

AREA AUDITOR GENERAL - LATIN AMERICA (NORTH)

Panama City, R. P.

Results of Examination of
THE HIGHER EDUCATION PROGRAM -- PROJECT No. 514-15-660-101
Between the
AGENCY FOR INTERNATIONAL DEVELOPMENT
And The
GOVERNMENT OF COLOMBIA
Period Covered: February 13, 1960 to June 30, 1970

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I. SCOPE OF EXAMINATION

The Area Auditor General for Latin America (North), AAG/LA(N), has examined the grant funded Higher Education Program (Project No. 514-15-660-101) in Colombia for the period February 13, 1960 through June 30, 1970. The Program was implemented by the Government of Colombia (GOC) through the Ministry of Education, in coordination with the Association of Colombian Universities (ACU) and participating official and independent universities. At the request of AID/W, the USAID Controller's Office had previously made three interim and a final examination of Contract No. AID/c-2289 with the University of Syracuse; one interim examination of Contract No. AID/la-128 with the University of Minnesota, and one interim examination of Contract No. AID/la-317 with the University of California. This examination includes AID funds of \$2,034,783 and was made during the period March 1 through July 2, 1970, at USAID offices, the ACU, the Institute for the Development of Higher Education (ICFES), the Colombian Fund for Scientific Research (COLCIENCIAS) and four of the seven universities participating in the Program.

The scope of examination was primarily to verify grantee and USAID compliance within the framework of the governing Project Agreements, Manual Orders and applicable regulations and to review and evaluate, to the extent possible the progress and accomplishments of the program according to the goals outlined in the Country Assistance Program (CAP) and as expanded upon or modified by the various Project Agreements. Accordingly, we included such tests of the fiscal and related data and made field inspections as deemed necessary under the circumstances. Our scope was limited to the extent that most of the sub-projects had been completed thus precluding a review on an on-going basis, especially those undertaken with U.S. Universities.

II. BACKGROUND INFORMATION

A. Project Information

Problem No. 4 of the Country Assistance Program presentation for FY 1961, covers "Serious Deficien-

cies in Education". Since the GOC concentrated most of its effort on elementary and vocational education, the USAID decided a need existed in the area of Higher Education. Accordingly, the following sub-projects were entered into:

1. Project Agreement No. 514-15-660-101-19 of February 13, 1960 - Education - Business Administration

Development of courses of study in accounting and business administration at the School of Administration and Finance in Medellin.

2. Project Agreement No. 514-15-660-101-2 of May 11, 1962 - Education - Economics

Establishment of a graduate school of economics at the University of Los Andes in Bogota.

3. Project Agreement No. 514-15-660-101-17 of May 31, 1963 - Higher Education Survey

Survey of Higher Education in Colombia and formulation of a national plan for Higher Education.

4. Project Agreements Nos. 514-15-660-101-4 of August 28, 1969 and -14 (undated), and -19, -20 and -21 of June 30, 1967, -6 of January 24, 1969 - Establishment of Textbook Rental Libraries

Provision of books for University Textbook Libraries.

5. Project Agreements Nos. 514-15-660-101-20 of June 27, 1969 and 514-15-660-101-4 of August 28, 1969 - Continued Assistance to ICFES, COLCIENCIAS

Assisting the GOC in the implementation of the Higher Education Plan.

6. Project Agreement No. 514-15-660-102-2 of December 7, 1967 - University Administration

Assisting Colombian Universities in the development of effective systems of space utilization.

7. PIO/T No. 514-101-3-80033 of December 7, 1967 - Basic Sciences Program

Advising Colombian Universities on University Level Basic Sciences.

B. Funds Authorized and Released

USAID accounting records reflect funds authorized for the Higher Education Project amounted to \$2,034,783, of which \$1,852,659 was expended during the period February 13, 1960 through June 30, 1970, leaving an unexpended balance of \$182,124. (See EXHIBIT A attached). A summary breakdown of EXHIBIT A by cost component follows:

USAID FUNDS CONTRIBUTED

(In U.S. Dollars)

<u>Cost Element</u>	<u>Net Obligations</u>	<u>Expenditures</u>	<u>Unliquidated Balance</u>
Contract Services	\$1,535,875	\$1,497,528	\$ 38,347
Personal Services	175,098	146,430	28,668
Participant Costs	240,633	165,094	75,539
Commodities	74,037	34,927	39,110
Other Costs	<u>9,140</u>	<u>8,680</u>	<u>460</u>
Total USAID Contribution	<u>\$2,034,783</u>	<u>\$1,852,659</u>	<u>\$182,124</u>

III. SUMMARY OF MAJOR FINDINGS

The Higher Education Program administered by the Ministry of Education, through various GOC agencies and

independent universities, has made considerable progress in each of the Program objectives outlined in the Project Agreements. Specifically: (1) the School of Administration and Finance (BAFIT) has expanded from a single room in 1960 to a full-sized educational institution with adequate facilities in 1970, (2) the University of Los Andes has established a graduate program in economics and is effectively using its library in economics, (3) the Association of Colombian Universities, and the National University Fund have prepared a Basic Higher Education Plan which is supported and implemented by the GOC, (4) 124 participants have been trained in the U.S. and Mexico, (5) textbook rental libraries have been established in 5 Colombian universities, and (6) test scoring equipment is being installed at the National Testing Service Office of the Institute for Development of Higher Education.

During the course of our examination, a number of deficiencies were identified which Mission Management should study further in order to develop internal policy and procedures to preclude the existence and/or continuation of the same conditions in this and similar technical assistance projects. These deficiencies include the following:

1. The Mission does not have an effective follow-up program on returned participants. (Recommendation No. 1 page 12)
2. The Mission has used "PIOs without Project Agreements" 85 out of 97 times which is contrary to the concept of Project Assistance. (Recommendation No. 2, page 13)
3. \$38,348 in obligated funds for which the Final Disbursement Date has expired, should be deobligated. (Recommendation No. 3, page 14)
4. No synopsis of the accounting system, nor progress reports, nor financial reports, had, as of June 30, 1970, been presented to the Mission as required by the

Project Agreements on the furnishing of textbooks to the Colombian University Libraries. (Recommendation No. 4 page 15)

5. Short-term consultants for ICFES-COL-CIENCIAS were not hired on timely basis. (Recommendation No. 5, page 16)

6. One of the two consultants under the National Association of Sciences contract had not as of June 30, 1970 furnished the report required by the contract. (Recommendation No. 6, page 17)

A draft of this report was discussed in the Mission Implementation and Evaluation Committee, chaired by the Deputy Director, and included the (1) Assistant Director for Development Policy, (2) the Regional Legal Advisor, (3) the Controller, (4) the Assistant Director for Management, (5) Program Officer, (6) Assistant Program Officers, (7) Rural Development Officer, (8) Special Activities Division Chief, (9) Chief Engineer, (10) Public Safety Advisor, (11) Special Assistant to the Director, (12) Joint Economic Officer, (13) Acting Capital Development Officer, (14) Chief Human Resources Division.

During the first review of this report by the Mission Implementation and Evaluation Committee there was some disagreement with the findings by certain members, particularly with respect to (1) the Mission's participant follow-up system, (2) use of PIO/Ps without covering Project Agreements, and (3) the question of whether proper progress and financial inspections and reports had been made. We further examined pertinent documents, related M.O.s and data substantiated by audit work papers.

At a second review of the report, after re-examining the above areas of contention we emphasized that disagreements in the first review were essentially due to differences of opinion or interpretation. By including material introduced after the cut-off date

(June 30, 1970) of the audit, and modifying certain phraseology, agreement with members directly concerned has been reached.

IV. FOLLOW-UP ON PRIOR AUDITS

During the period 1962 through 1967, interim examination of contracts with the Universities of Syracuse (Contract No. AID/c-2289), Minnesota (Contract No. AID/la-128), and California (Contract No. AID/la-317) were performed. The results of these interim examinations were printed in Audit Reports Nos. P-2-62, 2-62, 65-13, and 67-17 for the Contract with Syracuse University, Nos. 65-06 and 67-20, for the Contracts with Minnesota and California Universities respectively. All recommendations made in the six prior audit reports had been cleared by the time this audit of the Higher Education Project was started (March 1970).

V. FINDINGS AND RECOMMENDATIONS

A. Overall Program Implementation Performance

The main objectives of the Project were to: (a) develop the School of Administration and Finance of Medellin; (b) establish a graduate program in Economics at the University of Los Andes in Bogota; (c) conduct a survey of Higher Education in Colombia, and to formulate a general plan for Higher Education in Colombia; (d) assist the Colombian Institute for the Development of Higher Education (ICFES), the Colombian Fund for Scientific Research (COLCIENCIAS) and the Association of Colombian Universities (ACU) to achieve the goals proposed for such plan; (e) establish Textbook Rental Libraries in selected universities; and (f) train in the U.S. and Mexico, qualified officials as faculty and administrative personnel of the universities.

The review of financial data, correspondence and reports, conversations with USAID and GOC officials, field visits to offices and projects in Bogota, Cali,

Medellin and Tunja, and other tests, indicate that generally (a) AID disbursements were for proper program costs, (b) GOC agencies, universities and other independent entities have made considerable progress on program objectives; and (c) the GOC has established specialized agencies to implement a Basic Higher Education Plan. A close working relationship has developed between USAID/HRD and GOC agencies, and Education Sector Loans for \$10 million and \$15 million have been signed in May 19, 1969 and June 11, 1970, respectively. Some specific results are stated in the ensuing paragraphs.

1. Business Administration

The main goal of this Project was the development of the School of Administration and Finance (EAFIT) of Medellin as an ongoing educational institution to prepare students to assume responsible management positions in industry. The goal was carried out through (a) Contract No. ICA-a-1369 with Bernard J. Hargadon, executed during the period March 15, 1961 through July 30, 1962; and (b) Contract No. AID/c-2289 with the University of Syracuse, executed during the period February 13, 1962 through November 30, 1967.

Because of the time lapse from the date the contract was completed (July 30, 1962) and the date the audit was initiated (March 1, 1970), we were unable to objectively evaluate the Contractor's performance, under the contract with Bernard J. Hargadon. However, we were informed by officials of the School of Administration and Finance of Medellin (EAFIT) that the Contractor had successfully developed and taught courses in Accounting, had trained counterpart teachers, and had published a textbook entitled "Principios de Contabilidad". Net obligations and expenditures amounted to \$18,956.

The objective of Contract AID-c-2289 with the University of Syracuse was to supply technical services for the development of the School of Administration and Finance of Medellin as an ongoing educational

institution. The Contractor achieved this with the equivalent of 20 man-years of regular and short-term staff. The School now has: (a) an academic program consistent with curriculum standards of the American Association of Collegiate Schools of Business, (b) 52 full-time faculty members as compared with 40 in 1966; 1,340 students as compared with 584 in 1966, and (c) a work-study program involving over 140 Colombian and 5 American business firms.

The Medellin School of Administration and Finance had devised an effective system to ensure return of participants to the School of their field of specialization. This system required a participant (prior to departure) to sign a contract guaranteeing that upon return he would remain in the School and field of training for a period twice as long as his training period.

Of the 13 participants under the Syracuse tract and 5 others selected directly by USAID, 15 have returned to their jobs with the University and 3 were ill in the U.S. at the time of the audit.

The total obligated for this contract was 9,162, and \$809,162 expended, leaving an unexpended amount of \$20,000, which should be deobligated. (See findings Requiring Corrective Action")

2. University Education - Economics

The USAID signed a contract with the University of Minnesota, executed during the period July 22, 1966 to May 11, 1966, to establish a graduate program in Economics at the University of Los Andes in Bogota. Financing of participant training under this contract was ended to June 30, 1969.

Due to the time lapse since the previous audit was made in August 1964, and the fact that no final audit was performed, we were only able to obtain the following information:

(a) Contract Financing: Total obligated: \$411,065; amount expended \$407,476, leaving an unexpended balance of \$3,589 which should be deobligated. (See "Findings Requiring Corrective Action")

(b) Contract Staff: From inception, July 22, 1963, to June 12, 1966, input by the University of Minnesota was 98.4 man-months of field staff. Ten Colombian counterparts were assigned by the University of Los Andes to work with the Contractor's staff.

(c) Participant Training: Four GOC officials and three Los Andes University professors were selected for training in the U.S. All seven are presently serving in key positions in their respective field of training.

(d) AID-donated Commodities: Advices of Charge and supporting documents indicate that \$23,768 was paid to the Contractor for "Equipment and Books". No detail was included and we were unable to determine if the items had been received or were in use.

(e) Los Andes Library: During our visit to the Los Andes University, we noted that new facilities for a library had been constructed. Library publications indicate that the library listed at least 6,000 publications on Economics, Demography and Business Administration.

(f) Project Evaluation: The Contractor met with limited success in implementing the goals outlined in the Project Agreements and the development of the Economic Library. After expending over \$400,000, the Mission decided not to re-new the contract at the time it expired on May 11, 1966.

On December 22, 1965, the Chief of the University of Minnesota group wrote the Mission Director that the Graduate School of Economics at Los Andes University was not successful because there were almost no

students, three different deans in two years, high faculty turnover and poor relationship between the Colombian staff and the Minnesota visitors. The most important objective of the contract, that of training permanent faculty to take over the program after the departure of the Minnesota team was notably unsuccessful.

3. Higher Education Survey

The purpose of this project was to assist the GOC and related agencies in formulating a national plan for the development of Higher Education, and in implementing some of its principal recommendations. To implement this project, Contract No. AID/1a-317 was signed with the Regents of the University of California, and executed during the period December 2, 1964 through December 31, 1968. Through Decree No. 3156, this plan was the basis for the establishment of the Colombian Institute for the Development of Higher Education (ICFES).

Of eight participants sent to the U.S. under this Project Agreement, one is still at Berkeley, one resigned after serving a year, and the other six have returned to key positions at ACU and the National University.

Total amount obligated \$295,648. Total expended \$280,889, leaving a balance of \$14,759 still to be deobligated (see "Findings Requiring Corrective Action").

4. Establishment of Textbook Rental Libraries

To alleviate the scarcity of good, reasonably-priced textbooks in Spanish for undergraduates, the USAID executed agreements with five universities to establish textbook rental libraries.

We visited three of the five universities and found the libraries to be functioning efficiently and in accordance with the guidelines of the Project

Agreements. However, as discussed in the section "Findings Requiring Corrective Action", certain financial and progress reports have not, as yet, been furnished to the USAID.

5. Continued Assistance to ICFES, COLCIENCIAS

At the request of the GOC Ministry of Education, the USAID arranged for specialists to assist ICFES and COLCIENCIAS in achieving the following objectives: (a) development of the ICFES University Accreditation Division and the National Testing Service, (b) strengthening of the University Library Service, and (c) establishment of guidelines and operating procedures in Scientific Research and Education.

Accordingly, the USAID assisted in the procurement of IBM test scoring equipment (which have since been installed and presently in use), and contracted 8 short-term consultants to assist in the achievement of these goals. USAID/HRD Evaluation Reports reflect that contractors' performance was of considerable help to the universities involved. However, as discussed in the section "Finding Requiring Corrective Action", implementation of Project Agreements was slow, and some contractor reports on "progress as well as problems encountered" have not been furnished as required by the contracts.

B. Finding Requiring Corrective Action

1. Participant Training

A major AID contribution under the Higher Education Project involved the careful selection for training of participants in the U.S. and Mexico. A total of 124 participants were selected and trained under the program; 27 were trained under the contracts with the three U.S. Universities, and 97 directly by the USAID. M.O. 1389.2 states that "systematic follow-up . . . is an essential and integral part of participant training" and "the follow-up responsibilities do

not necessarily terminate when AID no longer has a program in a particular country". As the Mission does not have any formal follow-up system, we were unable to determine with any degree of certainty the whereabouts of the 97 participants selected by the USAID. However, discussions with University and GOC officials, perusal of various records, etc., helped us to arrive at some of the findings with regard to participants as stated in the preceding paragraphs of this report. However, this accounts for only about a third of all participants trained under the Program.

In response, Mission officials stated that a similar finding was made by an AID/W Audit Team to which the Mission responded by LOU Airgram No. TOAID A-128, dated March 25, 1970, which explained that although the Mission did not have a formal follow-up system, its follow-up was "built into" its grant and contract operations as far as it was practical. However, the decision as to whether the informal follow-up system used by the Mission is adequate should be made by AID/W.

Recommendation No. 1

AID/W, OIT should reply to USAID/Colombia's Airgram TOAID A-128, dated March 25, 1970, and advise the Mission whether the "built-in" system referred to is adequate and meets the intent of M.O. 1329.2.

ACTION: AID/W Office of International Training

Of the 97 participants sent directly by the USAID, only 12 were sent in accordance with signed Project Agreements, the other 85 were sent under PIO/Ps not part of Project Agreements. From July 1, 1968 (the effective date M.O. 712.4 was amended to emphasize the use of Project Agreements as the obligating documents)

through June 30, 1970, 11 PIO/Ps were issued under Project Agreements, 29 were not covered by Project Agreements. M.O. 721.4 amended April 23, 1968, states that "to ensure success, technical assistance projects must be developed with the full participation of the cooperating country. The positive interest of the cooperating country in accepting U.S. obligations as well as committing its own resources should be evidenced by joint planning and by the signature of a responsible official of the cooperating country." Paragraph III-A,1,a, of the same M.O. states that "in unusual circumstances where program objectives dictate, the use of the PIO/P as the obligating document is authorized as an optional procedure". Since then M.O. 1383.1 was amended September 15, 1970, to read that "the Project Agreement normally obligates funds for participant training actions. However, in circumstances where it is not possible to obligate funds for participant training in the Project Agreement, the PIO/P may be used as the obligating document." The concept of Project Assistance as we understand it (based upon the Manual Orders) has been and still is that participant training should be part of a Project Agreement entered into between the United States Government and the host country, and that this Project Agreement should be the obligating document. PIOs should be used as the obligating document only in unusual circumstances, not as regularly and consistently as has been done in this Mission. Of the 11 PIO/Ps issued during FY 70 under Higher Education, not one was under a Project Agreement.

Recommendation No. 2

USAID/Colombia should obligate the cost of sending participants to the United States for training through the use of Project Agreements, except when it is not possible to obligate such funds in the Project Agreements, in which case, the obligating PIO/P should be signed by a

responsible official of the host country, or should have attached a copy of the letter of request for training from an authorized official of the GOC.

The Mission points out that since all PIO/Ps are supported in their files by letters from host country officials requesting the training to be provided under the PIO/P, it is evident that the cooperating country has participated in the planning of the Project. Subsequent to September 15, 1970, upon the issuance of the amendment of M.O. 1383.1, the Mission has issued instructions requiring the attachment of the letter of request to the PIO/P in conformance with the requirements of the revised M.O.

2. Deobligation of Unexpended Obligations

Contracts with the three universities involved in Higher Education expired as follows:

(a) University of Syracuse, November 30, 1967. (Disbursements of participant costs extended to December 31, 1968).

(b) University of Minnesota, May 11, 1966. (Disbursement of participant costs extended to June 30, 1969).

(c) University of California, December 31, 1968.

Under the foregoing, amounts obligated but not expended total \$20,000, \$3,589 and \$14,759 respectively.

Recommendation No. 3

USAID/Colombia should review unliquidated obligations under the Higher Education Project, and deobligate unliquidated amounts for which the Final

Disbursement Date has expired, and which amounts will obviously not be used.

Prior to the issuance of this report, the USAID Controller advised the auditors that the amounts have since been deobligated. Therefore, this recommendation is considered cleared.

3. Control Over Textbook Revolving Fund

Project Agreements signed with five Colombian Universities between June 30, 1967 and January 24, 1969, for the establishment of Textbook Rental Libraries required the use of Textbook Revolving Funds, adequate management and accounting records, progress reports and financial statements. In addition, synopses of the accounting systems involving separate records, receipts and accounts covering all disbursements and income to each revolving fund, were to have been submitted to the Mission for concurrence within two months of the signing of the Project Agreement. As of June 30, 1970, the cut-off date of the audit, no progress reports, no financial statements, and no synopses of the accounting systems were submitted to the Mission. Subsequent to June 30, 1970, the HRD requested financial and progress reports from the university libraries. On September 30, 1970, the Chief of the Human Resources Division furnished copies of financial statements from the libraries at Tunja, Santander, Antioquia and Cartagena to the auditors. Of these, only the report from the library at Tunja met the requirements of the Project Agreements. However, in April 1970, Project Agreement No.4 was amended to provide for ICFES to assume responsibility for all the University libraries supplied or to be supplied with textbooks by the USAID, thereby transferring the responsibility for progress, financial and other reports to ICFES.

Recommendation No. 4

USAID/Colombia should request ICFES to secure synopses of the accounting systems

used at the various libraries by December 31, 1970, as well as the reports not previously furnished to the USAID.

In addition, university officials informed us that since the establishment of the libraries no one from the USAID/HRD had been to visit and/or inspect the libraries. The auditors were not able to find copies of inspection reports to indicate if any of the libraries had been visited, and if so visited, the extent of compliance with the terms of the Project Agreements. However, on September 30, 1970, prior to the issuance of this report, the Chief of the Human Resources Division furnished the auditors with copies of reports showing that a visit had been made to each of the University libraries at Valle, Cartagena and Antioquia, during September and October 1969, and that subsequent to June 30, 1970, the libraries at Tunja, Antioquia, Valle and Santander had been visited. Therefore, no recommendation is made in this respect.

4. Consultant Services for ICFES-COLCIENCIAS

Project Agreement No. 20, dated June 27, 1969, with ICFES-COLCIENCIAS included an obligation of \$14,500 for nine man-months of services of three short-term consultants to assist ICFES in the development of its (a) University Accreditation Testing and Admission, and (b) University Library Services Divisions. The PIO/T, Final Contribution Date March 30, 1971, stipulated that the services were to be provided early enough so that the information could be used in the selection of students prior to the 1970 school year. As of June 30, 1970, only one short-term consultant had been hired for slightly over a month.

Recommendation No. 5

USAID/Colombia should review PIO/T No. 90180, dated June 20, 1969, valued at \$14,500, and either amend

it and expedite the hiring of the consultants required, or de-obligate the unused portion of the funds.

Also included in the above Project Agreement were the services of two consultants through the National Academy of Sciences. The first, Mr. Jay Davenport, was a consultant from July 8 to July 24, 1969, and from August 3 to August 14, 1969; the second, Mr. Lawrence Bass, from August 4 to August 14, 1969. The agreement with the National Academy of Sciences required the consultants to submit reports, within 45 days of the completion of their respective services, covering project status, progress made, problems encountered and specific recommendations. In searching through the files of the Human Resources Division, the auditors were only able to find one interim report submitted by Mr. Davenport. However, on September 30, 1970, the Chief of the Human Resources Division furnished the auditors with the final report submitted by Mr. Davenport in September 1969, and a publication in Spanish, in which Mr. Bass' report was included. These reports were not in the files of the Human Resources Division, but were in the desk of the Chief of the HRD.

Recommendation No. 6

USAID/Colombia should require the National Academy of Sciences, the Contractor under PIO/T 90179, to have the Consultant, Mr. Lawrence Bass, submit the final report in English as soon as possible.

C. Other Findings

1. Discrepancies in the Accounting Records

The total obligations and expenditures shown in this report, obtained from the Project Ledger Cards (Advice of Miscellaneous Obligation Cards), differ

substantially from the U-203 Report and the Project Ledger. Since this project covers a span of ten years, it would be very time-consuming to attempt to reconcile the difference. This problem was reviewed and discussed in Audit Report No. 70-10 of June 26, 1970, therefore no further comment is made at this time.

2. GOC Contribution

All Project Agreements signed between USAID and the GOC agencies and independent universities, stipulated that the latter would provide in-kind contribution to enable the U.S. and Colombian technicians to operate effectively. This contribution included provision of office space, secretarial services, equipment and office supplies, local transportation, etc. During our on-site inspections of the GOC agencies and universities, we determined that this provision of the Project Agreements was effectively complied with by the agencies involved. However, since most of the sub-projects were completed before the initiation of the audit (March 1, 1970), we were not able to determine the estimated cost of the above mentioned in-kind contribution.

EXHIBIT A

USAID/COLOMBIA

AUDIT OF HIGHER EDUCATION - PROJECT No. 514-15-660-101

Summary of USAID Funds Provided

For the Period February 13, 1960 Through June 30, 1970

(In 000 U.S. Dollars)

F.Y.	C U M U L A T I V E		T O T A L
	Obligation	Expenditures	Unliquidated Balance
1960	\$ 147.0	\$	\$147.0
1961	44.4	14.9	29.5
1962	317.5	24.1	293.4
1963	558.1	(0.3)	558.4
1964	(0.3)	113.9	(114.2)
1965	55.9	336.1	(280.2)
1966	638.6	448.6	190.0
1967	13.3	417.8	(404.5)
1968	56.9	286.7	(229.8)
1969	156.5	154.4	2.1
1970	<u>46.8</u>	<u>56.4</u>	<u>(9.6)</u>
TOTALS	<u>\$2,034.7</u>	<u>\$1,852.6</u>	<u>\$182.1</u>

NOTE: See detail of cost components scheduled in EXHIBIT B.

USAID/COLOMBIA

AUDIT OF HIGHER EDUCATION - PROJECT No. 514-15-660-101

Analysis of USAID Funds Provided for the Entire Project by Cost Component

For the Period February 13, 1960 Through June 30, 1970

(In 000 U.S. Dollars)

F.Y.	<u>Contract Services</u>		<u>Personal Services</u>		<u>Participants</u>		<u>Commodities</u>		<u>Other Costs</u>	
	<u>Obliga- tions</u>	<u>Expendi- tures</u>	<u>Obliga- tions</u>	<u>Expendi- tures</u>	<u>Obliga- tions</u>	<u>Expendi- tures</u>	<u>Obliga- tions</u>	<u>Expendi- tures</u>	<u>Obliga- tions</u>	<u>Expen- tures</u>
1960	\$ 147.0	\$	\$	\$	\$	\$	\$	\$	\$	\$
1961			25.0		13.0	13.0	4.5		1.9	1.9
1962	321.1		(6.0)	18.9	3.0	1.3	(0.6)	3.9		
1963	559.8				(1.7)	(0.3)				
1964		113.9			(0.3)					
1965		280.2	18.8	18.8	29.7	29.7	6.4	6.4	1.0	1.0
1966	581.2	391.2	22.7	22.7	32.3	32.3	1.2	1.2	1.2	1.2
1967	(38.2)	366.3	31.2	31.2	9.0	9.0	10.4	10.4	0.9	0.9
1968	(35.0)	205.3	52.1	52.1	38.2	27.7			1.6	1.6
1969		135.6	24.8	1.1	93.8	15.2	37.7	2.3	0.2	0.2
1970		5.0	6.5	1.6	23.6	37.2	14.4	10.7	2.3	1.9
TOTALS	<u>\$1,535.9</u>	<u>\$1,497.5</u>	<u>\$175.1</u>	<u>\$146.4</u>	<u>\$240.6</u>	<u>\$155.1</u>	<u>\$74.0</u>	<u>\$34.9</u>	<u>\$9.1</u>	<u>\$8.7</u>

SOURCE OF INFORMATION: USAID Accounting Records (cards)

LISTINGS OF RECOMMENDATIONS

Recommendation No. 1

AID/W, OIT should reply to USAID/ Colombia's Airgram TOAID A-128, dated March 25, 1970, and advise the Mission whether the "built-in" system referred to is adequate and meets the intent of M.O. 1389.2.

ACTION: AID/W Office of International Training

Recommendation No. 2

USAID/Colombia should obligate the cost of sending participants to the United States for training through the use of Project Agreements, except when it is not possible to obligate such funds in the Project Agreements, in which case, the obligating PIO/P should be signed by a responsible official of the host country, or should have attached a copy of the letter of request for training from an authorized official of the GOC.

Recommendation No. 3

USAID/Colombia should review unliquidated obligations under the Higher Education Project, and deobligate unliquidated amounts for which the Final Disbursement Date has expired, and which amounts will obviously not be used.

Recommendation No. 4

USAID/Colombia should request ICFES to secure synopses of the accounting systems

used at the various libraries by December 31, 1970, as well as the reports not previously furnished to the USAID.

Recommendation No. 5

USAID/Colombia should review PIO/T No. 90180, dated June 20, 1969, valued at \$14,500, and either amend it and expedite the hiring of the consultants required, or deobligated the unused portion of the funds.

Recommendation No. 6

USAID/Colombia should require the National Academy of Sciences, to Contractor under PIO/T 90179, to have the Consultant, Mr. Lawrence Bass, submit the final report in English as soon as possible.