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AMC 61872

AUDIT OF USAID/SUDAN  
SUPPORT TO TECHNICAL  
ASSISTANCE CONTRACTORS

AUDIT REPORT NO. 3-650-89-16  
JUNE 30, 1989

UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
REGIONAL INSPECTOR GENERAL/AUDIT

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June 30, 1989

MEMORANDUM FOR ACTING DIRECTOR, USAID/Sudan, F. E. Gilbert  
FROM: Richard C. Thabet, RIG/A/Nairobi *R. C. Thabet*  
SUBJECT: Audit of USAID/Sudan Support to Technical Assistance  
Contractors, Audit Report No. 3-650-89-16

The Office of the Regional Inspector General for Audit, Nairobi has completed its audit of USAID/Sudan support to technical assistance contractors. Five copies of the audit report are enclosed for your action.

The draft report was submitted to you for comment and your comments are attached to the report.

The report contains three recommendations. Recommendation No. 1, 2 and 3 are resolved and will be closed upon receipt by this office of evidence that shows that the cited actions are complete. Please provide me within 30 days of any additional actions taken to implement the recommendations.

I appreciate the cooperation and courtesy extended to my staff during the audit.

## EXECUTIVE SUMMARY

USAID/Sudan provided a significant amount of support to its technical assistance contractors directly from in-house resources. USAID/Sudan had a large internal capability for its supply management, warehousing, procurement, and building and vehicle maintenance support functions. Technical assistance contractors received all of the above-indicated support from USAID/Sudan, except vehicle maintenance. Technical assistance contractors also received support directly from the Government of Sudan and from a trust-funded local currency account, which provided for vehicle and equipment maintenance, administrative personnel salaries, office space, and supplies.

The Office of the Regional Inspector General for Audit/Nairobi made an economy and efficiency audit of the support provided USAID/Sudan's technical assistance contractors. The audit objectives were to determine whether (1) the contractors received effective and efficient support, (2) resources acquired in behalf of the contractors were adequately controlled, and (3) support costs were charged to the correct appropriation in accordance with A.I.D. Handbook 19 provisions.

Technical assistance contractors generally received sufficient support commensurate to their needs; however, the audit determined that USAID/Sudan's maintenance activity was overly dependent on the use of overtime, thereby adding as much as \$100,000 annually to its operating cost. Further, USAID/Sudan and its contractors had not adequately controlled about \$1.1 million of non-expendable property purchased for project implementation, and USAID/Sudan had not charged project funds for most services and supplies provided to project-funded personnel.

As stated above, contractors generally received effective support commensurate to their needs. Contractors received adequate furnished housing that was well maintained, and were provided with adequate office space either from the Government of Sudan or paid from a trust-funded local currency account. In addition, the local currency account provided each contractor was sufficient to pay the costs of supplies and services not provided directly by USAID/Sudan or the Government of Sudan.

The audit disclosed three areas requiring improvement. First, USAID/Sudan needed to improve the efficiency of its maintenance activity so that essential services could be provided without the extensive use of overtime, estimated to exceed requirements by up to \$100,000 annually. Second, USAID/Sudan needed to install improved controls over project funded non-expendable property valued at about \$1.1 million. Third, USAID/Sudan needed to charge project funds for the significant cost of identifiable support provided project-funded personnel.

A.I.D. Handbook 26 required that overtime be held to a minimum and authorized in advance whenever possible. Further, overtime was to be approved only as an emergency measure to avoid serious backlogs of regular work or to meet an emergency. USAID/Sudan, however, used regularly scheduled overtime extensively and routinely. This occurred because USAID/Sudan condoned its use as a salary supplement and did not exercise effective control over its use. As a result, operating costs of these maintenance activities exceeded requirements by up to \$100,000 annually. This report recommends that USAID/Sudan place appropriate controls over the use of overtime, and take actions to increase the efficiency of its maintenance activity so that its workload can be accomplished without extensive overtime.

Contractors were required to establish and maintain property control systems and submit annual verification reports to USAID/Sudan. However, two of four contractors visited had not established adequate control procedures over non-expendable property. This occurred because neither USAID/Sudan nor its technical assistance contractors were aware of their respective responsibilities. As a result, A.I.D. financed property valued at about \$1.1 million was not accounted for properly, thereby creating an increased risk of loss of the property. This report recommends that USAID/Sudan require that its contractors install contractually mandated controls over project-funded non-expendable property, including submission of annual verification reports.

A.I.D. Handbook 19 stated that support costs were to be charged to projects to the extent they could be identified and segregated. USAID/Sudan, however, had not allocated applicable operating expenses to projects. This occurred because USAID/Sudan had not introduced a system to provide a basis for allocating contractor's support costs. As a result, the operating expenses appropriation was bearing large costs properly attributable to program appropriations. This report recommends that USAID/Sudan install a system to properly allocate contractor-support costs to program appropriations.

AUDIT OF USAID/SUDAN  
SUPPORT TO TECHNICAL ASSISTANCE CONTRACTORS

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AUDIT OF USAID/SUDAN  
SUPPORT TO TECHNICAL ASSISTANCE CONTRACTORS

PART I - INTRODUCTION

A. Background

USAID/Sudan provided a significant amount of support to its technical assistance contractors directly from its own resources. USAID/Sudan had a large internal capability for its supply management, warehousing, procurement, and building and vehicle maintenance support functions. Technical assistance contractors received all of the above-indicated support from USAID/Sudan, except vehicle maintenance. Technical assistance contractors also received support directly from the Government of Sudan (GOS) and from a trust-funded local currency account, which provided for vehicle and equipment maintenance, administrative personnel salaries, office space, and supplies.

B. Audit Objectives and Scope

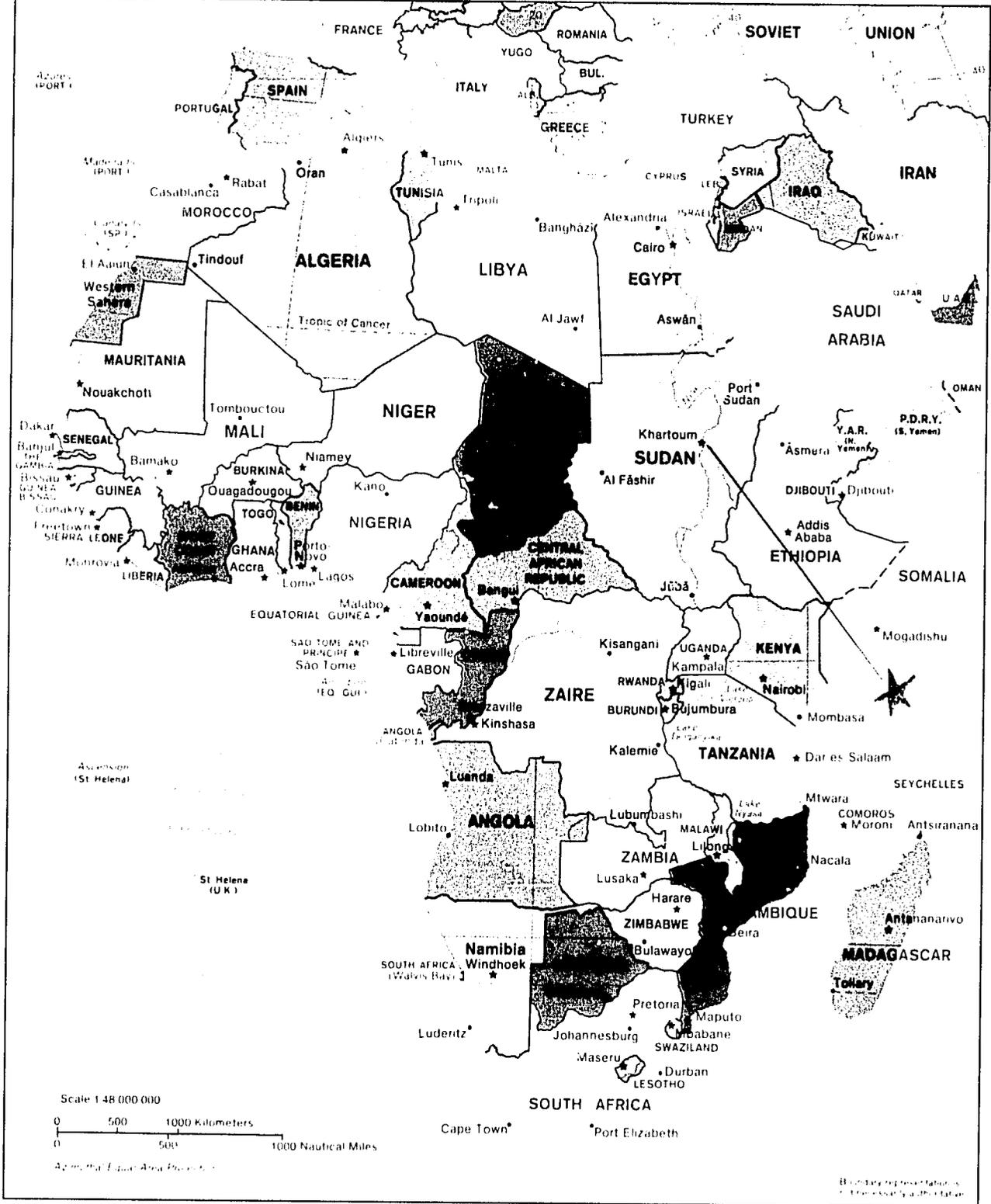
The Office of the Regional Inspector General for Audit/Nairobi made an economy and efficiency audit of the support provided USAID/Sudan's technical assistance contractors. The audit objectives were to determine whether (1) the contractors received effective and efficient support, (2) resources acquired in behalf of the contractors were adequately controlled, and (3) support costs were charged to the correct appropriation in accordance with A.I.D. Handbook 19 provisions.

We examined support to technical assistance contractors assigned to four USAID/Sudan projects that included most of technical assistance contractors under contract to USAID/Sudan (See exhibit). We reviewed procedures used by USAID/Sudan as of January 1989 to support the contractors, as well as planned changes in the nature of the support as definitized in a draft USAID/Sudan mission order. We reviewed data available in the Mission Accounting and Control System. We reviewed various administrative files, observed warehouse procedures, and interviewed USAID/Sudan and contractor officials. The audit was made in January 1989 in Khartoum, Sudan.

We expanded our coverage of USAID/Sudan's maintenance activity upon noting the extensive use of overtime by employees of the activity. In this context, we examined the cause and justification for the extensive use of overtime within the activity.

Our examination of internal controls was limited to the subject areas shown above. There were no prior audit findings relating

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to USAID/Sudan's support to technical assistance contractors. However, a previous audit of the Sudan Agriculture Planning and Support Project No. 650-0047 (Audit Report No. 3-650-88-20) had reviewed mission and contractor controls over the project's A.I.D.-financed commodities.

The audit was made in accordance with generally accepted government auditing standards.

AUDIT OF USAID/SUDAN  
SUPPORT TO TECHNICAL ASSISTANCE CONTRACTORS

PART II - RESULTS OF AUDIT

Technical assistance contractors generally received sufficient support commensurate to their needs; however, the audit determined that USAID/Sudan's maintenance activity was overly dependent on the use of overtime, thereby adding as much as \$100,000 annually to its operating cost. Further, USAID/Sudan and its contractors had not adequately controlled about \$1.1 million of non-expendable property purchased for project implementation, and USAID/Sudan had not charged project funds for most services and supplies provided to project-funded personnel.

As stated above, contractors generally received effective support commensurate to their needs. Contractors received adequate housing that was well maintained, and were provided with adequate office space either from the GOS or paid from a trust-funded local currency account. In addition, the local currency account provided each contractor was sufficient to pay the costs of supplies and services not provided directly by USAID/Sudan or the GOS.

The audit disclosed three areas requiring improvement. First, USAID/Sudan needed to improve the efficiency of its maintenance activity so that essential services could be provided without the excessive use of overtime, estimated to exceed requirements by up to \$100,000 annually. Second, USAID/Sudan needed to install improved controls over non-expendable property valued at about \$1.1 million. Third, USAID/Sudan needed to charge project funds for the significant cost of identifiable support provided project-funded personnel.

The report contains three recommendations directed toward (1) changing procedures to reduce use of overtime, (2) improving controls over project-funded non-expendable property, and (3) introducing a system to properly allocate support costs among appropriations.

Audit field work in Sudan was completed in January 1989, and a preliminary draft report was issued on February 27, 1989.

## A. Findings and Recommendations

### 1. USAID/Sudan Used Overtime Excessively in Operating Its Maintenance Activity

A.I.D. Handbook 26 required that overtime be held to a minimum and authorized in advance whenever possible. Further, overtime was to be approved only as an emergency measure to avoid serious backlogs of regular work or to meet an emergency. USAID/Sudan, however, used regularly scheduled overtime extensively and routinely. This occurred because USAID/Sudan condoned its use as a salary supplement and did not exercise effective control over its use. As a result, operating costs of these maintenance activities exceeded requirements by up to \$100,000 annually.

#### Recommendation No. 1

We recommend that USAID/Sudan:

- a. establish controls over the use of overtime by its foreign national and third-country national employees, which require that overtime be approved in advance by the management official responsible for work performance, and
- b. take measures as necessary to improve the efficiency of the maintenance activity so that the required maintenance can be accomplished without extensive use of overtime.

#### Discussion

A.I.D. Handbook 26 stated that overtime should be held to a minimum, and whenever possible, be authorized in advance prior to its performance. Regularly scheduled overtime was to be authorized by headquarters. AID Handbook 31 stated that overtime work for foreign national employees was to be approved only on an emergency basis to avoid serious backlogs of regular work or to meet some temporary crisis. Its use was to be kept to a minimum except when needed to protect life or government property.

USAID/Sudan had an internal maintenance activity, referred to as the Building Maintenance Office (BMO), to maintain its vehicles, offices and leased residences. The BMO had a staff of 106 employees, 69 of whom were directly concerned with the maintenance activities indicated above (the remaining 37 employees mainly ran the motor pool). As of late 1988, the 69 employees were maintaining 5 office or storage buildings, 48

leased residences and 50 vehicles. The duties of the 69 maintenance employees were as follows:

<u>Maintenance Activity</u>	<u>Number of Employees</u>
Housing General	33
Vehicle	12
Electrical	7
Preventative	6
Generator	3
Air Conditioner	3
Main Office	5
Total	<u>69</u>

The maintenance activity used regularly scheduled overtime extensively and routinely. As discussed below, the maintenance personnel worked about 4,240 hours of overtime monthly, of which much may have been unnecessary. Moreover, overtime was worked on a regularly-scheduled basis, without prior approval by USAID/Sudan's management staff.

- Vehicle Maintenance - The 12 employees maintaining the Mission's fleet of 50 vehicles worked an average of 74.2 hours of regular time and 15.4 hours of overtime every 2 weeks, or about 400 hours per month. Despite this extensive use of overtime, the vehicle maintenance activity appeared inefficient, as monthly reports showed that only about 41 percent of its available time was productively charged to maintenance activities. Considering that relatively little of the employee's time was spent productively, the amount of overtime charged was excessive. USAID/Sudan stated, however, that its reports understated the activities actual productivity, as the productive time of 4 of the 12 employees - vehicle foreman, vehicle file clerk, tire repairman and car cleaner - were not included in the monthly report.

- Building Maintenance - Employees assigned to the building maintenance section also incurred extensive overtime. For the year ending July 31, 1988, the section averaged about 3,840 hours of overtime monthly, compared with 6,870 hours of regular time. Such extensive use of overtime by the building maintenance activity appeared unnecessary, as follows.

- The building maintenance activity was inherently inefficient. The activity was located in an industrial area in North Khartoum, whereas most of the work was about 30 minutes away in Khartoum. All employees reported to the maintenance site, from where they had to be taken to their work

assignment. The maintenance process was cumbersome as repetitive trips were often needed for pre-inspection, work completion and post-inspection. USAID/Sudan needed to evaluate ways of streamlining the maintenance activity to prevent wasted effort, and thereby improve the maintenance activities overall efficiency. In response to a preliminary draft of this report, USAID/Sudan stated that North Khartoum was the best location for its BMO activity, and that it had recently taken action to streamline building maintenance operations.

- USAID/Sudan imposed few controls over the use of overtime, thereby creating an atmosphere where work could expand to accommodate the actual amount of work on hand. USAID/Sudan imposed no budget for overtime, and imposed no workload standards. The persons approving and reporting on the use of overtime were the same individuals who were benefiting most from it. USAID/Sudan had 57 employees wholly dedicated to office and residence maintenance, whose workload was primarily to maintain 48 residences. While some overtime was undoubtedly necessary to accommodate peak requirements and emergencies, we concluded that much of the 3,840 monthly overtime hours incurred by the building maintenance section could be avoided.

Excessive overtime occurred because USAID/Sudan was not concerned about the cost of the overtime and therefore condoned its use. Overtime was paid from USAID/Sudan's trust fund budget, which had doubled recently, thereby providing an atmosphere of relatively abundant funding for the building maintenance activity, with little incentive to reduce costs. USAID/Sudan believed it was necessary to supplement its maintenance staff's salary with extensive amounts of overtime in order to retain the services of certain employees. Therefore, USAID/Sudan placed few controls over its extensive use on a recurrent basis, and had not taken action to reduce overtime usage.

The effect was that the building maintenance activity was inefficiently operated, resulting in trust funds unnecessarily being diverted from development activities. The 1988 payroll cost of the 69 maintenance employees was about \$325,000, of which about \$128,000 was for overtime. USAID/Sudan's overtime cost 65 percent more on average than straight time; therefore, if the \$128,000 had been paid at straight-time rates, the payment would have been about \$50,400 less. Therefore, we believe that between \$50,000 and \$100,000 of the \$128,000 could be saved through more vigorous management of the maintenance activity.

### Management Comments

The Mission did not address this recommendation in their formal response to the draft report. However, in responding to a preliminary draft of this report, the Mission stated that new systems to more efficiently manage maintenance activities have been instituted. The Mission also stated that the quality of buildings and standard of builders available in Khartoum, and the effect of floods in August and September 1988 increased the amount of maintenance service required, and requested, by occupants. Further, the Mission had taken steps to formally train foreign service national staff in an effort to reduce the number of third-country nationals and use of overtime.

### Office of the Inspector General Comments

The cited actions are responsive to the recommendation. The recommendation will be closed upon receipt by this office of evidence that shows these actions have been taken.

## 2. AID-Financed Commodities Were Not Adequately Controlled

Contractors were required to establish and maintain property control systems and submit annual verification reports to USAID/Sudan. However, two of four contractors visited had not established adequate control procedures over non-expendable property. This occurred because neither USAID/Sudan nor its technical assistance contractors were aware of their respective responsibilities. As a result, A.I.D. financed property valued at about \$1.1 million was not accounted for properly, thereby creating an increased risk of loss of the property.

### Recommendation No. 2

We recommend that the Director, USAID/Sudan require technical assistance contractors to install adequate systems to control, protect, preserve and maintain project-funded property, and submit annual verification reports to the Mission in the format specified by A.I.D..

### Discussion

A.I.D. Handbook 19 and contracts with technical assistance contractors held contractors responsible and accountable for Government property. Contractors were required to establish systems to control, protect, preserve, and maintain Government property. They were also required to submit annual reports to A.I.D., including a verification in which the contractor was to attest that physical inventories of Government property were taken not less frequently than annually, and that the accountability records maintained for A.I.D.-financed property agreed with such inventories.

The absence of adequate control procedures at USAID/Sudan over project-funded non-expendable property was previously reported in A.I.D. Inspector General Audit Report No. 3-650-88-20, July 29, 1988. This report concerned, among other subjects, control procedures over \$628,000 worth of commodities purchased by the contractor working on the Sudan Agriculture Planning and Statistics Project (APS). The report contained a recommendation for USAID/Sudan to require the contractor to install an adequate system for project-funded property and to submit annual verification reports to the Mission. USAID/Sudan stated that implementation of the recommendation was postponed due to replacement of the contractor and the medical evacuation of the follow-on contractor's chief of party.

However, despite this earlier recommendation, this audit found that project-funded non-expendable property valued at about \$1.1 million remained inadequately controlled. Contractors on two of the four projects reviewed, including the newly assigned

contractor to the APS Project, had not established proper inventory systems as required by A.I.D. Handbook 19 or their contracts, nor had they conducted annual physical verifications or submitted the required annual inventory reports to the mission. In addition, neither USAID/Sudan nor the contractor maintained inventories of commodities purchased under the project. This situation affected all types of project-funded non-expendable property, except residential furniture and equipment, for which controls as prescribed existed.

This situation occurred because both USAID/Sudan project officers and technical assistance contractor personnel were unaware of AID Handbook 19 and contractual requirements. Consequently, USAID/Sudan did not enforce the safeguards required for project funded commodities, and technical assistance contractors did not comply with the relevant provisions of the contracts.

As a result of non-compliance with AID Handbook 19 and contractual requirements, project funded non-expendable property totalling about \$1.1 million was not properly controlled or accounted for, thereby creating an increased risk of loss or misappropriation of the property.

#### Management Comments

The Mission did not address this recommendation in their formal response to the draft report. However, in responding to a preliminary draft of this report, USAID/Sudan stated that the required inventory reports had or were now being prepared, and that all USAID/Sudan project managers had been reminded of their responsibilities to monitor project-funded non-expendable property.

#### Office of the Inspector General Comments

The actions cited are considered responsive to the recommendation. The recommendation will be closed upon receipt by this office of the latest inventory reports submitted to the Mission by the contractors.

### 3. USAID/Sudan Was Not Charging Contractor Support Costs to Projects

A.I.D. Handbook 19 stated that support costs were to be charged to projects to the extent they could be identified and segregated. USAID/Sudan, however, had not allocated applicable operating expenses to projects. This occurred because USAID/Sudan had not introduced a system to provide a basis for allocating contractor's support costs. As a result, the operating expenses appropriation was bearing large costs properly attributable to program appropriations.

#### Recommendation No. 3

We recommend that the Director, USAID/Sudan introduce a system to allocate identifiable support costs provided project-funded contractors and consultants to program appropriations. The system should maintain integrity between dollar and local currency funded operating expenses, and maintain records to show that allocations agree with actual workload experience.

#### Discussion

A.I.D. Handbook 19 stated that established criteria should be strictly followed in distinguishing between operating expenses and program-funded costs and that contractual support costs were to be charged to projects to the extent they could be identified and segregated.

USAID/Sudan provided a wide variety of services to contractors. The most extensive of these related to the contractors' leased residences. Although some of the costs, such as rent, guard services, and furnishings were charged to the projects, many of the costs were not. For example, USAID/Sudan did not breakout its large reovation and maintenance costs among its users, or charge projects for the contractors' procurement support, property management, and movement of equipment. It also did not charge for the cost of most materials and supplies provided the contractors.

USAID/Sudan was aware of the need to charge projects for the contractor's support costs, but had not yet implemented appropriate action. The mission had done some internal evaluation of the problem, and had prepared a draft mission order that awaited implementation as of January 1989. The draft mission order, however, did not provide guidance on allocating the cost of support services to users. USAID/Sudan had an internal system to determine the number of direct labor hours and materials used on an individual work order, but did not use the information compiled by the system. Further, it had no basis for computing the cost of a standard labor hour or an applicable labor rate.

Regional Financial Management Center officials in Nairobi, in discussing the implementation of A.I.D. Handbook 19, stressed the importance of having an allocation base in determining the amount of charges, and keeping records showing that the allocation agrees with actual experience. USAID/Sudan, however, had not yet completed procedures to allocate appropriate contractors support costs to program appropriations, or to maintain appropriate records for making such allocations in the future.

Because USAID/Sudan had not properly allocated costs, the amounts charged the operating expense and program expenses appropriations in the past were distorted. About a fifth of the supported personnel were project-funded; accordingly, about 20 percent of the large support capability maintained by USAID/Sudan for residential maintenance should have been charged to projects. USAID/Sudan did not keep records in a form to determine the dollar impact of not charging projects appropriate for support provided project-funded personnel. However, based upon this audit's analysis of overtime incurred by the maintenance activity, this cost for non-dollar funded personnel alone is several hundred thousand dollars, and significant additional costs were incurred for materials, equipment and dollar-funded personnel. These costs were originally funded from the operating expenses account, both in Sudanese pounds and U.S. dollars.

USAID/Sudan, therefore, needed to introduce a system to charge these support costs correctly. The system used must identify the total amount of support costs, and establish a method to prorate total cost among the various users, while maintaining integrity between dollar and local currency expenses. In responding to a preliminary draft of the report, USAID/Sudan stated that it was developing a cost accounting system appropriate to the needs as identified above.

#### Management Comments

In response to the draft report, USAID/Sudan stated that a Mission Order regarding Mission support to projects had been issued. The Mission also stated that it was in the process of establishing an appropriate cost accounting system per Recommendation No. 3.

#### Office of the Inspector General Comments

The cited actions are responsive to the recommendation. The recommendation will be closed upon receipt by this office of evidence that shows these actions have been taken.

## B. Compliance and Internal Control

### Compliance

Finding 2 disclosed that USAID/Sudan had not required its technical assistance contractors to implement required controls over project-funded non-expendable property. Finding 3 reported that USAID/Sudan had not charged projects for identifiable support costs of project-funded contractors, as required by A.I.D. Handbook 19.

### Internal Control

Finding 1 reported that USAID/Sudan did not have adequate controls over overtime worked by USAID/Sudan's building maintenance office. Finding 2 reported that USAID/Sudan's internal controls over project funded non-expendable property were inadequate to safeguard U.S. property.

AUDIT OF USAID/SUDAN  
SUPPORT TO TECHNICAL ASSISTANCE CONTRACTORS

PART III--EXHIBIT AND APPENDICES

Projects and Contractors Visited

<u>Project Name</u>	<u>Contractor Name</u>
Agriculture Planning and Statistics Project No. 650-0047	Chemonics, Incorporated
Energy Planning and Management Project No. 650-0059	Harza Engineering Co.
Sudan Renewable Energy Project No. 650-0041	Associates in Rural Development
Southern Road Maintenance and Rehabilitation Project No. 650-0043	Deleuw Cather

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ACTION: AID-3 INFO: ECON POL TO AMB DCM

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PP RUEHNR  
DE RUEHKE #6985 1691149  
ZNR UUUUU ZZE  
P 131149Z JUN 89  
FM AMEMBASSY KHARTOUM  
TO AMEMBASSY NAIROBI PRIORITY 2306  
BT  
UNCLAS KHARTOUM 06985

19-JUN-89 TOR: 11:46  
CN: 31510  
CHRG: AID  
DIST: AID  
ADD:

AIDAC

FOR RIG/A/N

E.O. 12356: N/A

SUBJECT: SUDAN - MISSION RESPONSE TO DRAFT AUDIT REPORT

REF: (A) TEABET/GILBERT MEMO 4/12/89, (B) KHARTOUM 1295,  
(C) PRELIMINARY DRAFT AUDIT REPORT, (D) KHARTOUM 3776,  
(E) DRAFT AUDIT 4/89

1. MISSION REGRETS THE DELAY IN RESPONDING TO YOUR DRAFT AUDIT REPORT. THE DIRECTOR AND 4 OF OUR STAFF HAVE BEEN IN AID/W ON THE BROOKE WIND-UP PLAN, AND OUR CONTROLLER AND EXO HAVE DEPARTED ON EL TRANSFER. YOUR PATIENCE IS APPRECIATED.

2. RECOMMENDATION NO. 3

USAID/S HAS ISSUED ORDER V-1.H EFFECTIVE 4/26/89 REGARDING PROJECT SUPPORT BY THE MISSION. IN ADDITION, EMO HAS HIRED ONE COST TECHNICIAN AND PLANS TO HIRE ONE MORE. GSO IS ALLOCATING DIRECT STORAGE AND MATERIALS COSTS AND ISSUED AN ILLUSTRATIVE BUDGET TO THE PROJECTS FOR RESIDENTIAL FURNISHINGS AND EQUIPMENT. THE DEVELOPMENT OF COSTS FOR DIRECT AND INDIRECT EXPENSES CONTINUES AND OVER THE NEXT SIX MONTHS THE MISSION SHOULD HAVE A HANDLE ON THE SITUATION.

3. MISSION RECEIVED PRAISE FROM AID/W CONTROLLER ASSESSMENT TEAM FOR ITS NOW EXPENDABLE PROPERTY RECORDS (NXP). THE AUDIT SHOULD CITE PROJECT FUNDED NON EXPENDABLE PROPERTY ON ROMAN NUMERAL PAGE THREE LINE THREE AND PAGE TWENTY NEXT TO THE LAST LINE.

4. PAGE 210 OTHER PERTINENT MATTERS

CHEMONICS INC. SUBMITTED EVIDENCE TO USAID THAT THEY HAD RECEIVED RATE QUOTES FROM OTHER POTENTIAL SOURCES FOR LEASING AUTOMOBILES. THE QUOTES WERE SENT TO RIG/A/N ON JUNE 7, 1989 AND THIS ITEM SHOULD BE ELIMINATED FROM THE AUDIT REPORT.

Inspector General's  
Comments

This item was deleted from the final report.

5. THE FOLLOWING COMMENTS REGARD TYPING ERRORS IN THE DRAFT.

UNCLASSIFIED KEARTOUM 006985

-1. ON PAGE FIVE LAST PARAGRAPE THE DATE SHOWN SHOULD BE FEBRUARY 27, 1989 NOT 1988.

-2. PAGE SIX NEXT TO THE LAST LINE SHOULD BE ACTIVITIES NOT ACTIVITY.

-3. PAGE NINE LINE NINE WORD SHOULD BE UNDERSTATED NOT UNSTATED AND LINE ELEVEN THE WORD SHOULD BE TIRE REPAIRMAN NOT FIRE.

-4. PAGE TEN OF DRAFT AUDIT SEVENTE LINE SHOULD READ AND NOT BUT. SMITH

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AA/M	2
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PPC/CDIE	3
M/SER/MO	1
M/SER/EOMS	1
M/AAA/SER	1
M/SER/CM/SD/SS	1
REDSO/ESA	1
RFMC/Nairobi	1
IG	1
DIG	1
IG/PPO	2
IG/LC	1
IG/ADM/C&R	12
AIG/I	1
RIG/I/N	1
IG/PSA	1
RIG/A/C	1
RIG/A/D	1
RIG/A/M	1
RIG/A/S	1
RIG/A/T	1
RIG/A/W	1