

Regional Inspector General for Audit
Dakar

**Audit of the Expenditures made by the Ivorian National
Family Planning Coordinating Office under the Health
and Family Planning Project (No. 681-0005),
from November 1992 to July 1994**

Audit Report No. 7-681-95-007-N
March 17, 1995



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE REGIONAL INSPECTOR GENERAL FOR WEST AFRICA

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RIG / DAKAR
AGENCY FOR INTERNATIONAL
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WEST AFRICA

March 17, 1995

MEMORANDUM

To: Willard Pearson, Director, REDSO/WCA
Walter E. Shepherd

From: Walter E. Shepherd, Acting RIG/A/Dakar

Subject: Audit of the Expenditures made by the Ivorian National Family Planning Coordinating Office under the Health and Family Planning Project (No. 681-0005), from November 1992 to July 1994 (Audit Report No. 7-681-95-007-N)

The attached final report, prepared by the non-Federal audit firm, Deloitte and Touche of Abidjan, presents the results of a financial audit of the Expenditures made by the Ivorian National Family Planning Coordinating Office under the Health and Family Planning project (No. 681-0005), PIL No. NFPCO-92-01, from November 1992 to July 1994.

On September 30, 1991, the United States Agency for International Development (USAID) and the Government of Côte d'Ivoire (GOCI) signed the Health and Family Planning Project (No. 681-0005) under which USAID is to provide a total grant of \$19.9 million to the GOCI through the Ministry of Health and Social Protection (MOHSP) with the goal to increase life expectancy, reduce the population growth rate, and increase the general well being of the population in Côte d'Ivoire. The project is scheduled to be completed on September 30, 1997 with the GOCI making a contribution of not less than \$8.5 million. The purpose of the project is to improve and expand the delivery of services in family planning, HIV/AIDS prevention and maternal and child health in both the public and private sectors, thereby reducing HIV/AIDS transmission and increasing contraceptive prevalence and maternal and child survival. The project has three components: 1) family planning; 2) HIV/AIDS prevention; and 3) child survival and maternal health. In implementing the family component, MOHSP is provided grant funds to support activities of the National Family Planning Coordinating Office (NFPCO). On January 12, 1993, USAID committed \$96,000 under PIL No. NFPCO-92-01 for financing local costs

incurred by NFPCO for activities such as in-country travel, technical services, training, and vehicle. As of July 1994, the NFPCO's records showed total advances received from REDSO/WCA to be \$25,489 of which the NFPCO had expended \$22,481.

Deloitte and Touche performed the financial audit of the \$22,481 (FCFA 6,294,730) expenditures incurred by the NFPCO between November 1992 to July 1994 in accordance with U.S. Government Auditing Standards. The purpose of the audit was to determine whether the Fund Accountability Statement was fairly presented and whether the NFPCO complied with applicable laws, regulations, and agreements that may have had a material effect on the financial statements. In carrying out this financial audit, the non-Federal auditor obtained an understanding of the NFPCO's internal accounting controls over the USAID funds to plan the audit and to determine the nature, timing and extent of tests to be performed.

Deloitte and Touche found that the Fund Accountability Statement fairly presented the disbursements made by the NFPCO from the USAID grant. The audit did, however, identify questioned costs amounting to \$328 (FCFA 91,935) for unsupported purchase of postage stamps, and advances to two AIBEF employees which have not yet been reimbursed. In obtaining an understanding of the internal control structure, the auditor found minor weaknesses such as lack of regular bank reconciliations and the lack of segregation of duties in petty cash management. Finally, in testing for compliance with applicable laws, regulations and agreements, the auditor stated that the NFPCO complied in all material respects. The auditor also reported that the NFPCO did not maintain records to readily indicate the GOCI's contribution to the project.

In its response to the draft audit report, REDSO/WCA generally agreed with the auditor's findings and recommendations. REDSO/WCA, however, provided what it considered adequate support and explanation for the costs questioned and determined that the questioned costs should not be sustained. RIG/A/Dakar agrees with REDSO/WCA on the postage stamps but not on the advances to the AIBEF employees since REDSO/WCA did not provide any evidence that the advances were repaid by AIBEF.

The non-Federal audit report contains three findings and three recommendations which should be implemented by REDSO/WCA and the NFPCO. Due to the termination of the bilateral program in Cote d'Ivoire, RIG/A/Dakar will include only the following monetary recommendation in the Office of the Inspector General's recommendation follow-up system.

Recommendation No. 1: We recommend that REDSO/WCA resolve the \$321 unsupported costs and recover those costs determined to be unsupported.

Recommendation No. 1 is considered unresolved until REDSO/WCA provides RIG/A/Dakar with evidence that the advances made to the AIBEF employees have been

repaid, or sustain the findings. For any amounts which REDSO/WCA determines to be sustained, that portion of the recommendation will be closed when such questioned costs are recovered and the evidence thereof is provided to RIG/A/Dakar. Such evidence may include a copy of: a bill for collection, a document showing reimbursement, or a document showing that the amount questioned was offset against amounts due by USAID.

Please advise RIG/A/Dakar within 30 days of receipt of this report of any actions planned or taken to close the above recommendation.

**Deloitte &
Touche**



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**Audit of Expenditures made by the Ivorian National Family Planning
Coordinating Office (NFPCO) under the Health and Family Planning
Project, PIL No. NFPCO.92-01
From November 1992 to July 1994**

**AUDIT OF THE EXPENDITURES MADE BY IVORIAN
NATIONAL FAMILY PLANNING CORDINATING OFFICE
(NFPCO) UNDER THE HEALTH AND FAMILY PLANNING
PROJECT**

**PROJECT IMPLEMENTATION LETTER NFPCO. 92-01
FROM NOVEMBER 1992 TO JULY 1994**

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**PART I
TRANSMITTAL LETTER AND SUMMARY**

October 10, 1994,

Mr. Thomas B. Anklewich
Regional Inspector General for Audit
USAID/A/Dakar
Senegal

Dear Mr. Anklewich,

This report presents the results of the United States Agency for International Development (USAID)'s grant to the Ivorian National Family Planning Coordinating Office (NFPCO) under Health and Family Planning Project No. 681-005 PIL No. NFPCO-92-01 from November 1992 to July 1994.

A. Background

On September 30, 1991, the United States and the Government of Côte d'Ivoire (GOCI) signed the Health and Family Planning Project (No. 681-0005) under which the U.S. Agency for International Development (USAID) is to provide a total grant of \$19.9 million to the GOCI through the Ministry of Health and Social Protection (MOHSP) with the goal to increase life expectancy, reduce the population growth rate, and improve the general well-being of the population of Cote d'Ivoire. The project is scheduled to be completed on September 30, 1997 with the GOCI making a contribution (including in-kind) of not less than \$8.5 million.

The purpose of the project is to improve and expand the delivery of services in family planning, HIV/AIDS prevention and maternal and child health in both the public and private sectors, thereby reducing HIV/AIDS transmission and increasing contraceptive prevalence and maternal and child survival. The project has three components: 1) family planning; 2) HIV/AIDS prevention; and 3) child survival and maternal health. The HIV/AIDS component comprises of inter-related elements: condom supply management to ensure an adequate supply of condom; institutional development of an indigenous AIDS/NGO to support community-based interventions; and IEC support to provide information on available HIV prevention and control options and motivate behavioral change.

In implementing the family component, MOHSP is provided grant funds to support activities of the National Family Planning Coordinating Office (NFPCO). On January 12, 1993, USAID committed \$96,000 under PIL No. NFPCO-92-01 for financing local costs incurred by NFPCO for activities such as in-country travel, technical services, training, and vehicle.

The financial audit to be performed under this scope of work will cover expenditures made by NFPCO under PIL No. NFPCO-92-01 from November 1992 to July 31, 1994.

B. Audit Objectives and Scope

We performed a financial and compliance audit of USAID's Grant to the Ivorian National Family Planning Coordinating Office (NFPCO) under Health and Family Planning Project No. 681-005 PIL No. NFPCO-92-01 from November 1992 to July 1994 in accordance with generally accepted auditing standards, US Government Audit Standards as set forth in the Comptroller General's Government Auditing Standards, and guidelines contained in the Office of the Inspector General's Guide for Financial Audits Contracted by the Agency for International Development, except that we did not have an external quality review by an unaffiliated audit organization as required by paragraph 46 of chapter 3 of Government Auditing Standards since no such quality review program is offered by professional auditing organizations in Côte d'Ivoire. We believe that the effect of this departure from financial audit requirement of Government Auditing Standards is not material because we participate in the Deloitte Touche Tohmatsu

International internal quality control program which requires Deloitte & Touche in Côte d'Ivoire to undergo a periodic quality control review by partners and managers from other Deloitte & Touche offices. In addition, we did not fully meet the continuing education auditing standard. During the last two years we have not maintained sufficient documentation evidence of meeting the minimum 80 hours of continuing education requirement or the requirement to have 24 hours in subjects related to the Government environment. However, we do not believe that this departure from Government Auditing Standards has any impact on the results of this audit and we are taking appropriate steps to implement a continuing education program that fully satisfies the requirements.

The objective of this engagement is to conduct a financial audit of USAID's Grant to the Ivorian National Family Planning Coordinating Office (NFPCO) under Health and Family Planning Project PIL No. NFPCO-92-01 from November 1992 to July 1994.

The financial audit shall be performed in accordance with U.S. Government Auditing Standards and guidelines contained in the Office of the Inspector General's Guide for Financial Audits Contracted by the Agency for International Development and accordingly include such tests of the accounting records as deemed necessary under the circumstances.

The specific objectives of the audit are to:

- 1) Express an opinion on whether NFPCO's Fund Accountability Statement presents fairly, in all material respects, recurrent costs incurred for the audit period in conformity with the cash basis of accounting.
- 2) Evaluate and obtain a sufficient understanding of NFPCO's internal control structure related to the USAID funded program, assess control risk, and identify reportable conditions, including material internal control structure weaknesses;
- 3) perform tests of NFPCO's compliance with applicable laws, regulations, binding policies and procedures, and the grant agreement and express positive assurance on those items tested and report on the results of compliance testing.

The major audit procedures during our work consisted of:

- (a) reviewing the grant agreement and project implementation letters between USAID and NFPCO,
- (b) studying and evaluating NFPCO's internal control structure relative to USAID's grant in order to assess the control risks and to determine our audit procedures,
- (c) examining supporting documentation for selected expenditures incurred and performing tests for reasonableness, allowability and propriety in compliance with the terms of the Grant Agreement, applicable laws and regulations,
- (d) reviewing bank statements, reporting and reconciliation procedures,
- (e) determining whether the project has complied with applicable laws and regulations, the grant agreement terms and being alert to situations or transactions that could be indicative of fraud, abuse and illegal expenditures.

C. Summary of audit results

We summarize below our key conclusions which are fully detailed in the relevant sections of the present audit report.

1. Financial

We found that the Fund Accountability Statement was presented fairly. However, we are questioning costs amounting to FCFA 1,935 (\$6.91) and an audit adjustment of FCFA 90,000 (\$321.4). These questioned costs are attributable to the following items:

- FCFA 1,935 being purchase of postage stamps not supported with an invoice.
- FCFA 90,000 being per diem advanced to two AIBEF participants not reimbursed.

2. *Internal control*

Our review and evaluation of the internal control system disclosed the following immaterial weaknesses:

- a) The former project coordinator, who retired in August 1993, continues to sign all checks issued by the project.
- b) The accounting records for bank and petty cash do not identify entries per budget line-item. This did not facilitate the preparation of the statement of expenditures.
- c) Entries are not cross-referenced to corresponding supporting documentation
- d) Bank reconciliations are not prepared on a regular basis
- e) We noted a lack of segregation of duties in respect of petty cash management as the same accountant keeps funds and makes all postings. No independent checks are performed

3. *Compliance*

Our testing of transactions and records selected disclosed immaterial instances of noncompliance in the following area:

The NFPCO does not maintain any records which would allow an easy determination of the actual level of GOCI's contribution to the project.

D. *Synopsis of management comments*

REDSO/WCA has made the following comments regarding the audit results:

Regarding the amounts which have been questioned, REDSO argued that the participation of AIBEF was considered to be critical for the seminar and no funds were made available from AIBEF at that time. Evidence of prior approval of this questioned cost was provided. REDSO/WCA/WAAC added that during the examination of the vouchers relating to the purchase of postage stamps, and prior to payment, it was determined that the payment of this amount was justified. REDSO/WCA concluded that the amounts questioned were not to be sustained.

As for the other recommendations relating to weaknesses of internal control and GOCI's contribution to the project, REDSO/WCA pointed out that although they become irrelevant given the termination of the bilateral program in Côte d'Ivoire, they will be taken into account for future opportunities.

II. FINANCIAL SECTION

A. *Independent auditor's report*

We have audited the accompanying Fund Accountability Statement of USAID's Grant to the Ivorian National Family Planning Coordinating Office (NFPCO) under Health and Family Planning Project PIL No. NFPCO-92-01 from November 1992 to July 1994. This Fund Accountability Statement is the responsibility of NFPCO's management. Our responsibility is to express an opinion on this Fund Accountability Statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, except that we did not have an external quality control review by an unaffiliated organization nor did our audit staff complete the minimum continuing education as required by Sections 3.46 and 3.6 respectively of the aforementioned standards. Those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Fund Accountability Statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in the notes to the accounts, the Fund Accountability Statement was prepared on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the Fund Accountability Statement referred to above presents fairly, in all material respects the financial position of NFPCO's as regard to costs incurred under the USAID's Grant support to the Health and Family Planning Project in conformity with the basis of accounting described in Note 1 to the Fund Accountability Statement.

Deloitte & Touche
Deloitte & Touche
October 10, 1994

B. FUND ACCOUNTABILITY STATEMENT

For the period from November 1992 to July 1994
Amounts stated in FCFA

	<u>Budget</u>	<u>Actual</u>	<u>Audit Adjustment</u>	<u>Adjusted balances</u>	<u>Unsuppor ted costs</u>
Receipts					
Advances	<u>46,800,000</u>	<u>7,137,000</u>			
Total	<u>46,800,000</u>	<u>7,137,000</u>			
Disbursements					
In country travel/per diem	6,240,000	2,081,270		2,081,270	
Local technical services	2,080,000	1,000		1,000	
Seminars and workshops	3,380,000	1,069,510	(90,000)	979,510	
Office supplies, equipment rental and maintenance	5,200,000	2,383,129		2,383,129	
Office remodeling	1,040,000	637,665		637,665	
Utilities	3,900,000	116,406		116,406	1,935
Fuel and maintenance	24,960,000	5,750		5,750	
Advance to AIBEF participants	_____	_____	<u>90,000</u>	<u>90,000</u>	_____
Total	<u>46,800,000</u>	<u>6,294,730</u>	<u>0</u>	<u>6,294,730</u>	<u>1,935</u>
Outstanding balance		<u>842,270</u>			

C. Notes to the Fund Accountability Statement

Note 1: Accounting Principles

The Fund Accountability Statement is prepared on the basis of cash receipts and disbursements.

In this report, for convenience purposes, we have used an exchange rate of US\$1 for FCFA 280. It should be noted that this exchange rate nearly doubled as from January 12, 1994 as a result of the devaluation of the FCFA.

Note 2: Audit adjustment

The audit adjustment represents the per diem paid to two AIBEF employees as a reimbursable advance. No evidence was provided as to whether this advance has been reimbursed by AIBEF to the project.

III. INTERNAL CONTROL STRUCTURE

A. Independent auditor's report

We have audited the Fund Accountability Statement of USAID's Grant to the Ivorian Ministry of Health and Social Protection under the Health and Family Planning Project PIL No. NFPCO-92-01 from November 1992 to July 1994 and have issued our report thereon dated October 10, 1994.

We conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States except that we did not have an external quality review by an unaffiliated organization nor did our staff complete the minimum continuing education as required by section 3.46 and 3.6 respectively of the aforementioned standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund Accountability Statement is free of material misstatement.

In planning and performing our audit of NFPCO's Fund Accountability Statement under the Health and Family Planning Project PIL No. NFPCO-92-01 from November 1992 to July 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Fund Accountability Statement and not to provide assurance on the internal control structure.

The management of the NFPCO is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of a Fund Accountability Statement in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Accounting procedures
- Travel procedures

For all the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the Fund Accountability Statement.

These reportable conditions include the need to strengthen supervisory reviews of accounting records and the need to increase controls over petty cash.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the Fund Accountability Statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned function.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the management and NFPCO and USAID. The restriction is not intended to limit the distribution of this report which is a matter of public record.

Deloitte & Touche
Deloitte & Touche
October 10, 1994

B. FINDINGS

1. Weaknesses in the internal control system

Condition

We noted several weaknesses in the internal control system:

- a) The former project coordinator, who retired in August 1993, continues to sign all checks issued by the project.
- b) The accounting records for bank and petty cash do not identify entries per budget line-item. This which did not facilitate the preparation of the statement of expenditures.
- c) Entries are not cross-referenced to corresponding supporting documentation
- d) We noted a lack of segregation of duties in respect of petty cash management as the same accountant keeps funds and makes all postings. No independent checks are performed

Criteria

The PIL No.92-01 stipulates that the project should use the financial procedure manual which contains accounting and internal control procedures to be followed.

Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be allocated among individuals.

Checks issued by the project should be signed by only officers of the Ministry of Health still in activity.

Cause

Management is not adequately involved in designing procedures and controls, and in their implementation.

Effect/Risk

There is a risk of misappropriation of project assets.

Recommendation

Management should permanently involve itself in the implementation of internal control procedures developed in the existing financial procedures manual.

2. *Questioned costs and adjustment*

Condition

Our investigations revealed total questioned costs amounting to FCFA 1,935 (\$6.9) and an audit adjustment as follows:

- FCFA 1,935 being purchase of postage stamps not supported with an invoice.
- FCFA 90,000 being per diem paid to two AIBEF participants as a result of AIBEF inability to meet this cost at that moment. According to the former project officer, AIBEF was supposed to reimburse the project upon receipt of its next check. No evidence was provided to us as to whether this was done.

Criteria

Specific General Accounting Office standards stipulate that internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination.

Effect/Risk

The Fund Accountability Statement has been adjusted of the advance. USAID may disallow the costs questioned

Recommendation

Necessary arrangements should be made to either reimburse USAID, or provide evidence that the amount was reimbursed by AIBEF. In addition, the costs questioned should be reimbursed to USAID in the absence of supporting documentation.

IV. COMPLIANCE WITH AGREEMENT TERMS AND APPLICABLE LAWS

A. Independent auditor's report

We have audited the Fund Accountability Statement of USAID's Grant to Ivorian Ministry of Health and Social Protection (MOHSP) under the Health and Family Planning Project PIL No. NFPCO-92-01 from November 1992 to July 1994 and have issued our report thereon dated October 10, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, except that we did not have an external quality review by an unaffiliated organization nor did our staff complete the minimum continuing education as required by section 3.46 and 3.6 respectively of the aforementioned standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund Accountability Statement is free of material misstatement.

Compliance with laws, regulations contracts and grants applicable to NFPCO is the responsibility of NFPCO's management. As part of obtaining reasonable assurance about whether the Fund Accountability Statement is free of material misstatement, we performed tests of NFPCO's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such opinion.

The results of our tests indicate that with respect to the items tested, the NFPCO complied in all material respects with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the NFPCO had not complied, in all material respects, with those provisions.

This report is intended for the information of the management of NFPCO and USAID. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Deloitte & Touche
Deloitte & Touche
October 10, 1994

B. Findings**3. MOHSP's contribution not calculated***Condition*

The NFPCO does not maintain any records which would allow an easy determination of the actual level of MOHSP's contribution to the project.

Criteria

PIL No.92-01, paragraph 3C stipulates that the NFPCO will provide an estimate of the value, with back-up documentation, of the MOHSP's contribution to the project (salaries, clinic space, rent, etc) on an annual basis.

Cause

Management seems not to be aware of the importance of this requirement.

Effect/Risk

Project financial data are incomplete in the absence of evaluation of the GOCI's contribution.

Recommendation

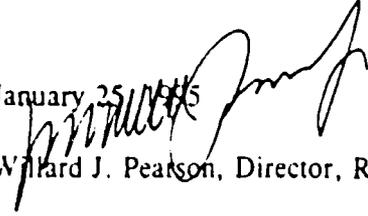
Action should be taken to adequately monitor GOCI's contribution. Management and USAID should combine efforts to obtain more cooperation from the Department of Finance of the Ministry of Health in this regards.

APPENDIX I

UNSUPPORTED EXPENDITURES AND AUDIT ADJUSTMENT

<u>Budget category</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Comments</u>
Seminars and workshops	05/07/94	Hotel (Ouédraogo)	60,000	Unauthorized hotel fare payment for AIBEF participants
		Per diem (Ouédraogo) Madeleine and traoré Ali	30,000	Unauthorized per diem payment for AIBEF participants
Sub total		Sub/Total	<u>90,000</u>	
Utilities	01/02/94	Postage stamps	585	No invoice was obtained
	21/07/94	Postage stamps	<u>1,350</u>	idem
Sub total		Sub/Total	<u>1,935</u>	

MEMORANDUM

DATE: January 25, 1995 

FROM: Willard J. Pearson, Director, REDSO/WCA

SUBJECT: Audit of USAID's Grant to Ivorian National Family Planning Coordinating Office (NFPCO) under the Health and Family Planning project, PIIL No. NFPOC-92-01, November 1992 to July 1994.

TO: Thomas B. Anklewich, RIG/A/Dakar

We have reviewed the draft subject audit report of the Ivorian National Family Planning Coordinating Office (NFPCO) under the Health and Family Planning Project. Our comments provided below are intended to address the findings and recommendations as you requested in your memorandum dated December 20, 1994.

A. RIG's recommendation. We recommend that REDSO WCA resolve the total questioned costs of \$396 and recover those costs determined to be unallowable or unsupported.

REDSO/WCA has made the following determinations on the cited total questioned costs of \$396:

Unsupported cost under MCH component

- a. FCFA 19,000 being one day per diem and hotel cost to one employee (instead of two as stated on page 11) in excess of the authorized number of days.

Comment: A project activity had to be postponed for one day after an unexpected announcement of a local holiday. The employee was already on site when the announcement was made. REDSO/WCA/WAAC, during the examination of the vouchers related to this amount and prior to payment, determined that the payment of an additional day was justified. Accordingly, REDSO/WCA views the cost as reasonable and we request that the amount of FCFA 19,000 not be sustained.

Conclusion: This amount is not to be sustained.

- b. FCFA 90,000 being paid to two AIBEF participants without prior authorization.

Comment: The funding of the two AIBEF participants by the NFPCO was approved verbally by the USAID project officer. The participation of AIBEF was considered to be critical for the seminar and no funds were available from AIBEF at that time. Attached is a statement from the former project officer, now located in Washington, confirming that this questioned funding was approved.

Conclusion: This amount is not to be sustained.

c. FCFA 1,935 being purchase of postage stamps not supported with an invoice.

Comment: REDSO/WCA/WAAC, during the examination of the vouchers related to this amount and prior to payment, determined that the payment of this amount was justified. Given the WAAC review and small value of the purchase, we request that the cost not be sustained.

Conclusion: This amount is not to be sustained.

B. Findings and recommendations of Deloitte & Touche

1. Please see above comments on finding 2.
2. With the termination of the bilateral program in Cote d'Ivoire, the recommendations related to findings 1 and 3 become irrelevant. However, REDSO/WCA plans to disseminate the recommendations and lessons learned from this audit within REDSO/WCA and among our counterparts in the region through appropriate channels.

To: Souleymane Barry@HHR@ABIDJAN
Cc:
Bcc:
From: John Paul James@HR.POD@AIDW
Subject: re: Audit of Grant to the Ivorian FP Coordinating Office.
Date: Monday, January 9, 1995 13:58:58 GMT
Attach:
Certify: Y
Forwarded by:

Hi Souleymane! It was great to hear from you. I had been thinking about you often and I'm sorry that we missed each other to say goodbye. My last days in Abidjan were a little hectic. I will always remember you as one of the most intelligent and dynamic professionals that I have ever met and I will not hesitate to recommend you to any organization that needs someone of your exceptional ability. Let's keep in touch by e-mail from time to time.

To answer your question about the per diem for the two AIBEF employees, I did authorize, verbally, the NFPCO to pay their expenses to the regional seminar because AIBEF was temporarily out of money. AIBEF was supposed to reimburse the NFPCO when its next check arrived.

There were several other occasions when AIBEF advanced funds for per diem for NFPCO personnel because the MCH could not move fast enough to get the money on time. This also was to have been reimbursed to AIBEF. Orsot will know if this was done.

Best regards and take good care of yourself!

JP