

AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

2/5/75

HH/HSC/JAK/file,
AF, (MF) POP

OFFICE OF AUDIT

AUDIT REPORT

East-West Center (University of Hawaii)

CONTRACT NUMBER: AID/ea-32 (Regional)
CONTRACT CEILING: \$5,210,108
EXPIRATION DATE : December 31, 1974
PROJECT NUMBER : 932-11-580-200
PROJECT TITLE : Asian Family Planning
AUDIT PERIOD : June 20, 1968 through March 31, 1972
TYPE OF AUDIT : Interim

Audit Report No. 74- 204

BEST AVAILABLE COPY

Date: JAN 31 1975

AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

EAST-WEST CENTER (UNIVERSITY OF HAWAII).

Contract No. AID/ea-32 (Regional)

SCOPE

The Defense Contract Audit Agency's (DCAA), interim audit of Contract No. AID/ea-32 covered the period June 20, 1968 through March 31, 1972, and included a review of pertinent records and procedures at the Contractor's office in Honolulu, Hawaii.

The primary purpose of the examination was to determine the propriety of expenditures incurred by the Contractor under the terms of the contract, as well as the degree of compliance with established contracting standards and principles.

The status of Contract funds as of September 30, 1974 is:

Contract Ceiling		\$5,210,108
Amount Reimbursed:		
Costs Audited -		
Approved prior audit	\$ --	
Approved current audit	2,299,146	
Unaudited Costs	1,675,797	
Subtotal	\$ 3,974,943	<u>3,974,943</u>
Due Contractor	42,850	
Total Reimbursed	<u>\$ 3,932,093</u>	
Contract Balance Remaining		<u>\$1,235,165</u>

CONTRACT PURPOSE

The objective of this contract shall be to establish in the East-West Center a Population Program through which Asians and Americans can work together to expand their knowledge of and capabilities to cope with the population dynamics of Asia and the Pacific area.

FINDINGS AND RECOMMENDATIONS

Contract Costs

Costs of \$2,256,296.53 were claimed and reimbursed during the period under review. As a result of the audit, an additional sum of \$42,849.75 was determined to be due the Contractor, and the balance of \$2,299,146.28 can be accepted as proper by the Contracting Officer CM/COD/PHA. Details regarding these amounts are presented in Exhibit A.

Recommendation No. 1

Contracting Officer, CM/COD/PHA, review the above finding and take action, as appropriate, to settle the amount due the Contractor.

Contractor Performance

In September 1973, a team composed of AID/W personnel from AA/PHA, PHA/POP, and John Hopkins University visited the East-West Center Population Institute (EWCPI) to evaluate progress in developing an institutional capability in population dynamics.

In the report which summarized results of the evaluation, the team concluded that the contract objectives were achieved within the original time frame contemplated by AID and the EWCPI. The evaluation team obtained sufficient evidence to verify that the EWCPI had complied with the intent of the contract in establishing a capability in population research, training and graduate study within the parameters articulated in the contract.

East-West Center (University of Hawaii)
 Contract No. AID/ea-32 (Regional)
 Summary of Contract Costs and Audit Adjustment
For the Period June 20, 1968 (Inception) through March 31, 1972

	<u>Costs Claimed</u>	<u>Audit Adjustments</u>	<u>Costs Accepted</u>
Salaries	\$ 869,461.24	\$ -	\$ 869,461.24
Consultant Services	48,757.68	-	48,757.68
Degree & Non-Degree Personnel	610,719.41	-	610,719.41
Travel & Transportation	47,320.80	-	47,320.80
Other Direct Costs	134,196.05	-	134,196.05
Committees, Conferences & Seminars	93,665.03	-	93,665.03
Precontract Cost	4,087.04	-	4,087.04
School of Public Health	171,426.93	-	171,426.93
Behavioral Research - KIRB	106,568.46	-	106,568.46
Overhead	<u>170,093.89</u>	<u>(42,849.75)^{1/}</u>	<u>212,943.64</u>
Total	<u>\$ 2,256,296.53</u>	<u>\$(42,849.75)</u>	<u>\$ 2,299,146.28</u>

Explanatory Note:

^{1/} This represents an adjustment of overhead based upon final overhead rates stated in amendment nos. 12 and 15 of the contract. The amount was determined as follows:

<u>Fiscal Year Ending:</u>	<u>Direct Salaries</u>	<u>Overhead Rate</u>	<u>Amount</u>
<u>Costs Claimed</u>			
6/30/69	\$ 41,623.97	16.61%	\$ 6,913.74
6/30/70	124,945.06	19.27%	24,076.91
6/30/71	391,229.01	"	75,389.83
6/30/72 (thru 3/31/72)	<u>330,635.25</u>	"	<u>63,713.41</u>
Total Claimed	(A) <u>\$ 888,433.29</u>		<u>\$ 170,093.89</u>

Allowable Costs

6/30/69	\$ 41,623.97	16.61%	\$ 6,913.74
6/30/70	124,945.06	19.27%	24,076.91
6/30/71	391,229.01	22.50%	88,026.53
6/30/72 (thru 3/31/72)			
Claimed	\$ 330,635.25		
Upward Adjustment per DCAA	<u>15,446.04</u>		
Total	<u>\$ 346,081.29</u>	<u>\$ 346,081.29</u>	27.14% <u>\$ 93,926.46</u>
Total Allowed	(B) <u>903,879.33</u>		<u>\$ 212,943.64</u>

Additional Amount Due Contractor (B-A) \$ 42,849.75

(a) This amount is higher than the sum claimed as salaries (\$869,461.24) because the Contractor included some of his salary costs in other cost categories, primarily Behavioral Research - KIRB.

EXHIBIT B

East-West Center (University of Hawaii)
Contract No. AID/ea-32 (Regional)

DISTRIBUTION OF AUDIT REPORT

Assistant Administrator/PHA (1)
Support Division, CM/SD/SUP (3)
Office of Financial Management, SER/FM/CSD (1)
Inspector General of Foreign Assistance/State (1)
DCAA, Honolulu Branch Office (1)

file *MS*
(2)

STATE - A.I.D. - USIA ROUTING SLIP			DATE October 9, 1978			
TO:	Name or Title	Urgen. Symbol	Room No.	Bldg.	Initials	Date
1.	Dr. J. A. Kieffer, AA/PHA					
2.						
3.						
4.						
5.						
<input type="checkbox"/>	Approval	<input type="checkbox"/>	For Your Information	<input type="checkbox"/>	Note and Return	
<input type="checkbox"/>	As Requested	<input type="checkbox"/>	Initial for Clearance	<input type="checkbox"/>	Per Conversation	
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Investigate	<input type="checkbox"/>	Prepare Reply	
<input type="checkbox"/>	File	<input type="checkbox"/>	Justify	<input type="checkbox"/>	See Me	
<input type="checkbox"/>	For Correction	<input checked="" type="checkbox"/>	Necessary Action	<input type="checkbox"/>	Signature	
REMARKS OR ADDITIONAL ROUTING						
<p>Attached herewith is a copy of the evaluation of the <u>Population Institute, East-West Center, University of Hawaii.</u></p> <p>At your convenience I and/or members of the team will be happy to discuss this with you. Another alternative is to call a review with Population (with or without regional-ea-personnel) and PHA.</p> <p>cc: Mrs. H.S. Crowley Ray Pagan Jim Brackett</p>						
FROM: (Name and Org. Symbol)			ROOM NO. & BLDG.	PHONE NO.		
William S. Lefes, PHA/EVAL			3491	X 27667		

10/08

FORM 3-68 JF-29 (Formerly Forms DS-10, AID-5-50 & IA-68)