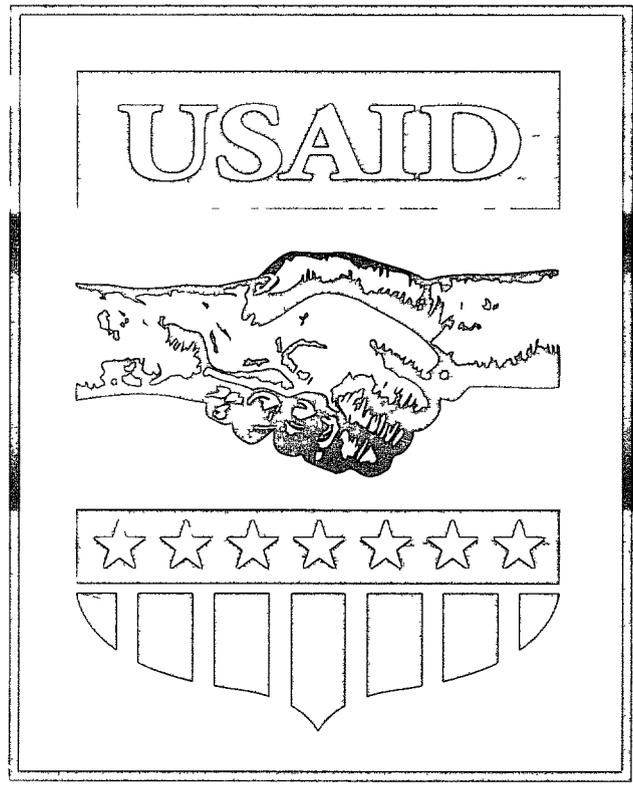


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SEMIANNUAL REPORT TO THE CONGRESS

APRIL 1, 1994 - SEPTEMBER 30, 1994



INSPECTOR
GENERAL

U S AGENCY FOR INTERNATIONAL DEVELOPMENT



U S AGENCY FOR
INTERNATIONAL
DEVELOPMENT

October 28, 1994

Inspector General

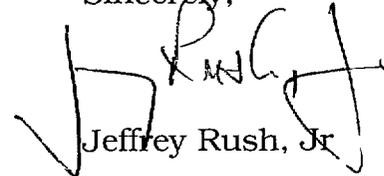
The Honorable J Brian Atwood
Administrator
U S Agency for International Development
Washington, D C 20523

Dear Mr Atwood

Enclosed is my Semiannual Report to the Congress for the period ending
September 30, 1994

The employees of the Office of Inspector General have much to
contribute to the economy and efficiency of this Agency's programs and
operations We appreciate the support and cooperation of the Agency
management and staff

Sincerely,



Jeffrey Rush, Jr

SEMIANNUAL REPORT TO THE CONGRESS

APRIL 1, 1994 - SEPTEMBER 30, 1994



INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

The Inspector General Act of 1978, as amended, requires each Inspector General to submit semiannual reports to the Congress summarizing the activities of the Office during the preceding 6-month period. The twelve required reporting areas, as prescribed under Section 5(a) of the Act, are reported as follows:

<u>Reporting Requirement</u>	<u>Page Reference(s)</u>
Section 5(a)	
(1) Significant Problems, Abuses and Deficiencies	3-18 and 24-27
(2) Recommendations for Corrective Action	3-18
(3) Significant Prior Recommendations on Which Corrective Action Has Not Been Completed	46 (Table C)
(4) Matters Referred to Prosecutive Authorities, and the Prosecutions and Convictions Which Resulted	23-27
(5) Summary of Instances Where Information or Assistance Was Refused	20
(6) List of Audit Reports Issued	29-39 (Table A)
(7) Summary of Each Significant Report	5-18
(8) Statistical Table of Reports With Questioned and Unsupported Costs	47 (Table D)
(9) Statistical Table of Reports With Recommendations That Funds Be Put To Better Use	48 (Table E)
(10) Summary of Each Audit Report Over 6 Months Old For Which No Management Decision Has Been Made	40-45 (Table B)
(11) Decisions and Reasons for Significant Revised Management Decisions	20
(12) Significant Management Decisions With Which the Inspector General Disagrees	20

EXECUTIVE SUMMARY

The U S Agency for International Development (USAID) was created in 1961 to carry out this country's development assistance programs abroad USAID's primary mission is economic development and helping our global neighbors to become active and constructive partners in the new world community

During this reporting period, the Office of the Inspector General's (OIG) Office of Audit issued 198 financial audit reports and 46 performance audit reports The financial audits consisted of 6 financial statement audits under the Chief Financial Officers (CFO) Act, 32 Agency-contracted audits, 132 recipient-contracted audits under the Office of Management and Budget (OMB) Circular A-133, and 28 audits done by other federal governmental audit organizations The financial audits were performed either by independent public accountants or by federal governmental audit organizations such as the Defense Contract Audit Agency or the U S Department of Health and Human Services USAID's OIG performance audits addressed the Agency's more significant programs and control systems The total of all reports resulted in recommended resolution of \$8 7 million in questioned costs (of which \$6 1 million were ineligible and \$2 6 million were unsupported) and \$28 million in deobligations, reprogramming, or other actions that would put funds to better use In addition, we received a commitment from management to recover \$7 6 million and sustain \$18 4 million in cost efficiencies

The Inspector General's Office of Investigations continues to focus significant investigative resources on procurement irregularities Summary activities for this reporting period include 189 allegations of fraud, waste, and abuse, 10 successful prosecutions, 43 judicial actions, and 25 administrative sanctions Of the three prosecutive referrals, one judicial action is underway, and two were declined for prosecution by the Department of Justice These investigative activities resulted in cost recoveries of \$670,503 and cost savings of \$26,665 for the 6-month period

SIGNIFICANT ACTIVITIES — OFFICE OF AUDIT

During this reporting period, the OIG's Office of Audit issued a total of 244 audit reports (see Table A, included as an attachment to this report). This total includes 198 financial audit reports and 46 performance audit reports.

The primary objectives of the financial audits were to provide an opinion on the recipient's financial statements and to determine whether USAID funds were used as intended. Financial statement audits required under the Chief Financial Officers Act were performed by OIG staff or independent public accountants. The other financial audits were performed either by independent public accountants or by other federal governmental audit organizations such as the Defense Contract Audit Agency or the U.S. Department of Health and Human Services.

The OIG's performance audits of the Agency's major programs and control systems were focused on determining program results. The primary objectives of our audits were to identify 1) what the Agency's money was spent for and 2) what results were achieved. A summary of our more significant audit reports issued this period are highlighted in this report.

The financial and performance audits recommended total resolution of \$8.7 million in questioned costs, of which \$6.1 million were ineligible and \$2.6 million were unsupported. 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, or 3) not supported by adequate documentation. The questioned costs are referred to the appropriate Agency official for final resolution. The reports also recommended \$28 million in deobligations, reprogramming of funds, and other actions that would put funds to better use.¹ Agency management resolved or closed audit recommendations totaling \$26 million by agreeing to recover \$7.6 million in questioned costs and by agreeing to put \$18.4 million to better use.

The Inspector General's Audit Recommendation Follow-Up and Closure System monitored the actions taken on audit reports issued during this and prior reporting periods. A summary of USAID actions taken on Inspector General recommendations during this period is presented below.

¹ A recommendation that funds be put to better use means that funds could be used more efficiently if management officials implement the recommended action including outlay reductions, the deobligation of funds, cost avoidance, unnecessary expenditure avoidance noted in pre-award reviews, and other specifically identifiable savings.

- USAID management resolved² monetary findings of \$86.8 million identified in performance audit reports. Of this total, \$12.9 million (\$12.6 million in funds to be put to better use and \$0.3 million in questioned costs) was sustained.³
- USAID management resolved monetary findings of \$69 million identified in financial audit reports completed by Agency-contracted, recipient-contracted, and other governmental audit agencies. Of this total, \$13 million (\$5.7 million in funds to be put to better use and \$7.3 million in questioned costs) was sustained.
- USAID management recovered or saved a total of \$27.6 million (\$19.2 million from OIG performance audit reports and \$8.4 million from financial audit reports) through increased efficiencies as a result of audit work in this and prior periods.
- As of September 30, 1994, \$42.8 million in recommended funds to be put to better use and questioned costs were awaiting determination by USAID. Of the \$42.8 million, \$34.7 million (or 81.1 percent) represented recommendations over six months old.
- As of September 30, 1994, \$29.3 million in recommended funds to be put to better use and questioned costs were agreed to by USAID, but final action/collection had not been taken.

² To resolve a monetary finding, OIG and Agency management officials must agree on the corrective actions to be taken and the specified amount to be recovered or saved by implementing the corrective actions.

³ The amount of the monetary finding 'sustained' refers to the amount for which management has agreed to issue a Bill for Collection or otherwise acknowledge the need to take actions to collect questioned costs or implement cost savings. The difference between the original finding amount and the amount sustained represents costs determined to be allowable or efficiently used.

FINANCIAL AUDITS

The primary purpose of financial audits is to issue an opinion on the fairness of the audited entity's financial statements. Such an opinion assures the financial statement users that the statements present fairly the audited entity's financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles. Four types of opinions may be issued:

- Unqualified opinions are given when no material 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

Auditors rarely render adverse or disclaimer opinions in the U.S. Government's domestic assistance programs.

In financial audit reporting, the concept of materiality must be considered. The question of materiality is a determination as to whether the finding being reported is of the magnitude that, in light of quantitative and qualitative considerations, the financial statement user's judgment would be altered in the instance that such findings were not reported. Materiality is determined by measuring the significance of the identified problem in relationship to the subject universe as a whole, and is based largely on auditor judgment.

In USAID, there are essentially three types of financial audits:

- Financial statement audits of specific USAID entities (revolving funds, trust funds, and entities involving substantial commercial activities), required by the Chief Financial Officers Act of 1990, are done either by USAID's OIG or independent public accountants
- Agency-contracted audits of contractors and certain non-governmental organizations working with USAID (formerly referred to as non-federal audits), as required by the recipient's standard audit clause, are done by independent public accountants. The OIG's role in these audits is to supervise and ensure the quality of the work.

- Recipient-contracted audits of nonprofit grantees, as required by OMB Circular A-133 (for domestic grantees) and by recipient agreement's standard audit clauses (for foreign grantees), are done by independent public accountants. The OIG's role in these audits is to review the final audit reports and to conduct selective, detailed quality control reviews of the auditors' workpapers.

Under the Audit Management and Resolution Program (AMRP), Agency management is assigned the responsibility of ensuring that financial audits are completed as required and that appropriate action is taken on all audit recommendations. The OIG is responsible for ensuring that the Agency fulfills these responsibilities and that the audits comply with auditing standards. Summaries of our more significant financial audits this period are presented below according to type of audit.

— **Chief Financial Officers Act Audits** —

The Chief Financial Officers Act of 1990 (CFO) requires that the head of each federal agency prepare financial statements for its revolving funds and trust funds, and for its entities performing substantial commercial activities. Each financial statement prepared under the Act is required to be audited by the Inspector General, or independent public accountants, as determined by the OIG. During this reporting period, we determined that we would audit the Foreign Service National (FSN) Separation Pay Trust Fund and that four other audits would be contracted to independent public accountants. These audits reviewed the 1993 financial statements of the following entities: The Housing Guaranty Program, The Private Sector Investment Program, The Direct Loan Program, and The Miscellaneous U.S. Dollar Trust Fund. In the future, the OIG plans to do more CFO audits utilizing our own staff. Summaries of our audit and two completed by independent public accountants are presented below.

FSN Separation Pay Trust Fund—In fiscal year 1992, the FSN Separation Pay Trust Fund was established for USAID at the Department of Treasury to fund and account for separation payments made to foreign service nationals who voluntarily leave the Agency. All overseas missions with liabilities for voluntary separation pay are required to participate in the Trust Fund. As of September 30, 1993, this Trust Fund had total assets of \$9.1 million, liabilities of \$9.1 million (\$6 million of which were unfunded), and fiscal year 1993 disbursements of \$51,000. Despite some problems, an unqualified (favorable) opinion was issued. We identified an internal control weakness related to the Fund's centralized monitoring which resulted in one Mission overpaying its FSNs \$19,000 and

possibly making additional overpayments of \$352,000. Also, the Fund was not fully funded for its current and potential future separation pay liabilities to FSNs as required by legislation. We recommended that management 1) establish a central monitoring system to ensure mission compliance with computing, recording and reporting policies, and 2) establish a plan to fully fund the FSN Separation Pay Trust Fund. Management agreed with our recommendations. (Audit Report No. O-000-94-006)

Housing Guaranty Program—The Housing Guaranty Program stimulates American private sector involvement in the financing of low-income shelters. In order to encourage U.S. investors to provide the necessary funding for borrowers in less-developed countries, the U.S. Government guarantees loan repayment. As of September 30, 1993, the Housing Guaranty Program had outstanding guarantees of \$2.5 billion worldwide. An unqualified opinion resulted when the financial statements fairly presented the financial position of the Housing Guaranty Program at September 30, 1993, and the results of the Program's operations, cash flows, and budget and actual expenses for the year then ended. In addition, USAID was in the process of developing a performance measurement system for the program but the audit found serious flaws in the system. The audit recommended that this system be reassessed and the auditors agreed to work with program officials on this. (Audit Report No. O-000-94-002)

Direct Loan Program—The Direct Loan Program services all direct loans issued by USAID and its predecessor agencies since the inception of U.S. foreign economic assistance in 1948. The Program involves a multitude of economic, technical, and financial projects in over 100 countries, and currently services about 2,000 loans. As of September 30, 1993, the Agency reported gross loans receivable of \$14.8 billion, with allowance for doubtful accounts of \$6.5 billion, resulting in a net receivable of \$8.3 billion. As in fiscal year 1992, auditors were unable to express an opinion on the fiscal year 1993 financial statements and reported that the internal control and computer systems for the program were "wholly inadequate for the accounting and reporting functions." The audit also identified material instances of noncompliance with laws and regulations. Management agreed to implement the recommendations made. (Audit Report No. O-000-94-004)

— **Agency-Contracted Audits** —

Agency-contracted audits express opinions on the accuracy of the auditees' financial statements, with respect to USAID-provided funds, and report on the adequacy of the auditees' internal controls and compliance with USAID agreements. During this reporting period, 32 Agency-contracted audits were issued through the OIG's Regional Inspectors General for Audit. These reports included recommendations for the resolution of questioned costs of almost \$1.9 million, and many other recommendations to improve internal controls and ensure compliance with laws and regulations. Of the 32 reports, 15 (47 percent) expressed an unqualified opinion, 19 reported a total of 64 material internal control weaknesses and 15 reported a total of 43 instances of material noncompliance. The number of Agency-contracted audits being issued by the OIG has been steadily decreasing each reporting period. The summary of an Agency-contracted audit completed during this period is presented below.

USAID/Guatemala's Highlands Agricultural Development Project

A financial audit of Guatemala's Highlands Agricultural Development Project was completed by the independent public accounting firm of Deloitte Touche Tohmatsu. The General Directorate for Agricultural Services (the Directorate) was responsible for implementing this project which was to increase rural agricultural productivity and profitability. A disclaimer opinion was rendered on the fund accountability statement as a result of the following conditions: separate accounting records were not maintained for the project or for its counterpart contributions, the fund accountability statement contained errors and unsupported transactions, project records were not reconciled, and controls were inadequate. In addition, the Directorate did not audit the Project as required. The audit identified \$58,261 as questionable and \$2,374 as unsupported.

OIG financial audit staff reviewed the audit report for quality and compliance with auditing standards. The OIG staff determined that without an adequate accounting system, the entire amount of USAID funds provided to the Directorate, and the counterpart contributions, were unsupported. Therefore, in addition to the \$60,635 in questioned costs included in the audit report, the OIG recommended that USAID/Guatemala obtain a full accounting for \$234,000 in questioned costs and \$176,000 in unsupported costs. The recommendations are resolved and closed, and Mission management does not intend to use the Directorate to implement any future projects. (*Audit Report No 1-520-94-004-N*)

— **Recipient-Contracted Audits** —

OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," requires grant recipients to be audited periodically 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 OIG's Office of Financial Audits has been primarily responsible for ensuring that A-133 audits are completed as required, and that they are in compliance with generally accepted government auditing standards. This is done by reviewing the final audit reports and conducting detailed quality control reviews of the independent public accountants' workpapers.

Under the policies established in the Audit Management and Resolution Program the Agency applies A-133 requirements to both domestic and foreign grantees. Accordingly, USAID has assumed responsibility for ensuring that recipients submit these audit reports for review. OIG staff perform quality control reviews of a select number of the reports.

During this past reporting period, OIG staff reviewed 135 recipient-contracted audit reports, of which 132 were issued and 3 were rejected because they did not comply with government auditing standards. Of the 132 issued, 11 reports required major changes prior to issuance, 18 reported a total of 69 material internal control weaknesses, and 35 reported a total of 106 instances of material noncompliance. The summary of a recipient-contracted audit completed during this period follows:

U S -Based Recipient of USAID Funding

The Agency provided a grantee \$14.7 million to carry out a population control program. When an independent public accountant audited this grantee, an unqualified opinion was rendered on the financial statements. The report identified two areas of minor noncompliance with laws and regulations: 1) the grant recipient had not met all monthly financial reporting requirements, and 2) annual audit reports had not been obtained from all sub-recipients. An OIG quality control review of the audit work discovered that \$4.6 million had been received as program income, yet no guidance existed on how these funds were to be used. Without any guidance or follow-on agreement, one contract's \$429,089 residual income became the grantee's property when the contract expired. The OIG review also identified a \$66,700 related-party transaction which had not been disclosed in the audit report. (*Audit Report No. 0-000-94-153 R*)

PERFORMANCE AUDITS

The OIG routinely audits the economy and efficiency of the Agency's programs and operations by conducting performance audits. Program-results audits of the Agency's more significant programs, projects and systems were done primarily to determine what USAID funds were used for, and what results were achieved. In addition, the OIG also conducts audits of the Agency's financial management systems to determine whether adequate internal controls have been established to account for programs and expenditures.

One of the established controls over the Agency's financial management systems is the requirement to monitor the cash management practices of USAID's recipient organizations. The concern here is focused on ensuring that advances of federal funds are limited to only the absolute minimum amounts necessary. The Administration and Congress have been encouraging federal agencies to improve their cash advance management so that unnecessary borrowing by the Treasury and increased national debt are avoided. These expressed concerns over costly inefficiencies identified cash advance management as a priority area for OIG audit coverage.

USAID's Management of Cash Advances to Recipient Organizations

Audits of USAID's cash management procedures in Madagascar, Mali, and the Philippines covered a total of \$21.7 million in outstanding cash advances (\$165,500 for Madagascar, \$2 million for Mali, and \$19.5 million for the Philippines). We found that Missions had generally improved their cash management practices, but were not fully complying with U.S. Treasury or Agency policies.

- cash advances were not always limited to the immediate cash needs of recipients,
- recipients did not always maintain cash advances in interest-bearing accounts, and
- recipients did not always remit interest earned on cash advances to USAID.

These practices resulted in added costs and lost interest income estimated at \$242,231. Recommendations were made for the Missions to comply with cash management policies. Management agreed to implement the recommendations (*Audit Report Nos. Mali 7-688-94-011, Madagascar 3-687-94-008, and Philippines 5-492-94-017*).

Another financial management control put in place by the Agency was the Audit Management Resolution Program (AMRP) (also, see page 6) The AMRP was established in April 1992 and provides a framework for managing the Agency's foreign and domestic financial audit program Basically, the OIG and USAID offices in Washington are responsible for managing audits of U S recipients (as required by OMB Circular A-133) and the Missions and Regional Inspector General overseas are responsible for the foreign recipients as required by their agreements' standard audit clause The Program serves as an important financial management control because it ensures that USAID's grantees and contractors are properly accounting for funds and other resources

Implementation of the Audit Management and Resolution Program

Audits done in Ghana, Guatemala, India, Philippines and the Regional Economic Development Services Office/West & Central Africa (REDSO/WCA) showed that the Missions are doing a good job implementing the Agency's new Audit Management and Resolution Program Missions are 1) establishing management control review committees, 2) establishing databases to track financial audits, 3) amending active grants to include the new recipient audit clause, 4) issuing Mission Orders setting forth guidance and procedures, and 5) requiring the preparation of annual audit management plans Although some minor problems were identified by the audits, management promptly resolved the problems and no recommendations were made (*Audit Report Nos Ghana 7-641 94-012, Guatemala 1-520 94 008, India 5-386-94 014, Philippines 5-492-94-015, and REDSO/WCA 7-624-94-010*)

Our audit work on the Agency's programs, projects and systems identified some problems with the way in which USAID manages its programs However, in many instances, management has already taken corrective action Some of the OIG's more significant findings during this reporting period are presented in the following pages

Crop Storage Systems in the New Independent States

In May 1992, \$43.4 million was approved under the Food Systems Restructuring Project to help alleviate food shortage problems in the New Independent States of the former Soviet Union The project was to introduce improved methods of producing, harvesting, storing, processing, transporting, and marketing agricultural products The \$2.4 million crop storage component was the focus of our audit

The audit found that the objectives of the project's crop storage component had not been achieved. The project was to install 82 grain and potato storage systems at a cost of \$2.4 million. However, after the project had ended and \$2.3 million had been spent, only one grain storage system was complete. The remaining 81 storage facilities had either not been started, or were left in various stages of completion throughout Russia, Ukraine, and Kazakhstan.

Although several factors contributed to delays in completing the storage systems, the audit concluded that the primary reason for the project's failure centered around the Agency's decision to deliver this assistance as *emergency assistance* when, in fact, there was no emergency. In the haste to deliver the assistance as if there were a food crisis, many of the Agency's standard operating procedures and controls were waived. Foregoing such procedures and controls resulted in shortcomings in the overall management and administration of the program. For instance:

- the project design did not identify the intended beneficiaries or their expected contributions, and did not include performance indicators for measuring project results,
- contractor agreements were not properly reviewed or approved, and
- project progress was not properly monitored through site visits and quarterly progress reports.

The Mission had recently decided to spend another \$1.2 million and extend the project for two more years in an attempt to complete more of the storage systems. However, upon considering the audit's preliminary findings, Agency management decided to curtail storage activities, resulting in an estimated cost savings of \$450,000. Based upon this decision, the audit recommended that the Bureau prepare a Lessons Learned document to record the risks associated with declaring assistance as *emergency* and prepare additional guidance defining limitations for doing so.

Management's response to the audit report included the copy of a memo issued to all office directors suggesting that the audit report be required reading for all professional staff, and that its contents be incorporated into the planning, implementation and overall management of the Bureau's Program. The memo pointed to our report as presenting several important lessons learned that should be used in the design, implementation and monitoring of current and future projects. (*Audit Report No 8-110-94-014*)

Interagency Agreements With The Department of the Treasury and the Nuclear Regulatory Commission

Much of USAID's assistance to Central and Eastern Europe (CEE) and the New Independent States (NIS) is transferred through interagency agreements to other U S Government agencies for implementation. The OIG's concern over these interagency assistance programs has been expressed in previous semiannual reports. The fragmented, limited management of USAID-financed activities performance and accountability contributed to problems, and the potential exists for serious abuse, waste, and mismanagement. These programs, implemented by other U S Government agencies, are subject to accountability requirements by USAID, 19 other U S Government departments and agencies, and the Department of State's Coordinator's Office, yet no clear lines of management responsibility had been established.

Recently, however, Congress assigned management responsibility for the programs being provided under the NIS program. As set forth in the fiscal year 1995 Conference Report for the Foreign Operations, Export Financing, and Related Programs, USAID is responsible for programmatic and financial accountability when a transfer of funds under the NIS program constitutes an obligation of USAID funds. In those instances where a transfer does not constitute an obligation on the books of USAID, but rather on the recipient agency's books, the recipient agency's Inspector General will have audit responsibility. In addition, the Department of State's Coordinator is now responsible for ensuring that audit findings are promptly implemented by the recipient agency.

Our reviews of interagency agreements during this period included a look at USAID's agreements with the Department of the Treasury and the Nuclear Regulatory Commission (NRC). The audits of the NRC's nuclear safety technical assistance activities in Russia and Ukraine were joint audits with the NRC's Inspector General. These audits, done prior to Congress's newly assigned management responsibility, found the following types of problems prevalent throughout the region:

- both Treasury's and NRC's programs lacked quantitative performance indicators for measuring progress,
- Treasury's banker training institute in Hungary was not using computer software it was provided (valued at \$15,000) and the sustainability of the Poland training institute was questionable, and

- USAID field representatives did not have key documents necessary to monitor activities of other U S Government agencies—a widespread problem in the CEE countries

Management's implementation of the recommended actions and Congress's assignment of management oversight for the NIS program, should result in better management and accountability in our CEE and NIS programs (*Audit Report Nos 8-180-94-009, 8-118-94-012, and 8 121-94-013*)

Economic Restructuring and Privatization Activities in the Czech Republic and Poland

In August 1990, the Economic Restructuring and Privatization Project was developed by USAID to support private enterprise activities in selected CEE countries. This project was to assist Eastern European governments in establishing legal and institutional frameworks for the privatization process, and to assist individual firms in addressing managerial deficiencies and adjusting to a free-market economy. The project's approved funding for twelve countries was \$150 million, of which \$43.2 million was disbursed as of December 31, 1993.

Most of the funds for the two countries audited (\$19.2 million for the Czech Republic and \$23.3 million for Poland) were used to procure technical assistance services through contracts with four major U S -based accounting firms. These contractors formed teams—consisting of accountants, lawyers, economists, investment bankers, marketing specialists and industry specific experts. The teams were to assist the governmental entities in establishing legal and other institutional structures for promoting privatization, and resolving restructuring problems for individual businesses.

The audit found that USAID had not established specific objectives, quantifiable performance indicators or benchmarks in its contract delivery orders. As a result, project managers could not monitor the implementation of project activities or effectively measure contractors' performance. USAID officials in Washington, the Czech Republic, and Poland need to establish detailed monitoring plans, and specific contractor work requirements for new and existing delivery orders. Agency management officials agreed with the audit findings and recommendations. Management also recognized that the issues raised by the audit in these two countries were systemic for the Project as a whole—i.e., prevalent among the ten other countries included under the Economic Restructuring and Privatization Project—and that the lack of formal monitoring plans had resulted in inefficiencies and monitoring gaps. The Bureau issued instructions to its missions in the CEE, as well as the NIS, requiring that

contractor performance indicators and benchmarks be established (Audit Report Nos 8-180-94-010 and 8-180-94-011)

USAID/Philippines' Management of USAID-Funded Construction

USAID/Philippines' construction activities—which had expenditures of over \$320 million as of September 30, 1993—included the construction of a training center, schools, and roads throughout the country. An audit of the management of these activities showed that USAID/Philippines had properly managed construction activities and that funds were spent for the intended purposes. Also, funds were properly accounted for, construction contracts were competitively bid, U S goods and services were used to the maximum extent possible, and procedures were established to monitor the large number of construction projects. In addition, all completed construction projects that the auditors visited appeared to be well-constructed and were being used for the intended purpose.

While USAID/Philippines adequately monitored construction activities, some improvements were necessary. The audit found that the Mission needed to 1) obtain a final accounting for disbursements made from the special peso account for the Regional Development Fund Project, and 2) establish procedures to ensure that performance bonds are maintained throughout the duration of the construction contracts. USAID/Philippines agreed with the report's findings and, as a result of our recommendation for the final accounting of the special peso account, the Mission recovered \$1.4 million of undisbursed funds (Audit Report No 5-492-94-013).

Operation and Maintenance of USAID/Egypt's Water and Wastewater Projects

The Agency has always been concerned with the long-term sustainability of its developmental efforts. The United States has spent \$1.6 billion to build water and sewer lines, pump stations, and treatment plants in Egypt—the sustainability of which is contingent upon proper operation and maintenance of the facilities by the Egyptian Government. Mission controls over the sustainability of USAID-funded water and wastewater facilities in Egypt were recently reviewed.

Under Section 611(e) of the Foreign Assistance Act, USAID/Egypt is responsible for ensuring project sustainability. The audit showed that USAID/Egypt has taken extra efforts to ensure that U S -financed infrastructure projects are properly maintained and that wastewater facilities are functioning as intended. In its efforts to help the Egyptian Government to do this, the Mission in Egypt

- established an Institutional Support office—staffed by eight professional staff—to focus on strengthening the Government of Egypt's water/wastewater organizations,
- persuaded the Suez Canal Authority—which has greater managerial autonomy and a more superior financial record than the municipalities operating the systems—to operate and maintain the wastewater treatment plants under the Canal Cities Water and Wastewater II Project, and
- withheld \$35 million in additional funding for the Alexandria Wastewater project, pending the approval of a presidential decree authorizing an autonomous Alexandria wastewater organization

The audit found that USAID-financed facilities were reportedly operating at or near capacity and that water and effluent quality standards were being met. However, the audit concluded that improved maintenance practices, institutional strengthening, and a reliable funding source would improve the likelihood of satisfactory long-term operation of the water and wastewater facilities. We recommended that USAID/Egypt provide additional assistance to the Egyptian Government agencies responsible for operating the facilities and that the covenants in its project agreements be clarified. Based on actions taken by management, all recommendations were resolved upon the report's issuance (*Audit Report No 6-263-94-008*)

USAID/Egypt's Management of Host Country-Owned Local Currency

The Agency's multi-million dollar Commodity Import Program (CIP) to the Government of Egypt generates the equivalent of several hundred million in local currency funds. The tangible nature of this program has attracted much attention by the OIG this reporting period, including four separate investigations of Egypt's CIP. The Foreign Assistance Act specifies that CIP generate local currency and that no less than 50 percent of these funds be made available to support developmental activities. The U.S. Congress has been urging the Agency to better manage CIP in order to maximize the impact of such assistance and to ensure that local currencies are being used as intended. In responding to Congress, the Agency issued guidance in 1991 to strengthen missions' management of local currency programs. An audit recently done at USAID/Egypt determined that the Mission had not complied with the guidance. The Mission's programming of the Egyptian pound equivalent of \$307 million available for fiscal year 1993 was reviewed.

USAID/Egypt did not assess the Government of Egypt's (the Government's) accountability environment, define monitoring and audit requirements, ensure that generated local currency was programmed and used for intended purposes, or ensure that the impact of the local currency programs could be evaluated. A proper assessment of the Government's capability would have shown that local currency disbursements to various government ministries could not be traced under its current accounting system.

As a result of not assessing the Government's accounting system, the \$252 million (of the \$307 million available) that had been programmed and transferred to the Government's general revenue account could not be traced. The Mission could not determine if the funds had been used for developmental activities, and therefore, could not ensure compliance with the Foreign Assistance Act.

The audit recommended that the Mission conduct the required assessment of the Government's accountability environment and, based on that assessment, consider all programming options before programming the \$127 million available for fiscal year 1994. The Mission disagreed with the report's findings and believed that the 1991 guidance allowed for flexibility in programming options, which they had exercised. However, after extensive discussions with the Mission and USAID's management in Washington, resolution was reached on all recommendations. (*Audit Report No 6-263-94-006*)

USAID's Policy Toward Private Sector Commodity Import Program

Our Washington audit office reviewed the adequacy of USAID's policies and procedures governing the Commodity Import Program. The financing of commodities is a key way to provide the necessary capital for developmental efforts and is a major component of Jordan's public and private sector assistance. The audit of USAID/Jordan's CIP was undertaken in response to a request from the Administrator, and the audit addressed concerns as to whether the Agency's policies and procedures were adequate to properly control commodity procurement, prevent U.S. jobs from being exported and commodity prices from being inflated through the CIP.

The audit did not identify any major weaknesses in the Agency's procurement procedures but did show that improved guidelines for performing and retaining price analyses of commodities would ensure that commodity prices were reasonable. The Agency needs to update its standards for commodity price analyses and ensure that they are retained by attaching these analyses to supplier invoices.

The audit also showed that Agency policies and procedures do not prohibit the use of non-project funds as financial incentives that could encourage the export of American jobs. An example of how this could occur is seen in the situation where a U S -Jordanian joint-venture company built a rice processing plant in Aqaba, Jordan, with funding provided through USAID's Commodity Import Program. The financial incentives to build the plant in Jordan were higher sales profits through reduced operating costs, e.g. cheap labor and reduced shipping costs. The building of this U S plant overseas, at the same time the company's U S -located plant was being closed, gave the perception that U S jobs were being lost to Jordanians. This is contrary to the concept that CIP is a "Buy America" program aimed at promoting American jobs. The audit did not attempt to determine the number of U S jobs lost, if any, since the move took place before legislation prohibiting the use of funds for such purposes was established. In implementing this legislation, USAID's policies and procedures prohibit the use of project funds for this purpose, but do not specifically prohibit the use of non-project funds, such as CIP.

The audit recommended that USAID 1) amend its policy prohibiting the use of project funds as financial incentives for transferring jobs overseas, to include non-project funds as well, and 2) require suppliers to provide a legally binding certification that CIP activities will not result in the export of U S jobs. These recommendations have been resolved and will be closed upon assessment of management's corrective action. (*Audit Report No 9-000-94-012*)

RECOMMENDATION FOLLOW-UP AND RESOLUTION

OMB Circular A-50, "Audit Followup," requires that all audit recommendations be resolved within six months of report issuance. The circular defines *resolution* as the point at which agency officials and auditors agree on the course of action to be taken on an audit recommendation. Under OIG standards, the resolution of recommendations is not synonymous with recommendation closure. 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.

The number of unresolved recommendations remaining open longer than six months totaled 84. Thirty-nine of these were procedural and forty-five were monetary—representing \$35 million in questioned expenditures which management had not resolved.

REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires that each Inspector General's semiannual report to the Congress include a description and explanation of significant revisions of management decisions or significant OIG disagreements with management decisions. The Act also requires the identification of any reports made to the head of the agency describing instances where information or assistance was unreasonably refused or not provided.

During the past six months, there have been no significant revisions of USAID management decisions or no significant disagreements with USAID management. Also, the Office of Inspector General has not been denied access to any records necessary to conduct audits, investigations, and security activities.

The 1988 amendments to the Act also require the reporting of statistical information, as presented in the following tables, which are included as attachments to this report.

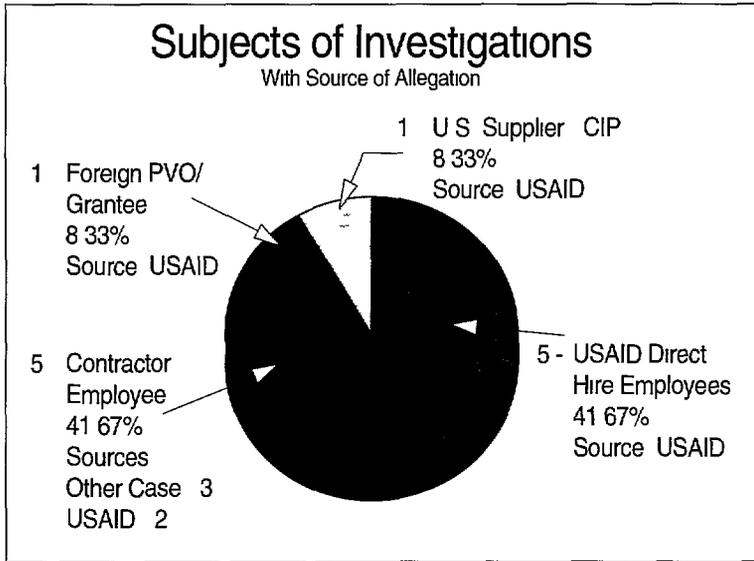
- TABLE B *Audit Reports Issued Prior to Start of Period With No Management Decision at September 30, 1994*
- TABLE C *Significant Audit Reports Described in Previous Semiannual Reports Without Final Action at September 30, 1994*
- TABLE D *Reports Issued With Questioned and Unsupported Costs (April 1, 1994 through September 30, 1994)*
- TABLE E *Reports Issued With Recommendations That Funds Be Put to Better Use (April 1, 1994 through September 30, 1994)*

OTHER REPORTING REQUIREMENTS

OMB Circular A-50, "Audit Followup," mandates that each agency shall establish systems to assure the prompt and proper resolution and implementation of audit recommendations. To implement the provisions of the Circular, the OIG's standards for closing recommendations require management to take appropriate action to correct, improve, or demonstrate that action is not necessary before a recommendation is considered closed. For recommendations involving monetary recoveries, the OIG's follow-up system tracks the recommendation through actual collection. Finally, for all recommendations which are closed based on written commitments from management to take corrective actions, each audit office must verify that corrective actions were actually taken. If follow-up verification reveals that corrective action has not been fully implemented, the OIG staff makes a determination that the recommendation(s) should be reopened. Follow-up work this period included reviews of two prior audits and it was determined that one recommendation should be reopened.

SIGNIFICANT ACTIVITIES — OFFICE OF INVESTIGATIONS

The Office of Investigations received and processed 189 allegations during this 6-month reporting period. Following established patterns, the majority of these allegations involved USAID contractors, suppliers, and direct-hire employees.



Note: PVO/Grantee includes Private Voluntary Organizations and grantees, both foreign and domestic. FSN/TCN includes Foreign Service National and Third Country National employees.

Others included foreign service national employees, (FSNs) private voluntary organizations (PVOs), grantees and foreign government employees.

Screening and evaluation of the 189 allegations resulted in 98 being classified as *information only*. The OIG conducted 91 preliminary inquiries and opened 12 full investigations.

An OIG statistical summary of the more significant investigative activity during this period includes the following:

- 189 allegations of fraud, waste, and abuse,
- 10 successful prosecutions,
- 25 Agency disciplinary actions,
- cost recoveries of \$670,503, and
- cost savings of \$26,665

Details are contained in Table F, included as an attachment to this report.

PROCUREMENT INVESTIGATIONS

United States — USAID procurement officials in Washington contacted the Office of Investigations when questionable invoices on two Commodity Import Program (CIP) contracts worth \$3 million were submitted. Importers participating in the CIP must show that they have obtained a reasonable number of quotes (normally three) from U.S. suppliers in order to qualify for financing. Quotes are submitted to USAID as proforma invoices, and financing is generally approved when the importer selects the lowest bidder.

An investigation showed that the chief executive officer of a garment-manufacturing company in South Carolina submitted, or caused to be submitted, false proforma invoices for the sale of acrylic yarn to an Egyptian company. The false invoices came from two other manufacturing firms for which the businessman was an officer and for which subsidiary offices were located in Georgia, California, and Egypt. The investigation disclosed that one of these two firms was a mere shell—it did not have the manufacturing capability to produce the goods called for in the contract. The Georgia and California firms—at the direction of the chief executive officer—submitted extremely high invoices to USAID, thereby ensuring the contracts would be awarded to the South Carolina corporation.

The chief executive officer and his South Carolina corporation pled guilty to one felony count of conspiracy to defraud the U.S. Government and was fined \$500,000. The officer was also sentenced to three years' unsupervised probation.

Egypt — A major U.S. medical equipment supplier was fined \$20,000 by a federal sentencing judge in the District of New Jersey during this period for shipping foreign-made medical equipment funded under USAID's Commodity Import Program. This fine was in addition to the agreement by company officials to pay \$1.7 million in restitution after they pled guilty to a one-count criminal misdemeanor for making false statements. As reported in a previous OIG semiannual report, the company had violated USAID "source" and "origin" requirements which restrict commodities purchased under the CIP to only those manufactured in the U.S. and sold by U.S. companies. Although the equipment and supplies were not manufactured in the United States, the firm certified that all commodities supplied under the contracts had met this requirement.

United States — A California corporation has been debarred for a period of three years following a felony plea in U.S. District Court. An OIG investigation led to criminal charges against the company, who paid over \$100,000 in kickbacks to various Egyptian importers participating in USAID's Commodity Import Program.

Indonesia — Investigators found that a technical-assistance contractor on a health sector project had over-billed USAID for its chief of party's salary rate. Based upon the investigative findings, Mission officials issued the contractor a Bill for Collection for excess salary payments, related fringe benefits and overhead charges amounting to \$53,931.

El Salvador — Mission staff at USAID/El Salvador forwarded information to the OIG concerning consultant salaries that appeared to be excessive. The salaries appeared on bio-data sheets of consultants to a USAID contractor, and the contractor certified to USAID that the salary information contained therein was accurate. Based upon a preliminary investigation, it was determined that the contractor had, on at least two occasions, submitted bio-data sheets for consultants that contained inaccurate and inflated salary histories. As a result of these findings, the Mission issued the contractor a Bill for Collection and was reimbursed \$14,814.

Honduras — An investigation found that funds for an irrigation project had been embezzled by the contractor's executive director. The USAID/Honduras technical support project was established to assist rural farmers in maximizing profits through improved irrigation technologies and agricultural practices. The investigation disclosed that false receipts and invoices were used to justify check disbursements from the project's bank account. The checks were then traced to the personal bank accounts of the project's executive director and other project employees. Based on these findings, the Controller's Office at USAID/Honduras disallowed 152,793 Lempiras (US\$26,665) in voucher payments to the Honduran project, and the matter was referred to local officials for prosecutive consideration.

Egypt — The Government of Egypt suspended two Egyptian importers, and the Cairo-based affiliate of a U.S. supplier, from participation in USAID's Commodity Import Program for three years. The suspensions came as a result of admissions by Egyptian importers that they had submitted false quotes on numerous transactions. The false quotes were provided to the importers by the Cairo-based affiliate of a U.S. supplier seeking to win the USAID-funded contracts.

EMPLOYEE INTEGRITY INVESTIGATIONS

Protecting the integrity of USAID programs is a priority of the Office of Investigations. Our main concerns in this area focus on serious allegations of employee misconduct that encompass conflicts of interest, misuse of official position for personal gain, bribery and extortions, and the misuse or theft of government property and money.

During the past six months, investigations into serious allegations of employee misconduct resulted in two convictions of current or former USAID employees and six personnel actions. The personnel actions included two resignations and four terminations. The following examples reflect the outcomes of numerous investigations into employee misconduct allegations.

United States — An investigator under contract with the Inspector General's Office of Security pled guilty in U.S. District Court, Eastern District of Virginia, to a one-count felony charge for making false statements. According to information developed during an investigation, the contract investigator filed false vouchers claiming to have done interviews and incurred travel and other expenses while performing background investigations on employees. Reports of interviews and background investigations conducted by investigators under contract with the Office of Security are relied upon for granting TOP SECRET security clearances to USAID employees and contractors. The investigator was sentenced to two years' supervised probation and six months of electronically-monitored home confinement, ordered to pay restitution in the amount of \$8,031, and fined \$2,000.

United States — Based upon information provided by USAID officials, an investigation was undertaken to review allegations that an Agency voucher examiner was soliciting bribes and gratuities from contractors doing business with USAID. As a result of the investigation, the voucher examiner pled guilty to one count of accepting a gratuity as a public official. He was sentenced to four months in federal prison and fined \$2,000. The employee had previously resigned.

United States — USAID officials in Washington contacted the Office of Investigations when they noticed exceptionally large amounts of supplies being ordered from the General Services Administration. An investigation revealed that a USAID contractor's employee was submitting false orders for large quantities of film, briefcases and video cassette tapes. Over a period of several months, the employee stole between \$40,000 and \$70,000 worth of U.S. Government property by removing the ordered items from the system and selling them to fences (people

who receive and sell stolen goods) and commercial establishments throughout the Washington, D C and Northern Virginia area

The investigation led to the employee's indictment, and he subsequently pled guilty to one count of theft of government property. He was sentenced to three years' probation, including 180 days of electronic monitoring at a treatment facility.

United States — An applicant for employment as a direct-hire contracting officer for USAID had allegedly inflated his previous salary history on his application for employment (Standard Form 171). This inflated salary had been used as the basis for negotiating a starting salary with USAID. The matter was referred to the OIG and an investigation showed that the employment application did, in fact, contain false data upon which the Agency relied. The contracting officer was paid approximately \$50,000 more than he would have been paid, in his two years' employment, had he provided USAID with his correct salary history.

Based upon the investigative findings, the Agency terminated the employee, and the U S Attorney's Office (Eastern District of Virginia) filed civil false-claims charges. Without admitting guilt, the employee agreed to settle the case and make restitution.

Pakistan — Officials at USAID/Pakistan reported that one of its senior foreign service national contract specialists may have had a conflict of interest. An investigation determined that the employee participated in negotiations on behalf of a local firm seeking business under a USAID contract. Mission officials determined that the employee's participation was in conflict with his USAID employment responsibilities, and the employee was dismissed.

Philippines — A concerned citizen sent a letter to the director of USAID/Philippines alleging that a Mission employee had solicited a \$25,000 bribe in connection with a contract award. The employee was the chairman of the Mission's technical review committee, which had been formed to review bids on a \$9 million capital marketing management contract. The allegation led to a subsequent investigation which showed that the employee had made a written request for \$25,000 to one of the bidders—a U S -affiliated accounting firm in Manila—to ensure awarding of the contract. When confronted by Mission officials, the employee resigned.

PROGRAM INVESTIGATIONS

Haiti — The OIG received allegations that foreign service national employees (FSNs) at USAID/Haiti were setting up dummy organizations and presenting false projects for USAID's approval and funding under the umbrella of the Special Development Activities Program. It was further alleged that such schemes involved the fictitious purchase of commodities, and the use of false invoices and receipts, to extract or divert project money for the FSNs' own personal use.

The initial allegations were not substantiated, but the investigation revealed that the Special Development Activities Program had been plagued with problems from 1988 to 1991. In a number of projects, checks had been issued by USAID/Haiti to suppliers prior to the delivery of materials. In other projects, local Haitian sponsors of the projects were found to have certified that their projects had been completed when, in fact, the work was incomplete or otherwise deficient. Additionally, the investigation determined that the foreign service national project managers did not conduct site inspections or corroborate receiving reports, as required, and made false statements on administrative documents requiring inspections and receiving reports certifications. As a result of these investigative findings—and the Mission's continued evaluation of the projects—the Special Development Activities Program was terminated.

OIG HOTLINE

The OIG Hotline is operated by the Investigative Support Division of the Office of Investigations. It is available to all USAID and contractor employees for the reporting of information involving suspected fraud, waste, abuse, bribery, conflict of interest, and violations of USAID rules and regulations. Matters that are not within the responsibility of the OIG, i.e., grievances, equal opportunity program complaints, working conditions, policy dissent, etc., are handled separately, in accordance with USAID procedures.

Anyone wishing to report suspected fraud, waste, or abuse can call the OIG Hotline at 1-800-230-6539 or 703-875-4999, send an E-mail message to IG_HOTLINE@IG I@AIDW, or send a letter to USAID IG/I, P O Box 12894, Rosslyn Station, Arlington, VA 22219. The OIG Hotline telephone is in operation from 8:00 a.m. to 5:00 p.m., Eastern Time, Monday through Friday. During non-duty hours, a telephone recorder will take calls. People contacting or writing to the OIG Hotline can do so anonymously, or they can request confidentiality.

AUDIT REPORTS ISSUED

April 1 1994 through September 30 1994

FINANCIAL AUDIT REPORTS

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
— Chief Financial Officers Act Audits —				
0 000 94 001	05/16/94	Audit of USAID s Excess Property Revolving Fund s Fiscal Year 1992 Financial Statements	6 700	BU
0 000-94 002	06/30/94	Audit of Fiscal Year 1993 Annual Financial Statement for USAID s Housing Guaranty Program Under the CFO Act		
0 000 94 003	06/30/94	Audit of Fiscal Year 1993 Annual Financial Statement for USAID s Private Sector Investment Program Under the CFO Act		
0 000 94 004	06/30/94	Audit of Fiscal Year 1993 Annual Financial Statement for USAID s Direct Loan Program Under the CFO Act		
0 000 94 005	06/30/94	Audit of Fiscal Year 1993 Annual Financial Statement for USAID s Miscellaneous U S Dollar Trust Funds Under the CFO Act		
0-000 94 006	06/30/94	Audit of Fiscal Year 1993 Annual Financial Statement for USAID s FSN Separation Pay Trust Fund Under the CFO Act		
— Agency-Contracted Audits —				
1 520 94 004 N	05/23/94	Audit of USAID/Guatemala s Highlands Agricultural Development Project Activities Managed by the General Directorate for Agricultural Services July 1 1990 to March 31 1992	234 176	QC UN
1 520 94 005 N	05/23/94	Audit of USAID/Guatemala s Highlands Agricultural Development Project Activities Managed by the Project Administration Unit June 1 1989 to March 31 1992	16 15	QC UN
1 520 94 006 N	05/24/94	Audit of USAID/Guatemala s Highlands Agricultural Development Project Activities Managed by the National Bank for Agricultural Development July 1 1990 to March 31 1992	1	QC
1 520 94 007 N	05/24/94	Audit of USAID/Guatemala s Highlands Agricultural Development Project Activities Managed by the General Directorate of Forests and Wildlife July 1 1990 to March 31 1992	8 8	QC UN
1 514 94 008 N	06/15/94	Audit of USAID Office/Colombia s Small Business Development Program Managed by the Carvajal Foundation July 1 1986 to June 30 1992	2 2	QC UN
1 518 94 009 N	06/15/94	Audit of USAID/Ecuador s Water and Sanitation for Health and Ecuadorian Development Project Managed by the Ecuadorian Institute of Sanitary Works September 22 1989 to June 30 1992	6 6	QC UN
1 511 94 010 N	06/16/94	Audit of USAID/Bolivia s Cochabamba Regional Development Project Component Managed by the Program of Alternative Regional Development January 1 to December 31 1992		

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

FINANCIAL AUDIT REPORTS

Report Number	Date of Report	Report Title	Amount of Findings (\$000 s)	Type of Findings
1 511 94 011 N	06/16/94	Audit of USAID/Bolivia s Cochabamba Regional Development Project Component Managed by the Bolivian Institute for Agricultural Technology January 1 to December 31 1992		
1 527 94 012 N	07/29/94	Audit of USAID/Peru s Cooperative Agreement Nos 527 0061 A 00 0367 and 527 0061 A 001256 Managed by Fe y Alegria September 28 1990 to February 28 1993		
3 698 94 010 N	04/21/94	Audit of the Combatting Childhood Communicable Diseases (CCCD) in Burundi Project No 698 0421 01	8	QC
3 642 94 011 N	07/18/94	Audit of the Mauritius Industrial Diversification Project No 642 0010		
3 698 94 012 N	08/10/94	Financial Review of the Africa Economic Research Consortium (AERC) Grant No AOT 0546 G 00 3181 00		
3 615 94 013 N	08/25/94	Audit of the Private Enterprise Development Assistance to the Investment Promotion Centre (IPC) Under USAID/Kenya Project No 615 0238	3	QC
3 615 94 014 N	08/31/94	Audit of the Technical Assistance to the Capital Markets Authority Under USAID/Kenya Project No 615 0240	3	QC
5 383 94 008 N	09/26/94	Audit of USAID/Sri Lanka s Grant No 15 to IRED Development Innovations and Network Under the PVO Co Financing II Project No 383 0101 Sri Lanka	98	QC
6 263 94 013 N	04/20/94	Audit of the Social Planning Analysis and Administration Consultants (SPAAC) Incurred Costs Under Direct Contract No 263 0182 C 00 2013 00 Related to the Local Development II (LDII) Project No 263 0182	115	QC
6 263 94 014 N	04/27/94	Audit of the Clinical Services Improvement (CSI) Incurred Costs Under Project Implementation Letter (PIL) No 16 a Sub Project of USAID/Egypt Population/Family Planning Project No 263 0144	570	QC
6 263 94 015 N	05/24/94	Audit of the Ministry of Health (MOH) Expenditures Incurred Under Project Implementation Letters (PILs) Nos 4 11 13 18 and 20 Related to the Child Survival Project No 263 0203	379	UN
6 263 94 016 N	06/27/94	Audit of Environmental Quality International s Field Verification and Monitoring of Human Resources and Development Cooperation Project Inputs Under USAID/Egypt Contract No 263 0000 C 00 2203 00 and the Audit of Indirect Costs and Fringe Benefits Rate For the Years Ended December 31 1991 and 1992	87	QC
6 263 94 017 N	08/18/94	Audit of Principal Bank for Development and Agricultural Credit (PBDAC) Costs Incurred Under Project Implementation Letters (PILs) No 7 27 32 and 35 on USAID/Egypt s Agricultural Production and Credit Project (APCP) No 263 0202 for the Period from March 1 1987 through March 31 1993	29	UN
7 698 94 004 N	04/13/94	Audit of USAID s Grant to La Financiere Internationale Under the Africa Private Enterprise Project (No 698 0438 24) from September 15 1989 to September 14 1992	146	QC
7 685 94 005 N	04/29/94	Audit of the Local Costs Charged by the International Science and Technology to the Senegal Family Health and Population Project (No 685 0248) from January 1 1991 to March 31 1993	49	UN
7 698 94 006 N	05/10/94	Audit of USAID s Grant to the Association Togolaise Pour le Bien Etre Familial (ATBEF) Under the Family Health Initiatives II Project (No 698 0462 93) from July 20 1987 to December 31 1992	187	QC
			181	UN
			118	QC
			62	QC
			61	UN
			172	QC
			153	UN

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

FINANCIAL AUDIT REPORTS

Report Number	Date of Report	Report Title	Amount of Findings (\$000 s)	Type of Findings
7 688 94 007 N	06/03/94	Audit of the Local Currency Expenditures Incurred by the Malian Controller General Under the Financial Management and Training Project (No 688 0261) for the Period August 1 1991 to June 30 1993	8	QC
7 688 94 008 N	07/08/94	Audit of USAID s Grant to the Program Coordinating Unit Under the Policy Reform for Economic Development Program in Mali (No 688 0245) from September 1 1991 through March 31 1993	3	QC
7 688 94 009 N	07/08/94	Audit of the Expenditures Made by the Project Management and Coordinating Unit Under the Animal Productivity and Export Project in Mali (No 688 0244) from March 31 1992 to August 31 1993	34 21	QC UN
7 688 94 010 N	07/19/94	Audit of the Expenditures Made by the Office of Education Project Under the Basic Education Expansion Project in Mali (No 688 0258) from August 30 1989 to May 31 1993	11 3	QC UN
7 608 94 011 N	08/24/94	Audit of the Loan Guarantee Fund Managed by Citibank Under the Morocco Private Sector Export Promotion Project (No 608 0189) from July 1 1991 through May 30 1993		
7 688 94 012 N	08/24/94	Audit of USAID s Grant to the Program Coordinating Unit Under the Economic Policy Reform Program in Mali (No 688 0240) from October 1 1990 through March 31 1992	3 1	QC UN
7 681 94 013 N	09/19/94	Audit of USAID s Grant to the Government of Cote d'Ivoire Under the Economic Support Fund Program (No 681 0510) from September 1990 through September 1993	7	QC
7 688 94 014 N	09/22/94	Audit of the Expenditures Made by the Upper Valley Operation Under the Upper Valley Development Project (No 688 0233) from May 1 1991 to April 30 1993	13	QC
7 685 94 015 N	09/22/94	Audit of USAID s Contract with Action Consulting Association Under the Senegal Health Delivery Services II Project	24 20	QC UN

— Recipient-Contracted Audits —

0 000 94 028 R	05/12/94	U S Export Council for Renewable Energy	959 66	QC UN
0 000 94 053 R	05/09/94	International Executive Service Corps		
0 000 94 054 R	05/09/94	International Executive Service Corps		
0 000 94 058 R	09/07/94	Leadership Center Incorporated		
0 000 94 083 R	05/09/94	International Executive Service Corps		
0-000 94 103 R	04/05/94	Institute for Contemporary Studies		
0 000 94 104 R	04/05/94	Institute for Contemporary Studies	119	QC
0 000 94 106 R	06/29/94	American College of Nurses Midwives		
0 000 94 108 R	06/08/94	Consultative Group on Biological Diversity		
0 000 94 109-R	06/10/94	The Aspen Institute		
0 000 94 110 R	09/07/94	Prosthetics Research Foundation	21 18	QC UN
0 000 94 111 R	06/30/94	International Food Policy Research Institute		
0 000-94-113 R	04/05/94	Private Agencies Collaborating Together Inc		
0 000 94 114 R	04/08/94	Africare	49	QC
0 000 94 115 R	04/06/94	International Planned Parenthood Federation Western Hemisphere Region Inc		

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

FINANCIAL AUDIT REPORTS

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
0 000 94 117 R	04/01/94	Volunteers in Overseas Cooperative Assistance		
0 000 94 118 R	04/08/94	Georgetown University		
0 000 94 120 R	04/05/94	State of Florida		
0 000 94 121 R	04/11/94	Freedom from Hunger		
0 000 94 122 R	04/11/94	American Mideast Educational and Training Services Inc		
0 000 94 123 R	06/27/94	American ORT Federation Inc		
0 000 94 124 R	04/26/94	Wellstart International		
0 000 94 125 R	04/11/94	American Committee for Aid to Poland Inc		
0 000 94 126 R	04/15/94	Project Concern International		
0 000 94 127 R	04/22/94	MidAmerica International Agricultural Consortium (the Consortium)		
0 000 94 129 R	05/11/94	American Near East Refugee Aid		
0 000 94 130 R	06/27/94	World Wildlife Fund Inc		
0 000 94 131 R	06/22/94	National Council of Negro Women Inc		
0 000 94 132 R	06/09/94	Holt International Children s Services Inc		
0 000 94 133 R	07/25/94	Aga Khan Foundation U S A		
0 000 94 134 R	06/10/94	Institute for Policy Reform		
0 000 94 135 R	07/25/94	MAP International Inc		
0 000 94 137 R	07/15/94	Management Sciences for Health Inc		
0 000 94 138 R	07/05/94	U S ASEAN Council for Business and Technology Inc		
0 000 94 140 R	06/10/94	Mercy Corps International		
0 000 94 141 R	09/07/94	African Medical & Research Foundation Inc	228	BU
0 000 94 142 R	07/15/94	The Center for Democracy		
0 000 94 143 R	06/06/94	Cooperative for Assistance and Relief Everywhere Inc	1 396	BU
0 000-94 144 R	07/26/94	Pan American Development Foundation Inc		
0 000 94 145 R	07/26/94	Pan American Development Foundation Inc		
0 000 94 146 R	09/06/94	World SHARE Inc		
0 000 94 147 R	08/25/94	Operation Independence Inc		
0 000 94 148 R	07/07/94	New Transcentury Foundation		
0 000 94 149 R	07/15/94	Eurasia Foundation		
0 000 94 150 R	08/26/94	Partners in Economic Reform Inc	2	BU
			30	QC
0 000 94 153 R	05/26/94	Population Services International		
0 000 94 154 R	06/07/94	National Cooperative Business Association	24	QC
0 000 94 156 R	08/26/94	Foundation for the Peoples of the South Pacific Inc		
0 000 94 157 R	07/15/94	World Gospel Mission		
0 000 94 158 R	07/26/94	Aid to Artisans Inc		
0 000 94 160 R	06/29/94	International Eye Foundation Inc		
0 000 94 163 R	09/05/94	Food for the Hungry Inc		
0 000-94 164 R	09/05/94	Food for the Hungry International	151	QC
0 000 94 165 R	07/22/94	African American Institute		
0 000 94 166 R	08/05/94	Save the Children Federation Inc		
0 000 94 411 R	04/21/94	Brethren in Christ World Missions (The Mission)		
0 000 94 415 R	06/10/94	Medical Development for Israel Inc		
0 000 94 416 R	08/25/94	World Witness		
0 000 94 417 R	07/28/94	American University of Armenia Corporation		
0 000 94 418 R	08/08/94	Mennonite Board of Missions Dhamtari Christian Hospital Grant	3	BU
			9	QC
0 000 94 419 R	09/07/94	Medical Benevolence Foundation		
0 000 94 420 R	09/13/94	American University of the Caribbean		

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

FINANCIAL AUDIT REPORTS

Report Number	Date of Report	Report Title	Amount of Findings (\$000 s)	Type of Findings
0 000 94 421 R	09/13/94	American University of the Caribbean	2 153 684	QC UN
0 000 94 422 R	09/13/94	AMMA Foundation Inc		
1 532 94 003 R	05/03/94	Audit of USAID/Jamaica s Hillside Agriculture Project Managed by the Ministry of Agrnculture from January 1 1990 to December 31 1991	63 46	QC UN
1 520 94 004 R	05/04/94	Audit of USAID/Guatemala Funds Managed by the Foundation for the Institutional Development of Guatemala and Foundation Financial Statements for the Year Ended June 30 1992	7 1	QC UN
1 511 94 005 R	05/05/94	Audit of USAID/Bolivia Funds Managed by the Center for Education on Narcotics from December 13 1991 to December 31 1992		
1 520 94 006 R	05/04/94	Audit of USAID/Guatemala s Funds Managed by the National Federation of Cooperatives for Savings Loans and Other Services of Guatemala and the Federation s Financial Statements for the Year Ended December 31 1991	8	QC
1 520 94 007 R	05/13/94	Audit of USAID/Guatemala Funds Managed by the Guatemalan Management Association for the Year Ended September 30 1992		
1 520 94 008 R	05/13/94	Audit of USAID/Guatemala Funds Managed by the Guild of Non Traditional Products Exporters from July 1 1991 through June 30 1992	1	QC
1 511 94 009 R	05/13/94	Audit of USAID/Bolivia Funds Managed by the Children Survival Coordination Program from June 27 1991 to December 31 1992 and Program Financial Statements for the Year Ended December 31 1992		
1 515 94 010 R	06/08/94	Audit of Indirect Cost Rates for USAID Projects Managed by the Central American Institute for Business Administration for the Year Ended August 31 1991		
1 515 94 011 R	07/29/94	Audit of Indirect Cost Rates for USAID Projects Managed by the Central American Institute for Business Administration for the Year Ended August 31 1992		
3 674 94 031 R	04/14/94	Audit of Grassroots Educare Trust for the Period September 1 1992 to March 31 1993		
3 674 94 032 R	04/15/94	Audit of the Institute for Multi Party Democracy for the Period April 1 1992 to March 31 1993	41 38	QC UN
3 615 94 033 R	04/08/94	Audit of Family Planning Association of Kenya for the Period January 1 1992 to December 31 1992		
3 674 94 034 R	04/21/94	Audit of Co operative for Research and Education for the Period July 26 1991 to December 31 1992	10 4	BU QC
3 968 94 035 R	05/11/94	Audit of Programme Against Malnutrition for the Period September 29 1992 to June 30 1993		
3 611 94 036 R	05/18/94	Audit of National Bulk Imports Control Administration for the Period Ended December 31 1993	8 11	BU QC
3 674 94 037 R	05/25/94	Audit of Disseminating Expertise for Adult Literacy (DEAL) Grant No 674 0302 G SS 00 for the Period October 1 1992 to September 30 1993		
3 278 94 038 R	05/27/94	Audit of Jordan Technical Assistance and Services Office for the Period November 15 1990 to September 30 1993		
3 278 94 039 R	05/31/94	Audit of Near East Foundation Jordan for the Period Ended June 30 1992	8	QC
3 278 94 040 R	05/31/94	Audit of Near East Foundation Jordan for the Period Ended June 30 1993		

BU Better use of funds
QC Questioned costs
UN Unsupported costs

FINANCIAL AUDIT REPORTS

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
3 663 94 041 R	06/03/94	Audit of Selam Children s Village for the Year Ended December 31 1992		
3 663 94 042 R	06/06/94	Audit of Christian Relief and Development Association (CRDA) for the Period Ended December 31 1993		
3 674 94 043 R	06/06/94	Audit of the Centre for Rural Legal Studies Trust Grant No 674 0301 G SS 1052 00 for the Period March 1 1992 to February 28 1993		
3 632 94 044 R	06/22/94	Audit of Lesotho Ministry of Agriculture Cooperative and Marketing Local Currency Expenditure Project No 632 0224 for the Period January 1 1993 to September 30 1993	13	QC
3 617 94 045 R	06/30/94	Audit of Islamic Medical Association Family AIDS Education and Prevention Through IMAMS Agreement No 617 0127 06 92 for the Period July 20 1992 to June 30 1993	13	UN
3 674 94 046 R	07/12/94	Audit of English Language Methods and Programmes Development Trust Grant No 674 0302 G 2031 00 for the Period July 1 1992 to June 30 1993		
3 632 94 047 R	07/13/94	Audit of Lesotho Federation of Women Lawyers Under USAID/FIDA Activity Agreement No DHR 93 632 01 for the Period April 1 1993 to March 31 1994		
3 611 94 048 R	07/20/94	Audit of Drought Relief Program for the Period from June 1 1992 to October 31 1993	14 782	BU
3 674 94 049 R	07/22/94	Audit of South African Black Construction Assistance Program for the Period from September 7 1993 to February 28 1994	.6	QC
3 645 94 050 R	07/22/94	Audit of Swaziland Business Management Extension Program for the Year Ended December 31 1993	4	BU
3 674 94 051 R	07/22/94	Audit of the South African Association for Academic Development Grant No 674 0309 G SS 2018 00 for the Period September 1 1992 to August 31 1993	1	QC
3 674 94 052 R	07/27/94	Audit of the Small Enterprise Foundation for the Period July 1 1992 to June 30 1993	1	UN
3 674 94 053 R	08/08/94	Audit of the Land Investment Trust Grant No 674 0312 G SS 2079 00 for the Period July 1 1992 to June 30 1993		
3 615 94 054 R	08/08/94	Audit of Tototo Home Industries for the Period August 1 1992 to March 31 1993		
3 615 94 055 R	08/15/94	Audit of Chogoria Hospital Community Based Distribution Project Grant No 615 0236 G 00 2002 for the Period November 1 1989 to September 30 1993	12	QC
3 645 94 056 R	08/15/94	Audit of Swazi Business Growth Trust Grant No 645 0235 A 00 1048 00 for the Period October 1 1992 to September 30 1993	1	UN
3 615 94 057 R	08/24/94	Audit of Chogoria Hospital USAID PVO Co Financing Grant No 615 0236 G 9071 for the Period August 1 1989 to June 30 1993	24	QC
3 620 94 058 R	08/26/94	Audit of Ministry of Health s Family Planning Unit Under USAID/Tanzania Project No 620 0173 for the Period January 1 1992 to June 30 1993	20	UN
3 674 94 059 R	09/07/94	Audit of the Institute for Multi Party Democracy	28	QC
3 674 94 060 R	09/07/94	Audit of the Institute for Multi Party Democracy	3	QC
3 663 94 061 R	09/15/94	Audit of Nazareth Children s Centre and Integrated Community Development for the Year Ended December 31 1992	3	UN

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

FINANCIAL AUDIT REPORTS

Report Number	Date of Report	Report Title	Amount of Findings (\$000 s)	Type of Findings
3 663 94 062 R	09/15/94	Audit of Ethiopia Orthodox Church Holy Synod Development and Inter Church Aid Department for the Year Ended December 31 1992		
3 633 94 063 R	09/15/94	Audit of Botswana Private Enterprise Development Project for the Year Ended December 31 1993	44	BU
3 623 94 064 R	09/15/94	Audit of the Federation of Kenya Employers Grant No 623 0463 A 00 2018	1	QC
3 674 94 065 R	09/23/94	Audit of Catholic Educational Aid Programme for the Year Ended December 31 1993	3	QC
5 367 94 024 R	04/04/94	Audit of USAID/Nepal s Grant to United Mission to Nepal		
5 492 94 025 R	04/06/94	Audit of USAID/Philippines Grant No 492 0419 G SS-0102 00 to Kauswagan Sa Timogang Mindanaw Foundation Inc	10	QC
5 492 94 026 R	04/06/94	Audit of USAID/Philippines Grant No 492 0388 G SS 2019 00 to Kauswagan Sa Timogang Mindanaw Foundation Inc	2	UN
5 383 94 027 R	04/08/94	Audit of the Sri Lanka P L 480 Title III Program	215	BU
5 367 94 028 R	04/08/94	Audit of USAID/Nepal s Cooperative Agreement with Nepal Contraceptive Retail Sales (CRS) Company (P) Ltd	121	QC
5 492 94 029 R	04/14/94	Audit of USAID/Philippines Grants to Philippine Statistical Association Inc	41	UN
5-497 94 030 R	04/14/94	Audit of USAID/Indonesia s Grant No 487 0364 G-SS-1072 00 to Yayasan Lembaga Konsumen Indonesia	145	BU
5 399 94 031 R	06/03/94	Audit of USAID/Thailand s Grant to Technonet Asia	413	BU
			17	QC
			10	UN
5 492 94 032 R	06/17/94	Audit of USAID/Philippines Cooperative Agreement with UPLB Foundation Inc		
5 388 94 033 R	07/11/94	Audit of the Accounts of the Sales Proceeds of Food Grains Received Under P L 480 Title III Agreement FY 1991/92 Bangladesh	1 327	BU
5 383 94 034 R	07/12/94	Audit of USAID/Sri Lanka s Grant to Colombo Friend in Need Society	46	QC
			46	UN
5-367 94 035 R	07/14/94	Audit of USAID/Nepal s Grant to Himalayan Institute of Development	1	QC
5 492 94 036 R	07/15/94	Audit of USAID/Philippines Grant to Davao Union Cement Corporation		
5 386-94-037 R	07/22/94	Audit of USAID/India s Grant to Industrial Development Bank of India	36	QC
			28	UN
5-383 94 038 R	07/29/94	Audit of USAID/Sri Lanka s Cooperative Agreement No 383 0499 A 00 2044 with the International Irrigation Management Institute		
5 367 94 039 R	07/29/94	Audit of USAID/Nepal s Cooperative Agreement No 367 0160 A 00 1295 00 with Agro Enterprises Centre	2	QC
5 493 94 040 R	07/29/94	Audit of USAID/Thailand s Cooperative Agreement with the Federation of Thai Industries		
5 492 94 041 R	07/29/94	Audit of USAID/Philippines Grant No 492 0419 G SS 2069 00 to Magundanaon Development Foundation Inc		
5 388 94 042 R	08/05/94	Audit of USAID/Bangladesh s Cooperative Agreements with the International Centre for Diarrhoeal Disease Research Bangladesh	223	QC
5 497 94 043 R	08/19/94	Audit of USAID/Indonesia s Grant No 497 0364 G SS 1098 00 to Yayasan Pengembangan Masyarakat Desa Irian Jaya	3	UN
5 388 94 044 R	08/29/94	Audit of USAID/Bangladesh s Cooperative Agreement No 388-0066 A 00 6063 with Micro Industries Development Assistance Society	16	QC
			11	QC
5 391 94 045 R	09/07/94	Audit of USAID/Pakistan s Co operative Agreement No 391 0467-A 00-1818 with the International Irrigation Management Institute		

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

FINANCIAL AUDIT REPORTS

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
5 492 94 046 R	09/13/94	Audit of USAID/Philippines Grant and Cooperative Agreements with Economic Development Foundation	1 36 26	BU QC UN
5 383 94 047 R	09/20/94	Audit of USAID/Sri Lanka s Grant to Nation Builders Association		

PERFORMANCE AUDIT REPORTS

1 517 94 006	04/18/94	Audit of USAID/Dominican Republic s Closeout Practices for Expired Contracts	12	BU
1 519 94 007	07/29/94	Audit of USAID/El Salvador s Closeout Practices for Expired Contracts		
1 520 94 008	08/18/94	Audit on the Status of USAID/Guatemala s Implementation of the Audit Management and Resolution Program		
1 517 94 009	09/21/94	Audit of Operating Expenses at USAID/Dominican Republic		
3 687 94 008	05/18/94	Audit of USAID/Madagascar s Cash Management Procedures	48	BU
3 656 94 009	09/16/94	Audit of USAID/Mozambique s PVO Support Project		
3 645 94 010	09/19/94	Audit of the Management of Contractor Staffing and Salaries by the USAID Regional Contracting Office/Swaziland USAID/Swaziland and USAID/Mozambique	2	QC
5 391 94 010	05/20/94	Audit of USAID/Pakistan s Closeout Procedures for Contracts Grants and Cooperative Agreements		
5 388 94 011	05/20/94	Audit of USAID/Bangladesh s Management of the Participant Training Program		
5 497 94 012	05/27/94	Audit of USAID/Indonesia s Closeout Procedures for Contracts and Grants		
5 492 94 013	05/31/94	Audit of USAID/Philippines Management of USAID Funded Construction	1 433	BU
5 386 94 014	08/12/94	Review of USAID/India s Implementation of the Audit Management and Resolution Program		
5 492 94 015	08/12/94	Review of USAID/Philippines Implementation of the Audit Management and Resolution Program		
5 493 94 016	08/25/94	Audit of USAID/Thailand RSM/EA Contractor and Subcontractor Staffing and Salary Awards		
5 492 94 017	08/31/94	Audit of USAID/Philippines Management of Cash Advances to Recipient Organizations		
5 367 94 018	09/23/94	Audit of USAID/Nepal s Controls Over Grants and Cooperative Agreements		
6 263 94 006	06/05/94	Audit of USAID/Egypt s Management of Host Country Owned Local Currency		
6 263 94 007	07/18/94	Audit of USAID/Egypt s Procedures for Closeout of Expired USAID Contracts Grants and Host Country Contracts		
6 263 94 008	08/30/94	Audit of the Operation and Maintenance of USAID/Egypt Water and Wastewater Projects		
6 263-94 009	09/06/94	Audit of USAID/Egypt s Management of Grants and Cooperative Agreements		
7 608 94 007	05/10/94	Audit of USAID Morocco s Closeout Procedures for Expired USAID Contracts Grants and Cooperative Agreements		

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

PERFORMANCE AUDIT REPORTS

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
7 686 94 008	05/31/94	Audit of USAID/Burkina Faso s Management of Technical Services		
7 608 94 009	07/12/94	Audit of USAID s Management of Project Funded Commodities in Morocco	170	QC
7-624 94 010	07/22/94	Audit on the Status of REDSO/WCA s Implementation of the Audit Management and Resolution Program		
7 688 94 011	08/25/94	Audit of USAID/Mali s Management of Cash Advances Issued to Recipient Organizations		
7 641 94 012	09/20/94	Audit on the Status of USAID/Ghana s Implementation of the Audit Management and Resolution Program		
8 183 94 008	04/13/94	Audit of the Bulgarian Agriculture Sector Grant Project No 180 0044		
8 180 94 009	06/29/94	Audit of the Department of the Treasury s Technical Assistance Activities in Hungary and Poland	15	BU
8 180 94 010	06/30/94	Audit of Economic Restructuring and Privatization Activities in the Czech Republic Under Project No 180 0014		
8 180 94 011	06/30/94	Audit of Economic Restructuring and Privatization Activities in Poland Under Project No 180 0014		
8 118 94 012	08/01/94	Audit of the U S Nuclear Regulatory Commission s Technical Assistance Activities in Russia Under the Lisbon Initiative		
8 121 94 013	08/17/94	Audit of the U S Nuclear Regulatory Commission s Technical Assistance Activities in Ukraine Under the Lisbon Initiative		
8 110 94-014	08/31/94	Audit of Activities to Improve Crop Storage Systems in the New Independent States (Project No 110 0006)	450	BU
8 128 94 015	09/12/94	Audit of the Alabama Agricultural Development Program (Project Nos 180 0024 and 180 0046)	767	BU
8 181 94 016	09/23/94	Audit of the U S Government s Contribution to the Polish Bank Privatization Fund		
9 519 94 004	05/19/94	Audit of the Quality of MACS Data at USAID/El Salvador		
9 520 94 005	05/23/94	Audit of the Quality of MACS Data at USAID/Guatemala		
9 531 94 006	05/26/94	Audit of the Quality of MACS Data at Regional Development Office/Caribbean		
9 000 94 007	06/14/94	Audit of USAID/Washington s Closeout Procedures for Expired USAID Contracts Grants and Cooperative Agreements		
9-532 94 008	06/20/94	Audit of the Quality of MACS Data at USAID/Jamaica		
9 522 94 009	06/24/94	Audit of the Quality of MACS Data at USAID/Honduras		
9 517 94 010	07/29/94	Audit of the Quality of MACS Data at USAID/Dominican Republic		
9 000 94 011	07/29/94	Financial Related Audit of Selected Expenditures of Family Health International	1 608 428	QC UN
9 000 94 012	07/29/94	Audit of USAID s Policies and Procedures Over USAID/Jordan s Private Sector Commodity Import Program		
9 525 94 013	09/21/94	Audit of the Quality of MACS Data at USAID/Panama		
9 515 94 014	09/23/94	Audit of the Quality of MACS Data at USAID/Costa Rica		

BU Better use of funds
QC Questioned costs
UN Unsupported costs

AUDITS CONDUCTED BY OTHER FEDERAL AGENCIES

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
TR 94 049	04/14/94	Morrison Knudsen Corporation Mining Group		
TR 94 050	04/29/94	Construction Control Services Corporation	24	QC
			1	UN
TR 94 051	04/29/94	Georgia Institute of Technology		
TR 94 052	04/29/94	Georgia Institute of Technology		
TR 94 053	04/29/94	Georgia Institute of Technology		
TR 94 054	04/29/94	Georgia Institute of Technology		
TR 94 055	04/29/94	Creative Associates International Inc		
TR 94 056	04/29/94	Georgia Institute of Technology		
TR 94 057	05/11/94	University of Rhode Island		
TR 94 058	05/20/94	University of Hawaii		
TR 94 059	05/24/94	University of Hawaii		
TR 94 060	06/13/94	Aguirre International		
TR 94 061	06/15/94	Resource Management Associates		
TR 94 062	06/21/94	Construction Control Services Corporation	400	QC
TR 94 063	07/29/94	RCG/Hagler Bailly Inc		
TR 94 064	07/29/94	Ronco Consulting Corporation		
TR 94 065	07/29/94	Ronco Consulting Corporation		
TR 94 066	07/29/94	Ronco Consulting Corporation		
TR 94 067	08/22/94	RDA International Inc		
TR 94 068	08/22/94	RDA International Inc		
TR 94 069	08/22/94	Camp Dresser & McKee International Incorporated		
TR 94 070	08/22/94	Futures Group Incorporated		
TR 94 071	09/15/94	STV Group Incorporated	287	QC
TR 94 072	09/15/94	Scientex Corporation	23	QC
8 TR 94 004	06/30/94	Feed the Children Reading Berkshire England		
8 TR 94 005	08/18/94	Russian Privatization Center Moscow		
8 TR 94 006	08/18/94	Russian Privatization Center Moscow		
8 TR 94 007	09/12/94	MEDA in Winnipeg Canada		

BU Better use of funds
 QC Questioned costs
 UN Unsupported costs

MISCELLANEOUS

<u>Report Number</u>	<u>Date of Report</u>	<u>Report Title</u>	<u>Amount of Findings (\$000 s)</u>	<u>Type of Findings</u>
6 263 94 001 I	08/16/94	Information Report on the Status of USAID/Egypt s Implementation of the Audit Management and Resolution Program (AMRP)		
0 000-94 009 Q	04/08/94	Quality Control Review of Deloitte & Touche s Audit of Africare		
0 000 94 011 Q	05/12/94	Quality Control Review of Barclay A Greene P C s Audit of U S Export Council for Renewable Energy		
0 000 94 013 Q	04/06/94	Quality Control Review of Price Waterhouse s Audit of International Planned Parenthood Federation Western Hemisphere Region Inc		
0 000 94 014 Q	05/26/94	Quality Control Review of KPMG Peat Marwick s Audit of Population Services International		
0 000 94 016 Q	09/05/94	Quality Control Review of Ernst & Young s Audits of Food for the Hungry Inc and Food for the Hungry International		
0 000 94 018 Q	06/06/94	Quality Control Review of Arthur Andersen & Co s Audit of Cooperative for Assistance and Relief Everywhere Inc (CARE)		
0 000 94 019 Q	06/07/94	Quality Control Review of Gelman Rosenberg & Freedman s Audit of National Cooperative Business Association		
0 000 94-021 Q	08/05/94	Quality Control Review of KPMG Peat Marwick s Audit of Save the Children Federation Inc		
0 000 94 023 Q	09/13/94	Quality Control Review of Yeakel & Associates Audit of American University of the Caribbean		
0 000 94 024 Q	09/13/94	Quality Control Review of Yeakel & Associates Audit of American University of the Caribbean		
1 515 94 004 X	04/18/94	Review of Indirect Cost Rates for USAID Projects Managed by the Central American Institute for Business Administration for the Year Ended August 31 1991		
1 520 94 005 X	05/11/94	Audit of USAID/Guatemala s Funds Managed by the National Federation of Cooperatives for Savings Loans and Other Services of Guatemala for the Year Ended December 31 1992		
7 641 94 001 X	06/17/94	Audit of the Ministry of Finance and Economic Planning Under the PL 480 Title III Program in Ghana for the Period June 28 1991 to June 30 1993		

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

AUDIT REPORTS ISSUED PRIOR TO START OF PERIOD
WITH NO MANAGEMENT DECISION
AT September 30 1994

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 report recommended resolving unsupported contract costs totaling \$804 984 The contracting officer has not completed the necessary negotiations	01/95
0 000 93 001 N	Audit of Louis Berger International Inc Federal Contracts July 1 1986 to July 31 1991	09/13/93	The report recommended resolving \$508 161 in questioned costs Contracting officers from various USAID offices are working to resolve the remaining \$16 000 in questioned costs	10/94
0 000 93 005 N	Audit of International Executive Service Corps Expenditures	02/19/93	The report recommended resolving \$1 060 987 in questioned costs and determining whether the grantee was using appropriate per diem rates A CPA firm has been engaged to assist in reviewing the rates	10/94
0 000 93 010 N	Thunder and Associates Inc	04/30/93	The report recommended resolving \$870 879 in questioned costs and developing formal written procedures for the contractor s internal controls To date we have not received a response to the report	11/94
0 000 93 011 N	American Institute of Biological Sciences	05/14/93	The report recommended resolving \$1 046 026 in questioned costs The Agency is requesting a legal determination to assist in resolving the report recommendations	Unknown
0 000 93 012 N	Consortium for International Development	05/19/93	The report recommended resolving \$204 516 in questioned costs and a full accounting of nonexpendable equipment Agency management is working to resolve the questioned costs	10/94
0 000 93 014 N	International Executive Service Corps	08/13/93	The report recommended the grantee install an accounting system which meets the requirements of OMB Circular A 110 To date there has been no final management decision	11/94
0 000 93 074 R	New Transcentury Foundation	05/27/93	The report recommended reviewing grant advances to determine if they were deposited in interest bearing accounts and interest was credited to USAID To date there has been no final management decision	10/94

TABLE B

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
0 000 93 107 R	Operation Independence Inc	07/08/93	The report recommended resolving \$525 000 in questioned costs The Agency is working to resolve the recommendation	12/94
0 000 94 001 N	Development Alternatives Inc	10/29/93	The report recommended resolving \$529 551 in questioned costs The Agency is working to resolve the remaining \$453 000 in questioned costs	01/95
0 000 94 003 N	Nathan Associates Inc	11/24/93	The report recommended resolving \$342 539 in questioned costs The Agency is working with the audited organization to resolve the report recommendations	03/95
0 000 94 005 N	Chemomics International Consulting Division	03/16/94	The report recommended resolving \$330 667 in questioned costs The Agency is nearing a final management decision on the report recommendations	12/94
0 000 94 023 R	Pathfinder International	10/22/93	The report recommended the Agency resolve \$6 595 in questioned costs The Agency has resolved \$4 125 and is in the process of resolving \$2 470	12/94
0 000 94 031 R	International Foundation for Electoral Systems	01/14/94	The report recommended resolving \$45 807 in questioned costs The Agency is working with the audited entity to resolve the report recommendations	12/94
0 000 94 037 R	Management Sciences for Health Inc	11/08/93	The report recommended resolving \$812 696 in questioned costs The Agency is obtaining documentation to resolve the recommendation	12/94
0 000 94 063 R	Management Sciences for Health Inc	01/05/94	The report recommended resolving \$10 181 in questioned costs The Agency is working toward a final management decision	12/94
0 000 94 064 R	American Institute for Free Labor Development	01/07/94	The report recommended resolving \$321 221 in questioned costs The Agency is working with the audited institute to resolve the report recommendations	12/94
0 000 94 067 R	International Food Policy Research Institute	01/12/94	The report recommended resolving \$105 946 in questioned costs Agency management is working with the audited institute to resolve the report recommendations	01/95
0 000 94 072 R	American Institute for Free Labor Development	01/20/94	The report recommended that the Office of Procurement determine if AIFLD earned any interest income on Federal funds that should have been remitted to USAID and N E D	12/94

TABLE B

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
0 000 94 073 R	American Friends of A I C F	03/15/94	The report recommended resolving \$53 051 in questioned costs To date there has been no final management decision	Unknown
0 000 94 076 R	Agrncultural Cooperative Development International	01/24/94	The report recommended the Office of Procurement determine the allowability of \$37 688 in questioned costs The Agency is working with the auditee to resolve the questioned costs	12/94
0 000 94 091 R	Private Agencies Collaborating Together	02/15/94	The report recommended that the Office of Procurement ensure that PACT accounts for \$135 949 provided to two subgrantees that have gone out of business The Agency is working toward a final management decision	10/94
0 000 94 092 R	Planned Parenthood Federation of America	02/21/94	The report recommended the Agency obtain evidence that the grantee takes corrective action to require its subrecipients to submit required reports The Agency is working to resolve the recommendation	12/94
1 520 94 002 R	Penny Foundation	02/10/94	The report recommended that USAID/Guatemala resolve \$2 606 468 in questioned costs The Mission is working with the Foundation to resolve labor issues related to the audit	11/94
3 617 91 010	Audit of Uganda Manpower for Agrncultural Development	07/19/91	The recommendation involves USAID/Uganda s charging the project with \$157 712 in Mission related general management support costs The recommendation was referred in February 1992 to the Assistant Administrator for Africa for resolution To date there has been no final management decision	12/94
3 615 93 001	Audit of USAID/Kenya s Management of Commodities	11/12/92	The report recommended a reconciliation of commodity receipts with shipping records and resolve about \$674 000 in discrepancies identified by the audit USAID/Kenya contracted for additional audits and financial reviews to assist in determining allowability of costs	11/94
3 603 94 008 N	Audit of Non Project Assistance Program	03/18/94	The report recommended that the Agency resolve \$6 000 in unsupported costs The auditee is working with the Agency in providing support for the questioned costs	12/94
5 438 94 009	Audit of Cash Transfer Program/Energy Sector Project	03/31/94	The report recommended that the Agency adopt several internal control techniques to improve overall program performance The Asia Bureau has not finalized its initial response to the audit report	01/95

TABLE B

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
5 492 94 022 R	Exporters Confederation Inc	03/25/94	The recommendation requires the contractor to finalize overhead rates with its subcontractors for the period audited and make appropriate adjustments A time frame has not been established to resolve/close the recommendation	Unknown
5 497 94 003 N	Audit of Developing Economies Group	01/07/94	The report recommended that USAID/Indonesia resolve \$20 101 in questioned costs The Mission is working with the audited entity to resolve the recommendation	11/94
5 497 94 007 N	Audit of STV/LYON Associates Inc	03/23/94	The audit recommended that USAID/Indonesia resolve \$1 356 404 in questioned costs and finalize the contractor s indirect cost rates The Mission is currently in the process of resolving the recommendations	12/94
6 263 94 003	Audit of Wastewater and Cairo Sewerage II Project	03/08/94	The report recommended that USAID/Egypt resolve about \$2 7 million in questioned costs The Mission has requested the advice of General Counsel in this matter	01/95
6 263 94 004	Audit of Use of Project Vehicles	03/09/94	The report recommended that USAID/Egypt develop several internal control measures to safeguard Agency assets	12/94
6 263 94 009 N	Audit of System Development Project Population/Family Planning	02/08/94	USAID/Egypt management is working to resolve the report s recommendation	12/94
7 677 93 009 N	Audit of the National Cereals Organization	07/30/93	The report recommended resolving \$83 000 in questioned costs Because supporting documents were lost during civil disturbances the Representative intends to request closure without recovery	11/94
7 664 93 009	Audit of USAID/Tunisia s Participant Training Program	09/21/93	USAID/Tunisia has referred the matter of the non returnee students to the U S Immigration and Naturalization Service Because USAID/Tunisia has not detailed a plan for the return of the students to Tunisia the recommendation remains unresolved	10/94
7 698 94 002 N	Audit of Combatting Childhood and Communicable Diseases Project	02/02/94	The report called for USAID/Togo to resolve nearly \$40 000 in questioned costs The Mission is attempting to resolve the remaining \$3 000 in questioned costs	10/94

TABLE E

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 report recommended that the Agency correct fund control violations that have occurred in the master disbursing account. The matters are being discussed with the Agency's General Counsel.	12/94
9 000 93 005	Audit of A I D s Compliance with Federal Energy Requirements	04/30/93	The report recommends developing and implementing procedures to comply with the National Energy Conservation Policy Act and Executive Order. USAID officials do not believe that the legislation applies to overseas missions and are taking steps to obtain approval of an alternative conservation program in conjunction with the Department of State.	01/95
TR 90 078	BCI Geonetics International	06/06/90	The report recommended the Agency recover from New Transcentury Foundation \$60 850 in ineligible subcontract billings made by BCI Geonetics International. The Agency is awaiting settlement with the contractor.	12/94
TR 93 060	DAC International Inc	10/29/92	The report recommended resolution of \$4 3 million reimbursed during fiscal years 1988 and 1990 because the contractor did not provide auditable cost submissions for those years. To date the Agency has not made a final management decision.	Unknown
TR 93 091	State of Florida	01/12/93	The report recommended resolving \$688 792 in questioned costs and obtaining evidence that the auditee adequately segregated duties deposited \$400 000 in refunds into a special account and properly prepared payroll activity reports. To date the Agency has not made a final management decision.	12/94
TR 93 104	Devres Inc	02/03/93	The report recommended that the Office of Procurement obtain evidence that the contractor corrected costs incorrectly posted and resubmitted 1989 indirect cost rates. To date the Agency has not made a final management decision.	12/94
TR 93 164	Harza Engineering Company	03/15/93	The report recommended the Office of Procurement finalize the contractor's indirect cost rates for December 30 1990.	12/94
TR 93 171	Kramer Associates Inc	03/29/93	The report recommended that the Office of Procurement resolve \$36 481 in questioned costs. The Agency is awaiting a reply from the contractor.	Unknown

TABLE B

REPORT NUMBER	REPORT TITLE	ISSUE DATE	CURRENT RECOMMENDATION STATUS	DESIRED DECISION TARGET DATE
TR 93 181	T Head and Company	04/19/93	The report recommends that USAID's Office of Procurement resolve \$64 084 in questioned costs. A time frame has not been established to resolve/close the recommendations.	Unknown
TR 93 219	American University of Bulgaria	08/03/93	The report recommended that the Office of Procurement ensure that the University strengthens its accounting system and includes a cost sharing provision in the University's grant agreement.	12/94
TR 93 221	National Farmers Union	08/06/93	The report recommended that the Office of Procurement require the contractor to recalculate direct labor costs previously billed and quantify and recover the difference. To date, the Agency has not made a final management decision.	Unknown
TR 93 227	Interaction	08/25/93	The report recommended that the Office of Procurement obtain evidence that the contractor has resolved deficiencies prior to making an award. To date, the Agency has not made a final management decision.	Unknown
TR 94 021	American Institute of Biological Sciences	12/17/93	The report recommended that the Office of Procurement resolve \$8 394 in questioned costs. To date, the Agency has not set a target date for resolution.	Unknown

**SIGNIFICANT AUDIT REPORTS DESCRIBED IN PREVIOUS
SEMIANNUAL REPORTS WITHOUT FINAL ACTION
At September 30, 1994**

REPORT NUMBER	REPORT TITLE	ISSUE DATE	FINAL MANAGEMENT DECISION DATE	FINAL ACTION TARGET DATE
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	11/94
9 000 92 013	Audit of A I D s Practice for Reviewing and Certifying Unliquidated Obligations	09/30/92	09/30/92	12/94
0 000 93 004	Audit of A I D s Direct Loan Program	06/30/93	01/09/94	12/94
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	12/94
9 000 93 006	Audit of A I D s Accounts Receivable	08/31/93	03/31/94	11/94
3 663 94 006	Audit of Management of PL 480 Title II Regular Programs	03/18/94	09/15/94	01/95
5 497 94 004	Audit of USAID/Indonesia s Management of the Rural Roads Maintenance Systems Project	01/21/94	01/21/94	12/94
7 608 94 003	Audit of USAID/Morocco s Controls Over Host Country Contributions	11/17/93	11/17/93	10/94
7 641 94 006	Audit of USAID/Ghana s Cash Transfer Program	02/28/94	02/28/94	12/94
8 181 94 001	Audit of the Department of Labor s Technical Assistance Activities in Poland	11/15/93	11/15/93	11/94
8 180 94 002	Audit of RME s Management of Cash Held by Enterprise Funds	01/31/94	09/19/94	01/95
8 110 94 005	Audit of Medical Partnerships in Russia and Health Information Clearing House Activities Under the New Independent States Health Care Improvement Project	02/28/94	02/28/94	12/94
8 110 94 006	Audit of the Distribution of Emergency Medical Supplies to the New Independent States Under USAID Cooperative Agreement With the People To People Health Foundation Project Hope	03/20/94	03/20/94	01/95
9 000 94 001	Audit of the Child Survival Program Administered by the Bureau for Food Disaster Assistance and Crisis Management	10/29/93	02/07/94	10/94

TABLE D

REPORTS ISSUED WITH QUESTIONED AND UNSUPPORTED COSTS
 April 1, 1994 through September 30, 1994
 (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, 1994	107	\$71,180 ^{2 3}	\$45,481 ^{2 3}
Add Reports issued April 1994 through September 1994	72	\$8,726 ⁴	\$2,618 ⁴
Subtotal	179	\$79,906	\$48,099
Less Reports with a management decision made April 1, 1994 through September 30, 1994	96	\$38,811 ^{5 6}	\$33,197 ^{5 6}
For which no management decision had been made as of September 30, 1994	83	\$41,095 ⁷	\$14,902 ⁷
For which no management decision was made within six months of issuance	34	\$32,985	\$12,641

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 \$25 225 138 in Questioned Costs (\$24 267 987 in Unsupported Costs) for audits performed for the IG by other federal audit agencies

³ The ending balance at March 31 1994 (\$71 098 552) was increased by \$81 085 in Questioned Costs (\$30 007 in Unsupported Costs) to reflect increases in the amount of recommendations contained in seven reports

⁴ Amounts include \$7 572 684 in Questioned Costs (\$601 in Unsupported Costs) for audits performed for the IG by other federal audit agencies

⁵ Agency Officials disallowed \$733 378 in Questioned Costs (\$5 013 842 in Unsupported Costs) cited in 77 reports Agency Officials did not sustain \$31 238 012 in Questioned Costs (\$2 818 080 in Unsupported Costs) cited in 82 reports

⁶ Amounts include \$20 065 280 in Questioned Costs (\$19 255 038 in Unsupported Costs) for audits performed for the IG by other federal audit agencies

⁷ Amounts include \$5 893 236 in Questioned Costs (\$5 013 550 in 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, 1994 through September 30, 1994

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	DOLLAR VALUES
For which no management decision had been made as of April 1, 1994	19	\$92,586 ^{1 2}
Add Reports issued April 1, 1994 through September 30, 1994	22	\$28,004
Subtotal	41	\$120,591
Less Reports with a management decision made April 1, 1994 through September 30, 1994	27	\$116,970 ^{3 4}
For which no management decision had been made as of September 30, 1994	14	\$3,621
For which no management decision was made within six months of issuance	5	\$1,705

¹ Amounts include \$5 819 636 for audits performed for the IG by other federal audit agencies

² The ending balance at March 31 1994 (\$86 439 177) was increased by \$6 147 185 to reflect increases in the amounts of the recommendations contained in seven reports

³ Agency Officials agreed with \$18 382 237 in actions cited in 23 reports and Agency Officials did not agree with \$98 588 043 in actions cited in 20 reports

⁴ Amounts include \$5 819 636 for audits performed for the IG by other federal audit agencies

OIG STATISTICAL SUMMARY

Investigative Actions

Workload		Criminal	
Cases pending (3/31/94)	68	Prosecutive referrals	3
Cases opened	18	Prosecutive declinations	2
Cases closed	17	Prosecutive dismissals	0
Cases pending (9/30/94)	69	Indictments	0
		Convictions	10
		Acquittals	0
Administrative		Sentencing	2
		Court-ordered fines	6
Administrative referrals	16	Court-ordered restitutions	2
Admonishments	0		
Counseling	0		
Debarments	1	Civil	
Personnel suspensions	0		
Program Fraud Civil Remedies Act	0	Civil recoveries	0
Reimbursements	0	Complaints	1
Reprimands	0	Declinations	0
Resignations	2	Judgements	0
Savings	1	Recoveries	0
Suspensions	1	Referrals	2
Terminations	<u>4</u>	Settlements	<u>1</u>
Total Administrative Actions	<u>25</u>	Total Judicial Actions	<u>29</u>

Investigative Recoveries

Judicial recoveries	\$ 542,739
Administrative recoveries	0
Other Recoveries	<u>127,764</u>
Total Investigative Recoveries	<u>\$670,503</u>

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