

**Regional Inspector General for Audit
Singapore**

**AUDIT OF USAID/THAILAND'S
GRANTS TO
THE ASIAN INSTITUTE OF TECHNOLOGY**

**Audit Report No. 5-493-93-08-N
April 23, 1993**



**INSPECTOR
GENERAL**



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

April 23, 1993

TO: Thomas H. Reese, III, Mission Director
USAID/Thailand

FROM: 
James B. Durnil, RIG/A/Singapore

SUBJECT: Audit of USAID/Thailand's Grants to the Asian Institute of Technology Audit Report No. 5-493-93-08-N

The accounting firm of Coopers and Lybrand, Thailand performed a financial audit of USAID/Thailand's grants to the Asian Institute of Technology (AIT). Five copies of the audit report are enclosed for your action.

From June 1987 through September 1990, USAID/Thailand awarded four research grants to AIT. The purpose of these grants are to (1) develop guidelines for using certain welding materials; (2) study the use of leguminous tree leaves for fish ponds; (3) design hand-held sprayers; and (4) develop an engine-driven potato digger. The period covered by the audit for each grant is identified on page 5 of this report. During these periods, AIT reported that \$391,032 was received from USAID/Thailand and \$378,815 of that amount was expended under these grants.

The audit objectives were to: (1) determine whether the Fund Accountability Statements of AIT present fairly the receipts and expenditures under the grants with USAID/Thailand and whether the expenditures were allocable, allowable, and reasonable; (2) report on AIT's system of internal controls; (3) report on AIT's compliance with applicable laws, regulations, and grants terms; and (4) report on AIT's management capability, financial capability, and personnel and travel policies in relation to a recently awarded grant (Grant No. 493-2071-G-00-2036-00).

The auditors reported that the Fund Accountability Statements of AIT present fairly the receipts and expenditures of four grants with USAID/Thailand, except for \$65,919 in questioned costs arising from noncompliance with grant agreement terms. Except for the

above instances of noncompliance, AIT complied, in all material respects, with applicable laws, regulations, and grant agreement terms. No material internal control weaknesses were noted. The auditors also reported that AIT possesses adequate management capability, financial capability and travel and personnel policies to administer a recently awarded grant (Grant No. 493-2071-G-00-2036-00).

Except for the finding on overheads (see page 39), the management of AIT generally agreed with the findings contained in the report. AIT's comments are summarized under each finding in the report and the full text of the comments is included as Appendix B of this report.

This report contains seven findings which USAID/Thailand should ensure that necessary action is taken. We are making the following recommendations to be included in the Inspector General's recommendation follow-up system.

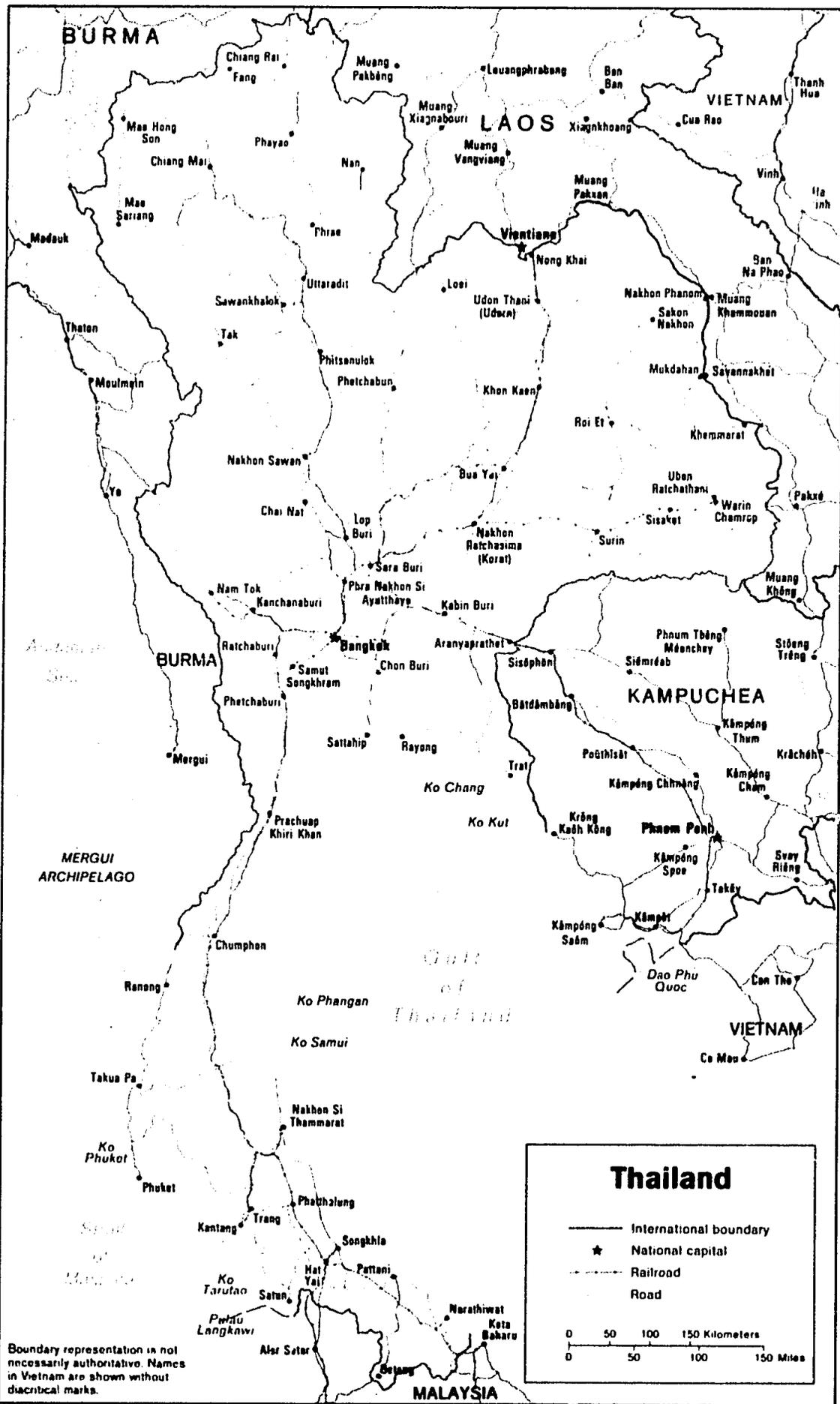
Recommendation No. 1: We recommend that USAID/Thailand resolve the \$65,919 in ineligible questioned costs with the Asian Institute of Technology and recover any amounts determined to be unallowable.

Recommendation No. 2: We recommend that USAID/Thailand verify that the Asian Institute of Technology establishes and implements a system to (a) account for non-expendable property financed by AID funds in accordance with agreement terms; (b) record separately (or otherwise identify in its property register) non-expendable property purchased through other sponsored projects and exclude depreciation on such property when charging overheads under the USAID-funded grants; and (c) perform pricing analysis for purchases as required by agreement terms.

We appreciate the courtesies and cooperation USAID/Thailand and AIT extended to the auditors and our staff during the course of this audit.

Please advise me within 30 days of any actions planned or taken to close the above recommendations.

Attachment: a/s



**FINANCIAL AUDIT OF
THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH
THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

Performed and Prepared

by

Coopers & Lybrand (TH) Co., Ltd.
Thailand

**FINANCIAL AUDIT OF
THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH
THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

	Page No.
Transmittal letter and summary	
AIT - The Institution and its Programs	2 - 5
Audit Objectives and Scope of Work	5 - 8
Quality Control Review Procedures	8
Audit Results	9 - 11
Comments on Findings and Recommendations	11
Follow up on Prior Audits	11
Acknowledgments	12
Report on the Fund Accountability Statements	
Independent Auditors' Report	13 - 15
Fund Accountability Statements	16 - 25
Report on the System of Internal Controls	
Independent Auditors' Report	26 - 29
Schedule of Reportable Conditions	30 - 33
Report on Compliance with Agreement Terms, Applicable Laws and Regulations	
Independent Auditors' Report	34 - 36
Audit findings and recommendations including auditee managements' comments	37 - 48
Report on Management Capability	
Independent Auditors' Report	49 - 51
Report on Financial Capability	
Independent Auditor's Report	52 - 54
Report on Personnel and Travel Policies	
Independent Auditors' Report	55 - 57
Schedule of Questioned Costs	Appendix A
Full Text of Management Comments	Appendix B
Report Distribution List	Appendix C

A2/GW/AIT

Mr James B Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

This report represents the results of our audit of the Asian Institute of Technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods for each Grant:

Grant No 936-5542-7034 - June 12, 1987 to December 31, 1990
Grant No 936-5600-0075 - May 25, 1990 to December 31, 1991
Grant No 936-5544-8057 - September 1, 1988 to December 31, 1991
Grant No 493-5544-0146 - September 27, 1990 to December 31, 1991

It also incorporates the results of our study and evaluation on the management capability, financial capability and the adequacy of the personnel and travel policies of AIT pertaining to Grant No 493-2071-6-00-2036-00 with Regional Housing Urban Development Organisation ("RHUDO") which commenced on December 20, 1991 and ends of December 19, 1993.

Funding under Grants No 936-5600-0075, No 936-5544-8057 and No 493-5544-0146 continues beyond our review period.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

AIT - The Institution its Programs

The grantee, AIT, was founded in 1959 as a post-graduate school of civil engineering and has since developed into an institution of higher learning specializing in

- Infrastructure Engineering
- Agricultural and Natural Resource Engineering
- Management and Planning, and
- Manufacturing Systems Engineering

AIT carries out its stated aims through

- Regular academic programs, which lead to the award of Doctoral and Master's degrees and diplomas
- Regional outreach activities
- Research Programs, which are conducted by faculty members and students, or in cooperation with other institutions in Asia and elsewhere

Responsibility for the Institute's policy direction rests with the Board of Trustees, which consists of some 40 members from Asia, Australia, Europe and North America. The trustees are usually respected individuals either in the academic field or in business and commerce or are representatives of the main donor agencies, often the donor country's ambassador. Daily management of AIT is under the control of a 5-man team headed by the President, Professor Alastair North.

Governments, foundations, businesses and individuals provide support in the form of grants for scholarships, faculty and staff secondment, operating funds, continuing education, equipment, research and campus development.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

AIT is focused regionally in that it does not seek to serve Thailand only, rather it seeks to fill an educational, research and service role for the whole of South East Asia. This can be demonstrated by the student profile, where of the approximately 900 students at the end of 1991, the nationality profile was as follows:

Thailand	170
Philippines	79
Indonesia	74
Nepal	68
Vietnam	68
China	67
India	64
Pakistan	64
Sri Lanka	61
Others	<u>198</u>
	<u>913</u>

Funding for AIT comes primarily from national governments (78%) with international organisations providing a further 9%. One such international organisation is USAID/T.

The objectives of the Grants from USAID/T under our financial audit review are follows:

Grant No 936-5542-7034

Welded Wire Reinforced Earth (Mechanically Stabilized) Embankments with Cohesive Back-fill of Soft Clay

The objective of the grant is to develop, design and construct guidelines for using local cohesive clays and silts as the reinforced soil back-fill materials in areas where granular soils are not readily available, thus saving expensive transportation costs. The grant addresses the problem of reinforcing poor soil materials to provide an adequate earth structure to support highway bridges or pavement structures, or to serve as a retaining wall. Current soil reinforcement technology is only appropriate for granular soils which develop high frictional resistance between the soil and the reinforcement elements.

The research commenced in 1987 and was completed in 1991.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Grant No 936-5600-0075

Use of Leguminous Tree Leaves As Fish Pond Inputs

The major objective of this research grant is to give a quantitative basis for the use of the four species of legume leaves in tropical freshwater fish culture. Specific objectives are:

- (1) to evaluate four legume fodder as green manures in aquatic systems and to use this information to establish a basis for their use in fish ponds;
- (2) to compare the use of four legume fodder as direct feeds for four different macrophage fish species; and
- (3) to determine the value of legume leaves as low cost substitutes for artificial use of legume leaves grown on-farm for fish in terms of an overall small-scale farm strategy.

The research commenced in 1990 and will be completed in 1993.

Grant No 936-5544-8057

Farmer Driven Electrostatic Low-Volume Sprayer

The aim of this grant is to develop the optimum design and operating parameters to be used for a small hand-held spinning disk atomizer having electrostatic spray charging. A commercial hand held spinning disk atomizer will be used with electrostatic charging systems using contact charging, induction charging or coronal discharge charging depending on which system performs best in laboratory test, a prototype will be built and tested in the field.

The research commenced in 1988 and will be completed in 1992.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Grant No 493-5544-0146

Engine Driven Potato Digger with Oscillating Blade for Small Farm Use

The grant aims to develop an oscillating perforated disk share type digger with foam/rubber coated rotary sieve for harvesting potatoes with a view to:

- (1) reduce draft requirement;
- (2) minimize tuber damage;
- (3) lower the cost to within the economic reach of the farmers; and
- (4) reduce human drudgery and labour requirement.

Therefore, an engine or small horse power tractor driven potato digger involving a new and unique design concept of rotary cum oscillating perforated disk share with a rubber/foam coated vibratory sieve attachment will be developed.

The research commenced in 1990 and will be completed in 1992.

Audit Objectives and Scope of Work

We have conducted a financial audit of AIT's Fund Accountability Statement as they related to the four Grants, for the following periods:

Grant No 936-5542-7034	- June 12, 1987 to December 31, 1990
Grant No 936-5600-0075	- May 25, 1990 to December 31, 1991
Grant No 936-5544-8057	- September 1, 1988 to December 31, 1991
Grant No 493-5544-0146	- September 27, 1990 to December 31, 1991

The Fund Accountability Statements comprise the Receipts and Expenditure Statements for each Grant for the period outlined above and the notes thereon. The results of our audit are reflected in the accompanying Independent Auditors' Report on the:

- (a) Fund Accountability Statements of each Grant;
- (b) Systems of Internal Control; and
- (c) Compliance with Agreement Terms, Applicable Laws and Regulations.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Audit Objectives and Scope of Work (cont'd)

We have also performed a study and evaluation on the management capability, financial capability and the adequacy of the personnel and travel policies of AIT as they relate to Grant No 493-2071-6-00-2036-00 with RHUDO which commenced on December 20, 1991 and ends on December 19, 1993. The results of our study and evaluation are reflected in the Independent Auditors' Report on the:

- (d) Management Capability;
- (e) Financial Capability; and
- (f) Adequacy of Personnel and Travel Policies.

The objectives of our work were to:

- (a) Determine whether the Fund Accountability Statement of each of the Grants for AIT presents fairly the receipts and expenditures of AIT as they pertain to Grants Nos 936-5542-7034, 936-5600-0075, 936-5544-8057 and 493-5544-0146 received, for the audit periods noted above and in accordance with the terms of the Grant Agreements;
- (b) Report on AIT's System of internal controls;
- (c) Report on AIT's compliance with applicable laws, regulations, agreement terms, binding policies and procedures;
- (d) Calculate an audited overhead rate for AIT in accordance with applicable Federal Acquisition Regulations;
- (e) Determine whether AIT has sufficient management capability and span of control to administer Grant No 493-2071-6-00-2036-00 from RHUDO;
- (f) Determine whether AIT is financially capable of performing the work under the Grant as mentioned in paragraph (e) above; and
- (g) Determine whether AIT has personnel and travel policies that are adequate to ensure that the resulting costs from the activities under the Grant as mentioned in paragraph (e) above will be both reasonable and in accordance with the applicable cost principles.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Audit Objectives and Scope of Work (cont'd)

Our audit, studies and evaluations were conducted in accordance with generally accepted U.S. Government Auditing Standards and, accordingly, included such tests and reviews as we considered appropriate in order to satisfy our objectives.

The scope of our work included the following general procedures:

- (a) Holding meetings with USAID/T, RHUDO, AIT and USAID Regional Inspector General for Auditing/Singapore ("RIG/A/S") officials;
- (b) Reviewing the Grant Agreements and appropriate amendments, OMB circulars, AID handbook regulation, prior period audit reports on AIT's financial statements, correspondence and minutes of meetings between USAID/T, RHUDO and AIT, as well as project progress reports maintained by both AIT, USAID and RHUDO;
- (c) Obtaining an understanding of the accounting, administrative and internal control systems of AIT using questionnaires, interviews, flowcharts and narrative descriptions;
- (d) Devising and performing appropriate tests on the transactions and balances recorded in the Fund Accountability Statements;
- (e) Designing appropriate audit steps and procedures to provide reasonable assurance of detecting errors, irregularities, and illegal acts that could have a direct and material effect on the results of our audit. We were also aware of the possibility of illegal acts that could have an indirect and material effect on the results of our audit;
- (f) Testing the effectiveness of administrative controls applied by AIT's management to ensure compliance with applicable laws, regulations and agreement terms;
- (g) Evaluating AIT's management capabilities and span of control to administer to project under Grant No. 493-2071-6-00-2036-00 received from RHUDO. We considered AIT's current and forecasted workloads, their staffing levels and past performances;

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Audit Objectives and Scope of Work (cont'd)

- (h) Evaluating AIT's financial capabilities under the grant as mentioned in paragraph (g) above, including reviewing its assets, liabilities, receipts and expenditures as set out in their audited financial statements, management accounts and budgets. We considered AIT's capacity to generate funds for the programs, its working capital facilities and cash flow forecasts; and
- (i) Determining whether AIT's personnel and travel policies under the grant as mentioned in paragraph (g) above are adequate to ensure resulting costs under the grant will be reasonable and in accordance with the applicable cost principles. We reviewed their procedures for developing and approving such policies, their past experience in implementing and enforcing these policies to USAID/T and non-USAID/T funded activities.

Quality Control Review Procedures

For this audit, government auditing standards related to an external quality control review were not met. While our firm does not currently participate in an external review program, we have an excellent internal quality control system in place to ensure audit quality. Also we are pursuing means for future participation in an external review program.

Mr James B Durnil
 Regional Inspector for Audit, Singapore
 US Agency for International Development
 Singapore

Audit Results

(a) **Opinion on the Fund Accountability Statements**

In the course of our audit, we noted material instances of non-compliance with agreement terms, applicable laws and regulations resulting in questioned costs totalling to US\$65,919 (see Appendix A), analysed under each individual Grant as follows:

	<u>Baht</u>	<u>US\$ Equivalent</u>
Grant No 936-5542-7034	940,307	37,612
Grant No 936-5600-0075	46,991	1,879
Grant No 936-5544-8057	146,381	5,689
Grant No 493-5544-0146	<u>518,490</u>	<u>20,739</u>
	<u>1,652,169</u>	<u>65,919</u>

Except for the effect that the questioned costs may have on the Fund Accountability Statements of each individual Grant stated above, we are of the opinion that the Fund Accountability Statements of the Grants are fairly presented, in all material respects, in accordance with generally accepted accounting principles.

(b) **System of Internal Controls**

In accordance with Paragraph 19 of Chapter 5 of Government Auditing Standards, we limited our reliance on AIT's internal control structure as our preliminary review and documentation of the accounting and control systems indicated that it would be inefficient to evaluate the effectiveness of internal control structure policies and procedures. In order to maintain the efficiency of our audit, we therefore extended our substantive testing.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Audit Results (cont'd)

(b) **System of Internal Controls (cont'd)**

During the course of our audit, though, we noted certain matters involving the internal control structure and its operation that we considered to be reportable conditions. However, we believe that none of these matters are material weaknesses. These matters have been detailed within the body of our report on pages 30 to 33.

(c) **Compliance with Agreement Terms, Applicable Laws and Regulations**

Our tests for compliance with agreement terms, applicable laws and regulations of selected transactions and records of AIT indicated that, for the items tested, except for those noted in the following paragraph, AIT principally complied with those provisions of its agreement terms, as well as applicable laws and regulations, for the period under our review.

Certain instances of non-compliance were noted which resulted in \$65,919 of questioned costs, and these are discussed further in our detailed report on pages 37 to 48.

With respect to items not tested by us, nothing came to our attention that caused us to believe that AIT had not complied, in all material respects, with those provisions.

(d) **Management Capability**

The results of our review indicate AIT has the management capability to provide sufficient administration and span of control in relation to Grant No. 493-2071-6-00-2036-00.

(e) **Financial Capability**

The results of our review indicate that AIT has the financial capability to perform the work in relation to the Grant as mentioned in paragraph (d) above.

Audit Results

(f) Personnel and Travel Policies

The results of our review indicate that AIT has adequate personnel and travel policies to ensure that the resultant costs from the activities in relation to the Grant as mentioned in paragraph (d) above will be both reasonable and in accordance with the applicable cost principles.

Comments on Findings and Recommendations

The management of AIT have principally agreed to our findings and recommendations on the internal control and non-compliance issues set out on pages 30 to 33 and 37 to 48 respectively although they do not agree with our recommendations relating to the calculation of use allowances on assets purchased for specific sponsored projects. Their comments have been summarized under the individual findings and are set out in full in Appendix B.

Follow up on prior audits

In the course of our work, no significant or material findings and recommendations from previous audits, which affect the current audit objectives, were noted.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

Acknowledgements

We would like to take this opportunity to express our gratitude for the assistance given to us by the RIG/A/S office, USAID/T, RHUDO and the management and staff of AIT during the course of our audit.

Yours truly

A handwritten signature in black ink, appearing to read "Cooper. by [unclear]". The signature is written in a cursive style with a long horizontal stroke at the end.

**REPORT ON THE
FUND ACCOUNTABILITY STATEMENTS**

12a

A2/GW/AIT

Mr James R Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

**THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

**INDEPENDENT AUDITORS' REPORT ON THE FUND
ACCOUNTABILITY STATEMENTS**

- 1 We have audited the Fund Accountability Statements of the Asian Institute of Technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods:

Grant No 936-5542-7034	-	June 12, 1987 to December 31, 1990
Grant No 936-5600-0075	-	May 25, 1990 to December 31, 1991
Grant No 936-5544-8057	-	September 1, 1988 to December 31, 1991
Grant No 493-5544-0146	-	September 27, 1990 to December 31, 1991

Funding under Grants No 936-5600-0075, No 936-5544-8057 and No 493-5544-0146 continues beyond our review period.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

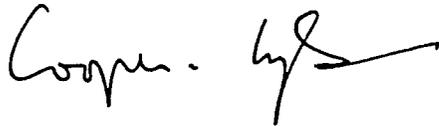
- 2 As stated in Note 3 on page 21, the Fund Accountability Statements present only the transactions of AIT as they pertain to the Grants for the periods detailed above, and are not intended to present fairly the receipts and expenditure of AIT as a whole.
- 3 These Statements, comprising the Receipts and Expenditure Statement for each Grant for the periods outlined above and the notes thereon, and as set out on pages 16 to 25, are the responsibility of AIT's management. Our responsibility is to express an opinion on the Statements based on our audit.
- 4 We conducted our audit in accordance with generally accepted U.S. Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.
- 5 In the course of our audit, we noted material instances of non-compliance with agreement terms, applicable laws and regulations resulting in questioned costs totalling to US\$65,919 (see Appendix A), analysed under each individual Grant as follows:

	<u>Baht</u>	<u>US\$</u> <u>Equivalent</u>
Grant No 936-5542-7034	940,307	37,612
Grant No 936-5600-0075	46,991	1,879
Grant No 936-5544-8057	146,381	5,689
Grant No 493-5544-0146	<u>518,490</u>	<u>20,739</u>
	<u>52,169</u>	<u>65,919</u>

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

Except for the effect that the questioned costs may have on the Fund Accountability Statements of each individual Grant stated above, in our opinion the Fund Accountability Statements of the Grants are fairly presented, in all material respects, in accordance with generally accepted accounting principles.

- 6 This report is intended solely for the use of the Agency for International Development and AIT and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.

A handwritten signature in black ink, appearing to read "Cooper. Lybrand", with a stylized flourish extending to the right.

COOPERS & LYBRAND (TH) CO. LTD
Certified Public Accountants

**THE ASIAN INSTITUTE OF TECHNOLOGY
GRANT NO 936-5542-7034**

**RECEIPTS AND EXPENDITURE STATEMENT FOR THE
PERIOD FROM JUNE 12, 1987 TO DECEMBER 31, 1990**

	Baht	US\$
RECEIPTS		
Cash receipts from USAID/T	3,806,602	145,704
EXPENDITURE		
Personnel costs	924,213	35,376
Support services	68,919	2,638
Technology transfer cost (including travelling and per diem)	19,605	750
Research expenses (including equipment)	1,779,257	68,104
Research summary	484,368	18,540
Central research facility cost (overhead)	600,000	22,966
	<u>3,876,362</u>	<u>148,374</u>
Excess of Expenditures over receipts	<u>69,760</u>	<u>2,670</u>


MR E M MAYER
AIT BURSAR

The notes on pages 20 to 25 form part of this statement.

**THE ASIAN INSTITUTE OF TECHNOLOGY
GRANT NO 936-5600-0075**

**RECEIPTS AND EXPENDITURE STATEMENT FOR THE
PERIOD FROM MAY 25, 1990 TO DECEMBER 31, 1991**

	Baht	US\$
RECEIPTS		
Cash receipts from USAID/T	971,769	38,264
EXPENDITURE		
Personnel costs	382,715	15,070
Travel and transportation	16,264	640
Report	4,208	166
Materials and supplies	277,528	10,928
Miscellaneous	230,210	9,064
Overhead	128,267	5,051
	<u>1,039,192</u>	<u>40,919</u>
Excess of expenditures over receipts	<u>67,423</u>	<u>2,655</u>


MR E M MAYER
AIT BURSAR

The notes on pages 20 to 25 form part of this statement.

**THE ASIAN INSTITUTE OF TECHNOLOGY
GRANT NO 936-5544-8057**

**RECEIPTS AND EXPENDITURE STATEMENT FOR THE
PERIOD FROM SEPTEMBER 1, 1988 TO DECEMBER 31, 1991**

	Baht	US\$
RECEIPTS		
Cash receipts from USAID/T	3,718,713	144,367
EXPENDITURE		
Local transportation	25,735	999
Consultant fees	29,314	1,138
Computer time	104,324	4,050
Materials and supplies	167,830	6,515
Equipment	323,000	12,539
Travel and transportation	366,632	14,233
Miscellaneous	154,763	6,008
Report	54,399	2,111
Personnel costs	1,241,309	48,190
Overheads	1,376,669	53,447
	<u>3,843,975</u>	<u>149,230</u>
Excess of expenditures over receipts	<u>125,262</u>	<u>4,863</u>



**MR E M MAYER
AIT BURSAR**

**THE ASIAN INSTITUTE OF TECHNOLOGY
GRANT NO 493-5544-0146**

**RECEIPTS AND EXPENDITURE STATEMENT FOR THE
PERIOD FROM SEPTEMBER 27, 1990 TO DECEMBER 31, 1991**

	Baht	US\$
RECEIPTS		
Cash receipts from USAID/T	1,614,626	62,679
EXPENDITURE		
Personnel costs	190,018	7,376
Local transportation	46,214	1,794
Report	8,609	335
Materials and supplies	73,182	2,841
Equipment	550,512	21,370
Miscellaneous	22,622	879
Overheads	146,770	5,697
	<u>1,037,927</u>	<u>40,292</u>
Excess of receipts over expenditures	<u>576,699</u>	<u>22,387</u>



MR E M MAYER
AIT BURSAR

The notes on pages 20 to 25 form part of this statement.

THE ASIAN INSTITUTE OF TECHNOLOGY

Notes to the Fund Accountability Statements

1 Significant Accounting Policies

- (a) The Fund Accountability Statements, expressed in Thai Baht and their US dollar equivalent, are prepared in accordance with the historical cost convention.
- (b) Expenditure is accounted for on an accruals basis. Receipts relate to amounts received or receivable in cash. The funds surplus for the period represents the closing cash balances.
- (c) Transactions arising in foreign currencies are translated to US dollars at the rates of exchange closely approximating those ruling on the transaction dates.

2 Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to AIT the books of account of AIT are maintained in accordance with the principles of 'fund accounting'. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds which are in accordance with activities or objects specified. Within each fund group, fund balances which are restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. As for unrestricted funds, the governing board retains full control as to their use in achieving any of its institutional purposes.

Investment income is recognized as income in the unrestricted current fund except for endowments, general reserve and capital funds which are accounted for in the fund to which it is restricted.

Other unrestricted revenues are recognized as income in the unrestricted current fund.

Restricted contributions, grants, appropriations and other restricted resources are accounted for in the appropriate restricted funds.

The indirect cost rate calculated in note 4 below considers expenditure incurred in the unrestricted current fund, the restricted fund and the sponsored program fund. Capital expenditure accounted for within these funds, and other funds maintained to account purely for capital expenditure have been excluded.

3 **Component Unit of AIT**

The Fund Accountability Statements of AIT present only the transactions pertaining to the Grants received from USAID/T as detailed in paragraph 1 of our report on those statements, on page 13 and are not intended to present fairly the receipts and expenditure of AIT as a whole.

THE ASIAN INSTITUTE OF TECHNOLOGY

Notes to the Fund Accountability Statements (cont'd)

4 Indirect Cost Rate

An audited indirect cost rate has been calculated for AIT for the year ended June 1991 as set out below. At the time of preparing this report, the results for the year ended June 1992 are not available.

Thai Baht ("B")				
<u>Description</u>	<u>Indirect Cost Pool B'000</u>	<u>Unallowable Expenses B'000</u>	<u>Direct Cost Base B'000</u>	<u>Total Expenses B'000</u>
<u>Current Fund</u>				
Salaries	64,497	-	59,131	123,628
Tax on staff salaries	5,959	-	5,462	11,421
Utilities	6,619	-	7,982	14,601
Equipment - Campus wide	-	5,305	-	5,305
Repairs & maintenance	4,525	826	988	6,339
Travel	1,153	1,150	-	2,303
Insurance	1,809	-	-	1,809
Staff transport	1,749	-	-	1,749
Board meetings	1,382	-	-	1,382
Miscellaneous	3,669	2,219	1,736	7,624
Divisional costs:				
Academic	-	-	12,121	12,121
Computer Center	7,185	-	-	7,185
Library	4,301	-	-	4,301
Academic Sec/Registry	903	-	-	903
Office of Information Services	651	-	-	651
Admin Support & Finance	1,074	-	-	1,074
Contingency	76	10,623	-	10,699
Reserves				
- General	-	4,055	-	4,055
- Maintenance	-	10,055	-	10,055
- Academic Equip	-	4,566	-	4,566
Less transferred to other funds	-	(18,164)	-	(18,164)
Current Fund total balance carried forward	105,552	20,635	87,420	213,607

THE ASIAN INSTITUTE OF TECHNOLOGY

Notes to the Fund Accountability Statements (cont'd)

3 Indirect Cost Rate (cont'd)

<u>Description</u>	Thai Baht ("B")			
	<u>Indirect Cost Pool B'000</u>	<u>Unallowable Expenses B'000</u>	<u>Direct Cost Base B'000</u>	<u>Total Expenses B'000</u>
Current Fund total balance brought forward	105,552	20,635	87,420	213,607
<u>Restricted Fund</u>				
Faculty & staff	-	-	7,158	7,158
Academic Division costs	-	-		
Agricultural & food engineering	-	-	1,057	1,057
Computer science	-	-	228	228
Environmental engineering	-	-	2,000	2,000
Energy technology	-	-	9,043	9,043
Geotechnical & transport engineering	-	-	1,728	1,728
Human settlements development	-	-	1,218	1,218
Ind. engineering & mgmt.	-	682	75	757
Structural eng & construction	-	-	1,218	1,218
Water resources engineering	-	-	664	664
Irrigation Engineering and Management	-	-	243	243
Telecommunications	-	-	910	910
School of management	-	-	4,949	4,949
Library	-	4,085	1,054	5,139
Inter disciplinary natural res.	-	1,478	7,193	8,671
Language center	-	-	121	121
Regional computer center	-	731	1,303	2,034
Continuing education center	-	13,273	7,084	20,357
Reg. research & develop	-	-	1,875	1,875
Asian Dis.Prep. Center	-	-	10,477	10,477
Academic sec	-	-	153	153
Vice pres academic affairs	-	795	8,126	8,921
Restricted Fund Sub-tota' balance Carried forward	-	21,044	67,877	88,921

THE ASIAN INSTITUTE OF TECHNOLOGY

Notes to the Fund Accountability Statements (cont'd)

3 Indirect Cost Rate (cont'd)

<u>Description</u>	Thai Baht ("B")			
	<u>Indirect Cost Pool B'000</u>	<u>Unallowable Expenses B'000</u>	<u>Direct Cost Base B'000</u>	<u>Total Expenses B'000</u>
Current Fund total balance brought forward	105,552	20,635	87,420	213,607
<u>Restricted Fund (cont'd)</u>				
Restricted Fund sub-total balance brought forward	-	21,044	67,877	88,921
AIT sponsored programs	795	21,596	2,369	24,760
Gifts	-	-	83	83
AIT Centre	906	3,590	19,270	22,860
Other costs	-	21,460	1,540	23,906
Contributions in kind (see Note (b) below)	-	76,377	-	76,377
Reserves	-	10,947	-	10,947
<u>Restricted Fund Total</u>	1,701	155,014	91,139	247,854
<u>Sponsored Programs Fund</u>	-	-	139,714	139,714
Total	<u>107,253</u>	<u>175,649</u>	<u>318,273</u>	<u>601,175</u>

$$\begin{aligned}
 \text{Indirect cost rate} &= \frac{107,253}{318,273} \\
 &= \underline{33.70\%}
 \end{aligned}$$

Notes

- (a) The indirect cost rate for each of the grants is as follows:

<u>Grant No.</u>	<u>Indirect Cost Rate</u> %	<u>Fixed/Negotiated</u>
936 5542 7034	50%	Fixed
936 5600 0075	20%	Fixed
936 5544 8057	50%	Fixed
493 5544 0146	10%	Negotiated

The indirect cost rate calculated is only applicable to Grant No 493-5544-0146 as the other Grants are on a fixed overhead rate. The provisional rate used to claim for overheads under this Grant did not exceed the indirect cost rate of AIT of 33.7%.

- (b) Contributions in kind represents services donated to the Institute in the form of seconded faculty staff for which the value is estimated in accordance with approved AIT professional scales. The amounts are recognised as both revenues and expenditure.

REPORT ON THE SYSTEM OF INTERNAL CONTROLS

25a

A2/GW/AIT

Mr James B Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

**THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

**INDEPENDENT AUDITORS' REPORT ON THE SYSTEM OF
INTERNAL CONTROLS**

- 1 We have audited the Fund Accountability Statements of the Asian Institute of technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods :

Grant No 936-5542-7034 - June 12, 1987 to December 31, 1990
Grant No 936-5600-0075 - May 25, 1990 to December 31, 1991
Grant No 936-5544-8057 - September 1, 1988 to December 31, 1991
Grant No 493-5544-0146 - September 27, 1990 to December 31, 1991

Funding under Grants No 936-5600-0075, No 936-5544-8057 and 493-5544-0146 continues beyond our review period.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 2 These Statements, comprising the Receipts and Expenditure Statement for each Grant for the periods outlined above and the notes thereon, are set out on pages 16 to 25, and we have issued our report thereon dated 7 August, 1992

- 3 We conducted our audit in accordance with generally accepted U.S. Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

- 4 In planning and performing our audit of AIT, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure of AIT as a whole.

- 5 The management of AIT is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

6 For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls:

- Cash receipts
- Cash disbursements
- Payroll
- Property and equipment
- General Ledger

Administrative controls:

- Cost allocation and allowability
- Monitoring
- Reporting

7 For all the internal control structure categories listed in paragraph 6 above, we obtained an understanding of the design of relevant policies and procedures and whether they had been in operation, and we assessed control risk.

8 As a result of these procedures, and in accordance with Government Auditing Standards, we limited our reliance on the internal control structure as it would be inefficient to evaluate the effectiveness of internal control structure policies and procedures. As a consequence, we adopted a substantive testing approach in our audit of the Fund Accountability Statements.

9 However, during the course of our audit, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the organization's ability to record, process, summarize and report financial data, consistent with the assertions of management, in the financial statements.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 10 Our audit revealed the following reportable conditions, which are described in detail on pages 30 to 33:
- (a) Improper preparation of budgets; and
 - (b) Inadequate updates to AIT's Policy and Procedure Statements
- 11 A material weakness is a condition in which the design or operation of the specific internal control structure element does not reduce, to a relatively low level, the risk that errors or irregularities, in amounts that would be material in relation to the Statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned tasks.
- 12 Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe neither of the reportable conditions described in paragraph 10 are material weaknesses.
- 13 This report is intended solely for the use of the Agency for International Development and AIT and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.



COOPERS & LYBRAND (TH) CO. LTD
Certified Public accountants

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF REPORTABLE CONDITIONS

1 INSUFFICIENT MONITORING AND IMPROPER PREPARATION OF BUDGETS

Condition

Project budgets are not properly prepared in accordance with AIT Policy and Procedure Statements ("P & Ps"). In preparing the budget for Grant #493-5544-0146, no allocation of the principal researchers cost has been made.

Criteria

AIT policy and procedure statement AA-4 requires that budgets are prepared for all projects and that the budget is expected "to be a realistic estimate of the project". Further, the policy states that "the percentage of time devoted (by the principal researcher) to the project must be a realistic assessment of the actual time expected to be required".

Cause

It would appear that budget preparation and discussion is a process of negotiation whereby the above policy of realistic budgets is sometimes overruled in favour of preparing budgets within the funding level available.

Effect

AIT's policy and procedure statements are not being complied with. The budgets prepared are not a realistic estimate of the total cost to be incurred, but rather are negotiated amounts calculated to match available sponsor funds.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF REPORTABLE CONDITIONS

1. INSUFFICIENT MONITORING AND IMPROPER PREPARATION OF BUDGETS (cont'd)

Recommendation

AIT should prepare realistic budgets in the aim of securing the necessary funding from its sponsors.

However, if such funding is not obtainable and AIT considers that the preparation of budgets within the funding level available is a more important criteria than having budgets reflect the true cost of each project, the P & P's should be amended to reflect AIT management policy.

Management's Comments

We have been informed that AIT management consider the P & P's to be guidelines rather than mandatory conditions and that the effect of amending the P & P's as suggested would be to encourage and increase the number of exception requests to be reviewed by senior management.

Auditors Comment

We have noted AIT's comments but consider that any deviation from the guidelines in the P & P's should be approved by an appropriate official and fully documented.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF REPORTABLE CONDITIONS

2. INADEQUATE UPDATES OF AIT POLICY AND
AND PROCEDURE STATEMENTS

Condition

The accounting systems of AIT have been undergoing a process of computerisation and other changes during the Grant periods. However, its Policy and Procedure Statements ("P&Ps") have not been updated to reflect these changes.

Criteria

AIT's P&Ps are designed to govern and control the operating procedures of the Institute. As such, they should remain current and reflect existing approved practice.

Cause

No individual within the Finance Department has been given the direct responsibility of reviewing the P&Ps. Also, as few routine internal audits take place, deviations from the P&Ps and thus their continuing relevance does not appear to be independently tested.

Effect

Inadequate updates to the P&Ps may result in inconsistencies in the application of, and adherence to, authorized policies. One such instance was in respect to AIT's procurement procedures. AIT's P&Ps state that all purchases of goods and services except for library books, travel and accommodation, utilities and shipping must be purchased through AIT's central purchasing office and only after authorisation by two officers and the selection of appropriate vendors. There was insufficient documentation to show that such approved procedures were adhered to for the purchase of certain items. The financial effect of this is questioned in the schedule of audit findings on non-compliance under finding 4.

Furthermore, this condition may impede the effective training of new employees.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF REPORTABLE CONDITIONS

2. INADEQUATE UPDATES OF AIT POLICY
AND PROCEDURE STATEMENTS (cont'd)

Recommendation

We recommend that all AIT's P&Ps relating to finance and accounting matters be critically reviewed to ensure that they are still relevant and current.

Management's Comments

The Director of Finance has been assigned the responsibility to revise the P & P's and they will be issued in the near future.

**REPORT ON COMPLIANCE WITH AGREEMENT
TERMS, APPLICABLE LAWS AND REGULATIONS**

A2/GW/AIT

Mr James B Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

**THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
AGREEMENT TERMS, APPLICABLE LAWS AND REGULATIONS**

- 1 We have audited the Fund Accountability Statements of the Asian Institute of Technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods:

Grant No 936-5542-7034-June 12, 1987 to December 31, 1990

Grant No 936-5600-0075-May 25, 1990 to December 31, 1991

Grant No 936-5544-8057-September 1, 1988 to December 31, 1991

Grant No 493-5544-0146-September 27, 1990 to December 31, 1991

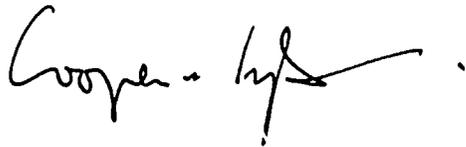
Funding under Grants No 936-5600-0075, No 936-5544-8057 and 493-5544-0146 continues beyond our review period.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 2 These Statements, comprising the Receipts and Expenditure Statement for each Grant for the periods outlined above and the notes thereon, are set out on pages 16 to 25, and we have issued our report thereon dated 7 August, 1992.
- 3 We conducted our audit in accordance with generally accepted U.S. Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 4 Compliance with laws, regulations, contracts, grants and binding policies and procedures applicable to AIT is the responsibility of AIT's management. As part of our audit, we performed tests on selected transactions and records of AIT for compliance with those provisions. However, it should be noted that, whilst we performed those tests of compliance as part of obtaining reasonable assurance about whether the financial statements were free of material misstatement, our objective was not to provide an opinion on compliance with such provisions.
- 5 Material instances of non-compliance are violations of laws, regulations, contracts, grants or binding policies and procedures that cause us to conclude that the aggregation of misstatement resulting from these violations is material to the Fund Accountability Statements.
- 6 The results of our tests of compliance disclosed instances of non-compliance and they are set out in summary on page 37, and in detail on pages 38 to 48.
- 7 We consider that all the instances of non-compliance on page 37 are material instances of non-compliance, the effects of which have not been adjusted for the AIT's Fund Accountability Statements.

Mr. James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 8 We consider these material instances of non-compliance in forming our opinion on whether the Fund Accountability Statements are presented fairly in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report on the Fund Accountability Statements.
- 9 Except for the instances of non-compliance mentioned in paragraph 6 above, the results of our tests indicated that with respect to the items tested, AIT complied, in all material respects, with the provisions referred to in paragraph 4 above. With respect to items not tested, nothing came to our attention that caused us to believe that AIT had not complied, in all material respects, with those provisions.
- 10 This report is intended solely for the use of the Agency for International Development and AIT, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.



COOPERS & LYBRAND (TH) CO., LTD
Certified Public Accountants

THE ASIAN INSTITUTE OF TECHNOLOGY
SUMMARY OF AUDIT FINDINGS ON NON-COMPLIANCE

1. Claim and reimbursement of overhead allowances for the depreciation of non-expendable property in excess of approved rates
2. No prior approval from USAID/T for the procurement of restricted goods
3. Inadequate maintenance of an appropriate accounting and control system for non-expendable property
4. Inadequate pricing analysis on the procurement of goods
5. Claim and reimbursement of overheads from USAID/T in excess of fixed rates

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

1. **CLAIM AND REIMBURSEMENT OF OVERHEAD ALLOWANCES FOR THE DEPRECIATION OF NON-EXPENDABLE PROPERTY IN EXCESS OF APPROVED RATES**

Condition

In submitting their indirect cost rate proposal to USAID/T, AIT wrongly included in their computation a notional depreciation charge amounting to B 38 million on all non-expendable property except for the following:

- (a) non-expendable property which would have been fully depreciated had use allowance been calculated on an annual basis;
- (b) the cost land; and
- (c) the cost of non-expendable property not wholly necessary for the provision of academic activities at AIT e.g. the golf course and other entertainment facilities.

This amount has been excluded from the Audited rate.

Criteria

OMB Circular #122 requires that AIT exclude from the computation of the overhead recovery rate notional depreciation of non-expendable property which were acquired by either a non-USAID grant for specific projects or by a USAID grant.

Cause

The error has arisen because AIT's non-expendable property register cannot distinguish between non-expendable property which was purchased from unrestricted funds and those funds donated for the purpose of purchasing non-expendable property for specific projects. It is not possible therefore, to ascertain the non-expendable property which should be excluded from the depreciation calculation.

THE ASIAN INSTITUTE OF TECHNOLOGY

SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

1. CLAIM AND REIMBURSEMENT OF OVERHEAD ALLOWANCES FOR THE DEPRECIATION OF NON-EXPENDABLE PROPERTY IN EXCESS OF APPROVED RATES (cont'd)

Effect

By including such non-expendable property in the general pool and calculating depreciation, overheads could be overstated by the total charge calculated for such non-expendable property.

AIT management estimate that such an overstatement would not exceed 10% of total non-expendable property. This estimate cannot be verified and the whole charge is therefore questioned and excluded from our calculation in note 4 on pages 22-24. However, if AIT's estimate is accepted, the indirect costs computed in that note would be increased by approximately B 34.3 million representing 90% of the charge which AIT have calculated. This would increase the indirect cost rate to 44.5%. However, regardless of whether or not use allowances are included there is no financial effect as the overheads claimed for Grant No 493-5544-0146 did not exceed the rate calculated.

Recommendation

AIT should segregate the non-expendable property purchased for sponsored projects in its non-expendable property register. AIT should then exclude such non-expendable property from any notional depreciation charge and compute a new overhead rate.

Management Comments

AIT management consider that OMB Circular 122 does not prohibit the inclusion of use allowances on assets originally acquired for sponsored projects and have detailed their argument as follows:

"We feel that the rejection of depreciation from the overhead recovery computation is not in compliance with OMB Circular 122. Paragraph 6 of FASB Concepts Statement 4, Objectives of Financial Reporting by Non-business Organizations sets out the distinguishing characteristics of not-for-profit organizations from business enterprises as follows:

- (a) contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return,
- (b) for operating purposes other than to provide goods or services at a profit, and
- (c) absence of ownership interests like those of business enterprises.

From the foregoing it is obvious that operations of not-for-profit organizations inclusive of acquisitions of non-expendable property are financed by contributions from donors and/or surplus funds. This is different from business enterprises which raises capital or generate profits.

Non-expendable property is recorded at cost at the time of acquisition or fair value at the time of donation in the case of contributions in kind. Under paragraph 5 of Statement of Financial Accounting Standards Number 93, Recognition of Depreciation by Not-for-Profit Organizations, not-for-profit organizations are required to recognize the cost of using up the future economic benefits or service potentials of their long-lived tangible assets as depreciation. In compliance with this the Institute had calculated depreciation and had included this depreciation in the indirect cost pool used by the Institute for its overhead computation in recovering its costs from USAID and from other agencies having projects, programs and activities with the Institute. As such there is no notional depreciation except compliance with current generally accepted accounting principles of the United States of America. In addition, OMB Circular A-122 does not prohibit such a practice."

Auditors Comment

We have noted managements' comments but maintain that equipment procured specifically for a sponsored project with funds made available for that project should not be included when calculating use allowances for the indirect cost pool.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

2. **NO PRIOR APPROVAL FROM USAID/T FOR THE PROCUREMENT OF RESTRICTED GOODS**

Condition

AIT did not obtain the prior approval from USAID/T in respect of its purchases of certain restricted goods as defined in the Standard Provisions.

Criteria

Standard Provision 6(a) of AID handbook 13, which forms part of the Grant Agreements, requires the Grantee to obtain prior written authorization from USAID/T before purchasing, amongst other restricted goods, agricultural commodities or motor vehicles.

Cause

Management was of the opinion that as the budget line item relating to the above expenditures had already been approved in the Grant Agreements, there was no need for individual purchases to be approved.

Effect

AIT has claimed and been reimbursed for non-approved expenses amounting to Baht 568,881 (US\$ 22,752). Refer Appendix A, Item 1.

Recommendation

We recommend that AIT meet with USAID/T to resolve the costs questioned in Appendix A, Item 1.

In future, AIT should ensure that prior written approval is obtained from USAID/T in respect of its purchase of certain restricted goods as defined in AID handbook 13. If such compliance is not considered possible, AIT should then request an amendment or waiver from USAID/T to the respective Agreements.

Management's Comments

AIT management will arrange a meeting with USAID/T to resolve this issue and to ensure that all future purchases are properly approved by USAID/T prior to purchase.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

3. INADEQUATE MAINTENANCE OF AN APPROPRIATE ACCOUNTING AND CONTROL SYSTEM FOR NON-EXPENDABLE PROPERTY

Condition

We have noted that the non-expendable property registers have not been updated to reflect the disposal of certain non-expendable property.

Criteria

The Grant Agreements which incorporate AID Handbook 13 require the maintenance of an appropriate control system for non-expendable property to ensure its full availability and usefulness for the performance of the Grants. This criteria also constitute the requirements of sound accounting practice.

Cause

Officials responsible for the safeguard of non-expendable property initiate the disposal of such property. However, these disposals are often not communicated to the officials responsible for the record keeping function of such property.

Effect

The lack of an appropriate accounting and control system for the disposal of non-expendable property has resulted in an overstatement of such property in AIT's books. AIT is, therefore, not able to ensure, its full availability and usefulness for the performance of the Grants and that these non-expendable property are adequately safeguarded.

AIT is presently conducting a 100% physical count of non-expendable property. Management anticipates that the results of this count will only be available in one year's time. We are therefore unable to quantify the overstatement at this juncture.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

3. INADEQUATE MAINTENANCE OF AN APPROPRIATE ACCOUNTING AND CONTROL SYSTEM FOR NON-EXPENDITURE PROPERTY

Recommendation

We recommend that the results of the above physical count be reconciled to the register to ensure that the register is kept up to date, and that non-expendable property is adequately safeguarded. In addition, AIT should set up a procedure for such counts to be done periodically.

Furthermore, AIT should establish and implement a system to ensure that the register be subsequently updated to reflect any additions or disposals of such non-expendable property.

Management's Comments

AIT management have commented as follows:

"AIT has a large amount of non-expendable property, and physical verification of these items takes considerable time and effort. In view of the size of the tasks involved, it is not possible to make adjustments of obsolete or missing items immediately upon detection or notification. There will always be a timelag in keeping the records updated. However, the timelag is no longer than three to four months at the most. The management feel confident that given this timelag, the records of non-expendable property reflect the fair state of property, and would not have material effect on the calculation of depreciation".

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

4. INADEQUATE PRICING ANALYSIS ON THE PROCUREMENT OF GOODS

Condition

The following amounts, relating to purchases of equipment, have been claimed and reimbursed for which we were unable to sight evidence of appropriate pricing analysis being conducted by AIT:

Grant No	Amount Baht	Equivalent US\$
936-5542-7034	940,307	37,612
493-5544-0146	<u>518,490</u>	<u>20,739</u>
	<u>1,458,797</u>	<u>58,351</u>

Criteria

The procurement of goods and services provision of AID handbook 13, which forms part of the Grant Agreements, requires some form of price or cost analysis to be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability. This criteria is also consistent with AIT's Policy and Procedure Statements ("P & Ps").

Cause

AIT did not consider it practical to conduct this type of analysis.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

4. INADEQUATE PRICING ANALYSIS ON THE PROCUREMENT OF GOODS (cont'd)

Effect

Goods procured amounting to B 1,458,797 (US\$ 58,351) may not have been obtained at the most competitive prices and therefore, USAID/T may be reimbursing costs which are in excess of market rates. (Appendix A, Item 2).

Recommendation

AIT should review those questioned costs noted above, resolve them with USAID/T and, if considered appropriate, take action to repay amounts which are in excess of market rates.

Furthermore, we recommend that AIT take measures to ensure its compliance with the procurement provisions of AID handbook 13 and institute a formal procedure for evaluating each applicable cost element to determine its reasonableness, allocability and allowability, where necessary.

Management's Comments

AIT management inform us that a meeting will be scheduled with USAID/T to resolve the questioned costs and that, in future, pricing analyses will be maintained.

THE ASIAN INSTITUTE OF TECHNOLOGY
SCHEDULE OF AUDIT FINDINGS ON NON-COMPLIANCE

5. CLAIM AND REIMBURSEMENT OF OVERHEADS FROM USAID/T IN EXCESS OF FIXED RATES

Condition

In respect of the "overheads" budget line item of Grant No 936-5544-8057, AIT has claimed and been reimbursed for an excess amount of ₱ 143,031 (US\$5,555).

Criteria

The overhead rate has been fixed at 50% of direct expenditures in the financial plan of the Grant Agreement. The Grant Agreement stipulates that funds are to be administered in accordance with the terms and conditions set forth in the financial plan. Budgeted amounts should therefore not be exceeded.

Cause

AIT's accounting and evaluation records do not facilitate proper budgetary monitoring to ensure its compliance with Grant Agreement.

Effect

AIT has claimed and been reimbursed for an amount exceeding the predetermined fixed overhead rate by ₱ 143,031 (US\$5,555). Refer to Appendix A, Item 3.

Recommendation

Unless waiver from USAID/T is obtained, AIT should repay USAID/T for the excess overheads claimed.

Furthermore, we recommend that AIT establish and complement a formal system of budgetary monitoring. Where it is determined that budgetary expenditure will require to be exceeded, a budget amendment should be requested before incurring the expenditure.

Management's Comments

The project under Grant No 936-5544-8057 is still ongoing. The present recovery of the overhead is considered provisional. Nearer to completion of the project, once all the known direct costs are recorded, the final calculation of overhead charge in line with the Grant Agreement will be made.

**INDEPENDENT AUDITORS' REPORT
ON MANAGEMENT CAPABILITY**

4800

A2/GW/AIT

Mr James B Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

**THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

INDEPENDENT AUDITORS' REPORT ON MANAGEMENT CAPABILITY

- 1 We have audited the Fund Accountability Statements of the Asian Institute of Technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods :

Grant No 936-5542-7034 - June 12, 1987 to December 31, 1990
Grant No 936-5600-0075 - May 25, 1990 to December 31, 1991
Grant No 936-5544-8057 - September 1, 1988 to December 31, 1991
Grant No 493-5544-0146 - September 27, 1990 to December 31, 1991

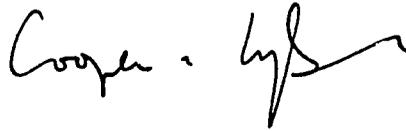
Funding under Grants No 936-5600-0075, No 936-5544-8057 and No 493-5544-0146 continues beyond our review period.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 2 These Statements, comprising the Receipts and Expenditure Statement for each Grant for the periods outlined above and the notes thereon, are set out on pages 16 to 25, and we have issued our report thereon date 7 August, 1992
- 3 We conducted our audit in accordance with generally accepted U.S. Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 4 As part of our audit, we have performed a study and evaluation on the management capability and span of control of AIT to administer Grant No 493-2071-6-00-2036-00 ("the Grant") with RHUDO, as it relates to the period June 12, 1987 to December 31, 1991. Funding under the Grant continues beyond our review period.
- 5 The management of AIT is responsible for establishing and maintaining the management capability to provide sufficient administration and span of control in relation to the Grant. As part of our study and evaluation, we reviewed the sufficiency of AIT's span of control, its current staffing levels, its current and forecasted workload, and its past performance in administering such similar projects as they relate to the Grant. However, it should be noted that, whilst we performed those reviews as part of obtaining reasonable assurance about whether AIT has the management capability and span of control to administer the Grant, our objective was not to provide an opinion on those capabilities and controls of AIT as a whole.
- 6 The results of our review indicate that AIT has the management capability to provide sufficient administration and span of control in relation to the Grant.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 7 This report is intended solely for the use of the Agency for International Development and AIT and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.

A handwritten signature in black ink, appearing to read "Cooper & Lybrand", with a stylized flourish at the end.

COOPERS & LYBRAND (TH) CO. LTD
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL
CAPABILITY**

5/a

A2/GW/AIT

Mr James B Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

**THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

INDEPENDENT AUDITORS' REPORT ON FINANCIAL CAPABILITY

- 1 We have audited the Fund Accountability Statements of the Asian Institute of Technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods :

Grant No 936-5542-7034 - June 12, 1987 to December 31, 1990
Grant No 936-5600-0075 - May 25, 1990 to December 31, 1991
Grant No 936-5544-8057 - September 1, 1988 to December 31, 1991
Grant No 493-5544-0146 - September 27, 1990 to December 31, 1991

Funding under Grants No 936-5600-0075, No 936-5544-8057 and No 493-5544-0146 continues beyond our review period.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 2 These Statements, comprising the Receipts and Expenditure Statement for each Grant for the periods outlined above and the notes thereon, are set out on pages 16 to 25, and we have issued our report thereon date 7 August, 1992.
- 3 We conducted our audit in accordance with generally accepted U.S. Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 4 As part of our audit, we have performed a study and evaluation on the financial capability of AIT to administer Grant No 493-2071-6-00-2036-00 ("the Grant") with RHUDO, as it relates to the period June 1987 to December 31, 1991. Funding under the Grant continues beyond our review period.
- 5 It is the responsibility of AIT's management to ensure that it is financially capable of performing the work in relation to the Grant. As part of our study and evaluation, we reviewed AIT's assets, liabilities, receipts and expenditure as set out in the audited financial statements, management accounts and budgets. Our review also included assessing AIT's capacity to generate funds for the project, its working capital facilities and cash flow forecasts, as they relate to the Grant. However, it should be noted that, whilst we performed those reviews as part of obtaining reasonable assurance about whether AIT is financially capable of performing the work in relation to the Grant, our objective was not to provide an opinion on the financial capability of AIT as a whole.
- 6 The results of our review indicate that AIT has the financial capability to perform the work in relation to the Grant.

Mr James B Durnil
Regional Inspector General for Audit, Singapore
US Agency for International Development
Singapore

- 7 This report is intended solely for the use of the Agency for International Development and AIT and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.

A handwritten signature in black ink, appearing to read "Cooper & Lybrand" followed by a stylized flourish.

COOPERS & LYBRAND (TH) CO. LTD
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT
ON ADEQUACY OF PERSONNEL AND TRAVEL POLICIES**

540

A2/GW/AIT

Mr James B Durnil
Regional Inspector General
for Audit, Singapore
US Agency for International Development
#17-03 Peninsula Plaza
111 North Bridge Road
Singapore 0617

7 August 1992

Dear Mr Durnil,

**THE ASIAN INSTITUTE OF TECHNOLOGY
PERTAINING TO ITS GRANTS WITH THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
IN THAILAND**

**INDEPENDENT AUDITOR'S REPORT ON ADEQUACY OF PERSONNEL
AND TRAVEL POLICIES**

1 We have audited the Fund Accountability Statements of the Asian Institute of Technology ("AIT") pertaining to its Grants with the United States Agency for International Development, Thailand ("USAID/T"), in respect of the following periods:

Grant No 936-5542-7034 - June 12, 1987 to December 31, 1990
Grant No 936-5600-0075 - May 25, 1990 to December 31, 1991
Grant No 936-5544-8057 - September 1, 1988 to December 31, 1991
Grant No 493-5544-0146 - September 27, 1990 to December 31, 1991

Funding under Grants No 936-5600-0075, No 936-5544-8057 and No 493-5544-0146 continues beyond our review period.

2 These Statements, comprising the Receipts and Expenditures Statement for each Grant for the periods outlined above and the notes thereon, are set out on pages 16 to 25, and we have issued our report thereon dated 7 August, 1992.

Mr James B Durnil
Regional Inspector for Audit, Singapore
US Agency for International Development
Singapore

- 3 We conducted our audit in accordance with generally accepted U.S. Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 4 As part of our audit, we have performed a study and evaluation on the adequacy of AIT's personnel and travel policies in relation to Grant No 493-2071-6-00-2036-00 ("the Grant") with RHUDO, as it relates to the period June 1987 to December 31, 1991. Funding under the Grant continues beyond our review period.
- 5 It is the responsibility of AIT's management to ensure that it has adequate personnel and travel policies in relation to the Grant. As part of our study and evaluation, we reviewed AIT's procedures for management's approval of such personnel and travel policies and the uniform enforcement of these policies to federally funded and other activities of the institute, as they relate to the Grant. However, it should be noted that, whilst we performed those reviews as part of obtaining reasonable assurance about whether AIT's personnel and travel policies are adequate in relation to the Grant, our objective was not to provide an opinion on the adequacy of such policies of AIT as a whole.
- 6 The results of our review indicate that AIT has adequate personnel and travel policies to ensure that the resultant costs from the activities under the Grant will be both reasonable and in accordance with the applicable cost principles.

- 7 This report is intended solely for the use of the Agency for International Development and AIT and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.

A handwritten signature in black ink, appearing to read "Coopers - Lybrand" with a stylized flourish at the end.

COOPERS & LYBRAND (TH) CO., LTD.
Certified Public Accountants

**ASIAN INSTITUTE OF TECHNOLOGY
USAID/T QUESTIONED COSTS AS TO
REASONABLENESS, ALLOCABILITY AND ALLOWABILITY
NON-COMPLIANCE ISSUES**

Non-Compliance Issues

Finding	Condition	Basis of Questionability	Grant No	Amount Baht	Amount US\$
1	No prior USAID/T approval for purchase of restricted items	Allowability - Breach of AID handbook 13 provisions	493-5544-0146	518,490	20,739 *
			936-5600-0075	46,991	1,879
			936-5544-8057	3,350	134
				568,831	22,752
2	Inadequate pricing analysis on the procurement of goods	Reasonableness cannot be ascertained	493-5544-0146	518,490	20,739 *
			936-5542-7034	940,307	37,612
				1,458,797	58,351
3	Claims and reimbursement of overheads in excess of fixed rates	Allowability - excess budget claims	936-5544-8057	143,031	5,555
	Total			2,170,659	86,658

* The total amount of US\$86,658 includes items questioned under more than one finding. The net questioned costs excluding these items is Baht 1,652,169 (US\$65,919).

56



Asian Institute of Technology

G.P.O. BOX 2754 • BANGKOK 10501 • THAILAND • CABLE: AIT BANGKOK • TELEX : 84276 TH
 TEL.: 516-0110-29 • 516-0130-44
 AIT Facsimile (66-2) 516-2126

Our Ref: BO 93/003
 11 January 1993

FAX NO. 237-1201

Office of the Bursar

Mr. Roy McGregor
 Coopers & Lybrand
 G.P.O. Box 788
 Bangkok 10500

Dear Mr. McGregor:

USAID Audit

Following are the AIT's comments to the points raised in your final draft of the USAID audit report dated 17 November 1992.

Reportable conditions: (points noted on pages 27 to 30 of the report).

1. Improper preparation of budgets

At AIT, the Policy and Procedure statements are considered as guidelines for internal operations, and as such are never looked upon as mandatory conditions. The management has prerogative to make exceptions where the P&P statements cannot be complied with for practical or financial considerations. The concurrence to variance in preparation of budgets from P&P is given by the Bursar, VPAA and the President, as applicable. The management is of the opinion that amending the P&P as suggested by the auditors will encourage and increase the number of exception requests.

2. Updates of Policy and Procedure statements

The Director of Finance is assigned the responsibility to revise the P&P statements relating the financial and accounting matters of AIT. The revised statements will be issued in the near future.

Findings on non-compliance: (noted on pages 35 to 44 of the report).

1. Overhead allowances for the depreciation of non-expendable property.

..2/-

Mr. Roy McGregor
11 January 1993
Page two

We feel that the rejection of depreciation from overhead recovery computation is not in compliance with OMB Circular 122. Paragraph 6 of FASB Concepts Statement 4, Objectives of Financial Reporting by Non-business Organizations sets out the distinguishing characteristics of not-for-profit organizations from business enterprises as follows:

- (a) contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return,
- (b) for operating purposes other than to provide goods or services at a profit, and
- (c) absence of ownership interests like those of business enterprises.

From the foregoing it is obvious that operations of not-for-profit organizations inclusive of acquisition of non-expendable property are financed by contributions from donors and/or surplus funds. This is different from business enterprises which raises capital or generate profits.

Non-expendable property are recorded at costs at the time of acquisition or fair value at the time of donation in the case of contributions in kind. Under paragraph 5 of Statement of Financial Accounting Standards Number 93, Recognition of Depreciation by Not-for-Profit Organization, not-for-profit organizations are required to recognize the cost of using up the future economic benefits or service potentials of their long-lived tangible assets as depreciation. In compliance with this the Institute had calculated depreciation and had included this depreciation in the indirect cost pool used by the Institute for its overhead computation in recovering its costs from USAID and from other agencies having projects, programs and activities with the Institute. As such there is no notional depreciation except compliance with current generally accepted accounting principles of the United States of America. In addition, OMB Circular A-122 does not prohibit such a practice.

2. No prior approval from USAID/T for the procurement of restricted goods.

A meeting with USAID/T will be held to resolve the costs of the items questioned in Appendix A, Item 1, of the report. Instructions have been issued to all concerned project leaders to seek prior approval of USAID in future.

Mr. Roy McGregor
11 January 1993
Page three

3. Inadequate maintenance of an appropriate accounting and control system for non-expendable property.

AIT has a large number of expendable property, and physical verification of these items takes considerable time and effort. In view of the size of the tasks involved, it is not possible to make adjustments of obsolete or missing items immediately upon detection or notification. There will always be a timelag in keeping the records updated. However, the timelag is no longer than three to four months at the most. The management feel confident that given this timelag, the records of non-expendable property reflect fair state of property, and would not have material effect on the calculation of depreciation.

4. Inadequate pricing analysis on the procurement of goods.

A meeting will be held with USAID/T to resolve the questioned costs. In future, pricing analysis will be available for AIT wide procurement.

Yours sincerely,



E.M. Mayer
Bursar

EMM/lb
c.c. I.A.

ASIAN INSTITUTE OF TECHNOLOGY
Bangkok, Thailand

Facsimile: (662) 516-2126

DATE: 25 January 1993

TO: Mr. Roy McGregor, Coopers & Lybrand

FAX NO: 237-1201

FROM: Avinash Patel, AIT
AIT



SUBJECT: USAID Audit

We are forwarding response to item No. 5 which was inadvertently left out.

5. Claim and reimbursement of overheads in excess of fixed rate.

The project under Grant No. 936-5544-8057 is still ongoing. The present recovery of the overhead is considered provisional. Nearer to completion of the project, once all the known direct costs are recorded, the final calculation of overhead charge in line with the Grant Agreement will be made.

APPENDIX C

REPORT DISTRIBUTION LIST

	<u>No. of Copies</u>
Mission Director, USAID/Thailand	5
Assistant Administrator for Asia and Private Enterprise Bureau (AA/Asia)	2
Associate Administrator for Finance and Administration (AA/FA)	1
Associate Administrator for Operations (AA/OPS)	1
Office of Press Relations (XA/PR)	1
Office of Financial Management (FA/FM)	1
Office of Legislative Affairs (LEG)	1
Office of the General Counsel (GC)	1
POL/CDIE/DI, Acquisitions	1
Management Control Staff (FA/MCS)	1
Asia/FPM	1
Inspector General	1
Assistant Inspector General/Audit	1
Office of Policy, Plans and Oversight (IG/A/PPO)	2
Office of Programs and Systems Audit (IG/A/PSA)	1
Office of Legal Counsel (IG/LC)	1
Assistant Inspector General for Investigations and Security (AIG/I&S)	1
Inspector General for Investigations/Singapore Field Office (IG/I/SFO)	1
Office of Resource Management (IG/RM/C&R)	5
RIG/A/Cairo	1
RIG/A/Dakar	1
RIG/A/EUR/W	1
RIG/A/Bonn	1
RIG/A/Nairobi	1
RIG/A/Tegucigalpa	1
IG/A/FA	1