

Regional Inspector General for Audit  
Nairobi, Kenya

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Audit of  
USAID/Tanzania's Controls  
Over Project Funds

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Report No. 3-621-92-12  
July 15, 1992



PD-ABE-402

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USAID/Tanzania's Controls  
Over Project Funds**

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# UNITED STATES OF AMERICA

## AGENCY FOR INTERNATIONAL DEVELOPMENT REGIONAL INSPECTOR GENERAL FOR AUDIT

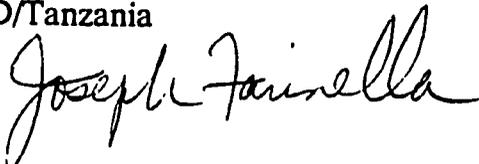
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July 15, 1992

### MEMORANDUM

**TO:** Dale B. Pfeiffer, Mission Director, USAID/Tanzania

**FROM:** Joseph Farinella, Acting RIG/A/Nairobi 

**SUBJECT:** Audit of USAID/Tanzania's Controls Over Project Funds

Enclosed are five copies of the subject report. In preparing this report we reviewed your comments on the draft report and included them as an appendix to this report. In our opinion, USAID/Tanzania is following A.I.D. policies and procedures in obligating, earmarking, committing and spending A.I.D. project funds. The report contains no recommendations. We appreciate the cooperation and courtesies extended to our staff during the audit.

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### **Background**

USAID/Tanzania's project portfolio consists of bilateral projects, "Buy-Ins", "Self-Help" and project development support funds. "Self-Help" projects provide small amounts of money for income-generating projects and vocational training to small groups and schools. "Buy-In" projects are implemented by a contract that is issued and managed by an AID/Washington Bureau or Office. USAID/Tanzania's major projects cover family planning, transportation, and participant training. The purpose of USAID/Tanzania's obligating, earmarking, committing and spending procedures was to control its project funds. The earliest start date for these projects was January 1978 and the latest completion date is September 2005.

As of December 31, 1991, the Mission Accounting and Control System (MACS) listed 31 projects in USAID/Tanzania's portfolio with obligations of approximately \$145.9 million and expenditures of approximately \$89.9 million. For our audit purposes we categorized these projects into the following three areas: (1) 11 active projects financially administered by USAID/Tanzania with obligations of \$91.5 million and expenditures of \$43.0 million, (2) 14 inactive and expired projects with obligations of \$45.6 million, and expenditures of \$43.5 million and unliquidated obligations of \$2.1 million that were financially administered by either USAID/Tanzania or AID/Washington, and (3) six active "Buy-In" projects financially administered by AID/Washington with obligations of \$8.8 million and expenditures of \$3.4 million. The 11 active projects and 14 inactive and expired projects were included in the scope of our audit. However, because the six "Buy-In" projects were financially administered by AID/Washington, these projects were excluded from our scope.

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## **Audit Objectives**

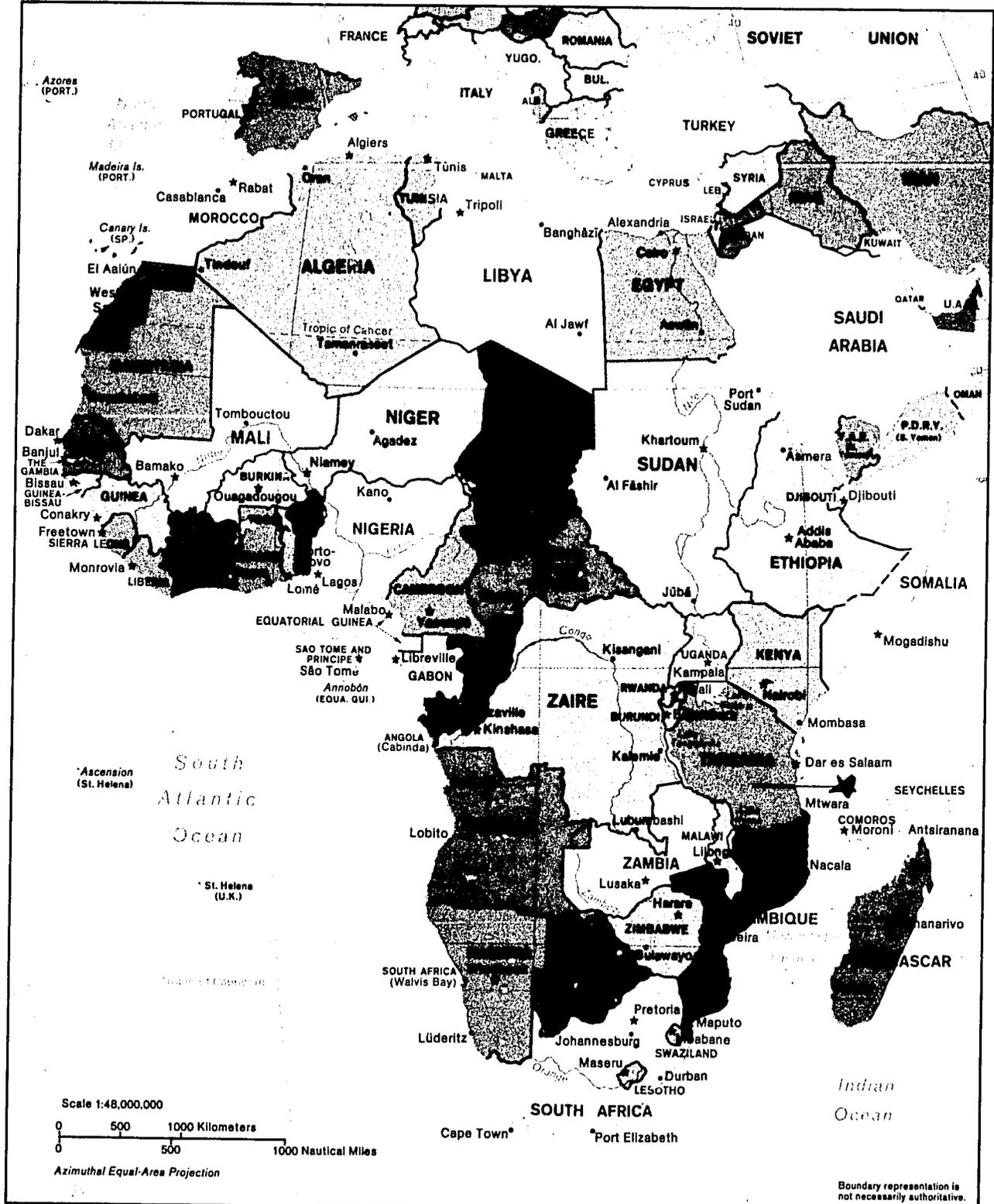
The Office of the Regional Inspector General for Audit, Nairobi conducted an audit of USAID/Tanzania's controls over project funds because of financial control weaknesses disclosed in its internal control assessment for the year ended September 30, 1990 and 1990 correspondence. The audit was designed to answer the following objective:

**Did USAID/Tanzania follow A.I.D. policies and procedures in obligating, earmarking, committing and spending A.I.D. project funds?**

In answering this audit objective we tested whether USAID/Tanzania (1) followed applicable internal control procedures and (2) complied with certain provisions of regulations and policies. Our tests were sufficient to provide reasonable -- but not absolute -- assurance of detecting abuse or illegal acts that could significantly affect the audit objective.

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## **Audit Finding**

### **Did USAID/Tanzania follow A.I.D. policies and procedures in obligating, earmarking, committing and spending A.I.D. project funds?**

In our opinion, USAID/Tanzania followed A.I.D. policies and procedures in obligating, earmarking, committing and spending A.I.D. project funds. Each of the four activities are discussed separately in the following sections.

#### **Obligating**

According to A.I.D. Handbook 19 Chapter 2, USAID controllers are responsible for devising, implementing and maintaining a system for controlling obligations against budget allowances. This system should include: (1) assuring that all obligations are prevalidated against budget allowances, (2) maintaining liquidated and unliquidated obligation files, (3) establishing records for each obligation to reflect disbursements and prevent overobligations and overexpenditures, (4) subjecting unliquidated obligations to a continuous and comprehensive review process for the purpose of deobligating unneeded obligations, (5) certifying that the Annual Statement of Obligations consists of valid obligations, and (6) ensuring that obligations are supported by appropriate documentary evidence. Also, the Controllers Guidebook specifies, that based on the Anti-Deficiency Act, the authorization of an obligation in excess of an appropriation is prohibited. In addition, the Supplemental Appropriations Act of 1955 (31 U.S.C.-1501) stipulates that no amount shall be recorded as an obligation unless it is supported by documentary evidence showing that a valid and binding agreement in writing has been executed.

In our opinion, USAID/Tanzania is following A.I.D. policies and procedures in obligating A.I.D. project funds. To determine if these policies and procedures were followed, we selected on a judgmental basis and tested 5 obligations with a value of \$32.6 million out of 11 active projects with total obligations of \$91.5 million. We judgmentally selected and also tested 7 obligations with a value of \$29.2 million, out of 14 inactive and expired projects with total obligations of \$45.6 million. This testing included 36 percent of the value of active project obligations and 64 percent of the value of inactive and expired project obligations. Based on the dollar amount and percentage tested we were satisfied that the sample was representative of the items included in our scope.

Our tests and review showed that: (1) obligations were prevalidated against budget allowances, (2) liquidated and unliquidated obligation files were maintained, (3) appropriate records and procedures were maintained which prevented overobligation and overexpenditure, (4) unliquidated obligations were reviewed, some unneeded funds were

deobligated and, if appropriate, requests were made to AID/Washington for authorization to deobligate other unneeded funds, (5) the certification of the Annual Statement of Obligations was made for financial year ended September 30, 1991, (6) obligations were supported by appropriate documentation, and (7) obligations did not exceed budget allowances. Our tests did not disclose deficiencies or non-compliance with A.I.D. policies and procedures relating to obligating project funds.

### **Earmarking**

According to Chapter 13 of the Controllers Guidebook, an earmark must be supported by an earmarking document which is prevalidated by the controllers office for funds availability before the earmarking document is released to the host country for endorsement. The earmark is consummated when all required approvals are established by signatures on the implementing document. In addition, this chapter of the Controllers Guidebook specifies that after all commitment activity has occurred against a particular earmark, any residual earmark balance should be de-earmarked.

In our opinion, USAID/Tanzania is earmarking A.I.D. project funds in accordance with A.I.D. policies and procedures. To determine if earmarks were properly supported and pre-validated we tested 7 active project earmarks with a value of \$37.4 million (72 percent of total earmark amounts). We also tested another 5 active project earmarks with a value of \$4.3 million (8 percent of total earmark amounts) to determine if USAID/Tanzania was identifying and de-earmarking unneeded earmark balances. The items tested were selected on a judgmental basis from 11 active projects with total earmarks of \$51.8 million. We were satisfied, based on the dollar amount and percentage tested, that our sample was representative of the earmark items included in our scope. Thus, we concluded that earmarks are prevalidated for funds availability by the controllers office and are supported by properly signed implementing documents. In addition, our tests showed that the controller's office is identifying and de-earmarking residual earmark balances that are unneeded. No deficiencies or noncompliance with A.I.D. policies and procedures relating to earmarking project funds were noted.

### **Committing**

Chapter 13 of the Controllers Guidebook states that a commitment is recognized with the execution of a contractual document. This chapter further states that the controller should ensure that commitments do not exceed the amount earmarked.

In our opinion, USAID/Tanzania is committing A.I.D. project funds in accordance with A.I.D. policies and procedures. We tested 7 commitments with a value of \$36.6 million out

of the 11 active projects with a total commitment value of \$48.5 million, to determine if commitments were properly supported and did not exceed earmarked amounts. The items tested were selected on a judgmental basis and represented 75 percent of the total value of commitments. Based on the dollar amount and percentage of the total value tested we were satisfied that the items tested were representative of all commitments included in our scope. The 7 tested items showed that properly signed documents supported commitments, and commitment amounts did not exceed the amounts earmarked. No USAID/Tanzania deficiencies or non-compliance with A.I.D. policies and procedures relating to the commitment of project funds were noted.

### **Spending**

According to Chapter 13 of the Controllers Guidebook, disbursements can be made only where funds have been previously committed and there is an amount available for payment. A.I.D. Handbook 3 requires grantees to provide A.I.D. with such expenditure information as it may reasonably request. In addition, A.I.D. Handbook 19 Chapter 1 specifies that A.I.D.'s accounting system should: (1) provide control and accountability over funds, and (2) integrate A.I.D.'s accounting with the accounting and reporting operations of the Treasury Department. Treasury Manual 1 TFM2-3100 also requires a monthly reconciliation of A.I.D. records with Treasury disbursements.

In our opinion, USAID/Tanzania is spending A.I.D. project funds in accordance with A.I.D. policies and procedures. To determine if disbursements were made from previously committed and available funds we judgmentally selected and tested 13 expenditure transactions with a value of \$7.9 million. Our tests showed that expenditures were made from committed and available funds.

We also tested 85 vouchers with a value of \$9.5 million out of 724 total vouchers with a value of \$22.2 million that were processed during the period October 1, 1990 through December 31, 1991. Our tests of these vouchers showed that the vouchers were properly certified and approved, the voucher amounts were accurate and the vouchers were supported with proper documentation as required by the Controllers Guidebook and A.I.D. Handbook 3.

We also reviewed and tested USAID/Tanzania's control over its disbursements for project expenditures and its monthly reconciliation of its transactions with the Regional Administrative Management Center, Paris (RAMC/Paris) disbursements. Our review and tests showed that USAID/Tanzania: (1) exercised control over its disbursements for project expenditures, (2) integrated its accounting with the disbursement and reporting operations of RAMC/Paris, and (3) reconciled its transactions with RAMC/Paris disbursements on a

monthly basis.

Based on the amount and type of testing performed, we were satisfied that the items tested were representative of all project spending items included in our scope. Thus we concluded that USAID/Tanzania is spending A.I.D. project funds in accordance with A.I.D. policies and procedures.

USAID/Tanzania also followed the requirements of State Cable 331258 which implements the Federal Managers' Financial Integrity Act for A.I.D. missions throughout the world. We noted that USAID/Tanzania had prepared an internal control assessment for the fiscal year ended September 30, 1990 and an annual certification letter for the fiscal year ended September 30, 1991.

### Management Comments

USAID/Tanzania concurred with the finding in our draft report, and provided additional information for the "Issues Needing Further Study" section of our draft report. In this section, we discussed four inactive projects with \$2,075,835 in obligations which had not been deobligated because authority for this action had not been received from AID/Washington.

In their comments to the draft report, USAID/Tanzania stated that the deobligation/reobligation procedures required detailed plans, documentation, precise timing, careful coordination with AID/Washington and congressional approval which resulted in administrative delays. However, USAID/Tanzania stated that this process has been completed and the deobligations were recorded in the accounting records in June 1992.

This information was communicated to the Inspector General's Office of Program and Systems Audits. However, on advice from the Inspector General's Office of Policy, Planning and Oversight the "Issues Needing Further Study" section was deleted from the final report.

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## SCOPE AND METHODOLOGY

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### Scope

We performed an audit of USAID/Tanzania's obligating, earmarking, committing and spending activities. This audit was conducted in accordance with generally accepted government auditing standards. Our fieldwork was conducted in the offices of USAID/Tanzania, Dar es Salaam, Tanzania during the periods February 10 through February 20, 1992 and March 30 through April 9, 1992. USAID/Tanzania's Mission Accounting and Control System (MACS) as of December 31, 1991 listed 31 projects with obligations of \$145.9 million, earmarks of \$104.3 million, commitments of \$100.5 million and expenditures of \$89.9 million. Our audit scope encompassed 25 projects with obligations of \$137.1 million, earmarks of \$96.3 million, commitments of \$92.7 million and expenditures of \$86.5 million. These projects included: (1) 11 active projects financially administered by USAID/Tanzania with obligations of \$91.5 million, earmarks of \$51.8 million, commitments of \$48.5 million and expenditures of \$43.0 million and (2) 14 inactive and expired projects with obligations of \$45.6 million, earmarks of \$44.5 million, commitments of \$44.2 million, expenditures of \$43.5 million and unliquidated obligations of \$2.1 million. Six active "Buy-In" projects with obligations of \$8.8 million and expenditures of \$3.4 million were not included in the scope of our audit because they are financially administered by AID/Washington.

Our audit scope did not include: (1) USAID/Tanzania program activities, because our objective focused on project funds and (2) a review of the unliquidated obligations of active projects because of the subjectivity in determining the amounts, if any, to be deobligated from currently active projects.

For our audit objective we reviewed, analyzed and documented USAID/Tanzania's controls related to obligating, earmarking, committing and spending A.I.D. project funds. For these functions, we tested -- as of December 31, 1991 -- 187 transactions with a value of \$130.8 million (see Methodology section and Appendix V).

Our audit was limited to reviews and tests of USAID/Tanzania's systems and procedures associated with obligating, earmarking, committing, and spending A.I.D. project funds. We also obtained from USAID/Tanzania management a written representation letter to confirm assertions made to us during the course of the audit. The scope of our audit did not include reviewing the records, internal controls or procedures at the recipient offices responsible for administering the project funds provided by A.I.D.

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## **Methodology**

Our objective was to determine if USAID/Tanzania followed A.I.D. policies and procedures in obligating, earmarking, committing and spending A.I.D. project funds. To accomplish this we interviewed USAID/Tanzania personnel. We also analyzed and tested USAID/Tanzania's correspondence, records, internal control systems and selected MACS reports. We tested the reliability of the MACS data by comparing information contained in original source documents, such as grant agreements, project implementation letters and payment vouchers with the data reflected in the MACS reports. Based on our tests we concluded that the MACS data was sufficiently reliable to be used in meeting this objective.

We reviewed previously issued audit work related to USAID/Tanzania. However, none of the work contained findings that related to our audit objective. Thus this work did not affect the scope or methodology of our audit. We also tested USAID/Tanzania's compliance with laws and regulations including State Cable No. 331258 which implements the Federal Managers' Financial Integrity Act for A.I.D. Missions throughout the world.

## **Obligating**

To determine if obligations were properly supported and validated with budget allowances we judgmentally selected and tested 5 project obligations with a value of \$32.6 million (36 percent of total active obligations) out of 11 active projects with total obligations of \$91.5 million. These tests of obligations were conducted by examining obligating documents for proper approvals, dates and amounts and by comparing obligations with budget allowance advices. To determine if unliquidated obligations were properly reviewed and appropriate efforts were made to deobligate unneeded obligations, we tested 7 unliquidated project obligations with a value of \$2.1 million (100 percent of total inactive and expired unliquidated obligations) out of 14 inactive and expired projects with total unliquidated obligations of \$2.1 million. Based on the dollar amount and percentage of items tested, we were satisfied that the sample, and consequently the results of the tests on the sample, were representative of obligations in our scope. These tests of unliquidated obligations were performed by interviewing USAID/Tanzania personnel, examining their procedures and workpapers reflecting their review of unliquidated obligations and reviewing compliance with the Anti-Deficiency Act and the Supplemental Appropriations Act of 1955.

## **Earmarking**

We examined the supporting documentation and obligating documents of 7 project earmarks with a value of \$37.4 million (72 percent of total active earmarks), to determine if earmarks were properly supported and pre-validated. In addition we analyzed 5 active project earmarks with a value of \$4.3 million (8 percent of total earmarks) to determine if their balances should be de-earmarked. In conducting this analysis we discussed the earmarks with appropriate USAID/Tanzania personnel and reviewed existing and planned commitments and expenditures. The items tested were judgmentally selected from a total population of active project earmarks with a value of \$51.8 million as of December 31, 1991. We were satisfied that the items tested were representative of the earmarks included in our scope, based on the dollar value and percentage of items tested.

## **Committing**

To determine if commitments were properly supported and did not exceed earmarked amounts we examined the documentation supporting the commitment and compared the amount committed with the related amount earmarked. We judgmentally selected and tested 7 project commitments with a value of \$36.6 million out of the 11 active projects with total commitments of \$48.5 million. The items tested represented 75 percent of the total value of commitments. Based on this percentage and the dollar amount tested, we were satisfied that the items tested were representative of the commitments included in our scope.

## **Spending**

We conducted several tests in reviewing USAID/Tanzania's controls over its disbursements for projects. To determine that disbursements were made from previously committed funds with an amount available for payment, we tested 13 active project expenditures with a value of \$7.9 million. These tests were performed by comparing expenditures with the related commitment documents and by comparing total expenditures with the total amounts committed.

We examined 85 vouchers with a value of \$9.5 million to determine if project vouchers were properly approved and certified, if the voucher amounts were accurate and if the vouchers were supported with proper documentation. These vouchers, representing 11.7 percent of the vouchers and 42.8 percent of their dollar value, were selected from a total population of 724 project vouchers with a value of \$22.2 million that were processed by USAID/Tanzania during the period October 1, 1990 through December 31, 1991. During the initial phase of the audit we randomly selected 13 vouchers for review. In the detailed audit phase we identified the universe of 724 project vouchers and sequentially selected an

additional 72 vouchers for review. Based on the number and dollar amount of items tested, we were satisfied that the items tested were representative of all project spending items included in our scope. To test USAID/Tanzania's compliance with the requirements of US Treasury Manual 1 TFM2-3100 we reviewed USAID/Tanzania's monthly reconciliation with the Regional Administrative Management Center, Paris (RAMC/Paris) disbursements to determine if the disbursement process between USAID/Tanzania and RAMC/Paris was properly integrated and that the monthly reconciliations were being performed. Of the 255 total reconciling items with a value of \$450,000, we reviewed 58 reconciling items having a value of \$402,000.

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ACTION AID-3 INFO ECON POL/PLD

APPENDIX II

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DE RUFHR #3797 1948937  
ZNR RUFHR ZZR  
? 020937Z JUL 92  
FM AMEMBASSY DAR ES SALAAM  
TO AMEMBASSY NAIROBI 1175  
BT  
UNCLAS DAR ES SALAAM 03797

22-JUL-92

TCR: 03:13  
JHR: AID  
DISC: AID

AIDAC

FOR JFARINELLA, ACTING RIG/A/NAIROBI

F.O. 12356: N/A

SUBJECT: AUDIT OF USAID/TANZANIA'S CONTROLS OVER PROJECT FUNDS

REF: DRAFT AUDIT REPORT

USAID/TANZANIA CONCURS WITH THE FINDINGS OF THE SUBJECT AUDIT. WITH REGARD TO THE QUOTE ISSUES NEEDING FURTHER STUDY END QUOTE, HOWEVER, WE FEEL THAT FURTHER EXPLANATION MAY BE NEEDED. IT SHOULD BE POINTED OUT THAT THE DEOB-REOB PROCESS IS BASED ON AUTHORITY GRANTED BY CONGRESS IN THE FOREIGN ASSISTANCE ACT AND THE PROCEDURES ARE PRESCRIBED BY CONGRESS. THE DEOB-REOB REQUIREMENTS DICTATE DETAILED PLANS AND DOCUMENTATION AND PRECISE TIMING. BECAUSE OF THIS THERE IS USUALLY A DEGREE OF BUREAUCRATIC DELAY IN THE IMPLEMENTATION OF THE PROCESS WHICH MUST BE CLOSELY AND CAREFULLY COORDINATED WITH AID/W. BECAUSE OF THE CONGRESSIONAL NOTIFICATION REQUIREMENT AID/W CAN NOT AUTHORIZE THE DEOBS UNTIL CONGRESS HAS BEEN GIVEN TIME TO SCRIPINIZE THE PROPOSED ACTIONS. THE CN FOR THE TANZANIA DEOB ACTIONS WAS PUT ON HOLD BY CONGRESS PENDING RECEIPT OF THE 353A REPORT FROM AID. ON JUNE 22, USAID/T WAS NOTIFIED THAT THE CONGRESSIONAL HOLD HAD BEEN LIFTED AND THAT THE DEOB ACTIONS COULD PROCEED. RPMC WAS NOTIFIED AND THE DEOB WERE RECORDED IN THE MACS RECORDS ON JUNE 23, 1992. USAID/T CABLED AID/W JUNE 29, 1992, TO INFORM AFR/MRP/CONT THAT THE DEOB ACTIONS WILL BE REFLECTED IN THE JO REPORT FOR JUNE 1992. REGARDS. DEJARNETTE



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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 Control Assessment

We conducted our audit in accordance with generally accepted government auditing standards which require that we plan and perform the audit work to fairly, objectively, and reliably answer the objective of the audit. Those standards also require that we:

- assess the applicable internal controls to satisfy the audit objective and
- report on the controls assessed, the scope of our work, and any significant weaknesses found during the audit.

In planning and performing our audit, we considered USAID/Tanzania's internal control structure to determine our auditing procedures in order to answer the audit objective and not to provide assurance on its overall internal control structure.

For the purpose of this report, we have classified significant internal policies and procedures applicable to the audit objective by categories. For each category, we obtained an understanding of the design of relevant policies and procedures and determined whether they had been placed in operation--and we assessed control risk. We have reported these categories under the section heading for the objective.

### General Background on Internal Controls

The management of A.L.D., including USAID/Tanzania, is responsible for establishing and maintaining adequate internal controls. Recognizing the need to re-emphasize the importance of internal controls in the Federal Government, Congress enacted the Federal

**Managers' Financial Integrity Act (the Integrity Act) in September 1982. This Act, which amends the Accounting and Auditing Act of 1950, makes the heads of executive agencies and other managers, as delegated, legally responsible for establishing and maintaining adequate internal controls. Also, the General Accounting Office has issued Standards For Internal Controls In The Federal Government to be used by agencies in establishing and maintaining such controls.**

In response to the Integrity Act, the Office of Management and Budget has issued guidelines for the Evaluation and Improvement of Reporting on Internal Control Systems in the Federal Government. According to these guidelines, management is required to assess the expected benefits versus related costs of internal control policies and procedures. 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 and fairly disclosed in reports. Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Moreover, 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**

The audit objective was to determine whether USAID/Tanzania followed A.I.D. policies and procedures in obligating, earmarking, committing and spending A.I.D. project funds. For this objective we classified policies and procedures into the internal control categories of obligating, earmarking, committing and spending.

We reviewed USAID/Tanzania's internal controls and procedures relating to obligating, earmarking, committing and spending A.I.D. project funds and in our opinion USAID/Tanzania's controls were maintained and consistently applied. Therefore we limited our tests to the items initially selected for testing during the initial and detailed phases of our audit.

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## REPORT ON COMPLIANCE

This section provides a summary of our conclusions on USAID/Tanzania's compliance with applicable laws and regulations dealing with obligating, earmarking, committing and spending.

### 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 (2) 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 USAID/Tanzania's compliance with the Anti-Deficiency Act, the Supplemental Appropriations Act of 1955, (31 U.S.C.1501), the U.S. Treasury Manual 1TFM2-300 and State Cable No. 331258 (which requires Missions to implement the Federal Managers' Financial Integrity Act) as they related to our audit objective. However, our objective was not to provide an opinion on overall compliance with those regulations.

### 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 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 the A.I.D. Handbooks generally does not fit into this definition 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 the laws and regulations but violate neither spirit or the more general standards of impartial and ethical behavior. Compliance with the Anti-Deficiency Act, the Supplemental Appropriations Act of 1955, (31 U.S.C. 1501), the U.S. Treasury Manual 1TFM2-3100 and State Cable No. 331258 is the overall responsibility of USAID/Tanzania management.

### **Conclusions on Compliance**

USAID/Tanzania complied with the applicable requirements of the Anti-Deficiency Act, the Supplemental Appropriations Act of 1955, (31 U.S.C. 1501), the U.S. Treasury Manual 1TFM2-3100 and State Cable No. 331258.

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**SUMMARY OF ITEMS TESTED**(**\$ Amounts in Millions**)

<b><u>Description of Tests</u></b>	<b><u># of Items Tested</u></b>	<b><u>\$ Amount Tested</u></b>	<b><u>Total \$ in Population</u></b>	<b><u>% of \$ Tested</u></b>
Obligations for active projects	5	\$ 32.6	\$91.5	36
Unliquidated obligations of inactive projects	7	2.1	2.1	100
Support and prevalidation of earmarks of active projects	7	37.4	51.8	72
De-earmarking earmarks of active projects	5	4.3	51.8	8
Support and available earmarks for commitments of active projects	7	36.6	48.5	75
Funds availability for spending	13	7.9	22.2	36
Approval, certification accuracy and support of expenditures	85	9.5	22.2	43
Reconciliation of USAID/Tanzania with RAMC/Paris disbursements	<u>58</u>	<u>4</u>	<u>5</u>	<u>80</u>
<b>Total</b>	<b><u>187</u></b>	<b><u>130.8</u></b>	<b><u>N/A</u></b>	<b><u>N/A</u></b>

**APPENDIX VI****REPORT DISTRIBUTION**

American Ambassador to Tanzania	1
Mission Director, USAID/Tanzania	5
A/AID	2
AA/AFR	1
AFR/EA/T	1
AFR/CONT	1
XA/PR	1
LEG	1
GC	1
AA/OPS	1
AA/FA	1
FA/FM	1
POL/CDIE/DI	1
FAMCS	2
FA/FM/FPS	2
REDSO/ESA	1
REDSO/RFMC	1
REDSO/Library	1
IG	1
AIG/A	1
D/AIG/A	1
IG/A/PSA	1
IG/A/FA	1
IG/A/PPO	2
IG/LC	1
IG/RM/C&R	12
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RIG/I/N	1
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RIG/A/D	1
RAO/M	1
RIG/A/S	1
RIG/A/T	1
RIG/A/EUR/W	1
RIG/A/V	1