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AUDIT OF
USAID/PERU
INTEGRATED REGIONAL DEVELOPMENT
PROJECT NO. 527-0178

Audit Report No. 1-527-86-18
June 18, 1986

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June 18, 1986

MEMORANDUM

TO : D/USAID/Peru, Mr. John A. Sanbrailo

FROM : RIG/A/T, Coinage N. Gothard

SUBJECT: Audit of USAID/Peru Integrated Regional Development, Project No. 527-0178

This report presents the results of audit of USAID/Peru Integrated Regional Development, Project No. 527-0178. The specific objectives of this audit were to evaluate project effectiveness in achieving planned results, the efficiency of project operations, the adequacy of internal controls and compliance with AID regulations.

Project effectiveness has been limited by the weaknesses in the design of subprojects and in the lack of funding to complete several of the subprojects. The efficiency of project operations has been inhibited due to the lack of effective systems to maintain both completed subprojects and equipment. Weaknesses in internal controls has not provided reasonable protection against waste, misuse, or theft of project equipment. The audit also disclosed several instances of non-compliance with AID requirements. Project funds lent to beneficiaries in order to install electricity were, in some cases, not being repaid and the agency collecting the funds has been slow in remitting the collections to the Housing Bank. Also, the Housing Bank has not established separate accounting records for the market town development loan fund. Although the IBM dealer has been paid for computers and printers, only computers have been delivered.

The report recommendations are that USAID/Peru: obtain evidence that the development corporations reevaluate improperly designed projects, and apply proper design procedures and criteria; obtain evidence that the departmental development corporation/Cajamarca has available and programmed sufficient funding to complete all AID financed subprojects; obtain evidence that the departmental development corporations develop maintenance plans in order to properly maintain the subprojects; obtain evidence that the department development corporations have prepared updated maintenance plans for their equipment and that implementation of

these plans have started; obtain evidence that the departmental development corporations have established sound inventory control systems in order to safeguard equipment; obtain evidence that the Housing Bank has instituted an aggressive collection policy and a promotional program in order to collect delinquent loan payments; obtain evidence that the Housing Bank has developed effective monitoring practices so that electricity collections are remitted in a timely manner; obtain evidence that the Housing Bank is separately accounting for the transactions of the market town development fund; obtain a legal opinion from the Office of the General Counsel in AID/Washington to determine whether Intermediate Credit Institutions should be allowed to earn interest on idle cash derived from AID loan advances; and require the local IBM dealer to deliver the printers to Huancayo at the earliest possible date.

Your Mission has concurred in all of the report findings and recommendations. Based on your comments and documentation, recommendation number two was modified and recommendation number 10 was closed.

Please advise this office within thirty days of the actions planned or taken to implement the nine recommendations in this report.

EXECUTIVE SUMMARY

The Integrated Regional Development project began on June 28, 1979; the current project assistance completion date is December 31, 1986. The project has a budget of $23.1 million, including $16.6 million in AID funds and $6.5 million in counterpart funds. Accrued AID expenditures totalled $13.5 million. The project purpose was to strengthen Peru's decentralized regional planning and project implementation capability at national, departmental and municipal levels, and to finance the execution of priority subprojects in selected market towns and rural public works in the departments of Junin and Cajamarca.

The selected market town subprojects were to be financed through a $5.6 million market town development loan fund established in the Housing Bank of Peru. The Housing Bank was to channel resources to revenue-generating subprojects, such as rural electrification, once they have been analyzed, developed and approved by the Departmental Development Corporations of Junin and Cajamarca. A $10 million rural public works fund was to be used to finance non-self-financing rural public works such as roads in the same departments.

The Office of the Inspector General audited the Integrated Regional Development project, covering activities from June 28, 1979 through March 18, 1986. The audit objectives were to evaluate the project's effectiveness in achieving planned results, the efficiency of project operations, the adequacy of internal controls, and compliance with AID requirements.

The Integrated Rural Development project's effectiveness was limited by weaknesses in the design of subprojects and in the lack of funding to complete several of the subprojects. The efficiency of project operations was inhibited due to the lack of effective systems to maintain both completed subprojects and equipment. Internal controls did not provide reasonable protection against waste, misuse, or theft of project equipment. The audit also disclosed several instances of non-compliance with AID requirements. Project funds lent to beneficiaries in order to install electricity were, in some cases, not being repaid and the agency collecting the funds was slow in remitting the collections to the Housing Bank. Also, the Housing Bank had not established separate accounting records for the market town development loan fund. Although the IBM dealer had been paid in full by USAID/Peru for computers and printers, only the computers had been delivered.

Some of the Departmental Development Corporations' subprojects were improperly designed and, therefore, the subprojects were not successful or not operating properly. The main reason for the design failures was a lack of site visits to verify the adequacy of the design. If subprojects are not properly designed, the intended benefits will be delayed or not realized. We recommended reevaluation of improperly designed projects and the application of proper design procedures and criteria.

Departmental Development Corporation/Cajamarca had not been able to complete several of its rural works subprojects because funds had not been budgeted for this purpose. Since funds had not been budgeted, anticipated subproject benefits/goals cannot be realized. Sufficient funds should be programmed to complete all AID-financed subprojects.

During visits to Cajamarca and Junin, it was observed that subprojects were not being properly maintained. Due to inadequate maintenance, the subprojects cannot achieve their goals/objectives and the targeted communities are not receiving the subprojects' full benefits. Updated maintenance plans need to be developed in order to properly maintain the subprojects.

The Departmental Development Corporation/Cajamarca and Departmental Development Corporation/Junin had not implemented an equipment maintenance plan due to poor management practices. As a result, a high proportion of project equipment was out of service. We recommended that updated equipment maintenance plans be prepared and implemented.

Neither the Departmental Development Corporation/Cajamarca nor the Departmental Development Corporation/Junin had adequate inventory control systems because of poor management. As a result, AID-financed equipment was vulnerable to theft or misuse. An effective invertory control system needs to be established.

According to a Departmental Development Corporation/Cajamarca official, a substantial portion of beneficiaries in one village did not believe they needed to repay the loan because the national government in another town near Cajamarca had promised the people free power. If this situation becomes widespread, the project's market town development fund will become depleted and other electrification projects will not be built. An aggressive collection policy and a promotional program needs to be developed in order to collect delinquent loan payments.

ElectroPeru's subsidiary company in Cajamarca, Hidrandina, S.A., had been collecting electrification loan payments but not remitting the proceeds to the Housing Bank until several months later. Due to the late collection of remittances, the project's market town development fund was losing the benefit of this money. An effective monitoring system needs to be established to ensure that electricity collections are remitted in a timely manner.

The Housing Bank had not established adequate accounting records to separately account for the market town development fund or the interest earned on the cash balances. If the bank does not adequately account for fund transactions, monies could be diverted for non-project purposes. The Housing Bank should separately account for the transactions of the market town development fund and a legal opinion needs to be obtained to determine whether Intermediate Credit Institutions should be allowed to earn interest on idle cash derived from AID loan advances.

Three sets of IBM computers and printers were procured for the Municipality of Huancayo and the Departmental Development Corporation/Junin to be used in the collection of cadaster data. Three new printers had not been delivered by the local dealer at the time of our review, but they have now been received by the Municipality of Huancayo.

Office of the Inspector General

AUDIT OF
USAID/PERU
INTEGRATED REGIONAL DEVELOPMENT
PROJECT NO. 527-0178

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PART I - INTRODUCTION

A. Background

Peru is a example of a "dual economy" -- a dynamic, urbanizing, modern sector concentrated on the coast, particularly in Lima/Callao, coexisting with a traditional, essentially rural sector based on the sierra (the Andes mountain region of Peru). A highly disproportionate share of economic, social, financial, and cultural activities are concentrated in Lima and other coastal centers. The sierra, on the other hand, is characterized by sparse population and relatively poor physical and economic integration.

This extreme modern/traditional dichotomy has resulted in serious adverse effects for both areas. For the sierra it has meant: low income; migration of the more productive segment of the population; and a dependence on subsistence and low-technology methods of production.

For the metropolitan areas of the coast, the result has been an unprecedented flood of immigration, causing serious deficiencies in housing, social services, and employment.

The goal of the project was to further the socio-economic development of priority sierra and high jungle regions of Peru (located on the eastern slopes of the Andes), with emphasis on increasing employment and income opportunities for the poor population in key market towns and surrounding rural areas. The project's target group consists of poor small farmers and landless or near landless agricultural workers in the departments of Junin and Cajamarca.

The Integrated Regional Development project began on June 28, 1979; the current project assistance completion date is December 31, 1986. The project had a budget of $23.1 million, including $16.6 million in AID funds and $6.5 million in host country contributions. Accrued AID expenditures totalled $13.5 million as of March 31, 1986.

The implementing agencies are the departmental development corporations of Cajamarca and Junin and the municipalities of Cajamarca and Huancayo. In addition, the project was to assist two central government institutions, the General Directorate for Coordination of Departmental Development Corporations and the National Institute for Municipal Development.

The project's purpose was to strengthen Peru's decentralized regional planning and project implementation capability at national, departmental and municipal levels, and to finance the execution of priority subprojects in selected market towns and rural works in the Departments of Junin and Cajamarca.

The selected market town subprojects were to be financed through a $5.6 million market town development loan fund established in the Housing Bank of Peru. The Housing Bank was to channel resources to revenue-generating subprojects, such as rural electrification, once they have been analyzed, developed and approved by the departmental development corporations of Junin and Cajamarca.

A $10 million rural public works fund was to be used to finance non-self-financing rural public works such as roads in the same departments.

B. Audit Objectives and Scope

The Office of the Regional Inspector General for Audit/Tegucigalpa performed a program results audit of USAID/Peru's Integrated Regional Development project. The audit covered activities from June 28, 1979 through March 18, 1986, and covered $12.9 million in AID accrued expenditures as of December 31, 1985.

Audit field work was conducted from January 22, 1986 through March 18, 1986. The project had not been audited previously. The audit objectives were to evaluate:

-- the project's effectiveness in achieving planned results,

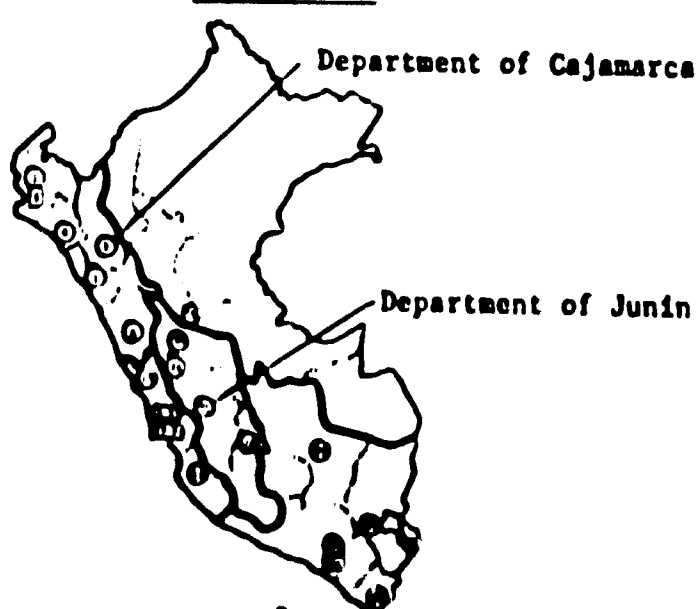
-- the efficiency of project operations,

-- the adequacy of internal controls, and

-- compliance with AID requirements.

To accomplish these objectives project files were reviewed, and officials of USAID/Peru, Departmental Development Corporation/Cajamarca and Departmental Development Corporation/Junin were interviewed. Several of the rural public works and market town development fund projects were visited. The audit was performed in accordance with generally accepted government auditing standards.

Map of Peru



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PART II - RESULTS OF AUDIT

The effectiveness of the Integrated Regional Development project was limited by weaknesses in the design of subprojects and by the lack of funding to complete several subprojects. The efficiency of project operations was inhibited due to the lack of effective systems to maintain both completed subprojects and equipment. Internal controls did not provide reasonable protection against waste, misuse, or theft of project equipment. The audit also disclosed several instances of non-compliance with AID requirements. Project funds lent to beneficiaries in order to install electricity were, in some cases, not being repaid and the agency collecting the funds was slow in remitting the collections to the Housing Bank. The Housing Bank had not established separate accounting records for the project's market town development fund. Although the local IBM concessionaire had been paid-in-full by USAID/Peru for computers and printers, only the computers had been delivered.

The major outputs under the project included an improved Government of Peru (GOP) capacity to plan and execute regional development subprojects through the Departmental Development Corporations of Cajamarca and Junin. In addition, the project called for the development of a series of market town and rural infrastructure investments. According to the project's final evaluation in June 1985, decentralized planning had, in general, improved.

As of September 30, 1985, 40 subprojects were completed under the Rural Public Works Fund. These projects consisted primarily of small-scale irrigation and secondary/access roads. Under the market town development fund, eight subprojects were completed, and 14 were under construction. These subprojects were primarily electrification projects.

The report recommends that: (1) the Departmental Development Corporations of Cajamarca and Junin establish effective inventory control systems; reevaluate improperly designed projects and; establish effective equipment and subproject maintenance programs, (2) the Departmental Development Corporation/Cajamarca develop a funding plan to complete all AID-financed subprojects, (3) the Housing Bank obtain collections through ElectroPeru, Peru's national electric company, within 15 days with an attached listing of borrowers paid; institute an aggressive collection policy through ElectroPeru; set up separate accounting records for the town marketing development revolving loan fund, and (4) USAID/Peru require the local IBM dealer to deliver the AID financed printers to Huancayo; and obtain a legal opinion from AID/Washington to determine whether the project or AID is entitled to the interest earned by the Housing Bank on AID loan advances.

A. Findings and Recommendations

1. Subprojects Were Improperly Designed

According to the Departmental Development Corporation (CORDE) project design manual and section B.2 of the project agreement, all subprojects must be properly evaluated and designed prior to the commencement of work. Some of the CORDEs' subprojects were improperly designed, and therefore, the subprojects had not succeeded or were not progressing as planned. The main reason for the design failures was a lack of site visits to verify their adequacy. If subprojects are not properly designed, their intended benefits will not be realized.

Recommendation No. 1

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca and the Departmental Development Corporation/Junin have reevaluated improperly designed projects, and have applied proper design procedures and criteria to ensure completion of the subprojects.

Discussion

According to the CORDEs' subproject design manual approved by USAID/Peru, the procedures and criteria to be used in selecting subprojects were divided into four basic sections: subproject identification and screening; project appraisal methodology and procedures; programming investment packages; and impact evaluation. Also, section B.2 of the project agreement stated that the host government will carry out the project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices.

The following steps were to be taken at CORDE/Cajamarca in order to complete subproject design studies:

- a surveyor, engineers, and a draftsman were to do the design work;
- an executive director (civil engineer) was to analyze the design, conduct a physical on-site study, and prioritize the work;
- the directorate of public works was to be sent the design after the work was approved. The directorate was to designate a team to execute the work;
- each project was to be assigned a foreman, sub-foreman, skilled laborers and social workers.

According to a CORDE/Cajamarca engineer, however, no supervisory on-site feasibility evaluations were being done on some subprojects to ensure that subproject design work was adequate to properly build the subproject.

At both CORDE/Cajamarca and CORDE/Junin, we observed that projects had not been designed properly and were therefore paralyzed or not progressing properly. For example, the San Marco/El Azufre road subproject in Cajamarca had not been completed as planned. The road was listed as being 7.2 kilometers long, but after travelling no more than 1/2 kilometer the road abruptly ended at the edge of a small river. The CORDE/Cajamarca engineer explained that the project was poorly designed and the bridge which was to be built was never constructed due to local opposition. The engineer said the solution was to cut the road from a different angle, approximately 2 1/2 kilometers farther upriver. The USAID/Peru project manager stated that, although the bridge was not constructed, the road which continued on the other side of the river was complete.

The Yanacocha/Bambamarca Irrigation canal in Cajamarca was only 10.2 percent completed. It was started in October 1983 and no work had been done on it in 1985, nor were any funds budgeted for 1986. A CORDE engineer stated the CORDE had not designed this project; it was designed by the Ministry of Agriculture. After the CORDE took over building the canal, an adequate technical study was not undertaken. Subsequently, the project met with community resistance. Opposition from the community paralyzed this project and the CORDE cannot continue work until the community resolves its differences.

On the field trip to CORDE/Junin, several design study problems were observed. For example, the Queta Tapa irrigation canal study called for a 12-kilometer irrigation canal with a 2-kilometer tunnel. The study indicated that during the dry season the canal would collect 70 liters per second of the 113 liters per second of river flow. According to a Ministry of Agriculture study, however, river flow was only 15 liters per second. Therefore, a decision was made to halt the project after 8.4 kilometers had been completed.

Management Comments

The Mission stated that it will take corrective action on this recommendation and advise us once it is complete.

2. Funding Had Been Inadequate to Complete Rural Works Subprojects

Section 3.3 of the project agreement states that the GOP agrees to provide or cause to be provided for the project all funds, in addition to the loan and grant, and all other resources reasonably required to carry out the project effectively and in a timely manner, in accordance with the objectives of this agreement. The CORDE/Cajamarca had not been able to complete several of its rural works subprojects because funds had not been budgeted for this purpose. The CORDE will have to either request a supplementary budget or reprogramming of its budgetary funds from the Peruvian Congress in order to obtain the necessary monies to complete the AID financed-subprojects. Because funds had not been budgeted to complete these subprojects, the anticipated benefits/goals will be delayed or not realized.

Recommendation No. 2

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca has available and programmed sufficient funding to complete all AID-financed subprojects.

Discussion

Section 3.3 of the project agreement states that the GOP agrees to provide or cause to be provided for the project all funds, in addition to the loan and grant, and all other resources reasonably required to carry out the project effectively and in a timely manner, in accordance with the objectives of the agreement.

Presently there are several subprojects that have not been completed and the CORDE/Cajamarca budget does not contain the funds to complete these projects. For example, the Huanuco/Piobamba road was started in May 1983 and was 39 percent complete at the time of our review. The CORDE engineer said no money had been budgeted for the subproject; therefore, no work will be done on it in 1986.

Also, the Sucre/Oxamara road was only 74 percent complete. Again, no work was done on the project in 1985 due to lack of funds. In 1986, $17,250 had been budgeted but the responsible engineer did not believe this would be enough money to complete the project.

In addition, the Quebrada Honda road and bridge subproject was listed as complete but the engineer said it had not been finished. According to the engineer, the bridge is only partially complete mainly due to an administrative error on the part of the CORDE. The engineer said that the CORDE could not pay the bills submitted by the contractor in 1983 with 1984 funds. According to the engineer, most material for the bridge had been bought and was stored at the maintenance yard. But no funds had been budgeted for the project in 1986.

There are 46 small development subprojects costing under $10,000 of which the CORDE engineer said only about 37 are complete. But no funding was available in the CORDE's 1986 budget to finish the other nine.

Under Section 3.3 of the project agreement, the GOP is obligated to fund those nine projects. Estimating that these projects are about half complete, a cost efficiency savings of $45,000 can be realized by obtaining GOP funds to complete them. The CORDE/Cajamarca must obtain the necessary funds from the Peruvian Congress through either a supplementary budget or a reprogramming of budgeted funds.

Management Comments

The Mission requested that the recommendation's wording be modified.

Inspector General Comments

We accepted the Mission's recommended change; however, appropriate documentation has not been received to close this recommendation.

3. Subprojects Had Not Been Properly Maintained

Government of Peru Decree No. 062-35-TC, dated November 30, 1985, gives the CORDEs maintenance responsibility for roads, bridges, culverts and ditches. During visits to both Cajamarca and Junin, we observed subprojects that had not been properly maintained. No maintenance plan existed at either CORDE/Junin or CORDE/Cajamarca to ensure these subprojects would be systematically maintained. Due to inadequate maintenance, the subprojects cannot fully achieve their goals/objectives and the targeted communities are not receiving the subprojects' full benefits.

Recommendation No. 3

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporations in Cajamarca and Junin develop maintenance plans in order to properly maintain their subprojects.

Discussion

Article 2 Government of Peru Decree No. 062-35-TC, dated November 30, 1985, states: "it is the responsibility of each CORDE within its prescribed territory to implement a program of planning, construction, improvement, rehabilitation and maintenance of roads, bridges, culverts and ditches."

During an inspection of certain subprojects, we observed that subprojects were deteriorating due to lack of maintenance. An inspection of the San Marcos/Shitamarca road, which had only been completed as of March 1985, revealed that drainage ditches were filling in and pot holes and surface buckling had developed in several portions of the highway. According to the CORDE/Cajamarca engineer, the responsibility to maintain the roads belonged to the community, and not the CORDE.

Additionally, in Junin we observed that several roads were in need of maintenance. In certain instances, the shoulders of the roads were completely washed out. These roads included:

Roads	Kilometers
Verde Pata/Chupa	3.5
Conchapaca/Cochapampa/ Todos los Santos	10.0
Chaca/Cochas (only observed 8 kilometers)	17.0
Todos los Santos/Yarumiga	1.0

Due to inadequate maintenance, the subprojects will not achieve their goals/objectives and the targeted communities will not receive full subproject benefits.

Management Comments

The Mission stated that it will implement corrective action on this recommendation and advise us once it is complete.

4. Equipment Maintenance Was Inadequate

According to USAID/Peru's approved maintenance plan for CORDE/Cajamarca (the maintenance plan for CORDE/Junin could not be found) and sound management practices, all project equipment should be properly maintained through a comprehensive maintenance plan. The CORDE/Cajamarca and CORDE/Junin had not implemented such a plan due to poor management practices. As a result, an inordinate amount of project equipment was out of service and, in one instance, a crucial piece of equipment had not been operating for 2 1/2 years (See Exhibit 1). A poor maintenance program inhibits the CORDEs' ability to successfully carry out their project goals/objectives.

Recommendation No. 4

We recommend that USAID/Peru obtain evidence that Departmental Development Corporation/Cajamarca and Departmental Development Corporation/Junin have prepared updated maintenance plans for their equipment and that implementation of these plans has started.

Discussion

The USAID/Peru approved maintenance plan requires the following:

- equipment be maintained in accordance with the manufacturer's standards;

- requirements and services to be performed on equipment should be registered in an operator's/maintenance report;

- the services to be performed would include preventive, field, mechanic shop or dealer maintenance;

- minor repairs will be made in the mechanic shop or in the field under a chief mechanic, and major repairs will be made by an authorized dealer or mechanic's shop;

- after a repair is completed, a report will be prepared indicating the causes of the breakdown and recommendations to avoid the problems in the future;

- fuel, lubricants and spare parts will be kept on record cards.

According to both the CORDE/Cajamarca's General Manager and the Maintenance Supervisor, CORDE/Cajamarca did not have a maintenance plan in place in order to properly maintain project equipment. Consequently, it was found that close to 40 percent of project equipment was deadlined as of March 6, 1986.

The maintenance supervisor said he had no routine equipment maintenance schedule for such things as oil changes and tune-ups. Also, spare parts stockage was inadequate. Most spare parts had to be obtained from Lima; therefore, the equipment, in certain cases, was not available for long

periods of time. Also, there were instances of spare parts not being bought because they were too expensive. In addition, one major problem was the non-use of a lubrication truck, a valuable piece of maintenance equipment. The vehicle had not been used for 2-1/2 years due to a broken steering part which, according to the maintenance supervisor, could not be obtained in Peru. According to the project officer, the CORDE had never contacted him about this problem. Since the lubrication truck is not in service, the maintenance supervisor said project vehicles must come to the maintenance yard for lubrication.

At CORDE/Junin several maintenance problems were observed. The Executive Manager stated that the CORDE/Junin did not have a vehicle/equipment maintenance plan in operation but that one was being developed.

According to its transportation officer, CORDE/Junin had approximately 22 vehicles of which 7 were out of order. This indicated that preventive maintenance was weak.

While inspecting one of the public works projects, a bulldozer was observed whose gears were in bad condition and whose high pressure hoses were leaking. The operator said that the odometer had been broken since July 1985 and, although he had reported the situation to the maintenance office, necessary repairs had not been made.

At the maintenance yard we observed a tractor being repaired. According to the maintenance supervisor, the tractor showed the type of wear that occurs after five or six years of use, but that vehicle had only been operating for three years. Its condition was apparently due to inadequate maintenance.

Another example of poor maintenance was a dump truck that had not been operating for more than a year due to a broken differential. The operations manager stated that, up to October 1985 when the new administration took over, there was no explanation in the files why the truck had not been repaired. Since then, the truck had not been repaired due to a lack of funds. All these examples underline the fact that poor maintenance seriously inhibits the CORDEs' ability to successfully carry out their project goals/objectives.

We estimated that an improved equipment maintenance program could produce a significant savings. The value of project equipment was about $1.2 million and, assuming a useful life of ten years, the equipment depreciates $120,000 annually. Since the equipment is about four years old, equipment depreciation has amounted to $720,000. At the time of our audit about 30 percent of the project equipment was out of service due to lack of maintenance. Under an effective maintenance program the downtime factor for heavy construction equipment is 20 percent. By reducing the downtime by 10 percent an efficiency savings of $72,000 can be realized.

Management Comments

The Mission stated that it will implement corrective action on this recommendation and advise us once it is complete.

5. Inventory Control of Equipment and Material Was Poorly Managed

According to the project agreement and sound management practices, all project equipment should be properly safeguarded through a sound inventory control system. Neither the CORDE/Cajamarca, nor the CORDE/Junin have adequate inventory control systems because of ineffective management. As a result, AID equipment was vulnerable to theft or misuse.

Recommendation No. 5

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca and the Departmental Development Corporation/Junin have established sound inventory control systems in order to safeguard equipment from theft and misuse.

Discussion

Section B.5 of the project agreement requires that the host government maintain books and records relating to the project and to the agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the loan and grant.

At the CORDE/Cajamarca's maintenance yard an attempt was made to inventory the accessory equipment under the project. The inspection revealed that the warehouseman in charge had no receiving reports of what equipment had been procured under the project. Therefore, it could not be determined how much project equipment had been received or issued. Although there were individual inventory cards for the AID equipment, no inventory control card files containing receiving or issuance reports were maintained for sound internal control purposes.

As for vehicles, the maintenance yard supervisor was able to present a master equipment list that listed AID vehicles, but again no receiving reports were available in order to properly account for the amount of equipment procured under the project. There were no individual inventory control cards maintained on any vehicles.

At CORDE/Junin, it was discovered that when the project equipment was transferred from the prior project implementing agency (Proderin) to the CORDE, no receiving reports or invoices were transferred. Therefore, the CORDE had no way of knowing what it was supposed to have. In addition, no individual inventory cards were being kept on the equipment.

Due to weak inventory controls, two compressors had been left at a customs yard for three years without the CORDE's knowledge. Additionally, we observed that certain tools belonging to a mobile maintenance unit had not all been accounted for on the inventory.

Because property inventories were not adequately segregated, it was very difficult to determine what pieces of equipment were procured under the project. Finally, we found that the CORDE/Junin kept no records on the location of its vehicles. Due to weak inventory controls project equipment was considered vulnerable to theft or misuse.

In order to adequately protect AID equipment from theft and/or misuse, it is important that a sound inventory control system be established. This would include the establishment of inventory control cards which would indicate what has been received and issued. These postings would be based on warehouse receiving and issuance documentation. Periodic physical inventories should be conducted and differences (overages/shortages) reconciled. After authorization from management, the inventory control cards should be adjusted to the physical inventory.

Management Comments

The Mission stated that it will implement corrective action on this recommendation and advise us once it is complete.

6. Repayments to the Market Town Development Fund Need to Be Pursued

The market town development loan fund was used to construct electrification projects in the departments of Cajamarca and Junin. Under Article 6B of the contract agreement between the Housing Bank and ElectroPeru, once electricity is installed in a village the beneficiaries have the responsibility to repay the loan. According to a CORDE/Cajamarca official, a substantial portion of beneficiaries in one village did not believe they needed to repay the loan because the national government had promised the people free power in another town near Cajamarca. If this situation becomes widespread, the project's market town development fund will become depleted and other electrification projects will not be built. Therefore, an aggressive collection policy should be implemented and a promotional program developed to explain to the people the importance of paying back their loans so that others can also obtain electricity.

Recommendation No. 6

We recommend that USAID/Peru obtain evidence that the Housing Bank, in consultation with ElectroPeru and its regional power company affiliates, have instituted an aggressive collection policy and a promotional program in order to collect delinquent loan payments related to electricity service.

Discussion

The market town development loan fund was used to construct electrification projects in the departments of Cajamarca and Junin. Under Article 6B of the contract agreement between the Housing Bank and ElectroPeru, once electricity is installed in a village the beneficiaries have the responsibility to repay the loan.

According to a CORDE/Cajamarca official, ElectroPeru's subsidiary in Cajamarca, was having difficulty collecting the loan installments from about 25 to 30 percent of the subscribers at the "10 New Villages" subproject. According to the CORDE manager, some people did not believe they had to pay because the government in a nearby town had promised the people free power.

If this situation becomes widespread, the project's market town development fund will become depleted and the funds will not be available to build other projects. Therefore, an agressive collection policy should be implemented and a promotional program developed to explain to beneficiaries the importance of paying back the loan so that other poor people can also obtain electricity.

Management Comments

The Mission stated that it will implement corrective action on this recommendation and advise us once it is complete.

7. Remittances by ElectroPeru to the Housing Bank Needed Improvement

According to an agreement between ElectroPeru and the Housing Bank, collections shall be remitted to the bank within 15 days of receipt with a listing of the borrowers who paid. ElectroPeru's subsidiary company in Cajamarca, Hidrandina, S.A., had been collecting electrification subproject installment payments but not remitting the funds to the Housing Bank until several months later. This situation was due to poor management practices on the part of Hidrandina. Due to the late receipt of remittances, the money was not available to benefit others. Additionally, if detailed borrower lists are not attached to the collection report, the bank cannot make the individual postings and thus interest continues to accrue incorrectly against the individual accounts.

Recommendation No. 7

We recommend that USAID/Peru obtain evidence that the Housing Bank has developed effective monitoring practices so that collections under the electrification loan element of project 527-0178 are remitted from regional power company affiliates within 15 days of collection along with a listing of those who have paid and who are delinquent.

Discussion

Agreement No. CR-127-81, dated August 1981, between the Housing Bank and ElectroPeru at Article 5, Paragraph (2) states that loan collections shall be remitted to the bank no later than 15 days after collection with a copy of individual contracts attached. Also, the bank should send a listing of all the borrowers who have paid their monthly installments. ElectroPeru's subsidiary company in Cajamarca, Hidrandina, S.A., had been collecting electrification subproject installment payments but not remitting the funds to the Housing Bank until several months later.

For example, in October 1985, Hidrandina sent the Housing Bank a remittance for $4,907. This remittance included collections for the months of April, May, June, July, August and September 1985. In this case, Hidrandina held collections for up to 5 months longer than agreed upon. In addition, a detailed list of borrowers who had paid was not attached.

Remittance delays are due to poor management practices on the part of Hidrandina. Due to the late receipt of remittances, the project's market town development fund held by the Housing Bank is losing interest. Additionally, if detailed borrower lists are not attached, the bank cannot make the individual postings and, thus, interest continues to accrue incorrectly against the individual's account.

Management Comments

The Mission stated that it will implement corrective action on this recommendation and advise us once it is complete.

8. Special Account for Market Town Development Fund Can Be Strengthened

Condition precedent 5.4(b) of the project agreement required the Housing Bank to separately account for the transactions of the fund. We found that the Housing Bank had not established adequate accounting records to separately account for this fund and that the bank had earned about $88,000 in interest on the cash balances of the fund mainly derived from AID loan advances. If the bank does not adequately account for the transactions of the fund, monies could be diverted for non-project purposes; also, the interest earned on the cash balances of the fund may not be transferred to the fund or to AID as may be required. The AID Handbooks do not address the issue of whether an Intermediate Credit Institution (ICI) such as the Peruvian Housing Bank, should be allowed to earn interest on idle cash derived from AID loan advances and whether this interest income should be used to capitalize the credit fund or be refunded to AID. For the above reason, we believe USAID/Peru should obtain a legal opinion from AID/Washington to determine what corrective action is needed and that AID/Washington should provide guidance on this matter in the AID Handbooks.

Recommendation No. 8

We recommend that USAID/Peru obtain evidence that the Housing Bank is separately accounting for the transactions of the Market Town Development Fund.

Recommendation No. 9

We recommend that USAID/Peru:

a. obtain a legal opinion from the Office of the General Counsel, AID/Washington, in consultation with the Assistant Administrator for Program and Policy Coordination, regarding whether ICIs, such as the Peruvian Housing Bank, should be allowed to earn interest on the idle cash derived from AID loan advances, and whether the interest earned should be used to capitalize the credit fund or be refunded to AID; and

b. based on this legal opinion, USAID/Peru should either ensure that the interest earned by the Housing Bank (about $88,000) is transferred to the credit fund or returned to AID.

Discussion

Condition precedent 5.4(b) of the project agreement required evidence that: the Housing Bank had established a special account for the Market Town Development Fund; this account will be maintained separate from other Housing Bank capital; and recuperation of subloan principal and interest (less a commission) will return to this account for further market town development sublending in the designated regions.

USAID/Peru approved the condition precedent on December 30, 1980 by Implementation Letter No. 17. However, the evidence submitted by the GOP to satisfy this condition precedent could not be found in USAID/Peru's files.

The Housing Bank had not established adequate accounting records to separately account for the transactions of the fund. The transactions of the fund were recorded in the same accounts as other transactions of the Housing Bank.

Also, the Housing Bank had earned interest on the cash balances of the fund generated from AID loan advances and subloan recoveries. The cash of the fund was commingled with the cash of the Housing Bank in an interest-bearing account at the Central Bank of Peru.

In Exhibit 2 of this report, it is estimated that the Housing Bank had earned the equivalent of about $88,000 on the cash balances of the fund over the 32-month period ending March 31, 1986. If the Housing Bank properly accounts for the interest earned on the cash balances in the fund, it is estimated that either AID or the project might benefit by about $33,000 a year. This estimate was based on the average monthly interest-earnings over the last 32 months of $2,750 times 12 months.

If the Bank does not adequately account for the transactions of the fund, money could be diverted for non-project purposes; also, the interest earned on the cash balances of the fund may not be transferred to the fund or AID as may be required.

The AID Handbooks do not address the issue of whether an ICI should be allowed to earn interest on idle cash derived from AID loan advances and whether the interest earned should be used to capitalize the credit fund or be returned to AID. The standard provisions for AID grant agreements explicitly require that the interest earned be refunded to AID. However, the standard provisions for AID loans do not discuss this issue. For this reason, it is believed that USAID/Peru should obtain a legal opinion to determine what corrective action is needed.

Management Comments

In Appendix 1, State 140362 provides Office of Financial Management (M/FM) policy guidance on interest earnings on loan project advances. While no strict prohibition against an implementing agency earning and retaining interest on loan funds exists, the preferred course of action, from a management point of view, is that advances be provided to meet the organization's cash needs rather than for the purpose of providing income. Given this guidance, the Mission will emphasize AID's cash management guidelines and seek to limit advances to amounts required for immediate disbursements. However, where some incidental project interest earnings accrue on AID advances, refunds of these amounts will not be pursued.

Inspector General Comments

As a result of our recent audit of another USAID/Peru project (Private Sector Agricultural Investment Promotion, Audit Report No. 1-527-86-16), USAID/Peru requested and received a guidance cable (State 140362) from the Controller's Office in AID/Washington (see Appendix 1). The cable stated, in part, that when dealing with an ICI a distinction has to be made between advancing funds to assist with implementation or disbursing funds in order to capitalize the ICI. In the case where funds are advanced to assist the ICI in meeting its cash needs, then the AID policy of providing for immediate cash requirements should be followed. The M/FM did not feel that an advance, even though issued to an ICI from loan funds, should be permitted to provide income. The cable concluded that M/FM was unable to find any guidance or references that support a different position.

It was found that the AID Missions in Latin America appeared to follow no consistent policy with respect to interest earned on AID loan funds advanced to ICIs. For example, our recent audit of another USAID/Peru project (Private Sector Agricultural Investment Promotion) disclosed that USAID/Peru did not allow the ICI involved to earn interest on idle cash derived from AID loan advances with the result that the ICI lost about $800,000 in interest income that could have been used to capitalize the credit fund. In another on-going audit of a ROCAP/Guatemala project (Export Promotion Fund), we found that ROCAP/Guatemala authorized the ICI involved to earn interest on the idle cash derived from AID loan advances and that these interest earnings had increased the capital of the credit fund by $2.3 million during the three-year period ending December 1985.

For the reasons stated above, we believe it important that AID Handbooks provide policy guidance on this issue based on a well-researched legal opinion.

9. Computer Equipment Needed to Be Delivered

USAID/Peru's standard procurement practice calls for final payment to be made to a supplier upon presentation of air weighbills and all other documentation proving goods have arrived in country. Three sets of IBM computers and printers were procured for the Municipality of Huancayo and the CORDE/Junin to be used in the collection of land ownership data. Prior to the delivery of the computers and printers, the IBM dealer lent the project used equipment. When the new equipment arrived, the local dealer cleared the equipment through customs but he only delivered the computers. According to AID's procurement office, these printers were paid for in full because the proper documentation was presented by the dealer. The Municipality in Huancayo attempted on several occasions to pressure the local dealer into delivering the missing printers, but to no avail. The situation had caused the Municipality delays in processing land ownership data which is necessary to determine the amount of money landowners have to pay in municipal taxes.

Recommendation No. 10

We recommend that USAID/Peru require the local IBM dealer to deliver the printers to Huancayo as soon as possible.

Discussion

USAID/Peru's standard mission procurement practice calls for final payment to be made to a supplier upon presentation of air weighbills and all other documentation proving goods have arrived in country.

Three sets of IBM personal computers and printers were procured under the project for the Municipality of Huancayo and the CORDE/Junin. Prior to the delivery of the computers and printers, the IBM dealer lent the project used equipment. When the new computer equipment arrived, the local dealer cleared the equipment through customs but he only delivered the computers.

According to AID's procurement office, these printers were paid for in full because the proper documentation was presented by the dealer. The Municipality in Huancayo had attempted on several occasions to have the local dealer deliver the missing printers, without success. This situation had caused the Municipality delays in processing cadaster data which is necessary to determine the amount of money landowners have to pay in municipal taxes.

Management Comments

USAID/Peru advised us that all AID-procured printer equipment has now been delivered.

Inspector General Comments

Recommendation No. 10 is closed upon issuance of this report.

B. Compliance and Internal Controls

1. Compliance

The audit disclosed three compliance exceptions:

-- The Departmental Development Corporations of Cajamarca and Junin equipment maintenance programs did not comply with standards established in the project agreement (Finding 4).

-- Electrification beneficiaries are reluctant to repay revolving fund loans (Finding 6).

-- ElectroPeru had not made timely electrification subproject installment remittances to the Housing Bank (Finding 7).

Other than the conditions cited, nothing came to our attention that would indicate that untested items were not in compliance with applicable laws and regulations.

2. Internal Controls

We noted two internal control exceptions:

-- The Departmental Development Corporations of Cajamarca and Junin did not provide reasonable inventory control protection against waste, misuse or misappropriation (Finding 5).

-- The Housing Bank had not established an adequate accounting system to separately account for the Town Marketing Development Fund (Finding 8).

Except for the two internal control weaknesses cited, internal controls were found to be adequate and operating in a satisfactory manner.

AUDIT OF
USAID/PERU
INTEGRATED REGIONAL DEVELOPMENT
PROJECT NO. 527-0178

PART III - EXHIBITS AND APPENDICES

PROJECT EQUIPMENT LOCATED AT CORDE/CAJAMARCA

EQUIPMENT	STATUS
3 Dump Trucks	2 operating 1 broken down for 1 month needed ball bearings
1 Lubrication Truck	Broken down for 2 1/2 years. Steering wheel broken; part reportedly not available in Peru
1 Platform Truck	Operating
1 Mounted Repair Shop Truck	Operating
2 Jeep Cherokees	Operating
4 Bulldozers	2 operating 2 broken down (1 down for 2 months and the other for 2-3 months)
1 Front Loader	Broken down for 1 week
2 Compressors	1 operating 1 buried under 10 meters of earth
2 Pickup Trucks	1 operating 1 broken for 3 days
1 Chevy Suburban	Out of operation for 2 years because of broken transmission (USAID donated vehicle)

PROJECT EQUIPMENT LOCATED AT CORDE/JUNIN

EQUIPMENT	STATUS
2 Bulldozers	Operating but in bad condition
1 Bulldozer	Broken down for 4 months
1 Front Loader	Operating
1 Truck with Mobile Repair Shop Unit	Truck operating without mobile repair shop unit
1 Platform Truck	Operating
2 Dump Trucks	Operating
1 Lubrication Truck	Operating
1 AMC Station Wagon	Operating
1 Dump Truck	Broken down for more than 1 year

EXHIBIT 2

ESTIMATE OF INTEREST EARNED
FROM JUNE 1983 THROUGH MARCH 1986
ON CASH BALANCE OF MARKET DEVELOPMENT REVOLVING FUND
(in Thousand of Intis)

(1) MONTH	(2) MONTHLY INTEREST RATE 1/	(3) ACTUAL CASH BALANCE	(4) CUMULATIVE INTEREST EARNED PRIOR MONTHS (SUM OF 6)	(5) CALCULATED CASH BALANCE (3 + 4)	(6) INTEREST EARNED CURRENT MONTH (5 X 2)
06/83	3	200	0	200	6
07/83	3	0	6	6	0
08/83	3	769	6	775	23
09/83	3	769	29	798	24
10/83	3	446	53	499	15
11/83	3	446	68	514	15
12/83	3	399	84	483	14
01/84	3	365	98	463	14
02/84	3	73	112	185	6
03/84	3	70	118	188	6
04/84	3	33	123	156	5
05/84	3	0	128	128	4
06/84	3	0	132	132	4
07/84	3	0	136	136	4
08/84	3	0	140	140	4
09/84	3	0	144	144	4
10/84	3	0	148	148	4
11/84	3	1,074	153	1,227	37
12/84	3	1,067	190	1,257	38
01/85	3	276	227	503	15
02/85	3	12	243	255	8
03/85	3	0	250	250	8
04/85	3	0	258	258	8
05/85	3	0	265	265	8
06/85	3	0	273	273	8
07/85	3	5,653	282	5,935	178
08/85	3	6,952	460	7,412	222
09/85	3	5,314	682	5,996	180
10/85	3	4,547	862	5,409	162
11/85	3	900	1,024	1,924	58
12/85	3	108	1,082	1,190	36
01/86	3	0	1,118	1,118	34
02/86	3	0	1,151	1,151	35
03/86	3	0	1,186	1,186	36
			Total Intis		1,221
			Total Dollars 2/		$88,000

1/ Interest rate was estimated by auditors because Housing Bank did not provide data.
2/ Rate of exchange was I.13.93 to $1.00.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Coinage N. Gothard, RIG/A/T

DATE: June 09,1986

FROM : Mr. George A. Hill, Acting Director
USAID/Peru

SUBJECT: Mission comments on Draft Audit Report on USAID/Peru Integrated Regional Development Project No. 527-0178

The subject draft Audit Report has been reviewed and the following comments are provided for your use in preparation of the final report.

Executive Summary

Reference to total accrued expenditures as of 3/31/86 should be $13.5 million ($12.0 loan and $ 1.5 grant) rather than $11.9 million. Regarding computer equipment, full delivery has now been made as indicated in Lima 4670, attachment A.

Part I - Introduction

Reference to accrued expenditures should be as noted above.

Results of Audit

1. The last sentence of the second paragraph on page nine should be changed to read "CORDE cannot continue.....".

2. Regarding recommendation No. 2 and identifying financing for subproject completion, the recommendation seems to be focussed at additional Government of Peru funding:

" We recommend that USAID/Peru obtain evidence that Departmental Development Corporation/Cajamarca or another Government of Peru funding source under Project Agreement No. 527-0178 has provided the funds necessary to complete all AID-financed subprojects."

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

25

We request the audit narrative and the recommendation clearly leave open the possibility of using project loan funds for financing additional subproject construction. The recommendation could read:

"We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca has available and programmed sufficient funding to complete all AID financed subprojects."

3. On page 12, para 3, reference is made to the "Tullpana road and bridge subproject" but the case described is the "Quebrada Honda road and bridge" subproject.

4. Regarding recommendation No. 8(b), State 140362, attachment B, provides M/FM policy guidance on interest earnings on loan project advances. While no strict prohibition exists to an implementing agency earning and retaining interest on loan funds, the preferred course of action, from a management point of view, is that advances be provided to meet the organization's cash needs rather than for the purpose of providing income. Given this guidance, the Mission will emphasize AID's cash management guidelines and seek to limit advances to amounts required for immediate disbursements. However, where some incidental project interest earnings accrue on AID advances, refunds of these amounts will not be pursued.

Based on the above information and attachments A and B, please advise if recommendations number 2 and number 9 may now be considered closed. The Mission will continue to implement corrective actions on the remaining recommendations and advise the results of these actions once they are completed. If further clarification on the points raised above is necessary, please contact me prior to publication of the final audit report.

UNCLASSIFIED STATE 140362

ACTION: AID-2 INFO AMB DCM CERON

USAID/LIMA
MAIL ROOM
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APPENDIX 2

VZCZCPLO815
PP RUEHPE
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P 0516172 MAY 86
FM SECSTATE WASHDC
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UNCLAS STATE 140362

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05 MAY 86 1619
CN: 23771
CHRG: AID
DIST: AID

dw dell 5/7

ACTION COPY
ACTION TAKEN: NAN
DATE: 5/6/86
INITIALS: MB

ADM AID TO USAID CONTROLLER FROM M/FM/LMD

E.O. 12356: N/A
TAGS:
SUBJECT: AID LOANS, INTEREST EARNINGS ON ADVANCES

REF.: LIMA 02809

1. THE FOLLOWING REPRESENTS FM'S CURRENT GUIDANCE ON LOAN ADVANCES.

2. THE ISSUE AS WE SEE IT, RAISED IN REFTEL, IS WHETHER OR NOT A PAYMENT TO AN ICI IS AN ADVANCE OR A DISBURSEMENT. WHEN DEALING WITH AN ICI A DISTINCTION HAS TO BE MADE BETWEEN ADVANCING FUNDS TO ASSIST WITH IMPLEMENTATION OR DISBURSING FUNDS IN ORDER TO CAPITALIZE THE ICI. IN THE CASE WHERE FUNDS ARE ADVANCED TO ASSIST THE ICI IN MEETING ITS CASH NEEDS, THEN THE AID POLICY OF PROVIDING FOR IMMEDIATE CASH REQUIREMENTS SHOULD BE FOLLOWED. IN THIS CASE THE PAYMENT IS AN ADVANCE AND IS ISSUED TO FACILITATE IMPLEMENTATION. WE DO NOT FEEL THAT AN ADVANCE, EVEN THOUGH ISSUED TO AN ICI FROM LOAN FUNDS, SHOULD BE PERMITTED TO PROVIDE INCOME.

3. WE HAVE BEEN UNABLE TO FIND ANY GUIDANCE OR REFERENCES THAT SUPPORT A DIFFERENT POSITION. ANY SPECIFIC REFERENCES THE RIG KNOWS THAT WILL POINT US IN A DIFFERENT DIRECTION WILL BE APPRECIATED AND EXPLORED. WHITEHEAD
BT
#0362

NNNN

UNCLASSIFIED STATE 140362

ACTION: CONT (FILES)
INFO: DR
PROG
DD
D

LIST OF REPORT RECOMMENDATIONS

Recommendation No. 1

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca and the Departmental Development Corporation/Junin have reevaluated improperly designed projects, and have applied proper design procedures and criteria to ensure completion of the subprojects.

Recommendation No. 2

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca has available and programmed sufficient funding to complete all AID-financed subprojects.

Recommendation No. 3

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporations in Cajamarca and Junin develop maintenance plans in order to properly maintain their subprojects.

Recommendation No. 4

We recommend that USAID/Peru obtain evidence that Departmental Development Corporation/Cajamarca and Departmental Development Corporation/Junin have prepared updated maintenance plans for their equipment and that implementation of these plans has started.

Recommendation No. 5

We recommend that USAID/Peru obtain evidence that the Departmental Development Corporation/Cajamarca and the Departmental Development Corporation/Junin have established sound inventory control systems in order to safeguard equipment from theft and misuse.

Recommendation No. 6

We recommend that USAID/Peru obtain evidence that the Housing Bank, in consultation with ElectroPeru and its regional power company affiliates, have instituted an aggressive collection policy and a promotional program in order to collect delinquent loan payments related to electricity service.

Recommendation No. 7

We recommend that USAID/Peru obtain evidence that the Housing Bank has developed effective monitoring practices so that collections under the electrification loan element of project 527-0178 are remitted from regional power company affiliates within 15 days of collection along with a listing of those who have paid and who are delinquent.

Recommendation No. 8

We recommend that USAID/Peru obtain evidence that the Housing Bank is separately accounting for the transactions of the Market Town Development Fund.

Recommendation No. 9

We recommend that USAID/Peru:

a. obtain a legal opinion from the Office of the General Counsel, AID/Washington, in consultation with the Assistant Administrator for Program and Policy Coordination, regarding whether ICIs, such as the Peruvian Housing Bank, should be allowed to earn interest on the idle cash derived from AID loan advances, and whether the interest earned should be used to capitalize the credit fund or be refunded to AID; and

b. based on this legal opinion, USAID/Peru should either ensure that the interest earned by the Housing Bank (about $88,000) is transferred to the credit fund or returned to AID.

Recommendation No. 10

We recommend that USAID/Peru require the local IBM dealer to deliver the printers to Huancayo as soon as possible.

APPENDIX 4

REPORT DISTRIBUTION

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GC	1
LEG	2
M/FM/ASD	3
PPC/CDIE	1
XA	1
XA/PR	2
GAO (Panama)	1