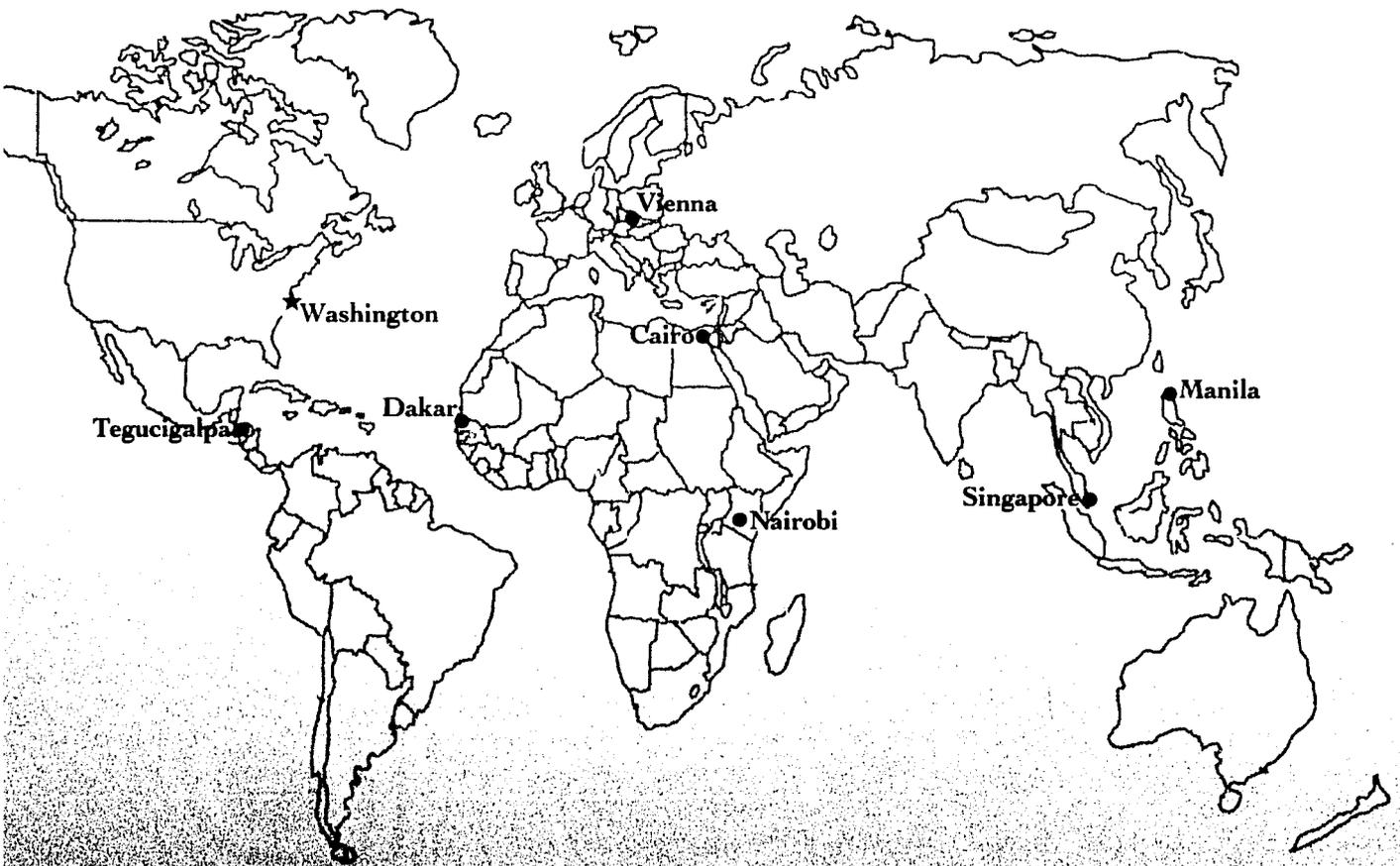


Regional Inspector General for Audit
Dakar

**AUDIT OF USAID/GUINEA'S
PARTICIPANT TRAINING PROGRAM**

Audit Report No. 7-675-92-10
July 20, 1992



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE REGIONAL INSPECTOR GENERAL FOR WEST AFRICA

UNITED STATES ADDRESS
RIG/DAKAR
AGENCY FOR INTERNATIONAL
DEVELOPMENT
WASHINGTON, D.C. 20523

INTERNATIONAL ADDRESS
RIG/DAKAR
C/o AMERICAN EMBASSY
B.P. 49 DAKAR SENEGAL
WEST AFRICA

July 20, 1992

MEMORANDUM

TO: William J. Kaschak, Director, USAID/Guinea

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

SUBJECT: *Audit of USAID/Guinea's Participant Training Program--Report No. 7-675-92-10*

Enclosed are five copies of the subject report. We have reviewed your cabled comments in response to our draft audit report (Conakry 2954) and have taken them into consideration in preparing this report. Your comments are included in their entirety in Appendix I herein.

This report contains four recommendations of which Recommendation No. 2 is resolved upon issuance and can be closed subject to our review of actions to be taken by the Mission. Please respond within 30 days, indicating actions planned or already taken to implement the other recommendations.

I appreciate your cooperation and courtesy to my staff during the audit.

Background

A.I.D. sponsors participant training to develop managerial and technical skills of private and public sector officials in recipient countries. After undergoing short- and long-term training programs in the United States and other countries, participants are required to return to their home countries and apply their skills in development-related activities for which the training was authorized.

A.I.D. has recognized that a long-term and continued investment by the Agency is required to develop Guinea's human resources in order to address the country's development problems. A.I.D.'s training objective is to assist the Government of Guinea (GOG) to meet the country's needs for managerial and technically skilled personnel. Selected candidates are trained in economics, agriculture, energy, management and public health. Training programs are financed through the

regionally funded Human Resources Development Assistance (HRDA) and the African Manpower Development (AMDP) programs. For fiscal year 1991, USAID/Guinea had planned for 256 candidates to be sponsored for participant training, of whom 102 were to be trained in the United States. Mission's accounting records showed that as of May 1992, obligations and disbursements for the HRDA program totaled \$3.2 million and \$952,426 respectively. According to USAID/Guinea Controller, there were no amounts obligated for the AMDP in 1990 or 1991.

To administer its participant training program and monitor training activities, the Mission has established a training section staffed by four employees. In August 1988, USAID/Guinea issued a Mission Order (No. 585) to provide guidance to its staff on participant training.

Audit Objectives

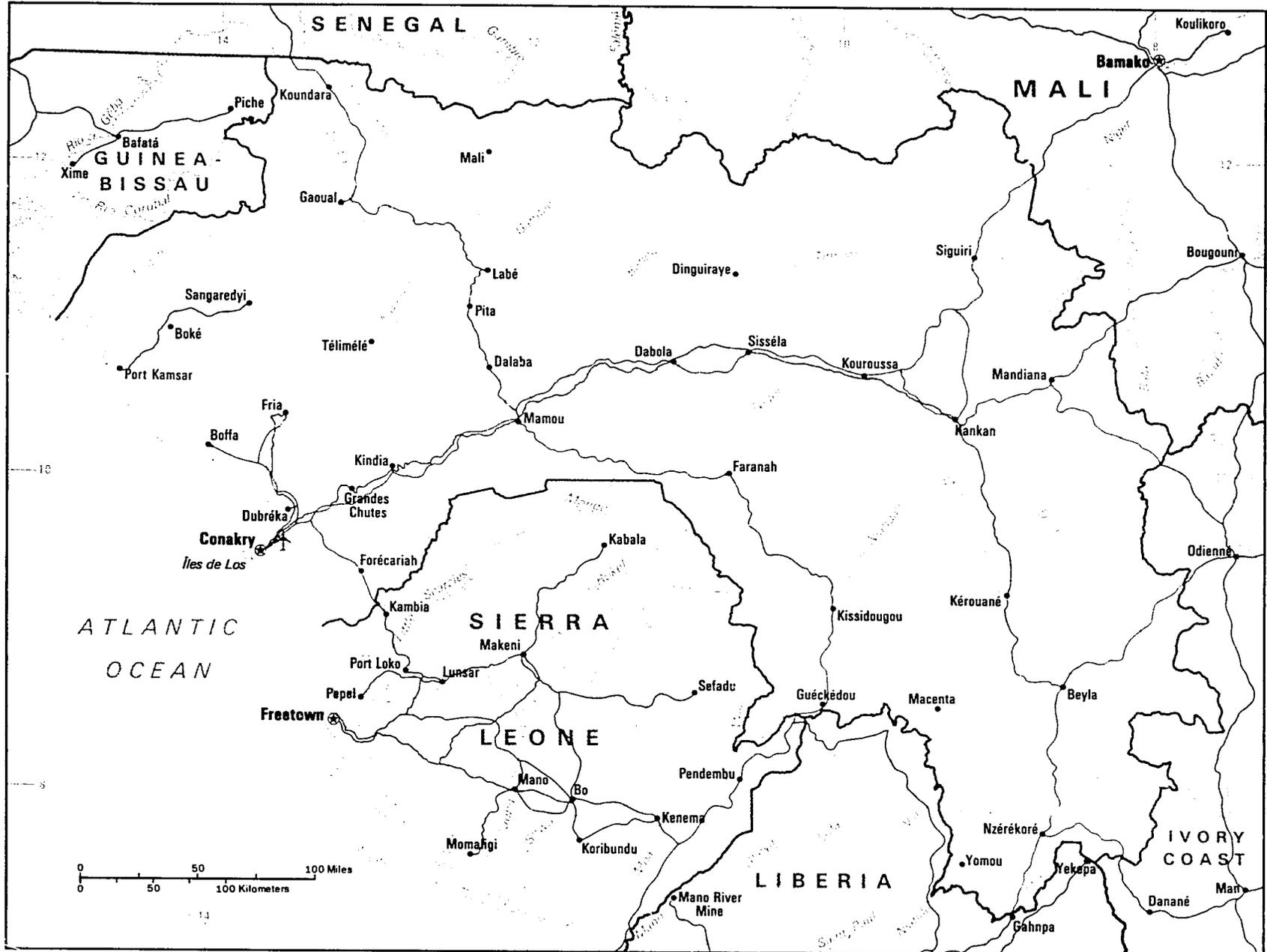
The Office of the Regional Inspector General for Audit, Dakar, audited USAID/Guinea's participant training program to answer the following five audit objectives.

Did USAID/Guinea:

- follow A.I.D. procedures in planning for participant training?
- follow A.I.D. procedures to ensure proper screening and selection of candidates sponsored for participant training?
- follow A.I.D. procedures in monitoring participant training to ensure that it was provided and used as intended?
- obligate funds for participant training in compliance with A.I.D. policies and procedures?
- follow-up on returned participants and periodically evaluate the participant training program?

In answering these objectives, we tested whether USAID/Guinea (1) followed applicable internal control procedures, and (2) complied with applicable provisions of regulations and grant agreements. Our tests were sufficient to provide reasonable, but not absolute, assurance of detecting abuse or illegal acts that could affect the audit objectives. However, because of limited time and resources, we did not continue testing when we found that, for the items tested, USAID/Guinea followed A.I.D. procedures and complied with legal requirements. Therefore, we limited our

Guinea



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- Road
- ✈ Airport

conclusions concerning these findings to the items actually tested. But when we found problem areas, we performed additional work to:

- conclusively determine whether USAID/Guinea was following procedures for complying with legal requirements;
- identify the cause and effect of the problems; and
- make recommendations to correct the condition and cause of the problems.

The scope and methodology of this audit is described in Appendix II.

Audit Findings

We are not able to fully answer our audit objectives because USAID/Guinea management declined to provide us all the information essential for us to reach a professional conclusion.

Specifically, the Mission management did not provide written confirmation that to the best of their knowledge and belief:

- they had provided us with all the essential information,
- the information they provided was accurate and complete, and
- they had followed A.I.D. policies and procedures.

A complete description of the information that the Mission would not confirm is provided in the Scope and Methodology section in Appendix II.

Without these written confirmations, we cannot fully determine whether the Mission did what it was required to do. We would, in essence, be stating that USAID/Guinea complied with A.I.D. policies and procedures when the Mission management itself was not willing or able to provide such a statement in writing.

While we therefore cannot state positively that USAID/Guinea followed applicable policies and procedures, this lack of management's written confirmation does not, however, preclude us from reporting on any problem areas that came to our attention. Based on the information provided to us and the tests we performed, we report the following findings and problem areas related to the audit objectives.

Did USAID/Guinea follow A.I.D. procedures in planning for participant training?

For reasons stated earlier, we are unable to fully answer this audit objective. However, the Mission's training files, project documents as well as discussions with cognizant Mission officials showed that USAID/Guinea:

- Developed a Country Training Plan in April 1991 to design and finance relevant training programs for Guinean nationals employed in both private and public sectors of the country's economy.
- Prepared a Country Program Strategic Plan for Guinea in September 1991, covering fiscal years 1992 through 1996. Among other things, this document developed a synopsis of USAID/Guinea's strategy, analyzed key development constraints, defined A.I.D.'s role and formulated implementation plans for Guinea's development which included participant training programs.

Did USAID/Guinea follow A.I.D. procedures to ensure proper screening and selection of candidates sponsored for training?

As stated earlier, we are unable to fully answer this audit objective. However, for the items tested, Mission training files showed that: (1) participants were sponsored for U.S. training without the required English language proficiency; and (2) GOG-nominated members who served on trainee selection committees and advisory boards were themselves sponsored for training by the same committees and boards they served on. Following is a discussion of the findings.

USAID/Guinea Needs to Improve Facilities for In-Country English Language Training

A.I.D. policy requires that participants sponsored for U.S. training attain a minimum acceptable level of proficiency in English prior to their departure for the United States. However, all five such participants did not have the required proficiency prior to their departure from Guinea. This occurred because of inadequate English language instruction at the Guinean secondary and university levels. Moreover, neither A.I.D. nor the United States Information Service in Conakry had an adequate in-country English language program to enable candidates to acquire language proficiency. Consequently, A.I.D. had to finance lengthy English language instruction in the U.S. for these five participants at a cost of \$95,000.

Recommendation No. 1: We recommend that the Director, USAID/Guinea, coordinate with the United States Information Service in Conakry to establish an intensive in-country English language instruction program to enable participants sponsored for U.S. training to obtain the minimum required proficiency level in that language prior to their departure for the U.S.

A.I.D. Handbook 10, Chapter 12 states that it is Agency policy that all participants whose training is to be conducted in English (except those accompanied by an interpreter) demonstrate a minimum level of proficiency in that language before their departure for training. Missions should also ensure that such candidates have obtained the minimum required proficiency scores for "Call Forward" prior to their departure.

A.I.D. defines a minimum "call forward" score as a TOEFL (Test of English as a Foreign Language) score of 500 for academic and 450 for technical training.

These guidelines further state that Missions arranging English language instruction in the U.S. are to ensure that such arrangement is a supplement to, and not a substitute for, intensive language training in the host country.

None of the five participants who were sponsored for long-term U.S. training between June 1990 and June 1991 had the required minimum proficiency in English either before selection or when they were sent to the U.S. Language deficiency was evidenced by problems encountered by the trainees once in the U.S., or low TOEFL scores.

This occurred because of inadequate English language instruction in the Guinean education system for many years. To make matters worse, there were no alternative English language education facilities in the country. Neither A.I.D. nor the United States Information Service offered such programs. USAID/Guinea was therefore unable to identify participants even with minimum acceptable levels of English proficiency. Consequently, all five participants had to undergo intensive language training in the U.S. for periods ranging from 2 to 12 months, which increased their training costs by approximately \$95,000. Moreover, their admissions to institutions in which they were to receive academic or professional training were delayed by several months.

By improving and upgrading facilities for in-country English language instruction, USAID/Guinea will in the long run significantly reduce training costs, facilitate timely completion of U.S. training and thereby ensure that A.I.D. funds are used efficiently, economically and for their intended purposes.

Management Comments and Our Evaluation

USAID/Guinea agreed that lack of English language proficiency of participants sponsored by the Mission for training in the U.S. was a matter of concern. But they did not agree with our recommendation as originally stated in our draft report. The Mission pointed out that existing facilities in Guinea for learning English are inadequate to enable participants to attain required proficiency levels. The Mission therefore had no alternative but to finance such training in the U.S. Accordingly, we have revised both our narrative and Recommendation No. 1 to address the problems identified by the Mission which we recognize as valid.

More Active Coordination by USAID/Guinea With the Host Country in the Screening and Selection Process is Needed

A.I.D. guidelines require missions to coordinate with host country officials to develop trainee selection criteria which ensure the independence and objectivity of the selection process. USAID/Guinea did not fully comply with this guideline. The host country selection committees and advisory boards were composed of members who were themselves later sponsored for training. The Mission condoned such practices because they believed that a country with limited managerial and technical skills like Guinea would benefit from training received by above individuals, most of whom were drawn from the country's private and public sectors. However, this practice created a conflict of interest situation and impaired the independence, fairness and objectivity of the trainee selection process.

Recommendation No. 2: We recommend that the Director, USAID/Guinea, coordinate with the Government of Guinea to ensure that members of host country trainee selection committees and advisory boards are ineligible to be sponsored for training during their tenure as committee or board members and for a minimum period of three years thereafter.

A.I.D. Handbook 10, Chapter 4 requires missions to coordinate with host country officials to develop trainee selection criteria which are in accordance with Agency guidelines. **Among other considerations, the selection process should ensure that patronage, seniority or political connections do not replace merit or identified development needs of the country.**

This can best be achieved if the host country selection committee members are independent, objective and free from any real or potential conflicts of interest.

Our review of the composition of the host country trainee selection committee and the advisory board showed that six out of the 30 members who served on these bodies

were themselves later sponsored for training. **It would therefore be reasonable to conclude that these individuals participated in decisions that resulted in their being selected for training.**

USAID/Guinea officials, while acknowledging our position on this matter, stated that a country with extremely limited managerial and technical skills like Guinea would benefit from the training received by above individuals most of whom were drawn from the country's public and private sectors. Moreover, once trained, they could function more effectively in their roles as selection committee and advisory board members and contribute their expertise to Guinea's development.

While noting that the Mission's position on this issue has some merit, we nevertheless believe that the current practice creates a conflict of interest situation which is likely to impair the independence, fairness and objectivity of the trainee selection process and also have an adverse effect on A.I.D.'s training objectives.

By ensuring an independent and impartial selection process, USAID/Guinea would have considerably greater assurance that educational objectives of training are fulfilled, candidates have the skills to succeed and they are selected solely on merit.

Management Comments and Our Evaluation

USAID/Guinea concurred with our recommendation. They stated that a Mission Order was being revised which would provide adequate safeguards to ensure the integrity of the trainee selection process. Based on this information, we consider Recommendation No. 2 as resolved and will consider closure when we review the text of the Mission Order.

Did USAID/Guinea follow A.I.D. procedures in monitoring participant training to ensure that it was provided and used as intended?

As stated earlier, we are not able to fully answer this audit objective. However, based on tests performed and the information provided to us, we found that USAID/Guinea did not maintain a key control document in the trainee files -- the Participant Data Form (A.I.D. 1381-4). This finding is discussed below in detail.

Participant Files Were Not Complete

Missions are required to maintain current, accurate and reliable data on participant trainees. However, USAID/Guinea did not maintain a key control document in its

trainee files -- the Participant Data Form (PDF). This occurred because the Mission neither received nor requested the information from the A.I.D. Office of International Training, Washington, or from the training contractors in the U.S. who are responsible for processing the document. Consequently, a valuable source of information concerning participant trainees was not maintained and the Mission's ability to take timely and effective monitoring action could be impaired.

Recommendation No. 3: We recommend that the Director, USAID/Guinea:

- 3.1** require the Mission's Training Officer to obtain from the A.I.D. Office of International Training, Washington, a copy of the Participant Data Form (PDF) for each trainee for inclusion in the participant files and periodically compare the PDF information with the data in the Mission's automated Participant Trainee Management System to identify and correct any errors or omissions; and
- 3.2** report the above deficiency as an internal control weakness in the Mission's next vulnerability assessment report required under the Federal Managers' Financial Integrity Act.

A.I.D. Handbook 10, Chapter 24 requires training offices to maintain current and accurate data on all participant trainees to facilitate monitoring by the missions.

One key document providing valuable data is the Participant Data Form (PDF). This four-part document contains 44 items of information on each participant relating to administrative matters, training, program changes and completion. While A.I.D. Handbook 10 states that the PDF is the primary data input document for A.I.D./Washington's Participant Training Information System (PTIS), one copy of this form is also required to be maintained in each participant's file at the Mission.

A review of a sample of 35 participant trainee files showed that none had a copy of the PDF. According to the USAID Training Officer, it is the responsibility of the U.S.-based programming agent to complete a PDF for all U.S. participants. He stated that neither this agent nor the A.I.D. Office of International Training, Washington, has forwarded a copy of this document to the Mission.

Without the PDF, USAID/Guinea's information on its participant trainees is not completely reliable. Crucial data such as program changes, completion or cancellation of training, departure dates and non-returnee status are not readily available in one summary document. Consequently, the Mission's ability to take timely and effective monitoring action and make prompt managerial decisions could be impaired, especially when the Mission's automated Participant Trainee Management System breaks down, or is temporarily out of order.

It is therefore imperative that USAID/Guinea maintain a copy of the PDF in its trainee files to enable cognizant officials to fulfill their monitoring responsibilities.

Management Comments and Our Evaluation

USAID/Guinea stated that the PDF's essential function is to serve as a primary data input document for A.I.D./Washington. They also stated that most information in the PDF is also available from other documents at the Mission. We nevertheless believe that an accurate, timely and complete PDF is a valuable alternative source of information to the Mission, especially when its automated Participant Trainee Management System is temporarily or otherwise out of order. Therefore, we have retained Recommendation No. 3, with some minor changes to address both the IG and the Mission's concerns.

Did USAID/Guinea obligate participant training funds in compliance with A.I.D. policies and procedures?

For reasons stated earlier, we cannot fully answer this audit objective. However, for the items tested, the Mission's participant trainee files and related obligating documents--Project Implementation Order for Participants (PIO/Ps)--showed that:

- The PIO/Ps identified the participants, locations, funding sources and the training implementation agents. These documents also included necessary information to obligate A.I.D. funds, which included: activity number and title; appropriation and allotment data; start and completion dates of training; and special provisions and information as applicable.
 - USAID/Guinea, on the basis of information in the PIO/Ps, obligated and committed funds for the participants on a yearly basis.
 - The Mission Director or his deputy approved the obligating documents, which were then forwarded to the A.I.D. Office of International Training, Washington, for input to their database system.
-

Did USAID/Guinea follow-up on participants and periodically evaluate the participant training program?

For reasons stated earlier, we cannot fully answer this audit objective. However, based on tests performed and information received, we found that USAID/Guinea did not follow A.I.D. procedures to ensure participant trainees completed their training and returned to Guinea in a timely manner. This finding is discussed below in detail.

USAID/Guinea Needs to Identify and Correct the Problem of Non-Returnees

A.I.D. guidelines require USAID/Guinea to coordinate with the GOG and take appropriate actions to ensure that participant trainees complete their training and return to their designated positions in Guinea. However, fourteen out of 228 participants who were sponsored by A.I.D. for long-term U.S. training have not returned to this day because the Mission did not take appropriate preventive actions in coordination with the GOG. Consequently, USAID/Guinea spent approximately \$423,000 on the 14 non-returnees without any benefit whatsoever to Guinea or to the A.I.D. projects that financed such training.

Recommendation No. 4: We recommend that the Director, USAID/Guinea:

- 4.1** revise Mission Order (No. 585) on Participant Training to require that appropriate actions consistent with A.I.D. guidelines be taken by the Mission in coordination with the Government of Guinea (GOG) to address the problem of non-returnees; and
- 4.2** negotiate a clause in future grant or project agreements with the GOG which gives the Mission an option to recover training costs in the event of non-compliance by participant trainees with terms of their training agreements.

A.I.D. Handbook 10, Chapter 33, requires participant trainees to return to their countries upon completion of training and apply their skills to development-related activities for which the training was authorized. At a minimum, participants are to work in their designated positions for two years for each year or partial year of training. In addition, USAID/Guinea issued a Mission Order (No. 585) in August 1988 to provide guidance on follow-up of returned participants.

A.I.D. Handbook 10 guidelines specify that should the number of non-returnees begin to hamper development efforts, the Mission and the host country should plan appropriate actions to halt this attrition. These actions include: bonding, limiting

visa duration, denying visas to family members, suspending training and conducting training solely on a reimbursable basis. In addition, the guidelines state that A.I.D. may issue bills of collection to recover from the host country training costs attributable to the non-returnees.

The audit showed that of 228 participants sponsored for U.S. training who were scheduled to return to Guinea between 1987 and 1991, 14 have not returned to this day. Information in the trainee files showed that three of the 14 non-returnees had been reported as working in full time jobs in the U.S. in violation of their visa conditions and training agreements. Not only were the development objectives of the A.I.D. program that financed the cost (\$242,867) of these three participants adversely affected; in addition, three American workers were deprived of their jobs during a period of acute recession and high unemployment.

This occurred because USAID/Guinea did not take appropriate actions in coordination with the GOG and in accordance with the detailed guidance provided in Handbook 10. Moreover, the Mission did not include any clauses in its project agreements with the GOG to recover training costs attributable to the non-returnees.

Consequently, A.I.D. spent approximately \$423,000 on the 14 non-returnees without any benefit whatsoever to the host country or the A.I.D. projects that financed such training. It is, therefore, imperative that USAID/Guinea take aggressive corrective actions in accordance with Handbook 10 to prevent future recurrences rather than initiate action when it is too late to yield satisfactory results.

Management Comments and Our Evaluation

USAID/Guinea agreed with the intent but not the wording of Recommendation No. 4. They stated that USAID/Guinea's returnee rate of 94 percent was "excellent". Also, the Mission intends to take several measures which include: revising the current Mission Order to specify actions to be taken to address the problem of non-returnees; and signing a Project Implementation Letter with the GOG demonstrating commitment of both parties to assure the return of trainees to Guinea.

We believe that the above proposed actions, while positive, are not sufficiently strong to produce the intended results because they do not constitute an effective deterrent. We have therefore retained the recommendation made in our draft report with some minor modifications.

ACTION: RIG INFO: EXEC

APPENDIX I

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E.O. 12356: N/A
 SUBJECT: RIG/A/DAKAR AUDIT OF PARTICIPANT TRAINING IN
 GUINEA

REF: AUDIT OF USAID/GUINEA'S PARTICIPANT TRAINING
 PROGRAM: DRAFT REPORT OF MAY 6, 1992

FROM MISSION DIRECTOR TO DIRECTOR RIG/A/DAKAR

WE ARE PLEASED TO HAVE THE OPPORTUNITY TO SUBMIT
 MISSION COMMENTS ON THE DRAFT SUBJECT AUDIT REPORT,
 WHICH OUR MISSION RECEIVED ON MAY 8, 1992. FIRST, THE
 MISSION WILL PRESENT ITS REACTIONS TO THE TECHNICAL
 QUESTIONS, AND THEN TO THE MANAGEMENT ISSUE OF THE
 REPRESENTATION LETTER.

TECHNICAL QUESTIONS:

RIG HAS SUGGESTED FOUR RECOMMENDATIONS, RELATING TO
 THREE OF THE FIVE AUDIT OBJECTIVES. IN THE CASE OF
 EACH OF THE FOUR RECOMMENDATIONS, THE MISSION WILL
 STATE:

--ITS AGREEMENT OR NOT WITH THE RECOMMENDATION;

--ALTERNATIVE LANGUAGE THAT COULD BE USED;

--WHETHER THE MISSION RECOMMENDS THAT THE
 RECOMMENDATION BE CLOSED.

--
 RECOMMENDATION ONE (CONCERNING ENGLISH LANGUAGE
 TRAINING):

THE MISSION DOES NOT AGREE WITH THE RECOMMENDATION AS
 STATED, BUT IS AS CONCERNED WITH THE ENGLISH LANGUAGE
 TRAINING ISSUE AS IS RIG. WE WANT TO APPLY THE BEST
 POLICY WHICH TAKES INTO CONSIDERATION A.I.D. GUIDELINES
 AND THE GUINEAN CONTEXT.

THE APPLICATION OF RECOMMENDATION ONE WOULD SIGNIFY
 THAT PARTICIPANTS WOULD DEPART GUINEA FOR TRAINING IN
 THE U.S. ONLY WHEN THEY HAD OBTAINED 450/500 ON THE
 TOEFL SCORES. IN THIS MANNER, THEY MIGHT BE ABLE TO
 ENTER DIRECTLY INTO THEIR CHOSEN FIELD OF STUDY, RATHER

THEAN TAKE ANY ENGLISH LANGUAGE COURSES IN THE U.S. ACCORDING TO CURRENT MISSION POLICY, PARTICIPANTS ENROLL IN ENGLISH LANGUAGE COURSES IN CONAKRY UNTIL THEY REACH A TOEFL SCORE OF 300 (TECHNICAL PROGRAM) OR 350 (ACADEMIC PROGRAM), AFTER WHICH THEY MAY GO TO THE U.S. FOR THE ENGLISH LANGUAGE COMPONENT OF THEIR STUDY PROGRAM.

IS IT POSSIBLE TO KEEP PARTICIPANTS IN GUINEA CONSIDERABLY LONGER THAN IS NOW THE CASE UNTIL THEY OBTAIN TOEFL SCORES ALLOWING THEM TO ENTER U. S. EDUCATIONAL INSTITUTIONS DIRECTLY? THE MISSION PRESENTS THE FOLLOWING FACTS TO SUPPORT ITS ASSERTION THAT IT COULD NOT COMPLY WITH RECOMMENDATION ONE.

FIRST, THE MISSION BELIEVES THAT A.I.D. GUIDELINES PERMIT ENGLISH LANGUAGE TRAINING IN THE U.S. HANDBOOK 10, CHAPTER 4E1D STATES THAT QUOTE AID-WIDE CRITERIA FOR SELECTION REQUIRE THAT MISSION AND HOST COUNTRIES ENSURE THAT NOMINEES POSSESS ADEQUATE ENGLISH LANGUAGE PROFICIENCY TO MEET PROGRAM REQUIREMENTS, EXCEPT IN PROGRAMS WHICH INCLUDE INTENSIVE LANGUAGE TRAINING IN

THE UNITED STATES UNQUOTE. THIS CLAUSE DEMONSTRATES THAT A.I.D. RECOGNIZES ENGLISH LANGUAGE TRAINING IN THE U.S. AS A VIABLE OPTION AS A COMPONENT IN A PARTICIPANT'S OVERALL LANGUAGE LEARNING PLAN. HANDBOOK 10, CHAPTER 12E REQUIRES THAT QUOTE ENGLISH LANGUAGE TRAINING IS A SUPPLEMENT TO, AND NOT A SUBSTITUTE FOR, INTENSIVE ELT IN THE HOST COUNTRY UNQUOTE. THE MISSION NEVER USES U.S. ENGLISH LANGUAGE TRAINING AS A SUBSTITUTE FOR, THAT IS INSTEAD OF, TRAINING IN-COUNTRY. IT IS USED ONLY AS A SUPPLEMENT, OR FOLLOW-ON, TO IN-COUNTRY LANGUAGE TRAINING.

SECOND, ONE MUST UNDERSTAND THE SITUATION OF ENGLISH LANGUAGE INSTRUCTION AND KNOWLEDGE IN GUINEA. DURING MORE THAN A QUARTER OF A CENTURY DURING THE FIRST

REPUBLIC UNDER SEKOU TOURE, THERE WAS NO ENGLISH LANGUAGE INSTRUCTION AT EITHER THE SECONDARY OR THE UNIVERSITY LEVELS. UNDER THE SECOND REPUBLIC, EFFORTS TO INTRODUCE ENGLISH AT THESE LEVELS HAVE NOT BEEN SUCCESSFUL. ENGLISH IS TAUGHT AT ONLY THE THREE TOP GRADES IN SECONDARY SCHOOL, WITH POORLY TRAINED TEACHERS. GENERALLY, THOSE FEW GUINEAN STUDENTS POSSESSING ENGLISH LANGUAGE PROFICIENCY ARE TRAINED TO WORK IN LITERARY OR LINGUISTIC FIELDS, NOT IN FIELDS EMPHASIZED IN A.I.D.'S DEVELOPMENT PROGRAMS FOR WHICH WE SEND PARTICIPANTS.

THIRD, WHILE MANY AID POSTS IN AFRICA BOAST USIS CENTERS WHICH RUN POPULAR AND EFFECTIVE ENGLISH LANGUAGE INSTRUCTION PROGRAMS, THE SMALL USIS OPERATION IN GUINEA OFFERS NO SUCH OPPORTUNITY. USIS/GUINEA HAS RECENTLY SIGNED A LEASE FOR A SEPARATE BUILDING, WHERE THEY MAY DEVELOP ENGLISH LANGUAGE INSTRUCTION PROGRAMS WHEN THEY MOVE OUT OF THE EMBASSY BUILDING, BUT FOR THE NEXT FEW YEARS THERE ARE NO SUCH PLANS.

FOURTH, IN 1987, THE MISSION EXPERIMENTED SENDING FIVE PARTICIPANTS TO THE AMERICAN LANGUAGE CENTER IN OUAGADOUGOU, BURAINA FASO, FOR ENGLISH LANGUAGE TRAINING. AT THAT TIME, THERE WERE NO ENGLISH LANGUAGE FACILITIES IN GUINEA. AFTER SIX MONTHS OF TRAINING, THE PARTICIPANTS HAD OBTAINED ONLY AN AVERAGE SCORE OF 200 ON THE TOEFL TEST. THEY REQUIRED NINE MONTHS SUPPLEMENTARY TRAINING IN ENGLISH IN THE U.S. THE QUALITY OF INSTRUCTION AT THE OUAGADOUGOU INSTITUTION WAS POOR; THE EXPERIENCE WAS NOT REPEATED.

FIFTH, ONLY SINCE 1989 HAS THE MISSION BEEN ABLE TO CONTRACT WITH THE ONE ENGLISH LANGUAGE INSTRUCTION AGENCY IN THE COUNTRY, A BRITISH COUNCIL-SPONSORED CENTER AT THE UNIVERSITY, FOR BEGINNING ENGLISH INSTRUCTION FOR AID PARTICIPANTS. UNFORTUNATELY, THE BRITISH COUNCIL FACILITY IS AN INADEQUATE FACILITY TO TRAIN PARTICIPANTS TO REACH THE PRESCRIBED TOEFL SCORES LEADING TO ACADEMIC PROGRAMS IN THE U.S. THE MATERIALS USED ARE OFTEN INAPPROPRIATE; THERE ARE NO AMERICAN INSTRUCTORS; THE ONLY ACCENT HEARD IS A BRITISH ONE, SPOKEN BY GUINEANS; AND THERE ARE NO SUCH MODERN LANGUAGE LEARNING AIDS SUCH AS A LABORATORY. FINALLY, THE COURSE DOES NOT SO MUCH PREPARE FOR A TOEFL EXAM AS IT DOES GIVE BASIC ORIENTATION TO THE LANGUAGE. THUS, IT CAN SHORTEN THE AMOUNT OF ENGLISH TRAINING REQUIRED IN THE U.S., BUT IT IS UNLIKELY TO GET THE PARTICIPANT TO THE REQUIRED LEVEL IN TOEFL SCORES.

SIXTH, IN AID'S EXPERIENCE, NO PARTICIPANT HAS EVER SCORED 500 ON THE TOEFL TEST IN GUINEA. IN SUM, THE ONE ENGLISH LANGUAGE FACILITY THE MISSION USES DOES NOT HAVE THE CAPACITY, IN TRAINED PERSONNEL AND APPROPRIATE MATERIALS, AT PRESENT TO BRING PARTICIPANTS' TOEFL SCORES UP TO THE REQUIRED 450/500 FOR U.S. UNIVERSITY ADMISSION.

SEVENTH, THE MISSION WOULD ALSO LIKE TO SUBMIT THAT WHEN PARTICIPANTS ARE FOLLOWING A SUPPLEMENTAL COURSE OF STUDY IN THE ENGLISH LANGUAGE IN THE U.S. AT THE OUTSET OF THEIR STAY, THEY ARE MEETING OTHER IMPORTANT OBJECTIVES. THEY ARE LEARNING TO ADAPT TO THE AMERICAN WAY OF LIFE, TO MAKE THEIR STUDY EXPERIENCE IN THEIR MAJOR FIELD MORE PRODUCTIVE AND BENEFICIAL, INDEED ENHANCING THEIR WHOLE EXPERIENCE IN THE U.S. IN PARTICULAR, PARTICIPANTS LEARN TO GET AROUND TOWN, TO OPEN A BANK ACCOUNT, TO USE THE POST OFFICE, TO UNDERSTAND THE MEDIA. THEY MEET FACULTY ADVISORS TO BETTER PLAN THEIR PROGRAM, LEARN TO USE THE LIBRARY, ARE EXPOSED TO STUDENT UNION FACILITIES AND ACTIVITIES.

THEREFORE, BASED ON A.I.D.'S ALLOWANCE OF ENGLISH LANGUAGE TRAINING IN THE U.S., AND THE INADEQUACY OF ENGLISH LANGUAGE TRAINING IN-COUNTRY, THE MISSION REQUESTS THAT RECOMMENDATION ONE BE DELETED.

RECOMMENDATION TWO (CONCERNING ADVISORY BOARDS):

THE MISSION AGREES WITH RECOMMENDATION TWO. WE HAVE COORDINATED WITH THE GOVERNMENT OF GUINEA AND AGREED UPON THE APPLICATION OF SPECIFIC MEASURES TO PROTECT THE OBJECTIVITY AND INDEPENDENCE OF THE PARTICIPANT SELECTION PROCESS. THESE MEASURES ARE BEING FORMALIZED IN REVISED MISSION ORDER NO. 587. THE RELEVANT TEXT TO BE ADDED READS: QUOTE IN ORDER TO PREVENT ANY CONFLICT OF INTEREST, THE FOLLOWING SAFEGUARDS WILL BE IN EFFECT DURING THE SELECTION PROCESS: A MEMBER OF AN ADVISORY BOARD IS NOT ALLOWED TO PARTICIPATE IN MEETINGS/DEBATES RELATED TO THE FOLLOWING CASES: PRESELECTION OF HIS/HER OWN DOSSIER; PRESELECTION OF DOSSIERS OF HIS/HER RELATIVES AND/OR EMPLOYEES OF HIS/HER FIRM/COMPANY UNQUOTE.

--
DESPITE OUR AGREEMENT WITH THE RECOMMENDATION, WE DO NOT THINK IT IS REASONABLE TO CONCLUDE THAT ADVISORY BOARD MEMBERS IN GUINEA SENT ON TRAINING, IN THE PAST, DEMONSTRATED A CONFLICT OF INTEREST. WHEN IN 1988 THE MISSION TRIED TO SET UP ADVISORY BOARDS--A REQUIREMENT OF THE REGIONAL HRDA PROJECT--IT HAD A VERY WEAK POOL OF TRAINING MANAGERS TO DRAW FROM. THE DIFFICULTY WAS MOST APPARENT IN THE PRIVATE SECTOR. A NEW PRIORITY FOR A.I.D., THE PRIVATE SECTOR IN GUINEA HAD BEEN ESSENTIALLY CRUSHED UNDER THE FIRST REPUBLIC. AT THE SUGGESTION OF PROJECT EVALUATORS, AID CONCEIVED OF A TEAM-BUILDING EXERCISE, WHERE MEMBERS OF THE PRIVATE SECTOR ADVISORY BOARD WOULD TRAVEL TO KAOLAK IN SENEGAL, OBSERVE PRIVATE SECTOR TRAINING ACTIVITIES AND INTERVIEW ENTREPRENEURS. IN THIS MANNER, THE MEMBERS WOULD HAVE A MUCH BETTER UNDERSTANDING OF THE CHARACTERISTICS TO LOOK FOR IN POTENTIAL PRIVATE SECTOR TRAINEES. THE MISSION FOUND THAT AFTER THE SUCCESSFUL STUDY TOUR IN SENEGAL, THE COMMITTEE MEMBERS RETURNED TO GUINEA NOT ONLY AWARE OF THE PRIVATE SECTOR DYNAMIC, BUT ALSO ABLE TO FUNCTION EFFECTIVELY AS A GROUP, BECAUSE THEY HAD TOGETHER SHARED PROFESSIONAL EXPERIENCES IMMEDIATELY RELEVANT TO THEIR COMMITTEE TASKS.

WHEN A COPY OF THE SIGNED REVISED MISSION ORDER NO. 587 IS RECEIVED BY RIG/A/DAKAR, THE MISSION WOULD RECOMMEND THAT RECOMMENDATION TWO BE CLOSED.

RECOMMENDATION THREE (CONCERNING THE PARTICIPANT DATA FORM):

THE MISSION ACCEPTS THE FIRST PART OF RECOMMENDATION THREE, BUT NOT THE SECOND PART.

--
WE AGREE TO REQUEST PARTICIPANT DATA FORM 1381-4 FOR EACH TRAINEE, BUT FAIL TO SEE THE UTILITY OF INPUTTING ALL THOSE DATA INTO THE MISSION'S PTMS SYSTEM. THE MISSION DOES NOT ACCEPT THE DRAFT AUDIT REPORT'S CONCLUSIONS THAT, BECAUSE ITS FILES DO NOT CONTAIN PARTICIPANT DATA FORM 1381-4, MISSION PARTICIPANT FILES ARE UNRELIABLE AND THAT ITS ABILITY TO TAKE TIMELY AND EFFECTIVE MONITORING ACTION AND MAKE PROMPT

MANAGERIAL DECISIONS IS SIGNIFICANTLY IMPAIRED.

FIRST, THE PARTICIPANT DATA FORM'S ESSENTIAL FUNCTION AS DEFINED IN HANDBOOK 10, 24C4 IS THE PRIMARY DATA INPUT DOCUMENT FOR THE PTIS (A.I.D./WASHINGTON DATA SYSTEM) AND THE HEALTH AND ACCIDENT COVERAGE (HAC). NEITHER IS A MISSION FUNCTION, BUT RATHER THEY ARE CENTRAL A.I.D./WASHINGTON FUNCTIONS. THERE IS NO MENTION IN HANDBOOK 10 OF REQUIRED USE THAT A.I.D. MISSIONS WOULD MAKE OF THIS FORM.

SECOND, THE MISSION POSSESSES ALL THE KEY INFORMATION INCLUDED IN THE PARTICIPANT DATA FORM. PARTS ONE AND TWO OF THE FORM CONSTITUTE DATA THAT THE MISSION ITSELF PROVIDED THROUGH THE PIO/P. PARTS THREE AND FOUR OF THE FORM CONSTITUTE PROGRAM CHANGES AND DATA ON TERMINATION AND DEPARTURES THAT ARE COMMUNICATED TO THE MISSION, FOR ITS APPROVAL OR INFORMATION, THROUGH CABLES FROM OIT AND CONTRACTORS.

THIRD, THE MISSION ACKNOWLEDGES THAT THE QUESTION OF RELIABILITY DOES EXIST. THAT IS, DOES THE PARTICIPANT DATA FORM, WHICH CONTRACTORS SUBMIT TO OIT, CONTAIN EXACTLY THE SAME INFORMATION, IN ITS 44 POINTS, THAT THE MISSION HAS IN ITS FILES? WE ADMIT THAT THIS RELIABILITY CHECK HAS NOT BEEN CARRIED OUT. WERE THE MISSION, HOWEVER, TO DEVOTE ITS RESOURCES TO SYSTEMATICALLY VERIFYING 44 POINTS PER THE NUMBER OF

PARTICIPANT FILES IN ANY GIVEN YEAR, ESTIMATED AT 50, THIS WOULD AMOUNT TO VERIFICATION OF 2200 DATA ITEMS. WHILE THE MISSION AGREES THAT A REASONABLE RESOURCE EFFORT COULD BE DEVOTED TO SUCH VERIFICATION, ON AN AS-NEEDED BASIS, IT DOUBTS THAT AID OR HOST COUNTRY GENERAL INTERESTS WILL BE SERVED IF TOTAL INFORMATION INPUTTING IS PERFORMED, AS REQUIRED BY THE RECOMMENDATION.

FOURTH, SINCE THE PARTICIPANT DATA FORM CONTAINS NO NEW KEY ELEMENT FOR THE MISSION, THE MISSION IS, IN NO WAY, IMPAIRED IN ITS MONITORING OR MANAGEMENT FUNCTIONS.

FIFTH, THE MISSION ACCEPTS THAT CONTRACTORS DO NOT CURRENTLY PROVIDE THE MISSION WITH THE PARTICIPANT DATA FORM.

THEREFORE, THE MISSION SUGGESTS THAT RECOMMENDATION THREE BE MODIFIED TO READ: QUOTE WE RECOMMEND THAT THE DIRECTOR, USAID/GUINEA REQUIRE THE MISSION'S TRAINING OFFICER TO REQUEST FROM THE A.I.D./WASHINGTON'S OFFICE OF INTERNATIONAL TRAINING A COPY OF THE PARTICIPANT DATA FORM (1381-4) FOR EACH TRAINEE AND USE THIS AS A DATA VERIFICATION RESOURCE, AS NEEDED UNQUOTE.

IN ORDER TO CLOSE RECOMMENDATION THREE, WE PLAN TO SEND A LETTER TO THE INTERNATIONAL TRAINING OFFICE IN A.I.D./WASHINGTON, REQUESTING FROM THE TRAINING CONTRACTOR THE PARTICIPANT DATA FORM FOR EACH PARTICIPANT.

RECOMMENDATION FOUR (CONCERNING NON-RETURNEES):

THE MISSION AGREES WITH THE INTENT BUT NOT THE WORDING OF BOTH PARTS OF RECOMMENDATION FOUR.

FIRST, THE MAGNITUDE OF THE PROBLEM. GUINEA'S RETURNEE RATE OF 214 OUT OF 228 PARTICIPANTS, OR 94 PERCENT OVER

THE PERIOD UNDER AUDIT, IS AN EXCELLENT RATE.

FURTHERMORE, THE MISSION HAS CALCULATED THAT SINCE THE PARTICIPANT TRAINING PROGRAM BEGAN IN USAID/GUINEA, THE RETURN RATE OF AID-FUNDED GUINEAN PARTICIPANTS TO THE U.S. HAS BEEN EVEN HIGHER: 97 PERCENT. THE MISSION INFORMED OIT OF THIS RATE ON FORM 4-418 ON DECEMBER 31, 1991. THIS RECORD IS ONE OF THE BEST RETURNEE PERCENTAGES FROM TRAINING PROGRAMS IN AFRICA. HANDBOOK 10, CHAPTER 33 STATES THAT QUOTE SHOULD THE NUMBER OF NONRETURNEES BEGIN TO HAMPER DEVELOPMENT EFFORTS THE

MISSION AND HOST COUNTRY SHOULD PLAN A COURSE OF ACTION WHICH HALTS THIS ATTRITION UNQUOTE. WITH OUR EXCELLENT RETURNEE RATE, DEVELOPMENT EFFORTS HAVE NOT BEEN HAMPERED. AT THE SAME TIME, WE WOULD LIKE TO MAINTAIN OUR EXCELLENT RETURNEE RATE AND PERHAPS EVEN IMPROVE IT.

THE ISSUE LIES IN FINDING THE MEASURES THAT WOULD BE EFFECTIVE AND REALISTIC IN THE GUINEAN CONTEXT. INSPIRED BY HANDBOOK 10, CHAPTER 33 WHICH CITES FIVE OPTIONS WHICH COULD BE APPLIED ANYWHERE IN THE WORLD TO TRY TO DISCOURAGE THE GENERIC PROBLEM OF THE NON-RETURNEE, WE HAVE EXAMINED WITH THE GOVERNMENT SINCE OCTOBER, 1991 A NUMBER OF POSSIBLE MEASURES TO TAKE.

WE HAVE REVISED MISSION ORDER 585 TO INCLUDE GENERAL LANGUAGE WHICH CLEARLY POINTS TO RESPONSIBILITIES LYING WITH BOTH THE MISSION TRAINING OFFICE AND THE HOST COUNTRY GOVERNMENT REGARDING THE NON-RETURNEE ISSUE.

THE TEXT OF REVISED MISSION ORDER 585 RELEVANT TO NON-RETURNEES READS: QUOTE. IV. TRAINING OFFICE RESPONSIBILITIES. 7. TAKES THE NECESSARY ACTIONS WITHIN THE MISSION AND WITH THE HOST COUNTRY GOVERNMENT TO ADDRESS THE PROBLEM OF NON-RETURNEES. V. HOST COUNTRY GOVERNMENT RESPONSIBILITIES. 4. THE HOST COUNTRY GOVERNMENT MUST TAKE THE REQUIRED ACTIONS IN COORDINATION WITH THE MISSION TO ASSURE THAT ALL A.I.D.-SPONSORED PARTICIPANTS RETURN TO THEIR HOME COUNTRY AFTER COMPLETION OF TRAINING. UNQUOTE.

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IN CONSIDERING SPECIFIC MEASURES TO IMPROVE THE RETURNEE RATE, DISCUSSIONS WITH THE HOST GOVERNMENT HAVE PRODUCED AN INCENTIVE PACKAGE OF FIVE ACTIONS THAT WE PLAN TO INCORPORATE IN A PIL. THE MEASURES ARE THE FOLLOWING. 1. A BINDING ARRANGEMENT SIGNED BY THE PARTICIPANT'S SUPERVISOR STIPULATING THAT THE PARTICIPANT'S JOB WILL BECOME AVAILABLE TO HIM/HER UPON RETURN (GOG RESPONSIBILITY). 2. ACCELERATING THE TIME IT TAKES FOR A RETURNED PARTICIPANT TO BE REINTEGRATED INTO THE CIVIL SERVICE (GOG RESPONSIBILITY). 3. INFORMING PARTICIPANTS ON AND APPLYING GOG INCENTIVES OPEN TO RETURNED PARTICIPANTS, SUCH AS 50 PERCENT DUTY REDUCTION ON AN IMPORTED VEHICLE AND DUTY EXONERATION ON PERSONAL EFFECTS (A.I.D./GOG RESPONSIBILITY). 4. INSTRUCTING THE EMBASSY OF GUINEA IN WASHINGTON TO VERIFY WITH A.I.D./GUINEA AND WITH THE SECTOR MINISTRY WHEN ASKED BY A PARTICIPANT TO ISSUE A LETTER OF NON-OBJECTION TO THE PARTICIPANT'S REMAINING IN THE U.S. FOLLOWING THE COMPLETION OF TRAINING (GOG RESPONSIBILITY). 5. SENDING A HIGHER PERCENTAGE OF WOMEN, BECAUSE EVERY WOMAN PARTICIPANT SENT TO THE U.S. SO FAR HAS RETURNED.

THE MISSION BELIEVES THAT RECOVERING TRAINING COSTS IN THE EVENT OF NON-COMPLIANCE, AS SUGGESTED IN AUDIT RECOMMENDATION FOUR, PART TWO, IS AN UNREALISTIC SANCTION. WHILE SUCH A CLAUSE COULD BE INSERTED IN GRANT AGREEMENTS, WE HAVE NO REASON TO BELIEVE THAT ACTUAL RECOVERY OF THE FUNDS FROM THE GOG WOULD BE POSSIBLE. IN ADDITION TO THE ENERGY THAT THE MISSION WOULD USE TRYING TO ENFORCE REIMBURSEMENT, WE ARE CONVINCED THAT OUR ATTEMPTS WOULD PRODUCE SERIOUS FRICTION BETWEEN THE GOVERNMENT AND US, BE COUNTERPRODUCTIVE TO THE ACHIEVEMENT OF THE MISSION PORTFOLIO, AND THUS HAMPER OUR DEVELOPMENT EFFORTS.

THE MISSION SUGGESTS THE FOLLOWING MODIFIED LANGUAGE FOR RECOMMENDATION FOUR:

4.1. REVISE MISSION ORDER (NO. 585) ON PARTICIPANT TRAINING TO REQUIRE THAT GENERAL ACTIONS BE TAKEN BY THE MISSION AND THE GOVERNMENT OF GUINEA TO ADDRESS THE PROBLEM OF NON-RETURNEES; AND

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4.2. SIGN A PIL WITH THE GOVERNMENT OF GUINEA DEMONSTRATING COMMITMENT ON BOTH PARTIES TO CARRYING OUT SPECIFIC MEASURES TO HELP ASSURE THE RETURN OF

PARTICIPANTS.

THE MISSION PROPOSES THAT THE SIGNED REVISED MISSION ORDER AND PIL CLOSE RECOMMENDATION FOUR.

MANAGEMENT ISSUE:

USAID/GUINEA OBJECTS TO THE OVER-EMPHASIS PLACED THROUGHOUT THE DRAFT AUDIT REPORT ON THIS MISSION'S DECISION NOT TO SIGN THE REPRESENTATION LETTER WHICH THE RIG/AUDIT TEAM REQUESTED. APPROXIMATELY FOUR PAGES OF THE DRAFT REPORT, INCLUDING MANY SENTENCES AND PHRASES USED REPETITIOUSLY, ARE DEVOTED TO THIS ISSUE. THE REPRESENTATION LETTER AS REQUESTED BY THE INSPECTOR GENERAL'S OFFICE IS AN ISSUE THAT GOES BEYOND THE SPECIFIC AUDIT THAT HAS BEEN PERFORMED ON USAID/GUINEA'S PARTICIPANT TRAINING PROGRAM. PER STATE 176113, 91 STATE 244218, AND 91 STATE 180913, A.I.D. MANAGERS HAVE BEEN ADVISED THAT SIGNING THE REPRESENTATION LETTER IS VOLUNTARY, AND THAT BLANKET

GENERALIZATIONS CONTAINED IN THE REPRESENTATION LETTER MAY LEAD TO THE RISK OF UNJUST PERSONAL CRIMINAL LIABILITY. GIVEN THESE CAVEATS EXPRESSED ABOUT THE REPRESENTATION LETTERS, THIS MISSION'S DECISION TO RESPECTFULLY DECLINE TO SIGN THE LETTER SHOULD NOT BE MISINTERPRETED TO MEAN THAT WE DID NOT FULLY COOPERATE WITH THE AUDIT TEAM. I CAN ASSURE THAT USAID/GUINEA COOPERATED FULLY AND MADE AVAILABLE TO THE RIG/A TEAM ALL INFORMATION CONCERNING THIS MISSION'S PARTICIPANT TRAINING PROGRAM. TO IMPLY OTHERWISE, AS THE DRAFT AUDIT REPORT DOES DIRECTLY AND THROUGH INNUENDO, IS MISLEADING AND INCORRECT.

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SCOPE AND METHODOLOGY

Scope

We audited USAID/Guinea's Participant Training Program in accordance with generally accepted government auditing standards, except that USAID/Guinea's management would not provide us with a representation letter confirming information essential to fully answer the audit objectives. Management's refusal to make such representation constitutes a limitation to the scope of the audit. The information that USAID/Guinea managers would not confirm in writing to the best of their knowledge and belief follows:

- whether they are responsible for the internal control system, compliance with applicable laws and regulations, and the fairness and accuracy of accounting and management information of the organization under audit;
- whether they have provided us with all the financial and management information associated with the activity or function under audit;
- whether they know of any irregularities in the activity;
- whether they know of any material instances of noncompliance where financial or management information have not been properly and accurately recorded and reported;
- whether they are aware of any instances of noncompliance with A.I.D. policies and procedures or violations of laws and regulations;
- whether they have complied with contractual agreements; and
- whether they know of any events subsequent to the period under audit that could affect the above representations.

The answers to the above questions are so fundamental to the basic concepts of auditing that it is not possible to render a positive opinion without them. Thus, if managers will not answer these basic questions and will not confirm their answers in writing through a representation letter, then we cannot risk giving a positive opinion.

While we cannot make a positive conclusion without such representations, this lack of a management confirmation does not, however, preclude us from reporting on any problem areas that came to our attention and we have done so.

We conducted the audit from December 2, 1991 to February 7, 1992 primarily in the offices of USAID/Guinea at Conakry, Guinea. Our audit covered two A.I.D. projects with participant training elements, namely the Human Resources Development Program for Africa (HRDA) and the Africa Manpower Development Program (AMDP) from inception of these programs through May 1992.

In answering the five audit objectives, we obtained documentary and testimonial evidence from USAID/Guinea officials and selected participants; assessed internal controls related to each audit objective; verified evidence through examination of supporting documentation; and determined compliance with laws and regulations pertaining to each audit objective. Following is a discussion of our methodology.

Methodology

Audit Objective One

We read Mission Orders relating to guidance and information on current A.I.D. training policies and procedures. We analyzed the Country Training Plan to determine its development, components, and how it fit into the overall Country Program Strategic Plan. We assessed the program cost analysis, participant training issues, and the host government's training needs assessment. In addition, we interviewed USAID/Guinea personnel who are responsible for planning participant training and for ensuring compliance with A.I.D. Handbook 10 procedures.

Audit Objective Two

We read the Mission Order pertaining to the selection process for participants sponsored by A.I.D. under regional, centrally funded and bilaterally funded projects. We also analyzed host country staffing and training needs, and its training needs assessments. In addition, we examined participant file folders for a judgmental sample of 35 active participants to determine if the files contained documentation concerning (1) participant's awareness of their duties and responsibilities, (2) health certifications, (3) English language proficiency, (4) academic experience, (5) prior A.I.D. training, and (6) selection committee approvals. We also interviewed USAID/Guinea personnel who are responsible for obtaining such documentation for compliance with A.I.D. requirements.

Audit Objective Three

We analyzed a judgmental sample of 35 active participants to determine whether USAID/Guinea had the required information on each participant (status, progress, problems, location, etc.). We selected these participant records because they were current, active participants, and therefore we could obtain current data. We also analyzed the Mission's Participant Training Information System to determine if it was accurate, reliable and up to date. We interviewed USAID/Guinea personnel to determine whether procedures for approving and monitoring participant trainees were being followed, procedures for granting extensions of training periods were adhered to, and whether participants returned to Guinea in a timely manner.

Audit Objective Four

We examined the files for a judgmental sample of 12 out of 35 active participants to determine if USAID/Guinea followed A.I.D. policies and procedures and applicable laws and regulations to obligate funds for participant training.

We also interviewed a judgmental sample of 9 returned participants to obtain their opinions of the program and to determine if they had experienced any significant problems while active participants. These 9 former participants were selected because they were the only ones available in Conakry during the time of our field work. In addition, we interviewed USAID/Guinea personnel responsible for obligating participant training funds.

Audit Objective Five

We examined the project papers and the Return Participants' Follow-Up Activities Reports. We tested participants' files to determine if the Mission was maintaining and updating participants' records for a minimum of three years following training completion. We also analyzed Mission documents to ascertain the number of non-returnees and the reasons for their non-returnee status.

In addition, we analyzed non-returnee files to determine if USAID/Guinea and/or the Agency promptly notified the U.S. Immigration and Naturalization Service if a participant refused to depart the U.S. upon completion of his or her training program.

We interviewed USAID/Guinea personnel to determine the extent of follow-up on participants and whether required evaluations of the participant training program were performed.

REPORT ON INTERNAL CONTROLS

Scope

We conducted our audit in accordance with generally accepted government auditing standards, except that management would not provide us with a representation letter confirming, among other things, its responsibility for the internal controls related to the audit objectives or confirming whether or not there were any instances of noncompliance with A.I.D. policies and procedures or whether or not it had provided us with all the information related to this program.

Management's refusal to make such written representations, constitutes a limitation to the scope of the audit and is sufficient to preclude an unqualified conclusion on the reliability of the internal controls related to the audit objectives. A complete description of the representation that USAID/Guinea would not make is provided in the Scope and Methodology section in Appendix II.

We limited our assessment to those internal controls applicable to the five audit objectives and therefore did not assess USAID/Guinea's overall internal control structure.

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

Background

Under the Federal Managers' Financial Integrity Act and the Office of Management and Budget's implementing policies, A.I.D. management is responsible for establishing and maintaining adequate internal controls. The General Accounting Office has issued "Standards for Internal Controls in the Federal Government" to be used by agencies in establishing and maintaining internal controls. The objectives of internal controls and procedures for U.S. Government foreign assistance 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 conditions may require additional procedures or (2) the effectiveness of the design and operation of policies and procedures may deteriorate.

Conclusions for Audit Objective One

We have classified the relevant policies and procedures into one category: the planning process. While we tested the Agency's internal controls relating to this objective, we are not, however, able to conclude on the reliability of these controls, as management was not willing or able to confirm in a representation letter essential information related to these controls.

Because of this lack of management information, we cannot state positively that the internal controls relative to this audit objective are effective and can be relied on. However, based on the information provided by USAID/Guinea and tests performed, we can only report that no significant weaknesses came to our attention, other than USAID/Guinea's inability to confirm essential information about its own internal controls.

Conclusion for Audit Objective Two

We considered applicable internal control policies and procedures in A.I.D. Handbook 10 and classified the relevant policies and procedures into one category: the selection process.

There were two reportable conditions. USAID/Guinea:

- sponsored participants for long-term training to the U.S. without ensuring that they had the required level of proficiency in English; and
- host country selection committee and advisory board members nominated themselves for participant training, compromising the independence and objectivity of the selection process.

Conclusions for Audit Objective Three

We considered applicable internal control policies and procedures in A.I.D. Handbook 10 and classified the relevant policies and procedures into one category: the monitoring system. The Mission's Internal Control Assessment conducted in 1991 gave the area of monitoring a satisfactory rating. However, we found that USAID/Guinea did not obtain a copy of the Participant Data Form for inclusion in

the trainees' files. Omission of this key document caused the participant trainee information system to be incomplete and therefore, unreliable.

Conclusion for Audit Objective Four

We assessed the Agency's internal controls relating to this objective and classified the relevant policies and procedures into one category: the system for obligating funds for participant training. We are not, however, able to conclude on the reliability of these controls, as management was not willing or able to confirm in a representation letter essential information related to these controls.

Because of this lack of management information we cannot, therefore, state positively that the internal controls relative to this audit objective are effective and can be relied on. However, based on the information provided by USAID/Guinea and tests performed, we can only report that no significant weaknesses came to our attention, other than USAID/Guinea's inability to confirm essential information about its own internal controls.

Conclusions for Audit Objective Five

We considered applicable internal control policies and procedures in A.I.D. Handbook 10 and classified relevant policies and procedures into four categories: the updating of returned participants' files; follow-up actions taken in regard to non-returnees; procedures for notifying the Immigration and Naturalization Service about non-returnees; and evaluation of the training program.

There was one reportable condition. USAID/Guinea did not take corrective action to address the problem of non-returnees.

REPORT ON COMPLIANCE

Scope

We conducted our audit in accordance with generally accepted government auditing standards, except that management would not provide us with a representation letter confirming to the best of their knowledge and belief (1) their responsibility for compliance with applicable laws and regulations, (2) whether or not there were any irregularities involving management or employees, and (3) whether or not there were any instances of violations or possible violations of laws and regulations. A complete description of the representations that USAID/Guinea would not make is provided in the Scope and Methodology section in Appendix II.

Management's refusal to make such representations, constitutes a limitation to the scope of the audit and is sufficient to preclude us from designing our audit to provide reasonable assurance of detecting abuse and illegal acts and from giving an unqualified opinion on compliance with applicable project and grant agreements and U.S. Government regulations relating to the audit objectives.

We reviewed USAID/Guinea's compliance with the Federal Manager's Financial Integrity Act (FMFIA). We also tested USAID/Guinea's compliance with OMB Circular Nos. A-73 and A-133 to the extent they relate to our audit objectives. However, our objective was not to provide an opinion on USAID/Guinea's compliance with all provisions of these circulars.

Background

Noncompliance is a failure to follow requirements, or a violation of prohibitions, contained in statutes, regulations, contracts, grants and binding policies and procedures governing an organization's conduct. Noncompliance constitutes an illegal act when there is a failure to follow requirements of laws or implementing regulations, including intentional and unintentional noncompliance and criminal acts. Not following internal control policies and procedures in A.I.D. Handbooks generally does not fit into this definition of noncompliance and is included in our report on internal controls. Abuse is distinguished from noncompliance in that abusive conditions may not directly violate laws or regulations. Abusive activities may be within the letter of laws and regulations but nevertheless violate either their spirit or more general standards of impartial and ethical behavior. Compliance with OMB

Circular Nos. A-73, A-133, and applicable project and grant agreements is the overall responsibility of USAID/Guinea's management.

Conclusions on Compliance

We reviewed USAID/Guinea's compliance with the Federal Managers' Financial Integrity Act, OMB Circulars A-73 and A-133; and applicable project and grant agreements. Because management was not willing or able to confirm in a representation letter essential information related to such compliance, we cannot state positively that USAID/Guinea has complied with the aforementioned legislations and agreements. However, based on the information provided by USAID/Guinea and tests performed, we can only report that no irregularities or significant instances of noncompliance with aforementioned laws, regulations and agreements came to our attention.

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