



SEMIANNUAL REPORT TO THE CONGRESS

April 1, 1993 – September 30, 1993



U S AGENCY FOR INTERNATIONAL DEVELOPMENT

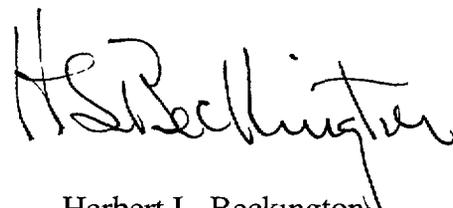
FOREWORD

While the current Semiannual Report discusses a number of important issues, none is more important than the concern we have expressed about the fragmented oversight of our aid programs to Central and Eastern Europe and the New Independent States of the former Soviet Union. This is the third Semiannual Report in which we have reported on this concern and the related need to help the Agency come to grips with this problem.

Since 1990 Congress has appropriated over \$3.3 billion to assist these new, emerging democracies. Our concern is over the approach used to deliver this assistance—an approach which disperses program and oversight responsibilities widely among many agencies of the federal government. Specifically, substantial amounts of this \$3.3 billion were appropriated to AID but transferred to and managed by 18 other federal agencies—a situation which makes it difficult to determine who is accountable and responsible for monitoring the delivery of these assistance programs.

Given the number of agencies and departments of our government involved, the Congress recognized the need for a central directing and coordinating authority and designated the Secretary of State to serve in this role. To date, however, there has been no such recognition of the concomitant need to consolidate in one office the oversight responsibility for accountability of these many discrete aid programs.

Federal domestic assistance to our state and local governments has for many years been delivered by many different federal departments and agencies. To efficiently meet the accountability requirements, the Single Audit Act was passed to consolidate fragmented oversight into a single federal agency. This was clearly a most effective and efficient solution to the domestic problem. To continue fragmented management oversight of the highly vulnerable programs in Central and Eastern Europe and the New Independent States is not, in our judgement, the wisest approach to sound, long-term management.



Herbert L. Beckington
Inspector General

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ABBREVIATIONS

A I D	U S Agency for International Development
CEE	Central and Eastern Europe
CFO	Chief Financial Officer
CIP	Commodity Import Program
CPA	Certified Public Accountant
FSN/TCN	Foreign Service National/Third-Country National
GAO	General Accounting Office
IG	Inspector General
NIS	New Independent States
OAR	Office of A I D Representative
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PVO	Private Voluntary Organization
USAID	U S Agency for International Development (Mission)
U S	United States

SUMMARY OF ACTIVITIES AND INITIATIVES

In the closing days of this six-month reporting period, the National Performance Review issued its study on the federal government—how it should “work better and cost less.” The Inspectors General have always been committed to this mandate of effectiveness and efficiency, however, we see this as an opportunity for renewed efforts to maximize the impact our resources have in providing meaningful audits, investigations, inspections, and security services to Agency management.

OFFICE OF AUDIT

Since mid-1990, the Inspector General’s Office of Audit has combined a systems-oriented audit approach with program results audit objectives to perform audits of the Agency’s systems, programs, and individual projects. As an integral part of this approach, we review and evaluate the Agency’s major internal control systems for adherence to its policies and procedures, as well as identify what AID spent its funds on and what results were achieved. To maximize the impact our audit resources will have in providing meaningful recommendations to Agency management to improve its effectiveness and efficiency, we focus our efforts on the larger programs and contractors comprising the Agency’s portfolio.

During the reporting period, the Office of Audit issued 39 internal audit reports and processed 266 reports performed by Agency- and recipient-contracted auditors or other federal government audit organizations. These reports recommended resolution of questioned costs amounting to \$26.4 million, of which \$18.7 million were ineligible and \$7.7 million were unsupported. The reports also recommended that actions, such as the deobligation or reprogramming of funds, be taken to put \$14.6 million of the Agency’s funds to better use.

Agency management made a very commendable effort this reporting period to resolve and close report recommendations, especially with regard to its commitment to recover funds (\$16.8 million) and sustain cost efficiencies (\$24.6 million). In addition, total open recommendations at the end of the reporting period decreased by 153 (26.6 percent) compared to the prior period.



Audits of Agency Internal Control Systems

The Office of Audit has issued many significant reports during the past six months which addressed the internal control systems underlying the Agency's processes with regard to monitoring host country contract awards, contracting for technical assistance, managing participant training activities, monitoring, reporting, and evaluating project activities, and managing commodities. Highlights of several of these systems audits follow:

- **Host Country Contracting** — Audits conducted in Egypt, the Philippines, and Zimbabwe disclosed that although each mission implemented Agency host country contracting guidance with varying degrees of success, overall implementation of the guidance was mostly successful. (See page 15)
- **Commodity Management** — An audit of about \$164 million in commodities purchased by USAID/Egypt under three projects showed that the Mission properly monitored the projects to ensure that commodities met source and origin requirements and were actually received. The Mission did not conduct independent end-use reviews to ensure the commodities were being effectively used. (See page 24)
- **Monitoring and Reporting of Cost-Sharing Contributions** — In the first of a series of worldwide audits on this subject, our audit of USAID/Indonesia's system for monitoring and reporting cost-sharing contributions from host governments found that the Mission had improved its management of the required contributions through its design and implementation of extensive procedures. The audit noted, however, that the Mission needed to strengthen certain areas of the reporting and certification processes. (See page 26)

Audits of A.I.D's Assistance to Central and Eastern Europe and the New Independent States

Considerable progress has been made in auditing these new programs. Over this six-month reporting period, seven internal audit reports were issued on A I D 's use of interagency agreements and A I D -direct assistance activities. Highlights of these audits follow:

- **Interagency Agreements** — Four reports were issued on audits of the transfer of A I D funds to the Departments of Commerce and Labor. Although the activities under the agreements had achieved some success, the audit disclosed that unless specific objectives and performance measures were established, assessing the progress or impact of the U S assistance provided under these agreements would be difficult. (See page 29)

- **Food Assistance to Russia** — An audit of \$15 million in food assistance—dried milk powder to mothers with infants—found that the U S -based private voluntary organization (PVO) chosen by the Agency to administer the program received, warehoused, and distributed the food per its agreement. However, the organization was not able to accurately determine whether the targeted population for the assistance had actually been helped. Also, it was noted that the food was not marked as assistance from the U S government which limited the effect such assistance has in depicting U S support for Russia's move to democracy (See page 32)

Other Significant Areas of Audit

Other areas highlighted in the Office of Audit section of this report summarize financial audits as well as audits of A I D financial statements under the Chief Financial Officers Act of 1990, the Agency's financial management systems, and grants and cooperative agreements. Also, details of management's actions on audit recommendation resolution are summarized.

OFFICE OF INVESTIGATIONS AND SECURITY

The Semiannual Report for October 1, 1992, to March 31, 1993, reported the Inspector General's decision to merge the management and supervision of the Office of Investigations and the Office of Security under a single Assistant Inspector General. The resulting structure retains the integrity and separation of the operational programs of both offices while reducing overall costs. The reorganization included re-establishing the Deputy Assistant Inspector General for Investigations position and redesignating the Regional Inspectors General for Investigations as Special Agents-In-Charge of Field Offices.

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INVESTIGATIONS

The Office of Investigations has investigative responsibility for A I D operations and programs in countries receiving U S foreign assistance funds. Investigations of criminal, civil, and administrative violations cover all facets of A I D's worldwide operations.

In compliance with the Inspector General Act (Public Law 95-452), the Office of Investigations refers to the U S Department of Justice for prosecutive consideration all investigative findings which indicate possible violations of federal law. In many investigations, jurisdiction lies with foreign governments. In these cases, our agents collaborate closely with foreign judicial and investigative authorities. Investigations may also result in civil and administrative actions, such as dismissals and suspensions,

issuance of bills for collection, debarment of companies, and cost savings. Such administrative actions are taken by A I D management officials after reviewing investigative findings.

Current Activities

The Office of Investigations' efforts to refine its case management process made great strides during this reporting period. Several policy directives were published to clarify and streamline the investigative process. One policy directive created new methods for addressing the receipt and processing of allegations. Another directive defined procedures for initiating and conducting investigations, while another directive established standards for documenting and referring investigative findings to the appropriate authorities.

4 ■ Examples showing how new procedures have clarified and streamlined operations are reflected in the numbers of preliminary inquiries conducted and investigations opened during the past six months. Total allegations received during this reporting period were 261, of which 112 were processed, within defined time limits, as preliminary inquiries. Of the 112 preliminary inquiries conducted, 24 resulted in actual investigations. Prior to implementing the policy directive on case-opening procedures, all 261 allegations would have been treated as investigations, relegating some investigations to long periods of inactivity. By limiting the amount of time spent on preliminary inquiries, and by elevating only matters of highest priority to the investigative level, the actual case load decreased while the potential to achieve meaningful results increased.

Investigative results during this reporting period included six convictions and confinements, seven administrative or disciplinary actions, \$840,598 in savings or the avoidance of unnecessary expenditures, and \$7,544,491 in recoveries. Of the 261 allegations received during this reporting period, 27 percent concerned A I D contractors and suppliers, 17 percent involved U S government employees, and 9 percent involved foreign service nationals. Eight percent of allegations involved PVOs or grantees and 7 percent involved employees of foreign governments. The remaining 32 percent involved a variety of subjects.

Contemporary Issues

During this reporting period, the Washington Field Office filed numerous reports involving A I D matters in Central and Eastern Europe and the New Independent States of the former Soviet Union. Investigations developed in the CEE and NIS will continue to be handled from the Washington Field Office while the development of statistical data and caseload projections continue. The Office of Investigations' role in this rapidly

expanding program will be re-evaluated and a resource-allocation decision made in fiscal year 1994

SECURITY

The Office of Security is responsible for the implementation and inspection of security programs for A I D. These programs, which cover A I D facilities and operations in over 100 countries, are derived from legislation, executive orders, national security directives, and national-level policies. The program responsibilities include the establishment and maintenance of physical security measures to protect A I D employees and facilities from acts of violence, personnel security investigations to establish the suitability/security eligibility of employees, information security training and procedures to protect classified information, and inspection/assistance activities to evaluate program effectiveness and facilitate corrective measures.

The physical security program supports A I D missions and operations, both overseas and in Washington, D C. The program reflects the continuous opening, closing and relocating of A I D offices in response to changing foreign aid program requirements. Twenty-five security projects were completed overseas, while three projects were completed domestically.

The Office of Security designed a high frequency communications system for the A I D Mission in Uganda. This system is being used to report election results within the country. Similar technical assistance provided by the Office of Security to 15 other projects over the past year and a half has resulted in a combined savings to the government of over \$660,000.

The Office of Security completed a Position Sensitivity Survey of all A I D direct-hire positions. Each position was reviewed to determine the required level of national security access and the degree of associated public trust. The U S Office of Personnel Management-mandated process ensures personnel security investigations meet the required scope of coverage, while concurrently controlling investigative costs and the intrusiveness of the investigative effort.

The Office of Security processed 261 top secret, 737 secret, 43 confidential, and 361 no-access clearance requests. The fiscal year 1993 average cost for background investigations for a top secret clearance was \$1,572. This represented a \$59 per case reduction from the fiscal year 1992 level, or a \$15,400 savings.

The Office of Security performed security inspection/assistance visits at 36 posts. When deficiencies were found, corrective measures were recommended and Office of Security resources provided in the form of equipment, funding, maintenance, or expertise.



Attention focused on A I D employees properly using security equipment, implementing effective procedures and their knowledge of methods to properly safeguard classified material. Where possible, security deficiencies were corrected on the spot, unserviceable equipment was scheduled for replacement, and training was provided to enhance the security knowledge of A I D personnel.

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OFFICE OF THE INSPECTOR GENERAL ORGANIZATION

The Office of the A I D Inspector General was established on December 16, 1980, by Public Law (PL) 96-533, which amended the Foreign Assistance Act of 1961 On December 29, 1981, the President signed the International Security and Development Cooperation Act of 1981, thereby bringing the A I D Inspector General under the purview of the Inspector General Act of 1978, PL 95-452

*Office
Authority*

The A I D Office of the Inspector General is an independent organization responsible for audit, investigation, and fraud control relating to A I D 's programs and operations In addition, the IG's Office directs and supervises all A I D security activities, including the Agency's investigative and physical security programs The IG's Office is authorized by statute to also provide these services to the Overseas Private Investment Corporation and the International Development Cooperation Agency

*Role and
Responsibility*

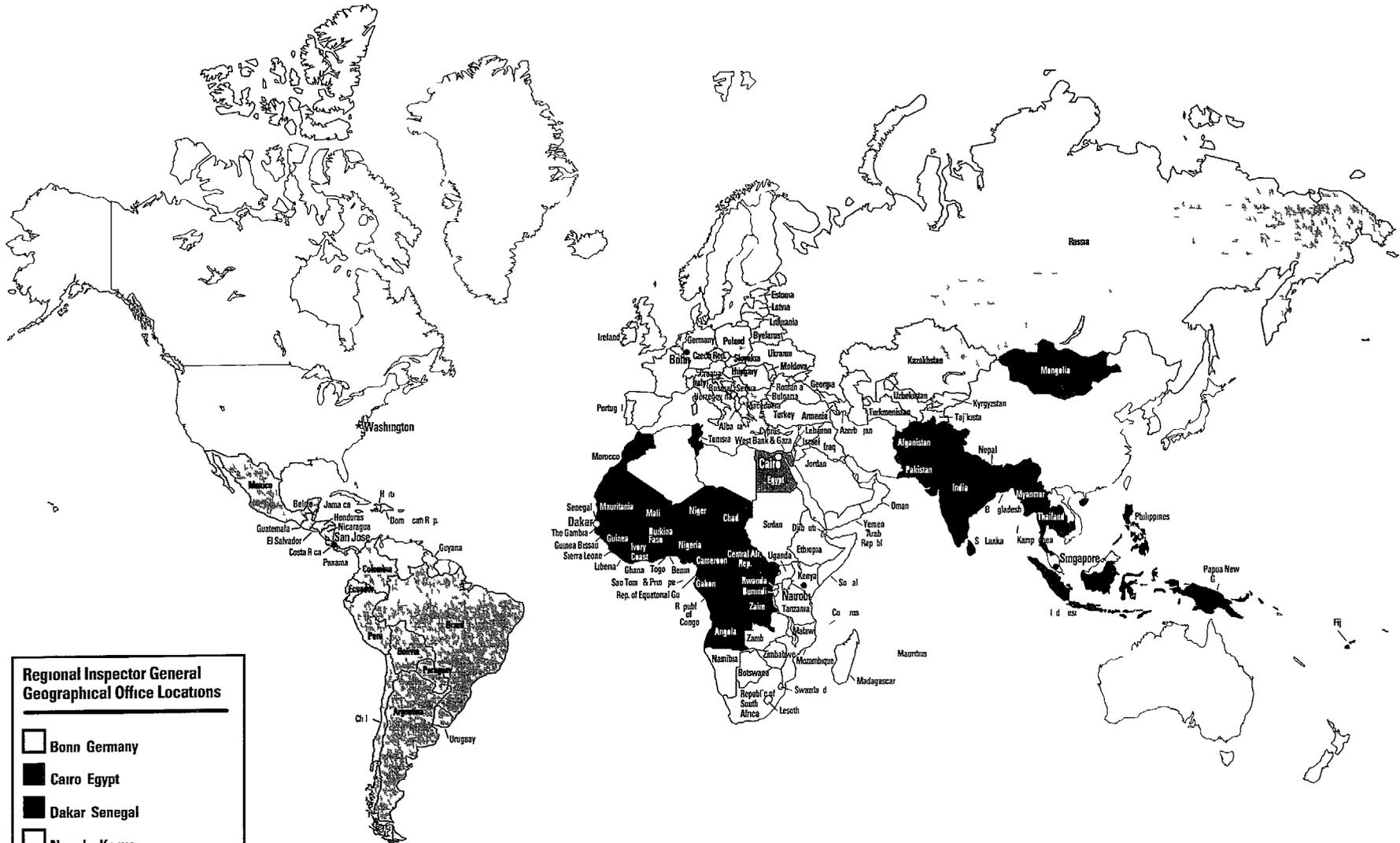
The Inspector General Act of 1978 authorizes the IG to conduct and supervise audits and investigations that recommend policies to promote economy, efficiency and effectiveness, and detect and prevent fraud and abuse in the programs and operations of A I D The IG is responsible for keeping the Administrator and the Congress fully informed about problems and deficiencies in A I D programs and operations, as well as the necessity for, and progress of, corrective actions

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The Office of the Inspector General (OIG) has three major offices, each headed by an Assistant Inspector General Office of Audit, Office of Investigations and Security, and Office of Resource Management Overseas, the Regional Inspectors General for Audit and Special Agents-In-Charge are responsible for assigned geographical areas and report to their respective Assistant Inspectors General The overseas office locations and assigned geographical areas are presented on the following organizational chart and map

*Regional Inspector
General Geographical
Responsibility*

Regional Inspector General Geographical Office Areas

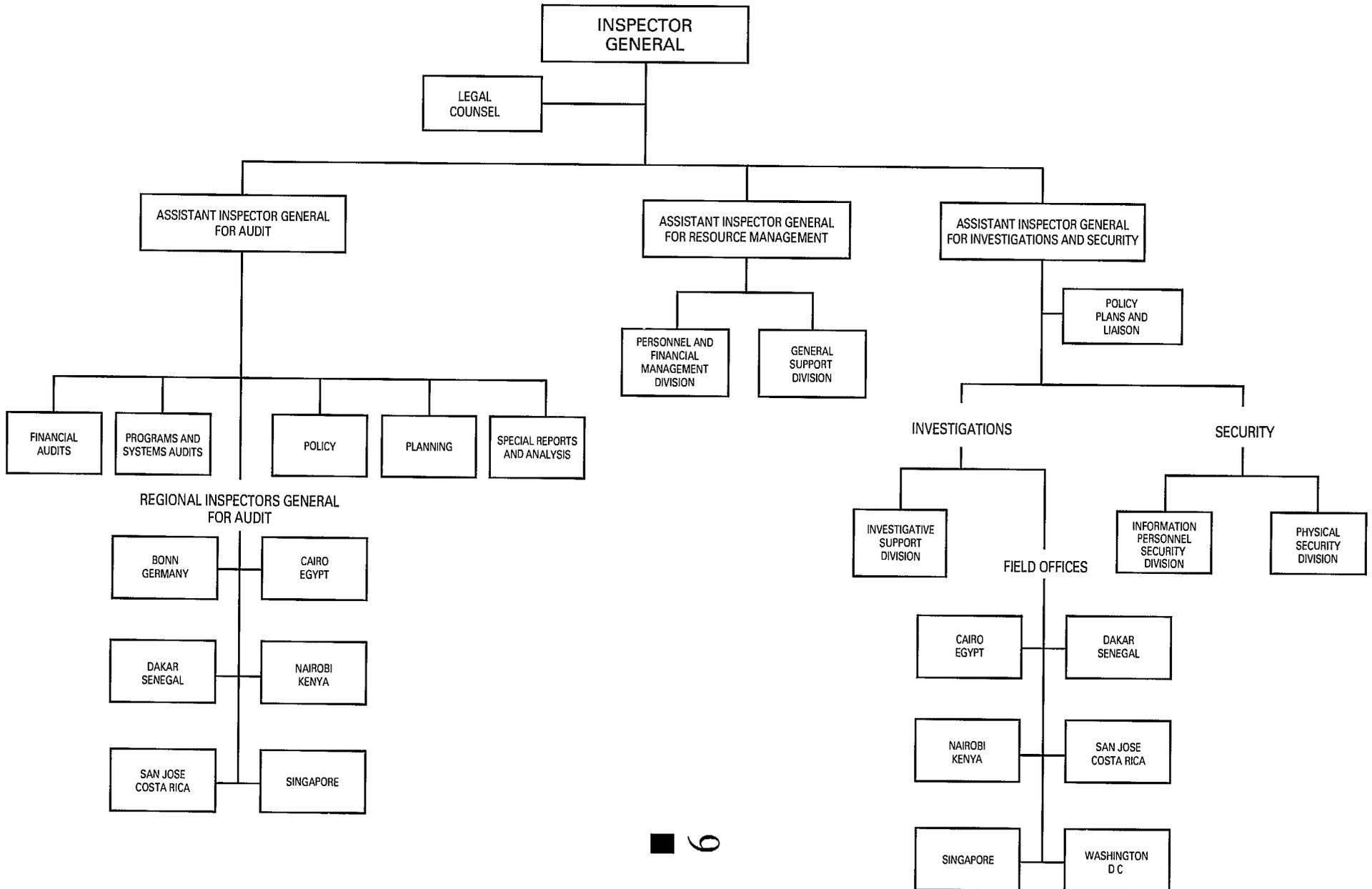


Regional Inspector General Geographical Office Locations

- Bonn Germany
- Cairo Egypt
- Dakar Senegal
- Nairobi Kenya
- San Jose Costa Rica
- Singapore



INSPECTOR GENERAL ORGANIZATION CHART



OFFICE OF AUDIT

Audit Responsibility

The Office of the Assistant Inspector General for Audit is responsible for conducting audits of A I D 's worldwide foreign economic assistance activities. Foreign aid helps developing countries meet the basic needs of their people through sustained, broadly based economic assistance. This assistance includes such major funding mechanisms as

- bilateral project assistance,
- bilateral nonproject assistance,
- grants and cooperative agreements,
- the participant training program,
- the disaster assistance program,
- the housing guaranty program, and
- the private sector investment program

In fiscal year 1993, A I D 's economic assistance budget, as enacted by the Congress, was \$6.4 billion, and was made up of the following appropriations:

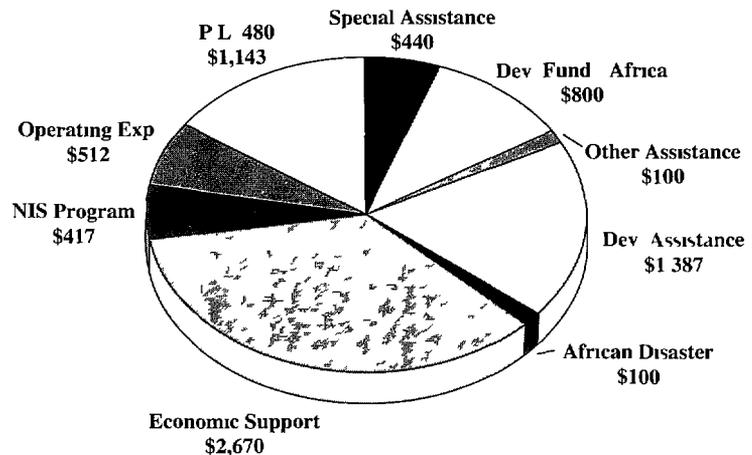
- \$2.7 billion for the Economic Support Fund,
- \$1.4 billion for development assistance,
- \$800 million for the Development Fund for Africa,
- \$440 million for special assistance initiatives,
- \$512 million for operating expenses,

- \$417 million for the New Independent States assistance,
- \$100 million for African Disaster Assistance, and
- \$100 million for Other Assistance

U S food aid programs are administered by A I D and the Department of Agriculture, primarily under the authority of the Agricultural Trade Development and Assistance Act, known as P L 480, first passed in 1954 and amended most recently in 1990 In accordance with the 1990 legislation, the Department of Agriculture is responsible for administering Title I of the Act, and A I D is responsible for administering Titles II and III Food aid programs are funded by the Department of Agriculture The fiscal year 1993 budget for Title II and Title III food aid programs is expected to be about \$1 1 billion

The following graph illustrates the composition of this assistance

ASSISTANCE FUNDING FY 1993
(Millions)



During this semiannual reporting period, the Office of Audit issued 39 internal audit reports and processed 266 reports performed by Agency- and recipient-contracted auditors or other federal government audit organizations. The reports recommended resolution of questioned costs amounting to \$26.4 million of which \$18.7 million were ineligible and \$7.7 million were unsupported. The reports also recommended \$14.6 million in deobligations, reprogramming of funds, and other actions that would put funds to better use. Questioned costs are costs that the auditors consider to be potentially ineligible because the expenditures are for items that are (1) not permitted by law or legislation, (2) unnecessary/unreasonable, and (3) not supported by adequate documentation. The questioned costs are referred to the appropriate A I D official for final resolution.

The Inspector General's Audit Follow-up and Closure System monitored the actions taken on audit reports issued during this and prior reporting periods. Highlights of A I D actions taken on Inspector General recommendations during this period follow:

- A I D Management reached resolution on \$21.7 million in efficiencies (funds to be put to better use) and questioned costs identified in Inspector General audit reports. Of this total, \$20.7 million (\$20.4 million in efficiencies and \$249,246 in questioned costs) was agreed to by A I D.
- A I D Management reached resolution on \$37.2 million in efficiencies and questioned costs in financial-related audit reports (external reports) by Agency-contracted, recipient-contracted, and other governmental audit agencies. Of this total, \$20.7 million (\$4.1 million in efficiencies and \$16.6 million in questioned costs) was sustained by A I D.
- A total of \$35.4 million (\$13.1 million from Inspector General audit reports and \$22.3 million from external audit reports) was actually recovered or saved by A I D management through increased efficiencies during the past six months as a result of audit work in this and prior periods.
- As of September 30, 1993, \$120.9 million in recommended efficiencies and questioned costs were awaiting A I D.

determination, of which \$91.9 million (76 percent) represented recommendations over six months old

- As of September 30, 1993, \$70.3 million in recommended efficiencies and questioned costs were agreed to by AID, but final action/collection was not taken

BILATERAL PROJECT ASSISTANCE

AID uses project assistance to address specific developmental or economic problems. Project agreements are executed with one host government (bilateral) or a group of governments (regional) for activities in areas such as agriculture, rural development, and nutrition, population planning, health, education and human resources, or energy. Agriculture, rural development, and nutrition projects, for example, are designed to increase agricultural production, improve diets, and support agricultural research in developing countries where hunger and malnutrition are major constraints to economic development. Health projects reinforce comprehensive child survival initiatives such as immunizations and prenatal screening, improve the management and logistics of health care and environmental sanitation programs, and support biomedical research and field testing of important new technologies such as malaria vaccines.

During the past six months, the Office of Audit has issued significant reports that addressed the internal control systems underlying the Agency's processes for

- monitoring host country contract award processes,
- contracting for technical assistance,
- managing participant training activities,
- managing commodities, and
- monitoring host country contributions

Highlights of the audits of bilateral project assistance performed during this reporting period follow

— **Monitoring of Host Country Contracting Process** —

Audit of Host Country Contracting - Zimbabwe, Philippines, and Egypt

AID issued worldwide guidance in November 1990 to strengthen oversight of host country contracts exceeding \$250,000 in value. This area has been the subject of much oversight and attention by the Congress, the U.S. General Accounting Office (GAO), and the AID Inspector General. The GAO, for example, had criticized the quality of missions' assessments of host country contracting capabilities and the lack of contracting officer involvement in overseeing host country contracts. To determine what progress the Agency was making in improving host country contracting, we initiated audits in three countries. We are pleased to report that the audits found that AID Missions were mostly successful in implementing the November 1990 guidance. The following summarizes the results of three of those audits.

Zimbabwe

In Zimbabwe, the audit included reviews of three host country contracts with obligations totaling \$33.2 million awarded since November 1990. The audit found that the AID staff had properly implemented the Agency's guidance. Specifically, USAID/Zimbabwe had (1) certified host country contracting agencies' capabilities, (2) approved actions by host country contracting agencies, (3) used observers on proposal evaluation panels, and (4) issued guidelines to ensure that the regional staff were included in the review and approval process. The following picture shows a locomotive which is an example of equipment purchased through host country contracting techniques.

Implementation of AID Policy on Host Country Contracting is Generally Successful





One of 13 General Motors diesel-electric locomotives purchased under a \$23.7 million host country contract

Because of the success USAID/Zimbabwe demonstrated in implementing the Agency's policy, no recommendations were made (Audit Report No 3-613-93-009, May 25, 1993)

Egypt

In Egypt, during the two years following November 1990, USAID/Egypt financed 26 new host country contracts exceeding \$250,000 in value costing about \$519 million and issued amendments to 6 existing host country contracts at a cost of about \$48 million. The audit found that USAID/Egypt assessed and certified host country contracting agencies' capabilities in accordance with AID's guidance. Assessment reports covered virtually the entire range of host-country

capabilities cited by the guidance USAID/Egypt also complied with the guidance in approving host country procurement steps and contract administration actions, in using observers on proposal evaluation panels, and in assigning new responsibilities to contracting officers for host country contracts

However, the Mission did not consult with contracting officers before it approved three executed contracts valued at \$128 million. The audit recommended that USAID/Egypt notify its staff of the need to consult with the officers before approving both draft and executed host country contracts. The Mission issued a staff notice to remind staff of the need to consult with the officers when there are substantive changes between approved host country contract drafts and the executed contracts and to obtain the Mission Contracting Office's formal approval of executed contracts when the contracts exceed \$10 million in value (*Audit Report No 6-263-93-011, August 8, 1993*)

Philippines

In the Philippines, the audit included reviews of seven host country contracts totaling about \$22.2 million. Like Zimbabwe, the audit concluded that AID Mission staff certified the host country's ability to undertake procurement. The audit also found that USAID/Philippines staff complied with most November 1990 guidance in approving most of the interim procurement steps and assigned new responsibilities to the Contracting Officer. There were three areas where USAID/Philippines could more fully comply with the November 1990 guidance

- the assessment report did not contain certain required information on the host country agency's operations,
- the Mission did not repeat or update any of the assessments that were over three years old, and
- the Mission did not always include the Contracting Officer in the clearance process for procurement actions performed by host country agencies

The audit noted that one possible effect of not carefully reviewing host country documents and processes could be the construction delays

noted on some projects in which highway right-of-way problems were not resolved before construction began. As seen in the photograph below, residents along a stretch of uncompleted road were exposed to unnecessary dust when right-of-way problems arose and contractors did not comply with dust-suppression requirements.



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Air quality problems due to dust were not alleviated because of contractor noncompliance with dust-suppression requirements and delays in acquiring rights-of-way

The Mission agreed with two of the report's three recommendations. We are currently awaiting the Mission's response to the remaining recommendation. (*Audit Report No 5-492-93-015, September 3, 1993*)

— Award Process for Technical Assistance Contracts —

Audit of Controls Over Technical Assistance Contracts - Dominican Republic, Pakistan, Niger, and Oman

AID contracts with U S -based firms to provide technical assistance for implementing development projects During the past six-month period, audits on AID -direct technical assistance contracts were performed in four countries The audit objectives were to determine if appropriate policies and procedures were followed in planning, procuring and monitoring technical assistance contractor performance The audit found varying levels of success in contractor performance

*Contracting for
AID -Direct Technical
Assistance Needs
Improvement at Several
Missions*



Dominican Republic

As of March 31, 1992, USAID/Dominican Republic administered technical assistance contracts which had obligations totaling \$30.1 million USAID/Dominican Republic identified technical assistance needs during the project design process and prepared procurement plans according to Federal Acquisition Regulations and AID policies and procedures The Regional Contracting Officer selected the appropriate type of contract and provided for full and open competition

The Mission did not always prepare statements of work that specified the minimum job requirements or time frames and performance indicators for meeting job requirements, and there was insufficient evidence that the Contracting Officer obtained the best price because cost estimates were not properly prepared and used to evaluate the reasonableness of bid proposals USAID/Dominican Republic generally agreed with the report's six recommendations and is taking action to implement them (*Audit Report No 1-517-93-010, April 23, 1993*)

Pakistan

As of December 31, 1992, USAID/Pakistan had obligated \$111.5 million for 14 active technical assistance contracts USAID/Pakistan

had paid \$83.9 million to contractors for such things as salaries, overhead, equipment, and commodities. However, it could not be determined to what extent technical assistance contractors achieved their intended purposes because statements of work for contracts were vague and performance indicators were not specific. Also, effective monitoring was not always performed.

The report contained recommendations designed to strengthen USAID/Pakistan's controls to (1) ensure that technical assistance contractors develop work plans and progress reports with performance indicators, (2) identify the critical activities of the project, regularly visit these activities, and prepare site visit reports, and (3) improve semiannual portfolio reporting. USAID/Pakistan generally concurred with the finding and recommendation (*Audit Report No. 5-391-93-014, August 23, 1993*).

Niger

As of September 1992, USAID/Niger had awarded \$54.3 million in contracts for financing technical assistance. The audit reviewed 76 of these technical services contracts, for which commitments totaled \$35.8 million. Our audit showed that USAID/Niger planned for technical assistance in accordance with AID policies and procedures.

The Mission generally did not establish progress indicators and time frames to allow routine and consistent monitoring of long-term technical assistance contractor performance, and USAID/Niger only partially complied with AID procedures for monitoring contractor performance. For three of the five long-term contracts examined, project managers did not routinely comply with Agency monitoring guidelines, which created information gaps.

At the issuance of the report, two of the three recommendations were resolved (*Audit Report No. 7-683-93-007, July 9, 1993*).

Oman

As of January 31, 1993, OAR/Oman's commitments for 14 technical assistance contracts totaled \$10.6 million and expenditures totaled \$5.1 million. The audit found that the Regional Contracting Officer located

in Amman, Jordan, properly negotiated and awarded contracts, and followed U S government and A I D regulations for ensuring competition, selecting appropriate types of contracts and qualified contractors, and obtaining fair prices The audit found that OAR/Oman had followed applicable Agency policies for monitoring and paying technical assistance contractors However, the servicing Regional Contracting Office had not always documented critical contract negotiations The audit also noted that when OAR/Oman did award its own contracts, there were a number of errors

The auditors made two recommendations to correct the problems noted above First, they recommended that the Regional Contracting Office conduct a workload assessment to determine whether it can adequately support the missions in its jurisdiction Second, the auditors recommended that the Regional Contracting Officer provide procurement training to OAR/Oman staff OAR/Oman and the Regional Contracting Office fully agreed with the report's findings and conclusions In addition, the Regional Contracting Office has agreed to implement the report's two recommendations although no plan of action has been developed (*Audit Report No 3-272-93-012, September 24, 1993*)

— **Management of Training Programs** —

Audit of Participant Training - Philippines and Tunisia

Many foreign national students receive formal training in the United States or other countries to develop managerial and technical skills The heart of this program is for students to return to their home countries and apply their skills in development-related activities in support of their government's economic development We recently made audits of participant training programs funded by A I D in the Philippines and Tunisia

Philippines

USAID/Philippines, from August 1986 through September 1992, sponsored the training of over 1,000 students at a cost of \$7 million USAID/Philippines properly followed A I D policy and procedures in

*Participant Training
Audits Disclose One
Success and One Serious
Problem*



providing pre- and post-departure support for participants, and in obligating, expending, and accounting for participant training. Interviews with 19 student participants, all of whom returned to the Philippines disclosed that the A I D -sponsored training was relevant and valuable to their current profession. The picture below shows A I D -funded soil testing equipment purchased by a university for a Philippine student participant. The university purchased soil testing equipment for the student to apply his training in commercial soil testing.



The University of St. Louis (Philippines) acquired soil testing equipment for an A I D -sponsored student

Notwithstanding the successes noted, USAID/Philippines could make improvements in the Mission's program monitoring and participant followup. Mission officials generally agreed with the recommendations to increase its involvement with the student participant selection process and contact with returning student participants. (*Audit Report No 5-492-93-012, July 14, 1993*)

Tunisia

In Tunisia, our audit identified serious problems in activities of two participant training projects which received over \$40 million of AID financial support during the period June 1990 to February 1993. The audit found that 175 of 304 students funded by AID failed to return to Tunisia. The 175 students included 130 who were still attending training without AID authorization and 45 students who were no longer in training and who were working or living outside of Tunisia. Further, USAID/Tunisia identified an additional 140 students who had also failed to return to Tunisia. AID had spent \$12.9 million to train these participants. We recommended USAID/Tunisia either develop a plan to ensure the return of the students to support Tunisian economic development or issue bills for collection to recover the costs of the training.

USAID/Tunisia did not agree with our recommendations and said the solution to inducing students to return to Tunisia does not lie with the government of Tunisia but with the U.S. government, mainly the Immigration and Naturalization Service. With respect to issuing bills for collection, Mission officials stated that issuing bills for collection will do nothing toward inducing students to return home. The audit recommendation should be directed at actions which can effect a solution, not just sending out a piece of paper to a foreign government which is in no position to ensure the return of the students.

We do not agree with the Mission and believe the government of Tunisia is primarily responsible. The government failed to bond its students as promised in 1987 and should either be accountable for the return of the students or liable for almost \$13 million of U.S. foreign aid appropriations. We are awaiting the Mission's comments to the final audit report and its final position on the recommendations. (*Audit Report No 7-664-93-009, September 21, 1993*)



— Commodity Management —

Audit of Commodity Assistance - Egypt

*USAID/Egypt Needs to
Conduct Independent
Reviews of Commodity
End-Use*

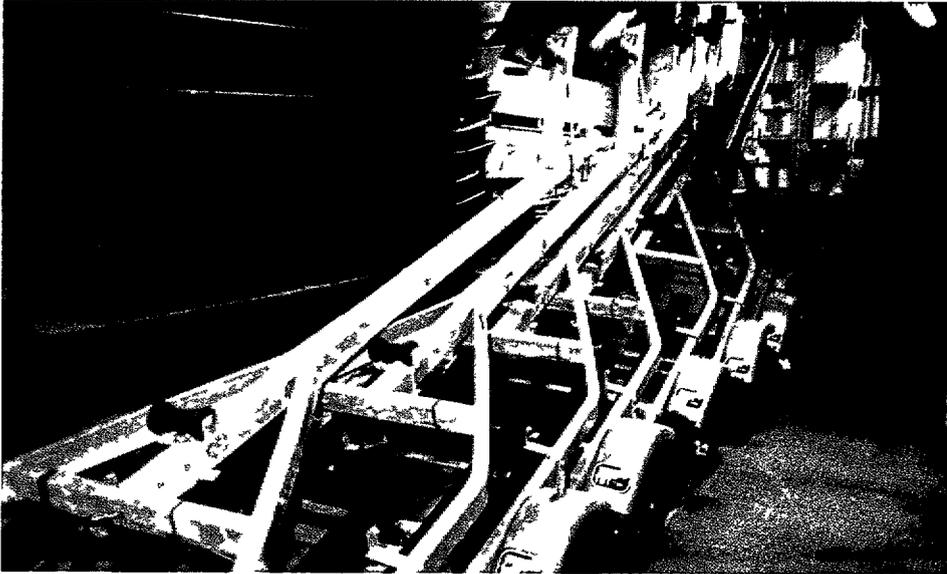


USAID/Egypt purchased about \$164 million worth of commodities for three agricultural projects intended to expand Egypt's irrigation network, improve water management and crop production, and provide research equipment and facilities. Our audit of these procurements found that USAID/Egypt documented project procurement needs in accordance with A I D 's policies and procedures. Contractors assessed these needs and developed procurement plans which the Mission approved. USAID/Egypt monitored the projects to ensure that A I D -financed commodities met source and origin requirements and were received in accordance with A I D policies and procedures. Regarding whether USAID/Egypt ensured commodities were used as required, the Mission monitored the use of commodities through site visits, progress reports, and utilization records. However, the Mission did not conduct independent end-use reviews, as required, which are vital to ensuring that commodity inventory records are accurate and mission monitoring is effective.

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The following photographs illustrate some of the items which were not being effectively used.



Seven of eleven boats and trailer being saved as “replacement” boats on project in Qalyubiya Governorate



Of 246 motorcycles costing about \$500,000, 20 remained in storage for over 10 months because of licensing delays in the Beheira Governorate

The report recommended that USAID/Egypt begin a program of end-use reviews, which the Mission initiated (*Audit Report No 6-263-93-008, May 13, 1993*)

— Host Country Contributions —

Audit of the Management of Cost-Sharing Contributions - Indonesia

Section 110 of the Foreign Assistance Act of 1961, as amended, provides that no assistance shall be furnished by the U S government to a country until assurances are made that such country provides at least 25 percent of the costs of the entire program, project, or activity. Recurrent problems identified by the OIG and GAO in all A I D bureaus demonstrated a need for the Agency to issue additional guidance in several areas of cost-sharing contributions. In response to this need, A I D issued additional policies and procedures in 1991.

As of September 30, 1992, A I D had authorized \$527 million for 21 assistance projects in Indonesia, and the Indonesian government had agreed to provide \$196 million, or 27 percent of the total project costs of \$723 million. A I D expenditures were \$289 million, and the total reported Indonesian government contributions were \$151 million.

The objectives of this first in a series of worldwide audits on this subject were taken directly from the 1991 Agency guidance, which were to determine whether USAID/Indonesia

- established a system to obtain and record information on host government contributions,
- required the host government to report at least annually on its contributions,
- reviewed the adequacy of the contributions and tested the reliability of the reports on these contributions, and
- computed the value of in-kind contributions and applied the proper rate of exchange.

*USAID/Indonesia
Improved Procedures to
Ensure Cost-Sharing
Contributions Were Made*



26



Indonesia

The OIG's review of USAID/Indonesia's compliance with the Agency guidance showed that the Mission had improved its management of the required contributions by designing and implementing extensive procedures. However, the Mission needed to require the Indonesian government to report all of its contributions, review and document the adequacy of the contributions, and have Project Officers certify as to the reasonableness of the reported contributions.

The Mission initiated corrective action on the three recommendations made, which are resolved and will be closed upon completion of planned actions. (*Audit Report No 5-497-93-013, August 16, 1993*)

A.I.D.'S ASSISTANCE TO CENTRAL AND EASTERN EUROPE AND THE NEW INDEPENDENT STATES

U S economic assistance to Central and Eastern Europe (CEE) and the New Independent States (NIS) of the former Soviet Union is still relatively new but it continues to rapidly expand. During fiscal year 1993, the Congress appropriated \$400 million for the CEE and \$417 million for the NIS. For fiscal year 1994, the Congress appropriated \$390 million for the CEE and \$604 million for the NIS.

A I D assistance to both the CEE and the NIS is programmed, implemented and managed differently from foreign aid programs in other parts of the world. For example, the CEE and NIS programs

- are characterized by regional rather than bilateral projects,
- involve the participation of as many as 18 other U S government agencies in delivering assistance,
- utilize U S government-funded private corporation enterprise funds to help develop private enterprise (currently in CEE only),

- include significant involvement by the Department of State due to a legislatively mandated coordination role, and
- retain considerable responsibility within A I D headquarters for program design and management rather than with its field representatives and missions

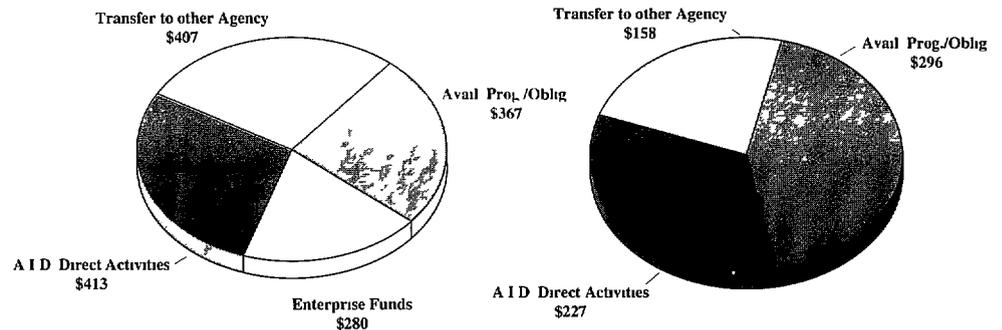
The following charts show the foreign assistance funds appropriated to the Agency for the CEE and NIS and how these funds have been allocated among the areas of (1) interagency agreements, (2) enterprise funds, and (3) A I D -direct activities

**ALLOCATION OF CENTRAL AND EASTERN EUROPE
AND NEW INDEPENDENT STATES FUNDING**

as of June 30 1993 (in millions)

CENTRAL AND EASTERN EUROPE FUNDS

NEW INDEPENDENT STATES FUNDS



28
■

Considerable progress has been made in auditing these new programs. Over the last six-month period, seven performance and nine financial-related audits were made on A I D 's activities in the NIS and CEE. In performing these audits, OIG and other federal auditors worked in twelve countries. These audits focused on the Agency's organizational

structure established to deliver assistance as well as the Agency's systems of internal controls over grants and contracts—systems which have been used to deliver large amounts of assistance

Audits of Interagency Agreements - Bulgaria, Hungary, and New Independent States

Four audit reports were issued on AID funds transferred to the U S Departments of Commerce and Labor. These funds were used to assist NIS countries by training business managers and scientists, helping establish consortia, and assisting in labor transition activities in the CEE, such as the establishment of unemployment service offices. These audits showed that recipients in all of the countries fully appreciated the assistance provided by the United States and that project activities had met with some success.

The auditors found that more specific objectives and performance measures were needed to assess the progress or impact of U S assistance. This problem was clearly seen in the audit of the Department of Labor's program in Bulgaria. The auditors found that Bulgarian officials were appreciative of the assistance to improve local employment offices and model offices were developed at three of the country's 122 employment offices. However, the absence of specific objectives and performance indicators made it difficult to determine the extent to which these model offices would be extended throughout the country.

Interagency Agreements Need More Specific Objectives and Performance Measures



New Independent States



МУ ПИ М
ЈА ЗАПОЧВАНЕ
НА РАБОТА



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Unemployed Bulgarian workers seeking placement services at one of three model employment offices financed by A I D through the U S Department of Labor

These audits also found that the Agency's role and responsibility remain unclear for \$600 million appropriated to A I D but transferred to other U S government agencies. The Bureau for Europe, acting partly in response to legislation enacted in 1993, was actively involved in the activities of other U S government agencies. For example, the Bureau was requiring that other U S government agencies submit annual work plans which the Bureau in conjunction with its field missions would approve and monitor on a continuing basis. The NIS Task Force, however, operating in a manner it viewed consistent with its own authorizing legislation, was minimally involved in the programs and monitoring of other U S government agency activities.

All four reports included recommendations that A I D require the participating Departments to establish either specific objectives and/or performance indicators. The Bureau for Europe and the Department of Labor generally agreed with the recommendations and corrective

actions have been taken and others are planned. The NIS Task Force agreed with the recommendations but did not believe it was responsible for ensuring corrective action. The Department of Commerce agreed with most, but not all, of the NIS recommendations. Corrective actions are still pending.

The OIG believes that it is in the best interest of the Agency to ensure that funds transferred to other U.S. government agencies are properly managed—either by AID or the other agencies. The OIG recognizes there are advantages and disadvantages to each management approach. Although acknowledging the position taken by the NIS Task Force in limiting its involvement, the OIG believes that the Task Force should dedicate itself to a greater degree than it has thus far indicated a willingness to do. OIG reports issued to the NIS Task Force have recommended that the Task Force take a lead to ensure that corrective action is taken by the Department of Commerce. Thus far, the Task Force has not agreed. (*Audit Report Nos. 8-183-93-006, August 12, 1993, 8-185-93-009, September 24, 1993, 8-110-93-010, September 24, 1993, and 8-110-93-011, September 24, 1993*)

Audits of AID-Direct Activities - Czech and Slovak Republics and New Independent States

Audit reports were issued on a sector grant to the Czech and Slovak Republics, the Agency's internal controls over contracting for technical services in the CEE, and on food distribution in Russia. The reports showed that Agency management generally followed AID policy and procedures in delivering the assistance but certain improvements were needed to ensure effective use of the assistance provided.

In reporting on a \$15 million grant to the Czech and Slovak Republics for environmental reform, the auditors found that the recipient governments properly enacted environmental policy reforms before disbursing monies. The assistance was delayed, however, by problems in identifying eligible trade receipts which met U.S. source/origin requirements. Also, there were certain identified weaknesses in monitoring the local currency account which was being used to support an environmental fund. The Bureau for Europe agreed to implement further guidance for local currency arising from sector grant assistance. (*Audit Report No. 8-184-93-007, September 14, 1993*)



*Management Generally
Followed Agency Policy
for Delivering Assistance
but Should Ensure
Effective Use of Such
Assistance*



*New Independent
States*



*Czech Republic
Slovak Republic*

An audit of a \$15 million food assistance program to Russia—providing dried milk powder to the infants and mothers with infants—showed that the PVO administering the program properly received, warehoused and distributed the food



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Russian orphans who have received A I D -financed dried milk

The predicted food crisis in Russia did not occur and the food distributed actually served as an income supplement. According to recipients, they were then able to purchase other commodities such as meat. We did find that the milk powder was delivered in 50-pound bags instead of the originally planned 4 4-pound bags. The NIS Task Force stated that the decision to supply the food in larger bags enabled them to feed considerably more people at less cost. However, the large bags made it difficult for some recipients to transport the milk to their homes. Further, it was not possible to accurately determine whether the targeted population had actually been helped.



Elderly Russian citizen in Moscow encounters difficulty in transporting dried milk packaged in 50-pound bags instead of the 4 4-pound bags originally contemplated

The NIS Task Force did not ensure that the powdered milk was marked as having come from the U S and reflected U S support for Russia's move to democracy. The auditors found that an insufficient quantity of U S emblems were purchased to place on the food assistance and that those purchased were placed on food provided by the U S Department of Defense rather than provided by A I D. Agency management agreed that a lack of communication had led to the marking problem and that additional measures should be implemented to mark the assistance as originating from the United States. (*Audit Report No 8-110-93-008, September 24, 1993*)

FINANCIAL STATEMENTS UNDER THE CHIEF FINANCIAL OFFICERS ACT

The Chief Financial Officers (CFO) Act requires the OIG to audit the Agency's financial statements for revolving funds, trust funds, and entities involving substantial commercial activities. The audits provide an opinion on the Agency's financial statement, an assessment of the adequacy of internal controls, the Agency's compliance with certain laws and regulations, and the Agency's progress in developing performance measures.

We are pleased to report that audits of the Housing Guaranty and Private Sector Investment Programs resulted in unqualified opinions on the fiscal year 1992 financial statements—a major improvement over the fiscal year 1991 statements which received disclaimers in the audit reports. The Agency took steps during fiscal year 1992 to develop performance measurement systems for both programs. Measurement systems did not exist during fiscal year 1991. The first-time audits of the Direct Loan Program and Miscellaneous U.S. Dollar Trust Fund resulted in disclaimers by the auditors on the financial statements of both entities. In addition, the auditors identified material internal control weaknesses and material instances of noncompliance with laws and regulations tested in both entities.

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*Housing Guaranty
Program Financial
Statements Fairly
Present Results of
Operations*

Audit of the Housing Guaranty Program

The Housing Guaranty Program stimulates U.S. private sector involvement in the financing of low-income shelter and related services by using U.S. government guaranty of repayment to leverage funds from U.S. investors to eligible borrowers in less-developed countries. U.S. private sector lenders make financing available at commercial rates and foreign borrowers usually pay an initial charge of one percent of the loan amount and an annual fee of one-half of one percent of the unpaid principal balance.

As of September 30, 1992, the Housing Guaranty Program had outstanding guarantees of about \$2.5 billion worldwide. Operating

expenses during fiscal year 1992 amounted to about \$7.5 million, of which about \$2.8 million were for salaries and related costs

The auditors concluded that the financial statements presented fairly, in all material respects, the financial position of the Housing Guaranty Program at September 30, 1992, and the results of the Program's operations, cash flows, and budget and actual expenses for the year then ended. The auditors identified internal control weaknesses related to claims receivable and a commercial bank account. The auditors did not consider any of these weaknesses to be material. No material instances of noncompliance with laws and regulations tested were noted.

In response to recommendations made in the CFO audit report for fiscal year 1991, the Agency began to establish a performance measurement system for the Housing Guaranty Program during fiscal year 1992. The Agency acknowledges that the system thus far only provides a static "snapshot", and that data from a longer time frame will be needed. The auditors concluded that the Agency's initial steps comply with the spirit and intent of the CFO Act. (*Audit Report No 0-000-93-001, June 30, 1993*)



Audit of the Private Sector Investment Program

The Private Sector Investment Program is designed to promote private sector activity in developing countries through increasing credit to small scale businesses and cooperatives. The Program has involved direct loans since 1983 and guarantees since 1988—with the latter becoming the primary tool in recent years.

*The Private Sector
Investment Program's
Financial Statements
Fairly Present Results
of Operations*

As of September 30, 1992, loans outstanding amounted to \$15.8 million and guarantees outstanding were \$105.8 million. The Program's operating expenses during fiscal year 1992 were \$2.4 million. The Agency has developed a phase-out plan for the Private Sector Investment Program. The Agency did not request funding from the Congress for credit activities for fiscal year 1994 and beyond, except for operating expenses to administer the existing portfolio.

The auditors concluded that the financial statements for the Private Sector Investment Program presented fairly, in all material respects,

the financial position of the Program at September 30, 1992, and the results of the program's operations, cash flows, and the budget and actual expenses for the year then ended. The auditors did not identify any internal control weaknesses that warranted formal reporting. Likewise, the auditors did not identify any instances of noncompliance with laws and regulations tested. (*Audit Report No 0-000-93-002, June 30, 1993*)

Audit of the Miscellaneous U S Dollar Trust Fund

*Auditors Disclaim
Opinion on U S
Dollar Trust Fund's
Financial Statements*

The Miscellaneous U S Dollar Trust Fund includes (1) U S dollar advances from foreign governments, and (2) gifts and donations. As of September 30, 1992, the Agency reported a total Trust Fund balance of about \$16.2 million, of which only \$16,000 was associated with gifts and donations. Under the foreign governments segment, the Agency records expenditures against receipts held in trust and acts in a fiduciary capacity in accordance with agreements with foreign governments. The balance represents equity to the foreign governments—not to the U S government.

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The Miscellaneous U S Dollar Trust Fund has no appropriated funding, and it is the Agency's policy not to allocate overhead to the Fund. Certain specific Agency costs (\$160,000 in fiscal year 1992) identified as pertaining to a training program for foreign governments are charged to foreign governments and reimbursed to the Agency's operating expense appropriation. All other administrative costs of operating the Trust Fund, including facilities, salaries, travel costs, supplies, and systems costs, are absorbed by the Agency as a whole.

The auditors were unable to express an opinion on the fiscal year 1992 financial statements of the Trust Fund due to inadequate accounting records, procedures, and automated systems. The auditors concluded that the Agency's inability to provide a complete accounting for the Trust Fund constituted a material internal control weakness. The auditors recommended reconciliations among the Agency's offices and missions and with the U S Treasury, and accounting for transactions on a full accrual basis.

Agency management commented that they were aware of the weakness and a "substantial effort" will be required to correct the problems. Due

to the small size of this entity, it is assigned a relatively low priority. The auditors also found that the Agency had not developed performance measures for the Miscellaneous U S Dollar Trust Fund due to its nature and small size. Agency management stated that they recognized the CFO Act requirements but had concentrated their efforts on other more material and significant activities subject to the CFO Act requirement for performance measures. The auditors concurred with Agency management and offered to consult with management about designing measures for this entity. (*Audit Report No 0-000-93-003, June 30, 1993*)

Audit of the Direct Loan Program

The Direct Loan Program services all direct loans issued by AID and its predecessor agencies since the inception of U S foreign economic assistance in 1948. The Direct Loan Program involves a multitude of economic, technical, and financial projects in 105 countries, and currently services about 2,000 loans. Responsibility for designing, implementing and monitoring projects, as prescribed in 28 legislative mandates, rests with the Agency's bureaus and 75 missions.

Since 1989, the Congress has not appropriated funds for direct loans. As of September 30, 1992, all funds except for about \$112 million have been disbursed, substantially all repayments and revenues are remitted to the U S Treasury. As of September 30, 1992, the Agency reported gross loans receivable of about \$16.3 billion, with allowance for doubtful accounts of about \$5.2 billion, resulting in a net receivable of about \$11.1 billion. For fiscal year 1992, the Agency reported that it incurred about \$1.3 million in operating expenses for the Direct Loan Program through its administrative appropriation authority.

The auditors were unable to express an opinion on the fiscal year 1992 financial statements for the Direct Loan Program due to inadequate operating checks and balances, as well as insufficient accounting records and systems. The audit also disclosed three material weaknesses—an inadequate general ledger, poorly integrated computer systems, and lack of formal policies and procedures. Moreover, the audit identified material instances of noncompliance with laws. While Agency management concurred with four recommendations made by the auditors, they stated that the

*Auditors Disclaim
Opinion on Direct
Loan Program's
Financial Statements*

corrective actions could not be taken immediately due to staffing and other considerations

The Agency cited three “financial indicators” as performance measures. However, due to the weaknesses found in the financial records, the auditors could not attest to the validity of the data. Moreover, the Agency had not developed any performance measures related to the programmatic aspects of the Direct Loan Program. Nevertheless, because the Office of Management and Budget (OMB) recognizes that the development of sound performance measurement systems requires time, the auditors did not make any recommendations. (*Audit Report No 0-000-93-004, June 30, 1993*)

FINANCIAL MANAGEMENT SYSTEMS

The Office of Audit reviews major management systems to determine the efficiency and effectiveness of Agency foreign assistance programs or the systems used to administer assistance dollars on a country-specific, regional, or Agency-wide basis. The Office of Audit undertakes audits to evaluate the effectiveness and efficiency of Agency administrative operations. Also, the Office of Audit is required by the Congress or the Executive Branch to review mandated areas of special interest.

Highlights of significant audits performed this reporting period follow

— Financial Management Systems Audits —

Audit of A I D ’s Accounts Receivable

*Improved Accounts
Receivable Collection and
Reporting Needed*

A I D ’s Accounts Receivable System comprises bills for collection issued to contractors, grantees, employees, foreign governments, cooperating sponsors, suppliers, and other U S government agencies. These bills generally result from overpayments and costs disallowed as a result of audits and may also include mandatory interest charges on accounts which are delinquent. Individual billing offices are

responsible for issuing and reporting bills and any subsequent adjustments to the Central Accounting and Reporting Division within the Office of Financial Management for entry into the Agency's Accounts Receivable System and annual reporting of System balances to the Department of the Treasury. The audit was conducted at the Offices of Financial Management in Washington and in USAID/El Salvador. The Agency reported its accounts receivable balance, as of September 30, 1992, to be \$30.4 million.

Because of recent and substantial increases in the value of receivables reported by AID, the audit objective was

Did AID follow U.S. government requirements and AID policies and procedures in collecting accounts receivable?

The audit showed that AID did not always follow U.S. government requirements and AID policies and procedures in managing and collecting accounts receivable. Specifically

- three of the five billing offices reviewed did not properly follow up for the collection of 34 bills for collection which totaled about \$4.1 million,
- the Central Accounting and Reporting Division did not take final resolution action for periods of up to 11 years on 20 bills for collection totaling approximately \$2.8 million which had been transferred to it by various billing offices,
- two billing offices incorrectly calculated interest charges totaling \$299,438 which were not assessed on 16 bills for collection reviewed,
- four AID/Washington billing offices did not report bills for collection liquidations or adjustments to the Central Accounting and Reporting Division causing an \$11.2 million overstatement in the September 30, 1992, accounts receivable data, and
- three billing offices did not report adjustments for interest due, causing the accounts receivable balance to be understated by nearly \$1.8 million on September 30, 1992.



The report contains seven recommendations which include calling upon management to implement Agency-prescribed controls and procedures for (1) accounts receivable follow-up and resolution, (2) calculating and assessing interest charges on delinquent bills for collection, and (3) ensuring that quarterly reconciliations are made and that all adjustments are properly reported. A I D generally agreed with the report's findings and recommendations and four of the recommendations were either resolved or closed upon report issuance. The remaining three recommendations are unresolved. (*Audit Report No 9-000-93-006, August 31, 1993*)

GRANTS AND COOPERATIVE AGREEMENTS

A grant or cooperative agreement is a gift in support of an agreed-upon purpose. The grant or cooperative agreement is awarded to support a nonprofit organization whose program activities are consistent with A I D 's own objectives. In this regard, A I D is supporting a program designed and implemented by the nonprofit organization. This program may be designed in response to a request from A I D or it may be an unsolicited proposal which A I D finds unique and worth supporting. Appropriate provisions are attached to the grant or cooperative agreement limiting the use of A I D funds.

Though a grant and cooperative agreement are often used synonymously, a cooperative agreement differs from a grant in the sense that it is characterized by soliciting A I D 's involvement in approving implementation plans, budgets, contracts, subgrants, etc. A I D uses a cooperative agreement to have a more active approval role in the implementation of the nonprofit organization's program. However, because the A I D cooperative agreement (and grant) is in the nature of a gift to support the nonprofit organization's program, A I D , by design, does not exercise a substantial degree of operational control over the program.



Audit of the Cross-Border Humanitarian Assistance Program - Afghanistan

Since 1985, A I D has disbursed \$395 million for the Afghanistan Cross-Border Humanitarian Assistance Program. This assistance was to create conditions which would allow Afghan refugees to return home in peace and dignity. The disbursements included \$83.6 million for the P L 480 Title II Food Program, \$81.8 million for the Commodity Export Program, \$102 million for various A I D -direct contracts, and \$127.3 million for grants and cooperative agreements. Our audit focused on grants and cooperative agreements with 22 PVOs who administered various A I D -supported activities inside Afghanistan.

It was not possible to determine whether the funds provided were achieving results commensurate with the funds spent or to what extent they were achieving the intended purposes because A I D did not effectively monitor the Program's results in Afghanistan. Due to the wartime conditions, A I D had waived the requirement for "end use checks" on assistance provided inside Afghanistan.

Management of the Afghanistan Program Needed Improvements

Afghanistan





A I D Representative for Afghanistan Affairs monitoring team had to bring its own fuel into Afghanistan because local supplies are unreliable and contaminated

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The audit report recommended that A I D assess the continued viability of the entire Afghanistan Cross-Border Program and determine the most effective use of the remaining \$46 million. Management agreed with the findings and responded to the recommendations in a cooperative and expeditious manner. A new strategy was developed to redesign the Program's portfolio, redefine the projects, and reprogram or deobligate the \$46 million pipeline as appropriate. Additionally, Agency officials agreed that special authorities such as the "notwithstanding" provisions, abbreviated project design, and relaxed monitoring requirements were no longer relevant to the changed circumstances. A I D's Asia Bureau is currently examining the special authorities to determine which, if any, should be retained. (Audit Report No 5-306-93-009, June 7, 1993)

FINANCIAL AUDITS

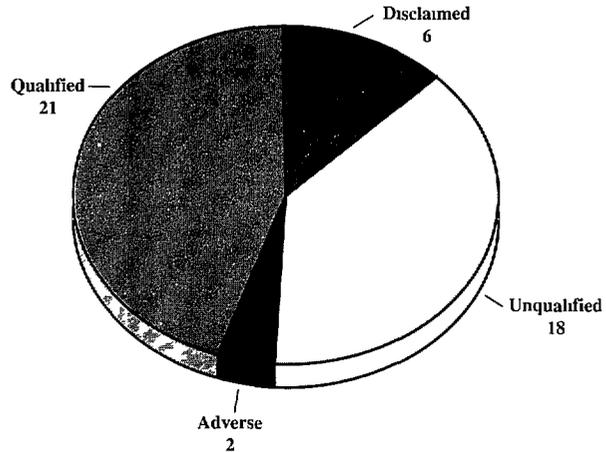
Financial audits of AID and AID's contractors and grantees are an integral part of the Agency's internal control structure to ensure that federal funds are adequately accounted for and used for their intended purposes. Under the Audit Management and Resolution Program, Agency management is responsible for ensuring that audits are performed and that appropriate action is taken on audit recommendations. In turn, the IG is responsible for determining whether the Agency is meeting its responsibility with respect to its grantee and contractor financial audits and that the audits meet the appropriate auditing standards. In general, Agency-contracted auditors, supervised by the IG or other cognizant federal auditors, perform for-profit contractor audits, recipient-contracted independent auditors perform grantee audits.

— Agency-Contracted Audits —

The objectives of the Agency-contracted audits are to express opinions on the fairness of the auditees' financial statements (AID-provided funds) and report on the adequacy of the auditees' internal controls and their compliance with AID agreements. During this reporting period, 48 Agency-contracted audits were issued through the IG's Regional Inspectors General for Audit and the Financial Audit Office. These reports included recommendations for the resolution of questioned costs totaling nearly \$9.9 million, as well as numerous recommendations to improve internal controls and compliance with laws and regulations.

Only 18 of the 48 reports (37.5 percent) that gave an opinion on the financial statements expressed an unqualified (favorable) opinion. In addition, 23 reports contained 57 material internal control weaknesses and 25 reports contained 82 instances of material noncompliance. The graph below provides an analysis by type of financial statement opinion.

**SUMMARY OF FINANCIAL STATEMENT OPINIONS
IN AGENCY-CONTRACTED AUDIT REPORTS***



*One of the 48 reports was not designed to render an opinion on financial statements.

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Unqualified opinions are given when no significant exceptions are found. *Qualified* opinions are given whenever material exceptions are noted. *Adverse* opinions reflect the lowest level of assurance the auditor can report and are given when the financial statements are materially misstated or when internal controls are not adequate to prevent fraud, waste, and abuse. *Disclaimer* opinions are usually given due to inadequate records. Adverse and disclaimer opinions are rarely reported by auditors in the U.S. government's domestic assistance programs.

Summaries of significant Agency-contracted audits follow:

Audit of the Enterprise Promotion Program No. 695-0125 - Burundi

***Auditors Question
\$739,888 in Unsupported
Loan Repayments***

The Burundi Enterprises Promotion Program began in April 1990 and was to foster growth of private enterprises in Burundi. AID was to provide \$35 million over a four-year period and at December 31, 1992,

the Mission had disbursed \$21.6 million. The auditors were to report on the fairness of the auditee's Fund Accountability Statement, consider and report on the auditee's internal control structure, and test the auditee's compliance with the terms of the grant agreement. The auditors issued a qualified opinion on the Fund Accountability Statement because loan repayments of \$739,888 were not supported. The auditors noted no significant internal control weaknesses and no material instances of noncompliance.



The report recommended that USAID/Burundi determine the allowability of \$739,888 in unsupported costs, and recover, as appropriate, any unallowable costs from the government of Burundi. (*Audit Report No. 3-695-93-019-N, May 27, 1993*)

Audit of the Health Care Financing Program - Kenya

The Kenya Health Care Financing Program grant was designed to assist the host government in accomplishing progressive economic reforms in health care financing. AID made a five-year grant for \$9.7 million and as of June 30, 1992, \$4.6 million had been released to the government of Kenya. A financial audit was made to report on the fairness of the auditees' Fund Accountability Statement, assess and report on the auditees' internal control structure, and test the auditees' compliance with the terms of the grant agreement.

*Auditors Issue Adverse
Opinion on Fund
Accountability Statement*

The auditors issued an adverse opinion on the Fund Accountability Statement of the Ministry of Health and the Kenyatta National Hospital because of unreconciled expenditures, ineligible costs of \$347,168 and unsupported costs of \$431,536. The auditors also found material internal control weaknesses and instances of noncompliance. The auditees did not provide USAID/Kenya with timely, reliable financial information, and did not adequately maintain records showing the receipt and use of goods and services.



The report recommended that USAID/Kenya (1) determine the allowability, and recover, as appropriate, questioned ineligible costs of \$347,168 and unsupported costs of \$431,536 from the auditees, and (2) obtain a plan from the auditees for improving their internal control structure and for ensuring compliance with the terms of the grant agreement. (*Audit Report No. 3-615-93-025-N, July 16, 1993*)

Audit of the Commodity Import Program No 662-K-609B - Seychelles

Auditors Issue Unqualified Opinions on Fund Accountability Statements



The Seychelles Commodity Import Program (CIP) was to finance the foreign exchange costs of oil related commodities necessary to promote the economic development and stability of the Seychelles. Under this program, Seychelles rupees were to be generated from the sale of these commodities. The proceeds from the sales were to be deposited into a special account and used to fund mutually agreed-upon development projects in the Seychelles. The audit covered disbursements of about \$3.9 million made during the period January 1991 through February 1993. The audit found that the government of Seychelles properly accounted for and reported on the CIP's U.S. dollar and local currency transactions. An Agency-contracted audit firm issued unqualified opinions on the U.S. dollar and the local currency Fund Accountability Statements. (*Audit Report No 3-662-93-027-N, August 16, 1993*)

— Recipient-Contracted Audits —

OMB Circular A-73 requires agencies to rely on recipient-contracted financial audits of an agency's grantees, provided such audits are made in accordance with generally accepted government auditing standards and otherwise meet the needs of the agency. AID management has accepted responsibility for ensuring that financial audits of its grantees and contractors are performed.

OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," requires grant recipients to have periodic audits made by independent public accountants. These audits test the fiscal integrity of financial transactions as well as compliance with the terms and conditions of the contracts, grants, and other agreements. The IG's Financial Audit Office has been primarily responsible for ensuring that A-133 audits are performed and meet generally accepted government auditing standards. The Office fulfills these responsibilities through desk reviews of the audit reports and detailed quality control reviews of auditors' workpapers.



Under the policies established in the Audit Management and Resolution Program, the Agency has elected to apply A-133 requirements to both domestic and foreign grantees. Accordingly, it has assumed responsibility for ensuring that recipients submit the audits of their organization for review. IG staff reviews the audits for quality and compliance with auditing standards. During the past two six-month periods, the number of recipient-contracted audits has increased dramatically as the Agency moves towards full implementation of the Circular. For the 12-month period ending September 30, 1992, the IG issued 102 recipient-contracted audit reports and for the similar period ending September 30, 1993, the IG issued 311 audit reports. These 311 recipient-contracted audits, 86 of which were conducted at foreign-based PVOs, are providing invaluable audit coverage to AID funds.

During this reporting period, OIG staff reviewed 141 recipient-contracted reports. Of the 141 reports, 140 were issued (130 without major change and 10 were issued after major change), and 1 was rejected because it did not comply with government auditing standards.

In 3 of the 93 U.S.-based recipient-contracted audits, there were 9 material internal control weaknesses reported. In the remaining 90 reports, there were no material internal control weaknesses. In 8 of the U.S.-based recipient-contracted reports, there were 15 instances of material contract or grant noncompliance. In the remaining 85 reports, there were no instances of material noncompliance.

Conditions of the overseas recipients were similar to the U.S.-based recipients. Of the 48 overseas-based recipients, 4 were found to have 12 material internal control weaknesses and 6 were found to have 19 material compliance deficiencies.

In total, the reports that were reviewed resulted in recommendations to resolve \$3.2 million in questioned (\$1.1 million unsupported) costs. The reports identified 622 internal control and compliance deficiencies classified, as follows:

- 21 material internal control weaknesses,
- 348 reportable internal control weaknesses,

- 34 instances of material noncompliance, and
- 219 instances of nonmaterial noncompliance

Highlights of a recipient-contracted audit conducted during this period follow

Audit of Costs Claimed by a U S Nonprofit Grantee

*IG Quality Control
Process of Recipient-
Contracted Audits
Identified \$526,000
in Questioned Costs*

For the year ending December 31, 1991, A I D funded \$27.3 million to a primary grantee. The audit found that the grantee did not have an adequate system to determine if their subrecipients were having audits done in accordance to Government Auditing Standards or if findings reported in the audit reports were addressed and resolved in a reasonable period of time. The audit also found that the grantee needs to adopt a system for recording time allocated to various federal awards. The independent auditor expressed an unqualified opinion as to the grantee's internal controls and compliance with laws and regulations but the OIG's quality control review on the audit work found \$526,000 in questioned costs for international travel that had not been pre-approved as required by the grant. The OIG auditors also discovered that the grantee's indirect cost pool included certain ineligible costs totaling \$1,999,125. The OIG recommended that A I D management resolve the above issues. (*Audit Report No 0-000-93-109-R, July 16, 1993*)

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— Audits Conducted by Other Federal Agencies —

The OIG coordinates extensively with other federal agencies to ensure financial audit coverage of all A I D -financed recipients. Through interagency agreements, the OIG requests other federal auditors, primarily the Defense Contract Audit Agency and the Department of Health and Human Services, to perform audits on its behalf. These audits play a major role in our efforts to combat fraud, waste and abuse by contractors or grantees.

During this reporting period, the OIG received and processed 78 audit reports completed by other federal auditors. These financial and compliance audits included pre-awards, termination claims, and costs-incurred audits.

The 78 reports resulted in 62 recommendations to AID management to (1) require improved contractor or grantee accounting and internal controls in order to enhance the reliability of contractor or grantee cost representations, (2) increase monitoring of financial performance for contractors and grantees in potential financial jeopardy in order to protect government resources, (3) finalize indirect cost rates, and (4) resolve \$2.2 million of costs incurred or proposed by contractors and grantees. An example of one of these audits follows.

Audit of the Accounting System of a Foreign-Based Not-For-Profit Organization

In an audit performed by the Defense Contracting Audit Agency of the accounting system of a foreign-based not-for-profit organization, auditors found that the organization's accounting system was inadequate for identifying, segregating, accumulating, and recording costs. Specifically, the auditors found that the organization's (1) current system did not segregate costs by grant which can be controlled and reconciled to the general ledger and trial balance and (2) nonprofessional employees did not prepare time sheets to account for their daily labor activities as required by OMB Circular A-122. The organization was in the process of correcting these deficiencies. (*Audit Report No. 8-TR-93-002, July 15, 1993*)

*Not-For-Profit
Organization Found to
Have Inadequate
Accounting
System*

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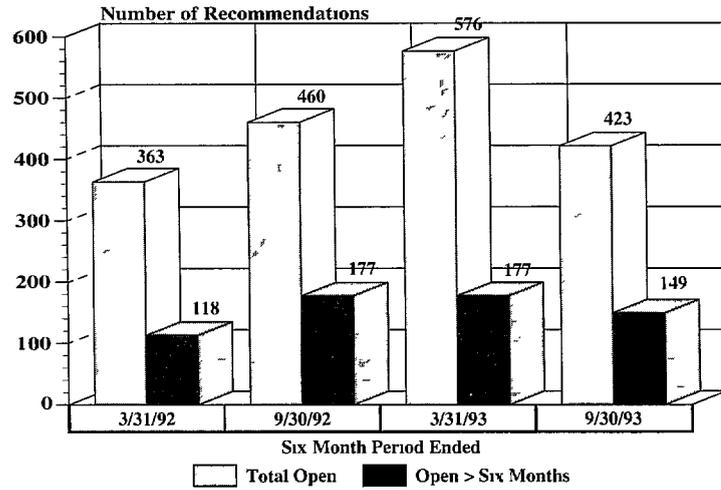
AUDIT RECOMMENDATIONS, FOLLOW-UP, AND RESOLUTION

— Comparison of Status of Open Recommendations —

The total number of open recommendations at the end of the reporting period decreased by 26.6 percent (576 to 423) from the prior period.

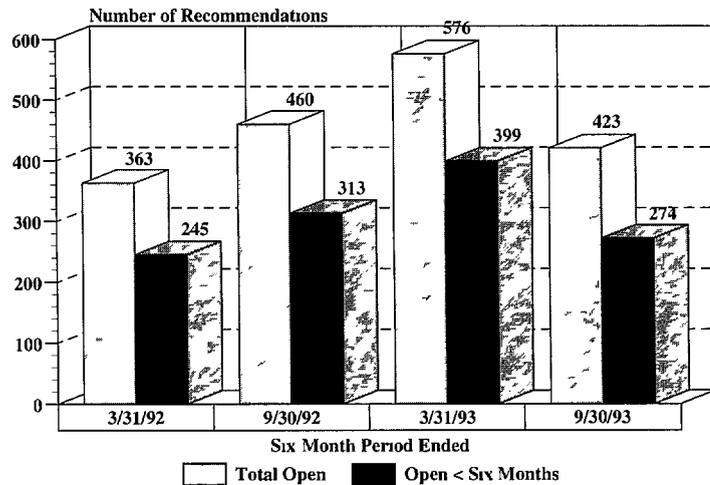
The number of recommendations open in excess of six months decreased by 15.8 percent (177 to 149) from the prior period

TOTAL OPEN RECOMMENDATIONS COMPARED TO THOSE OPEN FOR MORE THAN SIX MONTHS



50
■

TOTAL OPEN RECOMMENDATIONS COMPARED TO THOSE OPEN FOR LESS THAN SIX MONTHS



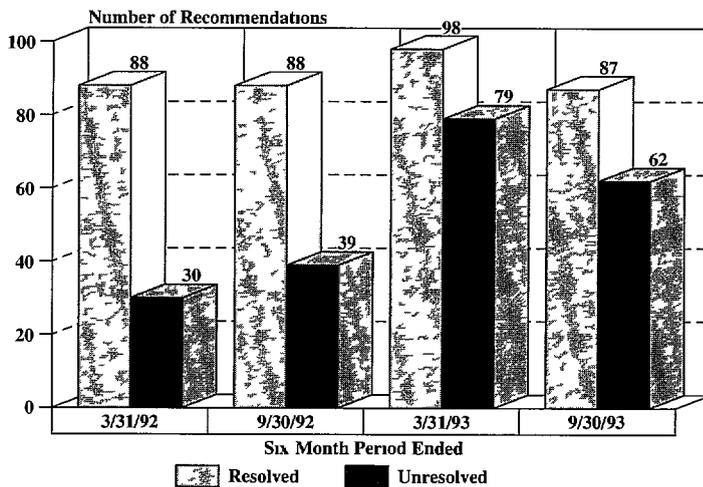
— Comparison of Status of Open Recommendations Over Six Months Old —

OMB Circular A-50 requires that recommendations be resolved within six months of issuance. In this context, resolution and closure are not synonymous terms. Audit recommendations are resolved when management and the IG's Office reach agreement on firm plans of action to correct the reported deficiencies. Audit recommendations are generally not closed until corrective actions have been completed or, in the case of a cost recovery, a bill for collection has been issued.

AID Compliance With OMB Circular A-50

The number of IG recommendations open over six months decreased by 15.8 percent (from 177 to 149) between April 1, 1993, and September 30, 1993. Noncompliance with A-50 requirements for resolution decreased during this period from 79 to 62.

STATUS OF OPEN RECOMMENDATIONS OVER SIX MONTHS OLD



REPORTS WITH SIGNIFICANT REVERSALS OF MANAGEMENT DECISIONS

The Inspector General Act Amendments of 1988 require that significant reversals of previous management decisions be reported. During the past six months, A I D management has not made any significant reversals of previous management decisions.

SIGNIFICANT DISAGREEMENTS WITH MANAGEMENT

The Inspector General Act Amendments of 1988 require that significant disagreements with Agency management be reported. During the past six months, there have been no significant disagreements with management.

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ACCESS TO RECORDS ISSUES

The Inspector General Act Amendments of 1988 require that access to records issues be reported. During the past six months, the OIG has not been denied access to the records necessary to conduct audits, investigations, and security activities.

AUDIT FOLLOW-UP TABLES

The tables on the following pages are required by the Inspector General Act Amendments of 1988

They are

Table A Audit Reports Issued Prior to Start of Period with No Management Decision at September 30, 1993

Table B. Significant Audit Reports Described in Previous Semiannual Reports Without Final Action at September 30, 1993

Table C. Reports Issued with Questioned and Unsupported Costs (April 1, 1993 through September 30, 1993)

Table D Reports Issued with Recommendations that Funds Be Put to Better Use (April 1, 1993 through September 30, 1993)



Table A

**AUDIT REPORTS ISSUED PRIOR TO START OF PERIOD
WITH NO MANAGEMENT DECISION
AT SEPTEMBER 30, 1993**

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
0 000 92 004 N	Audit of Louis Berger International Inc (Egypt)	02/12/92	The unresolved recommendations require USAID/Egypt to resolve unsupported contract costs totaling \$804 984. The contracting officer has not completed the necessary negotiations.	Unknown
0 000 93 003 N	Audit of Agricultural Cooperative Development International	12/11/92	The report recommended that the Agency's Office of Procurement resolve \$31 801 in questioned costs. The Office of Procurement is attempting to resolve the above questioned costs.	11/93
0 000 93 005 N	Audit of International Executive Service Corps Expenditures	02/19/93	The report requested the Agency's Office of Procurement to resolve \$1 060 987 in questioned costs and to determine if the grantee organization was using appropriate per diem rates. The Office of Procurement has contracted with a certified public accountant (CPA) firm to assist in resolving the above recommendations.	10/93
1 514 92 053 N	Audit of USAID Office/Colombia's Narcotics Public Awareness Project	09/16/92	The USAID Office/Colombia was requested to resolve \$96 371 in questioned costs and to recover all unexpended project funds from the grantee. USAID/Peru contracted a local CPA to review the propriety of additional documentation provided by the implementing entity and will make a determination as to the eligibility of the expenditures. This recommendation will be closed once USAID/Peru advises the OIG of the results of the CPA's review.	Unknown
3 617 91 010	Audit of Uganda Manpower for Agricultural Development	07/19/91	The unresolved recommendation involves USAID/Uganda's charging the project with \$157 712 in Mission related general management support costs such as advisory accounting services, management services, and motor pool equipment. The Mission did not agree with the IG position. The recommendation was referred in February 1992 to the Assistant Administrator for Africa for resolution. To date, we are awaiting the Bureau's response.	Unknown

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
3 615 92 003	Audit of USAID/Kenya Commodity Import Programs	11/29/91	USAID/Kenya did not monitor the withdrawals of local currency funds from the CIP's special accounts. This recommendation requires a determination of allocability of \$55 million in withdrawals. The Mission has contracted with a local CPA firm to audit the CIP special accounts and a determination will be made as soon as the audit is completed.	10/93
3 696 92 008 N	Audit of USAID/Rwanda's Agricultural Surveys and Policy Analysis Project	03/25/92	This recommendation required USAID/Rwanda to determine the allowability of \$51,831 in questioned costs and \$626,856 in unsupported costs. The Mission conducted a preliminary review but was unable to make a determination as to the eligibility of these costs. The Mission is now arranging for an audit to assist in making the final determination.	12/93
3 617 92 011	Audit of USAID/Uganda's Management of Commodities	07/09/92	This recommendation requires USAID/Uganda to take a physical inventory of \$12.7 million in commodities procured under projects 617 0102, 617 0108, and 617 0109, reconcile the inventories to the disbursements made by the Mission, and account for any differences. The Mission conducted an inventory for project 617 0109 with commodities valued at \$1.3 million. The Mission has not agreed to conduct inventories for the other two projects. We cannot resolve this recommendation until the inventories are conducted and we do not concur with the Mission's position. This recommendation will be referred to the Bureau in the near future.	Unknown
3 615 92 012 N	Audit of the National Council for Population and Development Kenya	07/29/92	These recommendations require USAID/Kenya to make a determination on the allocability of \$160,410 in questioned costs and \$828,438 in unsupported costs. The Mission contracted with a CPA firm for a financial review to assist in making a final determination.	12/93
3 645 92 016 N	Audit of the Swaziland Regional Training Council	08/25/92	This recommendation called for USAID/Swaziland to make a final determination concerning the allowability of \$204,504 in unsupported costs. The Mission is reviewing materials in an effort to make that determination but has been unable to gather all the supporting documentation. The Mission is continuing its efforts and we expect a determination to be made soon.	12/93

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
3 615 93 001	Audit of USAID/Kenya s Management of Commodities	11/12/92	The audit report recommended that USAID/Kenya (1) reconcile the commodity listings for various projects (2) reconcile discrepancies in the Mission s shipping documents for various contraceptive items with the receiving records of the government of Kenya (3) obtain an accounting from the government of Kenya for various contraceptives which could not be traced during the audit (4) determine the allowability of \$53 340 paid for rehabilitation of nonproject road maintenance equipment and (5) obtain from various contractors and grantees a complete and accurate accounting for commodities disposed of under two projects The Mission contracted with a CPA firm to perform a financial review of these areas to assist in making the required determinations	02/94
3 621 93 005 N	Audit of Tanzania P L 480 Title II	12/17/92	USAID/Tanzania was requested to determine the allowability of \$2 496 772 in questioned costs Mission has not made a final determination on the allowability of the above questioned costs	12/93
3 696 93 006 N	Audit of Farming Systems Research Project	12/17/92	The report recommended that USAID/Rwanda determine the allowability of \$1 010 863 in unsupported costs The Mission has not yet determined the allowability of these costs	12/93
3 615 93 008 N	Audit of the Government of Kenya/Ministry of Health Clinical Training and Support Services Component	01/22/93	USAID/Kenya was requested to determine the allowability of \$588 288 in questioned costs (\$582 371 unsupported) and to assist the government of Kenya in developing a plan of action to implement various internal control improvements The Mission contracted with a CPA firm to review the questioned costs The report recommendations can be resolved once the Mission makes a final determination regarding the allowability of the questioned costs and agrees to assist the government of Kenya in developing the required action plan	03/94
6 263 92 004 N	Audit of Local Expenditures of Agricultural Cooperative Development International	11/26/91	The unresolved recommendations involve questioned costs of \$174 449 The Mission contracting officer continues to work on determining the allowability of these costs However no final action is expected until after October 15 1993	11/93
6 263 93 001 N	Audit of Environmental Quality International s Direct Indirect Costs and Fringe Benefit Rates	10/05/92	The report requested USAID/Egypt to resolve \$35 892 50 in questioned costs (\$17 075 unsupported) The contracting officer is working with the contractor to finalize the above costs	11/93
6 263 93 002 N	Audit of International Executive Service Corp s Related to Local Expenditures	11/15/92	The report called for USAID/Egypt to resolve \$230 304 in questioned costs At this time the contracting officer is attempting to reach a final determination as to the allowability of these costs	11/93

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
6 263 93 004 N	Audit of Geonex Corporation Local Expenditures	01/03/93	The report contains one unresolved recommendation requesting USAID/Egypt to resolve \$356 624 in questioned costs The Mission contracting officer is reviewing additional information provided by contractor and should shortly reach a determination as to the allowability of the questioned costs	11/93
7 677 92 004 N	Audit of the Government of Chad s Disbursements Under A I D s Support of Developing Ministries	03/13/92	This unresolved recommendation required OAR/Chad to resolve questioned costs totaling \$357 008 (\$149 008 unsupported) with the government of Chad The Mission concurred but stated the government was unable to pay because of financial difficulties This recommendation was referred to the Assistant Administrator for Africa Bureau on February 2 1993 A follow up memorandum was sent to the Bureau on August 11 1993 which based on an OIG legal counsel opinion will permit recommendation resolution when the Africa Bureau determines that the agreement terms were met	11/93
7 636 93 003 N	Audit Survey of the P L 480 Title I Program in Sierra Leone	01/06/93	The report called for the Assistant Administrator for the Africa Bureau as a condition precedent to any future assistance to the government of Sierra Leone require the government of Sierra Leone to deposit to the special account any funds that can not be accounted for in accordance with P L 480 Title I agreement terms The Africa Bureau is still negotiating the terms of a Project Implementation Letter under an Economic Support Fund program which will require the government to deposit unaccounted for sales proceeds The agreement is in the final stages of negotiation with signing expected by the end of October Once the agreement is signed the recommendation can be resolved	11/93
9 000 92 002	Audit of A I D s Procedures for Processing Personal Property Claims Submitted by Evacuees from Liberia and Somalia	11/25/91	The unresolved recommendations involve recovering funds from claimants for claims inappropriately settled including cases where the claims were not substantiated exceeded the \$40 000 statutory limitation and exceeded the maximum allowable amounts per category of items The A I D Office of General Counsel is considering possible legislative relief or appealing to the GAO for reconsideration of the Comptroller General s decision that payments in excess of \$40 000 were not authorized Based on an opinion by the A I D Office of General Counsel A I D management believes that all claims already settled except those in excess of \$40 000 are final and conclusive and cannot be reexamined We disagree that the claims already settled are final and conclusive because we believe A I D did not settle the claims in accordance with prescribed requirements	Unknown

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
9 000 92 010	Audit of the Master Disbursing Account	09/02/92	The unresolved recommendations involve (1) designing and implementing a system to ensure no funds are spent in excess of the amounts committed (2) deobligating or returning those funds that are no longer needed and (3) taking appropriate action to resolve fund control violations and report to the Administrator the administrative fund control violations Agency management plans to seek Congressional authority to establish the master disbursing account as a revolving fund We believe it will take at least two years to implement the planned revolving fund — a period which is too long	Unknown
9 000 92 011	Audit of American Hospital in Shanghai Foundation	09/23/92	The unresolved recommendation involves questioned costs of \$1 837 749 General Counsel for the Office of American Schools and Hospitals Abroad is reviewing additional information provided by the grantee to support the questioned costs	11/93
9 000 92 012	Audit of Fudan Foundation	09/23/92	The unresolved recommendation involves questioned costs of \$1 668 037 The General Counsel for the Office of American Schools and Hospitals Abroad is reviewing additional information provided by the grantee to support the questioned costs	11/93
9 000 93 002	Audit of A I D s Controls Over Advisory and Assistance Services Contracts	03/30/93	The report recommended that the Agency s Procurement Executive establish procedures for requesting written action plans from contract offices to address any problem areas dealing with advisory and assistance services contracts that are discovered during the evaluation of contract offices Agency officials disagreed with the above recommendation but offered no alternative course of action Consequently the OIG has requested that the Agency implement the recommendation or offer a viable alternative for the OIG to consider	Unknown
TR 93 027	National Council of Community Bankers	10/21/92	The Agency s Office of Procurement was requested to resolve \$690 003 in unsupported costs The Office is working with the contractor to reach a final determination on the above recommendation	11/93
TR 93 060	DAC International Inc	10/29/92	The report called for USAID/Egypt to (1) resolve \$4 323 547 in unsupported costs (2) resolve \$26 761 in other questioned costs and (3) finalize the contractor s indirect cost rates for the fiscal year ended March 31 1989 Because of litigation concerns the contracting officer has only recently begun working with the contractor to address the report recommendations	12/93

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
TR 93 081	Lockwood Greene Engineers Inc	12/14/92	The report recommended that USAID/Egypt resolve \$48 579 in questioned costs The Mission contracting officer is working with the contractor organization to finalize this recommendation	11/93
TR 93 091	State of Florida	01/12/93	The report requested the Agency s Office of Procurement to (1) resolve \$288 792 in questioned costs and (2) obtain evidence that the audited university adequately segregated duties deposited \$400 000 in refunds into a special account and properly prepared payroll activity reports The Office is working with the university to finalize the above remaining report recommendations	11/93
TR 93 092	Construction Control Services	01/21/93	The report called for USAID/Pakistan to resolve \$196 901 in questioned costs The Mission is working with the contractor to close the above recommendation	11/93
TR 93 104	Devres Inc	02/03/93	The Agency s Office of Procurement was requested to obtain evidence that the contractor corrects several cost and time recording discrepancies submits properly calculated calendar year 1989 indirect cost rates and maintains qualified accounting staff The Office is attempting to resolve all the above issues with the contractor organization	12/93
TR 93 124	Minnesota International Health Volunteers	02/16/93	The report recommended that the Agency s Office of Procurement require the grantee organization to reconcile and report amounts drawn against letters of credit for each A I D grant The Office continues to work with the grantee to close this last report recommendation	11/93
TR 93 145	University of Nebraska	02/25/93	The report requested the A I D Representative to Afghanistan to resolve \$193 232 in unsupported costs The contracting officer is working with the audited university to resolve the recommendation	12/93
TR 93 146	Junior Achievement International	02/25/93	The Agency s Office of Procurement was requested to ensure that the grantee organization either install an adequate accounting system or if such a system were not installed to cancel the grant The Office is working with the grantee to finalize this matter	11/93
TR 93 171	Kramer Associates Inc	03/29/93	The report recommended that the Agency s Office of Procurement (1) obtains evidence that the grantee organization follows appropriate timekeeping practices and (2) resolves \$36 481 in questioned costs The Office is working with the grantee to reach final determinations on these recommendations	11/93

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
0 000 92 003 N TR 90 078 TR 90 101 TR 91 110 TR 91 137 TR 92 011	Louis Berger International (Somalia) BCI Geonetics International Louis Berger International Inc Ernst & Young International Colorado State University Robert R Nathan	02/12/92 06/06/90 07/16/90 04/16/91 06/27/91 10/11/91	These recommendations are made to Missions that have been evacuated The IG has temporarily suspended the recommendations until such time as the Missions can effectively address the recommendations	Unknown

**SIGNIFICANT AUDIT REPORTS DESCRIBED IN PREVIOUS
SEMIANNUAL REPORTS WITHOUT FINAL ACTION
AT SEPTEMBER 30, 1993**

REPORT NUMBER	REPORT TITLE	ISSUE DATE	FINAL MANAGEMENT DECISION DATE	FINAL FINAL ACTION TARGET DATE
0 000 92 001 N	Housing and Other Credit Guaranty Programs Financial Audit Reports for the Year Ended September 30 1990	12/11/91	12/11/91	12/93
0 000 93 001 N	Audit of Louis Berger International Inc Federal Contracts July 1 1986 to July 31 1991	11/23/92	None	Unknown
7 655 92 002	Audit of OAR Cape Verde s Management of Food Crops Research and Watershed Development Project	10/24/91	10/24/91	Unknown
8 180 93 003	Audit of Grants and Cooperative Agreements Under the Economic Restructuring Component	03/31/93	03/31/93	11/93
9 000 92 007	Selected ASHA Grants People s Republic of China	05/28/92	05/28/92	12/93
9 000 92 008	Audit of A I D s Buy American Reporting System	09/24/92	09/24/92	11/93
9 000 92 013	Audit of A I D s Practice for Reviewing and Certifying Unliquidated Obligations	09/30/92	09/30/92	02/94
9 000 93 003	Audit of Procedures Used by A I D Controllers for Performing Reconciliations with U S Disbursing Offices	03/29/93	03/29/93	12/93
9 000 93 004	Audit of the Office of Procurement s Management of the Award and Administration of Technical Services Contracts	03/31/93	09/21/93	01/94

REPORTS ISSUED WITH QUESTIONED AND UNSUPPORTED COSTS

APRIL 1, 1993 THROUGH SEPTEMBER 30, 1993

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS ¹
For which no management decision had been made as of April 1, 1993	110	\$44,796 ³	\$23,098 ³
Add Reports issued April 1993 through March 1993	76	\$26,393 ⁴	\$7,732
Subtotal	186	\$71,189	\$30,830
Less Reports with a management decision made April 1993 through September 1993	108	\$31,325 ^{5,6}	\$14,110 ^{5,6}
For which no management decision had been made as of September 30, 1993	78	\$39,864 ⁷	\$16,720 ⁷
For which no management decision was made within six months of issuance	27	\$16,291	\$10,786

¹ Unsupported Costs are included in Questioned Costs but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P L 100-504)

² Amounts include \$9,072,706 Questioned Costs and \$7,573,908 Unsupported Costs for audits performed for the IG by other federal audit agencies

³ The ending balance at March 31, 1993 was increased by \$78,712 Questioned Costs and \$118,948 Unsupported Costs to reflect increases in the amounts of the recommendations contained in four reports

⁴ Amounts include \$83,669 Questioned Costs for audits performed for the IG by other federal audit agencies

⁵ Agency Officials disallowed \$16,844,047 in Questioned Costs (\$1,738,413 Unsupported Costs) cited in 79 reports. Agency Officials did not sustain \$14,480,855 in Questioned Costs (\$12,371,960 Unsupported Costs) cited in 84 reports

⁶ Amounts include \$3,419,713 Questioned Costs (\$2,560,358 Unsupported) for audits performed for the IG by other federal audit agencies

⁷ Amounts include \$5,736,662 Questioned Costs and \$5,013,550 Unsupported Costs for audits performed for the IG by other federal audit agencies

REPORTS ISSUED WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

APRIL 1, 1993 THROUGH SEPTEMBER 30, 1993

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	DOLLAR VALUES
For which no management decision had been made as of April 1, 1993	24	\$94,021 ¹
Add Reports issued April 1, 1993 through September 30, 1993	25	\$14,599 ³
Subtotal	49	\$108,620
Less Reports with a management decision made April 1, 1993 through September 30, 1993	24	\$27,652 ^{4,5}
For which no management decision had been made as of September 30, 1993	25	\$80,969 ⁶
For which no management decision was made within six months of issuance	9	\$75,598

¹ Amounts include \$1 899 954 for audits performed for the IG by other federal audit agencies

² The ending balance at March 31, 1993 was increased by \$933 102 to reflect increases in the amounts of the recommendations contained in four reports

³ Amounts include \$2 138 368 for audits performed for the IG by other federal audit agencies

⁴ Agency Officials agreed with \$24 552 885 in actions cited in 21 reports and Agency Officials did not agree with \$3 099 368 in actions cited in 15 reports

⁵ Amounts include \$1 224 953 for audits performed for the IG by other federal audit agencies

⁶ Amounts include \$2 813 620 for audits performed for the IG by other federal audit agencies

RESOLUTION OF REPORTS WITH MONETARY RECOMMENDATIONS

The Supplementary Budget and Rescission Act of 1980 requires that all monetary audit recommendations be resolved within six months of issuance. The number of audit recommendations in noncompliance with this statute increased from 35 in the prior period to 42 at September 30, 1993.

OTHER INSPECTOR GENERAL REPORTING REQUIREMENTS

Follow-Up on Closed Recommendations

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OMB Circular A-50 mandates that each agency regularly evaluate its performance in complying with the scope and intent of audit recommendations. Consequently, as one means of evaluating AID compliance with audit recommendations, follow-up on closed audit recommendations has been integrated into the audit effort of each IG audit office. In addition, for all recommendations, the Inspector General's Special Reports staff closely follows activity before, during and after resolution and closure. Occasionally, IG staff determine from available information that recommendations should be reopened. During the past six months, the OIG conducted limited follow-up activities, reviewing 26 recommendations and reopening four recommendations. The following summarizes the reopened recommendations.

Audit of Consultant's Use of Project Vehicles Under USAID/Egypt's Alexandria Wastewater System Expansion Project No 263-0100 (Audit Report No 6-263-91-002, November 29, 1990)

Personal Use of Project Vehicle Not Properly Reimbursed

Recommendation No. 1 required a modification to the contract to change the basis for reimbursing the project for vehicle personal use by contractors. The change would result in reimbursements more accurately reflecting actual usage at the prevailing U.S. government rate. The audit follow-up review disclosed that the contractor local

staff was not reimbursing for vehicle personal use at the prevailing U S government rate The recommendation was reopened pending additional Mission action

Recommendation No 3 required the contractor to reduce its vehicle fleet size to a justified and reasonable basis The recommendation was closed on a commitment by the contractor to reduce the fleet size to 43 by the end of 1992 The audit follow-up review disclosed that the fleet reduction did not occur The recommendation was reopened pending additional Mission action

*Contractor's Vehicle
Fleet Size Not Reduced*

The reopened recommendations were included in Follow-Up Review of Recommendation Nos 1 and 3, Audit Report No 6-263-91-02, "Audit of Consultants' Use of Project Vehicles Under USAID/Egypt's Alexandria Wastewater System Expansion Project No 263-0100" dated November 29, 1990 (*Audit Report No 6-263-93-009, May 20, 1993*)

Audit of Economic Policy Reform Program in Guinea (Audit Report No 7-675-91-002, November 23, 1990)

Recommendation No 3 required that the government of Guinea deposit the local currency equivalent of \$5 million in an interest-bearing account Recommendation No 4 required that a plan be negotiated with the government of Guinea to use the \$5 million on local currency lines of credit or allocate idle funds to cover other projects, if a plan could not be negotiated The audit follow-up review disclosed that the \$5 million deposit had not been made and local currency lines of credit had not been used satisfactorily The Mission agreed with the reopening and began prompt discussions with the Guinean government officials to correct the problems

*\$5 Million
Deposit Not
Made to
Interest-
Bearing
Account and Local
Currency Lines of
Credit Not Used
Satisfactorily*

65
■

The reopened recommendations were contained in the Audit of USAID/Guinea Implementation of Recommendation Nos 3 and 4 for the Audit of Economic Policy Reform Program in Guinea Audit Report No 7-675-91-02, dated November 23, 1990 (*Audit Report No 7-675-93-010, September 22, 1993*)

OMB Circular A-50 also requires that the head of each agency or his or her designee arbitrate any disagreements between the audit and management functions on the timeliness and/or the nature of the agency's responses to audit recommendations. No recommendations were referred to the Deputy Administrator for resolution during the past six months.

CLARIFICATION OF PREVIOUS SEMIANNUAL REPORT

In the March 31, 1993, Semiannual Report, we reported that \$918,000 of assistance funds were idle for up to five years and could be put to better use because USAID/Tunisia did not promptly decommit or otherwise liquidate the funds. After reviewing the facts, the following clarification is provided. Of the \$918,446 that were described in the March 31, 1993, Semiannual Report as being unneeded, \$131,313 were actually deobligated. Of the remaining \$787,133, \$461,263 were liquidated subsequent to the audit for the original purposes of the project and \$325,870 are still being held for future liquidation. The USAID/Tunisia Mission Director stated that all actions were in accordance with Agency procedures. The IG agreed with the Mission Director and included the correct statistical information in Table D, page 64, of the March 31, 1993, Semiannual Report. Unfortunately, this information was not included in the narrative portion found on page 24 of the March 31, 1993, report.



OFFICE OF INVESTIGATIONS AND SECURITY

INVESTIGATIONS

The Office of Investigations has investigative responsibility for A I D 's foreign assistance programs. The Office's 31 American and 8 foreign national investigators are based in Washington, D C and at five overseas field offices. Investigations of criminal, civil, and administrative violations cover all facets of A I D 's worldwide operations.

International investigations differ from domestic investigations in that agents must undertake extensive foreign travel, cope with language and cultural differences, meet varied administrative and judicial requirements, and be aware of complex political and security issues.

In compliance with the Inspector General Act of 1978, the Office of Investigations refers investigative findings that indicate possible violations of federal law to the U S Department of Justice for prosecutive consideration. Agents also work closely with other federal, state, and local law enforcement agencies. In many investigations, jurisdiction lies with foreign governments, and considerable effort goes into working with foreign judicial and investigative authorities.

The majority of significant investigations originate with reports of possible violations made by A I D employees, contractors, and private citizens with an interest in the integrity of the foreign assistance program. In recognition of the reliance upon outside sources, the Office of Investigations maintains an active outreach program of fraud awareness in Washington, D C and throughout the world. Efforts are aimed at increasing employee awareness of the kinds of fraud schemes that they may encounter and at helping managers implement controls to detect and deter fraud.

Investigations may also result in administrative actions, such as employee dismissal and suspension, issuance of bills for collection, debarment of companies, and cost savings. AID management officials take appropriate actions after reviewing investigative findings. Civil complaints involving false claims or program fraud are normally filed by the Civil Division of the Department of Justice.

SIGNIFICANT INVESTIGATIONS

The following samples of recent investigative results illustrate the wide variety of cases upon which the Office of Investigations collaborates with AID employees, law enforcement authorities, and others. These joint efforts are essential in solving operational problems and bringing to justice those who attempt to deprive intended recipients of the benefits of foreign assistance programs. Nearly all of the reported cases were initiated when AID employees contacted investigators to report possible wrongdoing. This clearly demonstrates the commitment of Agency personnel to well-run, honest programs.

68 *United States -
Construction
Companies*
■ *Agree to Pay \$7.5
Million in Out-of-Court
Settlement for Violation
of AID Contracting
Requirements*

More than five years of investigation and negotiations culminated with an American construction company and its German parent company agreeing to pay the U.S. government \$7.5 million. The agreement represented a resolution to claims filed against the companies by the Department of Justice under the False Claims Act and the false claims provisions of the Foreign Assistance Act.

The investigation centered on contracts awarded to the American company by the Egyptian government for work on a waste water project financed by AID. Evidence obtained in Germany, Egypt, and the United States revealed that the work was actually performed by the German parent company—in violation of AID requirements. The investigation further discovered that the American subsidiary had claimed work actually done by the parent company in pre-qualification documents submitted as part of the bidding process. The investigation was conducted by special agents from the Cairo and Washington Field Offices and coordinated by the Civil Division of the Department of Justice.

Based on information provided by A I D 's Monitoring Branch of the Office of Procurement, a two-year investigation was conducted into the activities of a California company participating in the CIP. The investigation culminated in the company pleading guilty to 16 felony counts of wire fraud and false statements in connection with a scheme to defraud the U S government. Previously, a Criminal Information, an action against a subject by a prosecutor, was filed against the company in U S District Court in San Jose, California.

*United States - Company
Pleaded Guilty to
Charges of Wire Fraud
and False Statements
Involving Commodity
Import Program
Contracts*

According to the Criminal Information, the defendant company fabricated competing bids to trick A I D and others into believing the transactions complied with bidding requirements. In some cases, the fictitious bids were submitted on letterhead stationery of legitimate companies without their knowledge or consent. In other cases, letterhead stationery of completely fictitious companies was used. To lend credibility to the submissions, the bids were usually sent to USAID/Egypt by facsimile transmission from locations other than the defendant company's headquarters. To secure the contract awards, the defendant company paid kickbacks to the Egyptian importers evaluating the bids. This scheme operated from 1988 to 1990 and involved approximately \$2 million in contracts funded by A I D. Final resolution of this matter is scheduled for later this year.

A four-year investigation conducted by the Washington Field Office has culminated in the filing of a five-count civil complaint against a U S company participating in A I D 's CIP in Pakistan. The U S Attorney's Office, Southern District of New York, filed the complaint alleging numerous violations involving false claims and ineligible commodities. The complaint further alleges that, by virtue of its wrongful acts, the company has been unjustly enriched and the United States has been damaged in the amount of \$304,465. The complaint asks for a judgement of over \$1 million for restitution, damages, and penalties.

*United States -
U S
Attorney's
Office Filed
Five-Count Civil
Complaint Against a
Commodity Import
Program Exporter*

69

An investigation conducted by the Singapore Field Office resulted in the disallowance of over \$312,610 in claims filed by an Indonesian subcontractor of a Hawaiian engineering firm. The investigation showed that the subcontractor submitted false invoices, receipts and lease agreements to agree with the amounts negotiated with A I D for housing allowances and employee salaries. The investigation further

*Indonesia - Over
\$312,610 in Claims
Disallowed by
USAID/Indonesia*

showed that employees of the subcontractor received only half of the amounts claimed for housing allowances by the contractor in billings to A I D. Regarding salaries, the subcontractor admitted to special agents that the amounts actually paid to employees bore no relation to the amounts negotiated with A I D.

This investigation was conducted with assistance from the Office of Financial Management at the USAID Mission in Jakarta, Indonesia.

***United States - IG
Employee Pleaded Guilty
to Theft of Radios and
Ordered to Make
Restitution of \$4,456 to
A I D***

Based on information provided by local police, an investigation was conducted into the theft of 14 radios from a warehouse leased by the Inspector General's Office of Security. As a result of the investigation, a warehouse clerk pleaded guilty to the thefts and six radios were subsequently recovered. The defendant was sentenced to two years in jail, fined \$127 for court costs, and ordered to make restitution of \$4,456 to A I D. The jail sentence was suspended and the defendant placed on two years' active probation, with the special condition that he complete a substance abuse program and perform 40 hours of community service. The warehouse clerk resigned his position with A I D.

70



***Egypt - \$183,874 Bill for
Collection Issued to
Commodity Import
Program Supplier***

Mission officials in Egypt contacted the Cairo Field Office concerning harvesters funded by A I D that did not meet contract specifications. The subsequent investigation found that the manufacturer referenced by the supplier in the bid response could not, in fact, meet contract specifications. The manufacturer alerted the supplier when this fact was discovered, but the supplier failed to notify the purchaser. Instead, the supplier procured inferior harvesters from another manufacturer and sent them to the purchaser—an agency of the government of Egypt. Attempts to return the unused harvesters to the supplier have been unsuccessful. As a result, the harvesters remain stored in an Egyptian warehouse. USAID/Egypt issued the supplier a bill for collection for \$183,874.

***Zimbabwe - U S
Commodity Import
Program Supplier
Pleads Guilty to Theft***

A Detroit, Michigan supplier of motor vehicle spare parts and engines under the CIP in Zimbabwe claimed reimbursement for inland freight and warehousing expenses that were not actually incurred. The company routinely submitted invoices with inflated expenses to

deplete the full value of Letters of Credit. When the A I D office responsible for monitoring CIP suppliers challenged the expenses claimed in one transaction, the company obtained copies of truck freight invoices paid by third parties, altered them to show higher amounts, then submitted the revised copies to A I D claiming to have paid the higher amount when the company, in fact, paid nothing.

Company representatives entered a guilty plea in U S District Court in Detroit on behalf of the corporation to one count of Theft of Government Funds. The company paid \$11,887 in restitution to A I D, was fined \$7,500 and placed on two years' probation.

Mission officials in Guinea filed a complaint with the Dakar Field Office regarding the disappearance of a U S Treasury check for over \$5,000. During the investigation, special agents discovered that a foreign service national working in the Mission's mail room intercepted five Internal Revenue Service tax-refund checks totaling \$17,375 and deposited them into his bank account. The employee was later arrested by local police, at which time he made full restitution then fled the country. Subsequently, local authorities tried and convicted the employee in absentia and sentenced him to five years' imprisonment.

The Singapore Field Office conducted an inquiry into questionable costs arising from an Agency-contracted audit of a cooperative agreement awarded under the Philippine Assistance Project. Special agents determined that a sub-grantee of the cooperative agreement filed a claim for expenses not incurred, thus causing A I D funds to be disbursed inappropriately by the prime grantee. Based on the investigative findings, the Mission disallowed reimbursement of \$92,804 to the prime grantee.

Information provided by the Office of Population, Health and Nutrition at USAID/Philippines indicated that a physician employed by a grantee had submitted fraudulent claims for reimbursement under the Voluntary Sterilization Program funded by A I D. The investigation discovered that the physician claimed reimbursement for surgical procedures performed prior to his participation in the A I D

*Guinea - Foreign Service
National Employee
Sentenced for Stealing
U S Treasury Checks
Totaling \$17,375*

71

*Philippines -
Mission
Disallows Payment to
Prime Grantee*

*Philippines - Physician
Employed by A I D
Grantee Submits
Fraudulent Claims*

program The investigation also revealed that two officers of the grantee failed to properly review and verify claims submitted by the physician

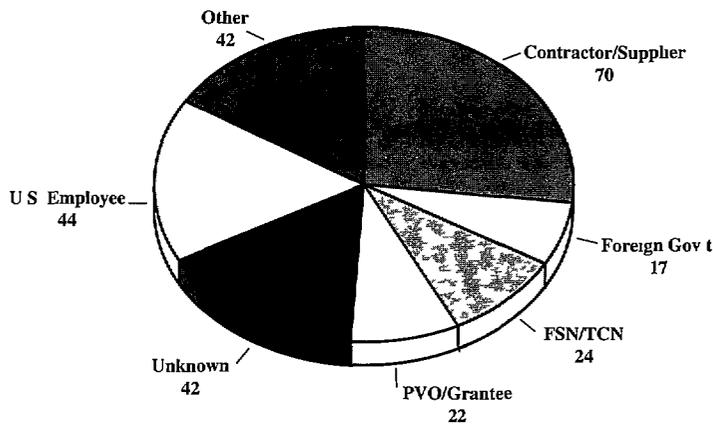
As a result of the investigation, the grantee terminated the negligent officers' employment and censured the physician from further participation on projects funded by A I D Additionally, the portion of the Voluntary Sterilization Program funded by an A I D grant was canceled and over \$13,000 was returned to the Mission

STATISTICAL SUMMARY

During this six-month reporting period, 261 complaints were received and processed Twenty-seven percent of the allegations involved A I D contractors and suppliers, 17 percent involved A I D U S direct-hire employees, and 9 percent involved A I D foreign service national employees Eight percent of allegations involved PVOs or grantees and 7 percent involved foreign government employees The remaining 32 percent of the allegations involved a variety of other subjects



SUBJECTS OF ALLEGATIONS



- Notes
- *PVO/GRANTEE includes Private Voluntary Organizations and grantees, both foreign and domestic which are recipients of A I D funding
 - *U S Employees includes U S Direct-Hires
 - *FSN/TCN includes Foreign Service and Third-Country National employees

During this reporting period, 112 of the 261 allegations received were processed as preliminary inquiries. Of the 112 preliminary inquiries conducted, 24 resulted in actual investigations. Upon evaluation of the 261 allegations, 125 were determined to be for informational purposes only. Results during this period included six convictions and confinements, seven administrative or disciplinary actions, \$840,598 in savings or the avoidance of unnecessary expenditures, and \$7,544,491 in recoveries.

Table E

Investigative Statistics

April 1 through September 30, 1993

SOURCES OF ALLEGATIONS RECEIVED	NUMBER
A I D Employees	183
Other	43
Contractor	12
Hotline (Telephone, Letter, Walk-in)	9
Unknown	7
Informant	4
Other Investigations	3
Total Allegations Received	261

DISPOSITION OF ALLEGATIONS RECEIVED	NUMBER
Total Allegations Received	261
Preliminary Inquiries Initiated	112
Allegations Filed As Information Only	125
Investigations Initiated During Period	24

INVESTIGATIVE CASELOAD	NUMBER
Investigations At Beginning Of Period	69
Investigations Closed This Period	44
Investigations Initiated This Period	24
Investigations In Progress At End Of Period	49



RESULTS THIS PERIOD	NUMBER
Referrals to the Department of Justice	10
Convictions/Confinements	6
Debarment/Suspensions	1
Disciplinary/Administrative Sanctions	6
Savings/Avoidances	\$840,598
Recoveries	\$7,544,491

SECURITY

The Office of Security is responsible for the implementation and inspection of security programs for A I D . These programs, which support A I D facilities and operations in over 100 countries, are derived from legislation, executive orders, national security directives, and other national-level policies. Program responsibilities include the establishment and maintenance of physical security measures to protect A I D employees and facilities from acts of violence, personnel security investigations to establish the suitability/security eligibility of employees, information security training and procedures to ensure the protection of classified information, and inspections/assistance activities designed to evaluate program effectiveness and facilitate corrective measures.

PHYSICAL SECURITY PROGRAM

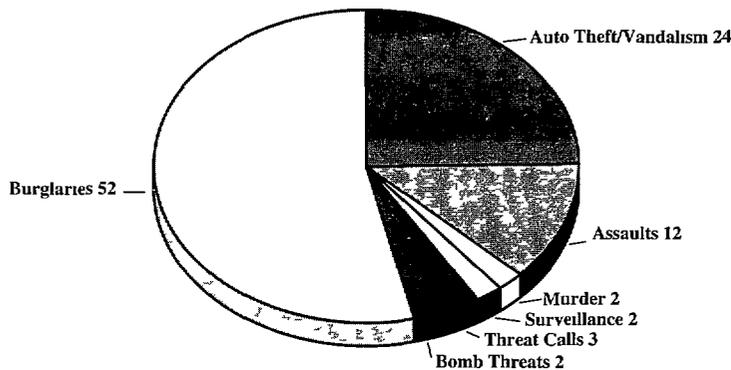
76 *Office
Relocations
and
Closings
Continue*

The physical security program supports A I D missions and operations overseas and in Washington D C . It responded to the opening, closing, and relocation of A I D offices. The USAID Mission in Belgrade was relocated to Zagreb, the Regional Inspector General Office in Tegucigalpa was relocated to San Jose, and one post, Alexandria, was closed.

*22 A I D Posts are
Rated High Threat for
Terrorism, 50 are High
Threat for Crime*

A I D is currently represented in 22 cities throughout the world in which terrorism, war, insurgency, and civil disturbance is rated critical or high by the Department of State's Bureau of Diplomatic Security. This increase of four over the last reporting period is attributable to growing anti-western sentiment in one Middle Eastern country and decreasing political stability in three African countries. Lima, Peru remains a post where A I D employees receive danger pay. The number of posts where the threat from criminal activity is categorized as critical or high increased from 42 to 50. The 97 overseas A I D security incidents are reflected in this category in the following graph.

97 A I D INCIDENTS OVERSEAS IN FY 1993



During the reporting period, A I D programs rebounded from or were affected by civil war and political violence in the following locations

- Rwanda - A I D programs resumed in Kigali after the February 1992 evacuation of A I D dependents and non-essential employees due to encroaching political and ethnic violence from the ongoing civil war
- Angola - In November 1992, A I D personnel were evacuated from Luanda and have not returned to post. A I D program operations are being conducted from Windhoek
- Liberia - A I D programs in Monrovia remain suspended due to the 1990 civil war. One employee remains at post to coordinate food assistance programs

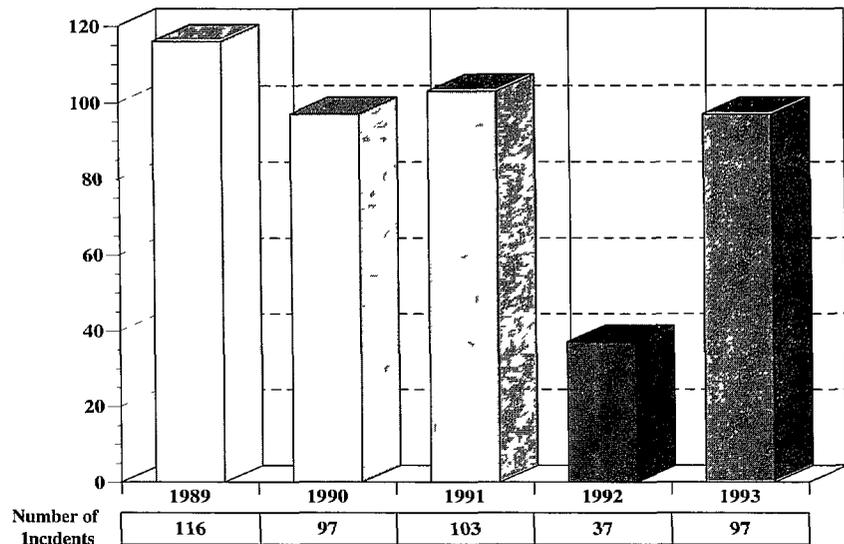
77
■

Program Resumes in Rwanda, Angola and Liberia Remain Affected by Civil War

Ninety-seven incidents of crime and political violence were reported against A I D facilities and personnel during fiscal year 1993. This represents a significant increase over fiscal year 1992. The following graph compares the incidents of crime and political violence for the years 1989-1993.

A I D. INCIDENTS OVERSEAS

FY 1989-FY 1993



78 *A I D* *Washington* *Physical* *Security*

*Inspections Result in
 Three Projects
 Completed, Four
 Projects Ongoing, and
 Six Planned*

*25 Overseas Physical
 Security Projects
 Completed, 9 Projects*

On October 1, 1992, the Office of Security assumed program responsibility for security services provided to A I D employees in the Washington metropolitan area. The A I D Washington security program includes physical security of A I D offices and warehouses, uniformed protective services, locksmith services, card access controls, and intrusion detection systems.

Physical security reviews of the organizational elements housed in thirteen A I D Washington buildings were completed during the reporting period. The resultant improvements were designed to enhance building access controls, and reduce the risk of unauthorized disclosure of classified material. Three security enhancement projects were completed, four are ongoing, and six are planned.

Physical security enhancement projects were completed at 25 overseas A I D posts (Abidjan, Addis Ababa, Antananarivo, Bangkok, Belize City, Bogota, Bratislava, Budapest, Colombo, Cotonou, Dakar, Guatemala City, Harare, Kampala, Kathmandu, Kiev, Lilongwe, Lusaka, Managua, Maputo, Nairobi, Riga, Skopje, Vilnius, and Yaounde). These projects involved the hardening of office facilities to

deter forced entry, terrorist activities, mob attack and unauthorized access to classified information. The enhancements were accomplished with the installation of ballistic resistant materials, public access controls, vehicle arrest devices, secure rooms, safe havens and intrusion detection systems. Nine physical security projects are ongoing (Bujumbura, Cairo, Dakar, Guatemala City, La Paz, Moscow, Tirane, Tunis, and Warsaw). Planning is underway for five projects in the following cities: Bamako, Mogadishu, Maputo, Phnom Penh, and Ulaanbaatar.

*Ongoing, 5 Projects
Planned*

SECURITY COMMUNICATIONS PROGRAM

The Security Communications Program provides AID employees overseas with a reliable means of accessing the U.S. Embassy emergency and evacuation radio network. Typical communications systems include residential and vehicle two-way voice radios, base stations, and repeaters which provide employees with 24-hour communications.

*Radio Modernization
Program Continues*

During fiscal year 1989, the Office of Security initiated a five-year plan to replace obsolete equipment at overseas posts with less expensive, state-of-the-art equipment. Approximately 80 percent of the older technology radios have been replaced with synthesized equipment from a variety of U.S. manufacturers. The replaced equipment is recycled through the General Services Administration.

79
■

Over the past 18 months, the Office of Security has provided technical support to AID for the establishment of communications systems used in implementing AID assistance projects. During the reporting period, the Office of Security continued with this initiative and designed a high frequency communications system for the USAID Mission in Uganda to be used in reporting election results in that country. The use of IG expertise instead of private consultants has resulted in a cost savings to the U.S. government of over \$660,000.

*AID Project Officers
Receive Technical
Assistance*

***13 Communications
Surveys Conducted, 10
Comprehensive Projects
Completed***

During this reporting period the Office of Security surveyed 13 A I D missions and completed the security communications projects in 10 of these locations. Projects were completed in Addis Ababa, Accra, Bridgetown, Harare, Kampala, Kathmandu, Managua, Maputo, Moscow, and Nairobi. Additional security communications technical assistance was provided to posts in Belize City and Lima.

PERSONNEL SECURITY PROGRAM

***Position Sensitivity
Survey Completed***

Executive Order 10450, "Security Requirements for Government Employment", National Security Directive 63, "Single Scope Background Investigations", and Chapters 731 (Suitability) and 732 (Security) of the Federal Personnel Manual provide specific guidelines on the conduct of personnel security investigations and adjudications.

In accordance with these guidelines, the Office of Security completed a Position Sensitivity Survey of all A I D direct-hire positions during the reporting period. Each position was reviewed to determine both the level of national security access required and the level of public trust in the position. The results of the survey indicated that the sensitivity level of 11 percent of A I D positions should be changed (5 percent down to non-critical sensitive and 6 percent up to critical sensitive).

A coordinated effort was made between the IG and Agency personnel offices to ensure that all modified or new positions will be reviewed for the appropriate sensitivity designation during the position description review process. The process is designed to ensure that investigations into employees' backgrounds meet the required scope for the position to be occupied and that the investigation is no more intrusive than absolutely necessary. This process will also ensure that costs are controlled. A parallel system was established to determine the level of security investigation required for contractor positions.

***Personnel Security
Investigative Program
Provides Priority
Support to the New
A I D Political
Appointees***

During the reporting period, the Office of Security granted requests for security clearances for 69 non-career direct-hire employees. These included Presidential Appointment with Senate confirmation (PAS), Schedule C, and Administrative Determination positions. The average case completion time for granting the Secret and Top Secret security clearances was 13 days and 39 days, respectively.



The fiscal year 1993 average cost for Single Scope Background Investigations, which are conducted to the requirements of National Security Directive 63, was \$1,572. This represents a \$59 per investigation reduction from the fiscal year 1992 level. Savings were primarily attributable to the assignment of record check inquiries to the IG/SEC staff, instead of contract investigators.

*Investigative Costs
Reduced by Improving
Techniques*

The fiscal year 1993 average cost of update investigation decreased by \$71 from the fiscal year 1992 level to \$546. This reduction reflects the revised investigative coverage requirements specified in the national security directive.

In this reporting period, the Office of Security issued 1,402 favorable security evaluations. Of those, 261 were Top Secret, 737 Secret, 43 Confidential, 313 other employment authorizations for contractor personnel, and 48 other investigative checks. Seven investigations contained significant adverse information which supported three employees leaving the agency and four being denied employment.

*1,041 Security
Clearances Granted, 4
Denied Employment, 3
Leave A I D*

NATIONAL SECURITY INFORMATION PROGRAM

Executive Order 12356, "National Security Information" is the authority for and mandates the A I D Information Security Program. This program requires educational, inspection and investigative activity by the Office of Security.

During the reporting period, over 340 individuals received initial security training. All new direct-hire employees, political appointees, and security-cleared contractors in A I D Washington were given a security briefing. Contractors located overseas were provided briefings by the U S Embassy Regional Security Officer or Post Security Officer. Periodic refresher training sessions were provided to employees in the Bureau for Latin America and the Caribbean and the Bureau for Food and Humanitarian Assistance. Overseas, employees assigned to the missions in Egypt, Tunisia, Morocco and El Salvador received refresher security briefings presented by visiting IG/SEC personnel.

Security ■
*Educational
Programs and Special
Training for New
A I D Political
Appointees*

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New Security Guides

Two security guidebooks were revised and distributed during this period. The section of the Foreign Affairs Manual on Information Security and A I D Handbook 6, Security, were also completely revised to reflect current requirements. A new classified document marking instruction booklet was written and copies distributed to employees. These instructions are designed to ensure all employees are kept apprised of proper security procedures to preclude compromising national security information.

After-duty hours security inspections were conducted within A I D Washington offices to monitor the effectiveness of the security education program and adherence to security regulations and directives. Twenty-three security violations were discovered during ten inspections of six annex buildings in the reporting period.

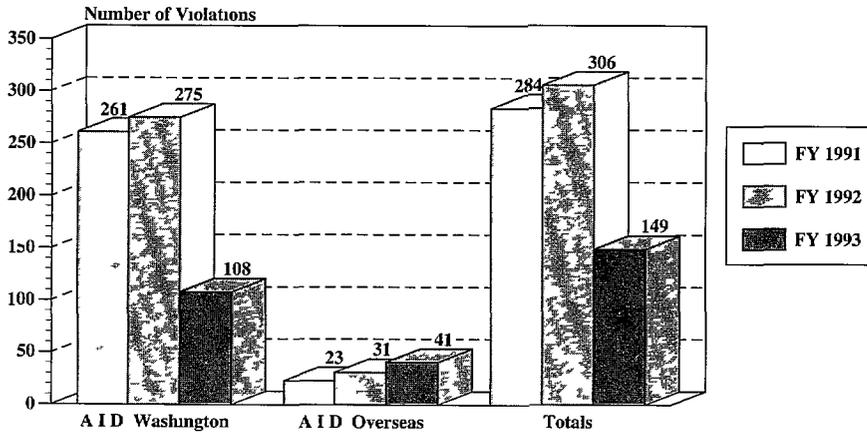
*Ninety-Seven
Percent of Employees
Properly Protected
National Security
Information*

Worldwide, there were 90 security violations recorded during this reporting period. An additional 59 violations were reported in the first half of fiscal year 1993. On a positive note, these 149 violations in fiscal year 1993 were caused by 102 individuals and represent only three percent of A I D employees. The 149 also represents over a 50 percent drop in the total yearly violations since fiscal year 1992.

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NUMBER OF SECURITY VIOLATIONS



Two special security violation investigations were completed during this six-month reporting period. The first involved the compromise of classified information in Liberia. The compromise was discovered after the closing of the AID mission. Lessons learned from this incident will be used to assist Agency management in better preparing for future mission closings, whether under emergency or planned circumstances. The second investigation detailed the circumstances surrounding the issuance of a high number of security violations to a Senior Foreign Service employee. In this case, Office of Security actions included a visit to post to provide training and technical support.

Significant Security Violations Addressed

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The Agency maintains a Classified Documents Center to review classified documents for determining compliance with the provisions of Executive Order 12356. Reviewed items include classification levels, classification authority, the date or event for declassification, and application of required portion markings. Of the classified documents reviewed by the Office of Security, 78 percent contained marking errors. The current cost to AID to declassify paper records is \$804 per cubic foot. This high cost is attributed to the time-intensive effort required to separate the classified records from the unclassified records. The cost to the Agency to store classified historical records is \$11.27 per linear foot. These costs combine for a

Classified Documents Center Review Reveals High Error Rate With Significant Cost Implications

fiscal year 1993 Agency expenditure of \$323,208 for reviewing records for declassification The Office of Security shall continue with its security education efforts to improve employee knowledgeability of document markings requirements and reduce this unnecessary expenditure

SECURITY INSPECTION/ASSISTANCE PROGRAM

*Overseas Security
Inspection/Assistance
Visits Conducted at 34
Posts*

The Office of Security performed security inspection/assistance visits at 34 posts (Accra, Addis Ababa, Antananarivo, Cotonou, Belize City, Bratislava, Bridgetown, Cairo Harare Islamabad, Kampala, Kathmandu Lima, Lilongwe, Lusaka Managua, Maputo, Moscow, Nairobi N'Djamena Peshawar, Pretoria, Rabat Riga, San Jose, San Salvador, Kiev Tallinn, Tblisi, Tegucigalpa Tunis, Vilnius, Yerevan, and Zagreb) to determine the adequacy of their security programs Whenever deficiencies were found corrective measures were recommended and Office of Security resources, whether equipment, maintenance, or expertise of personnel were provided to assist Attention was focused on A I D employees properly using security equipment, and implementing effective procedures to properly safeguard classified material Where possible, security deficiencies were immediately corrected, unserviceable equipment scheduled for replacement, and training provided to enhance the security knowledge of A I D personnel



OFFICE OF RESOURCE MANAGEMENT

The Office of Resource Management provides advice and guidance to the Inspector General, the two Assistant Inspectors General for Audit, and Investigations and Security, and Legal Council on administrative, financial and personnel matters. The Office is directly responsible for implementing and administering personnel, financial, budgetary, contract, logistic, automated data processing, and administrative activities for the Inspector General's Washington offices and six Regional offices abroad.

Office Responsibility

The Regional Inspector General for Audit Office in Vienna, Austria was officially closed and an office established in Bonn, Germany. The IG office in Tegucigalpa was officially closed and the functions were transferred to San Jose, Costa Rica. The Freebalance system, which had been chosen as the IG budget management system, was installed in two of the six Regional Inspector General offices. A review of the operations at those two regional offices indicated that certain changes and amendments to the operating system instructions would improve its effectiveness considerably, and were made. Expansion of telecommunication services available for use on the local area network has been the focus of computer support efforts in our Washington, D C facilities. During the period March 31, 1993, to September 30, 1993, over 785 contract and small purchase actions totaling \$2,524,160 were completed.

Activity Summary

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PERSONNEL AND FINANCIAL MANAGEMENT DIVISION

A total of 13 Foreign Service candidates for employment were interviewed, 5 were selected for processing (2 auditors and 3 inspectors). Four Foreign Service auditors and three Civil Service employees entered on duty. A total of ten summer-hire interns were brought on board and worked through September 3, 1993. Twenty-four auditors and two inspectors rotated to the IG Washington Offices.

Staffing Actions

and eighteen auditors and five inspectors transferred overseas Six Civil Service and sixteen Foreign Service employees were tenured A total of 25 Civil Service employees received cash/on-the-spot awards

Reorganizations

The Office of Audit's Planning, Policy and Oversight function was reorganized into three separate offices Policy Planning, and Special Reports The Regional Inspector General office in Vienna, Austria was officially closed and an office was established in Bonn, Germany To reduce costs and secure other non-fiscal advantages such as greater airport safety and superior medical facilities and schools, the Inspector General secured Department of State concurrence to close the Regional Inspector General office in Tegucigalpa, Honduras, and establish operations in San Jose, Costa Rica This was made possible by the availability of vacant USAID Mission office facilities The new regional location was fully operational by the end of September

Employee Benefits

In conjunction with the Family Leave Act, an IG directive was issued and a form developed for use by IG employees who apply for leave One employee has applied for and was granted leave under the new Act A procedure was set in place for employees filing retirement applications subsequent to a Delegation of Authority being given to the IG to approve Foreign Service retirement applications A directive was also set in place to set forth procedural guidelines for IG Foreign Service employees wishing to participate in the Agency's Career Transition Program Due to budgetary constraints and following Agency policies, no performance-based cash awards were paid except for FS-4 and below and GS-9 and below GM employees were processed for GM awards/increases as set forth by law

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Financial Management

Tracking systems were established to monitor the receipt of and obligations of travel and training applications In response to inquiries from the Agency's Office of Financial Management and to ensure that payment vouchers are paid in accordance with the procedures set forth by the Prompt Payment Act, the Office of Resource Management also established a tracking system to monitor receipt and distribution of payment vouchers between the Agency's Office of Financial Management and the IG Personnel and Financial Management Division

The Freebalance system, which was chosen last year as the IG budget management system, was installed in two of the six Regional Inspector General offices. A review of the operations at those two regional offices indicated that certain changes and amendments to the operating system instructions would considerably improve its effectiveness and use. As a result, modifications to the operating procedures for the application of the Freebalance system were developed and sent to the two regional offices for review and comment. The new operating instruction went into operation on October 1, 1993, and will be incorporated into all future installations.

Resource Management System

GENERAL SUPPORT DIVISION

Expansion of telecommunication services available for use on the local area network has been the focus of the Office's computer support efforts in the Washington, D C operations. A telecommunication modem pool has been installed and communication with various commercial and government information services, as well as A I D information systems, has been tested. By the end of the current calendar year, desktop access to our new communications services will be in place. Implementation of the new telecommunications services greatly expands access to mission-critical information and effectively completes the conversion from outdated minicomputer technology to client-server networking technology.

ADP Support

Our work on automation issues confronting the regional offices has been directed toward smooth implementation of access to the A I D - wide area network which links A I D offices around the world. With the installation of a local area network at the Regional Office in Bonn, Germany, electronic communications capability is now in place and in use by all regional offices.

During the period March 31, 1993, to September 30, 1993, over 785 contract and small purchase actions totaling \$2,524,160 were

Contract Activity

completed Of that amount, 20 were contract and administrative actions totaling \$412,000, 507 were small purchases totaling \$1.4 million, and 259 were background investigator program actions totaling \$688,000

Table F

INSPECTOR GENERAL AUTHORIZED STAFFING
September 30, 1993

	<u>Positions</u>
Professional	
Office of the Inspector General	3
Legal Counsel	2
Office of Resource Management	9
Office of Investigations and Security	69
Office of Audit	
U S	141
Foreign National Staff	<u>5</u>
Total Professional Staff	229
U S Support Staff	58
Total Staff	<u>287¹</u>
¹ Includes three part-time positions	



AUDIT REPORTS ISSUED

April 1 1993 through September 30 1993

PERFORMANCE AUDIT REPORTS

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
AUDITS OF BILATERAL PROJECT ASSISTANCE				
1 517 93 010	04/23/93	Audit of USAID/Dominican Republic s and the A I D Regional Contracting Office s Controls Over A I D Technical Assistance Contracts	—	—
1 513 93 011	07/16/93	Audit of Selected Systems at the Office of the USAID Representative to Chile	217	BU
3 613 93 009	05/25/93	Audit of USAID/Zimbabwe s Implementation of Agency Guidance on Oversight of Host Country Contracting	—	—
3 673 93 010	07/30/93	Audit of USAID/Namibia s Basic Education Reform Program	—	—
3 632 93 011	07/30/93	Audit of USAID/Lesotho s Management of Host Country Owned Local Currency	—	—
3 272 93 012	09/24/93	Audit of OAR/Oman s and A I D Regional Contracting Office s Management of A I D -Direct Contracts for Technical Assistance	—	—
5 399 93 011	06/29/93	Audit of A I D Representative/ASEAN s Controls Over Monitoring and Evaluation	—	—
5 492 93 012	07/14/93	Audit of Participant Training Program Philippines	—	—
5 497 93 013	08/16/93	Audit of USAID/Indonesia s Controls Over the Indonesian Government s Cost Sharing Contributions	—	—
5 391 93 014	08/23/93	Audit of USAID/Pakistan s Management of Direct A I D Contracts for Technical Assistance	—	—
5 492 93 015	09/03/93	Audit of A I D s Implementation of Agency Guidance on Host Country Contracting USAID/Philippines	—	—
5 442 93 016	09/24/93	Audit of A I D Representative for Cambodia s Controls Over the Implementation of A I D Programs	—	—
6 263 93 008	05/13/93	Audit of Commodity Assistance Furnished Under USAID/Egypt Agriculture Projects	—	—
6 263 93 010	08/18/93	Audit of USAID/Egypt s Controls Over Commodities Procured by Host Country Technical Assistance Contractors	—	—
6 263 93 011	08/19/93	Audit of USAID/Egypt s Implementation of Agency Guidance on Host Country Contracting	—	—
7 631 93 006	04/30/93	Audit of USAID/Cameroon s Construction Activities	229	QC
7-683 93 007	07/09/93	Audit of USAID/Niger s Direct Technical Assistance Contracts	—	—
7 664-93 009	09/21/93	Audit of USAID/Tunisia s Participant Training Program	—	—

BU Better use of funds

QC Questioned costs

UN Unsupported costs

**PERFORMANCE AUDIT REPORTS
(Cont'd)**

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
AUDITS OF MANDATED AND MISCELLANEOUS SUBJECTS				
0 000 93 005	08/12/93	Audit of the A I D Inspector General s Confidential Fund	—	—
6 263 93 006	05/11/93	Audit of USAID/Egypt s Compliance With Lobbying Restrictions in U S C 1352	—	—
6 263 93 007	05/11/93	Audit of USAID/Egypt s Controls Over Advisory and Assistance Services Contracts	—	—
6 263 93 009	05/20/93	Follow up Review of Recommendation Nos 1 & 3 Audit Report No 6 263 91 02 Audit of Consultants Use of Project Vehicles Under USAID/Egypt s Alexandria Wastewater System Expansion Project No 263 0100 dated November 29 1990	—	—
7 675 93 010	09/22/93	Follow up Audit of USAID/Guinea s Implementation of Recommendation Nos 3 and 4 for the Audit of Economic Policy Reform Program in Guinea (Audit Report No 7 675 91 02 dated November 23 1990)	—	—
9 000 93 005	04/30/93	Audit Report of A I D s Compliance With Federal Energy Requirements	847	BU
AUDITS OF CENTRAL AND EASTERN EUROPEAN PROGRAMS				
8 180 93 005	06/30/93	Audit of the Bureau for Europe s Technical Assistance Contracts	—	—
8 183 93 006	08/12/93	Audit of the Department of Labor s Technical Assistance Activities in Bulgaria	—	—
8 184 93 007	09/14/93	Audit of the Regional Mission for Europe s Environmental Sector Grant to the Czech and Slovak Republics	—	—
8 110 93 008	09/24/93	Audit of the Vulnerable Groups Assistance Program in Russia Under Project No 110 0001	—	—
8 185 93 009	09/24/93	Audit of the Department of Labor s Technical Assistance Activities in Hungary	—	—
8 110 93 010	09/24/93	Audit of the Department of Commerce s Special American Business Internship Training Program in the New Independent States	—	—
8 110 93 011	09/24/93	Audit of Department of Commerce s Consortia of American Businesses in the New Independent States Program	—	—
AUDITS OF GRANTS AND COOPERATIVE AGREEMENTS				
5 306 93 009	06/07/93	Audit of the Office of the A I D Representative for Afghanistan Affairs Controls Over Grants and Cooperative Agreements	7 300	BU
5 306 93 010	06/28/93	Audit of the A I D Representative for Afghanistan Affairs Controls Over Training for the Afghanistan Cross Border Program	—	—
AUDITS OF FINANCIAL MANAGEMENT AREAS				
0 000 93 001	06/30/93	Audit of A I D s Housing Guaranty Program s Fiscal Year 1992 Annual Financial Statement Under the CFOs Act of 1990	—	—
0 000 93 002	06/30/93	Audit of A I D s Private Sector Investment Program s 1992 Annual Financial Statement Under the CFOs Act of 1990	—	—

BU Better use of funds
QC Questioned costs
UN Unsupported costs

PERFORMANCE AUDIT REPORTS
(Cont'd)

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Savings (\$000 s)</u>	<u>Type of Savings</u>
0 000-93 003	06/30/93	Audit of the Miscellaneous U S Dollar Trust Fund s Fiscal Year 1992 Annual Financial Statement Under the CFOs Act of 1990	—	—
0 000-93 004	06/30/93	Audit of A I D s Direct Loan Program s 1992 Annual Financial Statement Under the CFOs Act of 1990	---	—
9 000-93 006	08/31/93	Audit of A I D s Accounts Receivable	1 927	BU
AUDITS OF PL 480 TITLE III PROGRAMS				
7 641 93 008	07/16/93	Audit of USAID/Ghana s P L 480 Title III Program	780	BU

BU Better use of funds
 QC Questioned costs
 UN - Unsupported costs

FINANCIAL AUDIT REPORTS

Agency-Contracted Audits

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
0 000 93 008 N	04/09/93	Audit of International Science and Technology Institute Inc U S Department of Housing and Urban Development Contract Number HC 13006 March 5 1986 to June 2 1988	—	—
0 000 93 009 N	04/16/93	Audit of Institute of International Education Contract Nos 613 0215 C 00 3005 and 613 0229 C 00 8004 for the Periods April 1 1989 to January 1 1991 and January 1 1988 to December 31 1991 Respectively	22 8	QC UN
0 000 93 010 N	04/30/93	Audit of Thunder and Associates Inc Federal Contracts January 1 1990 to December 31 1991	871 846	QC UN
0 000 93 011 N	05/14/93	Audit of American Institute of Biological Sciences A I D Contract No DPE 0453 C 00 2009 00 June 15 1982 to October 14 1985	1 046 370	QC UN
0 000 93 012 N	05/19/93	Audit of Consortium for International Development Contract Nos NE C 1698 and 279 0052 C 8010 00 and Associated Local Currency Costs July 1 1987 to December 31 1991	205 35	QC UN
0 000 93 013 N	07/23/93	Audit of International Science and Technology Institute Inc Federal Contracts July 1 1988 to June 30 1991	3 1	QC UN
0 000 93 014 N	08/13/93	Review of International Executive Service Corps Accounting System as of February 28 1993	—	—
1 527 93 015 N	04/01/93	Audit of USAID/Peru s Technical Assistance and Personnel Training Contract for the Agricultural Planning and Institutional Development Project Managed by Farm Management Services S A June 1 1989 to December 31 1991	—	—
1 519 93 016 N	04/01/93	Audit of USAID/El Salvador s Education System Revitalization Project Managed by the Ministry of Education October 1 1988 to December 31 1990	—	—
1 527 93 017 N	04/01/93	Audit of USAID/Peru s Private Sector Education Dialogue Integration and Institutional Development Project Managed by the National Confederation of Private Enterprise Institutions June 23 1986 to April 30 1991	—	—
1 538 93 018 N	04/01/93	Audit of RDO/C s Section 416(b) Commodity Program in St Kitts and Nevis Managed by the Ministry of Trade and Industry February 28 1988 to June 30 1991	—	—
1 521 93 019 N	05/10/93	Audit of USAID/Haiti s Development Finance Project Managed by the Haitian Development Society of Finance March 29 1983 to March 31 1992	82 4	BU QC
1 527 93 020 N	06/17/93	Audit of USAID/Peru s Agricultural Technology Transformation Project Activities Managed by the National Institute of Agricultural and Agro Industrial Investigation September 25 1987 to June 30 1991	2 522 2 522	QC UN
1 527 93 021 N	06/18/93	Audit of USAID/Peru s Agricultural Technology Transformation Project Activities Managed by the National Agrarian Organization September 25 1987 to June 30 1991	10 3	QC UN

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

**Agency Contracted Audits
(Cont'd)**

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Savings (\$000 s)</u>	<u>Type of Savings</u>
1 527 93 022 N	06/18/93	Audit of USAID/Peru s Agricultural Technology Transformation Project Activities Managed by the National Foundation for Agrarian Development September 25 1987 to June 30 1991	—	—
1 517 93 023 N	06/25/93	Audit of USAID/Dominican Republic s Commercial Farming Systems Project Managed by the Agricultural Development Foundation Inc July 10 1987 to July 31 1992	85	BU
1 527 93 024 N	06/28/93	Audit of USAID/Peru s Planning Support Economic and Training Project Managed by the Central Reserve Bank of Peru August 28 1986 to December 31 1991	146	QC
			50	UN
1 521 93 025 N	07/12/93	Audit of USAID/Haiti s Technical Consultant and Training Project Managed by the Association of Agricultural Producers August 30 1989 to December 31 1991	133	QC
			5	UN
1 522 93 026 N	07/16/93	Audit of USAID/Honduras Small Business II Project Managed by the National Association of Industrialists September 1 1988 to July 31 1992	9	BU
3 632 93 017 N	04/26/93	Audit of Lesotho Ministry of Agriculture Cooperatives and Marketing Local Currency Expenditures Under USAID/Lesotho Agricultural Policy Support Program No 632 0224	66	QC
3 645 93 018 N	05/11/93	Audit of the Business Management Extension Programme Cooperative Agreement No 645 0234 A-00 0012 00 Under USAID/Swaziland s Business Management Extension Program Project No 645 0234	22	UN
3 695-93 019 N	05/27/93	Audit of Burundi Enterprise Promotion Program No 695 0125	—	—
3 698-93 020 N	05/28/93	Audit of Grant No 623 0435 G 00 5008 to International Maize and Wheat Improvement Center (CIMMYT) Under the On-Farm Research/Farming Systems Research (OFR/FSR) Project No 698 0435 03	2	BU
3 698-93 021 N	05/28/93	Audit of Grant No 623 0435 G 00-6005 00 to International Potato Center (CIP) Under the Regional Potato Improvement Program for Central Africa (PRAPAC) Potato Research Project No 698 0435 04	1	QC
3 698 93 022 N	06/10/93	Audit of Grant No 623 0435 G 00 4035 to the International Center for Tropical Agriculture (CIAT) Under the Bean Research in East Africa Project No 698 0435 01	69	QC
3 663 93 023 N	06/11/93	Audit of the Christian Relief and Development Association (CRDA) Various Grants Under the Displaced Children s Fund and the Office of Foreign Disaster Assistance Fund	68	UN
3 272 93 024 N	06/30/93	Audit of the Omaní American Joint Commission Grant No 272 0101	22	QC
3 615 93 025 N	07/16/93	Audit of the Kenya Health Care Financing Program Under Grant No 615 0245	22	UN
3 615 93 026 N	07/20/93	Audit of the Kenya Agricultural Research Institute Under the National Agricultural Research Project No 615 0229	104	QC
			85	UN
			35	QC
			35	UN
			779	QC
			432	UN
			20	QC
			20	UN

BU Better use of funds
QC Questioned costs
UN Unsupported costs

**Agency-Contracted Audits
(Cont'd)**

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Savings (\$000 s)</u>	<u>Type of Savings</u>
3 662 93 027 N	08/16/93	Audit of the Government of Seychelles Under the Commodity Import Program Grant Agreement No 662 K 609B Project No 662 0011	—	—
3 645 93 028 N	08/30/93	Audit of the Family Life Association of Swaziland Co operative Agreement No 645 0228 A 00 8021 00	5	QC
5 493 93 008 N	04/23/93	Audit of USAID/Thailand s Grants to the Asian Institute of Technology	66	QC
5 388 93 009 N	04/29/93	Audit of Directorate of Relief and Rehabilitation s Use of PL 480 Title III Local Currency Proceeds in Bangladesh	697	QC
5 391 93 010 N	06/18/93	Audit of W Woodward Pakistan (Private) Limited Pakistan	5	QC
			1	UN
5 497 93 011 N	06/30/93	Audit of Development Alternatives Inc s Contract on the Uplands Agriculture and Conservation Project Indonesia	2	QC
5 388 93 012 N	06/30/93	Audit of USAID/Bangladesh s Grant to Helen Keller International Bangladesh	91	QC
			5	UN
5 388 93 013 N	08/12/93	Audit of the Host Country Contract Between NRECA International Ltd and the Government of Bangladesh	89	QC
			1	UN
5 388 93 014 N	08/20/93	Audit of International Food Policy Research Institute s Contract With USAID/Bangladesh	—	—
5 388 93 015 N	09/16/93	Audit of USAID/Bangladesh s Cooperative Agreements With Population Services International Bangladesh	266	QC
			32	BU
6 263 93 015 N	04/01/93	Audit of U S Investment Promotion Office (USIPO) Local Expenditures Incurred Under Cooperative Agreement No 263 0102 A 00 9073 00 and Related Program Income Account	—	—
6 263 93 016 N	04/01/93	Audit of the Egyptian Organization for Biological and Vaccine Production s (VACSERA) Local Expenditures Incurred Under PILs No 3 and 5 Relating to the Schistosomiasis Research Project No 263 0140 02 a Sub Project of USAID/Egypt s Science and Technology Cooperation Project No 263 0140	—	—
6 263 93 017 N	09/01/93	Audit of Development Research and Technological Planning Center Local Expenditures Incurred Under Project Implementation Letter No 4 Related to the Energy Conservation and Efficiency Project No 263 0140 3 a Sub Project of USAID/Egypt s Science and Technology for Development Project No 263 0140	—	—
7 677 93 005 N	04/01/93	Audit of A I D s Grant to OFNAR Under the Chad Agriculture Strengthening Road Maintenance Project (No 677 0050) January 1 1986 through June 30 1991	—	—
7 688 93 006 N	04/01/93	Audit of Local Expenditures Managed by the Management Development and Support Team Under the Mali Livestock Sector II Project (No 688 0218) for the Period April 1 1989 to April 30 1992	—	—
7 625 93 007 N	04/09/93	Audit of A I D s Grant to Cerpod Under the Sahel Regional Promoting Population Policy Development Project (No 625 0978) for the Period December 26 1988 to April 30 1992	299	QC
			264	UN

BU Better use of funds
QC Questioned costs
UN Unsupported costs

**Agency-Contracted Audits
(Cont'd)**

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Savings (\$000 s)</u>	<u>Type of Savings</u>
7 685 93-008 N	06/03/93	Audit of Local Currency Expenditures Managed by SECID Under the Senegal Reforestation Project (No 685 0283) October 1 1990 to March 31 1992	4	QC
7 677 93 009 N	07/30/93	Audit of the Receipt and Sales of Food Commodities and the Related Expenses Incurred by the National Cereals Organization Under A I D s PL 480 Title II and III Programs in Chad From March 29 1989 to September 30 1992	83	BU
7 685 93 010 N	09/24/93	Audit of the Agency for Private Enterprise (ACEP) Under the Senegal Community Enterprise Development Project (No 685 0260) Fiscal Years 1990 1991 and 1992	—	—

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

Recipient-Contracted Audits

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
0 000 93 067 R	05/07/93	South East Consortium for International Development	—	—
0 000 93 068 R	05/27/93	National Council for International Health Inc	—	—
0 000 93 069 R	06/25/93	Academy for Educational Development	—	—
0 000 93 070 R	09/07/93	Lutheran World Relief Incorporated	—	—
0 000 93 071 R	04/30/93	American Friends of A I C F	2	QC
0 000 93 072 R	05/07/93	World Wildlife Fund	—	—
0 000 93 073 R	05/27/93	American Managed Care and Review Association	—	—
0 000 93 074-R	05/27/93	New Transcendy Foundation	—	—
0 000 93 075 R	09/10/93	Consultative Group on Biological Diversity Inc	—	—
0 000 93 076 R	05/27/93	American Committee for Aid to Poland	—	—
0 000 93 077 R	09/13/93	International Institute of Rural Reconstruction	—	—
0 000 93 078 R	05/27/93	Consortium for Service to Latin America Inc	—	—
0 000 93 079 R	05/27/93	National Council of Returned Peace Corps Volunteers	29	QC
0 000 93 080 R	05/27/93	American Association for International Aging Inc	—	—
0 000 93 081 R	05/27/93	Debt For Development Coalition Inc	—	—
0 000 93 082 R	05/27/93	Air Serv International	—	—
0 000 93 083 R	05/27/93	U S Telecommunications Training Institute	—	—
0 000 93 084 R	09/17/93	The Salvation Army World Service Office	—	—
0 000 93 085 R	05/27/93	World Education Inc	—	—
0 000 93 086 R	05/27/93	International Center for Research on Women	—	—
0 000 93 087 R	05/27/93	Food for the Hungry Inc	—	—
0 000 93 088 R	05/27/93	The Panos Institute	—	—
0 000 93 089 R	06/15/93	Armenian General Benevolent Union	—	—
0 000 93 090-R	07/06/93	Resources for the Future Inc	—	—
0 000 93 091 R	06/22/93	Food for the Hungry International	—	—
0 000 93 092 R	06/15/93	Sequoia Institute	—	—
0 000 93 093 R	06/15/93	Pan American Development Foundation	—	—
0 000 93 094 R	06/15/93	Midamerica International Agricultural Consortium	—	—
0 000 93 095 R	06/15/93	The African Methodist Episcopal Church Service and Development Agency Inc	30	QC
0 000 93 096 R	06/15/93	The African Methodist Episcopal Church Service and Development Agency Inc	—	—
0 000 93 097 R	06/15/93	U S ASEAN Council for Business and Technology Inc	—	—
0 000 93 098-R	06/15/93	Aid to Artisans Inc	—	—
0 000 93 099 R	06/15/93	National Council of Negro Women Inc	—	—
0 000 93 100 R	06/15/93	United States Energy Association Inc	—	—
0 000 93 101 R	09/17/93	The Salvation Army World Service Office	—	—
0 000 93 102 R	08/04/93	La Leche League International Inc	—	—
0 000 93 103 R	06/25/93	The Association for Voluntary Surgical Contraception	—	—
0 000 93 104 R	08/04/93	National Council for International Health Inc	—	—
0 000 93 105 R	07/06/93	The American Forum Inc	—	—
0 000 93 106 R	07/08/93	Foundation for International Community Assistance (FINCA Inc)	—	—
0 000 93 107 R	07/08/93	Operation Independence Inc	525	QC

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

**Recipient Contracted Audits
(Cont'd)**

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
0-000 93 108 R	07/08/93	Freedom From Hunger Foundation	4	BU
			38	QC
0-000 93 109 R	07/16/93	Adventist Development and Relief Agency International	526	QC
0 000 93 110 R	08/06/93	Financial Services Volunteer Corps Inc	—	—
0 000 93 111 R	07/08/93	Katalysis North/South Development Partnerships Operating Fund	—	—
0 000 93 112 R	07/08/93	Katalysis Foundation (formerly Katalysis North/South Development Partnerships Operating Fund)	—	—
0 000-93 113 R	07/09/93	MAP International	—	—
0 000-93 114 R	07/09/93	MAP International	—	—
0-000 93 115 R	07/09/93	International Child Care USA Incorporated	26	BU
0-000 93 116 R	07/09/93	International Child Care USA Incorporated	47	QC
0-000 93 117 R	09/17/93	The Salvation Army World Service Office	—	—
0 000 93 118 R	07/29/93	The American College of Nurse Midwives	210	QC
			210	UN
0 000-93 119 R	08/06/93	Holt International Children s Services Inc	—	—
0 000-93 120 R	09/08/93	World Council of Credit Unions Inc	—	—
0 000 93 121 R	09/21/93	Volunteers in Overseas Cooperative Assistance	—	—
0 000 93-122 R	08/19/93	World Environment Center Inc	—	—
0 000 93-123 R	08/04/93	The Music Foundation	—	—
0 000 93-124 R	08/31/93	State of Iowa	—	—
0 000 93 125-R	08/04/93	Population Reference Bureau Inc	—	—
0 000 93 126-R	08/19/93	Childhope Foundation	—	—
0 000 93 127 R	08/06/93	Plastic and Reconstructive Surgery Center Project of the Armenian General Benevolent Union	—	—
0 000 93 128 R	08/13/93	Consortium for the MBA Enterprise Corps Inc	—	—
0 000 93 129 R	08/20/93	National Association of Schools of Public Affairs and Administration	—	—
0 000 93-130 R	08/16/93	Mercy Corps International	—	—
0 000 93-131 R	09/24/93	State of Louisiana	—	—
0 000 93-132-R	08/20/93	International Eye Foundation	—	—
0 000 93 133-R	08/20/93	International Eye Foundation	—	—
0 000 93 134-R	08/20/93	Tulane University	—	—
0 000 93-135-R	08/20/93	Oklahoma State University	—	—
0 000 93 136-R	09/21/93	Pennsylvania State University	—	—
0 000 93 137 R	08/20/93	Environmental Law Institute	—	—
0 000 93 138-R	08/20/93	University of Illinois	—	—
0 000 93 139-R	08/25/93	The American Jewish Joint Distribution Committee Inc	—	—
0 000 93 140-R	08/27/93	African American Labor Center	97	QC
			8	BU
0 000 93-141 R	08/27/93	World Resources Institute	—	—
0 000 93 142 R	09/03/93	Leadership Center Inc	—	—

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

**Recipient-Contracted Audits
(Cont'd)**

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Savings (\$000 s)</u>	<u>Type of Savings</u>
0 000 93 143 R	09/24/93	The Center for Democracy	4	BU
0 000 93 144 R	09/24/93	The Center for Democracy	—	—
0 000 93 412 R	05/27/93	Music Foundation	—	—
0 000 93 413 R	05/27/93	The Society of Jesus of New England	—	—
0 000 93 414 R	06/15/93	University of the Americas Foundation Inc	—	—
0 000 93 415 R	06/15/93	Haitian American Friendship Foundation Inc	129	QC
0 000 93 416-R	06/15/93	St John s College ASHA Grant #502	—	—
0 000 93 417 R	06/15/93	St John s College ASHA Grant #528	—	—
0 000 93 418 R	06/15/93	The J F Kapnek Charitable Trust	—	—
0 000 93 419 R	08/07/93	Asociacion Cultural Academia Cotopaxi and American International School Support Foundation Inc	—	—
0 000 93 420 R	07/09/93	Project Orbis Inc and Affiliate	—	—
0 000 93 421 R	07/09/93	Esopus Province of the Marist Brothers for Notre Dame of Marbel University	—	—
0 000 93 422 R	08/13/93	American University in Bulgaria	3	BU
0 000 93 423 R	08/27/93	The American University of Beirut	—	—
0 000 93 424 R	08/27/93	Jesuit Seminary and Mission Bureau	14	QC
0 000 93 425 R	08/27/93	The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the U S A	—	—
0 000 93 426 R	09/17/93	Philippine Evangelical Enterprise Inc	—	—
1 521 93 020 R	04/29/93	Audit of USAID/Haiti s Project Funds Managed by the Haitian Foundation for Health and Education October 1 1989 to March 31 1992 and the Foundation s Financial Statements for the Two Year Period Ended March 31 1992	147 147	QC UN
1 515 93 021 R	04/29/93	Audit of USAID/Costa Rica s Project Funds Managed by the Association for Road Maintenance May 16 1991 to March 31 1992 and the Association s Financial Statements for the Period January 1 1991 to March 31 1992	—	—
1 520 93 022 R	04/30/93	Audit of USAID/Guatemala Project Funds Managed by the Guatemala University del Valle Foundation January 1 1991 to December 31 1991	—	—
1 521 93 023 R	05/03/93	Audit of USAID/Haiti s Project Funds Managed by the Centers for Development and Health July 1 1989 to December 31 1991 and the Centers Financial Statements for the Year Ended December 31 1991	40	QC
1 596 93 024 R	05/05/93	Audit of the Regional Office for Central American Programs Project Funds Managed by the Tropical Agronomic Center for Research and Education for the Year Ended December 31 1991	—	—
1 521 93 025 R	05/05/93	Audit of USAID/Haiti s Project Funds Managed by Integrated Rural Development September 1 1990 to May 31 1992	13 18 18	BU QC UN
1 505 93 026 R	07/02/93	Audit of USAID Office/Belize s Project Funds Managed by PRIDE Belize and PRIDE Belize s Financial Statements December 1 1991 to November 30 1992	—	—
1 511 93 027 R	07/15/93	Audit of USAID/Bolivia s Community and Child Health Project Managed by the Bolivian Ministry of Health September 22 1989 to December 31 1991	1 158 721	QC UN

BU Better use of funds
QC Questioned costs
UN Unsupported costs

**Recipient-Contracted Audits
(Cont'd)**

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
3 674 93 014 R	04/05/93	Audit of the Institute for a Democratic Alternative for South Africa for the Year Ended December 31 1991	—	—
3 612 93 015 R	04/06/93	Audit of National Association of Business Women for the 45 Weeks Ended December 31 1992	—	—
3 612 93 016 R	04/06/93	Audit of the Habitat for Humanity (Malawi) for the Five Months Ended September 30 1992	—	—
3 674 93 017 R	04/13/93	Audit of the Education Foundation Trust Grant No 674 0302 G SS 1057 00 for the Period Ending March 31 1992	—	—
3 674 93 018 R	04/13/93	Audit of the Centre for Rural Legal Studies Trust of South Africa Grant No 674 0301 G SS 1052 00 for the Period Ended February 29 1992	—	—
3 674 93 019 R	06/11/93	Audit of the Lawyers for Human Rights—National Directorate for the Year Ended October 31 1992	3	QC
3 632 93 020-R	06/25/93	Audit of the Federation of Women Lawyers USAID/Lesotho for the Year Ended March 31 1992	—	—
3 633 93 021 R	06/25/93	Audit of Southern African Centre for Cooperation in Agricultural Research (SACCAR) for the Year Ended March 31 1992	—	—
3 278 93 022 R	06/25/93	Audit of the General Union of Voluntary Societies in Jordan for the Year Ended December 31 1991	—	—
3 278 93 023 R	06/25/93	Audit of the Noor Al Hussein Foundation for the Year Ended December 31 1991	—	—
3 278 93 024 R	06/25/93	Audit of the Jordanian Association for Family Planning and Protection for the Year Ended December 31 1991	—	—
3 278 93-025 R	06/25/93	Audit of the Royal Society for Conservation of Nature Amman for the Year Ended December 31 1991	—	—
3 278 93 026 R	06/25/93	Audit of the Holy Land Institute for the Deaf for the Year Ended August 31 1991	—	—
3 645 93 027 R	07/09/93	Audit of the Business Management Extension Programme for the 3 Month Period Ended December 31 1992	—	—
3 633 93 028 R	07/21/93	Audit of the Botswana Confederation of Commerce Industry and Manpower for the Period From July 1 1991 to December 31 1992	—	—
3 645 93-029 R	07/21/93	Audit of Family Life Association of Swaziland for the Year Ended December 31 1992	—	—
3 674 93 030 R	08/24/93	Audit of the Catholic Educational Aid Programme for the Year Ended December 31 1992	—	—
3 674 93 031 R	08/24/93	Audit of Mamaqaland Resource and Educational Centre for the Year Ended October 31 1992	—	—
3 674-93 032 R	08/24/93	Audit of the Environment and Development Agency for the 7 Month Period Ended December 31 1992	—	—
3 674 93 033 R	08/24/93	Audit of Co-operative Planning and Education for the Period Ended February 28 1993	—	—

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

**Recipient Contracted Audits
(Cont'd)**

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Savings (\$000 s)</u>	<u>Type of Savings</u>
3 674 93 034 R	08/30/93	Audit of the Anti Censorship Action Group for the Three Month Period Ended October 31 1992	—	—
3 615 93 035 R	09/24/93	Audit of Tenwek Hospital Community Development Programme for the 13 Month Period Ended August 31 1992	—	—
3 615 93 036 R	09/24/93	Audit of the Christian Health Association of Kenya for the Year Ended June 30 1992	6	QC
5 492 93 008 R	04/05/93	Audit of USAID/Philippines Grant No 492 0419 G SS 0030 00 to the Development of People s Foundation Inc	6	UN
5 492 93 009 R	04/05/93	Audit of USAID/Philippines Grant No 492 0367 G SS 8076 00 to the Development of People s Foundation Inc	—	—
5 492 93 010 R	04/05/93	Audit of USAID/Philippines Grants to the Philippine Center for Population and Development Inc	11	QC
5 492 93 011 R	04/05/93	Audit of USAID/Philippines Grant No 492 0419 G SS 0102 00 to the Kauswagan Sa Timogang Mindanaw Foundation	10	UN
5 492 93 012 R	04/05/93	Audit of USAID/Philippines Grant No 492 0419 G SS 0102 00 to the Kauswagan Sa Timogang Mindanaw Foundation	1	QC
5 492 93 012 R	04/30/93	Audit of USAID/Philippines Grant No 492 0419 G SS 9021 00 to Ramon Aboitiz Foundation Inc	12	QC
5 492 93 013 R	05/05/93	Audit of USAID/Philippines Grant No 492 0419 G SS 9079 00 to the Andres Soriano Foundation Inc	1	QC
5 492 93 014 R	06/30/93	Audit of USAID/Philippines Grant No 492 0419 G SS 0030 00 to the Development of People s Foundation Inc	1	UN
5 492 93 014 R	06/30/93	Audit of USAID/Philippines Grant No 492 0419 G SS 0030 00 to the Development of People s Foundation Inc	2	QC
5 492 93 015 R	08/30/93	Audit of USAID/Philippines Grant No 492 0367 G SS 8076 00 to the Development of People s Foundation Inc	—	—
5 388 93 016 R	09/24/93	Audit of USAID/Bangladesh Cooperative Agreement No ANE 0071 A 00 7058 With the International Centre for Diarrhoeal Disease Research	29	QC
5 388 93 017 R	09/27/93	Audit of USAID/Bangladesh Cooperative Agreement No ANE 0073 A 00 6081 With the International Centre for Diarrhoeal Disease Research	89	QC
5 388 93 018 R	09/27/93	Audit of USAID/Bangladesh Cooperative Agreement No 388 0073 A 00 1054 With the International Centre for Diarrhoeal Disease Research	24	QC
5 492 93 019 R	09/27/93	Audit of Philippines Grant No 492 0395 G SS 0105 00 to Aboitiz & Company Inc	8	QC
7 LTR 93 001	08/24/93	Audit of the Ghana National Traditional Birth Attendants Program for the Period October 1 1991 to August 6 1992	—	—
7 LTR 93 002	08/24/93	Audit of the Accounts of the Catholic Relief Services for the Period January 1 1991 to December 31 1991	—	—
7 LTR 93 003	08/24/93	Audit of the Government of Ghana s Implementing Agencies Under the Agricultural Productivity Promotion Programme for the Sixteen Month Period Ending December 31 1989	—	—
7 LTR 93 004	08/24/93	Audit of the Government of Ghana s Implementing Agencies Under the Agricultural Productivity Promotion Programme for the Period January 1 1990 to December 31 1990	—	—

BU Better use of funds
QC Questioned costs
UN Unsupported costs

Audits Conducted by Other Federal Agencies

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
TR 93 172	04/01/93	Louis Berger and Associates Incorporated	—	—
TR 93 173	04/01/93	Datex Incorporated	—	—
TR-93 174	04/01/93	Evaluation Technologies Incorporated	—	—
TR-93 175	04/01/93	National Farmers Union	—	—
TR-93 176	04/01/93	Smithsonian Institution	—	—
TR 93 177	04/01/93	Larsen Engineers Incorporated	—	—
TR 93 178	04/08/93	Pennsylvania State University	—	—
TR 93 179	04/15/93	Gibbs and Hill Incorporated	—	—
TR 93 180	04/15/93	American Manufacturer s Export Group	—	—
TR-93 181	04/19/93	T Head and Company	64	QC
TR 93 182	04/20/93	Financial Services Volunteer Corps	—	—
TR-93 183	05/03/93	New Mexico State University	—	—
TR-93 184	05/11/93	Sheladia Associates Incorporated	—	—
TR 93 185	05/11/93	American Institute of Biological Sciences	—	—
TR 93 186	05/13/93	Aurora Associates Inc	—	—
TR 93 187	06/04/93	Eurasia Foundation	—	—
TR 93 188	06/04/93	Global Steel Incorporated	—	—
TR 93 189	06/04/93	ISAR	—	—
TR 93 190	06/08/93	Professional Management Association Incorporated	—	—
TR 93-191	06/09/93	Internews Network	—	—
TR 93-192	06/11/93	Associates for International Resources and Development	—	—
TR 93 193	06/11/93	Associates for International Resources and Development	—	—
TR 93 194	06/11/93	Associates for International Resources and Development	—	—
TR 93-195	06/11/93	Associates for International Resources and Development	11	QC
TR 93 196	06/11/93	Thorpe International	—	—
TR 93 197	06/14/93	Associates for International Resources and Development	—	—
TR 93 198	06/14/93	Associates for International Resources and Development	4	QC
TR-93 199	06/15/93	Computer Consultants International Incorporated	—	—
TR-93 200	07/06/93	Futures Group Inc	—	—
TR 93 201	07/07/93	Internews Network	—	—
TR 93 202	07/07/93	Computer Consultants International Inc	—	—
TR 93 203	07/07/93	Internews Network	—	—
TR 93 204	07/07/93	National Environmental Development Association	—	—
TR 93 205	07/07/93	Center for Citizen Initiatives	—	—
TR 93 206	07/07/93	United States National Committee for Pacific Economic Cooperation	—	—
TR 93 207	07/12/93	New Jersey Business and Industry Association	—	—
TR 93-208	07/12/93	Synetics Inc	—	—
TR 93 209	07/12/93	Camp Dresser & McKee International	—	—
TR 93 210	07/12/93	American Manufacturers Export Group Inc	—	—
TR 93 211	07/16/93	Social Consultants International Inc	1	QC
TR 93-212	07/16/93	Gilbert Commonwealth Inc	2	QC

BU Better use of funds

QC Questioned costs

UN Unsupported costs

**Audits Conducted by Other Federal Agencies
(Cont'd)**

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
TR 93 213	07/16/93	Associates for International Resources and Development	—	—
TR 93 214	07/16/93	Centech Group Inc	—	—
TR 93 215	07/16/93	University of Hawaii	—	—
TR 93 216	07/16/93	Management Systems International Inc (MSI)	—	—
TR 93 217	07/19/93	Columbia University	—	—
TR 93 218	08/02/93	Catholic Near East Welfare Association (CNEWA)	—	—
TR 93 219	08/03/93	American University of Bulgaria	—	—
TR 93 220	08/05/93	Metcalf & Eddy Inc	—	—
TR 93 221	08/06/93	National Farmers Union	—	—
TR 93 222	08/17/93	Smithsonian Institution	—	—
TR 93 223	08/18/93	Women s Law and Public Policy Fellowship Program	—	—
TR 93 224	08/23/93	Population Council	627	BU
TR 93 225	08/23/93	Mid America Committee	—	—
TR 93 226	08/23/93	American Task Force for Lebanon	—	—
TR 93 227	08/25/93	Interaction	—	—
TR 93 228	08/26/93	National Planning Association	—	—
TR 93 229	08/26/93	Nature Conservancy	—	—
TR 93 230	08/30/93	Associated Management Services Inc	—	—
TR 93 231	08/31/93	Associated Management Services Inc	842	BU
TR 93 232	08/30/93	Academy for Educational Development	—	—
TR 93 233	09/03/93	Ohio Manufacturers Association	—	—
TR 93 234	09/1 93	John Snow Inc	375	BU
TR 93 235	09/16/93	Management Sciences for Health	—	—
TR 93 236	09/16/93	Citizens Democracy Corps Inc	—	—
TR 93 237	09/16/93	Development Alternatives Inc	294	BU
TR 93 238	09/16/93	National Planning Association	—	—
TR 93 239	09/16/93	The Greater Detroit Chamber of Commerce	—	—
TR 93 240	09/20/93	World Association for Children and Parents	—	—
8 TR 93 001	06/08/93	Action International Contra La Faim Paris France	—	—
8 TR 93 002	07/15/93	Feed the Children Reading Berkshire United Kingdom	—	—
8 TR 93 003	07/15/93	Solidarites Association Humanitaire Paris France	—	—
8 TR 93 004	08/06/93	Medecins Sans Frontieres Amsterdam Netherlands	—	—
8 TR 93 005	08/06/93	Medecins Du Monde Paris France	—	—
8 TR 93 006	08/06/93	Medecins San Frontieres France Paris France	—	—
8 TR 93 007	08/06/93	CONCERN Dublin Ireland	—	—
8 TR 93 008	08/26/93	Goal Ireland Relief and Development Ireland	—	—
8 TR 93 009	09/21/93	Medecins Sans Frontieres Brussels Belgium	—	—

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

Miscellaneous

Report Number	Date of Report	Report Title	Amount of Savings (\$000 s)	Type of Savings
0 000 93 004 Q	04/01/93	Quality Control Review of Price Waterhouse s Audit of the International Executive Service Corps	—	—
0 000 93 006 Q	04/01/93	Quality Control Review of Coopers and Lybrand s Audit of the African Medical and Research Foundation Inc	—	—
0 000 93-007 Q	05/27/93	Quality Control Review of Ernst & Young s Audit of Food for the Hungry Incorporated	—	—
0 000 93-008 Q	06/22/93	Quality Control Review of Ernst & Young s Audit of Food for the Hungry International	—	—
0 000 93 009-Q	05/07/93	Quality Control Review of Coopers & Lybrand s Audit of the South-East Consortium for International Development	—	—
0 000 93 010 Q	05/07/93	Quality Control Review of Arthur Andersen s Audit of the World Wildlife Fund	—	—
0 000 93 011 Q	05/18/93	Quality Control Review of Tait Weller & Baker s Audit of Vellore Christian Medical College Board	—	—
0 000 93 012 Q	07/23/93	Quality Control Review of Deloitte & Touche s Audit of the African American Institute	—	—
0 000 93 013 Q	06/25/93	Quality Control Review of KPMG Peat Marwick s Audit of Academy for Educational Development	—	—
0 000 93 014-Q	06/25/93	Quality Control Review of Arthur Andersen s Audit of the Association for Voluntary Surgical Contraception	—	—
0 000 93 015 Q	07/16/93	Quality Control Review of Ernst & Young s Audit of the Adventist Development and Relief Agency International	—	—
0 000 93 016 Q	09/08/93	Quality Control Review of Arthur Andersen s Audit of the World Council of Credit Unions Inc	—	—
0 000 93 017 Q	09/21/93	Quality Control Review of Paul Julin and Company s Audit of Volunteers in Overseas Cooperative Assistance (VOCA)	—	—
1 505 93 001 X	06/23/93	Audit of the USAID Office/Belize s Project Funds Managed by the National Development Foundation of Belize and the Foundation s Financial Statements for the Year Ended September 30 1992	—	—
93 8 QCR 004	04/15/93	Quality Control Review of the 1992 Audit of the Polish American Enterprise Fund	—	—

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