

ADWAD 464

~~Mr. Long~~
Mr. Barber -
Halted to
Ken Lake

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MEMORANDUM

June 8, 1981

TO: DS/Title XII, Dr. E. Long
FROM: DS/PO, Francis R. Campbell *FB*
SUBJECT: Audit of Title XII Strengthening Grant to
Auburn University (Project No. 931-1282,
Contract AID/DSAN-XII-G-0150)

The subject audit (Report No. 0-000-81-83, 6/2/81) examined the propriety of expenditures incurred by Auburn under the terms of the Grant. The audit questions costs claimed in the amount of \$41,823 and recommends that SER/CM recover this amount.

Although your office has no direct action as a result of the audit, you may wish to keep in touch with SER/CM until the audit recommendation is closed.

cc: AA/DS, B. Chapnick (Acting)
DS/PO:ASilver
KNevitte

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memorandum

DATE: June 2, 1981

REPLY TO
ATTN OF: RIG/A/W, George L. DeMarco

SUBJECT: Audit Report No. O-000-81-83, Auburn University
Contract Number AID/DSAN-XII-G-0150

TO: CM/COD/AN, Mr. Morton Darwin

The attached report is provided for your information and action.

Please advise this office, within 30 days, of the action taken on the recommendation shown in this report.

Attachment:

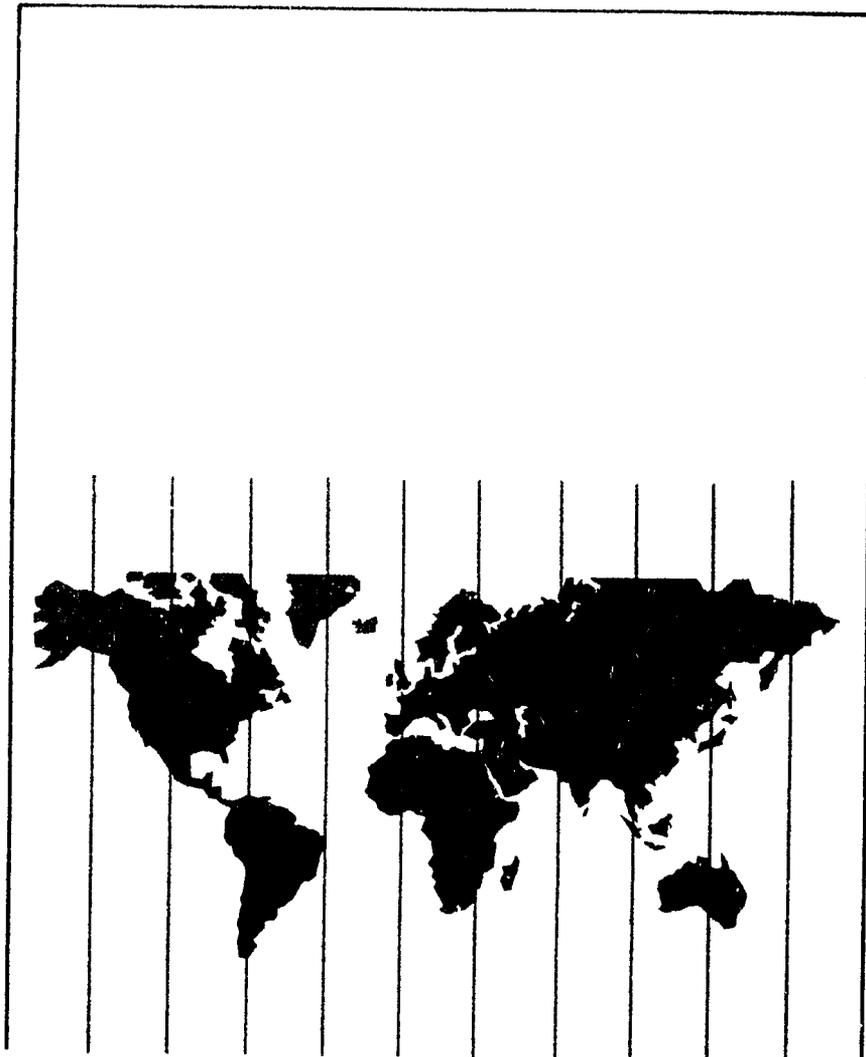
a/s



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UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

THE
INSPECTOR
GENERAL



Regional Inspector General for Audit
WASHINGTON

"CONTRACTOR INFORMATION CONTAINED IN THIS
REPORT MAY BE PRIVILEGED. THE RESTRICTIONS
OF 18 USC 1905 SHOULD BE CONSIDERED BEFORE
ANY INFORMATION IS RELEASED TO THE PUBLIC."

**Grant Audit of
Auburn University
Grant No. AID/DSAN-XII-G-0150
Audit Report No. O-000-81-83
June 2, 1981**

Grant Audit of
Auburn University
Grant No. AID/DSAN-XII-G-0150
Audit Report No. 0-000-81-83

Introduction

The Office of the Regional Inspector General for Audit/Washington has reviewed a report issued by the Department of Health and Human Services on an examination of the subject grant with Auburn University.

The purposes of the examination were to determine the propriety of expenditures incurred by the Grantee under the terms of the grant and to ascertain the degree of compliance with generally accepted accounting standards and principles.

Grant Information

A summary of grant data is shown below:

Grant Number	:	AID/DSAN-XII-G-0150
Grant Ceiling	:	\$699,777
Expiration Date:		October 8, 1986
Project Number	:	931-1282
Project Title	:	Community Development
Audit Period	:	7/7/79 - 9/30/80
Type of Audit	:	Interim

The status of grant funds is:

Grant Ceiling		\$699,777
Amount Reimbursed:		
Costs Audited		
Approved Prior Audit	\$	
Approved Current Audit	58,924	
Unaudited Costs	19,086	
Subtotal	\$78,010	<u>78,010</u>
Amount Questioned	41,823	
Total Reimbursed	<u>\$119,833</u>	
Grant Balance Remaining		<u>\$621,767</u>

Grant Costs

Costs claimed and reimbursed during the period totalled \$100,747 as shown in the attached HHS audit report. Of this amount, \$58,924 was considered eligible for reimbursement. The difference of \$41,823 is questioned.

Recommendation No. 1

Office of Contract Management, SER/CM,
take appropriate action to recover the
questioned costs of \$41,823.

Copies of this report have also been sent to the offices shown on the attached list of report recipients.

Auburn University
List of Report Recipients

Assistant Administrator/SER	5
Audit Liaison Office, DS	1
Office of Financial Management, FM/PAD	1
Office of Contract Management, Director	1
Office of Contract Management, CM/COD/AN	1
Support Division, CM/SD/SUP	3
HHS, Atlanta Regional Office	1
Inspector General	1
IG/II	1
IG/PPP	1

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REGION IV
101 MARIETTA TOWER, SUITE 1421
ATLANTA, GEORGIA 30323

December 18, 1980

Audit Control No. 04-17200
Grant No. AID/DSAN-XII-G-0150
Auburn University
Auburn, Alabama

Mr. A. A. LeBlanc
Office of Auditor General, Washington
Department of State
Agency for International Development
Washington, D. C. 20523

Dear Sir:

This grant, effective July 9, 1979, provided \$100,000.00 for the period July 9, 1979, through October 8, 1980, "to sustain and increase the University's capability to contribute to a better life for the world's poor majority through Title XII activities."

The purpose of our examination was to determine whether the amounts claimed for reimbursement by the grantee constituted allowable costs under the terms of the grant. Our examination was made in accordance with generally accepted auditing standards and the "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," to the extent such standards are applicable, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, we believe that \$58,924.60 of the \$100,747.24 claimed for grant performance is allowable and, therefore, reimbursable. The remaining \$41,822.64 represents costs which are recommended for adjustment as detailed in Exhibit A.

As of this date, there are no known outstanding or unresolved inquiries originated by the General Accounting Office.

To facilitate identification, please refer to the above audit control number in all correspondence relating to this report. Any

Mr. A. A. LeBlanc - page 2

inquiries concerning the report should be directed to Mr. Donald G. Anderson, Branch Manager, HHS Audit Agency, Federal Building, U.S. Courthouse, 15 Lee Street, Room B-28, Montgomery, AL 36104, telephone number (205) 832-7330.

Sincerely,

for/ Donald G. Anderson

Emil A. Trefzger, Jr.
Regional Audit Director
OIG Audit Agency, Region IV

Enclosure: Exhibit A

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Statement of Contract Costs
For the Period July 9, 1979, through September 30, 1980
Grant No. AID/DSAN X11G 0150
Auburn University, Auburn, Alabama

<u>Element of Cost</u>	<u>Costs Claimed</u>	<u>Costs Qualified</u>	<u>Costs Recommended for Adjustment</u>	<u>Notes</u>
Salaries & Wages	\$ 78,485.85	- 0 -	\$ 4,491.71	1
Employee Benefits	13,462.29	- 0 -	770.33	1
Telephone/Telegraph Service	169.51	- 0 -	- 0 -	
Freight-Express	27.55	- 0 -	- 0 -	
Copying	200.00	- 0 -	200.00	2
Printing	86.00	- 0 -	- 0 -	
Travel	1,438.73	- 0 -	520.58	3
Stenographic Services	5,148.25	- 0 -	2,349.95	2
Preprint Material from Publication	7.50	- 0 -	- 0 -	
Other Expendable Supplies	80.62	- 0 -	- 0 -	
Other Equipment	1,567.66	- 0 -	579.00	4
Registration Fees	25.00	- 0 -	- 0 -	
Office Supplies	8.67	- 0 -	- 0 -	
Agricultural Economics Library	39.61	- 0 -	- 0 -	
Other	<u>- 0 -</u>	<u>- 0 -</u>	<u>32,911.07</u>	5
Total	<u>\$100,747.24</u>	<u>- 0 -</u>	<u>\$41,822.64</u>	

Notes

1. These amounts represent retroactive salary adjustments of \$3,412.50 which were not supported by certifications of effort as required by the grant; payment to an employee upon separation for annual leave of \$1,079.21 which had not been earned while working on the grant; and fringe benefits of \$770.33 applicable to the above salaries.
2. These amounts represent charges for copying and stenographic services which were not documented to show that services were performed for grant purposes.
3. Represents travel costs charged to the grant for an employee who was not assigned to work on the grant at the time the travel was made.
4. This amount represents purchase of a hog scale which was not for the benefit of the grant.
5. This grant required 50 percent matching. The University failed to document \$32,911.07 of matching funds as shown below.

Total Costs Claimed	\$100,747.24
Less Costs Recommended for Adjustment	<u>8,911.57</u>
Total Allowable Cost	\$91,835.67
50 Percent x Total Allowable Cost Equals Required Matching	45,917.83
Amount of Acceptable Matching	<u>13,006.76</u>
Unsupported Matching Share	<u>\$32,911.07</u>