

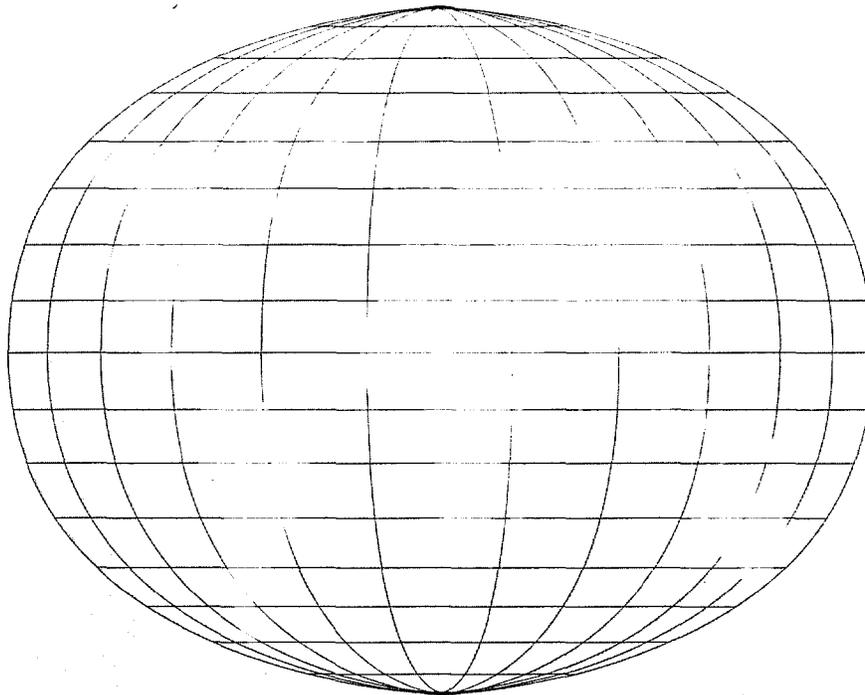
Report of Audit

PD-ABN-817

93263

Audit of USAID/Sarajevo's
Municipal Infrastructure and Services Program
for the Period
May 4, 1996 to December 31, 1996

Audit Report No. B-168-97-003-P
March 26, 1997



Regional Inspector General
Budapest, Hungary

**OFFICE OF INSPECTOR GENERAL
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**



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March 26, 1997

MEMORANDUM

TO: USAID/Sarajevo, Craig G. Buck

FROM: RIG/Budapest, James R. Bonnell *James R. Bonnell*

SUBJECT: Audit of USAID/Sarajevo's Municipal Infrastructure and Services Program for the Period May 4, 1996 to December 31, 1996

This is our final report on the subject audit. In preparing the report, we considered your comments on the draft report and included them at Appendix II. The report concludes that the implementation of the Municipal Infrastructure and Services Program is on a pace that, if maintained, should complete the construction targets well in advance of the 4½ years originally established for the program, and no major problems were identified.

Three preliminary audit findings were issued during the reporting period (see Appendix V for a summary). The Mission took corrective action on all of the preliminary findings and recovered \$378,358 in contractor overpayments. This report makes no new recommendations.

Thank you for the assistance and courtesies extended to my staff during the audit.

Background

Bosnia-Herzegovina declared its independence from the former Socialist Republic of Yugoslavia in March 1992, following the lead of Slovenia and Croatia which declared independence in 1991. The move to independence precipitated a war in Bosnia-Herzegovina that lasted from 1992 to the cease-fire agreement of October 10, 1995. Bosnia-Herzegovina was one of six republics in ex-Yugoslavia, with a prewar population of 4.4 million. Of these, 43.7 percent were Muslim Slavs, 31.4 percent were Bosnian Serbs, and 17.3 percent were Bosnian Croats. Per capita income was \$1,900.

After the cease fire agreement, Bosnia-Herzegovina was faced with consolidating the peace and reconstructing its war-torn economy, an enormous task as evidenced by the following problems:

- At least 2.4 million people needed assistance out of the Bosnia-Herzegovina's population of three million. There were more than 300,000 pensioners, 120,000 disabled, 140,000 orphans and widows, 800,000 displaced persons, and more than one million returning refugees.
- More than 60 percent of the apartments in Bosnia-Herzegovina were destroyed, and in some municipalities, the number was higher.
- More than 50 percent of the health facilities were damaged, and the number of hospital beds dropped by 50 percent during the war from six per 1,000 to three per 1,000.
- Damage of water and sewer networks posed a major public health hazard.

In addition to financing needed repairs to the infrastructure and providing social services, the government faced large private claims and large claims for wages and pensions. The economy was demonetized during the war when doctors, teachers, and other public sector professionals did not receive wages for three years.

House Joint Resolution 170 (Public Law 104-122) appropriated \$198 million for Bosnia-Herzegovina on March 29, 1996. These funds are to be used for economic revitalization (\$145 million), police training and monitors (\$45 million), demining (\$5 million), and operating expenses (\$3 million).

In early May 1996, the Assistant Administrator for the Bureau of Europe and the New Independent States authorized the 4½-year \$182 million Municipal Infrastructure and Services (MIS) program to assist in Bosnia-Herzegovina's recovery. These funds are to be used for financing the reconstruction of community infrastructures and supporting the return of displaced persons and demobilized soldiers to their homes. This program also supports the implementation of the Dayton Peace Accords to help stabilize Bosnian communities damaged by the war and to create a basis for return to normal civilian life that is conducive to permanent peace. On May 9, 1996 a grant agreement was signed between the United States and Bosnia-Herzegovina to obligate the initial \$23 million for this program. In early July 1996, USAID transferred the \$23 million to Bosnia. Additional funding of \$35 million for the MIS was provided in September 1996.

Audit Objective and Scope of Work

The objective of this ongoing audit was to answer the following question:

- **Did USAID/Sarajevo and the implementing contractor use economic revitalization assistance funds designated for the Municipal Infrastructure and Services Program for the purposes authorized under the Grant Agreement and Public Law 104-122?**

The Office of the Inspector General plans to issue quarterly reports on the Municipal Infrastructure and Services Program. This is the first report on that Program. Appendix I contains a discussion of the scope and methodology for the audit.

Audit Findings

Did USAID/Sarajevo and the Implementing Contractor Use Economic Revitalization Assistance Funds Designated for the Municipal Infrastructure and Services Program for the Purposes Authorized Under the Grant Agreement and Public Law 104-122?

For the items tested, USAID/Sarajevo and the implementing contractor were using the economic revitalization assistance funds designated for the Municipal Infrastructure and Services (MIS) program for the purposes authorized under the MIS grant agreement and Public Law 104-122.

MIS Program - What can funds be used for?

After the collapse of Yugoslavia and during the ensuing four-year war, there was no investment in new infrastructures in Bosnia-Herzegovina. Also, maintenance and repair of existing infrastructures were neglected except for emergency measures. More devastating, however, was the direct damage to the infrastructure as the result of the war. Typical damage caused by the war is illustrated on page 6 in the "before and after" pictures of a health center located in Gojcino, a small village near Tuzla in the U.S. Stabilization Force sector. This center was rebuilt under the MIS program at a cost of about \$44,600.

Infrastructure projects eligible to receive assistance under the MIS program include water resources, sanitation, electric power, transportation (local roads and bridges), communication, and public services such as school and health clinics. During fiscal year 1996, reconstruction of housing was not eligible because USAID funded a \$25 million Emergency Shelter Program to rehabilitate existing housing. However, beginning in fiscal year 1997, shelter projects may be eligible for funding under the MIS program.

Over the 4½-year MIS implementation period, the following construction targets were established:

- Sixty-five municipal infrastructure projects, costing approximately \$1.5 million each, for a total of \$97 million;
- Forty small infrastructure projects, costing about \$2 million in total; and,
- Thirty-two shelter rehabilitation projects with about 200 houses per project that cost about \$7,000 per house, for a total of 6,400 rehabilitated shelters costing \$45 million.

These targets changed during 1996 as the program developed. For example, USAID approved (1) a \$23.7 million energy project to rehabilitate the Kakanj Power Plant and Vrliste Mine that supports coal production for the Plant and (2) 111 small Community Infrastructure Rehabilitation Projects (CIRPs) that employ demobilized soldiers. Neither of these activities was part of the targeted projects listed above. In addition, according to Mission officials, shelter rehabilitation projects may not be done. The planned expenditures over the life of the MIS for infrastructure projects will total \$144 million.

MIS Status - What were funds used for?

As of December 31, 1996, USAID/Sarajevo obligated and disbursed \$58 million to Bosnia-Herzegovina to implement the MIS projects. USAID/Sarajevo also identified and approved for funding:

- 38 major projects valued at \$50.1 million in five public sector areas: energy, transportation, water resources, education, and health; and
- 111 small (about \$50,000 each) Community Infrastructure Rehabilitation Projects (CIRPs) with a value of \$4.4 million.

In the seven months since the MIS Program was authorized, USAID approved a total of 149 projects for \$54.5 million.

The Ralph M. Parsons Company (Parsons) was competitively selected to implement the MIS program and USAID signed a cost-plus-fixed-fee contract with them on June 10, 1996. Parsons' advance team arrived in Sarajevo on June 26, 1996 to begin implementing the program and, as of December 16, they had a staff of 41 expatriates assigned to Bosnia.

As of December 31, 1996, Bosnia-Herzegovina had transferred \$31 million to Parsons for 35 MIS projects and 94 CIRPs. Using these funds, Parsons issued:

- 37 subcontracts to implement MIS projects;
- 94 subcontracts for the CIRPs totaling \$14.2 million; and
- 76 purchase orders for project commodities valued at \$19.9 million.

Construction work was underway for 31 MIS projects and the work was essentially complete on four projects. In addition, subcontractors completed 44 of the CIRPs as of December 31, 1996 but because of the cold weather, minor repairs will have to be done on some of these projects

but because of the cold weather, minor repairs will have to be done on some of these projects before they are officially closed. See Appendix III for additional information on the status of the MIS program.

Results of Audit Tests

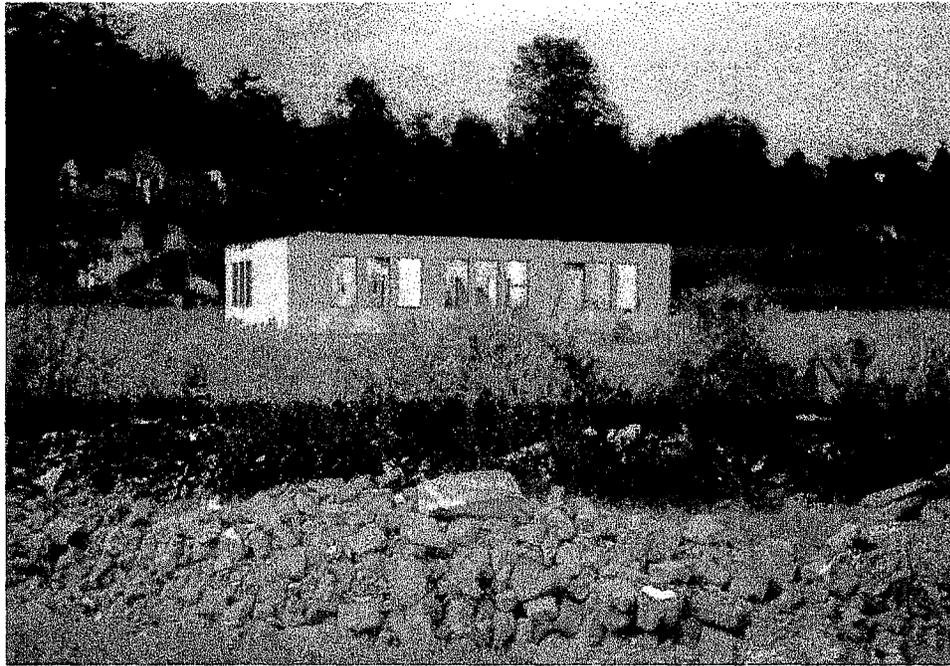
Since this was the first period covered by our audit, much of our audit work was focused on obtaining an understanding of the internal control structure for the project and obtaining information on the status of project activities. Appendix I contains a more detailed description of our audit scope and methodology.

During this period, we tested contractor invoices and selected subcontracts. These tests disclosed one major control weakness—USAID/Sarajevo's program office did not have adequate procedures to detect duplicate payments. We also identified potential over billings by the contractor in the amount of \$373,834. Based on these audit test results, we issued three preliminary audit findings to USAID/Sarajevo. The Mission took corrective action on all of the preliminary findings and recovered \$378,358 in overpayments from the contractor. Since the Mission has taken final actions with respect to our preliminary findings we are not making any formal recommendations in this report. (Appendix V contains a summary of the audit findings reported to USAID/Sarajevo during this period.) For tracking purposes and to comply with the Inspector General Act of 1978, as amended, we have included a list of recommendations and their status (see Appendix VII) that were submitted with the preliminary findings.

During this period, we also visited project sites to verify the project's existence, construction status, and subcontract amount, and the monitoring done by USAID and the contractor. We inspected 12 of the 149 projects. No major problems were identified at the 12 projects visited. However, work was done at many of these projects during the winter months and some minor repairs, such as repainting, needs to be done when the weather permits. Also, some of the projects visited were not yet being used for various reasons such as:

- The project had only recently been completed.
- Usage was waiting on the completion of a second related project.
- Municipalities did not yet have sufficient resources to staff and equip the facility.

We plan to revisit some of these projects at a later time to verify that needed repairs were being made and that the projects are being used as intended. Appendix IV contains more details on the results of our site visits.



The Gojcin Community Health Center before reconstruction.
Photograph taken by Parsons employees on September 13, 1996.



The Gojcin Community Health Center after reconstruction.
Photograph taken by Parsons employees on December 23, 1996.
Auditors inspected the project in January 1997.

Management Comments and Our Evaluation

USAID/Sarajevo officials agreed with the content of the report and their comments are included as Appendix II to this report. In its response, USAID/Sarajevo stated that it has obtained and reviewed documentation from the prime program contractor to support charges for travel advances and insurance costs discussed in one of the preliminary findings. Our review of the documentation determined that the charges for travel advances and insurance costs were supported and allowable. Consequently, we consider that final actions required for all of the preliminary findings were completed. The Mission also stated that the contracting oversight and assistance for the prime contract is being transferred from Washington to the Regional Contracting Office In Budapest. It is anticipated that this transfer will facilitate communications with the cognizant contracting officer concerning future issues that may be identified by the ongoing audit. Where appropriate we modified our report to include USAID/Sarajevo's additional information.

<p style="text-align: center;">Scope and Methodology</p>

Scope

The Office of the Regional Inspector General/Budapest is conducting a concurrent audit of the USAID's Municipal Infrastructure and Services (MIS) activities in Bosnia-Herzegovina in accordance with generally accepted government auditing standards. The report cut off for this phase of the audit was December 31, 1996. The audit was conducted from October 22, 1996 through January 29, 1997. We conducted our audit at the USAID offices and The Ralph M. Parsons Company offices in Sarajevo and Tuzla, and reviewed certain procurement and banking procedures at the Parsons' office in Pasadena, California. We also examined whether selected internal controls were implemented as designed, and inspected 12 projects in the Tuzla area.

During this reporting period, we did not audit the MIS program bank accounts maintained by National Bank of Bosnia-Herzegovina or Parsons. Also, we did not audit the program's financial statements that are shown in Appendix VI.

Methodology

Audit methodology included file reviews, interviews, field visits and data analysis. We reviewed the House Joint Resolution 170 (Public Law 104-122), the Foreign Operations, Export Financing, And Related Programs Appropriation Act of 1996 (Public Law 104-107), the Grant Agreement Between Bosnia and Herzegovina and the United States of America, program documents, and contracts to determine the MIS program objectives and restrictions. We reviewed USAID accounting records and examined contractor invoices to assess whether internal control procedures were being followed and were adequate. We interviewed USAID and contractor officials to obtain their views on problems being experienced in the program and the adequacy of actions taken to address these problems.

We randomly selected 10 of the 111 Community Infrastructure Rehabilitation Projects (CIRPs) in the Tuzla area to verify the project existence, construction status, subcontract amount, and monitoring by USAID and the contractor. Two of the selected CIRPs were not visited because there was not sufficient time given the distance of the sites from Tuzla and the unavailability of armored vehicles required by Embassy policy to be used for travel outside Sarajevo. In addition, we judgementally selected four of the 38 MIS projects for the same attributes.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

MEMORANDUM

DATE: March 14, 1997

TO: James R. Bonnell, RIG/A/Budapest

FROM: Craig G. Buck, Director

SUBJECT: Audit of USAID/Sarajevo's Municipal Infrastructure
and Services Program for the Period May 7, 1996 to
December 31, 1996

We have reviewed the subject draft audit report and are pleased to see that the on-going audit activities have not uncovered any unforeseen problems with implementation of the program. We are also pleased that implementation of this program is moving forward as intended.

The report notes that the Mission has requested documentation from the prime program contractor to support charges for travel advances and insurance costs to complete final action required for finding 1.4. That documentation has been obtained and reviewed by the Mission and will be made available to the audit team when they next visit Sarajevo to continue their review of this program. The contracting oversight and assistance for this prime contract is being transferred from Washington to the field with the Regional Contracting Officer assigned to Budapest. We anticipate an increased ease of communications with the cognizant contracting officer in dealing with issues identified by the on-going audit coverage (the majority of which to date have been with the prime contractor) given the geographical proximity of the responsible individual.

USAID had originally planned to contract with an outside CPA firm to perform the on-going audit coverage of this program. However, this program got underway very quickly in spite of our concerns about working in the unknown environment in Bosnia. We were

therefore pleased that the RIG decided to assign its own personnel to keep up with the fast pace of resource disbursement and activity. We fully appreciate the objectivity and professionalism of that staff in the course of their work. Observations made by the RIG audit team have identified and clarified issues before they became problems. Their commitment to offer solutions to correct the direct causes of potential problem areas identified has added significantly to the program's success to date. We would like to take this opportunity to express our appreciation to RIG/A/Budapest for their participation in and contribution to these efforts.

**Audited Status of the
Municipal Infrastructure and Services Program**
as of December 31, 1996

On March 29, 1996, Congress appropriated funds for the economic revitalization of Bosnia-Herzegovina. In May 1996, the Assistant Administrator for the Bureau of Europe and the New Independent States authorized the 4½-year \$182 million Municipal Infrastructure and Services (MIS) program to assist in Bosnia-Herzegovina's recovery. On June 10, 1996, USAID signed a contract with The Ralph M. Parsons Company (Parsons) to implement the MIS program.

According to the MIS Program Assistance Approval Document, \$70 million of the budget was to be used during Fiscal Year 1996—\$58 million for infrastructure projects and \$12 million for implementation costs. As of December 31, 1996, USAID/Sarajevo obligated and disbursed \$58 million to Bosnia-Herzegovina for infrastructure projects. Bosnia-Herzegovina transferred about \$31 million to the contractor (Parsons) to implement projects.

As shown below, USAID/Sarajevo identified projects totaling \$54.5 million for funding, or 94 percent of the \$58 million obligated for infrastructure projects. The projects included 38 major projects in five public sector areas and 111 small Community Infrastructure Rehabilitation Projects (CIRP) that were recommended for funding by Implementation Force (IFOR) personnel. By the end of 1996, Parsons signed 131 contracts valued at \$34.1 million.

Project Sector	Amount Identified	Number of Identified Projects	Value of Approved Contracts	Number of Approved Contracts
Energy	\$32,535,000	16	\$20,717,510	11
Transportation	6,850,000	6	4,218,978	9
Water Resource	6,050,000	5	3,227,047	8
Education	2,920,110	8	1,532,530	6
Health	1,800,000	3	819,297	3
CIRPs	4,361,818	111	3,587,649	94
Totals	\$54,516,928	149	\$34,103,011¹	131

¹ This amount includes \$14,203,456 for subcontracts and \$19,899,555 for commodity purchase orders.

A comparison of the construction targets established for the 54-month MIS implementation period to actual results for the eight months since the program was authorized follows:

Type of Project	Number of Planned Projects	Number of Projects Under Construction	Percent of Projects Under Construction	Estimated Cost	Value of Approved Contracts
Municipal Infrastructure	65	34	52	\$97,000,000	\$30,515,362
CIRPs	40	94	235	2,000,000	3,587,649
Shelter	32	0	0	45,000,000	0
Totals	137	128	93	\$144,000,000	\$34,103,011

As shown above, MIS is on a pace that, if maintained, should complete the construction targets well in advance of the 4½ years originally established for the program. In the eight months since the program was authorized, construction of 52 percent of the planned municipal infrastructure projects and more than twice the number of planned CIRPs is underway. The shelter rehabilitation projects have not started because the Mission is considering whether to use the \$45 million planned for this work on other projects.

During the six months since the arrival of Parsons, four MIS projects and 44 CIRPs were completed. However, because of the cold weather, minor repairs will have to be done on some of these projects before they are officially completed.

The four completed MIS projects are:

- Zivinice-Petrovinca Road. This transportation project was budgeted for \$3 million and the subcontract was awarded on August 16, 1996. The final completion of this road (center striping and patching) was hampered by bad weather.
- Ilijas-Hasin Spahic School. The budget for this school was \$200,000. The subcontract was awarded on September 6 and classes started on November 4, 1996. The contractor is waiting for completion of repairs to a regional heating plant before the school's central heating can be tested.

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- Hilmef Saric Primary School. The budget for this school was \$200,000. The subcontract was awarded on August 9, 1996 and the school reopened on September 9.
- Ilidza-Mak Dizar School. This education project was budgeted for \$300,000 and the subcontract was awarded on August 7, 1996. This school was completed on September 6 and classes began on September 9, 1996. However, the gymnasium floor was scheduled to be replaced in January 1997 when the classes are not scheduled.

The value of the 44 completed CIRPs is \$1,543,013 and represents 43 percent of the planned small community projects.

<p>Audit Test Results</p>

As of December 31, 1996, USAID/Sarajevo had identified 149 infrastructure projects for funding and budgeted \$54.5 million for these projects. The 149 projects included 38 large infrastructure projects and 111 small Community Infrastructure Rehabilitation Projects (CIRPs). We visited 12 of these projects, 4 large projects and 8 CIRPs, in January 1997 to verify the project existence, construction status, subcontract amount, and monitoring by USAID and the contractor. In each case the project existed, the subcontract amount was recorded accurately in the contractor's accounting records, and the contractor had monitored the construction and reported the results of its monitoring to USAID. At a later date, the auditors will revisit some of these projects to determine if the needed repairs were made and the completed projects are being used as intended. The construction status of the projects visited is shown below.

Project Name/No.	Project Purpose	Amount Budgeted	Construction Status
Kalesija Substation [96-1-A]	Rehabilitate power lines and reconstruct the substation.	\$2,200,000	<u>Work-in-Progress.</u> Civil work on the substation is nearing completion. According to a Parsons field inspector, construction on 3 of the 40 electrical towers was being delayed because of land disputes. The switching gear for the substation had arrived and it was stored near the substation.
Zivinice-Petrovina Road [96-2-A]	Rehabilitate a 15.4 kilometer road that links the Tuzla airport with various municipalities in the area.	\$3,000,000	<u>Essentially complete.</u> The road was resurfaced, but areas will need to be "patched" when the weather permits.

Project Name/No.	Project Purpose	Amount Budgeted	Construction Status
Memici Primary School [96-4-B]	Reconstruct the primary school.	\$250,000	<u>Essentially complete.</u> Construction is complete, but the contractor will have to repair items such as paint and floor tiling when the weather permits. The school was not in use because it does not have heat. A separate MIS project is planned to install heating.
Memici Health Center [96-5-B]	Reconstruction of an inoperative village health center.	\$200,000	<u>Work-in-Progress.</u> Construction was under way during our visit.
Brka [1BCT-033]	Repair the local community's water system in Brka.	\$30,560	<u>Complete.</u> About 4,600 meters of 1 inch water pipe were installed to pump water from the community well to a water tank. However, according to a Parsons' field inspector, a separate CIRP is proposed to construct the water tank which is necessary to allow the flow of water to the houses.
Kalesija-Gojcino. [30MD-001]	Repair the small health center.	\$30,948	<u>Essentially Complete.</u> Construction is complete, but the contractor will have to repair items such as paint and rain gutters when the weather permits. (See pictures on page 6.)
Orasje [1BCT-074]	Repair the local roads.	\$49,992	<u>Work-in-Progress.</u> According to a Parsons field inspector this project is about 60% completed.

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Project Name/No.	Project Purpose	Amount Budgeted	Construction Status
Orasje [1BCT-076]	Reconstruct a health center.	\$49,980	<u>Work-in-Progress.</u> Reconstruction of this health center was underway during our visit.
Samac-Domaljevac [1BCT-039]	Reconstruction of community water wells.	\$29,000	<u>Work-in-Progress.</u> This project involved construction of three community water wells which were almost complete. According to a Parsons field inspector, Norwegian-donated pumps will be installed in these community wells once they have been completed.
Srebrenik-Lisovici [1BCT-017]	Repair elementary school.	\$50,000	<u>Essentially Complete.</u> Construction of the two-room school is complete, but the contractor will have to repaint some areas when the weather permits.
Vukosavje [1BCT-050]	Repair the primary school.	\$47,126	<u>Essentially Complete.</u> Construction of this school is complete, but the contractor will have to repaint some areas when the weather permits. There was no indication that this school had been used during our visit.
Zivinice-Gornje Dubrave [4AVN-008]	Repair small health facility.	\$40,000	<u>Essentially Complete.</u> The repair was complete. But there was no indication that it was being used as a health facility.

**Summary of Audit Findings
Reported to USAID/Sarajevo**

Finding No. and Date Issued	Summary of Audit Finding	Management Decision/Action
MIS-1 11/14/96	USAID/Sarajevo's program office did not have adequate procedures to detect duplicate payments which resulted in a duplicate payment to Parsons in the amount of DM 540,338 (about \$360,000) for reconstruction work at an elementary school.	USAID/Sarajevo took corrective action and recovered the overpayment of DM 540,338 (\$360,225) from Parsons in December 1996. Parsons established a system to track payments by project to help ensure that duplicate payments are not made.
MIS-2 12/12/96	The Parsons contract allows reimbursement of indirect costs based on the negotiated final or predetermined rates. However, the contract established ceiling rates for the costs. The rate that Parsons charged exceeded the ceiling rate allowed for the Field Office's Fixed Cost of Capital (FCCM). As a result, Parsons had over charged USAID \$563.14 in their first three invoices.	USAID/Sarajevo took corrective action and recovered overpayments of \$628.46–\$563.14 from Parsons' first three invoices and \$65.32 in invoice number four. Beginning with invoice number 5, Parsons began charging Field Office FCCM at the contract ceiling rate.
MIS-3 12/12/96	Parsons has a subcontract with S. C. Myers to provide cost estimating services for the MIS program. S. C. Meyers' first three invoices—totaling \$109,056—may have over billed \$13,271 for the home office burden. These invoices also include questionable charges of \$14,155 for travel advances and insurance costs.	USAID/Sarajevo took corrective action. It recovered overpayments of \$17,504.45 for the home office burden and obtained documentation supporting the travel advances and insurance costs.

<p>Unaudited MIS Fund Accountability Statement <i>as of December 31, 1996</i></p>

The amount that USAID/Sarajevo has budgeted and obligated for the MIS program is shown below. Although USAID/Sarajevo disbursed the entire \$58 million to Bosnia-Herzegovina, the amounts shown for disbursements of infrastructure projects represent transfers that were made by Bosnia-Herzegovina to the contractor. The disbursed implementation costs are amounts paid by USAID.

	4½ Year Program Budget	Amount Obligated	Amount Disbursed
Infrastructure Projects	\$144,000,000	\$58,000,000	\$30,967,546 ²
Implementation Costs:			
Parsons Contract	31,000,000	9,400,000	2,043,639
Audit, Program, and Evaluation	1,800,000	729,579 ³	461,069 ³
USAID Program Management	2,200,000	639,853	248,640
Contingencies	<u>3,000,000</u>	<u>0</u>	<u>0</u>
Totals	<u>\$182,000,000</u>	<u>\$68,769,432</u>	<u>\$33,720,894</u>

² Program disbursements represent payments to the contractor. A total of 46,451,319 Deutsche Marks were disbursed which were converted at the rate of 1.5 DMs to \$1.

³ The total amounts obligated (\$1,459,157) and disbursed (\$922,138) were equally divided between the MIS and Bosnian Reconstruction Finance Facility programs (see Audit report No. B-168-97-002-P).

Listing of Audit Recommendations for Tracking Purposes

Rec. No.	Description	Status
<p>We recommend that USAID/Sarajevo:</p>		
1.1	recover a duplicate payment to Parsons in the amount of DM 540,338 (approximately \$360,225) and establish a system to track payments by project to help ensure that duplicate payments are not made;	Final action—Mission recovered U.S. dollar equivalent of \$360,225.
1.2	recover an overpayment to Parsons in the amount of \$628.46;	Final action—Mission recovered \$628.46.
1.3	determine if a Parsons' subcontractor may have overbilled for home office burden in the amount of \$17,504.45, and if so, collect the amount overbilled; and,	Final action—Mission recovered \$17,504.45.
1.4	determine if Parsons' subcontractor charges of \$14,155 for travel advances and insurance costs are properly supported and allowable.	Final action—Mission obtained documentation from Parsons and determined that the charges for travel advances and insurance costs were supported and allowable.