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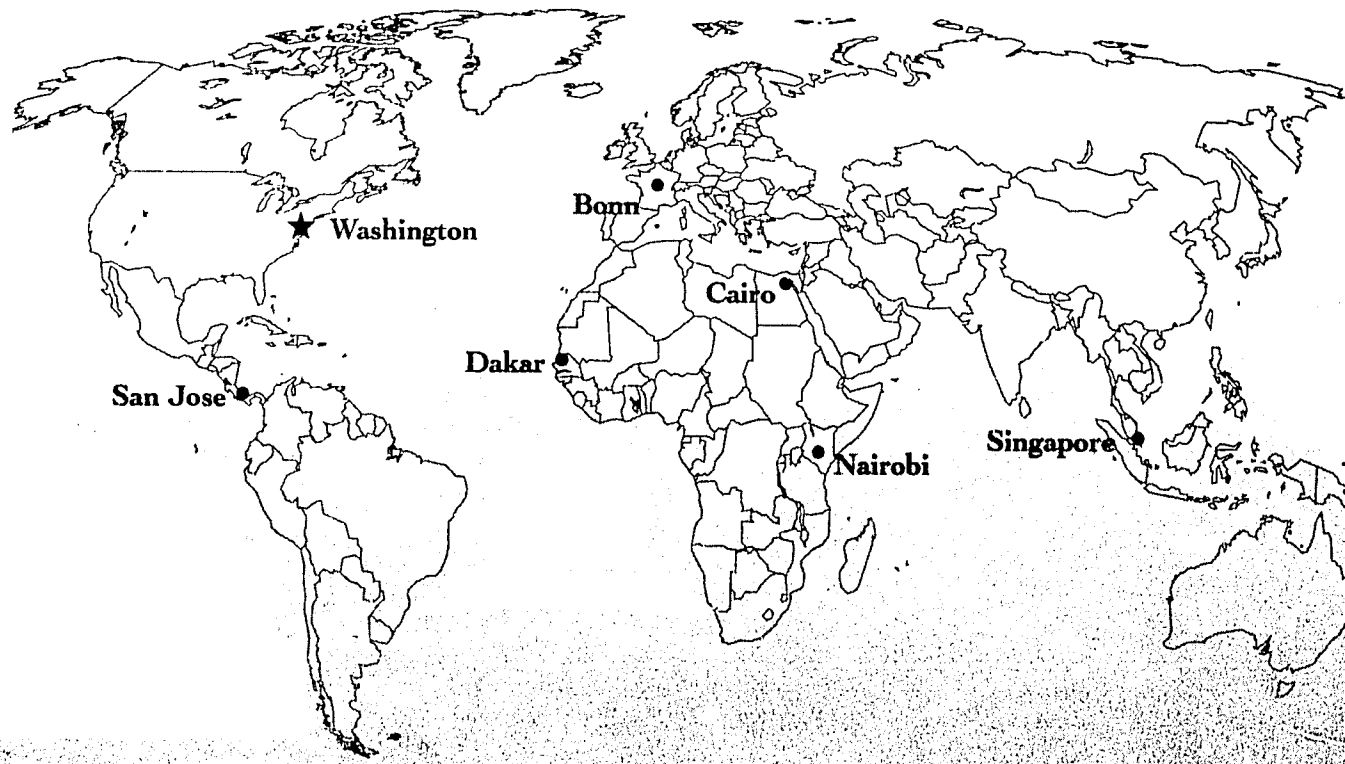
Regional Inspector General for Audit
San José, Costa Rica

Audit of USAID/Honduras's Fiscal Year 1990 Public Law 480 Title II Monetization Program Activities Managed by the CARE/Honduras and the Government of Honduras October 1, 1989 to December 31, 1991

Audit Report No. 1-522-95-05-N
March 13, 1995



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INSPECTOR GENERAL

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March 13, 1995

MEMORANDUM

TO: USAID/Honduras Director, Marshall D. Brown

FROM: RIG/A/San José, Coinage N. Gothard

SUBJECT: Audit of USAID/Honduras's Fiscal Year 1990 Public Law 480 Title II Monetization Program Activities, Managed by CARE/Honduras and the Government of Honduras, October 1, 1989 to December 31, 1991

This report presents the results of a financial audit of USAID/Honduras' Fiscal Year 1990 Public Law 480 Title II monetization program, managed by CARE/Honduras and three Government of Honduras implementing entities. The audit firm of Price Waterhouse prepared the report dated October 30, 1994.

In August 1989, USAID/Honduras approved a proposal to monetize 3,099.7 metric tons of donated Public Law 480 Title II commodities in fiscal year 1990. The proposal was later amended to provide for an additional 2,148.8 metric tons of commodities. With this amendment, proceeds generated by the monetization totaled $549,392. USAID/Honduras created an inter-institutional committee to support the implementation of the program. The committee was composed of three government implementing entities, one non-implementing government entity, and CARE/Honduras.

The objectives of the audit were to determine whether: (1) the fund/commodity accountability statement presents fairly, in all material respects, the program's receipts and expenditures for the period, (2) the internal control structure of CARE/Honduras and the governmental implementing entities was adequate to manage the program's activities, and (3) CARE/Honduras and the governmental implementing entities complied

with the terms of the monetization proposal and applicable laws and regulations. The scope of the audit included an examination of the program's activities and transactions to the extent considered necessary to issue a report thereon for the audit period.

Price Waterhouse was of the opinion that the fund/commodity accountability statement presents fairly, in all material respects, the program's receipts and expenditures under the Food for Peace agreement, except for questionable costs of $116,953. Questioned costs of $23,841 concerned amounts paid in excess of approved budgets, unallowable taxes, spare parts used for other than program vehicles, and per diem for trips outside of approved areas. Unsupported costs of $93,112 consisted of costs for which appropriate documentation was not maintained under various budget line items.

Regarding the internal control structure, the auditors identified four material weaknesses. The auditors found that CARE/Honduras and the government implementing entities: (1) included costs in the fund/commodity accountability statement that did not have adequate documentation, (2) did not have adequate procedures for the physical control of fixed assets, (3) did not adequately document and support some per diem costs, and (4) did not have evidence to demonstrate that spare parts bought with program funds were used to repair program vehicles.

Regarding the program's compliance with the terms of the agreements and applicable laws and regulations, the auditors identified four material instances of noncompliance. The auditors found that CARE/Honduras and the government implementing entities: (1) did not deposit the proceeds from the sales of donated commodities into an interest bearing bank account, (2) made program purchases which included the Government of Honduras sales tax, (3) did not complete interim and final evaluations of the program, and (4) paid salaries and social benefits which were not included in the budget.

Although the program has ended, USAID/Honduras continues to use CARE/Honduras and the governmental implementing entities in ongoing projects. We are therefore recommending actions to correct the procedural deficiencies in the internal control structure and compliance of CARE/Honduras and the government implementing entities as well as the recovery of identified questionable costs.

We are including the following recommendations in the Office of the Inspector General's audit recommendation follow-up system.

Recommendation No. 1

We recommend that USAID/Honduras resolve the questionable costs of $116,953 ($23,841 questioned and $93,112 unsupported) identified in the Price Waterhouse report dated October 30, 1994, and recover from CARE/Honduras, the National Social Welfare Board, the Ministry of Education, and the Ministry of Health the respective amounts determined to be unallowable.

Recommendation No. 2

We recommend that USAID/Honduras obtain evidence that CARE/Honduras, the National Social Welfare Board, the Ministry of Education, and the Ministry of Health have established procedures to ensure that: (1) fund or commodity accountability statements contain only costs that have adequate documentation, (2) physical assets are adequately controlled, (3) per diem costs are adequately supported and properly authorized, (4) controls over the use of spare parts are adequate, (5) funds received from USAID/Honduras are deposited in appropriate bank accounts, (6) purchases made with USAID/Honduras funds are exempt from taxes, (7) required reports or evaluations are prepared, and (8) expenditures are made under agreement-approved budget line items.

Recommendation No. 1 will be considered resolved upon USAID/Honduras's determination of the amount of recovery, and will be considered closed upon the recovery of funds, offset of funds, or issuance of a bill for collection. Recommendation No. 2 can be resolved when USAID/Honduras presents an acceptable firm plan of action to correct the reported deficiencies and can be closed when it presents acceptable evidence that the required procedures have been established.

The report was discussed with representatives of CARE/Honduras and the government implementing entities who generally agreed with the findings and recommendations included in the report. The comments of management are included as Annex C to the Price Waterhouse report.

This final audit report is being transmitted to you for your action. Please advise this office within 30 days of actions planned or taken to resolve and close the recommendations.

Regional Inspector General for Audit
San José, Costa Rica

Audit of USAID/Honduras's Fiscal Year 1990 Public Law 480 Title II Monetization Program Activities Managed by the CARE/Honduras and the Government of Honduras October 1, 1989 to December 31, 1991

Audit Report No. 1-522-95-05-N
March 13, 1995

AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

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AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

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Price Waterhouse

October 30, 1994

Mr. Coinage N. Gothard
Regional Inspector General for Audit
United States Agency for International Development
San José, Costa Rica, C.A.

Dear Mr. Gothard:

This report presents the results of our financial audit of USAID/Honduras' Fiscal Year 1990 Public Law 480 Title II monetization program, managed by CARE/Honduras and three Government of Honduras (GOH) implementing entities: the National Social Welfare Board (NSWB), the Ministry of Health (MOH), and the Ministry of Education (MOE), for the period of October 1, 1989 to December 31, 1991.

BACKGROUND

On August 10, 1989, USAID/Honduras approved a proposal submitted by CARE/Honduras to monetize 3,099.7 metric tons of donated Public Law (PL) 480 Title II commodities in Fiscal Year (FY) 1990. Proceeds from this monetization were to be used to support the distribution of commodities under the Government of Honduras' maternal child health program (MCH), and its school feeding program (SF), and to initiate its municipal infrastructure and technical assistance program (MITA).

An interinstitutional committee was created by USAID/Honduras to support the implementation of the PL-480 Title II program. The purpose of the interinstitutional committee was to coordinate and develop strategies to distribute donated commodities in more efficient and economical ways and to support pilot projects. The committee was composed of the National Social Welfare Board (NSWB), the Ministry of Health (MOH), the Ministry of Education (MOE), the Ministry of Finance and Public Credit (MFPC), CARE/Honduras, and USAID/Honduras As a result of negotiations within the interinstitutional committee, additional monetization

proceeds were allocated to finance activities intended to complement the goals of the feeding programs. Subsequently, the interinstitutional committee submitted to USAID/Honduras an addendum to the FY 1990 monetization proposal, which was approved on July 20, 1990. Accordingly, the FY 1990 monetization proposal was amended to allow for the additional importation of 2,148.8 metric tons of corn. With this amendment, proceeds generated by the monetization of PL-480 Title II program commodities for FY 1990 totalled 2,966,718 lempiras (L).

Proceeds from the sale of the commodities were used to fund the following purposes:

1) Strengthen the logistical capacities of the three GOH implementing entities: the National Social Welfare Board (NSWB), the Ministry of Health (MOH), and the Ministry of Education (MOE), and implement the MCH and SF programs.

2) Strengthen the managerial capabilities of NSWB, MOE, and MOH, so that they may assume responsibilities in the management of the MCH and SF programs.

3) Establish contingency funds to cover potential expenses for inland transportation of commodities and for the handling and storage of food aid.

4) Finance projects oriented toward the improvement of the basic diet and health of the beneficiaries of the program.

5) Finance community development projects whose purpose is to strengthen the MCH and SF programs.

LOCAL CURRENCY MANAGEMENT

CARE/Honduras was responsible for the negotiation of sales of the donated commodities to the private sector. Proceeds from the sales of the donated commodities were to be deposited into an interest-bearing bank account at a local bank managed by CARE/Honduras. The interest earned in the account was to be used for purposes authorized by the program.

Local currency disbursements were made from the bank account to each of the four implementing entities (NSWB, MOH, MOE, and CARE/Honduras). Disbursements were made in accordance with the budget established in the Title II monetization agreement. The GOH implementing entities submitted detailed proposals for approval by USAID/Honduras. Each of the GOH implementing entities received an initial amount of 50 percent of its budgeted total, subject to the sufficient flow of sales proceeds into the local bank account.

The balance of funds budgeted for each implementing entity were disbursed on a reimbursement basis, contingent upon submission by

the implementing entity of a report and supporting documentation detailing the use of the initial disbursement of funds. It should be noted that while an end date was established for the completion of sales and distribution of the commodities, implementation of projects or activities funded by monetization proceeds may be carried on as long as funds are available.

USE OF PROCEEDS GENERATED BY THE SALES OF COMMODITIES

CARE/HONDURAS' Use of Funds

Proceeds managed by CARE/Honduras from the sale of the PL-480 donated commodities were used for the following purposes:

1) Improvement of CARE/Honduras Organizational Structure

CARE/Honduras hired additional supervisors and established four regional offices. Field managers were assigned to each of the four regional offices. This decentralization would allow for closer supervision and involvement at the operational level in the programming for the MCH and SF programs and in the design and application of new monitoring systems.

2) Personnel Training

Workshops and seminars were offered to train CARE/Honduras food program personnel and representatives of the GOH implementing entities.

3) Hiring of New Personnel

Additional support personnel were hired to carry out the day-to-day operations of the program.

4) Purchase of Vehicles & Equipment

Monetization funds were used to purchase vehicles and office equipment for the regional offices.

5) Commodity Distribution Support

Monetization funds were used to support commodity distribution activities such as the loading and unloading of the commodities, fumigation, repacking, and transport and port charges.

GOH Implementing Entities' Use of Funds

According to the CARE/Honduras addendum to the FY 1990 monetization program, dated July 20, 1990, additional proceeds from the sale of corn were to be used to finance institutional

development activities for the three GOH implementing entities, NSWB, MOH, and MOE. CARE/Honduras allocated a total of L1,258,214 to the entities, as follows: L868,008 to NSWB, L200,103 to MOH, and L190,103 to MOE. Disbursement of these funds did not begin until September 1990 due to delays in the receipt and sale of commodities. Therefore, although funds were allocated for FY 1990, actual expenditures of these funds by the GOH implementing entities did not begin until the end of FY 1990.

DESCRIPTION OF SUB PROGRAM ACTIVITIES IMPLEMENTED BY GOH ENTITIES

National Social Welfare Board (NSWB)

FY 1990 monetization proceeds supported two major NSWB activities. The first activity was the strengthening of the NSWB's ongoing food distribution program. Funds totaling L267,267 were allocated for this program for the purchase of vehicles, computer equipment and office furnishings, for transportation costs of the donated commodities, and for payment of per diem to field supervisors. The second NSWB activity was a proposal to use L580,000 to inaugurate the Maternal Enterprises (EMMAs) project, the purpose of which is to establish microenterprises in the form of non-subsidized day care centers. These centers would be closely linked to public health services and would be regulated by and receive training from NSWB. The plans for the EMMAs project call for the establishment of approximately 200 enterprises which would serve as both permanent sources of income and employment for the "Madre Empresaria", and as systems for preschool education for approximately 3,000 children.

Based on a reassessment of needs during the implementation period, NSWB requested and received USAID/Honduras approval to reprogram authorized funds. Through this reprogramming, NSWB reduced the amount of funds allocated for construction under the EMMAs project and increased the already established budget for furnishing of the EMMAs.

Ministry of Education

The monetization proceeds assigned to MOE were used primarily to establish within the Honduran School Feeding Service (SAEH) the mechanisms necessary to adequately supervise the distribution and consumption of the food donated by CARE/Honduras under the School Feeding (SF) program. A total of 3,754 schools in nine Honduran departments received food through the CARE/Honduras SF program. In addition, a small amount of the monetization proceeds were budgeted to establish pilot productive activities (school gardens, fish ponds, animal husbandry) in several schools.

Ministry of Health

Activities carried out by the Ministry of Health included the strengthening of the supervision component of the maternal child health (MCH) program through the training of personnel. This training was provided to all institutional personnel at central, regional and local levels. Additionally, the MCH program's educational component was supported through the distribution of educational materials on health and nutrition to program beneficiaries and members of the community.

CARE/Honduras used all of its FY 1990 monetization proceeds by March 1991, the GOH implementing entities completed disbursements of their portion of the funds in December 1991. CARE/Honduras presented project progress reports to USAID/Honduras in December 1991.

AUDIT OBJECTIVES AND SCOPE

We were engaged to conduct a financial audit of USAID/Honduras' Fiscal Year 1990 Public Law 480 Title II monetization program. The program's activities were managed by CARE/Honduras and three Government of Honduras implementing entities: the National Social Welfare Board (NSWB), the Ministry of Health (MOH), and the Ministry of Education (MOE), during the period October 1, 1989 to December 31, 1991.

Our audit was performed in accordance with generally accepted auditing standards and the Government Auditing Standards of the United States Comptroller General (1988 revision) and accordingly included the review of documentation, accounting records, the internal control structure and such other auditing procedures as we considered necessary in the circumstances to determine whether:

1. The fund/commodity accountability statement presents fairly, in all material respects, the program's receipts and expenditures for the period October 1, 1989 to December 31, 1991, in accordance with the monetization proposal terms.

2. The internal control structure of CARE/Honduras and the Government of Honduras implementing entities is adequate to manage the program's operations.

3. CARE/Honduras and the Government of Honduras implementing entities complied with the monetization proposal terms and applicable laws and regulations.

In the course of our audit we were alert to the possible existence of errors or irregularities and to situations or transactions that could be indicative of fraud, abuse, and illegal expenditures and

acts, in accordance with the Statements on Auditing Standards Nos. 53 and 54 of the American Institute of Certified Public Accountants.

The major audit procedures performed during our work in order to meet the stated audit objectives were the following:

1. Receipts

   (a) We confirmed directly with USAID/Honduras the monetization funds received by CARE/Honduras and the Government of Honduras implementing entities for the period audited.

   (b) We confirmed directly with the Honduran Institute of Agricultural Marketing (IHMA) the sales prices and the quantities of commodities sold by CARE/Honduras as of December 31, 1991.

   (c) We confirmed directly with the custodian banks, the bank account balances as of December 31, 1991.

   (d) We reviewed the bank account reconciliations, as of December 31, 1991.

2. Procurement

   (a) We conducted a detailed evaluation of the procurement procedures for educational materials, spare parts, fuel, oil, maintenance of vehicles, office materials and supplies used by the program during the period under review.

   (b) On a test basis, we reviewed purchases amounting to L1,341,677 (approximately 85 percent of total purchases) made by CARE/Honduras and the Government of Honduras implementing entities during the period under review to determine their authenticity and proper calculation and valuation.

   (c) For the selected purchases, we reviewed the endorsement of checks paid by the banks.

3. Fixed Assets

   (a) We conducted an evaluation of the control procedures used by CARE/Honduras and the Government of Honduras implementing entities during the period under review to manage and safeguard fixed assets.

   (b) On a selective basis we identified the program's fixed assets through physical inspections.

(c) We traced the total cost of fixed assets determined through physical inventories to the balances in the accounting records.

(d) On a selective basis, we reviewed supporting documentation of fixed assets purchased with monetization funds.

4. Payroll and Per Diem

(a) We conducted an evaluation of the control procedures used by the program during the period under review for the administration of personnel, preparation and payment of payrolls, and payment of per diem.

(b) On a selective basis we reviewed the payrolls paid during the period amounting to L368,853 (63 percent of the total payrolls paid) and traced the names and salaries of the employees included in such payrolls to their personnel files.

(c) From the payrolls selected for testing, we selected 15 employees and examined their contract of employment and compared the signature of each employee with the signature in their respective personnel file and the payroll.

(d) For the 15 selected employees, we compared the endorsements of payroll checks with the employees' signatures in the personnel files and in the salary vouchers.

(e) We reviewed the calculation of the accrued social benefits for CARE/Honduras employees as of December 31, 1991.

(f) On a test basis, we examined the records for per diem paid to employees for training trips to the CARE and the Government of Honduras implementing entities' regional offices, and made tests as to their authenticity and reasonableness.

(g) We compared the endorsements of the per diem and training checks with the signatures in the personnel files.

5. Accounting System and Reporting

(a) We conducted an evaluation of the accounting system and records used by CARE/Honduras and the Government of Honduras implementing entities during the period under review to determine whether the system was sufficient to provide program financial information (the fund/commodity

accountability statement) in accordance with the budget classifications defined in the monetization proposal.

(b) We reviewed the quarterly progress reports issued by CARE/Honduras and the Government of Honduras implementing entities to ascertain that the contents were in accordance with the monetization proposal.

RESULTS OF AUDIT

Fund/Commodity Accountability Statement

As described in Note 4 to the fund/commodity accountability statement our testing identified questionable costs totaling L491,193. These costs arose from internal control structure weaknesses and instances of noncompliance as described in our separate reports included in the following sections of this audit report.

In our opinion, except for the effects on the fund/commodity accountability statement of the matter described in the preceding paragraph, the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras' National Social Welfare Board (NSWB), Ministry of Health (MOH), and Ministry of Education (MOE), presents fairly, in all material respects, the program's receipts and expenditures for the period October 1, 1989 to December 31, 1991, in accordance with the program's monetization proposal approved by USAID.

Internal Control Structure

In planning and performing our audit of the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991, we considered CARE/Honduras and the Government of Honduras implementing entities' internal control structure for the program in order to determine our auditing procedures for the purpose of expressing our opinion on the fund/commodity accountability statement and not to provide assurance on the internal control structure.

In the course of our audit we noted the following findings which we consider to be material weaknesses under generally accepted auditing standards and the Government Auditing Standards of the United States Comptroller General (1988 revision).

1. The fund/commodity accountability statement includes costs which do not have documentation to sustain that they are reasonable and eligible (Finding No. 1).

2. The procedures used by NSWB and MOE for the physical control of fixed assets were not adequate (Finding No. 2).

3. Some per diem costs incurred by MOE and MOH were not supported with evidence of authorization, reports of activities carried out during the trips, and expense liquidation reports (Finding No. 3).

4. The MOE Implementing Entity do not have evidence to demonstrate that spare parts bought with program funds were used to repair vehicles which are the property of the Program (Finding No. 4).

Compliance with the Monetization Proposal's Terms and Applicable Laws and Regulations

As part of obtaining reasonable assurance about whether the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991 is free of material misstatement, we performed tests of CARE/Honduras and the Government of Honduras implementing entities' compliance with the monetization proposal terms and applicable laws and regulations.

The results of our tests disclosed the following material instances of noncompliance:

1. CARE/Honduras and the Government of Honduras implementing entities' managements did not deposit the proceeds from the sales of the donated commodities into an interest bearing bank account which is not in accordance with the monetization proposal's terms (Finding No. 1).

2. The purchases made by the program include the Government of Honduras' 7 percent sales tax, which is not eligible in accordance with USAID regulations and the agreement terms between CARE/Honduras and the Government of Honduras (Finding No. 2).

3. The interinstitutional committee did not comply with its important role of carrying out interim and final evaluations of the program in order to assess the accomplishment of the program's goals and objectives (Finding No. 3).

4. CARE/Honduras paid salaries and social benefits in U.S. dollars to CARE/Honduras management personnel, which costs were not included in the monetization proposal's budget (Finding No. 4).

MANAGEMENT COMMENTS

The draft of this report was discussed with representatives of CARE/Honduras and the Government of Honduras implementing entities and USAID/Honduras, who expressed their agreement with the report's contents.

The entire text of the comments by CARE/Honduras and the Government of Honduras implementing entities' managements is included in Annex C. These comments exclusively refer to actions taken by CARE/Honduras and the Government of Honduras implementing entities' managements to implement the recommendations of this report.

Price Waterhouse

Price Waterhouse

Representada por
R. Rodríguez y Asociados

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AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

FUND/COMMODITY ACCOUNTABILITY STATEMENT

INDEPENDENT AUDITOR'S REPORT

We have audited the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991. The fund/commodity accountability statement is the responsibility of the CARE/Honduras and the Government of Honduras implementing entities' managements. Our responsibility is to express an opinion on this fund/commodity accountability statement based on our audit.

Except as indicated in the third paragraph, we conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund/commodity accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund/commodity accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall fund/commodity accountability statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We do not have an external quality control review by an unaffiliated audit organization as required by paragraph 46 of chapter 3 of the Government Auditing Standards because no such quality review program is offered by professional organizations in Honduras. We

believe that the effect of this departure from the financial audit requirements of Government Auditing Standards is not material because we participate in the Price Waterhouse World Firm worldwide internal quality control program which requires that the Price Waterhouse - Honduras office be subjected, every three years, to an extensive quality control review by audit partners and managers from other Price Waterhouse World Firm Offices.

The accompanying fund/commodity accountability statement was prepared for the purpose of complying with clause eight of the agreement between the Government of Honduras and CARE/Honduras as discussed in Note 1, and is not intended to be a presentation in conformity with generally accepted accounting principles.

As described in Note 4 to the fund/commodity accountability statement, our testing identified questionable costs totaling L491,193. These costs arose from internal control structure weaknesses and instances of noncompliance as described in our separate reports included in the following sections of this audit report.

In our opinion, except for the effects on the fund/commodity accountability statement of the matter described in the preceding paragraph, the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities presents fairly, in all material respects, the program's receipts and expenditures for the period October 1, 1989 to December 31, 1991, in accordance with the monetization proposal terms.

This report is intended solely for the use of the United States Agency for International Development, CARE/Honduras and the Government of Honduras implementing entities. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Office of the Inspector General, is a matter of public record.

Price Waterhouse

September 10, 1993

AUDIT OF THE PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

FUND/COMMODITY ACCOUNTABILITY STATEMENT

(Expressed in lempiras - Note 1)

	BUDGET					ACTUAL					AVAILABLE (OVER) UNDER BUDGET	QUESTIONABLE COSTS
	CARE	NSWB	MOE	MOH	TOTAL	CARE	NSWB	MOE	MOH	TOTAL		
INCOME:												
Monetization proceeds	2,966,718	- 0 -	- 0 -	- 0 -	2,966,718	2,966,718	- 0 -	- 0 -	- 0 -	2,966,718		
Capital transfer to Government of Honduras implementing entities	(1,258,214)	868,008	190,103	200,103	- 0 -	(1,258,214)	868,008	190,103	200,103	- 0 -		
Interest income	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	31,553	- 0 -	2,150	- 0 -	33,703	(33,703)	
	1,708,504	868,008	190,103	200,103	2,966,718	1,740,057	868,008	192,253	200,103	3,000,421	(33,703)	
DISBURSEMENTS:												
Personnel expenses	655,372	- 0 -	- 0 -	20,667	676,039	697,605	- 0 -	- 0 -	5,300	702,905	(26,866)	60,812
Training	- 0 -	68,185	50,000	46,235	164,420	- 0 -	68,185	23,136	93,254	184,575	(20,155)	80,932
Supervision	- 0 -	- 0 -	- 0 -	36,089	36,089	- 0 -	- 0 -	- 0 -	35,459	35,459	630	
Subsistence and other travel expenses	96,403	2,015	24,453	- 0 -	122,871	89,947	2,015	25,179	- 0 -	117,141	5,730	12,235
Fuel and vehicle maintenance	87,930	- 0 -	20,000	11,532	119,462	81,529	- 0 -	21,098	11,768	114,395	5,067	13,202
Materials and supplies	367,619	47,226	- 0 -	- 0 -	414,845	288,278	47,226	- 0 -	- 0 -	335,504	79,341	17,422
Educational material	- 0 -	- 0 -	15,000	19,429	34.429	- 0 -	- 0 -	14,797	30,077	44,874	(10,445)	20,309
Vehicles furniture and equipment	189,825	587,661	- 0 -	47,249	824,735	253,250	587,661	- 0 -	9,717	850,628	(25,893)	129,006
Building improvements	- 0 -	121,557	- 0 -	- 0 -	121,557	- 0 -	123,786	- 0 -	- 0 -	123,786	(2,229)	81,023
Institutional improvements	- 0 -	- 0 -	55,000	- 0 -	55,000	- 0 -	- 0 -	79,061		79,061	(24,061)	51,353
Food transport	- 0 -	41,364	10,881	10,881	63,126	- 0 -	41,364	10,881	10,881	63,126		
Incidental costs	- 0 -	- 0 -	5,000	5,769	10,769	- 0 -	- 0 -	6,697	4,278	10,975	(206)	24,899
Counterpart expenses	258,050	- 0 -	- 0 -	- 0 -	258,050	258,050	- 0 -	- 0 -	- 0 -	258,050		
Miscellaneous expenses	53,305	- 0 -	9,769	2,252	65,326	39,845	- 0 -	9,149	- 0 -	48,994	16,332	
TOTAL DISBURSEMENTS	1,708,504	868,008	190,103	200,103	2,966,718	1,708,504	870,237	189,998	200,734	2,969,473	(2,755)	491,193
Excess (deficiency) of receipts over disbursements						31,553	(2,229)	2,255	(631)	30,948	30,948	

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AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

NOTES TO THE FUND/COMMODITY ACCOUNTABILITY STATEMENT

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES:

The fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991, was prepared for the purpose of complying with the eighth clause of the agreement between the Government of Honduras and CARE/Honduras and is not intended to be a presentation in conformity with generally accepted accounting principles. The significant accounting policies adopted by CARE/Honduras and the Government of Honduras implementing entities to manage the program are summarized as follows:

Basis of accounting -

CARE/Honduras and the Government of Honduras implementing entities use their own systems to report the program's operations. The classification of budget line items in these systems is similar to the classification of the monetization proposal budget line items.

The cash basis is used in these systems to record receipts and disbursements, which are recognized when they are received or disbursed, respectively.

Exchange rate -

The records of the program are kept in Honduran Lempiras (L), the official currency. The official exchange rate of the Lempira to the United States Dollar has remained constant at two lempiras to one dollar for many years. In March 1990, the Government of Honduras approved an interbank exchange market for most foreign exchange transactions. At December 31, 1991, the exchange rate in this market was L5.40 to US$1.00.

NOTE 2 - HISTORY AND OPERATIONS OF THE PROGRAM:

On August 10, 1989, USAID/Honduras approved a proposal submitted by CARE/Honduras to monetize 3,099.7 metric tons of corn donated under the Public Law (PL) 480 Title II program for Fiscal Year 1990. Proceeds from this monetization were to be used to support the

distribution of foods under the Government of Honduras' maternal child health (MCH) and school feeding (SF) programs, and to initiate the GOH's municipal infrastructure and technical assistance (MITA) program.

An interinstitutional committee was created by USAID/Honduras to support the implementation of the PL-480 Title II program. The purpose of the interinstitutional committee was to coordinate and develop strategies to distribute donated commodities in more efficient and economical ways and to support pilot projects. The committee was composed of the Government of Honduras' National Social Welfare Board (NSWB), Ministry of Health (MOH), Ministry of Education (MOE), and Ministry of Finance and Public Credit (MFPC), CARE/Honduras, and USAID/Honduras. As a result of negotiations within the committee, additional monetization proceeds were allocated to finance activities intended to complement the goals of the feeding programs. Subsequently, the interinstitutional committee submitted to USAID/Honduras an addendum to the Fiscal Year 1990 monetization proposal which was approved on July 20, 1990. Accordingly, CARE/Honduras' Fiscal Year 1990 monetization proposal was amended to allow for the importation of an additional 2,148.8 metric tons of corn. The proceeds generated by the monetization of the commodities provided under the program totalled L2,966,718.

Proceeds from the sale of the commodities were used to fund the following purposes:

1) Strengthen the logistical capacities of the three GOH implementing entities: the National Social Welfare Board (NSWB), the Ministry of Health (MOH), and the Ministry of Education (MOE), and implement the MCH and SF programs.

2) Strengthen the managerial capabilities of NSWB, MOH, and MOE, so that they may assume responsibilities in the management of the MCH and SF programs.

3) Establish contingency funds to cover potential expenses for inland transportation of commodities and for the handling and storage of food aid.

4) Finance projects oriented toward the improvement of the basic diet and health of the beneficiaries of the program.

5) Finance community development projects whose purpose is to strengthen the MCH and SF programs.

NOTE 3 - BUDGET:

The disbursement categories of the budget, as presented in the accompanying fund/commodity accountability statement, were approved by USAID/Honduras.

NOTE 4 - QUESTIONABLE COSTS:

Questionable program costs, as of December 31, 1991, are shown below. The detail of these questionable costs is presented in Annex A.

	QUESTIONABLE COSTS		
	Ineligible	Unsupported	Total
CARE/Honduras	L 45,089	L 40,622	L 85,711
National Social Welfare Board	35,891	229,980	265,871
Ministry of Education	17,662	86,116	103,778
Ministry of Health	1,486	34,347	35,833
	L100,128	L391,065	L491,193

NOTE 5 - COMMODITIES RECEIVED:

The volumes (in metric tons MT) of commodities received from USAID and monetized in Honduras are as follows:

	Received	Monetized	Difference
Yellow corn	5,248.5 MT	5,204 MT	44.5 MT

According to CARE/Honduras management the difference between commodities received and monetized is due to a loss of humidity of the yellow corn during transportation from the United States to Honduras and during storage (approximately one year).

NOTE 6 - MONETIZATION PROCEEDS:

Commodities received under the program were sold by CARE/Honduras to the Honduran Institute of Agricultural Marketing which in turn sold the commodities in small quantities to Honduran poor consumers. The dates, quantities of commodities sold, sales prices, and proceeds are shown below:

Date	Quantities (MT)	Sales price (per MT)	Proceeds
08/09/89	1,616.33	L 400.00	L 646,532
03/30/90	1,460.20	573.19	836,972
08/31/90	484.87	716.49	347,406
09/04/90	1,397.96	661.38	924,584
Other sales	244.64	863.41	211,224
	5,204.00		L2,966,718

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AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

INTERNAL CONTROL STRUCTURE

INDEPENDENT AUDITOR'S REPORT

We have audited the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991, and have issued our report thereon dated September 10, 1993.

Except for not conducting an external quality control review by an unaffiliated audit organization, as described further in our opinion on the fund/commodity accountability statement, we conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund/commodity accountability statement is free of material misstatement.

In planning and performing our audit of the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991, we considered CARE/Honduras and the Government of Honduras implementing entities' internal control structure for the program in order to determine our auditing procedures for the purpose of expressing our opinion on the fund/commodity accountability statement and not to provide assurance on the internal control structure.

The managements of CARE/Honduras and the Government of Honduras implementing entities are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments 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 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 fund/commodity accountability statement in accordance with the accounting basis described in Note 1 to that statement. 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 might become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

- Accounting process
- Budgetary process
- Procurement system
- Sales procedures for donated commodities
- Payrolls and per diem procedures
- Receipts and disbursements
- Fixed assets system

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

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 judgment, could adversely affect the entities' ability to record, process, summarize, and report financial data consistent with the assertions of management in the fund/commodity accountability statement. The reportable conditions noted are described below.

1. The fund/commodity accountability statement includes costs which do not have documentation to sustain that they are reasonable and eligible (Finding No. 1).

2. The procedures used by NSWB and MOE for the physical control of fixed assets were not adequate (Finding No. 2).

3. Some per diem costs incurred by MOE and MOH were not supported with evidence of authorization, reports of activities carried out during the trips, and expense liquidation reports (Finding No. 3).

4. The MOE Implementing Entity do not have evidence to demonstrate that spare parts bought with program funds were used to repair vehicles which are the property of the Program (Finding No. 4).

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the fund/commodity accountability statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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 that the reportable conditions mentioned above are material weaknesses.

This report is intended solely for the use of the United States Agency for International Development, CARE/Honduras and the Government of Honduras implementing entities. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Office of the Inspector General, is a matter of public record.

Price Waterhouse

September 10, 1993

AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

INTERNAL CONTROL STRUCTURE

FINDINGS

1. The Fund/Commodity Accountability Statement Includes Costs Which do not Have Documentation to Sustain that they Are Reasonable and Eligible

Condition:

Our tests of disbursements revealed that CARE/Honduras and the Government of Honduras implementing entities do not have supporting documentation to allow us to evaluate the reasonableness and eligibility of the following disbursements:

CARE/Honduras:	
Counterpart reimbursements, and transport costs	L 40,622
	L 40,622
National Social Welfare Board:	
Purchases of fixed assets, materials, and supplies	L 176,120
Per diem and training costs	53,860
	L 229,980
Ministry of Education:	
Per diem and other travel expenses	L 10,766
Institutional strengthening	63,015
Training expenses	12,335
	L 86,116
Ministry of Health:	
Educational materials	L 19,056
Spare parts and vehicle repairs	5,212
Training expenses	8,012
Purchases of fuel	2,067
	L 34,347
	L 391,065

A detail of unsupported disbursements by implementing entity is presented in Annex A.

Criteria:

A.I.D. Regulation No. 11 requires cooperating sponsors and recipient agencies to maintain records and documents in a manner which accurately reflects the operation of the program and all transactions pertaining to the receipt, storage, distribution, sale, inspection and use of commodities and to receipt and disbursement of any monetized proceeds and program income.

Cause:

CARE/Honduras and the Government of Honduras implementing entities' managements did not establish adequate accounting and administrative control procedures to record the program's costs.

Effect:

The above-mentioned costs, amounting to L391,065, are being questioned as unsupported costs.

Recommendation:

CARE/Honduras and the Government of Honduras implementing entities' managements should implement accounting and administrative procedures to record and adequately support the program's transactions. Additionally, USAID/Honduras should provide the necessary accounting technical assistance.

2. The Procedures Used by NSWB and MOE for the Physical Control of Fixed Assets were not Adequate

Condition:

In our selective review of the Government of Honduras implementing entities' fixed assets we noted the following:

National Social Welfare Board:

We did not find written authorization from USAID/Honduras for the use of a Toyota Land Cruiser acquired with monetization funds in October 1991 for activities not directly related with the program. This car was assigned to NSWB's General Secretariat.

Ministry of Education:

The vehicle acquired with monetization program funds was involved in an accident on February 21, 1993 and at present is

being repaired. This vehicle was assigned to the General Director of the Ministry of Education to be used on February 20 and 21, 1993, a weekend. Annex A includes photographs of this vehicle.

Criteria:

Section IX B of the monetization proposal establishes that the assets acquired with monetization funds should be used in activities to accomplish program goals.

Cause:

The implementing entities' managements did not have a specific method to inform all their employees about the restricted use of the program's assets, and did not implement timely appropriate policies and procedures on the use and disposal of the assets. In addition, the repair of the damaged vehicle was not fulfilled in a timely manner by the Ministry of Education.

Effect:

Inappropriate use of program assets is a violation of the monetization proposal terms.

Recommendation:

The Government of Honduras implementing entities' managements should issue written instructions applicable to all employees with respect to the limitations on the use of program assets. The assets should only be used in activities established in the monetization proposal.

3. Some Per Diem Costs Incurred by MOE and MOH Were not Supported With Evidence of Authorization, Reports of Activities Carried Out During the Trips and Expense Liquidation Reports

Condition:

In our selective review of per diem disbursements made during the period from October 1, 1989 to December 31, 1991, we noted the following:

Ministry of Education

(a) Travel costs include a L7,400 amount for trips made outside of the geographic area established in the monetization proposal. The trips were made to Olancho, El Paraíso, San Pedro Sula, and La Ceiba. The program does not have support for these expenses.

(b) It was not possible to determine the reasonableness of the amounts paid for per diem costs of employees included in the training component because the program's management could not obtain from the Ministry of Education information on the salaries earned and the categories of the employees that made the trips. An employee's salary and category are important elements in the calculation of the per diem costs in accordance with the Government of Honduras' per diem regulations. The per diem costs not reviewed because of this limitation amounted to L12,335.

(c) The per diem component includes purchases of materials for the maternal child health, school feeding, and municipal infrastructure and technical assistance programs, which purchases lack written approvals, quotations, and purchase orders. The incurred costs amounted to approximately L10,766.

(d) For all items reviewed, we did not find evidence of authorization of the per diem or written reports of the activities carried out during the trips. Also in some cases the liquidation of expenses was substantially delayed.

Ministry of Health:

(a) Costs amounting to L8,012 were not supported with written authorizations, reports of activities carried out, and expense liquidation reports.

National Social Welfare Board:

(a) Costs amounting to L1,235 were not supported with written authorizations, reports of activities carried out, and expense liquidation reports.

Criteria:

Regulations for Per Diem and Other Travel Expenses for Officers and Employees of the Government of Honduras, published in Resolution No. 636 on November 14, 1977 and in force as of December 31, 1992, states:

(a) Article 4 - For effects of the per diem regulations, the per diem are to be assigned based on the personnel categories, geographic area, and periods of the mission.

(b) Article 9 - Per diem and travel expenses within the country will be settled once an appropriate project official has authorized the trip.

(c) Article 15 - The officer or employee that concludes a trip and returns to his office or department will have three business days for turning in to the corresponding administrative section a report of the trip and a liquidation of per diem in the respective format.

Cause:

The managements of the implementing entities mentioned above did not timely designate a program official with the responsibility for the adequate supervision of the compliance with the per diem regulations.

Effect:

Per diem costs of L39,748 were: (1) incurred outside the program's geographic areas, (2) not sustained with the supporting documentation to demonstrate their eligibility and reasonableness, or (3) lacking written authorizations, trip reports and expense liquidations.

Recommendation:

The implementing entities' managements should designate program officials with the responsibility for adequate supervision of per diem payments, and establish the necessary procedures to assure compliance with per diem laws and regulations.

4. The MOE Implementing Entity do not Have Evidence to Demonstrate that Spare Parts Bought with Program Funds Were Used to Repair Vehicles Which are the Property of the Program.

Condition:

In our review of vehicle maintenance, we noted that spare parts were bought to repair a vehicle which according to the Implementing Entity management is the property of the program. Ministry of Education management do not have evidence to demonstrate that such spare parts were used in vehicles property of the program. The total costs of spare parts in this case was L5,144.

Criteria:

Program funds should be used only to the program purposes and its use should be extensively demonstrated.

Cause:

Program management did not consider to establish procedures to evidence that the funds were used to the program purposes.

Effect:

The identified costs in our selective test amounted to L5,144 which we consider to be ineligible costs. The use of spare parts in vehicles which do not evidence that are the property of the program is a case of non compliance with the A.I.D. regulations.

Recommendation:

The Implementing Unit management should implement appropriate written procedures to control, manage and use program funds and/or the procurement of spare parts to ensure that they are used conservatively and are applied only to the needs of the program.

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AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

COMPLIANCE WITH THE MONETIZATION PROPOSAL'S TERMS AND APPLICABLE LAWS AND REGULATIONS

INDEPENDENT AUDITOR'S REPORT

We have audited the fund/commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program managed by CARE/Honduras and the Government of Honduras implementing entities for the period October 1, 1989 to December 31, 1991, and have issued our report thereon dated September 10, 1993.

Except for not conducting an external quality control review by an unaffiliated audit organization, as described further in our opinion on the fund/commodity accountability statement, we conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States (1988 revision). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund/commodity accountability statement is free of material misstatement.

Compliance with the monetization proposal's terms and laws and regulations applicable to the Fiscal Year 1990 Public Law 480 Title II monetization program is the responsibility of CARE/Honduras and the Government of Honduras implementing entities. As part of obtaining reasonable assurance about whether the fund/commodity accountability statement is free of material misstatement, we performed tests of CARE/Honduras and the Government of Honduras implementing entities' compliance with significant monetization proposal terms and certain provisions of laws and regulations. However, the objective of our audit of the fund/ commodity accountability statement was not to provide an opinion on overall compliance with such terms and provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the fund/commodity accountability statement. The results of our tests of compliance disclosed the following material instances of noncompliance.

1. CARE/Honduras and the Government of Honduras implementing entities' managements did not deposit the proceeds of the sales of the donated commodities into an interest bearing bank account, which is not in accordance with the monetization proposal's terms (Finding No. 1).

2. The purchases made by the program include the Government of Honduras 7 percent sales tax, which is not eligible in accordance with USAID regulations and the agreement terms between CARE/Honduras and the Government of Honduras (Finding No. 2).

3. The interinstitutional committee did not comply with its important role of carrying out interim and final evaluations of the program in order to assess the accomplishment of the program's goals and objectives (Finding No. 3).

4. CARE/Honduras paid salaries and social benefits in U.S. dollars to CARE/Honduras management personnel, which costs were not included in the monetization proposal's budget (Finding No. 4).

We considered these material instances of noncompliance in forming our opinion on whether the fund commodity accountability statement of the Fiscal Year 1990 Public Law 480 Title II monetization program is presented fairly, in all material respects, in conformity with the monetization proposal's terms and applicable laws and regulations, and this report does affect our report dated September 10, 1993 on that fund commodity accountability statement.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, CARE/Honduras and the Government of Honduras implementing entities complied, in all material respects, with the terms and provisions referred to in the third paragraph of this report and, with respect to items not tested, nothing came to our attention that caused us to believe that CARE/Honduras and the Government of Honduras implementing entities had not complied, in all material respects, with those provisions.

This report is intended solely for the use of the United States Agency for International Development, CARE/Honduras and the Government of Honduras implementing entities. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Office of the Inspector General, is a matter of public record.

Price Waterhouse

September 10, 1993

AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

COMPLIANCE WITH THE MONETIZATION PROPOSAL'S TERMS AND APPLICABLE LAWS AND REGULATIONS

FINDINGS

1. CARE/Honduras and the Government of Honduras Implementing Entities' Managements did not Deposit the Proceeds of the Sales of the Donated Commodities Into an Interest Bearing Bank Account Which is not in Accordance with the Monetization Proposal's Terms

Condition:

Although the monetization proposal required that the proceeds from the sales of donated commodities be deposited into interest bearing bank accounts, in our review of receipts we noted that only the Ministry of Education complied in full with this requirement. CARE/Honduras began to use an interest bearing account late during program execution. However, neither the National Social Welfare Board nor the Ministry of Health deposited their monetization funds into interest bearing accounts.

If over the full life of the program the funds had been deposited in bank accounts which generated interest, funds for the program would have increased by approximately L99,620, as indicated below:

CARE/Honduras	L75,724
National Social Welfare Board	19,962
Ministry of Health	3,934
Total	L99,620

Criteria:

Section 8, point a) of the monetization proposal establishes that the funds provided from the sale of the donated commodities were to be deposited into an interest bearing bank account.

Cause:

CARE/Honduras and the Government of Honduras implementing entities' managements did not monitor compliance with the above-mentioned monetization proposal requirement.

Effect:

According to our calculation of the interest that could have been earned, the program failed to receive additional interest of about L99,620 during the period of the program.

Recommendation:

CARE/Honduras and the Government of Honduras implementing entities should assign to an official the responsibility to ensure compliance with the monetization proposal requirement to use interest bearing bank accounts.

2. The Purchases Made by the Program Include the Government of Honduras 7 Percent Sales Tax, Which is not Eligible in Accordance with USAID Regulations and the Agreement Terms Between CARE/Honduras and the Government of Honduras

Condition:

In our selective review of purchases, we noted that the Government of Honduras implementing entities paid the Government of Honduras 7 percent sales tax on their program purchases as follows:

CARE/Honduras	L 3,451
National Social Welfare Board	35,891
Ministry of Health	1,486
Ministry of Education	5,118
Total	L45,946

Criteria:

It is normal USAID policy that the assistance it provides will be free from any taxation or fees imposed under laws in effect in the territory of the cooperating country and that the cooperating country will reimburse A.I.D. for any taxes that are levied against the assistance.

In addition, the first clause of the agreement between the Government of Honduras and CARE/Honduras establishes that the Government of Honduras implementing entities will seek to obtain from the Ministry of Finance and Public Credit the duty free permits exonerating all taxes, fees, and tariffs.

Cause:

The Government of Honduras implementing entities' managements did not obtain from the Ministry of Finance and Public Credit the exemption from paying the 7 percent sales tax.

Effect:

The fund/commodity accountability statements of the Government of Honduras implementing entities include L42,495 of ineligible tax payments. The payments of these taxes with program funds is a case of noncompliance with the A.I.D. regulations and the agreement terms between the Government of Honduras and CARE/Honduras.

Recommendation:

The Government of Honduras implementing entities' managements should obtain from the Ministry of Finance and Public Credit the exemption from paying sales tax. Additionally the implementing entities should reimburse the program for the amount of taxes paid.

3. The Interinstitutional Committee did not Comply with Its Important Role of Carrying Out Interim and Final Evaluations of the Program, in order to Assess the Accomplishment of the Program's Goals and Objectives

Condition:

CARE/Honduras and the Government of Honduras implementing entities did not perform interim or final evaluations as called for by the agreement between the Government of Honduras and CARE/Honduras.

Criteria:

Clause ten of the agreement between The Government of Honduras and CARE/Honduras establishes that the signing parties have formed an interinstitutional support committee program, which will play an important role in the intermediate and final evaluation of the accomplishment of goals and objectives according to the proposal submitted by the implementing entities regarding operation, strengthening and follow-up of the maternal child health and school feeding programs.

Cause:

The interinstitutional committee never functioned as was envisioned in the agreement. Therefore the evaluations were never made.

Effect:

The lack of evaluations of the program's goals and objectives, by the interinstitutional committee is a violation of the above-mentioned agreement.

Recommendation:

CARE/Honduras and the Government of Honduras implementing entities should jointly perform a final evaluation of the program.

4. CARE/Honduras Paid Salaries and Social Benefits in U.S. Dollars to CARE/Honduras Management Personnel, Which Costs were not Included in the Monetization Proposal's Budget

Condition:

CARE/Honduras recorded in the monetization program the salaries and social benefits paid in U.S. dollars to the Director and Assistant Director of CARE/Honduras, and to the CARE/Honduras manager in the city of San Pedro Sula. These costs were not included in the monetization proposal's budget.

Criteria:

The budget of the monetization proposal did not establish the payment of salaries and social benefits to CARE/Honduras officials.

Cause:

CARE/Honduras management charged a share of their salaries costs because they spent some of their time overseeing program activities.

Effect:

Costs amounting to L41,638 were questioned for salaries and social benefits paid to CARE/Honduras officials not included in the monetization proposal's budget.

Recommendation:

The CARE/Honduras personnel department should prepare a complete list of all CARE/Honduras personnel charges to the program, which list should be reviewed by USAID/Honduras to determine if the costs should be eligible expenses under the program.

AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

LIST OF RECOMMENDATIONS

INTERNAL CONTROL STRUCTURE

RECOMMENDATION 1:

CARE/Honduras and the Government of Honduras implementing entities' managements should implement accounting and administrative procedures to record and adequately support the program's transactions. Additionally, USAID/Honduras should provide the necessary accounting technical assistance.

RECOMMENDATION 2:

The Government of Honduras implementing entities' managements should issue written instructions applicable to all employees with respect to the limitations on the use of program assets. The assets should only be used in activities established in the monetization proposal.

RECOMMENDATION 3:

The implementing entities' managements should designate program officials with the responsibility for adequate supervision of per diem payments, and establish the necessary procedures to assure compliance with per diem laws and regulations.

RECOMMENDATION 4:

The Implementing Unit management should implement appropriate written procedures to control, manage and use program funds and/or the procurement of spare parts to ensure that they are used conservatively and are applied only to the needs of the program.

COMPLIANCE WITH THE MONETIZATION PROPOSAL'S TERMS AND APPLICABLE LAWS AND REGULATIONS

RECOMMENDATION 1:

CARE/Honduras and the Government of Honduras implementing entities should assign to an official the responsibility to ensure compliance with the monetization proposal requirement to use interest bearing bank accounts.

RECOMMENDATION 2:

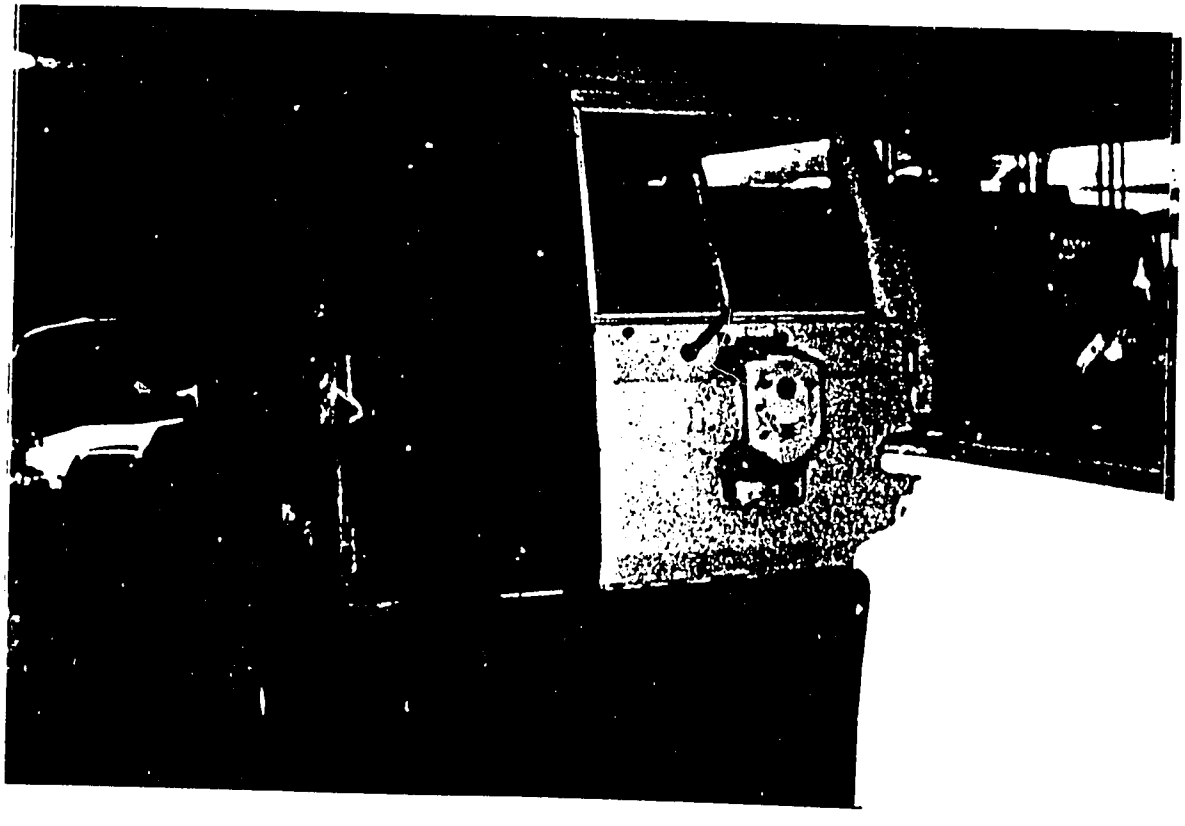
The Government of Honduras implementing entities' managements should obtain from the Ministry of Finance and Public Credit the exemption from paying sales tax. Additionally the implementing entities should reimburse the program for the amount of taxes paid.

RECOMMENDATION 3:

CARE/Honduras and the Government of Honduras implementing entities should jointly perform a final evaluation of the program.

RECOMMENDATION 4:

The CARE/Honduras personnel department should prepare a complete list of all CARE/Honduras personnel charges to the program, which list should be reviewed by USAID/Honduras to determine if the costs should be eligible expenses under the program.



Vehicle acquired with Monetization Program Funds which was involved in an accident on February 21, 1993 and at prevent is being repaired.

AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

DETAIL OF QUESTIONABLE COSTS

CARE/HONDURAS

	QUESTIONABLE COSTS	
	INELIGIBLE	UNSUPPORTED *
I. Salaries and social benefits:		
(a) Salaries and social benefits paid in U.S. dollars to CARE/Honduras officials, which do not have proper documentation and were not included in the budget of the monetization proposal. (See compliance Finding No. 4.)	L 41,638	
(b) Salaries paid to program personnel which do not have documentation of payment since no evidence of stamped slips by the bank exists.		19,174
II. Counterpart expenses:		
(a) Reimbursements for expenses to transport commodities by CARE to the National Social Welfare Board which expenses were not supported with original documentation to evaluate their eligibility.		21,448
Carried forward	L 41,638	L 40,622

* All unsupported costs are included in totals mentioned in internal control Finding No. 1.

Brought forward	L 41,638	L 40,622
(b) Tax on sales paid for several purchases, which taxes are not eligible program costs in accordance with A.I.D. regulations and the agreement between CARE/Honduras and the Government of Honduras. (See compliance Finding No. 2.)	3,451	
Total	L 45,089	L 40,622

NATIONAL SOCIAL WELFARE BOARD

	QUESTIONABLE COSTS INELIGIBLE	UNSUPPORTED *
I. Per diem and other travel expenses:		
Per diem paid which do not have (1) evidence of authorization, (2) reports of the activities carried out during the trips, and (3) expense liquidation reports for the per diem received. (See Internal Control Finding 3.)		L 1,235
II. Materials and supplies:		
Purchases of materials for courses which were not supported with purchase orders, quotations, and receiving reports to demonstrate that they are eligible.(check No. 00054)		15,237
III. Physical betterment:		
(a) Purchases of wood, cement, and lamina's cinch, which were not supported with original invoices. (checks No. 92255 and 95327)		17,033
(b) Purchases of wood, stick iron, and lamina's cinch, which were not supported with purchase orders, quotations, and receiving reports to demonstrate that they are eligible. (check Nos. 469242 and 95256)		43,299
IV. Fixed assets:		
Transport equipment:		
Fixed asset purchases which lacked quotations and receiving reports to allow us to evaluate the reasonableness of the prices. (check No. 481506)		14,935
Carried forward		L 91,739

* All unsupported costs are included in totals mentioned in internal control Finding No. 1.

Brought forward		L 91,739
Equipment:		
Purchases of 1,000 long cushions, and pumps, mattocks and trimming hammer which were not supported with purchase orders and quotations to evidence the reasonableness of the prices. (check Nos. 00004, 00056 and 00058)		85,616
V. Sales tax payments:		
Tax on sales paid for several purchases, which taxes are not eligible program costs in accordance with A.I.D. regulations and the agreement between CARE/ Honduras and the Government of Honduras. (See compliance Finding No. 2.)	35,891	
VI. Training expenses:		
Expenses for which there is not an authorized training plan and reports of the activities carried out during the training trips. (checks No. 469203, 469211, 469212, 469218, 469219, 469238, 469245, 469246, 481531, 481536, 481538, and 481517)		52,625
Total	L 35,891	L229,980

MINISTRY OF EDUCATION

	QUESTIONABLE COSTS	
	INELIGIBLE	UNSUPPORTED *
I. Per diem and other travel expenses:		
Purchases realized for productive projects which do not have written approvals, quotations, and purchase orders to allow us to evaluate the reasonableness of the prices, nor evidence that the materials purchased were received and sent to the productive projects' responsible officials. (check Nos. 444625, 444645, 444677, 444725, and 856770)		10,766
II. Fuel and maintenance of vehicles:		
Spare parts purchases used to repair a vehicle which is the property of the Ministry of Education. The implementing entity did not receive authorization from A.I.D. or CARE/Honduras to repair this vehicle. (See internal control Finding No. 4.)	5,144	
III. Institutional strengthening:		
(a) Expenses for improvement of Honduran School Feeding Service (SAEH) offices which were not supported with purchase orders, quotations, and receiving reports. (check Nos. 444614, 444616, 444623 and 444638)		16,000
(b) Purchases of a computer and a printer for which proper procedures were not followed because they are supported with old quotations from another implementing entity. The quotations used were those of the National Social Welfare Board dated October 11, and December 17, 1990. The purchase was made in May 1991.		28,802
Carried forward	L 5,144	L 55,568

* All unsupported costs are included in totals mentioned in internal control Finding No. 1.

Brought forward	L 5,144	L 55,568
(c) Educational materials purchased for the institutional improvement component which are not supported with purchase orders, quotations, and receiving reports to evidence their eligibility. (check Nos. 4699 and 13514)		18,213
IV. Sales tax payments:		
Sales tax paid for several purchases, which taxes are not eligible program costs in accordance with A.I.D. regulations and the agreement between CARE/Honduras and the Government of Honduras. (See compliance Finding No. 2.)	5,118	
V. Training expenses:		
(a) Per diem paid for trips made outside of the geographic area established in the monetization proposal. The trips were made to Olancho, El Paraíso, San Pedro Sula, and La Ceiba. (See internal control Finding No. 3.)	7,400	
(b) Per diem payments for which we were unable to review the calculations because management did not have the information regarding the salaries and categories of the employees that made the trips. (See internal control Finding 3.)		12,335
Total	L 17,662	L 86,116

MINISTRY OF HEALTH

	QUESTIONABLE COSTS INELIGIBLE	QUESTIONABLE COSTS UNSUPPORTED *
I. Fuel and maintenance of vehicles:		
(a) Fuel purchases which do not have purchase orders and evidence that the fuel was used for program purposes. (check No. 756381)		2,067
(b) Vehicles repair expenses for which there is no evidence of purchase orders and repair justifications. (check Nos. 269731, 756340, and 756390)		5,212
II. Educational material:		
Purchases of course materials which were not supported with purchase orders, quotations, and receiving reports to demonstrate their eligibility. (checks Nos. 269661, 269690, 269700, 269704, 269779, 756339, 756346 and 756349).		19,056
III. Sales tax payments:		
Sales tax paid for several purchases, which taxes are not eligible program costs in accordance with A.I.D. regulations and the agreement between CARE/Honduras and the Government of Honduras. (See compliance Finding No. 2.)	L 1,486	
IV. Training expenses:		
Per diem paid for personnel training which do not have (1) evidence of authorization, (2) reports of the activities carried out during the trips, and (3) expense liquidation reports for the per diem received. (See internal control Finding No. 3.)		8,012
Total	L 1,486	L 34,347
	L100,128	L391,065

* All unsupported costs are included in totals mentioned in internal control Finding No. 1.

ANNEX C - MANAGEMENT COMMENTS

AUDIT OF THE FISCAL YEAR 1990 PUBLIC LAW 480 TITLE II MONETIZATION PROGRAM

MANAGED BY CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES FOR THE PERIOD OCTOBER 1, 1989 TO DECEMBER 31, 1991

SUMMARY OF THE MANAGEMENT COMMENTS OF CARE/HONDURAS AND THE GOVERNMENT OF HONDURAS IMPLEMENTING ENTITIES

CARE/Honduras:

1. The points related with the suspense costs numbers 1,2,4,5,6, 7, and 8 mentioned under management comments were eliminated from this report since CARE/Honduras management made available the supporting documentation to justify the above mentioned costs.

2. In reference to point number 3, this suspense cost could not be properly documented by CARE/Honduras; consequently, it remains in this report.

National Social Welfare Board:

1. Comments made by the National Social Welfare Board management include costs made through check numbers 95338, 00062, and 95652. These costs were eliminated from this report since the Implementing Entity's Management showed the proper supporting documentation concerning these costs.

2. The remaining costs included under management comments stay as part of this report, due to:

   (a) Violations to the terms of the monetization proposal, for instance, payment of the Honduran Government 7 percent sales tax.

   (b) The Implementing Entity's lack of supporting documentation necessary to demonstrate the eligibility of certain costs incurred.

   (c) In most cases, the noncompliance with proper purchasing procedures.

Ministry of Public Education

1. Comments made by the Ministry of Public Education concerning costs made through check numbers 444695, 444725, 856769, and 444604, were eliminated from this report since the Implementing Entity provided the supporting documentation missing in order to adequately document these costs.

2. The remaining costs mentioned under management comments by the Ministry of Public Education were included in this audit report, due to:

   (a) Instances of noncompliance with the monetization proposal's terms, such as the payment of the Honduran Government 7 percent sales tax.

   (b) Travel costs incurred for trips made outside of the geographic area established in the monetization proposal.

   (c) In some cases, the non compliance with proper purchasing procedures.

Ministry of Public Health

1. Regarding comments made by the Ministry of Public Health management regarding the suspense costs for L21,077, in later revisions, management provided us with the documentation of check number 269763 for L2,021 which was eliminated from this report. The remaining balance of L19,056 are part of this report due to the noncompliance with proper purchasing procedures.

2. The remaining costs mentioned under management comments by the Ministry of Public Health, were included in this report, due to:

   (a) In some cases, proper purchasing procedures were not followed.

   (b) Instances of noncompliance with the terms of the monetization proposal.

The entire text of the comments by CARE/Honduras and the Government of Honduras implementing entities' management is show as follows:

CARE INTERNACIONAL EN HONDURAS

Febrero 18, 1994
Admin # 7352

Señora
EMILY C. LEONARD
Directora
Oficina de Desarrollo
de Recursos Humanos
USAID/Honduras
Tegucigalpa, M.D.C.

Estimada Señora Leonard:

Adjunto sírvase encontrar respuesta al primer borrador del informe de auditoría realizado por la firma Price Waterhouse, referente a la monetización AF'90.

En espera de la información adicional solicitada para completar la respuesta al informe.

Atentamente,

HAROLD NORTHRUP
Director

PH/lcm

cc: Fernando Martínez
Gloria Manzanares
Correlativo

Apartado Postal 729 • Tegucigalpa, D. C., Honduras, C. A. • Cable CAREHOND • Teléfono Piloto 32-8601 • Fax 32-0913
Apartado Postal 87 • San Pedro Sula, Cortés Honduras, C. A. • Teléfonos 53-3374 – 52-5874 • Fax 53-3812

CARE HONDURAS / COMENTARIOS A LA AUDITORIA FONDOS MONETIZACION AF'90

Cumplimiento con los términos de la propuesta de monetización, leyes y regulaciones aplicables (página #29).

Introducción:

Tal y como lo señalan los antecedentes del Proyecto Monetización AF'90, CARE contempló únicamente monetizar Alimento Título II con el fin de cubrir sus lagunas presupuestarias en la operación de los programas Título II. Asímismo, se contempló en la propuesta la necesidad de estos fondos para fortalecer la capacidad logística y programática de CARE en la administración de los programas.

Cabe mencionar que CARE disponía del manual de Monetización con los lineamientos y la Regulación 11 para gestionar y comercializar el producto Título II; sin embargo, no existían lineamientos específicos operacionales para el manejo y creación de sistemas financieros y contables de los fondos. Por lo tanto, CARE tuvo que recurrir al uso de sus sistemas institucionales. A partir de la primera Monetización AF'90, CARE y el personal involucrado en la administración,programática y financiera, ha estado en proceso de aprendizaje y se han instalado los sistemas con una mejor comprensión e interpretación de las regulaciones y lineamientos a través de un proceso gradual donde las lecciones aprendidas han sido tomadas.

De esta forma consideramos que la administración programática y financiera ha mejorado sustancialmente a la fecha.

COMENTARIOS SOBRE HALLAZGOS:

Hallazgo 1

El sistema contable de CARE no requiere llevar cuentas bancarias separadas para determinar los gastos de un proyecto específico ya que CARE utiliza el sistema de contabilidad por fondo; en general CARE sigue la guía de auditoría para las organizaciones de Salud y Bienestar Social (sin fines de lucro). Por esta razón, cuando se recibieron los fondos de la monetización AF'90 se depositaron en una cuenta corriente. Hasta octubre de 1990 el remanente fue transferido a una cuenta que devenga intereses en el Banco de Honduras; desde ese momento todos los fondos de monetización están generando intereses.

Cumpliendo con el rol de CARE, se giraron instrucciones a la Secretaría de Salud Pública y Junta Nacional de Bienestar Social de trasladar dichos fondos a una cuenta que generara intereses. Sin embargo, solamente de la S.S.P. obtuvimos una respuesta afirmativa.

Hallazgo 4

En los meses de enero a junio de 1990 CARE pagó una parte de los salarios del Director, Sub-Director y del encargado de la oficina de San Pedro Sula, todos ellos personal internacional de CARE. Consideramos que estos sueldos son legítimos gastos del Programa de Monetización; el encargado de la oficina de San Pedro Sula y el Sub-Director de Proyectos fueron personas que trabajaron directamente en el Proyecto MITA/UFFW, misma situación con el Director aunque en una menor escala. Estamos concientes que estos gastos no fueron considerados en la propuesta.

Solicitamos nos autoricen estos gastos legítimos de Monetización en forma retroactiva.

COMENTARIOS SOBRE ESTRUCTURA DE CONTROL INTERNO (PAGINA #33):

Recomendación 1:

CARE posee un Manual de Control Interno, el cual se pone en práctica. Los problemas dados en la monetización AF'90 no se volvieron a suscitar.

CARE preparó un manual sobre el uso y manejo de los fondos de Monetización con el propósito de dar cumplimiento a su rol de monitoreador del uso de estos fondos. Se ha mejorado el manejo de los fondos por las contrapartes, pero aún existen problemas de tipo administrativo y de estructura para su completo cumplimiento.

COMENTARIOS SOBRE CUMPLIMIENTO CON LOS TÉRMINOS DE LA PROPUESTA DE MONETIZACION, LEYES Y REGULACIONES APLICABLES. (PAGINA #34):

Recomendación 4:

Consideramos valedera esta recomendación. Para futuro las listas de empleados pagados con monetización serán elaboradas y revisadas por administración y se enviarán a Contabilidad para tomar acción. Para los Proyectos de financiamiento provenientes de la Monetización AF'91 y 92, hojas de trabajo fueron preparadas en el Departamento de Alimentos para los Programas de Merienda Escolar y Materno Infantil, que contiene los nombres de los empleados y porcentajes pagados con estos fondos.

RESPUESTA A DETALLES DE COSTOS CUESTIONABLES (ANEXO A):

I. Sueldos y Beneficios Sociales

(a) En los meses de enero a junio de 1990 CARE pagó una parte de los salarios del Director, Sub-Director y del encargado de la oficina de San Pedro Sula, todos ellos personal internacional de CARE. Consideramos que estos sueldos son legítimos gastos del Programa de Monetización; el encargado de la oficina de San Pedro Sula y el Sub-Director de Proyectos fueron personas que trabajaron directamente en el Proyecto MITA/UFFW, misma situación con el Director aunque en una menor escala. Estamos concientes que estos gastos no fueron considerados en la propuesta.

Solicitamos nos autoricen estos gastos legítimos de Monetización en forma retroactiva.

(b) La monetización del 90 comenzó en noviembre de 1989, no obstante los pagos de salarios estaban siendo cubiertos en un 100% por otra entidad financiadora del proyecto MITA. Según la propuesta de monetización AF'90, se había contemplado pagar salarios con fondos provenientes de dicha Monetización razón por la cual se procedió en el mes de abril de 1990 a cargar gastos retroactivos en concepto de salarios, ya que esto debe ser un gasto compartido entre las entidades financiadoras del proyecto. Las planillas están a disposición de los auditores para su verificación, pero se debe entender que originalmente solo se estaban cargando gastos a una sola fuente de financiamiento, lo cual generó un sobregiro en el rubro de salarios.

(c) Necesitamos que nos identifiquen las referencias para proceder a justificar dicho gasto.

(d) Idem

II. Viáticos y otros gastos de viaje

(a) Idem

III. Combustibles y reparación de vehículos

(a) Idem

IV. Materiales y suministros

(a) Idem

(b) Idem

V. Gastos de contraparte

(a) Necesitamos que nos identifiquen las referencias para proceder a justificar dicho gasto y una aclaración en el párrafo que dice "no soportados con la documentación original".

(b) Se está buscando la documentación tanto en nuestras oficinas en Tegucigalpa como en San Pedro Sula.

ANTECEDENTES

El 10 de agosto de 1989 la USAID/Honduras aprobó la Propuesta presentada por CARE/Honduras para monetizar 3,099.7 TM de alimentos donados bajo el Programa Ley Pública PL 480 Titulo II, el producto de esta venta deberia usarlo las Unidades Ejecutoras en: fortalecer su capacidad logistica y administrativa, fondo de imprevistos en el transporte y manejo de alimentos, proyectos orientados al mejoramiento de la dieta básica y salud, de los beneficiarios atendidos en los programas manejados por las tres entidades gubernamentales involucradas en los programas de ayuda alimentaria Materno infantil y Merienda Escolar: Junta Nacional de Bienestar Social, Ministerios de Salud y Educación Pública.

Los fondos de monetización/90 asignados a la JNBS fueron L 857,126.00 con los cuales se financiaron dos actividades prioritarias, la primera, fortalecimiento del programa de Alimentación Complementaria Materno Infantil con L 267, 267.00 costeando transporte de los alimentos donados, pago de viáticos a supervisores de campo,compra de un vehiculo, equipo de cómputo y muebles de oficina.

La segunda fué el inicio del Proyecto Empresas Maternales (EMMAS), cuyo propósito es establecer microempresas, con servicios adicionales de nutrición, salud y educación para las madres y niños, asignándosele L 580,000.00. Dichos fondos estuvieron bajo la responsabilidad de los Jefes de los proyectos quienes adquirieron bienes y servicios de acuerdo a lo estipulado en la Propuesta, pero teniendo que tramitarse por la administración general de la institución.

Como la Monetización se ejecutó sobre la marcha no se brindó oportunamente a las Unidades Ejecutoras lineamientos, politicas y procedimientos para el uso de los fondos asignados.

El cambio de autoridades superiores e intermedias de la JNBS, a principios de 1991 retrasó aún más el desarrollo de las actividades programadas, tanto a nivel de campo como administrativas, por lo que en vista del corto tiempo disponible para efectuar las gastos previstos y tomando en cuenta la tardanza para la aprobar y ejecutar compras internamente, las cuales requieren un trámite de doce pasos antes de llegar al beneficiario final,se pidió autorización a la Secretaria General a fin de obviar este trámite y efectuar la compra directamente con la autorización de administración, Secretaria General y contando con el visto bueno de auditoria Interna, reduciendo el trámite a siete pasos.

Gran parte de las compras de materiales cuestionados, se adquirieron localmente a fin de ahorrar costos de transporte, y en algunas de las localidades donde se implementaron las Empresas Maternales carecen o existe un único proveedor que no cuenta con facturas, por lo que la negociación se efectuó verbalmente y el encargado pagó en efectivo pues en estas comunidades no existe un banco donde realizar las transacciones propias, por lo que se consideró suficiente la documentación presentada al momento de realizar la compra.

La liquidación de este fondo fué presentada a AID/CARE, las cuales no efctuaron ninguna objeción, aprobándosenos el segundo fondo monetización/91, para el cual si se nos proporcionó asistencia técnica contable, necesaria para implantar una adecuada estructura de control interno en el manejo de los fondos, superando las situaciones cuestionadas.

A continuación detallamos los cheques cuestionados:

MATERIALES Y SUMINISTROS

9/8/91 CH/00054 REYNA MARIA FORTIN L 15,237.00

El valor total de este cheque es de L 16,000.00 estableciendo costos cuestionables por L 15,237.00 , si bien es cierto que no se siguieron los procedimientos adecuados de compra se debió a la intención de obtener los materiales en forma expedita que permitieran la ejecución del Proyecto EMMAS , sin embargo la Jefe del Programa presentó en su oportunidad y en forma especifica el 13 de enero/92 la liquidación del fondo según consta en Memorandum dirigido al Jefe de Auditoria Interna en el cual se adjunta la documentación que ampara todas y cada una de las compras, incluyendo la copia del recibo 49076 de fecha 14/1/92 en donde la Doctora Fortin reintegra el valor no utilizado; por lo tanto consideramos que los fondos se usaron en la finalidad establecida en la propuesta.

MEJORAMIENTO FISICO

20/5/91 CH/92255 JORGE ALBERTO AGUILAR L 11,387.00
compra de madera

Esta madera y cemento fué utilizado en 45 Empresas Maternales de San Miguelito y San Marcos de la Sierra, departamento de Intibucá, no se encontró factura original por lo que se presentó fotocopia, adjuntamos también un detalle presentado por el Jefe Técnico del Módulo amparando los cheques Nos. 95328 y 95255, fotocopia de recibos de combustible para transportar los productos, autorización de pago y solicitud de compra de materiales. La compra total es de L 11,470.00 correspondiente a la adquisición de 7,647 pies de madera a un precio razonable en ese momento de L 1.50 por pié, existiendo un sobregiro de L 83.00 el cual no fué reconocido por la administración.

c,V

No se adjuntan cotizaciones pues en la localidad no existen suficientes proveedores, pero si la infrestructura donde se utilizaron los materiales adquiridos y que comprueba que se destinaron a la actividad presupuestada.

28/5/91 CH/95327 OSCAR AGUILAR L 5,563.00
compra de cemento

Esta compra corresponde a la adquisición de 404 bolsas de cemento para utilizarse 10 Empresas Maternales ubicadas en el área de influencia del Módulo 6 de Gracias Lempira, la factura original fué extraviada por lo que adjuntamos fotocopia de ésta y una liquidación original del Jefe de Módulo 6 que ampara el gasto de este cheque.

30/5/91 CH/95338 FERRETERIA RENE HANDAL L 12,196.00
Compra de lámina de zinc

Esta compra corresponde a la adquisición de 242 láminas acanaladas de zinc de 32X26X8 y 152 láminas acanaladas de 32X26 12 para utilizarse en las EMMAS de San Miguelito y San Marcos de la Sierra, departamento de Intibucá, no se encontró documentación pero adjuntamos fotocopia de la orden de compra, resúmen de tres cotizaciones, recibo de entrega del cheque, nota de remisión y constancia de la Ferreteria René J. Handal que la mercaderia fue comprada en su establecimiento la que sustituye la factura original y que evidencia la propiedad del producto.

25/5/91 CH/469262 LARACH Y CIA L 29,091.00
Compra de varilla de hierro, láminas de zinc y otros.

El volor original del cheque es de L 31,126.88 con el que se está adquiriendo, varilla de hierro, láminas de zinc y otros, se adjuntan facturas originales y fotocopias donde consta que los materiales fueron recibidos por las representantes de las Empresas Maternales de San Miguelito y San Marcos de la Sierra en el departamento de Intibucá, las cuales están firmados por ellas y algunas por el Tesorero Municipal quien las selló. con lo que se comprueba que los materiales llegaron a los lugares programados pudiéndose visitar los mismos y observar la infraestructura que se construyó.

20/5/91 CH/95256 OSCAR AGUILAR L 14,208.00
Compra de madera

Con este cheque se adquirieron 9,472 pies de madera para utilizarse en 10 EMMAS de Gracias Lempira, a un costo razonable de L 1.50, no se adjunta cotizaciones porque en el lugar no existen proveedores, pero sí factura original y liquidación del mencionado cheque presentada por el Jefe Técnico del Módulo Sr. Aguilar que evidencia que el material fué comprado para utilizarse en lo programado.

ACTIVOS FIJOS

31/1/91 ch/481506 SISTEMAS L 14,935.00
Compra estantes métalicos

Se adjunta factura y recibo original proporcionado por la empresa, no se encontraron cotizaciones ni ninguna otra documentación que ampare la compra, pero estos activos se encuentran en el departamento de documentación de la JNBS, en donde pueden evidenciar su presencia fisica.

29/8/91 ch/00062 ULTRAMOTOR L 139,645.00
compra de 11 motocicletas
Yamaha

Adquisición de 11 motocicletas para uso de los promotores de campo en los Modulos de la JNBS, se adjunta la factura original cuestionada, la que por un error de archivo no se encontró al momento de realizar la auditoria.

EQUIPO

8/8/91 CH/ 00056 DERIVADOS DE POLYOL L 38,000.00
15/8/91 CH/ 00058 DERIVADOS DE POLYOL L 38,000.00

Estos cheques amparan la compra de 1,000 colchonetas para ser utilizadas en 200 empresas maternales, solamente adjuntamos facturas originales No.11073 y 11068 y recibos 6283 y 6272, no presentamos cotizaciones ya que las dos fábricas restantes que producen estos productos no nos la proporcionaron, debido a que en ese momento no contaban con materia prima para fabricar las mismas a excepción de Derivados de Polyol que fué nuestro único oferente, comprometiéndose por la misma situación a entregarnos el pedido en dos partes, razón por la cual el pago se realizó en dos partes y en distintas fechas y cheques.

No se encontró nota de pedido ni de recepción en proveduria, pero la mayor parte de éstas fueron distribuidas en las comunidades, según consta en notas de remisión firmadas por las representantes de las EMMAS lo que evidencia que se emplearon en la actividad presupuestada. El resto no distribuido se encuentra en nuestras bodegas de El Estiquirin, donde puede evidenciarse fisicamente.

15/7/91	CH/0004	LEOPOLDO HERNANDEZ CRUZ compra piochas, palas y bolsas.	L 9,616.00

Todas las compras las efectuó directamente el Jefe del Módulo 7 de Erandique Lempira, en las localidades de Santa Rosa de Copán, La Esperanza Intibucá y Gracias Lempira, donde normalmente sólo existe un proveedor por lo que no se obtuvieron cotizaciones, el resto de los articulos cuestionados se obtuvieron en San Pedro Sula en parte por desconocimiento de procedimientos administrativos del Jefe del Módulo y otra por aprovechar su paso por la ciudad de San Pedro Sula en su retorno a Erandique donde no existen establecimientos comerciales para adquirir estos productos y ahorrar tiempo y viáticos. Adjuntamos facturas originales y notas de remisión firmadas por las representantes de las EMMAS en las comunidades, con lo que se evidencia que los fondos se destinaron a la actividad presupuestada.

12/6/91	CH/95652	TEXTILES RIO LINDO compra de 1,000 toallas	L 10,000.00

No se encontró la factura original, por lo que adjuntamos constancia original proporcionada por Textiles Rio Lindo en donde certifica la validez de la transacción efectuada,también se adjuntan fotocopias de las notas de recepción, recibos, notas de recepción firmadas por las representantes de las EMMAS en las comunidades, el resto se encuentra en las bodegas de El Estiquirin, con lo que se demuestra que el proyecto tiene propiedad sobre las mismas.

GASTOS DE CAPACITACION

26-11-90	CH/469203	MINA MAHOMAR compra de tela	L 8,000.00

Adjuntamos factura y original por la compra de 1,000 yardas de pelon para la producción de materiales utilizados en los talleres de capacitación y confección de rotafolios para uso de las Empresas Maternales del departamento de Lempira e Intibucá.

7/12/90	CH/469211	GLORIA HERNANDEZ	L 4,340.00
7/12/90	CH/469212	GLORIA HERNADEZ	L 4,340.00

Estos valores fueron utilizados en capacitar 40 mujeres que manejarian las EMMAS, 20 en San MIguelito y 20 en San Marcos de la Sierra, se adjunta planillas de las participantes, presupuestos, programa desarrollado, informe de la capacitación y temario de capacitación, con lo que se demuestra que la cantidad asignada se utilizó en la actividad programada.

21/12/90	CH/469218	GLORIA HERNANDEZ pago de aguinaldos	L 2,000.00

Con este valor se pagaron los aguinaldos de 6 capacitadoras, se adjuntan los recibos originales que acreditan dicho pago, no encontramos contratos de trabajo ni ninguna otra documentación que respalde esta transacción.

21/12/90	CH/469219	GLORIA HERNANDEZ pago de servicios	L 4,500.00

Con este valor se pagaron los servicios profesionales de 5 capacitadoras correspondientes al mes de diciembre/90, se adjuntan los recibos originales.- No encontramos contratos de trabajo ni ninguna otra documentación que respalde esta transacción.

25/1/91	CH/469238	ELISA PATRICIA GODOY pago servicios	L 2,000.00

Con este valor se pagaron los servicios profesionales de 4 capacitadoras correspondiente al mes de enero/91, se adjuntan recibos originales, no encontramos contratos de trabajo ni ninguna otra documentación que respalde esta transacción.

25/1/91	CH/469245	MANUEL RODRIGUEZ varios	L 3,000.00

Este fondo se asignó para gastos en gira de supervisión a los municipios de San Miguelito, La Esperanza y San Marcos de la Sierra, para proporcionaar seguimiento y materiales a los grupos organizados, se adjuntan recibos originales y desglose de gastos.

25/1/91	CH/469245	MANUEL RODRIGUEZ gastos seminario taller	L 2,000.00

Con este fondo se cubrieron gastos de seminario taller, se adjunta planilla de participantes.

26/1/91	CH/481531	CELESTE PONCE	L 3,000.00

Pago a cinco capacitadoras correspondiente al mes de febrero/91, se adjuntan recibos originales.

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22/3/91 CH/481536 GLORIA HERNANDEZ L 3,000.00

Pago a cinco capacitadoras correspondiente al mes de marzo/91, se adjuntan recibos originales, no encontramos ninguna otra documentación que ampare esta transacción.

22/3/91 CH/481538 ALIMENTACION COMPLEMENTARIA L 13,250.50

Es una transferencia que se hizo a la cuenta del Programa de Alimentación Complementaria Materno Infantil, ya que se utilizaron fondos de ésta para cubrir gastos de capacitación, viáticos, tranporte y capacitación, se adjunta detalle de los gastos, no encontramos ninguna otra documentación.

15/2/91 CH/481517 ALIMENTACION COMPLEMENTARIA L 6,126.03

Este es igual al anterior se adjunta detalle.

COMENTARIOS:

En los costos cuestionables correspondientes a la JNBS inciso I aparece L 1,235.00 por concepto de viáticos y otros gastos de viaje de los cuales no hay evidencia de autorización, ni liquidación, este valor no se pudo desvanecer por no estar descrito en las referencias proporcionadas por la Firma Auditora.

Inciso V, se refiere a L 35,891.00 por Impuesto sobre ventas pagado en las diferentes compras realizadas, el cual a nuestro criterio no es aplicable debido a la puesta en vigor del Decreto 18-90 Ley del Ordenamiento Estructural de la Economia. Capitulo III, Articulo 15, se adjunta fotocopia. En su oportunidad consultamos telefónicamente al Ministerio de Hacienda sobre la aplicación o no del mencionado decreto a las compras efectuadas por la JNBS, se nos contestó que todas las instituciones tenian obligación de pagar el impuesto, y ateniéndonos al Convenio firmado entre el Gobierno de Honduras y Care Internacional para la ejecución del Proyecto de Monetización el cual no estipula ninguna exención al respecto. Pero si este gasto no es aceptado procederemos a pedir el reintegro del Gobierno de Honduras ya que la JNBS no goza de este privilegio.

22/3/91 CH/481536 GLORIA HERNANDEZ L 3,000.00

Pago a cinco capacitadoras correspondiente al mes de marzo/91, se adjuntan recibos originales, no encontramos ninguna otra documentación que ampare esta transacción.

22/3/91 CH/481538 ALIMENTACION COMPLEMENTARIA L 13,250.50

Es una transferencia que se hizo a la cuenta del Programa de Alimentación Complementaria Materno Infantil, ya que se utilizaron fondos de ésta para cubrir gastos de capacitación, viáticos, tranporte y capacitación, se adjunta detalle de los gastos, no encontramos ninguna otra documentación.

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OBSERVACIONES DE LA AUDITORIA DE LA PRICE WATERHOUSE SOBRE EL CUMPLIMIENTO CON LOS TERMINOS DE LA PROPUESTA DE MONETIZACION, LEYES Y REGULACIONES APLICABLES (Pag. 27 del Informe).

OBSERVACIONES DE LA AUDITORIA DE PRICE WATERHOUSE

1.- La Administración de CARE/Honduras y de las unidades ejecutoras del Gobierno de Honduras no depositaron los fondos provenientes de la monetización de productos en una Cuenta Bancaria que generara intereses , lo cual no está de acuerdo con los términos de la propuesta de monetización (Hallazgo No. 1)

COMENTARIOS DEL SAEH

Esta situación no aplica para el SAEH por cuanto tiene depositados sus fondos en cuentas que generan intereses, el Banco Sogerin Cuenta No. 10-20-00241-3.

OBSERVACIONES DE LA AUDITORIA DE PRICE WATERHOUSE

2.- Las compras efectuadas por el proyecto incluyen el 7% sobre ventas, lo cual está prohibido por las regulaciones de la AID y el convenio entre CARE/Honduras y el Gobierno de Honduras. (Hallazgo No. 2).

COMENTARIOS DE SAEH

El SAEH, a raíz de la emisión por parte del Gobierno de Honduras del decreto 18-90 en el mes de marzo de 1990 , realizó consultas con la Asesoría Legal de la Dirección General de Tributación , quienes fueron de la opinión basados en el artículo 15 de este decreto, que debe pagarse el impuesto s/ventas. (Se adjunta copia del decreto 18-90 de la Ley de Ordenamiento estructural de la Economía).

RECOMENDACIONES DE LA AUDITORIA DE LA PRICE WATERHOUSE SOBRE LA ESTRUCTURA DE CONTROL INTERNO (Pag. 33 del Informe)

RECOMENDACION 1.

La Administración de CARE/Honduras y de las unidades ejecutoras del Gobierno de Honduras deben requerir que la AID les proporcione la asistencia técnica contable necesaria para implantar una adecuada estructura de control interno para el manejo de sus proyectos.

COMENTARIOS DE SAEH

A partir del mes de febrero de 1993, CARE inició un proceso de capacitación en el área contable -administrativa a las unidades ejecutoras. En esa misma fecha SAEH contrató los servicios de un Contador para el programa.

Estas acciones y la creación de un manual de procedimientos administrativos y financieros ha mejorado substancialmente el control y ejecución de los fondos de monetización en el SAEH.

RECOMENDACION 2

La administración de las unidades ejecutoras deben girar instrucciones por escrito a todos los empleados con respecto a las limitaciones para el uso de los activos del proyecto y establecer políticas y procedimientos para la adquisición y uso de los mismos.- Los activos solamente deben ser usados en actividades establecidas en la propuesta de monetización.

COMENTARIOS DE SAEH

En este aspecto SAEH ha girado las instrucciones precisas y necesarias a todo el personal en relación con el uso de los activos del programa los cuales solo pueden ser utilizados en actividades propias del SAEH.- Existen procedimientos ya establecidos para la adquisición y uso de los mismos, a manera de ejemplo se adjunta copia del contrato de uso y mantenimiento de un vehículo y acta de asignación de equipo, al supervisor de merienda escolar, asignado

DIRECCION GENERAL DE EDUCACION PRIMARIA

SECRETARIA DE EDUCACION PUBLICA

con sede en Santa Ro:

RECOMENDACION 3

La administración de las unidades ejecutoras deben designar a un funcionario la responsabilidad por la adecuada supervisión del pago de viáticos, con el objeto de asegurar el cumplimiento apropiado con el reglamento de viáticos vigentes.

COMENTARIO DEL SAEH

Dentro del SAEH existe actualmente un funcionario con responsabilidad de supervisar la asignación y pago de viáticos, de acuerdo con el reglamento de viáticos vigente.

Se adjunta copia de la tabla de viáticos aprobada por la Dirección General de Educación Primaria para los funcionarios y empleados del SAEH, con fondos provenientes de la monetización de alimentos de la Ley Pública 480 Título II.

RECOMENDACION 4

La administración del proyecto debe implementar inmediatamente procedimientos escritos apropiados para controlar la utilización de repuestos y reparaciones de los vehículos y vigilar estrechamente dichos procedimientos .- Adicionalmente, AID debe solicitar a la administración de la unidad ejecutora del Ministerio de Educación Pública el reembolso del costo de los repuestos usados en vehículos que no pertenecen al proyecto.

COMENTARIOS DEL SAEH

El SAEH tiene implementados procedimientos escritos apropiados para controlar la utilización de repuestos y reparaciones de los vehículos asignados para actividades del programa de Merienda Escolar . Se adjunta copia de los documentos de control al respecto.

El procedimiento que se sigue para controlar la utilización de repuestos y reparaciones en vehículos es la siguiente:

1.- El Supervisor de Merienda Escolar o la persona responsable por

el uso del vehículo debe llenar la orden de servicio adjunta, en la cual hace referencia a los detalles que de acuerdo a su criterio deben ser objeto de reparación. Esta orden de servicio es aprobada por la Jefatura del SAEH.

2.- Una vez aprobada la orden de servicio por la Jefatura del SAEH, el vehículo es enviado al taller mecánico para que este, efectúe el diagnóstico correspondiente presentando el detalle de los repuestos que se requieren para su reparación.

3.- Con la lista de repuestos el SAEH procede a efectuar las cotizaciones correspondientes y hacer la compra respectiva.

4.- Comprados los repuestos, estos se entregan al taller mecánico bajo inventario al igual que el vehículo que se va a reparar.

En un acápite aparte se da contestación a lo que la Auditoría recomienda en el sentido que el AID debe solicitar a la administración de la unidad ejecutora el reembolso del costo de repuestos usados en vehículos que supuestamente no pertenecen al SAEH.

OBSERVACIONES DE LA AUDITORIA DE LA PRICE WATERHOUSE
(CUADRO RESUMEN)

I. VIATICOS Y OTROS GASTOS DE VIAJE L. 16,251.00

a) Compras realizadas para el componente de activos productivos por las cuales no se siguieron sanas prácticas de compras que permitan evaluar la razonabilidad de los precios de compra ya que las mismas carecen de aprobación escrita, cotizaciones, órdenes de compra y evidencias de que los materiales comprados fueron recibidos y entregados a las personas responsables.

COMENTARIOS DEL SAEH

En esta caso resulta difícil para el SAEH poder identificar estos gastos, en consecuencia necesitamos que la PRICE WATERHOUSE nos haga referencias específicas sobre los gastos para poder identificarlos y hacer los comentarios al respecto.- Sin embargo conviene señalar que la mayoría de las compras de materiales utilizados en la implementación de proyectos productivos en las escuelas, fueron realizadas en las zonas donde se ejecutaron los proyectos, las cuales por su carácter

rural no ofrecen una amplia oferta de servicios.

Consideramos que las mejores evidencias de que los materiales e insumos adquiridos para los proyectos productivos fueron recibidos por las personas responsables de estos proyectos a nivel de las escuelas, están en las mismas escuelas donde se han implementado los proyectos, de esto pueden dar fe los supervisores auxiliares de esos distritos escolares y los Directores y Maestros de escuelas.

El SAEH está abierto a cualquier investigación que al respecto quiera hacerse.

II. COMBUSTIBLE Y REPARACION DE VEHICULOS L. 6,667.00

a) Compra de repuestos los cuales fueron utilizados para reparar vehículos del Ministerio de Educación lo cual está prohibido por las regulaciones de el AID y los términos de la propuesta de monetizacion.

COMENTARIOS DEL SAEH

- El informe de auditoría elaborado por la Price Waterhouse establece que los fondos de monetización fueron utilizados por el SAEH en la reparación de vehículos que no son propiedad de SAEH, lo cual no es cierto en vista que todos los vehículos en los cuales se han efectuado gastos de reparaciones son propiedad del SAEH. Se adjunta copia del convenio de donación de vehículos proporcionados por CARE al Ministerio de Educación Pública bajo el proyecto OUTREACH para ser utilizados en el Programa de Merienda Escolar que ejecuta el SAEH . Asímismo se adjuntan los documentos de donación de otros dos vehículos donados por CARE a SAEH.

  En el presupuesto de la propuesta aprobada por CARE y USAID para ser financiada con fondos de monetización , se incluye el rubro de mantenimiento y reparación de estos vehículos.

  De acuerdo a lo expuesto en el informe de auditoría se desliga al SAEH de la estructura del Ministerio de Educación Pública lo cual no es correcto.

- El informe de auditoría contempla además que se compraron repuestos para reparar la bomba de inyeccción de un vehículo propiedad del Ministerio de Educación con una frecuencia aparentemente en exceso de las necesidades razonables de dicho vehículo lo cual se desvirtua completamente puesto que se trata de las reparaciones de dos bombas de inyección correspondientes a dos vehículos distintos y que son propiedad del Ministerio de Educación Pública asignados al SAEH como unidad ejecutora del Programa de Merienda Escolar por ejemplo la primera reparación de la bomba de inyección que se efectuó el 14 de enero de 1991 por la Cía. SUPERCAR S.A. de C.V. a un costo de L. 1,433.69 corresponde al vehículo Toyota Land Crussier color azul Placa No. 6514 (actualmente la nueva placa es N-9685) tal como se detalló en el informe de gastos del primer desembolso de fondos de monetización 90 enviado a CARE .

- La reparación de la otra bomba de inyección realizada el 12 de febrero de 1991 por la misma Cía. Supercar a un costo de L. 1,622.29 y no de L. 1,523.00 como establece el informe de auditoría , corresponde al vehículo Jeep Land Crussier donado por CARE en enero de 1991. También conviene señalar que en las órdenes de trabajo emitidas por SUPERCAR se indica el No. de serie de la bomba de inyección a reparar y que en este caso se adjunta copia de tales órdenes donde se refleja que el número de serie de la primera bomba reparada en el mes de enero es 7 B0223 del vehículo Placa N-6514 y la reparada en el mes de febrero el No. de serie es 1S0055 y que coresponde al vehículo Toyota Jeep Land Crussier donado por CARE en ehero de 1991 con Placa Particular 148614, actualmente Placa N-13988. Lo anterior puede ser constatado al revisar las bombas de inyección de los vehículos a que se hace referencia.

- Estamos también remitiendo un detalle de todos los vehículos asignados al SAEH y que son utilizados para las actividades del Programa de Merienda Escolar , en el mismo se hace referencia al tipo de vehículo, No. placa actual y anterior, zona donde está asignado y la condición actual de dicho vehículo. Aprovechamos la oportunidad para solicitar que se integre una comisión de AID, CARE y PRICE WATERHOUSE para que se constate en la realidad el estado y condición de los vehículos asignados al SAEH.

III. FORTALECIMIENTO INSTITUCIONAL

a) Gastos realizados en la remodelación del edificio del SAEH los cuales no están soportados por orden de compra, cotizaciones y comprobantes de recepción L. 16,000.00.

COMENTARIOS DEL SAEH

A este respecto el SAEH recibió 3 ofertas de servicio y los pagos fueron realizados de acuerdo al avance de la obra, no se efectuó orden de compra en vista de que el mecanismo de ejecución de estos fondos es directo , diferente al que se utiliza con fondos del gobierno central que es a través de órdenes de compra.

b) Compra de una computadora e impresora por las cuales no se siguió un procedimiento adecuado de compras, ya que las mismas están soportadas con cotizaciones realizadas por la Junta Nacional de Bienestar Social y además tienen fecha diferente 11 de octubre y 17 de diciembre de 1990 L. 28,802.00.

COMENTARIO DEL SAEH

La compra de una computadora e impresora fue soportada con cotizaciones realizadas por la Junta Nacional de Bienestar Social, en vista que la JNBS. tenía en ese entonces la coordinación del Comité Interinstitucional de apoyo a los programas de alimentación complementaria materno infantil y merienda escolar y se pensaba realizar la compra del equipo de cómputo de la J.N.B.S. y SAEH en forma conjunta (5 J.N.B.S. y 1 de SAEH) para lograr mejores precios. Por problemas internos surgidos en la J.N.B.S., ésta no efectuó la compra y el SAEH se amparó en las cotizaciones ya realizadas para adquirir su equipo de cómputo.

c) Papelería y útiles comprados para el componente de fortalecimiento institucional los cuales no están soportados con órdenes de compra, cotizaciones y comprobantes de recepción de los materiales adquiridos. L. 18,213.00.

COMENTARIO DE SAEH

El SAEH requiere que se haga referencia específica para identificar el gasto, porqué, la cantidad consignada por

Price Waterhouse de L. 18,213.00 no coincide con los gastos efectuados por concepto de papelería y útiles.

En estos casos tampoco se utiliza la modalidad de órdenes de compra que tiene el gobierno central , ya que el sistema utilizado es de compra directa una vez realizadas las cotizaciones

IV. ACTIVOS FIJOS

a) Compra de repuestos para reacondicionar un vehículo propiedad del Ministerio de Educación Pública . El proyecto no solicitó autorización de AID ni de CARE/Honduras para proporcionar estos repuestos al Ministerio de Educación Pública . L. 5,144.

b) Compra de repuestos para reparar la bomba de inyección de un vehículo propiedad del Ministerio de Educación con una frecuencia aparentemente en exceso de las necesidades razonables de dicho vehículo.

COMENTARIOS DEL SAEH

Estas observaciones son repetitivas con la realizada en el rubro de combustibles y reparación de vehículos con un valor de L. 6,667.00, Puesto que se trata de los mismos gastos sobre los cuales las observaciones ya están hechas en su rubro correspondiente.,

V. PAGO IMPUESTO S/VENTAS

(Ver comentario de SAEH en relación a las observaciones de la Auditoría sobre el cumplimiento con los términos de la propuesta de monetización, leyes y regulaciones aplicables).

VI. GASTOS DE CAPACITACION

a) Viáticos pagados por giras realizadas fuera del área geográfica del proyecto, ejemplo: Olancho, El Paraíso, San Pedro Sula y la Ceiba.

b) Viáticos por los cuales no fue posible revisar lo cálculos debido a que la administración del proyecto no cuenta con

la información relacionada con los sueldos y las categorías del personal que realizó los viajes. L. 12,335.00.

COMENTARIO DEL SAEH

a) En el plan operativo de la propuesta de monetización AF-90 en el área de capacitación , se contempla la capacitación a 18 supervisores departamentales y 190 supervisores auxiliares, o sea que en este rubro la cobertura es a nivel nacional. Por otra parte necesitamos referencias específicas para poder identificar el gasto en las zonas indicadas en la observación de la auditoría.

b) En vista de que los supervisores departamentales, auxiliares, Directores y Maestros de escuelas se rigen por la Ley de escalafón del Magisterio , el SAEH para efectos de asignación de viáticos en las capacitaciones realizadas con fondos de monetización AF-90, trabajó en base a promedios salariales de los supervisores departamentales y auxiliares, negociando con ellos, ante la poca disponibilidad de fondos de ese entonces, cantidades más bajas que las que contempla el reglamento de viáticos vigente. (se adjunta constancia emitida por la jefatura de personal del Ministerio de Educación sobre los promedios salariales de supervisores departamentales y auxiliares).

Conviene señalar que para las futuras asignaciones de viáticos en materia de capacitación para supervisores departamentales , auxiliares , Directores y Maestros de escuelas, la Dirección General de Educación Primaria aprobó una tabla de viáticos para ser aplicable con fondos provenientes de monetización, con lo cual se estaría evitando problemas en este aspecto. (se adjunta copia).
Además de lo anterior necesitamos referencias específicas de cada gasto para poder identificarlo.

OF. No. 047-94

Tegucigalpa, D.C.
11 de Marzo de 1994

Sra.
Emily C. Leonard
Directora Desarrollo de Recursos Humanos
USAID
Su Oficina

Estimada Sra. Leonard:

En relación a su Oficio de fecha 18 de Enero de 1994, le estamos informando sobre la revisión y discusión en nuestra Institución de los resultados de la Auditoría realizada el año pasado por Price Waterhouse sobre el Proyecto de Monetización Título II 1991.

OBSERVACIONES Y COMENTARIOS EN RELACION A LA ESTRUCTURA DE CONTROL INTERNO:

Dentro de las actividades llevadas a cabo por esta Dirección de Alimentación y Nutrición se incluyó el fortalecimiento de supervisión a través del entrenamiento de personal en la administración del Programa Materno Infantil, este fue proporcionado a todo el personal institucional del Nivel Central, Nivel Regional y Nivel Local.

El componente educativo fue apoyado a través de la distribución de material educativo, alimentos salud a los beneficiarios del programa y miembros de la comunidad.

En las estructuras de control interno de entrega del material educativo en algunos casos no se utilizaron los procedimientos adecuados como ser:

Constancias de entrega de materiales, número de cotizaciones ó sea actas de recepción, debido a la urgencia de las Regiones Sanitarias y el personal encargado de querer manejar estas entregas de manera eficiente en nuestro caso esta fue la situación ya que los comprobantes como son facturas, recibos, sí están en nuestro poder las respectivas fotocopias y en el Informe de la Price Waterhouse aparecen VEINTIUN MIL SETENTA Y SIETE LEMPIRAS EXACTOS (Lps. 21,077.00), por la situación antes expuesta.

OF. No. 047-94

Los fondos del proyecto en relación a la reparación de los vehículos, sí fueron manejados de manera eficiente porque los vehículos autorizados para reparación sí forman parte de los asignados a ésta Dirección a Nivel Central y Nivel Regional y en ningún momento se repararon vehículos no asignados al Programa Materno Infantil, y nos aparece en el Informe un valor de CINCO MIL DOSCIENTOS DOCE LEMPIRAS EXACTOS (Lps. 5,212.00) a desvanecer.

En el tercer caso, en la compra de combustible por un error involuntario no se enviaron los comprobantes y están en nuestro poder y al igual que los que acreditan lo expuesto están disponibles para ser revisados en el momento que estimen conveniente el valor asciende a DOS MIL SESENTA Y SIETE LEMPIRAS EXACTOS (Lps. 2,067.00).

En todo lo anterior expuesto pagamos el 7% que es el Impuesto sobre ventas, no depositamos los fondos provenientes de la monetización en una cuenta bancaria que generara intereses, pero esto fue debido a que no se cumplió con el rol de evaluaciones intermedias ni al final del proyecto para corregir lo que no estabamos cumpliendo debido a la falta de comunicación en ese momento.

Por lo anterior CARE nos brindó capacitación al personal administrativo de esta Dirección de Alimentación y Nutrición en Enero del año de 1992 en la adecuada estructura de control interno del Proyecto en mención muy satisfactoriamente y se está trabajando con los nuevos fondos con este procedimiento. A la vez se nos entregó el manual respectivo para el manejo de los fondos con el cual se capacitó y a la fecha CARE nos presta toda la colaboración para el buen funcionamiento de la administración de los fondos.

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Agradeciendo su atención a la presente, atentamente.

LIC. MOISES SANCHEZ HERNANDEZ
DIRECTOR INTERINO

cc: Lic. Luis Alonso López Benitez. Viceministro de Salud
cc: Sr. Harold R. Northrup. Director de CARE Intern. en Hond.
cc: Lic. Gloria Manzanares. Gerente Programa de Alimentos
cc: Administración DAN
cc: Archivo