

UNITED STATES GOVERNMENT

Memorandum

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TO : Ms. Sara Jane Littlefield, Director
USAID/Sri Lanka

FROM : E. H. Gustman *E.H.*
Area Auditor General/NE

SUBJECT: Memorandum Audit Report No. 5-383-80-8
Cyclone Disaster Emergency Assistance

DATE: August 11, 1980

INTRODUCTION AND SCOPE

Sri Lanka suffered a major tropical cyclone on November 23-24, 1978. The cyclone struck the south-eastern coastline and swept in a wide area north-westerly across the country. The storm was accompanied by torrential rains and 100 miles per hour winds leaving a trail of destruction. The cyclone took 915 lives, severely damaged 96,415 homes and a total of one million people were affected. The U.S. Government provided about \$866 thousand to assist in alleviating the destruction resulting from the storm.

Our field audit of this assistance effort was initially conducted in October and November, 1979 but this report was not finalized until our findings were updated in July 1980. The purpose of our audit was to evaluate the effectiveness and utilization of the AID-financed emergency commodities and support services. Our review included an examination of related records, correspondence and reports available with Government of Sri Lanka (GSL) and USAID/Sri Lanka, and discussions with cognizant officials. Field visits were also made to the disaster area to determine whether the AID-financed emergency commodities were utilized for the purposes intended.

Our examination was made in accordance with generally accepted auditing standards and included such tests of records and discussions as were considered necessary.

A copy of our draft report was provided to USAID/Sri Lanka and their comments were considered in preparing this final report.



AUDIT FINDINGS AND RECOMMENDATIONS

A. U.S. GOVERNMENT EMERGENCY ASSISTANCE

The U.S. assistance provided for disaster relief was prompt, effective, and appreciated by the Government of Sri Lanka (GSL). A contribution of \$25,000 from the Ambassador's Disaster Relief Fund was made to UNICEF for the purchase of medical supplies. From stockpiles in Guam, the Office of Foreign Disaster Assistance (OFDA) air lifted tents, blankets, saws, shovels, axes, and machetes to Sri Lanka. Orders were later placed for radio equipment.

In addition, a 20 man Disaster Area Survey Team (DAST) from the Office of the U.S. Commander-in-Chief, Pacific, was deployed to the disaster area for two weeks to survey the area and establish communications between Colombo and Batticaloa located in the disaster area. They also assessed the extent of the disaster and made recommendations for further U.S. assistance.

U.S. relief operations in Colombo were coordinated by AID and the U.S. Embassy's Defense Attache Office. Visits were made to the cyclone area in the days following the cyclone. Overall, the impact of the U.S. assistance was considered to be very high and the President of Sri Lanka personally thanked the U.S. Ambassador for the U.S. assistance.

B. FUNDING

The U.S. Government assistance consisted of commodities and personnel. The cost of these items was \$866,388, consisting of the following:

<u>Item</u>	<u>Quantity</u>	<u>Cost</u>
Medical Supplies	Various	\$ 25,000
Airlift of Supplies from Guam and Deployment of DAST	-	357,195
TDY - OFDA Officer	1	2,843
Local Transportation Costs	-	8,459
Tents	1,391	362,861
Radios	14	58,391
Tools	Various	6,000
Blankets	10,000	45,699
Total		<u>\$866,388</u>

Our review showed that the commodities furnished had been effectively utilized except as noted below.

1. Radios and Spare Parts

Radios and Spare Parts provided under the disaster assistance grant at a cost of \$58,391 have not been utilized. Fourteen high frequency radio communications sets were ordered on December 14, 1978, for use in the disaster area. However, because of certain procurement problems the radios did not arrive in Sri Lanka until March 6, 1979. On March 14, 1979, they were provided to the GSL Ministry of Home Affairs (MOHA) as a Grant-in-Aid.

During our audit in July 1980, some 16 months after the radios had arrived in country, we found the equipment had not been utilized. The radios are currently being stored at the Sri Lanka Police Communications Center in Colombo pending training of MOHA personnel in the installation, maintenance, and operation of the equipment. MOHA officials informed us that personnel have been recruited for the program but have not come on board pending finalization of the training program. They further stated that the required training will have to be provided by the GSL Air Force since they are the only GSL organization who have a similar type of equipment in country.

We also noted that spare parts for the radio equipment are in storage at the U.S. Embassy Warehouse in Colombo. The spare parts were air-freighted from the U.S. in February, 1979, but were not received by the U.S. Embassy Joint Administrative Staff (JAS) until May 1980 because they were incorrectly stored at the Colombo Seaport. Neither JAS or USAID was aware of their location during the interim period. USAID plans to release the spare parts to the MOHA as soon as a inventory of the spare parts has been completed.

Recommendation No. 1

The Director, USAID/Sri Lanka, in consultation with the GSL and OFDA, should determine if the radio equipment and spare parts provided under

the grant can still be utilized for the purposes intended and, if so, develop a specific timeframe within which the equipment should be placed into operation. If the equipment cannot be used for its intended purposes, arrangements should be made to return it to OFDA for use in other disaster areas.

2. Tents

The OFDA air-freighted 1,391 family size tents to Sri Lanka for use by the cyclone victims. The cost of these tents was \$362,861.

During our field visits we found evidence that the tents, in most cases, had been distributed to the cyclone victims and had or were being used for their intended purposes. We did note, however, in our review of USAID files that forty tents had been issued to the GSL military for use as offices and shelter during the disaster period. Correspondence in the files also indicated that some tents, after they had been returned by the cyclone victims, were re-distributed by the Department of Social Services to other GSL sections, such as the Mahaveli Development Board, Surveyor General's Department, and the National Livestock Development Board.

In a letter dated October 17, 1979, the Department of Social Services informed USAID that they would send a comprehensive report on the status of the tents as soon as all statistics were collected. As of July, 1980 USAID had not received this information.

Recommendation No. 2

The Director, USAID/Sri Lanka should obtain a current accounting for the tents and determine if their status and usage is proper and in line with intended purposes.

C. MISSION DISASTER PLAN

USAID/Sri Lanka does not have a Mission Disaster Plan at present as required by Handbook 8, Chapter 4. However, in May 1980, the

USAID Training Officer was appointed as the Mission Disaster Relief Officer (MDRO) in addition to his regular duties. One of his initial tasks is to prepare a Mission Disaster Plan for submission to AID/W. During our review in July 1980, we noted that he had started to prepare a disaster plan therefore we see no need for a recommendation.

LIST OF REPORT RECIPIENTS

USAID/Sri Lanka

Director 5

AID/W

Deputy Administrator (DA/AID) 1

Bureau For Asia

Assistant Administrator (AA/ASIA) 5

Office of Bangladesh, India and Sri Lanka (ASIA/BIS) 1

Audit Liaison Officer 1

Bureau for Private and Development Cooperation:

Office of U. S. Foreign Disaster Assistance (PDC/OFDA) 5

Bureau For Development Support:

Office of Development Information and Utilization (DS/DIU) 4

Office of Legislative Affairs (AA/LEG) 1

Office of General Counsel (GC) 1

Office of Financial Management (FM) 1

IDCA Legislative and Public Affairs Office 1

Office of Auditor General:

Auditor General (AG) 1

Communications and Records Office (AG/EMS/C&R) 12

Policy, Plans and Programs (AG/PPP) 1

Area Auditor General:

Area Auditor General/Washington 1

Area Auditor General/Africa (East) 1

Area Auditor General/East Asia 1

Area Auditor General/Egypt 1

Area Auditor General/Latin America 1

OTHER

General Accounting Office (GAO/W) 1

Inspection and Investigations Staff (IIS/Washington) 1