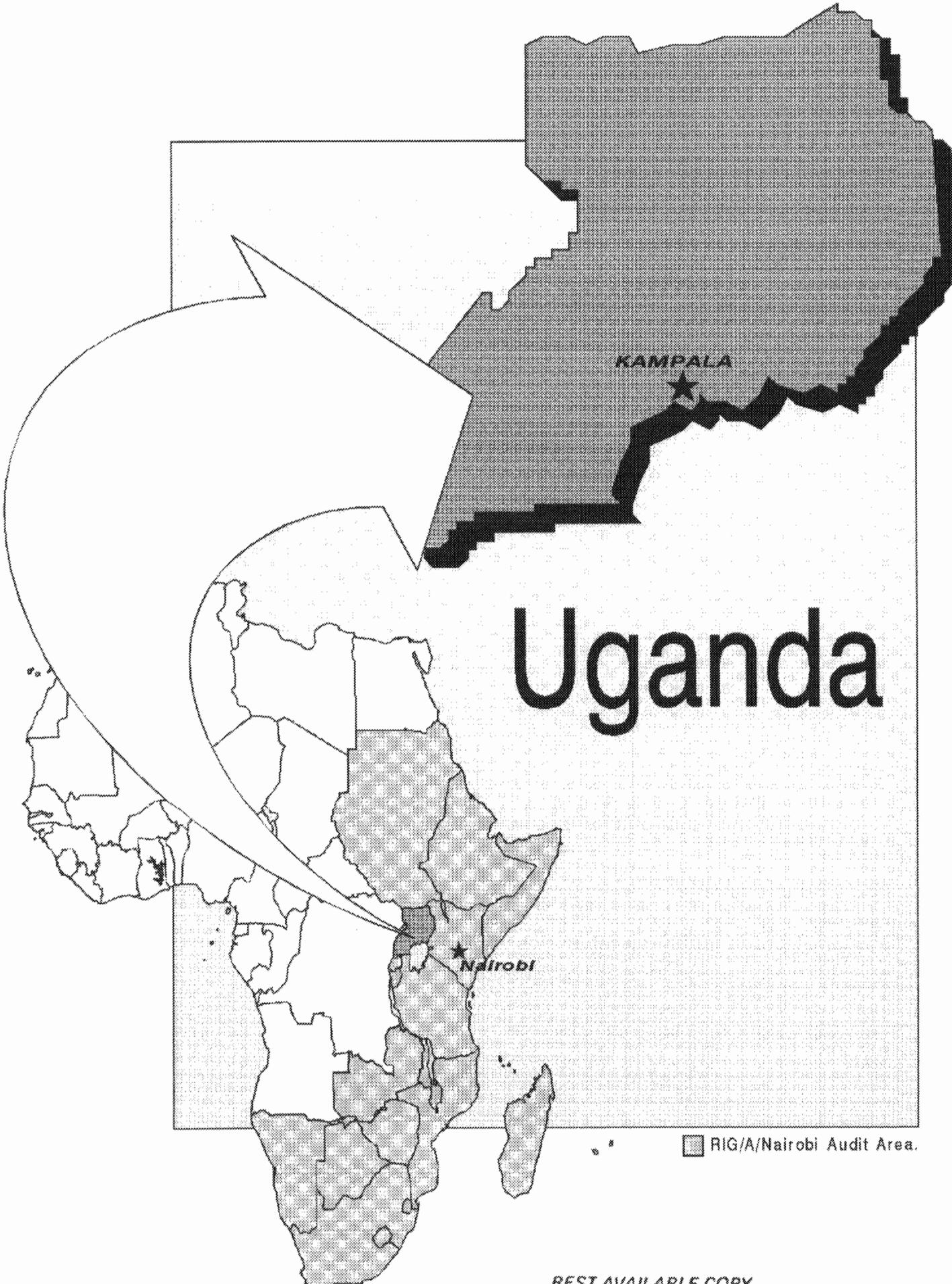

Audit of
USAID/Uganda's Accountability of Project-Related
Commodities During an Emergency Evacuation

Audit Report No. 3-617-95-004
November 18, 1994



**Audit of
USAID/Uganda's Accountability of Project-Related
Commodities During an Emergency Evacuation**

**Audit Report No. 3-617-95-004
November 18, 1994**



KAMPALA

Uganda

Nairobi

■ RIG/A/Nairobi Audit Area.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

November 18, 1994

MEMORANDUM

TO: USAID/Uganda, Director, Donald Clark

FROM: RIG/A/Nairobi, Everette B. Orr *Everette B. Orr*

SUBJECT: Audit of USAID/Uganda's Accountability for Project-Related Commodities During an Emergency Evacuation

*Regional
Inspector General
for Audit/Nairobi*

This memorandum is our report on the "Audit of USAID/Uganda's Accountability for Project-Related Commodities During an Emergency Evacuation", Report No. 3-617-95-004. We have considered your comments on the draft report and included them in their entirety as Appendix II. Based on the results of our audit, the report contains one recommendation, which based on actions taken by the Mission, is resolved and closed with the issuance of this report.

We appreciate the cooperation and courtesies extended to us during this audit.

Background

The ultimate responsibility for emergency planning of USAID missions abroad is vested in the Department of State and carried out by the U.S. mission in the country where an emergency occurs. An emergency includes a threat to American lives, property, or interests demanding immediate attention. Consequently, we believe when an emergency does arise, it is important to protect project-related commodities to the extent possible. It is essential for the USAID Mission Director or his/her designee to participate fully in emergency planning at post.

USAID operates in the developing world, often in countries which are politically unstable. In the past several years, increasing incidences of political and civil unrest worldwide, particularly in the Middle East and Africa, have forced the U.S. to evacuate on short notice its missions in Yemen, Somalia,

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and, most recently, Rwanda. Although the safety and protection of lives is of utmost importance during an emergency evacuation, the storage and protection of millions of dollars of U.S. Government equipment should also be planned in advance.

In April 1994, the USAID Regional Inspector General for Audit, Nairobi (RIG/A/N) assessed USAID/Yemen's preparedness to safeguard and account for project-related equipment before, during, and after that mission's emergency evacuation during the Gulf War Crisis of 1991. During the course of that work, the auditors found that before the evacuation, USAID/Yemen had no contingency plans to safeguard and account for its equipment. Because such planning did not occur, project equipment valued at about \$8.9 million could not be fully accounted for. Therefore, RIG/A/Nairobi decided to carry out similar work at three other missions within our region. This report is one of three we plan to issue on contingency planning at those missions.

Audit Objective

The USAID Regional Inspector General for Audit, Nairobi conducted an audit at USAID/Uganda to answer the following objective:

Does USAID/Uganda Have a Plan to Protect and Account for Project-Related Commodities During an Emergency Evacuation?

A discussion of the scope and methodology for this audit is in Appendix I.

Audit Findings

Does USAID/Uganda have a plan to protect and account for project-related commodities during an emergency evacuation?

At the start of our field work in Kampala on July 19, 1994, USAID/Uganda had drafted a comprehensive Mission Order to account for project-related commodities during a phased emergency evacuation. The Mission Order, which was drafted on USAID/Uganda's own initiative and without guidance from USAID/Washington, followed notification of the audit by the USAID Regional Inspector General for Audit, Nairobi.

Emergency planning should include the safeguarding of USAID project-related commodities during emergency evacuations.

USAID Handbook 23, Chapter 12, prescribes procedures for emergency planning at missions. Although the guidance requires planning for emergencies involving threats to American lives, *property* and interests, it does not specifically mention project-related commodities. However, we believe protecting American *property* includes protecting American financed project-related commodities. Therefore, the intent of the guidance requires missions to have a plan to safeguard project commodities during emergency situations.

At USAID/Uganda, prior to being notified of the audit, there were no specific directives or guidance to account for project-related commodities in the event of an emergency. This was confirmed by the Executive Officer, Controller, and the Regional Security Officer at the U.S. Embassy in Kampala. According to the Executive Officer and Controller, a commodities contingency plan was not established because there is no specific requirement to do so. However, they agreed such advance planning is necessary.

Once notified of the audit, however, the USAID/Uganda Executive Officer drafted a comprehensive Mission Order which set forth the reporting requirements for USAID-financed, non-expendable property under contracts, grants, and cooperative agreements. In this Mission Order are the requirement for contractors to submit an annual report of U.S. Government property in its possession, and the responsibilities and provisions addressing the accounting for non-expendable property during a phased emergency evacuation.

Without a proper contingency plan in place, the ability to safeguard and account for at least \$29.4 million of USAID-financed, project-related commodities could be limited in the event of an emergency situation in Uganda.

Accordingly, because of the increasing incidence of crises in developing countries and the relative risks and vulnerabilities associated with these potential situations, we believe that USAID/Uganda should finalize and implement its Mission Order dealing with the reporting requirements of USAID-financed, non-expendable property.

Recommendation No. 1: We recommend USAID/Uganda finalize and implement the draft of its Mission Order to safeguard and account for project-related commodities during a phased emergency evacuation.

Management Comments and Our Evaluation

USAID/Uganda concurred with our recommendation in its response. The Mission finalized and implemented its Mission Order covering reporting requirements for USAID-financed non-expendable property.

Based on the action taken, we consider the recommendation resolved and closed with the issuance of this report.

APPENDICES

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| <p style="text-align: center;">SCOPE AND METHODOLOGY</p> |
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Scope

We audited to determine whether USAID/Uganda has a plan to protect and account for project-related commodities during an emergency evacuation in accordance with generally accepted government auditing standards. The audit was conducted from July 19-22, 1994, at the USAID Mission in Kampala, Uganda. In conducting our field work, we reviewed Mission records and interviewed responsible U.S. Embassy, USAID/Uganda, and contractor personnel. We also made site visits to inspect project-related commodities.

To determine USAID/Uganda's audit universe for commodities, we relied on the Mission Accounting and Control System (MACS) as of July 22, 1994. MACS reported that USAID/Uganda had disbursed at least \$29.4 million for commodities.

The audit did not assess the overall reliability of the MACS data since the data was merely used to quantify the potential loss to the Mission in the event of an emergency situation.

Methodology

Our audit objective was to determine whether USAID/Uganda had a plan to account for project-related commodities during an emergency evacuation. To answer this objective, we reviewed mission records, including Mission operating procedures, which indicated USAID/Uganda had a draft of an emergency evacuation plan being circulated throughout the Mission for review. We also interviewed responsible U.S. Embassy, USAID/Uganda, and contractor personnel and made site visits to inspect project-related commodities.



United States
Agency for
International
Development

memorandum

U. NOV 1994

TO: Everette B. Orr
RIG/A/Nairobi

FROM: Donald B. Clark
Mission Director, USAID/Uganda 

SUBJECT: Audit of USAID/Uganda's Accountability of Project-
Related Commodities During an Emergency Evacuation

RIG/A/Nairobi recommends in subject audit report that USAID/Uganda finalize and implement the draft of its Mission Order to safeguard and account for project-related commodities during a phased emergency evacuation.

Please be advised that Mission Order No. 56/94 dated 8/22/94 (a copy is attached) was finalized.

USAID/Uganda therefore recommends that Recommendation No. 1 of the draft report be resolved and closed.

Drafter: rmuwonge:fa:  date 11/29/94

Clearance: kleblanc:cont:  date 11/21/94

ldiaz:d/dir:dft - 11/04/94

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APPENDIX III
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**Regional Inspector General
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