PD-ABI-146

Regional Inspector General for Audit
Nairobi, Kenya

Audit of USAID/Yemen's Closeout Procedures for Expired USAID Contracts, Grants and Cooperative Agreements

Report No. 3-279-94-007
March 18, 1994

INSPECTOR GENERAL
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID

U.S. Agency for International Development

March 18, 1994

MEMORANDUM

TO: USAID Representative, USAID/Yemen, William D. McKinney

Regional Inspector General for Audit/Nairobi

FROM: RIG/A/Nairobi, Everette B. Orr Everette B. Orr

SUBJECT: Audit of USAID/Yemen's Closeout Procedures for Expired USAID Contracts, Grants and Cooperative Agreements

This memorandum is our report on the "Audit of USAID/Yemen's Closeout Procedures for Expired USAID Contracts, Grants, and Cooperative Agreements", Report No. 3-279-94-007. We have considered your comments on the draft report and have included them as an appendix to this report (see Appendix II). Based on these comments, Recommendation Nos. 1 and 2 are considered resolved and will be closed when appropriate actions are completed. Please respond to this report within 30 days indicating any actions planned or taken to implement the recommendations contained in this report.

We appreciate the cooperation and courtesies extended to us during this audit.

Summary of Audit Findings

The audit found that USAID/Yemen did not always follow USAID policies, procedures, and applicable Federal regulations in closing out contracts; while the Mission deobligated all excess funds and liquidated all cash advances for the expired contracts that were reviewed, it did not:

- close out its expired contracts in a timely manner;
- perform financial desk reviews for contracts of $500,000 or less; and
- ensure annual reports were obtained from contractors on the disposition of USAID-financed non-expendable property.

The audit reviewed 10 of 16 expired contracts with total obligations of $14 million as of March 31, 1993. These 10 contracts consisted of 7 cost reimbursable contracts, 2 indefinite quantity contracts, and 1 personal services contract. Since no host country contracts were identified in the Agency's Contract Information Management System for the Mission, the audit did not include a review of this type of contract.

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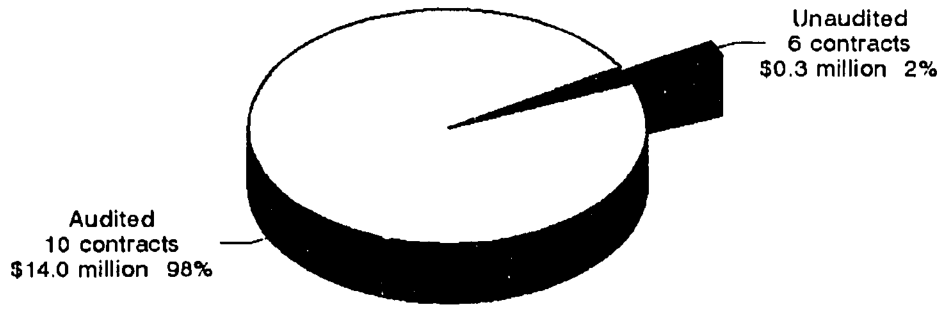
The audit focused on five areas of the closeout process: (1) the closure of contracts within prescribed time frames, (2) the accounting and disposal of USAID-financed property provided to contractors, (3) the performance of required audits, (4) the deobligation of excess funds, and (5) the liquidation of cash advances.

OBLIGATIONS FOR EXPIRED USAID/YEMEN CONTRACTS
as of March 31, 1993



Total obligations equal $14.3 million.

Background

The closeout of a contract, grant or cooperative agreement is the final phase of the contracting process. It enables USAID to determine if all applicable administrative actions and required work relating to the above agreements were completed. Among other things, a closeout action ensures that (1) USAID-funded property and equipment were accounted for and properly disposed of, (2) required audits were performed and (3) a full and satisfactory accounting of USAID obligations was made.

The principal contracting mechanisms in USAID are USAID-direct contracts[1/] and host country contracts. The USAID Office of Procurement in Washington, D.C. is responsible for the closure of most USAID/Washington contracts. Likewise, USAID Missions are individually responsible for most of the closeout functions for contracts awarded by them. For host country contracts, while the contracting host country is

[1/] USAID Handbooks 1B and 19 define USAID-direct contracts as any contract, including personal services contracts, which is signed by an authorized USAID official who has written delegation of contract authority. The contract is subject to the provisions of the Federal Acquisition Regulation as well as USAID procurement regulations contained in Handbook 14.

primarily responsible, the cognizant USAID project officer is required to monitor the host country's implementation of the closeout process to ensure it is completed.

The Federal Acquisition Regulation provides for the orderly and expeditious closeout of USAID-direct contracts. For grants and cooperative agreements, closeout procedures are found in OMB Circular A-110 and USAID Handbook 13, and those for host country contracts in Handbook 3. In addition, USAID issued an Administrative Memorandum (No. 85-7) in November 1985 and a Contract Information Bulletin (CIB) No. 90-12 in June 1990, both of which provide guidance to procurement officials in Washington and overseas missions on contract closeouts.

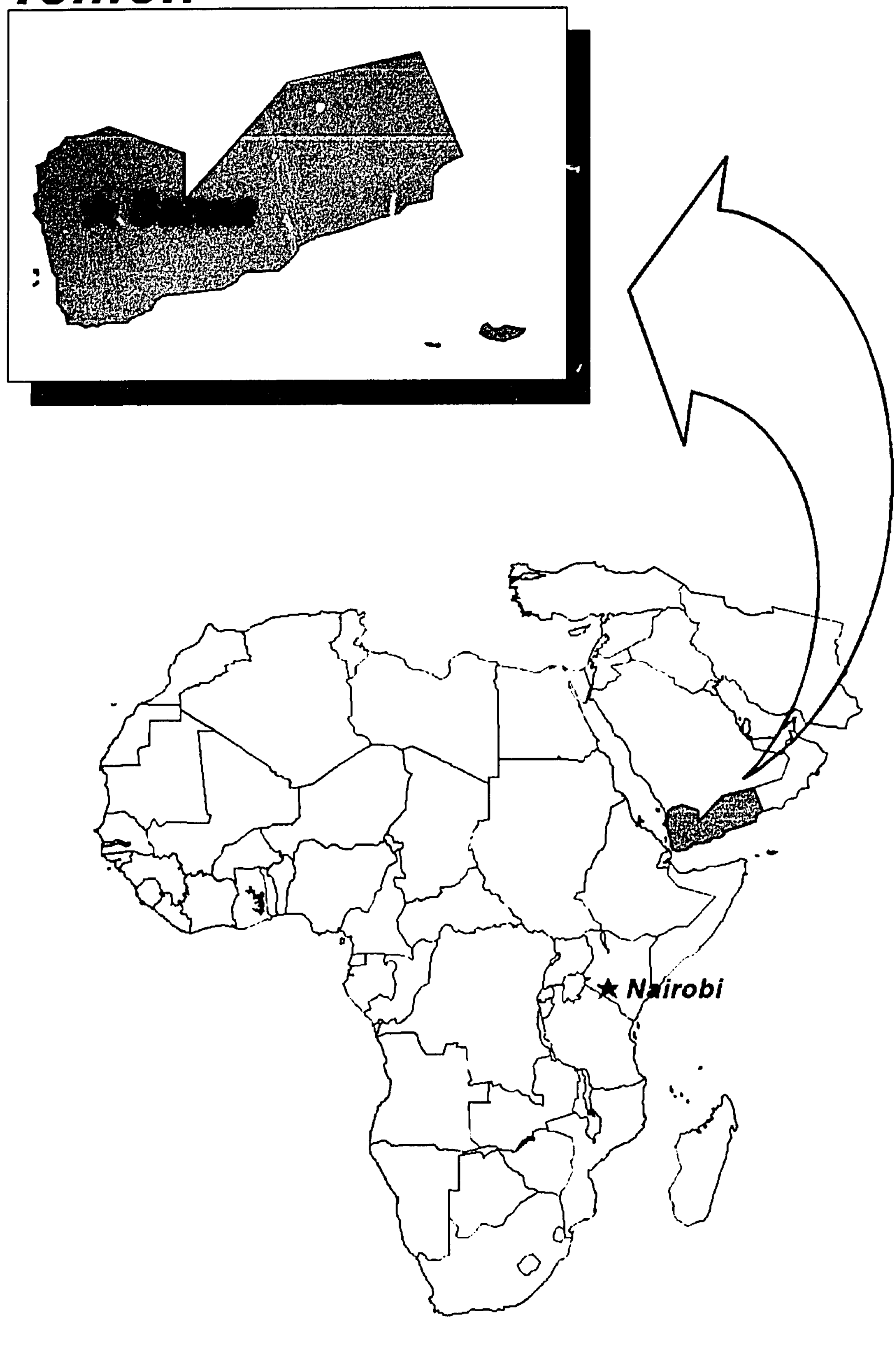
Audit Objective

The USAID Regional Inspector General for Audit, Nairobi, as part of an Agency-wide audit under the auspices of the USAID Inspector General's Office of Program and Systems Audits (IG/A/PSA), conducted an audit of USAID/Yemen's practices for closing out contracts to answer the following objective:

> **Did USAID/Yemen follow USAID policies, procedures and applicable Federal regulations in closing out expired USAID-direct and host country contracts, including grants and cooperative agreements ?**

A discussion of the scope and methodology for this audit is in Appendix I.

Yemen



Audit Findings

Did USAID/Yemen Follow USAID Policies, Procedures and Applicable Federal Regulations in Closing Out Expired USAID-Direct and Host Country <u>Contracts, Including Grants and Cooperative Agreements ?</u>

USAID/Yemen did not always follow USAID policies, procedures, and applicable Federal regulations in closing out expired USAID-direct contracts. There were no expired host country contracts, grants, or cooperative agreements for the Mission; thus, the audit did not include a review of these type of contractual instruments.

In conducting this audit, we relied on data generated by the Agency's Contract Information Management System (CIMS) on expired contracts as of March 31, 1993 and identified a universe of 16 USAID-direct contracts with obligations totaling $14.3 million. Of these 16 contracts, we selected a judgmental sample of 10 contracts with obligations totaling $14 million as shown in Appendix III. These 10 contracts consisted of 7 cost reimbursable contracts, 2 indefinite quantity contracts, and 1 personal services contract.

Contract Information Bulletin (CIB) No. 90-12 provides guidance to overseas missions on closing out expired contracts. This guidance includes procedures which require USAID offices administering contracts to ensure that (1) excess funds are deobligated; (2) cash advances are liquidated; and (3) a final audit is conducted on all contracts over $500,000.

In line with the above guidance, USAID/Yemen had deobligated all excess funds and liquidated all outstanding cash advances for the expired contracts that were reviewed. While 3 of the sampled contracts reported outstanding obligations totaling $574,185 as of March 31, 1993, we determined that these obligations were all valid and did not identify any excess funds requiring deobligation or cash advances requiring liquidation. In addition, a final audit had been performed for 1 of the 3 contracts in excess of $500,000. Audits of the two remaining contracts were not yet due and awaiting other required closeout actions.

USAID/Yemen, however, did not always follow applicable guidance in closing out expired contracts; specifically, it did not ensure that (1) contracts were closed out in a timely manner, (2) financial desk reviews were performed, and (3) contractors provided annual inventory reports on the non-expendable property held by them.

USAID/Yemen Needs to Closeout Contracts <u>in Accordance with Prescribed Procedures</u>

Federal regulations and USAID policies require that contracts be closed out within established time frames by following prescribed procedures. However, our audit disclosed that four of the ten contracts in our sample had exceeded their respective time limits and had not yet been closed out. Further, USAID/Yemen did not ensure desk reviews were performed on contracts with costs of $500,000 or less, and that contractors provided annual reports on USAID-financed non-expendable property held by them. Mission management stated that their ability to closeout its expired contracts has been hindered partially due to chronic staffing shortages in both the Mission and the Regional Contracting Office (RCO) which caused both offices to assign a low priority to the implementation of required closeout actions. As a result, expired contracts have remained open as long as five years, adding to the Agency's backlog of procurement actions awaiting closure. Further, the Mission does not have reasonable assurance that the contractor's final inventory fully accounts for the disposal of all USAID-financed equipment procured under the contract.

Recommendation No. 1: We recommend that the Regional Contracting Officer, USAID/Jordan develop an action plan with specific time frames to ensure all expired contracts in the portfolio of USAID/Yemen are properly closed out by following required procedures specified in Contract Information Bulletin No. 90-12.

Recommendation No. 2: We recommend that the USAID Representative, USAID/Yemen prepare a Mission Order outlining procedures requiring the appropriate Mission officials to (1) provide timely written notification to the contracting officer upon the completion of the contract, (2) obtain annual reports and final inventory listings from contractors on the non-expendable property held by them, and (3) verify whether these reports are complete and include information on the disposal of all USAID-financed non-expendable property.

The Federal Acquisition Regulation (FAR), OMB Circular A-110, and USAID Handbooks 13 and 14 contain prescribed procedures for closing out USAID-direct contracts, including grants and cooperative agreements. In addition, CIB No. 90-12 provides guidance to overseas missions on contract closeouts. Among other requirements, USAID offices administering contracts should ensure that (1) contracts are closed out in a timely manner; (2) USAID-financed property in the possession of contractors is accounted for and properly disposed of; (3) required audits are performed for all USAID contracts in excess of $500,000; (4) excess funds are deobligated; and (5) cash advances are liquidated. However, our review disclosed that USAID/Yemen did not always follow this guidance.

Timeliness

In closing out contracts, *timeliness* is of such importance that CIB No. 90-12 describes it as "an Agency priority". If required actions are not taken to close out contracts in a timely manner, USAID becomes vulnerable to financial losses and potential legal problems resulting from misuse of USAID funds and improper disposals of USAID-financed property. Both CIB 90-12 and FAR, Part 4, Section 4.804-1 specify time frames for closing out expired contracts after the contracting officer receives evidence that the contract has been physically completed; these time frames are 6 months for fixed-price contracts, 36 months for contracts requiring the settlement of indirect cost rates, and 20 months for all other contracts. To ensure that required closeout actions are initiated, Handbook 3 requires program officers to provide the contracting officer with a statement that all work under the contract has been completed.

However, our audit disclosed that at least 4 of the 10 expired contracts in our sample had exceeded their time limits by periods ranging from 13 to 35 months and were still awaiting required closeout actions at the time of our audit. We were unable to verify whether 2 other contracts had exceeded prescribed time frames due to the absence of relevant contract documents. These delays occurred, in part, because the Mission's project officers and Executive Officer had not provided the RCO with a written statement informing the contracting officer that the contract was completed. None of the contract files examined contained any such written statements. As a result of these delays, the Mission has allowed at least four expired contracts, totaling $176,447, to remain open for periods of four to five years, adding to the Agency's backlog of procurement actions and preventing the Mission from ensuring contractor payments were allowable, and property was properly accounted for and disposed.

<u>Financial Desk Reviews</u>

CIB No. 90-12 states that for cost reimbursable contracts having a total estimated cost of $500,000 or less, a financial desk review should be performed to reconcile pertinent financial data and confirm that amounts claimed as direct costs appear acceptable. However, for the four expired contracts in our sample on which a financial desk review should have been performed, none were found to have any documented evidence indicating that such a review had been performed by the Contracting Officer at the RCO. By not performing these desk reviews, USAID/Yemen does not have adequate assurance as to the propriety of the amounts paid under these 4 contracts, which totaled $211,710.

<u>Accounting and Disposition of Property</u>

Regarding the accounting and disposition of USAID-financed non-expendable property provided to contractors, the FAR 4.804-1, USAID Handbook 14, Section 752.245-70, CIB No.90-12, and OMB Circular A-110 prescribe applicable policies and procedures for accounting for and disposing of such property. Among other things, these policies require contractors to submit annual reports on the USAID-financed property held by them and to ensure a final inventory of these items is made and a report submitted to USAID within 90 days after completion of the contract. USAID missions are required to review these inventory reports to confirm whether they are complete and up-to-date and provide information on the disposition of all USAID-financed non-expendable property held by the contractor.

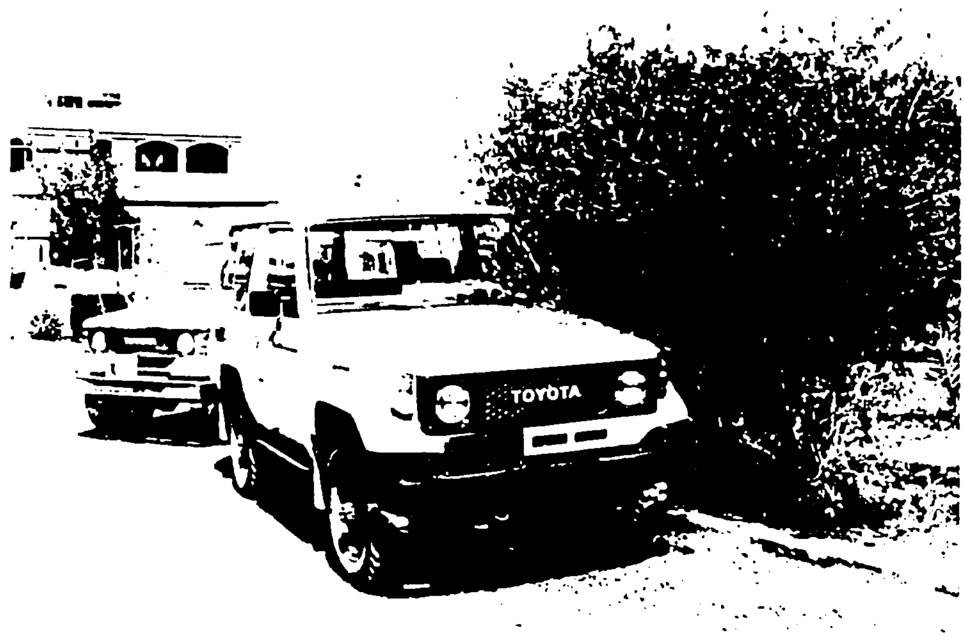
Of the 10 sampled contracts, only 2 were identified as having a significant amount of funds budgeted (i.e. over $10,000) for the purchase of non-expendable property. Although a final inventory had been provided to USAID/Yemen under both of these contracts, there was no documented evidence contained in the contract files showing that either contractor had submitted annual reports to the Mission as required. In the absence of these reports or any other prior inventory records, the Mission could not adequately monitor the non-expendable equipment held by the contractor and did not have reasonable assurance that the contractor's final inventory listing was complete and accounted for the disposition of all USAID-financed equipment.

In reviewing the final inventory report for one of these contractors, the Consortium for International Development (CID), we noted that the report listed equipment purchased under the contract totaling at least $159,554. While CID certified that this inventory listing was complete and was reconciled to the contractor's payment vouchers, we were unable to reconcile the data contained in this report to either the contractor's final voucher or the Mission's accounting records. Further, we could not verify whether CID had, in fact, transferred all of the listed equipment to the Yemeni Government ministries since the inventory records provided to both USAID and the Yemeni Government often did not provide sufficient information (e.g. serial, model, and vehicle chassis numbers) to identify listed equipment. In an interview with officials at the Ministry of Agriculture, the auditors were informed that the Ministry had no idea whether it received all of the equipment it was supposed to receive as indicated in the final inventory report because information contained in these reports was too general, preventing the Ministry from checking equipment received against the items listed in the contractor's final inventory.

In the case of the second contract, with the Education Development Center, the auditors were unable to assess the value of the final inventory since the inventory listing provided by the contractor did not indicate the acquisition cost for the property items listed.

As a result of these reporting deficiencies, USAID/Yemen did not have reasonable assurance that all non-expendable property procured under these contracts were fully accounted for in the final inventory and properly disposed of.

According to Mission officials and records, USAID/Yemen's ability to close out its expired contracts has been severely limited due to staff shortages in the Mission and in the RCO which resulted in the contract closeout function being assigned a low priority by both offices. Mission management stated that the USAID program in Yemen has undergone a tremendous upheaval since the Gulf War as a result of Yemen's refusal to join the coalition forces and the State Department's subsequent decision to terminate a major portion of the Mission's project portfolio. At the onset of this war, in December 1990, the Mission was evacuated, prompting an immediate shut down of the program. Since that time, the Mission has undergone a major transition which resulted in staffing levels being reduced from 20 direct-hires to its current level of only 2, consisting of a USAID Representative and a Program Development Officer. During this transitional period, the Mission also underwent several reorganizations, closed down projects, released FSN staff, and transferred large amounts of project property to the host government. According to Mission management, the Mission lacked both the staff resources and the expertise to execute such a massive downsizing and received no assistance from USAID/Washington during this period to assure that this down-sizing process was done in an orderly manner. This forced the Mission to use what little staff resources it had in implementing these actions which resulted in a low priority being assigned to other areas such as those addressed by our audit.



Non-expendable property, such as this vehicle, was not adequately accounted for by contractors in their final inventory. (Photo taken on February 1. 1994 in Sanaa, Yemen)

USAID-financed computer equipment provided to the Yemeni Ministry of Agriculture and Water Resources by one contractor. (Photo taken on February 1, 1994 in Sanaa, Yemen)

The Mission's ability to closeout contracts in a timely manner was also hindered by understaffing at the RCO. Until recently, the RCO was staffed with only one U.S. foreign service officer and one local-hire secretary, and was responsible for handling most of the contracting functions for not only Yemen, but also Jordan, Oman, Tel Aviv, and West Bank/Gaza. The Contracting Officer, who has primary responsibility for closing out expired contracts in these locations, recognized that improvements were needed in the closeout process, but pointed out that the RCO had taken some corrective actions. For example, the RCO hired a contract specialist[2], in December 1993, to assist the Contracting Officer in handling various contracting functions, including contract closeouts. The RCO also developed a computerized tracking system that included a listing of the RCO's entire inventory of contracts for all of the USAID missions that it supported.

In addition to staffing constraints, USAID/Yemen did not have written procedures for closing out expired contracts. While Mission officials were aware of some USAID requirements for closing out contracts, they were not entirely clear what their specific duties and responsibilities were regarding annual reports and final inventories of non-expendable property held by the contractor.

While our audit did not reveal any evidence of commodities being lost or improperly disposed of, the findings discussed in this report underscore the need for the Mission to develop formal procedures to ensure contractors regularly account for USAID-financed commodities held by them, and to account for these commodities through annual inventories rather than waiting until the contract has expired. Therefore, we recommend the Mission develop a Mission Order outlining such procedures and the RCO develop an action plan for closing out its current portfolio of expired contracts.

Management Comments and Our Evaluation

Mission management generally concurred with the findings and recommendations contained in the draft report. While the Mission acknowledged that the difficulties experienced in scaling down its operations had hindered its ability to adequately account for commodities held by contractors, management felt it did a formidable job with what little staff resources it had. The Mission also felt the Agency was partially responsible as it did not properly support the Mission in the wake of the Gulf War and indicated that the Agency needed to review its own procedures for dealing with phase-down or phase-out operations. The Mission contended that the Agency should have outside teams current in phase-down or phase-out procedural matters attached to missions with clearly defined responsibilities and authorities to assist during such operations.

[2] This employee was hired to close a recommendation from a prior RIG/A/Nairobi audit (Audit Report No. 3-272-93-12, dated September 24, 1993).

APPENDICES

SCOPE AND METHODOLOGY

Scope

We audited USAID/Yemen's management of the contract closeout process in accordance with generally accepted government auditing standards. The audit was made from January 17, 1994 through February 2, 1994. Our field work was performed at the USAID Mission in Sanaa, Yemen and at the Regional Contracting Office in Amman, Jordan. In conducting our field work, we reviewed contract files and interviewed responsible USAID officials at each location.

During this audit, we relied on data generated by USAID's Contract Information System (CIMS) to identify USAID/Yemen's universe and select a judgmental sample of contracts for testing. Based on our review of this data, we determined that the Mission's universe consisted of 16 expired contracts with obligations totaling $14.3 million. Of these 16 expired contracts, we selected a judgmental sample of 10 contracts with total obligations of $14 million:

- 7 cost reimbursement contracts with total obligations of $13,732,802;
- 2 indefinite quantity contracts (IQCs) with obligations totaling $85,165; and
- 1 personal services contract (PSC) with a total obligation of $209,774.

The audit focused on five areas of the closeout process: (1) the closing out of USAID contracts in a timely manner; (2) the accounting for USAID-funded property and equipment in the possession of contractors; (3) the performance of required audits on contractual instruments in excess of $500,000; (4) the deobligation of excess funds; and (5) the liquidation of cash advances.

The audit did not assess the overall reliability of the CIMS database, nor whether contracted goods and services were actually received. However, the audit assessed the reliability of computer-processed data generated by the Mission Accounting and Control System (MACS) by testing ten obligation transactions recorded in MACS. Further, in the case of the 10 contracts in our sample which had been closed out, we compared Mission and CIMS obligation data and found a discrepancy of $2,616,069 in obligations. While this discrepancy did not affect our conclusions, we used the MACS data in reporting the results of our review for the 10 contracts in our sample.

In addition to the discrepancies associated with the CIMS data, we were unable to locate contract records indicating actual completion dates for 2 of the 10 sampled contracts. However, we determined that the absence of relevant documentation for these 2 contracts did not have a material effect on the audit since obligations under these contracts totaled $120,428, or less than 1 percent of the total amount obligated for the contracts in our sample.

As part of this audit, we reviewed a prior RIG/A/N audit of O.A.R.'s and A.I.D. Regional Contracting Office's Management of A.I.D.-Direct Contracts for Technical Assistance (Report No. 3-272-93-12, dated September 24, 1993) which included coverage over the contracting functions performed by the Regional Contracting Office in Amman, Jordan. We also obtained and reviewed USAID/Jordan's and USAID/Yemen's latest internal control assessment to determine whether these assessments addressed the internal control weaknesses included in our report. In reviewing these documents, we noted that both missions reported control weaknesses pertaining to the contract closeout process and assigned unsatisfactory ratings to the recording and documenting of events and transactions within this process.

In addition to the methodology described below, we obtained a written representation from USAID/Yemen management confirming information we considered essential for answering our audit objective and for assessing internal controls and compliance.

Methodology

Our audit objective was to determine whether USAID/Yemen followed USAID policies and procedures and applicable Federal regulations in closing out USAID-direct and host country contracts, including grants and cooperative agreements. To accomplish this objective, we evaluated the Mission's existing systems and controls in the context of USAID policies, procedures and applicable Federal regulations. We obtained from USAID's CIMS database a listing of expired Mission contracts, as of March 31, 1993, which had estimated completion dates on or before this date. In selecting our sample of contracts to be tested, we judgmentally selected 10 contracts from this listing. These 10 sampled contracts had obligations totaling $14 million, or 98 percent of the total amount obligated for all expired contracts in our universe. Our detailed tests focused on five major areas of the contract closeout process (described in the Scope section) and included reviewing contract files and discussing closeout procedures with cognizant USAID project, contract, and controller officials.

USAID YEMEN ID:9671231578 08 MAR'94 11:05 No.002 P.01

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID	USAID/YEMEN
P. O. BOX 1139	Agency for International Development
Sanaa, Rep. of Yemen	Washington, D.C. 20521-6330

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OFFICE: RIG/A/N	PHONE: (967) (1) 231-213
PHONE: 254-2-213551	TELEX: 2844 AIDSAN YE

SUBJECT: Audit Report Remarks

Please find attached USAID/Yemen's Remarks on the draft audit report: "USAID/Yemen's Closeout Procedures for Expired USAID Contracts, Grants, and Cooperative Agreements."

It was confusing from what you sent us as to whether our remarks on the preliminary draft audit report would also be included in Appendix II of the report. The following remarks assume that this is not the case.

Clearance: AID REP WDMcKinney WDMcK

USAID/Yemen Comments on Audit Report "USAID/Yemen Closeout Procedures for Expired USAID Contract, Grants, and Cooperative Agreements"

USAID/Yemen has reviewed the draft audit report and generally concurs in its content and recommendations. However, we would like to make the following comments:

The 1990-91 Gulf Crisis resulted in a tremendous upheaval for the USAID/Yemen program. Due to Yemen's undesirable political position during the Crisis, the State Department mandated that the a major part of the Mission's project portfolio be terminated, that USDH staff levels be reduced (from 20 to the current 2), and that program funding levels be reduced from about $20 million to $3 million. Most of the Mission's direct hire and project contract staff were not allowed to return to the USAID Mission after its close-down and evacuation just prior to the Gulf War. In the months following the resumption of USAID's operations, those few who did return did a monumental job of explaining the phasing-back requirement to host country counterparts, closing down projects, transferring large amounts of project property to the host government, shipping personal effects of Mission staff, releasing FSN staff, and maintaining ongoing programs. The Mission was extremely understaffed for these complicated task, and little or no assistance was provided by USAID/Washington.

In the fall of 1991, the Mission undertook a comprehensive Internal Control Assessment to determine internal weakness that had evolved as a result of on-going restructuring of the Mission and its major down-sizing. The Assessment identified a significant number of weaknesses, including several material weaknesses. Among the weakness were contractor property accountability and contract close-out procedures. The Mission expended maximum effort resolving property accountability for contracts terminated as a result to the Gulf Crisis. While the Mission was able to arrive at a point where it felt reasonably certain that accountability was sufficient, it was not able to put in place new formal procedures. Other weaknesses identified during the Internai Control Assessment were more urgent and took precedence. Contract close-out procedures were similarly addressed.

The Mission's feeling is that the Agency, as an institution, did not properly support the Mission following its mandated and rapid phasing-down. The Mission physically did not have the resources or expertise to complete this phasing down, given its limited staff and the many restrictions placed on it by the Agency and the Department of State. The Mission feels it was unreasonable for the Agency to expect that all handbook, circular, notice, etc. procedures would be known and understood by its remaining skeleton staff, and that this staff would be capable of an error-free phasing down. Indeed, in retrospect, the Mission found that some staff members who returned after the Gulf War were not well suited for the job. Some found it difficult to assume a new, more distant, posture with counterparts and made some decisions or took some actions that were not in the best interest of an orderly phasing down. As the Mission explained to the audit team, using the USAID/Yemen example, the Agency should take a general look at the Agency's procedures in dealing with phasing down or phasing out operations. The Mission contends in such situations outside teams current in procedural matters concerning phase-downs or phase-outs should be attached to Missions, for the duration, with clearly defined authorities and responsibilities.

The Mission appreciates the weaknesses that the audit report identifies in its recommendations and will take the necessary actions to close the recommendations. The Mission will also institute procedures to assure that similar weaknesses to not occur in the future.

Page 7 of the draft audit report states that part of the reason that contracts were not closed out in within prescribed time frames was because project officers had not provided the RCO with written statements informing him that the contracts had been completed. Some of contracts examined by the auditors were funded with operating expense funds and the responsibility for providing this information to the RCO would be the Mission's Executive Officer.

A technical remark concerning the audit report, the report states in several places that contracts should have been closed out and excess funds deobligated. In field missions, this terminology would be correct for operating expense funds. For program funds, funds would not necessarily be "deobligated" but would be "decommitted". Deobligation of program funds would mean that the funds are returned to the Agency for reprogramming in other projects. In most cases, excess funds in project contracts are decommitted but remain obligated in the project. Obligation of program funds is the process whereby Project Grant (or Loan) Agreements are signed between USAID and the host government.

LISTING OF EXPIRED USAID/YEMEN CONTRACTS TESTED[1]

AS OF MARCH 31, 1993

CONTRACT NUMBER	USAID-DIRECT CONTRACT[2]	GRANT AGREEMENT	COOPERATIVE AGREEMENT	TOTAL
279-0044-C-00-9071-00	$ 51,836	$ -	$ -	$ 51,836
279-0052-C-00-8010-00	7,966,631	-	-	7,966,631
279-0074-C-00-9006-00	3,734,461	-	-	3,734,461
279-0080-C-00-7096-00	61,585	-	-	61,585
279-0052-C-00-7034-00	1,820,000	-	-	1,820,000
279-0249-C-00-8052-00	49,839	-	-	49,839
279-0080-C-00-9010-00	48,450	-	-	48,450
279-0052-I-00-8009-00	16,573	-	-	16,573
279-0052-I-00-6013-00	68,592	-	-	68,592
279-0000-S-00-1008-00	209,774	-	-	209,774
Totals	**$14,027,741**	**$ 0**	**$ 0**	**$14,027,741**

[1] There were no expired host country contracts identified in the Agency's Contract Information Management System (CIMS) database for USAID/Yemen as of March 31, 1993.

[2] Data in this column was obtained from USAID/Yemen's Mission Accounting and Control System (MACS) database.

STATUS OF AUDITS REQUIRED TO BE PERFORMED UNDER THE 10 EXPIRED USAID/YEMEN CONTRACTS TESTED

Contract Number	Audit Required	Audit Requested	Audit Completed
279-0044-C-00-9071-00	NO	N/A	N/A
279-0052-C-00-8010-00	YES	YES	YES
279-0074-C-00-9006-00	YES	NO	NO
279-0080-C-00-7096-00	NO	N/A	N/A
279-0052-C-00-7034-00	YES	NO	NO
279-0249-C-00-8052-00	NO	N/A	N/A
279-0080-C-00-9010-00	NO	N/A	N/A
279-0052-I-00-8009-00	NO	N/A	N/A
279-0052-I-00-6013-00	NO	N/A	N/A
279-0000-S-00-1008-00	NO	N/A	N/A
Totals	3	1	1

Acronym used:

N/A Not applicable

ANALYSIS OF UNLIQUIDATED CONTRACTOR OBLIGATIONS TESTED

AS OF MARCH 31, 1993

Contract Number	Unliquidated Obligation 1/	Reviewed Obligation	Valid Obligation	Invalid Obligation
279-0074-C-00-9006-00	$488,535	$488,535	$488,535	$ 0
279-0052-C-00-7034-00	2,894	2,894	2,894	0
279-0000-S-00-1008-00	82,756	82,756	82,756	0
Totals	$574,185	$ 574,185	$ 574,185	$ 0

1/ Amounts appearing in this column were computed based on data contained in the Mission Accounting and Control System (MACS) records whereby recorded obligations were reconciled against disbursements and accruals in order to ascertain the unliquidated obligation balance as of March 31, 1993.

OBLIGATIONS PER USAID/YEMEN RECORDS AND CIMS DATABASE[1]

AS OF MARCH 31, 1993

Contract Number	Mission Obligations Per MACS (1)	Mission Obligations Per CIMS (2)	Variance (1-2)
279-0044-C-00-9071-00	$ 51,836	$ 51,836	$ -0-
279-0052-C-00-8010-00	7,966,631	9,000,000	-1,033,369
279-0074-C-00-9006-00	3,734,461	950,000	2,784,461
279-0080-C-00-7096-00	61,585	51,300	10,285
279-0052-C-00-7034-00	1,820,000	1,000,000	820,000
279-0249-C-00-8052-00	49,839	50,000	-161
279-0080-C-00-9010-00	48,450	48,450	-0-
279-0052-I-00-8009-00	16,573	26,627	-10,054
279-0052-I-00-6013-00	68,592	79,000	-10,408
279-0000-S-00-1008-00	209,774	154,459	55,315
Totals	**$14,027,741**	**$11,411,672**	**$2,616,069**

[1] This schedule is presented for illustrative purposes only to show the discrepancies in the CIMS obligation data which prompted the auditors to rely on the Mission's accounting records, instead of the CIMS data, in reporting the results of the audit.

American Ambassador to Yemen	1
USAID Representative to Yemen	5
Regional Contracting Office, USAID/Jordan	5
Mission Director, USAID/Jordan	1
AA/ANE	1
ANE/NE/ME	1
LPA/XA/PR	1
LPA/LEG	1
GC	1
AA/OPS	1
M/FA	1
M/FA/FM	1
AA/G	1
PPC/POL/CDIE/DI	1
M/FA/MCS	2
M/FA/FM/FPS	2
REDSO/ESA	1
REDSO/RFMC	1
REDSO/Library	1
IG	1
AIG/A	1
IG/A/PSA	1
IG/A/FA	1
IG/A/PPO	3
IG/LC	1
IG/RM	12
AIG/I&S	1
IG/I/NFO	1
RIG/A/B	1
RIG/A/C	1
RIG/A/D	1
RIG/A/S	1
RIG/A/San Jose	1
RIG/A/EUR/W	1