN THE REGION THAT IRM SHIP ICS HARDWARE AND SOFTWARE TO THEIR SITES AND THAT A REDSO COMPUTER STAFF MEMBER WOULD TRAVEL TO THE SITE TO ACTUALLY INSTALL THE SYSTEM. AS A RESULT OF REDSO'S EFFORTS, WITH STRONG BACKING FROM IRM, THE FOLLOWING SITES HAVE INSTALLED, OR WILL SHORTLY INSTALL, ICS:

OUGADOUGOU - FEBRUARY 1990

LAGOS - A TRY WAS MADE TO LAGOS BUT THE LOCAL TELEPHONE NETWORK WAS UNABLE TO SUPPORT SUSTAINED ICS TELECOMMUNICATIONS

PRAIA - SEPTEMBER 1990

BANJUL - SUMMER 1991

CONAKRY - SUMMER 1991

TOGO - SUMMER 1991

DAKAR - SUMMER 1991

IN NOVEMBER 1990, REDSO ALSO BEGAN TO EXPLORE WITH IRM THE POSSIBILITY OF INSTALLING REGIONAL TELECOMMUNICATIONS LINKS DIRECTLY BETWEEN USAIDS IN THE WCA REGION. REDSO BELIEVES THAT IN THE LONG RUN, REGIONAL TELECOMMUNICATIONS LINKS MAY PROVE MORE COST-EFFECTIVE AND TIMELY THAN ICS, WHICH REQUIRE USER MISSIONS TO COMMUNICATE VIA THE "HUB" ICS COMPUTER IN ROSSLYN, VIRGINIA.

WHILE REDSO, IN OUR VIEW, HAS MADE SIGNIFICANT PROGRESS

IN PROMOTING ICS IN THE REGION, REDSO ITSELF WAS APPENDIX II EXPERIENCED CONTINUING DIFFICULTIES WITH ICS - PRIMARILY DUE TO THE LOCAL LOOP BETWEEN THE EMBASSY CPU AND THE REDSO COMPUTER. FOLLOWING THE INSTALLATION OF ICS IN ABIDJAN IN OCTOBER, 1987, ICS COMMUNICATIONS WERE GENERALLY AVAILABLE, ALTHOUGH NOT REGULARLY USED BY REDSO BECAUSE OTHER MISSIONS IN THE REGION, WITH WHOM WE NEEDED TO COMMUNICATE, HAD NOT INSTALLED ICS.

IN THE FALL OF 1989, THE PTT BEGAN TO UPGRADE THE EQUIPMENT AT THE DEUX PLATEAUX SWITCHING STATION IN ABIDJAN WHICH HANDLES THE LOCAL LOOP BETWEEN REDSO AND THE EMBASSY. DURING THE PTT UPGRADE, THE LOCAL LOOP BECAME INOPERATIVE AND SINCE THAT TIME HAS NEVER FUNCTIONED PROPERLY. ALTHOUGH REDSO WORKED WITH IBM, STATE/OC/WASHINGTON, EMBASSY/COMMUNICATIONS PROGRAM UNIT (CPU), AND THE REGIONAL OFFICE OF COMMUNICATIONS (ROC)/ABIDJAN TO RECTIFY THIS PROBLEM, IT HAS PERSISTED DUE IN PART TO THE CONTINUING UPGRADE WORK ON THE SWITCHING CENTER. UNFORTUNATELY, THE RESIGNATION OF A KEY STAFF MEMBER OF THE REDSO COMPUTER CENTER DURING THIS PERIOD SUBSTANTIALLY REDUCED REDSO'S EFFORTS TO MAKE ICS OPERATIONAL. THESE TECHNICAL DIFFICULTIES, ALONG WITH UNDERSTAFFING AT THE COMPUTER CENTER DURING 1990 (AUDIT REPORT, PAGE 29), HAVE RESULTED IN REDSO'S INABILITY TO USE ICS.

WE CONCUR FULLY WITH THE AUDIT REPORT THAT TELECOMMUNICATIONS IS POSSIBLE IN ABIDJAN AND THAT REDSO SHOULD TAKE THE NECESSARY STEPS TO MAKE ICS OPERATIONAL.

THE COMMUNICATIONS LINK BETWEEN REDSO AND THE ICS COMPUTER IN ROSSLYN, VA, IS A 3-LEGGED CIRCUIT: 1) REDSO TO THE EMBASSY CPU VIA A LOCAL LOOP; 2) EMBASSY CPU TO THE STATE DEPARTMENT COMMUNICATION FACILITY (BELTSVILLE, MD) VIA A STATE DEPARTMENT HIGH-SPEED SATELLITE DATA LINE; 3) BELTSVILLE TO IRM IN ROSSLYN, VA, VIA A LOCAL LOOP. ALTHOUGH COMMUNICATIONS DIFFICULTIES HAVE BEEN ENCOUNTERED ON ALL THREE LEGS OF THE REDSO-EMBASSY-BELTSVILLE-ROSSLYN CIRCUIT, THE OVERWHELMING EVIDENCE TO DATE IS THAT THE LOCAL LOOP BETWEEN REDSO AND THE EMBASSY IS RESPONSIBLE FOR 90% OR MORE OF THE ICS PROBLEMS WE HAVE EXPERIENCED IN THE LAST TWO YEARS. DURING THIS PERIOD, ICS WAS FOR ALL PRACTICAL PURPOSES COMPLETELY NON-OPERATIONAL.

WE WILL FOCUS ON THE ICS ISSUE WITH THE INTENTION OF HAVING ICS FULLY OPERATIONAL BY THE END OF FY 1991. REDSO WILL TAKE THE FOLLOWING STEPS TO MAKE ICS FULLY OPERATIONAL BY THE END OF FY 1991:

A. ADEQUATE COMPUTER CENTER STAFF WILL BE ASSIGNED TO ICS.

B. A WANG PC WILL BE INSTALLED IN THE EMBASSY AND HARDWIRED DIRECTLY TO THE STATE DEPARTMENT HIGH-SPEED DATA LINK IN THE CPU. EFFECTIVE USE OF THIS LINE FOR SEVERAL WEEKS WILL CLEARLY CONFIRM WHETHER THE LOCAL CIRCUIT CONNECTING THE EMBASSY AND THE REDSO IS RESPONSIBLE FOR THE NUMEROUS ICS COMMUNICATIONS PROBLEMS EXPERIENCED BY REDSO DURING THE LAST TWO YEARS.

C. FOLLOWING THE CONCLUSION OF STEP B, REDSO, IRM, AND STATE DEPARTMENT COMMUNICATIONS ORGANIZATIONS WILL HAVE ADEQUATE KNOWLEDGE CONCERNING THE REDSO-EMBASSY-BELTSVILLE(MD)-ROSSLYN COMMUNICATIONS LINK TO TAKE THE NECESSARY ACTION TO MAKE ICS OPERATIONAL.

D. ONCE ALL TECHNICAL DIFFICULTIES HAVE BEEN OVERCOME AND ICS IS TECHNICALLY FUNCTIONAL, WE WILL PUT IN PLACE THE NECESSARY ADMINISTRATIVE SUPPORT - SPECIFICALLY, ADMINISTRATIVE PROCEDURES AND ADEQUATE STAFF - AT REDSO NEEDED TO MAKE ICS AN OPERATIONAL SYSTEM AND A VIABLE AIR COMMUNICATIONS NETWORK IN THE WCA REGION. SOME ADDITIONAL BACKGROUND MATERIAL ON REDSO/WCA'S COMPUTER CENTER FOLLOWS:

THROUGHOUT THE AUDIT REPORT, A NUMBER OF COMMENTS WERE MADE REGARDING THE NATURE OF AUTOMATED SUPPORT SERVICES PROVIDED BY THE REDSO COMPUTER CENTER TO THE WCA REGION.

IN RESPONDING TO THE AUDIT REPORT, WE BELIEVE THAT IT WOULD BE BENEFICIAL TO SET FORTH AN EXPOSITORY OVERVIEW OF REDSO MOTUS OPERANDI FOR PROVIDING AUTOMATION SUPPORT TO THE REGION. SUCH AN OVERVIEW WILL HELP TO CLARIFY A NUMBER OF OBSERVATIONS MADE IN THE AUDIT REPORT. IT WILL ALSO ENSURE THAT THESE OBSERVATIONS

ARE INTERPRETED WITHIN THE CONTEXT OF REDSO'S *APPENDIX II* METHODOLOGY FOR PROVIDING AUTOMATED SUPPORT SERVICES TO MISSIONS IN THE REGION.

THE A.I.P. STRATEGIC INFORMATION RESOURCES MANAGEMENT PLAN, 1991 - 1996, PREPARED UNDER CONTRACT BY DELOITTE & TOUCHE AND PUBLISHED IN SEPTEMBER 1990, CALLS FOR THE ESTABLISHMENT OF "ROBUST REGIONAL INFORMATION CENTERS" WHOSE PURPOSE WOULD BE "TO ENHANCE INFORMATION MANAGEMENT SUPPORT TO THE MISSIONS....IN EACH GEOGRAPHIC REGION" (SEE PAGE E-29 THROUGH E-31 OF THE PLAN). REDSO, INCIDENTALLY, PLAYED A SIGNIFICANT ROLE IN FORMULATING THE CONCEPT OF ROBUST REGIONAL CENTERS DURING THE MAY 1990 VISIT BY DELOITTE & TOUCHE CONSULTANTS TO ABIDJAN.

IN DISCUSSING THE NEED FOR ROBUST REGIONAL CENTERS, THE PLAN ALLUDES TO REGIONAL SUPPORT CURRENTLY PROVIDED FROM ABIDJAN, NAIROBI, AND SAN JOSE AND SUGGESTS THAT "NONE OF THESE EXPERIMENTS (IN REGIONAL SUPPORT HAS) ADDRESSED ALL OF THE INFORMATION SUPPORT NEEDS OF THE MISSIONS." THE PLAN CALLS FOR ACTION ON THE PART OF AID'S INFORMATION MANAGEMENT COMMITTEE (IMC) AND MS/IRM TO DEFINE THE FUNCTIONS OF THESE ROBUST REGIONAL CENTERS AND THEN TO ESTABLISH THEM WITH THE NECESSARY RESOURCES TO CARRY OUT THEIR MANDATE.

THE AGENCY HAS STILL TO DEFINE AND ESTABLISH THESE ROBUST REGIONAL CENTERS. IN THE INTERIM, REDSO BELIEVES THAT IT HAS FORMULATED AND CONDUCTED A VIABLE AUTOMATION SUPPORT PROGRAM FOR THE WCA REGION.

CERTAINLY WE HAVE NOT ADDRESSED EVERY INFORMATION NEED OF EVERY MISSION IN THE REGION. HOWEVER, WE FEEL THAT WE HAVE PROVIDED EFFECTIVE AND THOROUGH SUPPORT TO USAIDS IN THE REGION, CONSISTENT WITH THE BUDGET AND STAFFING RESTRAINTS OF THE REDSO COMPUTER CENTER. THIS SUPPORT HAS BEEN CONDUCTED IN CONFORMANCE WITH THE NUMEROUS POLICY AND TECHNICAL GUIDANCE ISSUED TO THE FIELD BY MS/IRM AND WITH A CONCERTED EFFORT MADE TO AVOID ANY DUPLICATION OR OVERLAP OF FUNCTIONS PERFORMED BY AID/W.

THE FIRST SALIENT FACTOR FACING REDSO MANAGEMENT IN DEVELOPING AN AUTOMATION SUPPORT PLAN FOR WEST AND CENTRAL AFRICA IS THE EXISTENCE OF A LARGE NUMBER OF COUNTRIES IN THE REGION. THERE ARE TWENTY-FOUR NCA COUNTRIES, SEVENTEEN OF WHICH HAVE USAIDS. REDSO SUPPORTS THE MISSION AUTOMATION PROGRAMS AT THE SEVENTEEN USAIDS IN THE AREA. ADDITIONALLY, THE COMPUTER STAFF CAN BE CALLED UPON TO PROVIDE SUPPORT FOR AUTOMATED COMPONENTS OF ANY BILATERAL OR REGIONAL PROJECT IN THE REGION.

THE REDSO COMPUTER CENTER CONSISTS OF FIVE STAFF MEMBERS: TWO REGIONAL DATA MANAGEMENT OFFICERS, ONE MACS COORDINATOR/PROGRAMMER, ONE SYSTEMS ADMINISTRATOR, AND ONE COMPUTER TECHNICIAN.

THIS STAFF IS RESPONSIBLE FOR AUTOMATED SUPPORT BOTH AT REDSO AND THROUGHOUT THE REGION. REDSO MANAGEMENT HAS DELIBERATELY VIEWED BOTH REDSO AUTOMATION AND REGIONAL AUTOMATION AS AN INTEGRATED WHOLE. SUCH AN INTEGRATED APPROACH TO AUTOMATION SUPPORT IS A PARTICULARLY EFFECTIVE METHOD IN SUCH AREAS AS AUTOMATED ACCOUNTING SERVICES, TELECOMMUNICATIONS AND TRAINING.

REDSO HAS AN INSTALLED COMPUTER EQUIPMENT BASE VALUED AT ABOUT \$1.5 MILLION AND A LARGE INVENTORY OF PROPRIETARY AND APPLICATIONS SOFTWARE. IT RUNS MAJOR REGIONAL APPLICATIONS SUCH AS MACS AND HAS 130 COMPUTER USERS. PROVIDING SUPPORT TO BOTH REDSO AND TWENTY-FOUR COUNTRIES IN THE REGION NECESSITATES THAT THE STAFF PAY SPECIAL ATTENTION TO PRIORITIZING WORK, BALANCING REDSO NEEDS AGAINST THE NEEDS OF OTHER MISSIONS IN THE REGION, AND DEVISING WAYS OF MAXIMIZING AUTOMATION SUPPORT THROUGH METHODS WHICH MAKE EFFECTIVE USE OF LIMITED STAFF RESOURCES.

AUTOMATION TRAINING PROVIDES A GOOD EXAMPLE OF HOW REDSO HAS FOUND IT NECESSARY TO SHIFT ITS APPROACH TO REGIONAL SUPPORT IN ORDER TO OPTIMIZE USE OF LIMITED STAFF RESOURCES. SOME YEARS AGO, A DATA MANAGEMENT OFFICER WOULD TRAVEL THROUGHOUT THE REGION TO PROVIDE ON-SITE TRAINING AT POST. AS THE AMOUNT OF COMPUTER EQUIPMENT AND THE NUMBER OF COMPUTER USERS IN THE REGION INCREASED, IT BECAME APPARENT THAT FREQUENT ON-SITE TRAINING AT ALL USAID'S IN THE REGION WOULD NOT BE POSSIBLE. REDSO THUS CREATED A REGIONAL AUTOMATION TRAINING CENTER IN ABIDJAN WHERE TRAINING CAN BE

APPENDIX II

CONDUCTED FOR BOTH THE REDSO STAFF AND USAID PERSONNEL IN THE REGION. WE ARE NOW ABLE TO CONDUCT TRAINING EITHER AT POST OR IN ABIDJAN DEPENDING UPON THE SPECIFIC TRAINING REQUIREMENT AND THE AVAILABILITY OF STAFF. THUS, WHILE WE HAVE CONDUCTED MACS TRAINING IN THE FIELD AT SUCH SITES AS MONROVIA, NIAMEY, OUAGADOUGOU, AND KINSHASA, WE HAVE ALSO BEEN ABLE TO CONDUCT MACS TRAINING IN ABIDJAN FOR CONTROLLER AND AUTOMATION PERSONNEL FROM MISSIONS IN THE WCA REGION. LIKEWISE WITH LOTUS, WE HAVE CONDUCTED TRAINING AT POST (DAKAR, LOME, AND BISSAU, E.G.) BUT, HAVE ALSO BEEN ABLE TO PROVIDE SIMILAR TRAINING TO PERSONNEL VISITING ABIDJAN FROM OTHER POSTS.

WE HAVE ALSO TRIED TO OPTIMIZE STAFF UTILIZATION IN THE AREA OF SYSTEMS DEVELOPMENT. REDSO PAYS CLOSE ATTENTION TO ENSURE THAT THE REDSO COMPUTER STAFF UNDERTAKES NO SYSTEMS DEVELOPMENT WHICH WOULD DUPLICATE WORK PERFORMED ELSEWHERE (MS/IRM, E.G.). REDSO'S SYSTEM DEVELOPMENT WORK HAS BEEN DONE IN SOME CASES AT POST WHERE A MISSION HAS IDENTIFIED A UNIQUE APPLICATION (CONTRACEPTIVE MONITORING IN LAGOS, E.G.).

IN MOST CASES, HOWEVER, WE HAVE ATTEMPTED TO DEVELOP APPLICATIONS WHICH ARE UNIQUE TO A REGIONAL SUPPORT ORGANIZATION SUCH AS WAAC AND WILL BENEFIT SEVERAL USAIDS. FOR EXAMPLE, A MINI-MACS SYSTEM WAS DEVELOPED IN 1991 AFTER CONSULTING WITH MISSIONS IN THE REGION WHICH USED WAAC ACCOUNTING SERVICES INCLUDING MACS. THIS SYSTEM GIVES MISSIONS AN AUTOMATED CAPABILITY FOR PROCESSING ACCOUNTING DATA DURING THE PERIOD BETWEEN

THE ISSUANCE OF MONTHLY MACS REPORTS BY WAAC.
 THE AUDIT REPORT POINTS OUT THAT FOUR ORGANIZATIONS CAN PROVIDE TECHNICAL SUPPORT TO USAIDS IN THE REGION: IPM IN AID/W; OAP AT RAMC/PAPIS; REDSO IN ABIDJAN; AND WANG LABORATORIES, INC.

THE AUDIT REPORT ALSO INDICATES THAT QUOTE USAID MANAGERS DID NOT KNOW WHICH SERVICES WERE PROVIDED BY WHOM. UNQUOTE

OBVIOUSLY, SOME GUIDANCE NEEDS TO BE GIVEN TO THE MISSIONS IN THE REGION REGARDING WHAT SERVICES ARE AVAILABLE FROM REDSO. WE PROPOSE THAT REDSO, IN CONJUNCTION WITH IPM, IDENTIFY THE AUTOMATION SERVICES AVAILABLE TO USAIDS IN THE REGION. SUCH ACTION WOULD dovetail with the report's recommendation no. 2 that IRM, IN CONJUNCTION WITH THE AFRICA BUREAU OFFICE OF MANAGEMENT, IMPLEMENT AN AUTOMATION PLAN FOR WEST AND CENTRAL AFRICA THAT, AMONG OTHER FACTORS, INCLUDES THE QUOTE DELINEATION AND DELEGATION OF SPECIFIC RESPONSIBILITIES AMONG IRM, THE BUREAU, THE REDSO AND THE INDIVIDUAL MISSIONS. UNQUOTE

THE AUDIT REPORT STATES (PAGE 20) THAT QUOTE SERVICE PROVIDERS NEED TO ADVERTISE THEIR SERVICES TO THEIR CLIENTS. UNQUOTE

WHILE WE WOULD NOT BE SURPRISED TO LEARN THAT SOME MISSIONS MIGHT BE UNAWARE OF THE SPECIFIC AUTOMATION SERVICES OFFERED BY REDSO, WE WERE QUITE SURPRISED TO READ IN THE REPORT THAT QUOTE SOME MISSION DIRECTORS TOLD US THAT THEY DID NOT KNOW THAT REDSO/WCA OFFERED AUTOMATION SERVICES. UNQUOTE

FIRST, THE CABLE ANNOUNCING THE ANNUAL SCHEDULING CONFERENCE INDICATES THAT DATA MANAGEMENT OFFICERS ARE AVAILABLE TO ASSIST THE MISSIONS. ALTHOUGH THE CABLE DOES NOT LIST SPECIFIC AUTOMATION, THE CABLE PROVIDES ALL MISSIONS IN THE REGIONS WITH AT LEAST SOME INDICATION THAT DATA MANAGEMENT SERVICES ARE AVAILABLE.

SECOND, DURING THE SCHEDULING CONFERENCE ITSELF, THE TWO DATA MANAGEMENT OFFICERS AT REDSO/WCA CONTACT ATTENDEES OF EVERY MISSION REPRESENTED AT THE CONFERENCE TO OFFER DATA MANAGEMENT SERVICES AND TO DETERMINE WHAT ASSISTANCE IS NEEDED. AN INHERENT DIFFICULTY, INCIDENTALLY, ENCOUNTERED BY THE DATA MANAGEMENT OFFICERS AT THE CONFERENCE IS THAT MOST ATTENDEES ARE INVOLVED IN PROGRAM AND PROJECT OPERATIONS AND DO NOT HAVE RESPONSIBILITIES FOR THE MISSION AUTOMATION PROGRAMS PER SE, A RESPONSIBILITY NORMALLY DELEGATED TO CONTROLLERS OR EXECUTIVE OFFICERS.

FINALLY, REDSO/WCA ORGANIZED AND HOSTED THE AFRICA BUREAU REGIONAL AUTOMATION WORKSHOPS IN ABIDJAN IN JUNE OF 1988 AND JANUARY OF 1990. THESE WORKSHOPS WERE ATTENDED BY USAID SYSTEM MANAGERS FROM BOTH THE WCA AND

APPENDIX II

THE FSA REGIONS OF AFRICA. APPROXIMATELY THIRTY SYSTEM MANAGERS ATTENDED EACH WORKSHOP. DURING EACH TWO-WEEK WORKSHOP, A SESSION WAS CONDUCTED BY THE REGIONAL DATA MANAGEMENT OFFICERS FROM BOTH ABIDJAN AND NAIROBI TO DISCUSS REGIONAL PROBLEMS AND TO OUTLINE AUTOMATION SERVICES OFFERED BY THE REDSOS. DURING THE JANUARY 1990 WORKSHOP, BARRY GOLBERG, DIRECTOR OF IRM, ALSO ADDRESSED ATTENDEES AND DISCUSSED SERVICES OFFERED BY BOTH IRM AND THE REDSOS.

IN VIEW OF THE FACTS PRESENTED ABOVE, WE BELIEVE THAT REASONABLE EFFORTS HAVE BEEN MADE TO KEEP MISSIONS FULLY INFORMED OF THE DATA MANAGEMENT SERVICES PROVIDED BY REDSO. GIVEN THE FINDINGS OF THE AUDIT REPORT, HOWEVER, A MORE CONCERTED EFFORT APPEARS TO BE NEEDED TO ENSURE THAT USAIDS ARE AWARE OF THE SPECIFIC SERVICES AVAILABLE.

INCIDENTALLY, COMMENTS MADE BY REDSO/WCA MANAGERS TO THE AUDITORS POINTING OUT THE QUOTE TRAP UNQUOTE IMPERENT IN ADVERTISING SERVICES MORE COMPLETELY (I.E., QUOTE REDSO/WCA HAD NEITHER THE STAFF NOR THE FUNDING TO PROVIDE MORE AUTOMATION SERVICES UNQUOTE) WAS MADE IN THE CONTEXT OF QUOTE MARKETING UNQUOTE THESE SERVICES. REDSO/WCA MANAGERS CONTINUE TO BELIEVE THAT A SIGNIFICANT INCREASE IN USAID DEMANDS FOR SERVICES WOULD EXCEED REDSO'S ABILITY TO PROVIDE THOSE SERVICES, PARTICULARLY GIVEN CURRENT BUDGETS, WORKLOADS AND STAFFING.

THE AUDIT REPORT (PAGE 15) POINTS OUT THAT

USAID/YAOUNDE AND USAID/KINSHASA (IDENTIFIED AS USAIDS I AND F) HAVE NEVER BEEN VISITED BY REDSO/WCA DATA MANAGEMENT OFFICERS AND THAT, FURTHER, THE QUOTE TWO REDSO/WCA DATA MANAGEMENT OFFICERS DO NOT KNOW THE AUTOMATION NEEDS OF THESE TWO CLIENT USAIDS. UNQUOTE WHILE REDSO BELIEVES THAT IT IS IDEAL IF DATA MANAGEMENT OFFICERS PERIODICALLY VISIT EVERY MISSION IN THE REGION, REDSO GIVES PRIORITY TO MISSIONS WHICH SPECIFICALLY REQUEST TDY VISITS BY A DATA MANAGEMENT OFFICER. ALTHOUGH NEITHER YAOUNDE NOR KINSHASA HAS REQUESTED SUCH A TDY DURING THE LAST FIVE YEARS, REDSO HAS NONETHELESS PROVIDED AUTOMATION SUPPORT IN OTHER WAYS. IN THE CASE OF KINSHASA, E.G., THE MACS COORDINATOR/PROGRAMMER, A MEMBER OF THE REDSO COMPUTER STAFF, TRAVELLED TO ZAIRE IN SEPTEMBER OF 1990 TO ASSIST THE MISSION IN INSTALLING MACS ON ITS WANG VS SYSTEM. IN THE CASE OF YAOUNDE, THE REDSO COMPUTER STAFF RESPONDED TO A NUMBER OF TELEPHONE CALLS DURING 1987 WHEN THE MISSION WAS INSTALLING MACS; WE RECENTLY COORDINATED THE HIRING OF A TEMPORARY WANG VS SYSTEMS MANAGER BY USAID/YAOUNDE FOR A THREE MONTH PERIOD WHILE THE REGULAR SYSTEMS MANAGER AND ASSISTANT SYSTEMS MANAGER WERE ON LEAVE; WE ARE CURRENTLY WORKING WITH THE YANG REGIONAL SUPPORT CENTER IN ABIDJAN TO ARRANGE THE INSTALLATION OF A WINCHESTER DISK DRIVE ON THE WANG VS SYSTEM AT USAID/YAOUNDE.

IN SUMMARY, REDSO HAS NOT BEEN ABLE TO MEET EVERY INFORMATION NEED OF EVERY MISSION IN THE REGION. WE DO BELIEVE, HOWEVER, THAT REDSO HAS PROVIDED A REASONABLE LEVEL OF SUPPORT TO THE AUTOMATION REQUIREMENTS OF THE REGION AND THAT ITS COMPUTER STAFF HAS ADDRESSED THE MOST CRITICAL NEEDS OF THE REGION.

WE HAVE CONSIDERED THE POSSIBILITY OF HIRING ADDITIONAL COMPUTER STAFF MEMBERS WITH THE IDEA OF EXPANDING AUTOMATION SUPPORT TO THE REGION. SUCH ADDITIONAL STAFF MEMBERS MIGHT INCLUDE A TRAINING SPECIALIST, A

PROGRAMMER, AND A AD I STRAT V ASSIST NT. WE ARE CONTINUING TO LOOK AT THE POSSIBILITY OF AUGMENTING THE COMPUTER STAFF WITHIN THE CONTEXT OF BUDGETARY CONSTRAINTS. OUR HOPES IS THAT WE WILL EVOLVE INTO A TRUE QUOTE ROBUST UNQUOTE REGIONAL AUTOMATION CENTER THAT WILL APPROACH THE IDEAL OF ADDRESSING ALL THE INFORMATION NEEDS OF ALL THE MISSIONS IN THE REGION.

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REPORT ON INTERNAL CONTROLS

This section provides a summary of our assessment of internal controls for the audit objective.

Scope of Our Internal Controls Assessment

We conducted our audit in accordance with generally accepted government auditing standards, which require that we (1) assess the applicable internal controls when necessary to satisfy the audit objectives and (2) report on the controls assessed, the scope of our work, and any significant weaknesses found during the audit.

We limited our assessment of internal controls to those controls applicable to the audit objective and not to provide assurance on the auditee's overall internal control structure.

We have classified significant internal control policies and procedures applicable to the audit objective by categories. For each category, we obtained an understanding of the relevant policies and procedures and determined whether they are in operation, then assessed the control risk. We have reported these categories as well as any significant weaknesses for the audit objective.

General Background on Internal Controls

Under the Federal Managers' Financial Integrity Act and the Office of Management and Budget's implementing policies, A.I.D.'s management is responsible for establishing and maintaining adequate internal controls. The General Accounting Office has issued *Standard for Internal Controls in the Federal Government* to be used by agencies in establishing and maintaining internal controls.

The objectives of internal control policies and procedures for federal foreign assistance programs are to provide management with reasonable--but not absolute--assurance that resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data is obtained, maintained, and fairly disclosed in reports. Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Predicting whether a system will work in the future is risky because (1) changes in condition may require additional procedures or (2) the effectiveness of the design and operation of policies and procedures may deteriorate.

Conclusions for the Audit Objective

This objective relates to the complete and timely delivery of MACS information to its clients by the West Africa Accounting Center. In planning and performing this audit, we considered the applicable internal control policies and procedures cited in the MACS Users' Guide and REDSO/WCA's WAAC Operation Guide. We have classified the relevant policies and procedures into one category: the process for delivering complete and timely MACS reports.

We noted three reportable conditions:

- MACS information sent to client USAIDs was not always up to date because the WAAC may not have had enough qualified personnel to handle its workload on a timely basis;
 - MACS reports sent to client USAIDs were not always complete because the reports were not being checked for completeness before leaving the WAAC; and
 - MACS information takes too long to transfer between WAAC and its clients partially because REDSO/WCA's telecommunications system is not working.
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REPORT ON COMPLIANCE

This section summarizes our conclusions on WAAC's compliance with applicable laws and regulations.

Scope of Our Compliance Assessment

We conducted our audit in accordance with generally accepted government auditing standards, which require that we (1) assess compliance with applicable requirements of laws and regulations when necessary to satisfy the audit objectives (which includes designing the audit to provide reasonable assurance of detecting abuse or illegal acts that could significantly affect the audit objectives) and report all significant instances of noncompliance and abuse and all indications or instances of illegal acts that could result in criminal prosecution that were found during or in connection with the audit.

We tested WAAC's compliance with the provisions of Appendix 1E, Chapter 1, A.I.D. Handbook 19 (Financial Management), specifically with the section applicable to the completeness and timeliness of financial management information reporting. Our objective was not to provide an opinion on WAAC's compliance with all the provisions of this Handbook.

General Background on Compliance

Noncompliance is a failure to follow requirements, or a violation of prohibitions, contained in statutes, regulations, contracts, grants, and binding policies and procedures governing entity conduct. Noncompliance constitutes an illegal act when the source of the requirement is not followed or prohibition violated is a statute or implementing regulation. Noncompliance with internal control policies and procedures in the A.I.D. Handbooks generally does not fit into this definition and is included in our report on internal controls. Abuse is furnishing

APPENDIX IV

excessive services to beneficiaries or performing what may be considered improper practices, which do not involve compliance with laws and regulations. Abusive activities may be within the letter of the laws and regulations but violate either their spirit or the more general standards of impartial and ethical behavior. Compliance with laws and regulations applicable to Agency operations is the overall responsibility of WAAC management.

Conclusions on Compliance

The results of our tests of compliance indicated that, with respect to the items tested, WAAC complied with the requirements of A.I.D. Handbook 19, Chapter 1, Appendix 1E except that:

- WAAC did not always provide timely and complete financial management information in some of its MACS reports to client USAIDs as required. (See findings on pages 6, 8, and 10 for more information.)
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AUDIT QUESTIONNAIRES

QUESTIONNAIRE ON MACS

Audit Scope and Objectives

The Office of the Regional Inspector General for Audit, Dakar, is presently conducting an audit of the effectiveness of the MACS used by the West Africa Account Center at REDSO/WCA Abidjan and the other USAID missions controllers in our audit region. The audit will answer the following audit questions.

- How well the MACS provides financial information to controllers, project officers, and mission directors for monitoring project implementation?
- Are MACS reports distributed in the most cost-effective manner?
- Are these reports being used?
- What else needs to be done to provide adequate financial information to mission managers?

Questionnaire Objectives

The purpose of this questionnaire is to solicit the Mission managers' comments on MACS reports and their value as management tools.

QUESTIONS

Area One: MACS Reports**For Mission Directors and Program and Project Managers**

What types of MACS reports do you receive? How often? Do you actually use them all? Are they good management tools? What other types of reports would you like to receive?

For Controllers

a) Controllers with own MACS

What types of reports do you generate? Are reports widely used in the Mission? Do you get any feedback from the users? Describe.

b) Controllers without own MACS

What types of reports do you get from WAAC? How useful are they?

Is the information provided enough for controller use? What other reports would you like to get?

Are the reports you get from WAAC redistributed to Mission management and the project officer?

Do they use them?

What type of feedback do you get?

Area Two: Tool for Accountability

Timeliness

For controllers without own MACS

Are The MACS reports received from WAAC timely? If not how late are they?

Do you send the financial information to WAAC on a timely basis? If not, what are the main constraints?

What alternatives to the present system of sending information to WAAC?

For controllers with own MACS

Does Washington send project disbursement information for reporting purposes? If not do you ask for it?

Is there an alternative way to provide the information to project/mission management on a timely basis?

Accuracy

For Mission Management, Program and Project Officers

Do the MACS reports accurately show the financial status of the projects at the time they are issued?

Do they show the actual status of activities which accounting is done in Washington, D.C. (Federal letter of credit, ESF EPRP programs)?

Area Three: Report Distribution

What types of reports do you distribute/receive?

Area Four: Present Unmet Financial Management and Accounting Services Needs

Describe conditions and future corrective actions in relation to these problems.

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IG/A	1
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IG/A/PPO	2
IG/A/RM	12
IG/A/LC	1
IG/A/PSA	1
IG/A/FA	1
AIG/I	1
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