

USAID

OFFICE OF INSPECTOR GENERAL

*Semiannual Report to the Congress
October 1, 1999 – March 31, 2000*



U.S. Agency for
International Development

USAID



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

April 28, 2000

The Honorable J. Brady Anderson
Administrator
U.S. Agency for International Development
Washington, DC 20523

Dear Mr. Anderson:

I am pleased to report to you and the Congress of the United States, the accomplishments of the U.S. Agency for International Development, Office of Inspector General (OIG) for the period October 1, 1999 through March 31, 2000. In compliance with Section 5 of the Inspector General Act of 1978, as amended, this report summarizes significant Agency-wide Audit and Investigative efforts during this period.

We have adopted a slightly different approach for reporting activities addressed during this period. First, we have highlighted Major Challenges facing the Agency as you lead efforts to improve operations and OIG's efforts to provide valuable assistance and advice. Secondly, we have provided the results of our accomplishments by Bureau, to make it easier for Management and all readers to focus on the scope of our initiatives.

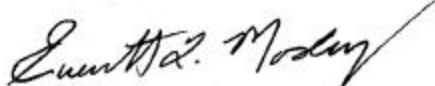
During this semiannual period, the OIG issued 278 audit reports with monetary recommendations valued at about \$70.6 million, opened 84 and closed 81 investigations, and achieved recoveries of about \$2,352,000 in support of USAID's programs and operations. The Executive summary provides an overview of the most significant issues discussed in the report.

Additionally, during this semiannual period Public Law 106-113 (The Consolidated Appropriations Act), dated November 29, 1999, assigned all audit and investigative activities (as prescribed under the Inspector Act of 1978) for the African Development Foundation and the Inter-American Foundation to the USAID/Office of Inspector General. We have met with management of each of these organizations and initiated some procedures for oversight.

We are currently involved in vulnerability assessments and analysis of current management review and oversight procedures as we design the best strategic plan to accomplish our assigned responsibilities while continuing to provide maximum coverage of USAID operations.

The employees of the Office of Inspector General continue their dedicated and professional efforts to help USAID improve its overall operations and thank you for the demonstrated value that you have placed on OIG's efforts.

Sincerely,



Everett L. Mosley
Deputy Inspector General

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INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

The Inspector General Act of 1978, as amended, requires each Inspector General to submit semiannual reports to the Congress summarizing the activities of the office during the preceding six-month period. The twelve required reporting areas, as prescribed under Section 5(a) of the Act, are:

<u>Reporting Requirement</u>	<u>Page Reference(s)</u>
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Executive Summary

During the semiannual reporting period from October 1, 1999 through March 31, 2000, the OIG issued 278 audit reports with monetary recommendations valued at about \$70.6 million. In addition, the OIG closed 81 investigations and achieved recoveries of \$2,352,057. Significant results from audits and investigations are summarized in the sections below.

Pursuant to P.L. 106-113, the consolidated Appropriations Act, including the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, the USAID/Office of Inspector General now has audit and investigative responsibility over the Inter-American Foundation and the African Development Foundation. These foundations are independent entities established by Congress to provide development assistance, primarily through local private voluntary organizations, in their respective regions.

This semiannual report reflects a different approach for reporting activities during this period. We have highlighted Major Challenges facing USAID and OIG efforts to provide valuable assistance and advice, and our accomplishments are reported by Bureau to better focus attention on the scope of our initiatives.

Highlights of Significant Audits

- The OIG issued a disclaimer of opinion in its Government Management Reform Act audit report on USAID's financial statements for fiscal year 1999. The scope of the audit was impaired due to accounting and financial management systems from which USAID was unable to produce accurate, complete, reliable, timely and consistent financial statements.
- USAID awarded over 921 active contracts valued at approximately \$1 million from July 1995 through December 1998. Though the Federal Acquisition Streamlining Act of 1994 requires Federal agencies to consider past performance as a factor when awarding new contracts, the OIG found that USAID had not implemented an effective program to evaluate contractor performance. They evaluated less than 10 percent. USAID has taken steps to implement an information system, which would provide procurement officials with secure access to contractor past performance information. It will also allow USAID officials to obtain information from eight other Federal agencies utilizing the existing Internet-based system.
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- Responding to four OIG audits that identified computer security vulnerabilities, USAID has undertaken a course of action to improve computer security. USAID has crafted a Model Information System Security Program that provides a framework for identifying and disseminating to other agencies a complete set of “best practices” for implementing an effective computer security program. Recognized by the Chief Information Officers Council, General Services Administration and others as an innovative and comprehensive approach, USAID’s “Model” is seen as benefiting the entire Federal Government.

Highlights of Significant Investigations

- The OIG and 18 other Federal agencies participated in a joint investigation of a large consulting firm that yielded a settlement of \$1,900,000. The investigation determined that the consulting firm had violated the Federal Acquisition Regulation through a practice of billing the Federal Government for subcontractor services prior to actually paying the subcontractors. The extent of the practice was revealed by a Defense Contract Agency Audit, which disclosed that the firm had prematurely billed its government clients 74 percent of the time, by an average of 37 days. The consulting firm cooperated during the investigation and implemented measures to remedy the problem in the future.
- The OIG resolved a case involving apparent violations of the Foreign Corrupt Practices Act, which resulted in a civil penalty of \$400,000 and \$50,000 for government investigative costs. The investigation revealed that a large U.S. environmental firm had provided benefits to the Chairman of a foreign organization to influence that individual to support the award of \$36 million in contracts to the firm by USAID. The foreign organization, an instrumentality of the Government of the United Arab Republic of Egypt, is responsible for operating sewage and wastewater treatment facilities in Egypt.
- An OIG investigation resulted in the removal of a Foreign Service National employee, after that individual attempted to smuggle computer parts and equipment into Bolivia using a USAID issued airport pass. The employee was an Expeditor and had been issued the pass to gain entry to secured areas of the airport to facilitate incoming and outgoing shipments and customs clearance of private and U.S. government property. Due to the employee’s extended length of service, the individual was allowed to resign in lieu of termination.

MAJOR CHALLENGES FOR USAID

The U.S. Agency for International Development's mission, to contribute to U.S. national interests by supporting the people of developing and transitional countries to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world, is a courageous and painstaking goal. The mission of the Office of Inspector General is to keep the Administrator and the Congress fully informed of vulnerabilities and needed improvements through audits and investigations; to promote effectiveness and efficiency; and to prevent and detect fraud, waste, and abuse. USAID and the OIG subscribe to the philosophy that success in achieving respective organizational goals is measured by the success of our colleagues and partners.

This Semiannual Report of the Office of Inspector General (OIG) details some of our most significant accomplishments for the period October 1, 1999 through March 31, 2000. Pursuant to our shared objectives, the OIG has identified major challenges confronting USAID as it pursues its mission. While USAID management has made substantial progress in addressing several of these issues, others are still without resolution. The following section highlights significant challenges, and the subsequent sections are organized by agency bureaus. Continued attention to improving Agency operations will bring USAID that much closer to more fully realizing success in meeting its goals.

INFORMATION RESOURCE MANAGEMENT

The Clinger-Cohen Act of 1996 mandates that Executive agencies implement a process to maximize the value and assess the management risks involved in information technology investments. Over a period of several years, OIG audits, supported by other audits and studies, have demonstrated that USAID's information resources management processes are not effective due to organizational and management deficiencies. These deficiencies have prevented USAID from implementing effective information systems and have made it difficult for USAID managers to obtain complete, reliable, timely, and consistent financial and performance information. GAO has also identified the acquisition of information technology as a high-risk problem across the Government.

The OIG has identified four information resource management deficiencies: new management system reporting and resource management capabilities, information resources management processes, USAID's computer security program, and difficulties in addressing "Year 2000" (Y2K) computer problems.

NMS Reporting and Resource Management Capabilities

As will be discussed below under the heading of financial management, USAID has consistently identified the lack of an effective, integrated financial management system as a material weakness. The Agency's New Management System (NMS), a management information system, was intended to correct system deficiencies related to accounting, budgeting, procurement, as well as program operations and reporting. Difficulties implementing the system, however, have continued to prevent USAID managers from receiving reliable and timely data to support their management information needs.

USAID has decided to replace NMS and other legacy systems with a suite of off-the-shelf systems, but current estimates are that these systems will not be in place until fiscal year 2002. The OIG will be monitoring the implementation of the new system.

Information Resource Management Processes

In March 1997, the OIG reported that information resources management deficiencies had contributed to premature deployment of the NMS, a system that had not been tested and did not operate effectively. These problems occurred in part because USAID had not implemented disciplined processes required by the Clinger-Cohen Act. For example, individuals and offices were allowed to develop systems without regard to standards, data sharing, or the cost effectiveness of investments. Also, USAID's Information Resources Management Division (IRM) lacked the authority to manage information resources and enforce Agency-wide data or system development standards.¹

In its fiscal year 1997 Federal Managers Financial Integrity Act (Integrity Act) report and its fiscal year 1998 Accountability Report, USAID recognized material weaknesses in its information resource management processes. The Agency decided to take a number of steps to implement disciplined information resource management processes that comply with Clinger-Cohen Act requirements. It began to strengthen its organizational control over information technology investments. For example, it hired a new Director of its Office of Information Resources Management and established a Capital Investment Review Board to provide broad management oversight for information technology investments.² USAID also identified and began implementing best practices for information resource management and, when improvements have been implemented, they will seek independent certification that its practices meet commonly accepted government and industry standards. USAID currently estimates that this certification will be received in fiscal year 2001.

¹ Audit Report No. A-000-97-004-P of March 31, 1997.

² Audit Report Nos. A-000-97-010-P of September 30, 1997 and A-000-98-004-P of March 31, 1998.

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Year 2000**M**

We completed our efforts to help USAID ensure that its computer systems were able to correctly process Year 2000 dates. USAID did not experience significant Y2K disruptions. We believe that the OIG's efforts and USAID's responses to the recommendations better prepared USAID for the Y2K event.

A**J*****Computer Security*****O**

The OIG has issued several audit reports identifying computer security deficiencies that exposed USAID to unacceptable risks that resources and sensitive data might not be adequately protected from loss or destruction.³ The deficiencies affected computer systems both at headquarters and at overseas Missions. Deficiencies existed because USAID had not implemented an effective computer security program as required by the Computer Security Act and OMB Circular A-130. USAID then identified its overall computer security program and NMS security and access controls as material weaknesses in its fiscal year 1997 Integrity Act and fiscal year 1998 Accountability Reports.

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USAID has continued its efforts to correct these deficiencies. The OIG also continued to work closely with the Agency Information Systems Security Officer and to participate in the Information Systems Security Working Group. USAID has made significant progress in developing a program to improve its ability to protect computerized information. For example, USAID officials have crafted a Model Information System Security Program. This program provides a framework for identifying and disseminating to other U.S. Government agencies a complete set of 'best practices' for implementing an effective computer security program. The program has been recognized by the Chief Information Officers Council, the General Services Administration, and others as an innovative and comprehensive approach that could benefit the entire Federal Government.

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Although USAID has made significant information systems security improvements, much work remains to be done. The Agency estimates that computer security vulnerabilities will not be fully corrected until 2003.

³ Audit Report Nos. A-000-97-004-P of March 31, 1997; A-527-99-001-P of December 30, 1998; A-000-99-002-P of December 31, 1998; A-000-99-004-P of March 1, 1999; A-000-99-005-P of March 1, 1999; and A-000-97-008-P of September 30, 1997.

FINANCIAL MANAGEMENT

Under a series of legislative initiatives beginning in 1990, the Federal Government has embarked on a course to improve the quality of financial information used to manage its activities. These legislative initiatives include the Chief Financial Officers (CFO) Act of 1990, the Government Management Reform Act (GMRA) of 1994, and the Federal Financial Management Improvement Act (FFMIA) of 1996. Each of these laws concerns the preparation and audit of annual financial statements by Federal agencies.

USAID cannot currently meet the requirements of these legislative initiatives because current Agency financial management systems do not provide complete, reliable, timely, and consistent information. Therefore USAID managers cannot be sure that program objectives are met; resources are adequately safeguarded; reliable financial and performance data are obtained, maintained, and reported; and activities comply with laws and regulations.

In the past two years, USAID has made considerable progress toward resolving the problems with its financial management system and it is placing significant effort and resources toward additional improvements. While completion of the improvements is still several years in the future, USAID has challenges that must be addressed during the interim. The challenges include:

- implementing an integrated financial management system;
- reconciling financial data;
- developing financial management procedures;
- managing the direct loan programs; and
- reporting on accounts receivable.

Implementing an Integrated Financial Management System

The Federal Financial Management Improvement Act (FFMIA) requires agencies to implement and maintain financial management systems that comply with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. USAID managers do not always receive the complete, reliable, timely and consistent information they need to accurately report financial and performance results or efficiently manage USAID operations. USAID continues to rely on a combination of outmoded legacy systems, informal and unofficial records, and the New Management System (NMS). NMS is an integrated information management system that continues to suffer from technical and operational problems.

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The OIG has issued numerous reports identifying deficiencies in USAID's financial management systems. USAID management has decided to implement all of the recommendations in the reports. In the upcoming year, the OIG will work with USAID to monitor its progress in implementing the recommendations.

Reconciling Financial Data

According to USAID financial managers, progress has been made in resolving data reconciliation problems, though data reconciliation anomalies still exist in the fund balance with the U.S. Department of the Treasury and advances processed through its letter of credit system.

USAID had not implemented adequate internal controls to permit accurate and reliable reporting of the fund balance with the U.S. Treasury. The OIG identified several problems that hindered USAID's ability to accurately report its fund balance with the U.S. Treasury at the end of the fiscal year.

- USAID did not always reconcile its records with the U.S. Treasury records;
- USAID made unsupported adjustments,⁴ of a net \$21.8 million, to bring its fund balance to agree with the U.S. Treasury's records; and
- USAID's Office of Financial Management did not properly manage the use of the fiscal year 1998/1999 Development Assistance appropriation.

Because of these practices, external and internal reports generated by USAID may be unreliable, USAID is unable to determine the status of resources, and USAID's Office of Financial Management may have committed a fund control violation.

USAID has not implemented adequate internal controls to permit accurate and reliable reporting of the advance account balance. The OIG identified several problems that hindered USAID's ability to accurately report advance account balances. For example, by adopting the cash pooling method of accounting for advances, USAID cannot accurately report the status of financial and budgetary resources at the obligation and appropriation levels. As a result, USAID's records showed a negative balance of \$169 million in a carrier appropriation and overstatement of other appropriation closing balances.

⁴ In the September 30, 1998 financial statements, the fund balance difference between USAID and the U.S. Department of Treasury was net \$60 million (\$590 million in absolute value). The September 30, 1999, difference was \$21.8 million (\$266 million in absolute value)—a significant improvement over the 1998 differences.

Developing Financial Management Procedures

While USAID is developing financial management policies and essential procedures that will be incorporated into the Agency's Automated Directives System (ADS), the lack of financial management procedures continues to be an issue that confronts USAID. The Agency is taking steps to strengthen the financial policy function of its Office of the Chief Financial Officer.

With the help of its Certified Public Accounting firm contractor, USAID is in the process of documenting operating procedures for performing cash reconciliation of its fund balance account and preparing reports which are submitted to Treasury. USAID has targeted this issue for correction in the near future. We are currently monitoring the development of these procedures. We will review and comment on these procedures once they are issued in draft.

Managing the Direct Loan Programs

USAID has improved its processes and procedures for reporting the credit program receivables. The OIG found that the individual loan account balances it tested were accurate and that USAID's financial managers were responsive to previous audit recommendations made to improve the internal controls over the credit program portfolio. The OIG noted, however, that USAID had not provided the most updated information to the contractor on rescheduled loans, nor did it promptly resolve some loan collections. In addition, loan information maintained by a contractor had not been reconciled with the information contained in USAID's legacy loan accounting systems.

The OIG does not consider these conditions to be material internal control weaknesses.

Reporting on Accounts Receivable

USAID continues to experience difficulties producing timely and accurate accounts receivable reports. This problem was previously reported in our fiscal year 1996 consolidated financial statement audit report.⁵

To date, USAID has not established adequate policies and procedures to account for worldwide accounts receivable. USAID did not report this as a separate material internal control weakness in its FY 1998 Accountability Report. Instead, USAID combined this material internal control weakness with the primary accounting system material internal control weakness that was contained in the Agency Accountability Report. According to USAID officials, this deficiency will be properly addressed once the new primary accounting system is implemented.

⁵ Audit Report No. 0-000-97-001-C of February 24, 1997.

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PERFORMANCE MEASUREMENT AND REPORTING

The Government Performance and Results Act of 1993 (Results Act) was enacted to improve Federal program effectiveness and public accountability by requiring agencies to set program goals, measure program performance against those goals, and report on their progress. Like other Federal agencies, USAID cannot achieve its program goals alone. GAO has noted that agencies, which attempt to exert influence outside their immediate jurisdiction, have found it difficult to set goals that are both far-reaching and beneficial to their programs. Both GAO and the OIG have reported that USAID's strategic and annual performance goals are too broad, and recommended the selection of performance indicators that better describe USAID's performance results. In response, USAID is taking steps to better show the results of its own activities.

USAID works with, and relies on many other organizations, including U.S. and foreign non-governmental organizations, for-profit contractors, host government, international organizations, and other donors to implement its activities. The Agency receives information from these organizations to measure and report on general trends as well as on the progress of specific projects and activities. The capacity of these organizations to measure meaningful results, however, varies widely, as do their methodologies and schedules for collecting and reporting results data. USAID is addressing these challenges. For example, to improve the credibility and usefulness of results data included in its internal and external reports, USAID issued several new policies and guides to its operating units clarifying Agency standards for indicator and data quality. USAID, however, has not yet found a way to ensure that its development partners, and therefore its operating units, provide data on a schedule that permits the inclusion of the most recent country-level results in its annual performance reports under the Results Act.

USAID's strategic plan includes six development goals and one management goal. The management goal focuses primarily on the operating systems that support the Agency's ability to achieve its program objectives. USAID has identified significant weaknesses in these systems, and has discussed specific problem areas and some corrective actions in its annual performance plans. USAID, however, did not establish long-term goals, performance indicators, baselines or targets for resolving these management challenges. According to Agency management officials, USAID is taking steps to improve its planning, progress measurement and reporting under this management goal.

Since September 1996, the OIG has taken an active role in reviewing and assisting USAID in implementing the requirements of the Results Act. For example, we issued several status reports on the quality of results reported by many USAID operating units. Most recently, at Agency request, the



OIG auditor Lloyd Miller provides training on data assessment and verification in Lima, Peru at the request of the USAID/Peru Mission

OIG initiated another series of audits that continue to assess the quality of data in reports submitted by operating units. To ensure that the audits are beneficial to both country-level and Washington managers, we worked closely with Agency performance measurement experts to develop the audit methodology. These officials have accompanied audit teams during audit fieldwork. Additionally, OIG staffs have conducted training for USAID in performance management. This unique collaborative effort will continue through the calendar year.

HUMAN CAPITAL MANAGEMENT

GAO has reported that many Federal "agencies have not sufficiently indicated how they will identify their human capital needs, nor how they will acquire, develop, and deploy their human capital" to improve their programs and achieve their goals. Like other Federal agencies, managing its human capital presents a variety of challenges to USAID. These include declining budgets for personnel resources, an aging workforce and the prospect of accelerating retirements, the need to keep abreast of rapid technological changes in a tight labor market, and the need to supplement internal staff knowledge with external expertise. These challenges argue for a new look at human capital management and its integration into strategic and annual program planning processes. USAID has taken some steps to address staffing concerns, including establishing a task force to guide workforce planning, recruiting staff for technical areas, and is developing and revamping its in-service training program. We plan to audit USAID's training program in fiscal year 2000 to determine whether it provides Agency personnel with the skills they need to help USAID achieve its development and management goals.

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BROAD PROGRAM MANDATE

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The management burden resulting from USAID's broad program mandate has elicited concern from both within and without the Agency. The President's Commission on the Management of A.I.D. Programs stated in 1992 that USAID is faced with a multiplicity of programs and conflicting priorities in an environment of diminishing operational resources. The 1993 Wharton Task Force Report concluded that USAID had too many individual country programs for the size of its staff and budget. Agency officials frequently illustrate this problem by pointing to relatively recent requirements for USAID programs in Eastern Europe and Eurasia, which were mandated without commensurate increases in operating expense funding. Following enactment of the Foreign Affairs Reform and Restructuring Act of 1998, USAID began extensive discussions and negotiations with the Department of State in making development assistance a more central element of U.S. foreign policy. USAID and State officials are working to outline shared goals, learn each other's operating requirements, and strengthen mechanisms for future coordination. No audit work is currently planned in this area.

ANTI CORRUPTION FOCUS

The OIG has increased its emphasis on preventing and deterring corruption in fiscal year 2000 by developing a new strategy targeting high risk environments, especially areas receiving high levels of funding such as Central America for Hurricanes Mitch and Georges and the Balkans for reconstruction efforts. This strategy will entail a multifaceted approach discussed below.

Surveying the Environment

The OIG investigations and audit staffs assess corruption in host countries that may pose threats to USAID programs. The OIG focuses on U.S. and indigenous Non-Governmental Organizations (NGOs) and Private Voluntary Organizations (PVOs) with a history of nonconformance to USAID regulations and U.S. law. The OIG concentrates on USAID programs that have been susceptible to fraud, waste and abuse in the past.

Establishing a close working relationship with USAID

The OIG works closely with USAID management, NGOs, PVOs, and host governments. The OIG strives to promote cooperation and partnership with USAID

Emphasizing a team approach

The OIG has and will continue to encourage the timely submission of referrals of fraud, waste and abuse in USAID programs and operations to work toward an early resolution of problems. Through partnership with USAID, the OIG develops methods of strengthening programs when weaknesses are identified.

Enforcing the Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) prohibits a U.S. firm from making a "corrupt" payment to foreign officials for the purpose of procuring or retaining business. The OIG will work closely with the Department of Justice (DOJ) in the investigation of FCPA violations and use it as a tool in the fight against corruption.

Conducting Fraud Awareness Briefings

The OIG is providing support and advice to USAID, PVOs, NGOs, and other partners on fraud awareness and aggressive law enforcement strategies through meetings, presentations, conferences and other forums. During this reporting period, approximately 60 fraud awareness presentations have been provided to 2,014 participants in El Salvador, Nicaragua, the Dominican Republic, Guatemala, Haiti and Honduras. It is expected that this effort will serve as a frontline defense against fraud and corruption.

Offering Recommendations for Systemic Improvements

The OIG is recommending systemic improvements of identified weaknesses. The OIG is providing specific examples of the systemic weakness and offer recommendations to USAID management in furtherance of effective operations.

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OTHER AGENCY CHALLENGES

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY DISASTER RECOVERY FUND

Legislation creating the Central America and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) was sent to the President and signed into law on May 21, 1999. In response to three natural disasters, including Hurricane Mitch in Central America, the CACEDRF provides \$621 million for reconstruction assistance in Honduras, Nicaragua, El Salvador, Guatemala, Costa Rica, the Dominican Republic, Haiti, and Colombia. These funds will be used to reconstruct damaged roads, rebuild homes and schools, repair and improve wells and sanitation facilities, improve the health status of the victims of natural disasters, and re-activate economic growth.



Temporary Housing built by the Cooperative Housing Foundation using Mitch Supplemental Funds

Under Section 632 of the Foreign Assistance Act, \$121.9 million was transferred to other Federal agencies. Of the total amount, \$41.5 million is to be transferred to other Federal agencies under Section 632(a) of the Foreign Assistance Act. Accountability for these funds are assumed by the receiving agencies. The remaining \$80.4 million was transferred under Section 632(b) where USAID utilizes the services of other Federal agencies, however, USAID is ultimately accountable for the funds. Another \$7 million will be used for USAID operating expenses (including \$1.5 million for OIG operating expenses discussed below). Of the \$571.5 million in program funds (which includes 632(b) funds), as of March 31, 2000, USAID had obligated \$516 million, committed \$341 million, and accrued expenditures of \$35 million in CACEDRF funds.⁶ Except for some activities in Honduras, USAID has indicated it will spend all of the CACEDRF funds by December 2001.

⁶ For bilateral (that is, government-to-government) assistance, USAID obligates funds through grant agreements with host governments. In this case, funds are subsequently committed through subgrants, contracts, project implementation letters, or other types of commitment documents that provide financing for specific activities under the bilateral grant. For unilateral assistance, where USAID deals directly with a private entity, USAID simultaneously obligates and commits funds through grants and contracts. USAID accrues expenditures when costs are incurred, whether or not funds have actually been disbursed to grantees, contractors, and other payees.

The CACEDRF includes \$1.5 million in additional operating expense funds for the OIG to help maintain accountability over these funds. Responding to this mandate, and responding to specific concerns expressed by members of the Administration and the Congress, the OIG has placed a high priority on providing adequate audit and investigative coverage of the CACEDRF.

To determine the type of coverage that would be appropriate for each individual activity funded under CACEDRF, the OIG performed risk assessments and made judgments about the type of audit coverage that would be useful and cost effective for each activity. Higher-risk activities will be covered by concurrent financial statement audits. Concurrent audits are financial audits performed on an ongoing basis, covering activities as they are implemented, with quarterly reporting by the auditors. Lower-risk activities will receive annual financial statement audits. All activities will be subject to OIG performance audit coverage.

The OIG expects to conduct 21 concurrent financial statement audits covering \$278 million in CACEDRF funds. As of March 31, 2000, scopes of work have been prepared for 20 concurrent audits and 13 of these audits are underway. The OIG will also supervise 111 annual financial statement audits covering \$162 million. For 13 activities involving \$20 million, the OIG will rely on annual audits of U.S. non-profit organizations conducted pursuant to Office of Management and Budget Circular No. A-133 or annual audits of U.S. contractors conducted by the Defense Contract Audit Agency. Finally, for activities involving \$153 million that are implemented directly by USAID or other U.S. Government agencies rather than by contractors, grantees, or other third parties. These activities will be subject to OIG performance audits.

The OIG is taking proactive steps to ensure that CACEDRF funds are used properly. The OIG:

- Provided training to USAID staff and partners in fraud prevention and detection. During the six months ending March 31, 2000, the OIG provided fraud awareness training to 2,014 USAID staff and partners.
- Helps USAID design its activities to minimize the risk of fraud and corruption.
- Helped USAID and its partners develop appropriate fraud prevention policies, including policies for financial disclosure, ethics, employee conduct, and fraud reporting. During the semiannual period, the OIG provided fraud prevention materials to partners.
- Enforces all laws including the Foreign Corrupt Practices Act.

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- Provides advice to USAID program managers concerning internal and external risks.
- Evaluates the internal controls established by USAID and its partners through pre-award surveys and other audit activities.
- Assists USAID officials with their monitoring efforts.

A sustained, coordinated effort involving the OIG, USAID staff, and other partners and stakeholders will be required to ensure that CACEDRF funds are well spent.

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BALKAN INITIATIVES

USAID Assistance Activities in Bosnia-Herzegovina

USAID is the primary agency responsible for delivering U.S. assistance in Bosnia-Herzegovina. The OIG is conducting an ongoing audit of one major USAID program and focused reviews of other programs as resources permit. The OIG issued two audit reports on programs in the region.

Bosnian Reconstruction Finance Facility Program

On February 25, 2000, the OIG issued a report covering the on-going audit of the \$278 million Bosnian Reconstruction Finance Facility Program. During the six-month period ending March 31, 1999, USAID/Bosnia-Herzegovina obligated and disbursed \$232.9 million to the Government of Bosnia-Herzegovina, of which \$114.2 million was disbursed to borrowers under 345 loans. The OIG concluded, that for the items tested, USAID/Bosnia-Herzegovina and the implementing contractors generally were using the economic revitalization assistance funds designated for the program for the purposes authorized under the grant agreement and Public Law 104-122.

The OIG noted some problems, however, with borrowers and agent banks visited. Such problems included six borrowers using loan funds for purposes that were not allowed, and two agent banks that have not fulfilled their responsibility under the agreements. USAID/Bosnia-Herzegovina has taken corrective action including civil actions against the borrowers and the banks.

Upon completion of audit fieldwork, the OIG issued three preliminary findings. The findings and the immediate action USAID/Bosnia-Herzegovina took to address them are summarized below.

- Two agent banks in the program committed repeated serious violations of their responsibilities under their agency agreements. The Mission approved detailed strategies prepared by the contractor for addressing deficiencies at the two agent banks, terminated the agent bank relationship in both cases, and prepared civil and legal lawsuits against both banks.
- Borrowers in the Republika Srpska used loan proceeds to purchase items from Serbia. USAID/Bosnia-Herzegovina issued guidance, dated September 8, 1999, clarifying its policy of encouraging program borrowers to diversify and to reduce or eliminate their dependence on Serbia as a source or market.

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- The two program bank accounts maintained by the Government of Bosnia-Herzegovina had balances that were excessive to the current needs of the
- program. Mission officials noted that the primary program objective is to help the Government meet their foreign exchange requirements, but will take steps to follow U.S. Treasury policies and match disbursements with the lending needs of the program.

The OIG did not include any formal recommendations in the final audit report because the Mission took appropriate corrective action in response to preliminary findings, however, the OIG will continue to review the conduct of the agent banks during our future audit work on this program. (*Audit Report No. B-168-00-004-P*)

Monitoring Subcontractor Selection Process

In response to Mission concerns, the OIG undertook a special audit of local procurement activities under the Municipal Infrastructure and Services Program. As of December 31, 1998, the contractor competitively selected to implement the program had awarded 547 subcontracts, valued at about \$73.4 million. Awards were made to subcontract for construction projects related to the energy, transportation, water, health, and education sectors.

The OIG audit concluded that USAID/Bosnia-Herzegovina did not fully carry out its monitoring responsibilities to ensure the contractor followed competitive procurement practices. The Mission did not have a plan for ongoing monitoring and reporting of the contractor's procurement activities. The Mission also did not have an effective system of tracking and monitoring change orders to subcontracts to ensure that such changes were reasonable and necessary. Based on the results of a statistical sample, the OIG concluded that the contractor's subcontract process resulted in free and open competition, however, improvements in the Mission's monitoring will provide greater assurance that the contractor's subcontracts are awarded fairly, particularly in a high risk environment.

The OIG made two recommendations to improve the subcontractor selection process. USAID/Bosnia-Herzegovina agreed with the audit findings and recommendations. (*Audit Report No. B-168-00-001-P*)

AUDIT AND INVESTIGATIVE HIGHLIGHTS

Audit activities include conducting and reviewing financial and performance audits. Following is a statistical summary of OIG audit activities from October 1, 1999 through March 31, 2000:

Type of Report	Number of Reports	Monetary Recommendations (\$ Thousands)
Financial Audits:		
USAID financial statement audits	1	-
Financial-related audits of USAID programs and operations	15	258
Initial Reviews of Recipient-Contracted Audits of U.S.-Based Grantees	11	-
Audits of non-U.S.-based organizations	144	7,544
Audits of Enterprise Funds	1	-
Audits of U.S.-based contractors performed by the Defense Contract Audit Agency (DCAA)	58	46,773
Audits of non-U.S.-based organizations performed by DCAA	10	42
PERFORMANCE AUDITS:		
Economy and efficiency audits	20	16,023
MISCELLANEOUS REPORTS:		
Quality control reviews	15	-
Other reports	3	-
TOTAL FOR THE CURRENT PERIOD	<u>278</u>	<u>70,640</u>

Investigations focus on USAID programs and operations, which are most vulnerable to fraudulent activities. OIG Investigations also became responsible for accepting and resolving complaints of fraud, waste and abuse in the activities of the African Development Foundation (ADF) and the Inter-American Foundation (IAF).

Investigative priorities include program integrity (contract fraud, grant fraud, and cooperative agreement fraud) and employee integrity (direct hire employee misconduct and personal services contractor misconduct). OIG investigations may result in criminal, civil or administrative action. The following is a summary of investigative workload and results statistics during this reporting period:

Cases Opened	84
Cases Closed	81
Recoveries	\$2,352,057
Hotline Complaints	43

Bureau for Africa

Audit of South African Education Project

USAID/South Africa funds education activities under its Tertiary Education Linkage Project (TELP) to assist historically disadvantaged South African universities in upgrading their academic and management capabilities. The Mission channels its assistance through Project Implementation Letters (PILs) which establish the funding criteria and activities that are to be implemented. As of September 1999, the Mission had issued 36 PILs, committing approximately \$6.8 million under TELP.

USAID officials were concerned by allegations of financial improprieties in these institutions and requested the OIG to conduct an audit of expenditures incurred under the PILs. Accordingly, the OIG audited 11 PILs issued to six institutions. Amounts committed by the Mission under those PILs totaled \$1,452,136 as of September 1999, of which \$236,048 had been disbursed.

The audits questioned unsupported expenditures of \$12,017 in three PILs and ineffective accounting systems in all the institutions to track, verify, account for, and report costs incurred under the PILs. The OIG also found that the institutions needed to establish a uniform travel expense reimbursement policy. Additionally, the OIG noted the failure of institutions to submit final vouchers, take prompt close out actions, and reprogram unused funds from expired PILs estimated to be valued at \$171,347. Finally the OIG found inadequate progress by some universities in implementing PILs-financed activities.

The report made three recommendations to address the deficiencies. USAID/South Africa concurred and stated that it would take appropriate corrective actions. (*Audit Report No. 4-674-00-007-F*)

Investigation Results in Disallowed Charges

USAID/Ghana disallowed over \$2,000 in customs clearing and handling charges by a local moving and storage company after an OIG investigation uncovered questionable subcontracting practices and charges. The Mission had awarded an Indefinite Quantity Contract (IQC) to the moving and storage company for clearing operating expense and project funded import commodities. The firm subcontracted the clearing and forwarding services to other companies and then billed the Mission for the subcontracting costs and other charges not specified in the IQC. The Mission cancelled the original contract and negotiated a new IQC with the company, which will result in reduced costs.

Bureau for Asia and the Near East

Audit of the United States Asia Environmental Partnership Program

The U.S. Asia Environmental Partnership (US-AEP) was established in 1992 to address environmental deterioration caused by industrial and urban pollution. Led by the USAID, US-AEP attempts to confront environmental degradation in Asia by mobilizing U.S. environmental experience, technology, and other services. US-AEP relies on commercial strategy and financial support from the U.S. Department of Commerce, and environmental expertise from the U.S. Environmental Protection Agency (EPA). US-AEP's cumulative expenditures through December 31, 1998, total \$103 million.

The audit found that US-AEP activities were generally making progress toward their stated objectives, however, in some cases, it was questionable or too early to tell whether the activities would result in lasting progress and/or desired results (i.e., sustainable partnerships, U.S. sales, reduction in pollution). The OIG found that US-AEP activities have generally been coordinated with USAID mission environmental activities and other regional activities where applicable.

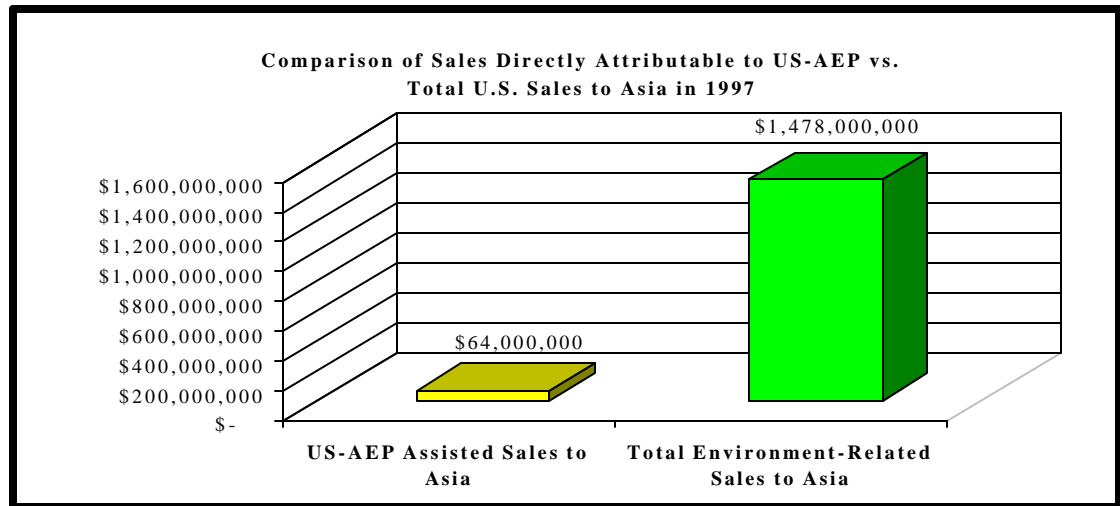


Despite several successes of the US-AEP program, it has made smaller strides in assisting the Philippines in rehabilitating Palico Creek in Muntinlupa.

The audit identified several concerns, including:

- US-AEP collection data on US-AEP-assisted sales, which the OIG considers a very direct measure of program impact, is not used as a measure in its formal results framework/reporting system. Instead, US-AEP measures total sales and investments

in U.S. environmental goods and services to Asia, a measure that goes well beyond what can be reasonably attributed to the US-AEP program. For example, as shown in the following chart, US-AEP reported \$1.478 billion in U.S. environmental sales to Asia under its intermediate goal as opposed to \$64 million in assisted sales for 1997.



- The program has approximately 50 individuals in 12 Asian countries, all working on various activities. The US-AEP program does not have comprehensive formal policies and procedures that clearly define authorities, roles and responsibilities among the various parties, including stated lead authorities and responsibilities in the field. As a result, individuals and partners are sometimes unclear of their and others authorities, roles and responsibilities. Furthermore, this lack of clear authorities, roles and responsibilities could lead to duplication of efforts, inefficiencies, and lost synergies.
- The US-AEP program does not have definitive guidelines on cost sharing for participants or their organizations to follow. Rather, US-AEP determines the amount of cost sharing of exchange activities on a case-by-case basis. As a result, cost sharing among the participants fluctuates widely, e.g., some pay no costs others pay as much as 73 percent of the costs. Negotiating cost sharing on a case-by-case basis could give some participants unfair advantage over others.

The report made eight recommendations to the US-AEP Secretariat in Washington, D.C., which agreed to implement the recommendations. (*Audit Report No. 5-398-00-001-P*)

Audit of Change Orders under USAID/West Bank and Gaza's Construction Contracts

Seventy percent of USAID/West Bank and Gaza's program resources, about \$265 million between fiscal years 1996 and 2000, are committed to water and wastewater activities in the West Bank and the Gaza Strip.

The OIG audited Mission monitoring of West Bank construction change orders for water activities to assess controls and to ensure that change orders were necessary and reasonably priced. There were 66 construction subcontract change orders in various stages of processing, with cost estimates of \$6.2 million on a base subcontract amount of \$50.6 million.

The audit concluded that Mission monitoring did provide reasonable assurances that change orders were necessary, however, within the sample reviewed, there was an \$86,000 change order that was not justified. The subcontractor had agreed *in writing* to correct their work at no charge, however, the audit found that the contracting officer approved the \$86,000 cost. Additionally, discretionary change order work was done without obtaining prior approval from the Mission's contracting officer.

The audit also concluded that the Mission's monitoring did not provide reasonable assurance that change orders were reasonably priced. The audit noted that multiple pricing issues merited further Mission attention and investigation because of an over reliance on contractors who negotiate construction subcontractor prices with limited monitoring by the Mission. Acknowledging the backlog of change orders, the Mission later obtained assistance from the Army Corps of Engineers to help process its backlog, to lessen the price risk temporarily.

Commodity Import Programs

The OIG designated commodity import programs as high risk because of their vulnerability to fraud and misuse. USAID/Egypt's \$200 million per year Commodity Import Program (CIP) was surveyed to better understand the program and to develop a plan for subsequent audit coverage as needed based on an assessment of risk.

USAID/Egypt and its Egyptian counterpart agency, the Ministry of International Cooperation (MIC) jointly manages the CIP. USAID provides \$200 million annually to Egyptian private sector businesses, accessible through Egyptian commercial banks, to finance the importation of equipment and materials from the United States. The local participating banks have primary implementation responsibility for the program.

Egyptian banks assume a liability to the Government of Egypt's (GOE) local currency special account for the amount of each approved transaction. Importers' local currency-denominated loans are made at prevailing local interest rates and provide varied interest-free grace periods and repayment periods depending on whether the importer is a trader

or end user and whether the import is a capital or non-capital good. Under the CIP, importers repay their loans to the participating banks, which then deposit these repayments in separate special accounts with the Central Bank of Egypt. USAID/Egypt and MIC then jointly program the special account funds. Typical uses of local currency include general budget support to the GOE, sector budget support to individual GOE agencies, and support for USAID/Egypt's operations. In fiscal year 1999, 244 Egyptian importers and 279 U.S. suppliers conducted 627 CIP transactions valued at \$233 million.

The Mission's Commodity Management (CM) Office approves and tracks import transactions. The GOE's MIC and CM jointly allocate the CIP's dollar funds for use by the participating local banks through their U.S. correspondent banks. Thereafter, before the Egyptian banks issue letters of credit to U.S. suppliers, CM approves the individual import transactions ensuring compliance with program requirements. Before the commodities are shipped from the U.S., suppliers request CM's approval of the transaction, documenting that the commodity meets USAID's eligibility criteria. When the applicable U.S. correspondent bank pays the U.S. supplier, CM (and the Mission controller's office) is informed of the payment information. CM continues to track the import transactions until they clear Egyptian customs.

In addition to CM's internal controls, the Mission conducts a limited number of end use checks; contracts with a company in the U.S. to do follow-up reviews of commodity pricing; and contracts with local CPA firms to audit the local currency special account.

The control structure for the CIP appeared comprehensive, and the survey did not disclose any significant problems. The OIG considers USAID/Egypt's CIP to be at high risk because of its value, therefore we plan to conduct three audits to assist in program efficiency and provide a reasonable degree of audit coverage to this large dollar value program.

Investigation of Foreign Corrupt Practices Act Violations Yields Recovery of \$450,000

A large U.S. environmental engineering firm agreed to pay a civil penalty of \$400,000 and investigative costs of \$50,000 incurred by the Government to resolve allegations that the company violated the Foreign Corrupt Practices Act (FCPA). The firm also cooperated in the Government's ongoing investigation of such violations and to institute certain remedial actions, including modifying its existing compliance program, though it neither admitted or denied the allegations contained in the Government's civil complaint.

In the complaint, the Government alleged that the environmental engineering firm violated the FCPA by providing benefits to the Chairman of a foreign organization to influence him to support the award of contracts to the firm valued at \$36 million from USAID. The foreign organization, an instrumentality of the Government of the United Arab Republic of Egypt, is responsible for operating sewage and wastewater treatment facilities in Egypt.

The investigation revealed that to obtain the Chairman's support for the contract awards, the environmental engineering firm flew the Chairman and the individual's family to the United States on two occasions, provided them with spending money, and paid virtually all of their expenses while in the United States. These payments, well in excess of allowable expenses under Federal Travel Regulations, were, in effect, unrestricted payments of cash and other things of value to the Chairman, an official of a foreign government, in violation of the FCPA.

USAID/Morocco's Family Planning/Maternal and Child Health V Program

USAID has been the leading partner of the Government of Morocco's Family Planning/Maternal and Child Health (FP/MCH) program for a number of years. With USAID assistance, the Moroccan national program is now well established and has achieved dramatic improvements in national maternal and child health. In 1993, USAID established the Family Planning/Maternal and Child Health V Program (FP/MCH Phase V) which is due to end in December 2000. As of June 30, 1999, USAID/Morocco had obligated \$52 million and expended approximately \$45 million including USAID – issued contraceptives valued at more than \$10 million.

An audit was conducted to determine the progress USAID had made towards achieving its program's strategic objective and whether the commodities procured under the program were effectively and efficiently managed. The audit included site visits to 28 Ministry of Health locations throughout Morocco, interviews with Ministry of Health personnel, and reviews of supporting health distribution and program documentation.



USAID-supported family planning and health facility in the Moroccan countryside

The audit found that for its Family Planning/Maternal and Child Health Strategic Objective, USAID / Morocco had made significant progress in achieving its objective but had not met all of its

planned intermediate targets. Although USAID/Morocco's FP/MCH program had generally been successful, the audit determined that the Mission needed to strengthen the manner in which it processed its performance data.

Regarding the management of commodities procured under USAID/Morocco's Family Planning/Maternal and Child Health Program, the audit found that the commodities were managed effectively and efficiently with no apparent losses, however, some weaknesses with the inventory control system and the end-use checks were noted.



Moroccan Ministry of Health's USAID-funded warehouse built in Sale' for storing family planning commodities

In response to the audit recommendations, USAID agreed with the audit findings and pledged to establish a better performance data verification system and maintain baseline documentation. USAID also found the audit's findings related to the verification of the control and use of commodities to be particularly helpful and that both USAID and its contractors would make adjustments to its inventory and commodity verification procedures and reporting.

Bureau for Europe and Eurasia

Audit of the 1996 Emergency Wheat Assistance Program in Armenia

USAID and the Government of Armenia (GOA) signed a Memorandum of Agreement (MOA) on June 14, 1996, under which USAID would purchase and deliver approximately \$20 million of wheat to Armenia. The GOA would use the proceeds from the sale of the USAID-procured wheat to purchase additional wheat and/or natural gas. The funds generated from the sale of the additional wheat and natural gas would be used for budget support through the Ministry of Finance. On June 26, 1996, the Government of Armenia signed a Memorandum of Understanding (MOU) that provided additional requirements for the implementation of the Program. This agreement required the opening of a Special Account within five days, provided for reports on the account every ten days, and set aside money for a financial audit.

USAID and the GOA entered into a similar agreement in 1996 for the purchase and delivery of approximately \$15 million in natural gas. The OIG audited this program at the same time it audited the emergency wheat assistance program. The results of the OIG audit of the gas program were reported in the previous semiannual report.⁷ The audit results of both programs are very similar, with the OIG finding that the GOA did not comply with most of the terms of the MOAs and the subsequent MOUs. For the wheat program the OIG found:

- USAID was not provided with financial records;
- minimum deposit requirements to the Program's Special Accounts were not met;
- wheat was sold at an excessive price and all sales proceeds were not deposited to Special Accounts; and
- funds that were deposited to the Special Accounts were not accounted for adequately.

The GOA's financial difficulties and large debt service requirements were both factors contributing to Program noncompliance, however, the choice of using a monetization program in an environment where previous similar efforts had failed appeared to be the biggest factor.

Though both the Mission and the U.S. Embassy in Armenia attempted to monitor and manage the program, they were unsuccessful in obtaining the Government of Armenia's compliance with the terms of the Memoranda. Various efforts to force compliance included direct written requests, creation of a monetization implementation unit in the

⁷ Audit Report No. B-111-99-005-P, issued on September 7, 1999

Ministry of Finance, modification of the MOU, and attempts to arrange a financial audit of the program.

The OIG recommended the recovery of the local currency equivalent of \$16,022,830, which consists of: \$12,230,470 in local currency equivalent for wheat sales proceeds that were either never deposited to Special Accounts or cannot be accounted for; \$3,723,867 in unsubstantiated purchases of additional commodities with Special Accounts funds; and \$68,493 in Special Account interest earned that cannot be accounted for adequately.

USAID/Armenia officials concurred with the OIG findings and recommendations and advised that they plan to meet with Government of Armenia officials and propose a conversion of all or part of the claim into development activities using the local currency equivalent provided by the Government. The Mission noted that government officials maintain they could produce additional documentation concerning unaccounted for funds and that they have been asked to provide the documentation. USAID/Armenia also advised that the Government's budget may not provide sufficient development activities to liquidate the amounts owed within a reasonable period of time. In that case, USAID/Armenia, the E&E Bureau, and the OIG will consult on alternative recovery methods. (*Audit Report No. B-111-00-002-P*)

Audits of Eurasia Foundation—Preliminary Results

The Eurasia Foundation is a U.S. nonprofit, privately managed donor organization dedicated to funding programs that build democratic and free market institutions in the twelve New Independent States of the former Soviet Union. The headquarters of the Foundation are located in Washington, D.C. and field offices are located in Almaty, Kazakhstan; Baku, Azerbaijan; Moscow, Russia; Saratov, Russia; Tashkent, Uzbekistan; Tbilisi, Georgia; Vladivostok, Russia; and Yerevan, Armenia with additional support from Foundation representatives in Ashgabat, Turkmenistan; Bishkek, Kyrgyz Republic; Chisinau, Moldova; Dushanbe, Tajikistan; Gyumri, Armenia; Minsk, Belarus; and, Yuzhno-Sakhalinsk, Russia. The Foundation is funded by USAID and by private contributions. According to information provided by the Europe and Eurasia Bureau, as of December 31, 1999, USAID had obligated approximately \$141.6 million for the Eurasian Foundation agreements and disbursed approximately \$112.7 million.

The OIG arranged for the Defense Contract Audit Agency (DCAA) to conduct audits of selected Eurasia Foundation offices in Moscow and Vladivostok, Russia; Almaty, Kazakhstan; and Tbilisi, Georgia and of the Foundation's headquarters' operations. The purpose of the DCAA reviews of these offices was to determine: (1) if controls are in place to deter fraud, waste and abuse of USAID grant funds; (2) whether the Foundation has ensured accountability of funds provided to subgrantees; and (3) whether operating expenses have been made in accordance with Eurasia Foundation policies and procedures.

Although DCAA completed its reviews of the four Foundation field offices, it had not yet completed its review of the Foundation's headquarters operations at the close of this semiannual reporting period. DCAA's review of the four Foundation field offices did not disclose any indications of fraud. At each field office reviewed, DCAA also found that the Foundation had conducted internal reviews and that each office was adequately addressing deficiencies identified by these reviews. DCAA did find some continuing weaknesses in operations at each office. In some cases, these weaknesses had also been disclosed by the Foundation's internal reviews; in other cases, they had not. While the weaknesses identified by DCAA are not considered significant in overall operations, the cumulative effect of the identified deficiencies can, if not corrected, lead to material internal control weaknesses. Examples of recurring deficiencies found by DCAA's reviews include:

- ***Inadequate subgrant file information:*** At one Foundation field office DCAA found inadequacies in 20 of the 75 subgrant files selected for review. These inadequacies included finding noncurrent or inaccurate data; subgrants remaining open well beyond the program completion date; and no required official Foundation and/or subgrantee stamp on subgrant agreements.
- ***Unresolved over-aged subgrants:*** At one Foundation field office DCAA reviewed there were 55 over-aged subgrants that had not been closed out due to various difficulties, including the non-receipt of final financial and/or program reports. Based on information provided to DCAA at this office on the 55 subgrants, the Foundation had unsupported costs of \$497,000 in USAID funds.
- ***Lack of audit trail in the financial and accounting system:*** The Foundation uses a very basic and non-complex, off-the-shelf software system for its financial and accounting system. DCAA found that, as such, the system is not equipped with the ability to provide a history or audit trail of changes made to data files. As a result, unauthorized alterations could be made to data files with no evidence or procedures in place to detect or prevent such alterations.
- ***Lack of password changes:*** The primary internal control over unauthorized access to the software discussed above is the use of password protection, however, at all four field offices reviewed DCAA found that the offices were not periodically changing passwords.
- ***Outdated Foundation Handbook:*** The Foundation's policy and procedure handbook was developed and released in 1993 but has not been updated since that time. DCAA found that the four field offices visited had adopted their own policies and procedures, none of which had been formally approved by the Foundation's headquarters office and most had not been documented.

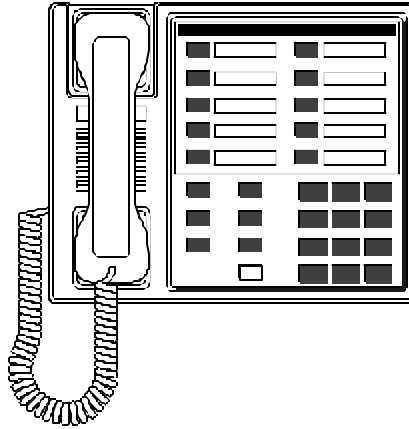
Audit reports were issued on the results of each DCAA field office review and all contained recommendations directed to the USAID Agreement Officer, recommendations which were wholly or substantially directed towards improving the operations of the specific Foundation office reviewed by DCAA. The USAID Agreement Officer is in the

process of reviewing actions being taken by the Eurasia Foundation to correct problems identified by DCAA's field office reviews. (*Audit Report Nos. B-110-00-006-D, B-110-00-007-D, B-110-00-010-D, and B-110-00-011-D*)

DCAA and the OIG started audit work at the Foundation's Headquarters office in March 2000 and the results of this audit work will be reported in the next semiannual report.

PSC Employee Terminated for Misuse of Government Telephones

An OIG investigation into an allegation regarding the misuse of U.S. Government telephones resulted in the termination of a Personal Services Contractor (PSC) in USAID/Kazakhstan. The investigation was initiated based on a Hotline call alleging misuse of government telephones by the PSC. The investigation disclosed that the PSC had used U.S. Government telephones to make personal calls totaling approximately \$3,789. The individual then claimed that the calls were for official business, thereby requiring payment by the government. The individual paid for the calls after issuance of a Bill of Collection by the USAID Mission. The Mission subsequently terminated the PSC's employment contract.



Bureau for Global Programs, Field Support, and Research

Audit of USAID's Management of the Central Contraceptive Procurement Project

Over the last 31 years USAID has supplied more than 14 billion contraceptives to developing countries. Recipients include ministries of health, family planning organizations, disease prevention programs, and social marketing programs. In 1990, USAID began the Central Contraceptive Procurement Project to ensure effective management of USAID's contraceptive procurement process. The primary purpose of the Project was to provide a mechanism for consolidating USAID purchases of contraceptives. At the time of the OIG audit, the Project had a completion date of December 31, 2005 and budget of over \$600 million. In calendar year 1998, USAID provided contraceptives valued at more than \$61 million to 67 developing countries through this centrally managed project. This included seven types of contraceptives: male condoms, intrauterine devices, oral pills, foaming tablets, NORPLANT[®] implants, Depo-Provera[®] injectables, and female condoms.

The objective of the audit was to determine whether USAID was managing the Project effectively. To accomplish this objective the OIG reviewed Project documentation and met with USAID officials, as well as contractors providing technical support, shipping and warehousing services, and contraceptive testing services.



USAID-funded contraceptives packaged and marked in a warehouse facility in Sterling, Virginia, for shipment to the Ministry of Health in Madagascar

The results of the audit showed that USAID managed the Project effectively, however, the OIG found that improvements could be made to:

- take precautionary measures because of potential Year 2000 computer problems;
- permanently fill the key position for managing contraceptive contracts and comply with the terms of a Participating Agency Service Agreement;
- document surcharge procedures related to recovering costs of managing the Central Contraceptive Procurement Project; and
- increase assistance to USAID offices and other donors to plan for the growing contraceptive demand in the future.

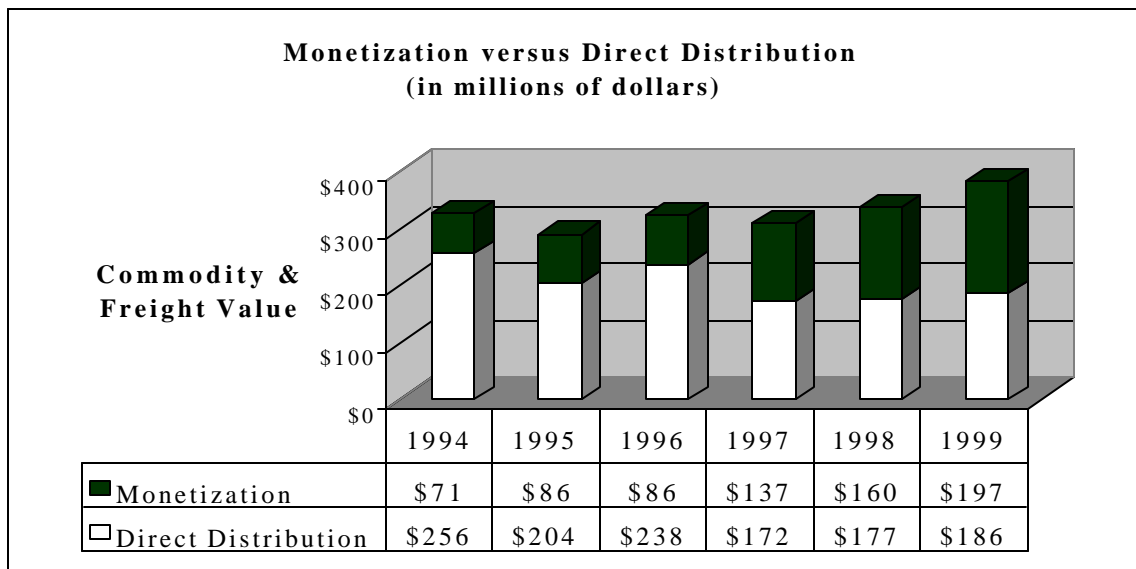
The OIG made four recommendations related to these concerns. USAID concurred with all the findings and recommendations. As a result, management decisions have been reached on all four recommendations. (*Audit Report No. 9-000-00-001-P*)

Bureau for Humanitarian Response

Audit of USAID's P.L.480 Title II Monetization Programs

In 1998, USAID provided 1.92 million metric tons of food assistance, valued at \$889 million to 54 countries under Title II of the Agricultural Trade Development and Assistance Act of 1954, commonly known as Public Law (P. L.) 480. USAID's Office of Food for Peace manages the provision of Title II agricultural commodities through private voluntary organizations and cooperatives acting as Cooperating Sponsors. Cooperating Sponsors may either distribute commodities directly to recipients or sell the commodities to generate local currency to support local development programs. This selling of U.S. agricultural commodities by Cooperating Sponsors (turning food into money) is referred to as monetization.

Since 1986, the use of Title II monetization proceeds has grown dramatically to become a critical resource for Cooperating Sponsors implementing a wide variety of developmental activities. In fact, as shown below, more Title II commodities were monetized in 1999 than were directly distributed as non-emergency food assistance.



Central to the discussion of monetization is the issue of cost recovery—the extent to which expenses incurred by the U.S. Government in procuring, transporting, and marketing P. L. 480 Title II commodities are offset by the revenues realized when the commodities are ultimately sold. Sales that do not recoup purchase, shipping, and sales

costs have attracted the attention of GAO, Congress, and others. Accordingly, the OIG designed this audit to determine the extent of actual cost recovery. With this information, the OIG also intended to evaluate the effectiveness of the “cost recovery benchmark,” a prediction of cost recovery submitted by Cooperating Sponsors with their monetization requests. The OIG, however, was unable to determine actual cost recovery or evaluate the usefulness of the benchmark because USAID guidance had not required Cooperating Sponsors to collect and report all the information needed to calculate actual cost recovery. In addition, Cooperating Sponsors had not consistently followed existing guidance. Furthermore, even if Sponsors had collected and reported accurate, complete, and consistent data, USAID did not have a management information system designed to track, analyze or report on the actual costs of monetization programs.

The OIG made two recommendations. First, USAID should develop guidelines and procedures to require that full information on actual costs is obtained and used to calculate the actual level of cost recovery for each



OIG team joined a training session for community health workers under a Child Survival Program funded by P.L. 480 monetization proceeds in the Githima community in Laikipia District, Kenya

monetization sales transaction. Second, USAID should develop a management information system to track and report actual cost recovery data to evaluate the efficiency of Title II monetization programs. USAID management concurred with these findings and agreed to implement both recommendations by the end of the fiscal year. (*Audit Report No. 9-000-00-002-P*)



Storage of USAID-donated vegetable oil in P.L. 480 warehouse in Kampala, Uganda

Bureau for Latin America and the Caribbean

PSC Employee Terminated for Violations of Ethical Conduct

USAID/Mexico terminated a Personal Services Contractor (PSC) for cause after an OIG investigation uncovered several violations of the Standards of Ethical Conduct. The investigation revealed that the cost of the monthly apartment rent paid by the employee in the host country was in excess of the fair market value. The PSC knowingly passed the inflated charges to USAID via the employee's claim for living quarters allowance. The investigation also disclosed that the PSC and owner of the apartment were close personal friends. In addition, the PSC provided inaccurate and misleading information to USAID concerning an evaluation of bids for furniture rental. The employee certified that the furniture was rented from a commercial source, but it was actually rented from the employee's landlord and friend. The case was referred for prosecution but was declined.

Foreign Service National Employee Resigns

A Foreign Service National (FSN) employee resigned after an OIG investigation revealed that the person attempted to use a USAID airport pass to help a friend smuggle two suitcases into Bolivia containing over \$25,000 of computer products. USAID had issued the FSN an



Suitcases seized by customs in Bolivia are filled with computer products valued at \$25,000

airport pass, which allowed the employee to enter secured areas of the airport to facilitate incoming and outgoing shipments and customs clearance of private and U.S. government property. The FSN admitted to going to the airport, not on official USAID business, but with the intention of clearing the friend's luggage through customs. The employee used

the USAID airport pass solely to avoid customs. Due to the employee's extended length of service, the individual was allowed to resign in lieu of termination.

Bureau for Management

Audit of USAID Financial Statements, Internal Controls, and Compliance for Fiscal Year 1999

The OIG issued a disclaimer of opinion in its Government Management Reform Act (GMRA) audit report on USAID's financial statements for fiscal year 1999. The scope of the audit was impaired. This impairment resulted from accounting and financial management systems from which USAID was unable to produce accurate, complete, reliable, timely and consistent financial statements. USAID had not completely implemented the recommendations to correct previously identified deficiencies. Uncorrected system deficiencies created a risk that the financial statements could contain material misstatements. In addition, computer security deficiencies continue to expose USAID to unacceptable risks that resources and data will not be adequately protected from loss, theft, alterations, or destruction. Many of the deficiencies will not be fully resolved until system improvements are implemented in Washington and overseas.

As a result, the OIG and USAID agreed to focus efforts on the material line items on USAID's balance sheet, the overview, general controls, and recommendation follow-up. We issued a series of reports on selected material line items reported in USAID's fiscal year 1999 balance sheet. The OIG made recommendations to improve USAID's ability to calculate and report its balances at the end of the fiscal year.

Over the past year, USAID has made some improvements in its financial management systems, however, additional corrective actions are still needed. USAID had not completely implemented adequate internal controls to ensure that financial and performance information was accurate, complete, reliable, timely, and consistent. The OIG found that USAID had made improvements in credit receivables and fund balance areas, however, it has yet to complete corrective actions for a number of the accounting and financial management system deficiencies previously reported. The Agency has decided that many of the deficiencies can only be corrected through the purchase of a new core accounting system. These deficiencies include unreliable performance and financial information and computer security weaknesses.

USAID did not consistently report reliable financial and performance information, and USAID managers did not properly plan the preparation of the overview to ensure that it met Office of Management Budget (OMB) requirements. USAID managers did not always process, record, and report financial information in accordance with generally accepted accounting principles. Consequently, the financial and performance information reported was not consistently accurate, complete, reliable, and timely.

Computer security deficiencies continue to expose USAID to unacceptable risks, including the loss, theft, alterations or destruction of resources and data. USAID has not completed actions on prior recommendations intended to resolve general control weaknesses identified during three audits conducted at USAID/Washington during fiscal year 1999. USAID has undertaken measures to correct the problems identified in these reports but the weaknesses have not been corrected. Therefore, Washington's financial systems are still operating in an environment without effective general controls. (*Audit Report No. 0-000-00-006-F*)

Audit of USAID Direct Loan Program and Related Internal Controls for Fiscal Year 1999

In July 1998, USAID successfully completed the outsourcing of its credit portfolio management to Riggs National Bank, which has completed the configuration of a system for servicing USAID's credit portfolio. As part of this process, the accounting firm of PriceWaterhouseCoopers conducted an independent review of the configuration system. This review included requirements that determined whether the system would support the loan management needs of USAID. Additionally, in response to our 1998 audit recommendation USAID contracted with PriceWaterhouseCoopers to help eliminate the backlog in recording bilateral debt rescheduling. The OIG 1999 GMRA audit determined that the outsourcing of the credit portfolio management to Riggs National Bank and the contract to PriceWaterhouseCoopers to eliminate the backlog of rescheduling loans significantly improved the management of USAID's loans. In addition, the OIG determined that USAID adequately addressed all the credit program related to the recommendations in our 1998 GMRA audit report, however, the OIG reported that USAID needed to make improvements in managing its credit program because of the following issues:

- USAID's loan information maintained by Riggs National Bank has not been reconciled with the information contained in USAID's legacy loan accounting systems- Loan Accounting and Information System, and Housing Guaranty Payment Management System;
- USAID has not provided the current information to Riggs National Bank on rescheduled loans; and
- USAID did not research and promptly resolve unapplied loan collections from borrower countries.

The OIG made recommendations to USAID to correct the deficiencies noted above. USAID management agreed with the findings and recommendations and provided information about actions planned to address each recommendation. (*Audit Report No. 0-000-00-002-F*)

Audit of USAID Advances and Related

Internal Controls for Fiscal Year 1999

The OIG was unable to determine the accuracy of USAID's advance balances as of September 30, 1999. In reviewing the internal controls over advances, the OIG found the following problems:

- the adoption of the cash pooling method of accounting for advances hinders USAID's ability to report the accurate status of financial and budgetary resources at the obligation and appropriation level;
- the Office of Financial Management had a significant backlog of unprocessed liquidation vouchers;
- record changes to grant agreements are not promptly updated in the financial systems;
- the Office of Financial Management transferred unliquidated obligations to the Department of Health and Human Service's Payment Management System without verifying the accuracy of the transferred balances; and
- the subsidiary ledger did not reconcile with the advance balances reported in the general ledger for fiscal year 1999.

The report included four recommendations that focused on improving accounting for advances, strengthening related internal controls, and complying with applicable laws and regulations. (*Audit Report No. 0-000-00-003-F*)

Audit of USAID's Accrued Expenses, Accounts Payable, and Related Internal Controls for Fiscal Year 1999

The OIG found that USAID did not properly calculate and report accrued expenses and accounts payables to permit the preparation of reliable financial statements as of September 30, 1999. Currently, USAID's methodology for calculating and reporting accrued expenses and related accounts payable is based on using unliquidated obligations and the scheduled completion dates to compute the amount to be recorded in the financial statements at the end of the fiscal year. The OIG noted significant problems with USAID's calculations of accrued expenses and accounts payable for obligations used to fund advances for grants and obligations with minimal or no recent activity since fiscal year 1997.

USAID's accrual methodology did not meet the FASAB standard. Of the \$2.3 billion recorded at September 30, 1999, \$1.7 billion did not meet the FASAB standard for calculating and reporting accrued expenses and accounts payable at the end of the fiscal year.

To assist USAID in preparing the fiscal year 1999 financial statements, the OIG proposed adjustments to more accurately report accrued expenses and accounts payables calculated using the New Management System. In addition, the OIG also made recommendations to

strengthen the internal controls used to calculate and record accrued expenses for USAID/Washington. (*Audit Report No. 0-000-00-004-F*)

Audit of USAID's Fund Balance with U.S. Treasury, and Related Internal Controls for Fiscal Year 1999

USAID has not implemented adequate internal controls to accurately report its fund balance with the U.S. Treasury as of September 30, 1999. While reviewing USAID's fund balance with U.S. Treasury account and related internal controls, the OIG identified several problems that hindered USAID progress, including:

- USAID did not consistently reconcile its records with U.S. Treasury records, and
- USAID did not properly manage the use of the fiscal year 1998/1999 Development Assistance Appropriation.

As a result, USAID's fund balance with the U.S. Treasury account may be less than reliable. While USAID has improved in this area, the OIG identified several continuing problems that hindered USAID's ability to reconcile differences with the fund balance account. (*Report No. 0-000-00-005-F*)

Improving Computer Security

USAID makes extensive use of information technology in serving the public and managing resources while executing its programs. This dependence on computers, however, has caused a corresponding increased vulnerability to fraud, waste, and abuse. Agencies, including USAID, are exposed to the risk of unauthorized modification of data; destruction of computer resources; disruption of operations; and compromise or loss of resources, including sensitive agency information. Responding to OIG audits that identified computer security vulnerabilities, USAID identified its overall computer security program and NMS security and access controls as material weaknesses in its fiscal year 1997 Integrity Act and fiscal years 1998 and 1999 Accountability Reports. USAID has recognized that it needs to give top-level attention to this management challenge and has undertaken a course of action to improve computer security. Given the recent Presidential and congressional emphasis on the importance of computer security, the OIG continues to make oversight of computer security one of our top priorities.

During fiscal year 1999, the OIG issued four audit reports identifying computer security deficiencies that exposed USAID to unacceptable risks that resources and sensitive data might not be adequately protected from loss or destruction. For example, we reported that computer security deficiencies affected computer systems at headquarters and at overseas Missions. The deficiencies existed because USAID had not implemented an effective computer security program as required by the Computer Security Act and OMB Circular A-130.

USAID has made significant progress in developing a program to improve its ability to protect computerized information. USAID officials have crafted a Model Information System Security Program that provides a framework for identifying and disseminating to other government agencies a complete set of 'best practices' for implementing an effective computer security program. The program has been recognized by the Chief Information Officers Council, General Services Administration, and others as an innovative and comprehensive approach that could benefit the entire Federal Government. By collecting, testing, and disseminating best security practices in a form that is usable by the entire Federal Government, USAID has attracted support and funding from the Government Information Technology Services Innovation Fund Committee.

During this semiannual period, our work with the USAID Information Systems Security Officer and participation on the Information Systems Security Working Group revealed a number of activities taking place to correct computer security deficiencies. We found that security policies and procedures have been updated to include new authorities and supplementary references such as screen warning messages and automated system certification and approval to operate requirements. Risk Assessment, a major component of the security program, has been implemented and conducted at three overseas missions. These assessments found that mission computer security vulnerabilities remain particularly high because local officials often have implemented ad hoc security practices without consulting USAID/Washington officials. Additionally, USAID has purchased security tools to enable officials to monitor and scan network systems for vulnerabilities and intrusion detection. Major security deficiencies have been corrected in the Agency's financial management system (NMS) and a security plan has been developed for it.

As part of our audit of USAID's fiscal year 1999 financial statements, we reviewed the open recommendations intended to resolve the general control weaknesses, including security controls. The OIG found that many of the recommendations were pending final action by USAID, and we concluded, as previously reported that the general controls are not likely to be effective.

Although USAID has significantly improved information systems security, much work remains to be done. Additional audits are planned and underway to conduct detailed evaluations of the security program components that now exist in the agency. USAID estimates that computer security vulnerabilities will not be fully corrected until 2003.

USAID Efforts to Develop Year 2000 Contingency Plans

An audit was conducted to determine whether USAID had developed adequate business continuity and contingency plans in accordance with GAO guidance and methodology. The audit concluded that although USAID had used GAO guidance to develop the Business Continuity and Contingency Plan, it had not completed key steps for some USAID business functions. These functions included delivery of emergency humanitarian assistance overseas; procurement and delivery of contraceptives overseas; and, development assistance through its overseas missions. The audit also showed that the

contingency plan for financial management operations was not adequately tested. The OIG recommended that USAID: assign authority and responsibility to a senior official to ensure that contingency plans are developed for development assistance; and ensure that the contingency plans for the financial management operations are completely tested.

Based on our work, the Administrator designated the Deputy Administrator as the senior policy official for Year 2000 activities. The Deputy Administrator directed the Missions and Bureaus to review their contingency plans, revise them if necessary, and certify their adequacy. In response, most Missions and Bureaus certified that they had developed and implemented adequate contingency plans. (*Audit Report No. A-000-00-002-P*)

Audit of the Effectiveness of USAID's Contractor Performance Evaluation Program

The Federal Acquisition Streamlining Act of 1994 (FASA) requires Federal agency officials to consider the past performance of contractors as one factor when evaluating proposals for most competitively negotiated new contracts. FASA requires agencies, including USAID, to evaluate contractors' performance, make the evaluations available to officials responsible for awarding new contracts, and use the evaluations as one factor when awarding new contracts. To implement the past performance evaluation system required by FASA, Federal Acquisition Regulation (FAR Subpart 42.15), established policies and procedures for agencies to follow.

The OIG evaluated USAID performance information collection to assess the promptness of processing data on past performance and to evaluate prospective contractors for further work. The OIG found that USAID had not implemented an effective program to evaluate contractor performance as required by FASA. Consequently, USAID cannot be assured that it selects effective contractors and avoids using poor performing contractors because it does not routinely evaluate their performance.

USAID had awarded at least 921 active contracts valued at \$1 million or more from July 1995 through December 1998. Based on FASA requirements and the FAR, USAID should have prepared 2,156 interim or final evaluation reports for those active contracts. The audit revealed:

- less than ten percent of the evaluations that should have been completed were completed;
- many evaluations were not completed in a timely manner;
- USAID lacked a system to organize and report the evaluation results;
- the evaluations were not used in awarding new contracts; and
- USAID had not implemented an adequate system of management controls or assigned responsibility and authority to ensure that evaluations were completed.

During this audit, USAID took steps to implement an effective information system by subscribing to the National Institute of Health's (NIH) Contractor Performance System. The Internet-based system is expected to provide procurement officials with easy and secure access to contractor past performance information, as well as past performance information from eight other government agencies that also use the system.

The audit report made four recommendations to address the above issues. Management decisions have been reached on three of the four recommendations. USAID expects to reach a management decision on the remaining recommendation by June 2000. (*Audit Report No. A-000-00-001-P*)

Accountability over USAID's Worldwide Grantee and Contractor Operations

Financial-related audits are used to determine whether financial information is presented in accordance with established or stated criteria. They also are utilized to determine if an entity has adhered to specific financial compliance requirements, or whether an entity's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented to achieve control objectives. Additionally, special purpose financial-related audits may be conducted by the OIG upon the request of USAID officials.

USAID is required by the FAR, the Single Audit Act, Office of Management and Budget (OMB) Circulars, and its own internal policies and procedures to obtain appropriate and timely audits of its contractors and grantees. To fulfill these requirements, USAID contracts with the Defense Contract Audit Agency (DCAA) or other Federal agencies to audit its U.S.-based contractors. Non-Federal auditors from independent public accounting firms are used to audit U.S. based and overseas grantees as well as overseas contractors. The OIG provides oversight over all audit activities.

U.S.-Based Grantees and Contractors

Many USAID-funded activities are carried out through U.S.-based contractors, subject to the FAR. USAID's inventory of U.S.-based contractors, as of December 31, 1999, consisted of 385 contractors, of which USAID was cognizant for 253 of them. USAID contracts with the DCAA to conduct an audit when USAID is the cognizant audit agency.

During this reporting period, the OIG reviewed and issued to Agency management 54 DCAA audit reports of U.S.-based grantees covering approximately \$675.4 million in costs claimed by the contractors and resulted in 35 recommendations and \$46.6 million in questioned costs.

As described previously, USAID relies on non-Federal auditors to perform annual audits of its U.S.-based grantees under the Single Audit Act and OMB Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Under these

requirements, one Federal OIG is designated as the cognizant agency for each nonprofit organization. OMB Circular A-133 prescribes certain responsibilities for cognizant oversight and awarding agencies. Some of the major responsibilities cited are:

- coordinating a management decision for audit findings that affect more than one Federal agency;
- obtaining or conducting quality control reviews of selected audits made by non-Federal auditors;
- advising the auditor and, where appropriate, the auditee of any deficiencies related to the performance of audits or the submission of audit reports, that require corrective action; and
- coordinating audits or reviews that are made in addition to the auditee's Single Audit.

USAID currently has active grants with approximately 835 U.S.-based nonprofit organizations and has audit cognizant or oversight responsibilities for 508 of these organizations. The OIG conducts two types of reviews in accordance with requirements established in OMB Circular A-133. Initial reviews are conducted to determine if audit reports are prepared in accordance with A-133's reporting requirements, and quality control reviews are performed to determine if the underlying audits are performed in compliance with the audit requirements of OMB Circular A-133. During the current reporting period, the OIG performed 11 initial reviews of audit reports covering \$172,135,057 of Federal awards expended by nonprofit recipients. In addition, the OIG performed three quality control reviews covering \$58,610,817 of Federal awards expended.

Enterprise Funds

Enterprise funds are U.S.-based nonprofit entities established under the Support for Eastern European Democracy (SEED) Act of 1989. USAID has established eleven enterprise funds. Ten of those funds invest in countries in Eastern Europe and the former Soviet Union and the eleventh fund invests in South Africa.

Enterprise funds are subject to an annual financial statement audit performed in accordance with generally accepted auditing standards as published by the American Institute of Certified Public Accountants. USAID's grant agreements also require that the audits be performed in accordance with government auditing standards. The audits are conducted by non-Federal auditors who receive guidelines from the OIG regarding required reviews of the funds' internal controls and compliance with U.S. laws and regulations.

The OIG performs desk reviews of enterprise fund audit reports for compliance with generally accepted government auditing standards. During this reporting period, the OIG issued one report covering \$65.3 million in USAID funds expended over three fiscal years.

Based on the OIG review, we concluded that the audit reports complied with applicable standards. The OIG noted no material weakness involving the internal control structure, nor material instances of noncompliance with respect to the operation of the Funds. While our report did not contain any formal recommendations, it did highlight certain financial information for USAID management. (*Audit Report No. 0-000-00-001-E*)

Overseas-Based Grantees and Contractors

OMB Circular A-133 does not apply to non-U.S. grant recipients. To maintain accountability in a high-risk overseas environment, USAID, through standard provisions in individual grant agreements, applies the standards of OMB Circular A-133 to foreign-based grantees. USAID's foreign-based grantees receiving a minimum threshold of USAID funding undergo financial audits performed by either local auditing firms or host country Supreme Audit Institutions (SAIs). These audits, *inter alia*, identify unallowable expenses charged to USAID grants

Through its financial audit program and by providing training and assistance to grantees, the OIG continues to emphasize the importance of safeguarding USAID assets. The Recipient-Contracted Audit (RCA) program is a major focus in the international arena. Every grantee spending USAID funds of \$300,000 or more in any fiscal year is required to have those funds audited. Accounting firms conduct these audits and the OIG reviews each report and issues letters to USAID and the grantee summarizing the results. This program is supplemented with the Agency-Contracted Audit (ACA) program which are financial audits undertaken at the request of USAID that fall outside the threshold of the recipient contracted audit program or because USAID has specific areas it wants reviewed. Accounting firms conduct these financial audits, but the OIG maintains oversight of the work done throughout the audit. Significant recommendations from both these types of audits are included in the OIG's system and tracked until management decisions are made by USAID. The OIG also performs quality control reviews of the audit work done by accounting firms on our behalf to ensure they meet USAID and U.S. Government auditing standards.

For example, in east and southern Africa, the USAID Regional Inspector General in Pretoria works with hundreds of non-U.S. grantees that receive U.S. assistance. South Africa has the most grantees on the continent. Ensuring accountability and transparency over USAID funds provided to these organizations presents a unique challenge.

During this semiannual period, RIG/Pretoria completed nearly 44 RCA and ACA reports, which questioned approximately \$1 million in potentially, unsupported or ineligible expenditures. USAID missions will review this amount and determine what portion will actually be allowed and what portion will be collected. Overall, the OIG completed 144 RCA and ACA reports, which questioned approximately \$7,544,000 in potentially, unsupported or ineligible expenditures.

The OIG undertook a major initiative this period to update the universe of grantees in each country in the region and to begin auditing the accuracy of that information, country by country, over a two to three year period. These audits will verify that the required audits are in fact being done.

The OIG is moving to proactively prevent fraud, waste and abuse worldwide, by raising awareness among USAID and its partners by providing joint training, regularly with missions, to grantees on financial management matters.

Multi-Agency Investigative Task Force Recovers \$1,900,000

A multi-agency task force investigation involving the OIG and 18 other Federal agencies resulted in a settlement for \$1.9 million from a government contractor. The investigation revealed that the contractor, a large consulting firm, had knowingly violated a provision of the FAR, which requires contractors to pay subcontractors before billing the Federal Government. The intent of this FAR provision is to save taxpayer money and prevent government contractors from receiving windfall payments. The consulting firm was billing as many as 16 different government agencies for subcontractor costs, which it had not incurred. USAID was one of the firm's largest government clients. The settlement came in response to a civil fraud suit filed by the Department of Justice.

An audit conducted by DCAA disclosed that the consulting firm prematurely billed its government clients 74 percent of the time, by an average of 37 days, thereby depriving the government of the use of the funds. The investigation determined that the 19 government agencies involved had awarded the consulting firm approximately \$257 million in contracts with a substantial subcontractor component, of which USAID contracts were in excess of \$48 million. The consulting firm cooperated with the government during the investigation and implemented measures to remedy the problem.



Prevention Activities

The Balkans

In the previous semiannual report, the OIG summarized USAID actions to provide economic support funding (ESF) for the Balkan countries affected by the hostilities in Yugoslavia—particularly after the Kosovo peace agreement was reached. USAID funding of \$111 million was provided to support and assist the governments in Albania, Bulgaria, Macedonia, Montenegro, Romania, and Bosnia-Herzegovina.

These programs were intended to be funded by USAID on a short-term basis therefore a post audit would provide little useful information. The OIG, E&E Bureau, and various individual USAID missions worked closely together to identify and address potential problem areas in accounting for USAID funds during the early stages of each program.

During this semiannual reporting period, the OIG continued its prevention activities in the Balkans by providing assistance to the E&E Bureau and the USAID missions. As the following summarizes, the OIG audited the budget support program in Bosnia-Herzegovina and arranged for the Defense Contract Audit Agency (DCAA) to perform reviews in Macedonia and Montenegro.

Bosnia-Herzegovina - The recent conflict in Kosovo in the Federal Republic of Yugoslavia severely affected the political and economic conditions in Bosnia and in particular the Republika Srpska. Consequently, USAID/Bosnia-Herzegovina agreed to provide \$22 million in economic support funds to help the Governments of the Republika Srpska (\$17 million) and the Federation of Bosnia-Herzegovina (\$5 million) meet short-term revenue shortfalls resulting from the Kosovo crisis. USAID/Bosnia-Herzegovina approved a grant for \$10 million to the Office of the High Representative (OHR) to provide budget support in the form of salary payments for selected government employees in the Republika Srpska.

In July 1999, \$5 million was transferred to OHR to cover the June and July salary payments; by late August funds for the June salary payments had been disbursed. The OIG and OHR auditors established a joint team to determine whether recipients received their full salary entitlement for June—visiting 24 establishments which had received approximately \$183,000 in salary payments for 1,195 employees.

The OIG interim audit report found that not all intended recipients were receiving their full entitlement. The three areas of non-compliance concern: improper deductions to the net salaries; grant funds used to pay transportation costs; and salaries paid in Yugoslavian Dinars.

The OIG made one recommendation to ensure that USAID/Bosnia-Herzegovina verify that the Office of the High Representative has documentation showing that appropriate actions were taken to correct problems found during the review. USAID/Bosnia-Herzegovina agreed with the audit findings and recommendation. (*Audit Report No. B-168-00-003-P*)

Macedonia – The Government of Macedonia’s Family Assistance Program for low income Macedonians was supported by a \$6 million grant from USAID. The OIG arranged for DCAA to work with the Government of Macedonia to identify documentation to demonstrate that the Government had already spent the equivalent of \$6 million on this program—as required by the grant agreement—before USAID funding could be released to fund external debt of the Government. The OIG is prepared to arrange for DCAA to perform a similar review of supporting documentation for the \$22 million USAID grant to support the Macedonian unemployment compensation and pension programs. (*Audit Report No. B-165-00-005-D*)

Montenegro – USAID has signed a grant agreement with the Government of Montenegro to provide \$7 million in assistance for the Government’s pension system. The OIG arranged for DCAA to provide financial advisory services in connection with the grant agreement. During its review, DCAA worked with Government of Montenegro and USAID officials to obtain basic pension plan information. They obtained specific information relating to the flow of funds from the pension fund to the individual recipients, and identified documentation available to support pension payments in Montenegro. DCAA verified that the Government of Montenegro processed at least \$7 million in pension payments through its pension system. (*Audit Report No. B-169-00-012-D*)

USAID Assistance Activities in Kosovo

In response to the Mission’s request, the OIG undertook a review of USAID assistance activities in Kosovo to identify possible vulnerabilities and determine the audit work that would be needed. The February review included Mission-directed activities and ongoing programs conducted by USAID’s Offices of Foreign Disaster Assistance (OFDA) and Transition Initiatives (OTI).

Though USAID/Kosovo’s core program has been in existence since



USAID/OFDA Shelter Material Depot in Ferizaj, Kosovo



OIG auditor Peter Koechley (second from right) with USAID/OTI Gjakova staff inspecting the Gjakova Old Town area.

June 1999, program activities are only now getting underway. For example, the action memorandum was drafted in early February to approve the Community Infrastructure and Services Program with planned funding of \$45 million over three years.

Implementation of the OFDA program in Kosovo is through 25 grants totaling approximately \$57.1 million. The OFDA activities, which began in June 1999, will conclude by March 31, 2000, although several agricultural sector activities will continue through the end of September 2000. OFDA plans to keep a small monitoring unit in Kosovo to oversee these activities.

The OTI program has three elements: community improvement councils, media assistance, and nongovernmental organization support. Shelter support has been a significant part of the OTI program activities because the Kosovar community improvement councils identified shelter repairs as the most pressing need. As of January 2000, OTI had approved 242 grants totaling \$5.7 million in FY1999 funding. At the time of



Owners repaired these shops. Thirty-nine others will be reconstructed under the USAID/OTI project and will look similar. The jewelry store on right is open for business.

the OIG review, OTI faced budget reductions and was formulating their FY2000 budget. For example, two OTI activities in the city of Gjakova are providing material for the reconstruction of 39 shops around the central Mosque in the city's Old Town Bazaar and repairing the Gjakova Brick and Tile Factory. Established in 1485, Old Town has been the cultural center and main regional market place as well as a symbol of community pride, but virtually the entire bazaar area, composed of over 700 shops, had been destroyed during the hostilities. The Institute for Protecting Cultural and Historical Monuments was able to save the architectural plans; in reconstructing the shops, all facades must be historically accurate. Once rehabilitated, the factory will be a major supplier of building materials for the Old Town restoration project. Other donors are also assisting in the reconstruction efforts. OIG auditors also visited the site of an OFDA emergency shelter project and observed operations at the shelter materials depot in Ferizaj, Kosovo.



A typical home in the Podujeve, Kosovo is being repaired with material provided by USAID/OFDA through its partner, World Vision International

Expanding USAID's Ability to Manage Overseas Grantee and Contractor Operations through Supreme Audit Institutions

Corruption and lack of accountability are major impediments to economic development. Corrupt practices have threatened to negate years of progress in countries' economic growth. This has made it imperative that USAID compliment its traditional development programs by strengthening institutions that deter corruption and promote accountability and transparency. One such organization, the Supreme Audit Institution (SAI), provides an opportunity for USAID management and the OIG to work together to achieve sustainable economic development.

SAI is the generic term for the national audit organizations of various countries throughout the world. In most countries outside the United States, SAIs are usually referred to as Offices of the Auditor General. In the United States, the U.S. General Accounting Office (GAO) is our Supreme Audit Institution. The GAO audits various U.S. Government agencies. Additionally, a variety of internal audit organizations, such as the different Inspector General Offices are integrated into various agencies throughout the government.

SAIs throughout the world operate in much the same way as the GAO and Offices of Inspector General. SAIs and the Auditors-General who head them, are normally independent of any particular official or ministry within their respective countries. Auditor-Generals report directly to Parliament and usually have budgetary as well as organizational independence. They are appointed for a fixed term and are independent. In countries where this independence is not complete, there are efforts from both internal and external sources to move these organizations in the direction of more independence and autonomy. The OIG requires SAIs to meet basic standards of independence.

SAIs perform regular financial or operational audits of various Government ministries and programs in their respective countries. They seek to ensure that public funds are spent for intended purposes whether these funds come from their own budget, international donors or other sources. SAIs are usually the only organizations that have a legal mandate and authority to audit the accounts and operations of their governments. Therefore, they are not only at the forefront in ensuring accountability and transparency over public funds, they are usually the only ones specifically tasked to do so. In the USAID overseas environment it is usually the SAIs in various countries that will audit USAID funds disbursed directly to government organizations. Because of this, countries that do not have functioning SAIs or ones that do not have the independence and resources to carry out their work unimpeded are more prone to incidents of mismanagement, misuse of funds, and corruption within their governments.

By working with SAIs and developing their capabilities, USAID and the OIG bring another resource and level of accountability to the fight against fraud, waste, and abuse. In recent years anti-corruption efforts have gained tremendous worldwide support within

the public and private sectors. Governments that adhere to democratic principles, the rule of law and transparency are more likely to be free from corruption. Freedom from corruption is becoming universally recognized as essential to development. An important theme of the most recent International Anti-Corruption Conference held in South Africa stressed that corruption was no longer simply a legal issue. Rather, it was a development issue and corruption impacts negatively on development. SAIs are increasingly relied on as key players in anti-corruption and development efforts.

USAID Missions and various Regional Inspectors General have signed Memoranda of Understanding (MOUs) with 15 SAIs worldwide. In Latin America, for example, our MOUs with SAIs include Bolivia, Honduras, Peru, St.Lucia and El Salvador. In Africa we have MOUs in South Africa, Tanzania, Zambia, Ethiopia, Zimbabwe, Benin, Ghana, Senegal and Mali. In Asia we have signed an MOU with the Supreme Audit Institution of Thailand.

These MOUs formalize our tripartite relationship and detail the work SAIs will accomplish in the audits of USAID funds. In east and southern Africa alone, SAIs in five countries are performing audits of USAID funds provided to government organizations. For example, the Tanzania SAI recently audited more than \$8.7 million in USAID funds provided to the government and made recommendations that resulted in USAID collecting \$167,000 in questioned costs. SAIs in South Africa, Zambia and Ethiopia are currently auditing USAID funds. Our Regional Inspector General's Office in San Salvador, including both auditors and investigators, recently provided fraud detection training to about 150 Controller General staff in Honduras. They also provided similar training to the Court of Accounts in El Salvador. These SAIs will also conduct audits in their countries of various activities funded under the hurricane reconstruction supplemental appropriation.

Our Regional Inspector General's Office in Manila has sponsored training on *Effective Audit Report Writing and Communication* that was attended by representatives from the Philippine Commission on Audit, the Indonesian SAI, and the Bangladesh Comptroller and Auditor General's Office. After assessing capabilities over the past several years, the Regional Inspector General's Office in South Africa provided training in USAID and U.S. Government requirements and auditing standards to SAIs in Ethiopia, Rwanda, Tanzania and Zambia. Typically, 60 people are trained in weeklong sessions. In addition to representatives from the Supreme Audit Institution, the participants include government ministries, non-governmental organizations, private accounting firms and USAID. In Zambia, representatives from the Zambia Anti-Corruption Commission participated in fraud awareness sessions and discussed ways this Commission could share information and work together with the Supreme Audit Institution. Our Regional Inspector General offices also ensure the quality of work done by SAIs. The OIG performs quality control reviews of audits done by SAIs, and assesses each SAIs' qualifications before it begins conducting USAID audits.

Working together, USAID and the OIG must continue to use SAIs as a resource in fighting corruption and, as a result, enhance development prospects in less developed countries. The training and assistance the OIG provides can compliment USAID efforts.

These efforts could include providing SAIs with equipment, materials or short and long-term technical assistance which will enhance their audit capabilities. Promoting good governance under USAID's Democracy & Governance initiatives serves as the vehicle for this assistance. USAID may also consider involving its other initiatives in these efforts since the benefits derived by assisting SAIs address a number of USAID's strategic objectives.



At the signing ceremony in South Africa are (left to right) USAID/South Africa Mission Director, Stacy Rhodes; South Africa Auditor-General, Shauket Fakie; Regional Inspector General/Pretoria, Joseph Farinella

With USAID/South Africa, the OIG provided financial management training to representatives from 30 South African Non-Governmental Organizations. This training emphasized the importance of sound financial management practices in USAID-funded programs.

The OIG signed a Memorandum of Understanding with the South Africa Office of Auditor General. USAID/South Africa was also a signatory, formalizing this relationship with one of the premier national audit organizations in Africa. The signing ceremony at the Auditor-General's offices received press coverage by the South African Broadcasting Corporation and South African Government communications organizations. The South Africa Office of Auditor General is also performing its first audit of USAID funds provided to the Ministry of Justice. RIG/Pretoria also issued audit reports on USAID funding to six South African universities experiencing financial difficulty. The Office



RIG/Pretoria Joseph Farinella Speaking with an Official from the South African Office of Auditor General

of Auditor-General conducted a management review into the financial affairs of these institutions with the purpose of developing business plans to ensure sound management. We have coordinated and exchanged information with the South Africa Auditor General's Office during the course of these complimentary efforts. Our work will foster transparency and hopefully contribute to improving operations at these institutions.

Supreme Audit Institutions in Ethiopia and Zambia are also conducting USAID audits that are currently underway as a direct result of OIG training on USAID audit requirements and U.S. government auditing standards.

Proactive Initiatives

Fraud Awareness Training

The OIG is conducting numerous fraud awareness briefings as part of its proactive initiatives in Central America. These briefings include a definition of the audit role and explanation of its functions, an overview of the investigative role and explanation of its functions, and an in-depth presentation on fraud indicators. The briefings have been provided in El Salvador, Nicaragua, Guatemala, Honduras, Haiti and the Dominican Republic. The briefings are a joint effort by our Audit and Investigations units.

Briefings were provided to 2,014 participants, including representatives from NGOs, government agencies, and USAID staff. The fraud awareness training program is a joint audit-investigations effort that aims to provide practical information to those that are most closely involved in disbursing Central America and Caribbean Emergency Disaster funds: the employees of USAID's grantees and contractors.



OIG investigator Marvin Burgos, RIG/San Salvador Tim Cox, and Nelson Sanchez (left to right) conduct fraud awareness training in El Salvador

Anti Corruption Training

OIG personnel have been actively engaged in anti-corruption training initiatives. OIG audit and investigative representatives attended the 9th International Anti-Corruption Conference, in Durban, South Africa, to share methods and strategies for combating corruption with other law enforcement professionals and representatives from various aid organizations. The OIG conducted fraud awareness training to more than 2,000 people in Central America to educate USAID personnel, contractors, and other organizations on



Fraud awareness session provided to the Comptroller General Office in Honduras.

fraud awareness and law enforcement techniques. Similar training exercises have also been conducted in Eastern Europe. The OIG also participates in Washington-based meetings on anti-corruption issues and provides various USAID-sponsored events. Finally, OIG personnel will participate in a meeting in Maastricht, Holland, to prepare for an upcoming Global Forum on Fighting Corruption.

The OIG goal is to educate all employees on anti-corruption issues and to insure that each employee is aware of their responsibilities when confronted with corruption or gain knowledge of such practices. The OIG will vigorously investigate, and bring to prosecution any act of a corrupt nature concerning USAID programs or projects. A workforce vigilant to fraud and corrupt practices is indispensable to this goal.

Investigative Initiatives

Preventing Employee Misconduct

In 1998, the OIG inaugurated the “Ounce of Prevention Program”, to reduce employee misconduct by alerting to problem situations. The program consisted of a series of informal employee notices that centered on conduct prohibited by law, regulation or policy. Topics included:

- conflicting financial interests
- post employment restrictions
- impartiality in performing official duties
- restrictions seeking employment
- misuse of position and government property

Consistent with this proactive approach, the OIG plans more direct preventive actions to reduce employee misconduct. Accordingly, the OIG will make presentations to USAID Missions, focusing on the various types of USAID employee investigations that have been conducted throughout the world. In this way, the OIG can direct employee attention to those situations, circumstances and actions that have lead to allegations of misconduct. It is hoped that this approach will assist employees to avoid potential problems.

Special Investigations Division To Focus on Employee Integrity

Preserving the integrity of USAID and its employees is an important OIG objective. Criminal or unethical conduct by Agency employees tarnishes the reputation of the organization and shatters the credibility of its programs throughout the world. Even the perception of employee misconduct, if not addressed, can have a detrimental impact on the organization.

Pursuant to the goal of preserving employee integrity, the OIG has created the Special Investigations Division (SID) within Investigations. SID is staffed with senior special agents with experience in conducting investigations and is responsible for conducting and managing all investigations pertaining to allegations of misconduct of USAID employees. This new division focuses exclusively on employee integrity allegations and provides complete investigative reports to either the Department of Justice or USAID management. SID will conduct and supervise impartial investigations so that all involved

parties will be guaranteed a thorough, professional and expeditious resolution of allegations.

Other Reporting Requirements

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires that each Inspector General's Semiannual Report to the U.S. Congress include a description and explanation of significant revisions of management decisions as well as information concerning any significant management decision with which the OIG is in disagreement. There are two instances where management and policy decisions by USAID officials have yet to be made.

The Inspector General Act also requires the identification of any reports made to the head of the agency describing instances where information or assistance was unreasonably refused or not provided. During this reporting period, there were no reports to the Administrator of USAID describing instances where information or assistance was unreasonably refused or not provided.

Unresolved Management Decision

During the last reporting period, the OIG reported on a referral of two audit reports⁸ to senior officials for resolution.

In May 1999, the OIG referred two audit reports with recommendations to the Assistant Administrator for Management for management decisions. Both reports and their recommendations concerned the use of over \$3.9 million in funds collected from a contractor as a result of an audit. The funds were generated through the Health and Accident Program developed for the foreign participant trainees of USAID.

On August 17, 1999, the USAID General Counsel opined that the funds at issue, exclusive of interest, represent a refund of properly obligated but unexpended Federal funds that USAID may deobligate and reprogram. Subsequently, the Chief Financial Officer advised the OIG that, based on the General Counsel's opinion, USAID has decided to treat the funds recovered, excluding interest, as a refund.

The OIG does not concur with the General Counsel's opinion and has reported this impasse in the Semiannual Report to the Congress, dated September 30, 1999. The OIG has requested a decision from the Deputy Administration on the issue.

⁸ Interim Audit Report of Acordia Healthcare Solutions, Inc.—Excess Federal Cash Being Held—Contract No. FAO-C-00-93-0012-00; Audit Report No. 0-000-98-002-F, March 26, 1998; Audit of Acordia Healthcare Solutions, Inc. Billings and Processing of Health and Accident Insurance Claims for the Period July 1993 through April 1998 under Contract No. FAO-C-00-93-00012-00; Audit Report No. 0-000-99-005-F, March 26, 1999

The 1988 amendments to the Inspector General Act also require the reporting of statistical information, which is presented in the following tables at the end of this report.

Table A: *Reports Issued (October 1, 1999 through March 31, 2000)*

Table B: *Audit Reports Over Six Months Old With No Management Decision as of March 31, 2000*

Table C: *Significant Audit Reports Described in Previous Semiannual Reports Without Final Action as of March 31, 2000*

Table D: *Reports Issued With Questioned and Unsupported Costs (October 1, 1999 through March 31, 2000)*

Table E: *Reports Issued With Recommendations That Funds Be Put to Better Use (October 1, 1999 through March 31, 2000)*

Table A

REPORTS ISSUED

October 1, 1999 through March 31, 2000

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		--USAID Financial Statement Audits --		
0-000-00-006-F	02/18/00	Reports on USAID's Consolidated Financial Statements, Internal Controls, and Compliance for Fiscal Year 1999		
		-- Financial-Related Audits of USAID Programs and Operations --		
0-000-00-001-F	12/10/99	Audit of USAID/Washington Metrochek Subsidy and Carpool Programs		
0-000-00-002-F	02/01/00	Audit on USAID's Credit Programs and Related Internal Controls for Fiscal Year 1999		
0-000-00-003-F	02/01/00	Audit on USAID Advances and Related Internal Controls for Fiscal Year 1999		
0-000-00-004-F	02/09/00	Audit of USAID's Accrued Expenses, Accounts Payable, and Related Internal Controls for Fiscal Year 1999		
0-000-00-005-F	02/17/00	Report on USAID's Fund Balance with the U.S. Treasury and Related Internal Controls for Fiscal Year 1999		
1-514-00-001-F	10/25/99	Preaward Audit of the Colombian Agency for International Cooperation		
1-521-00-002-F	03/02/00	Audit of Certain USAID/Haiti Fiscal Year 1999 Financial Operations	31 44 44	BU QC UN
4-674-00-001-F	11/26/99	Audit of USAID/South Africa's Project Implementation Letter Nos. 52 & 65 to Border Technikon Under the Tertiary Education Linkage Project		
4-674-00-002-F	11/26/99	Audit of USAID/South Africa's Project Implementation Letter No. 61 to the Medical University of Southern Africa Under the Tertiary Education Linkage Project		
4-674-00-003-F	11/26/99	Audit of USAID/South Africa's Project Implementation Letter No. 45 to Technikon Northern Gauteng Under the Tertiary Education Linkage Project		
4-674-00-004-F	11/26/99	Audit of USAID/South Africa's Project Implementation Letter Nos. 4, 28 & 50 to the University of Fort Hare Under the Tertiary Education Linkage Project		
4-674-00-005-F	11/26/99	Audit of USAID/South Africa's Project Implementation Letter Nos. 7, 64 & 71 to the University of North West Under the Tertiary Education Linkage Project		
4-674-00-006-F	11/26/99	Audit of USAID/South Africa's Project Implementation Letter No. 15 to the University of Zululand Under the Tertiary Education Linkage Project		

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-674-00-007-F	11/30/99	Audit of Costs Charged by Educational Institutions to USAID/South Africa Under Project Implementation Letters Funded by the Tertiary Education Linkage Project	171 12 12	BU QC UN
4-623-00-008-F	02/04/00	Audit of USAID/REDSO/ESA's Cashiering Operations		
		-- Agency-Funded Audits --		
1-511-00-001-N	10/21/99	Financial Audit of Drug Education Center – CESE; Drug Awareness and Prevention Project; USAID Cooperative Agreement No. 511-0613-A-00-2037-00; Year Ended December 31, 1996	58 57	QC UN
1-521-00-002-N	02/02/00	Fund Accountability Statement of USAID Resources, Managed by Management Sciences for Health (MSH-Haiti) Under Project No. 521-0248-00, HS 2004, During the Period of October 20, 1995 to September 30, 1998		
1-518-00-003-N	02/16/00	Audit of the Sustainable Use for Biological Resources/Ecuador Environmental Action Plan Project No. 518-0069, Financed by USAID/Ecuador, Managed by the Environmental Advisory Commission, for the Period of October 1, 1996 through December 31, 1997		
1-511-00-004-N	02/16/00	San Gabriel Foundation, Projects: Infant Child Survival and Strengthening of the Reproductive Health Component of the Sanitary District of La Paz, Sub-grant Agreements A (II) – 36/95 and CA/SR-003/95, for the Period between August 10, 1995 and August 31, 1997	51 38	QC UN
1-511-00-005-N	02/17/00	Financial Audit of USAID/Bolivia's Grant Agreement Nos. 511-0568-G-00-4032 and 511-0568-G-00-5087 Managed by the San Gabriel Foundation for the Period February 10, 1994 to August 31, 1997	60 16	QC UN
1-524-00-006-N	02/24/00	Nicaraguan Development Center Pre-Award Survey as of December 5, 1999		
1-511-00-007-N	03/08/00	Audit of Caritas Boliviana Public Law 480 Title II Food Program, October 1, 1996 to September 30, 1997	3,602 3,561	QC UN
1-511-00-008-N	03/08/00	Audit of Caritas Boliviana Public Law 480 Title II Food Program, October 1, 1997 to April 3, 1998	162 153	QC UN
1-524-00-009-N	03/14/00	Winrock International Institute for Agricultural Development, Financial Audit of the OFDA Resources Provided by USAID/Nicaragua under Modification of Contract No. 524-C-00-99-00001-00 for Hurricane Mitch Related Activities, for the Period January 6 to June 30, 1999	120 116	QC UN
1-524-00-010-N	03/17/00	World Relief Nicaragua, Financial Audit of the OFDA Resources Provided by USAID/Nicaragua under Modification No. 12 to Grant No. 524-G-SS-93-00011-00 for Hurricane Mitch Related Activities, for the Period December 15, 1998 to June 30, 1999	8 8	QC UN
1-524-00-011-N	03/17/00	PROMESA (Development Alternatives, Inc.), Financial Audit of the OFDA Resources Provided by USAID/Nicaragua under Modification No. 2 to Contract No. 524-C-00-98-00025-00 for Hurricane Mitch Related Activities, for the Period January 19 to May 31, 1999		

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-524-00-012-N	03/20/00	Envases Plasticos, S.A., Financial Audit of the OFDA Resources Provided by USAID/Nicaragua under Contract No. 524-C-00-99-00026-00 for Hurricane Mitch Related Activities, for the Period March 8 to May 31, 1999		
1-524-00-013-N	03/20/00	Clarke Mosquito Control, Financial Audit of the OFDA Resources Provided by USAID/Nicaragua under Contract No. 524-C-00-99-00016-00 for Hurricane Mitch Related Activities, for the Period December 24, 1998 to March 31, 1999		
1-518-00-014-N	03/21/00	Independent Auditors' Report on the Fund Accountability Statement of USAID/Ecuador Agreement No. 518-0071 Health and Child Survival Project, Managed by the Ministry of Public Health, for the Period January 1, 1996 to December 31, 1997		
4-696-00-001-N	01/10/00	Audit of Women in Transition Initiatives, Project No. 968-5004.96, for the Period September 28, 1995 through January 31, 1999	38	QC
4-656-00-002-N	02/01/00	Audit of USAID Resources Managed by University Research Corporation Under the Primary Health Care Support Project No. 656-0226, for the Period January 10, 1994 through October 23, 1998		
5-367-00-001-N	01/18/00	Audit of USAID/Nepal's Grant to the Butwal Power Company Ltd. Under the Andhikhola Hydel Rural Electrification Project – Phase II (AHREP - II), Grant Agreement No. 367-G-00-96-00008-00 for the Period November 14, 1995 to November 30, 1997	640 470	QC UN
6-263-00-001-N	11/22/99	Financial Audit of the International Executive Service Corps' Local Expenditures Incurred Under Cooperative Agreement No. 263-A-00-93-00022-00	700 158	QC UN
6-263-00-002-N	11/29/99	Financial Audit of the Tabbin Institute for Metallurgical Studies, Costs Incurred Under USAID/Egypt's Science and Technology for Development Project No. 263-0140	26 26	QC UN
6-263-00-003-N	12/16/99	Financial Audit of the State Information Service, Costs Incurred Under USAID/Egypt's Population and Family Planning III Project No. 263-0227		
6-263-00-004-N	02/14/00	Financial Audit of the Health Insurance Organization, Costs Incurred under USAID/Egypt's Cost Recovery for Health Project No. 263-0170	17 8	QC UN
6-263-00-005-N	03/21/00	Report on Agreed-Upon Procedures Related to Resources Provided to the Regional Center for Training Under USAID/Egypt's Population and Family Planning III Project No. 263-0227		
		-- Initial Review of Recipient-Contracted Audits of U.S.-Based Grantees --		
0-000-00-001-T	12/06/99	Initial Review of America-Mideast Educational & Training Services, Inc. (AMIDEAST)		
0-000-00-002-T	03/15/00	Initial Review of the Africa-America Institute for the Fiscal Year Ended September 30, 1998		
0-000-00-003-T	03/15/00	Initial Review of Freedom House, Inc. and Affiliate for the Fiscal Year Ended June 30, 1999		

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-00-004-T	03/15/00	Initial Review of International Executive Service Corps for the Fiscal Year Ended December 31, 1998		
0-000-00-005-T	03/16/00	Initial Review of FINCA International, Inc. for the Fiscal Year Ended August 31, 1998		
0-000-00-006-T	03/16/00	Initial Review of the American University in Cairo for the Fiscal Year Ended August 31, 1998		
0-000-00-007-T	03/17/00	Initial Review of Citizens Democracy Corps, Inc. for the Fiscal Year Ended September 30, 1998		
0-000-00-008-T	03/17/00	Initial Review of the National Rural Electric Cooperative Association for the Fiscal Year Ended December 31, 1998		
0-000-00-009-T	03/17/00	Initial Review of Project Concern International for the Fiscal Year Ended June 30, 1998		
0-000-00-010-T	03/17/00	Initial Review of International City/County Management Association for the Fiscal Year Ended June 30, 1998		
0-000-00-011-T	03/16/00	Initial Review of Counterpart International, Inc. for the Fiscal Year Ended September 30, 1998		
		<i>-- Audits of Enterprise Funds --</i>		
0-000-00-001-E	11/12/99	Audit of Consolidated Financial Statements for the Years Ended September 30, 1996, 1997 and 1998, and Independent Auditors' Report on Basic Financial Statements, and Independent Auditors' Report on Compliance and Internal Control Structure for Central Asian-American Enterprise Fund		
		<i>-- Audits of Non-U.S. Organizations by DCAA --</i>		
B-186-00-001-D	10/07/99	Report on Preaward Accounting System Review, Action for Women's Health Foundation, Bucharest, Romania		
B-186-00-002-D	10/07/99	Report on Preaward Accounting System Review, Copiii Romaniei Foundation, Bucharest, Romania		
B-186-00-003-D	11/08/99	Report on Preaward Accounting System Survey, Pentru Copiii Nostri Foundation, Bucharest, Romania		
B-186-00-004-D	11/08/99	Report on Preaward Accounting System Survey, Environmental Training and Policy, Bucharest, Romania		
B-165-00-005-D	12/10/99	Report on Application of Agreed-Upon Procedures, Government of Macedonia's Social Policy Assistance Program and Unemployment Program, Skopje, Macedonia		
B-183-00-008-D	02/04/00	Report on Preaward Accounting System Review, Club "Economica 2000," Sofia, Bulgaria		
B-183-00-009-D	02/04/00	Report on Preaward Accounting System Review, Agency for Regional Development and Business Center, Vidin, Bulgaria		

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
B-169-00-012-D	03/14/00	Report on Application of Agreed-Upon Procedures, Government of Montenegro's Pension Program, Podgorica, Montenegro		
5-492-00-001-D	10/28/99	Followup on the Financial Audit of the El Observatorio De Manila, Inc. Environmental Research Division for the Period April 1, 1996 to December 31, 1996, A/R No. 5-492-98-008-R Dated July 29, 1998	34 34	QC UN
5-492-00-002-D	02/22/00	Financial Audit of the Philippine Statistical Association, Inc. Under Cooperative Agreement No. 492-0445-A-00-2066-00 for the Year Ended December 31, 1997	8 8	QC UN
<i>-- Audits of U.S.-Based Organizations by DCAA --</i>				
B-110-00-006-D	12/30/99	Report on Application of Agreed-Upon Procedures for Review of Grant Management Controls at Eurasia Foundation Field Offices—Central Russia and Siberia Region, Moscow, Russia	7 7	QC UN
B-110-00-007-D	01/31/00	Report on Application of Agreed-Upon Procedures for Review of Grant Management Controls at Eurasia Foundation Field Offices—Tbilisi Regional Office, Republic of Georgia		
B-110-00-010-D	02/25/00	Report on Application of Agreed-Upon Procedures for Review of Grant Management Controls at Eurasia Foundation Field Offices—Almaty Regional Office, Almaty, Kazakhstan		
B-110-00-011-D	03/13/00	Report on Application of Agreed-Upon Procedures for Evaluation of Grant Management Controls at Eurasia Foundation Field Offices—Vladivostok Regional Office, Russia		
0-000-00-001-D	11/29/99	Audit of Incurred Costs and Indirect Cost Rates for Hagler Bailly, Inc. for Its Fiscal Year 1996	461	QC
0-000-00-002-D	10/18/99	Audit of Incurred Costs and Indirect Cost Rates for Chemonics International, Inc. for Its Fiscal Year 1998		
0-000-00-003-D	10/14/99	Preaward Accounting System Survey of Groupe de recherche et d'échanges technologiques		
0-000-00-004-D	10/19/99	Audit of Incurred Costs for Louis Berger International, Inc. for Fiscal Years Ending June 30, 1992 and 1993		
0-000-00-005-D	10/18/99	Audit of Incurred Costs for Sheladia Associates, Inc. for Calendar Years Ending December 31, 1992 through 1994		
0-000-00-006-D	10/15/99	Preaward Accounting System Survey of Pharmaciens Sans Frontieres		
0-000-00-007-D	10/15/99	Supplemental to Report on the Audit of Termination for Convenience Proposal for Walker & Company, LLP for Contract No. CCP-C-97-0002-00	110	QC
0-000-00-008-D	10/22/99	Audit of Incurred Costs and Indirect Cost Rates for Community Consulting International for Its Fiscal Year 1997	1	QC
0-000-00-009-D	10/21/99	Audit of Incurred Costs and Indirect Cost Rates for Black & Veatch International for Its Fiscal Year Ending 1994 and 1995		
0-000-00-010-D	11/03/99	Audit of Incurred Costs and Rates for Creative Associates International, Inc. for Fiscal Year 1997		

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-00-011-D	10/21/99	Audit of Incurred Costs and Rates for Harvey and Co., Inc. for Fiscal Year 1997		
0-000-00-012-D	10/25/99	Audit of International Business & Technical Consultants, Inc.'s Incurred Costs for Fiscal Year Ended December 31, 1997		
0-000-00-013-D	11/04/99	Audit of Accounting System, Internal Controls and Specified USAID Awards During Fiscal Years 1990 through 1997 for University of North Carolina at Chapel Hill	253 66	QC UN
0-000-00-014-D	10/29/99	Audit of Arthur Andersen Limited Liability Partnership's Incurred Direct Costs for Fiscal Years Ended August 31, 1994, 1995 and 1996	417	QC
0-000-00-015-D	11/12/99	Audit of Incurred Costs for K & M Engineering and Consulting Corporation for the Calendar Year Ending December 31, 1997	2	QC
0-000-00-016-D	11/08/99	Audit of Incurred Costs for Casals & Associates, Inc. for the Calendar Year Ending December 31, 1997		
0-000-00-017-D	11/16/99	Evaluation of Action Contre La Faim's Proposed Final Indirect Rates for Calendar Years 1995 through 1998 and Provisional Indirect Rates for Calendar Year 1999		
0-000-00-018-D	11/18/99	Pre-Award Accounting Survey of Partnership for Child Healthcare, Inc.		
0-000-00-019-D	11/18/99	Audit of Incurred Costs for International Resource Group, Ltd. For Fiscal Year Ending December 31, 1997		
0-000-00-020-D	11/18/99	Audit of Incurred Costs for Resource Management Associates for the Period Ending June 30, 1998		
0-000-00-021-D	11/24/99	Audit of Indirect Costs for Camp Dresser and McKee for Fiscal Year Ending December 31, 1997		
0-000-00-022-D	11/29/99	Audit of the Adequacy of AVSC International, Inc.'s Disclosure Statement, dated April 12, 1998		
0-000-00-023-D	11/29/99	Report on Agreed Upon Procedures of Cost Plus Fixed Fee Subcontract Proposal for Energy Restructuring and Transition Policy, Legal and Regulatory Development and Energy Systems Operations to Core International, Inc.		
0-000-00-024-D	11/29/99	Report on Application of Agreed-Upon Procedures for Indirect Rates and Adequacy of Audit Coverage for Solidarites		
0-000-00-025-D	11/22/99	Application of Agreed-Upon Procedures for Indirect Rates and Adequacy of Audit Coverage for Medecins Du Monde		
0-000-00-026-D	12/03/99	Audit of Indirect Costs for Research Management Consultants, Inc. for the Fiscal Year Ending 1994		
0-000-00-027-D	12/03/99	Audit of Costs Incurred under USAID Grants and the Evaluation of the Indirect Provisional Rate for Fiscal Years 1999/2000 and Adequacy of Audit Coverage for Premiere Urgence	20	QC
0-000-00-028-D	12/06/99	Audit of the Bancroft Group's Incurred Costs for Fiscal Years 1995, 1996, and 1997	34	QC
0-000-00-029-D	12/21/99	Report on Noncompliance with Cost Accounting Standard 418-Allocation of Direct and Indirect Costs for John Snow, Inc.		
0-000-00-030-D	12/08/99	Application of Agreed-Upon Procedures for Indirect Rates and Adequacy of Audit Coverage for Medecins Sans Frontieres		

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Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-00-031-D	12/08/99	Audit of Incurred Costs for Fiscal Year 1996 for Ronco Consulting Corporation		
0-000-00-032-D	12/08/99	Audit of Incurred Costs and Indirect Cost Rates for Booz-Allen & Hamilton, Inc., for the Fiscal Year Ending March 31, 1998		
0-000-00-033-D	12/14/99	Audit of Incurred Costs and Indirect Cost Rates for Bechtel Group, Inc. for Calendar Year 1996		
0-000-00-034-D	12/21/99	Audit Report on the Adequacy and Compliance of Revised Disclosure Statement, Dated February 1, 1999, and Related Revisions to Advance Agreement for Bechtel Group, Inc.		
0-000-00-035-D	12/20/99	Report on Noncompliance with Cost Accounting Standard 410-Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives for John Snow, Inc.		
0-000-00-036-D	12/08/99	Audit of Incurred Costs for Aguirre International for Calendar Year 1997		
0-000-00-037-D	12/14/99	Audit of Incurred Costs for Tropical Research & Development, Inc. for the Fiscal Year Ending June 30, 1998		
0-000-00-038-D	12/16/99	Audit of Incurred Costs for Tropical Research & Development, Inc. for the Fiscal Year Ending June 30, 1997		
0-000-00-039-D	12/14/99	Review of Accounting System for Population Services International		
0-000-00-040-D	12/14/99	Audit of Costs Incurred for Fiscal Year 1996 for CH2M Hill International Services, Inc.	1	QC
0-000-00-041-D	12/27/99	Audit of Incurred Costs for Fiscal Years Ended December 31, 1996 and 1997 for Information Management Consultants, Inc.		
0-000-00-042-D	12/22/99	Audit of Incurred Costs for Fiscal Year Ended December 31, 1997, The Centech Group, Inc.		
0-000-00-043-D	12/22/99	Audit of Incurred Costs for Meridian Corporation for Fiscal Years 1991 through 1994		
0-000-00-044-D	12/21/99	Report on Audit of Change-Order Proposal for Carley Corporation for Contract No. HNE-I-00-98-00197-00		
0-000-00-045-D	12/22/99	Supplemental Audit of Incurred Costs for Raytheon Engineers & Constructors Incorporated for Calendar Year 1996		
0-000-00-046-D	12/22/99	Audit of Incurred Costs for Associates in Rural Development, Inc. for Fiscal Year and Transitional Year 1997		
0-000-00-047-D	12/22/99	Audit of Incurred Costs and Indirect Cost Rates for Development Associates, Inc. for Fiscal Year 1997		
0-000-00-048-D	01/07/00	Application of Agreed-Upon Procedures Report for Abt Associates, Inc.'s Settlement Offer of Premature Subcontractor/Consultant Payments		
0-000-00-049-D	01/07/00	Audit Report on Labor Charging and Timekeeping Practices of Land O'Lakes, Inc. for Calendar Year 1999		
0-000-00-050-D	03/08/00	Supplement to Audit of Incurred Costs for Abt Associates, Inc. for Fiscal Years 1995 through 1997	310	QC

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<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-00-051-D	01/21/00	Report on Application of Agreed-Upon Procedures for STG, Inc. for Proposal for Professional, Administrative, and Management Support Services		
0-000-00-052-D	03/06/00	Report on Review of Intercompany Labor for Booz-Allen & Hamilton, Inc. for Contract No. CCN-0005-C-00-3114-00	310	QC
0-000-00-053-D	03/10/00	Audit of Incurred Costs for Louis Berger International, Inc. for the Fiscal Years Ending June 30, 1992 through 1997	44,815 44,815	QC UN
0-000-00-054-D	03/16/00	Audit of Incurred Costs for the Intrados Group for Calendar Year 1994	32	QC
		-- Recipient-Contracted Audits of Non-U.S.-Based Recipients --		
B-181-00-001-R	11/15/99	Audit of Expenditures of the Foundation for Energy Efficiency Under Agreement No. 181-G-00-97-00323 for the Period September 26, 1997 to December 31, 1998	38	QC
B-181-00-002-R	12/27/99	Audit of the Municipal Development Agency Fund Accountability Statement Under Agreement No. 181-G-00-98-00322-00 for the Period from March 1, 1998 to June 30, 1999		
1-524-00-001-R	10/14/99	Audit of USAID Resources Managed by Fundacion Cocibolca Under Cooperative Agreement No. 524-A-00-97-00014-00 for the Period from April 25, 1997 through May 21, 1999		
1-524-00-002-R	10/19/99	Audit of the USAID's Resources Managed by "Centro de Educacion Para La Democracia," Under Grant No. 524-A-00-97-00012-00 for the Period from April 1, 1998 to May 11, 1999	10	QC
1-596-00-003-R	11/05/99	Close-out Audit of the INCAP Institutional Strengthening Project; USAID/G-CAP, Project No. 596-0169 and Additional Amendments for Add-On Projects No. 10, 11, and 14 Managed by the Institute of Nutrition of Central America and Panama; for the Period January 1, 1998 to September 30, 1998		
1-522-00-004-R	11/05/99	Auditorship of the AID Resources Project of Municipal Development Managed by the Association of Municipalities of Honduras; Proyecto USAID/Honduras No. 0340-A-00-3264-00; from January 1, 1997 to December 31, 1997 and 1996	2	QC
1-525-00-005-R	11/05/99	Fundacion para la Promocion de la Mujer; Administration of Justice Project; Grant Agreement No. 525-0312-G-00-6226 between the Government of the Republic of Panama and the U.S. Agency for International Development for the Period from July 8 to December 16, 1996	2	QC
1-520-00-006-R	11/05/99	The Trade and Labor Relations Development Project; USAID/G-CAP Agreement No. 520-0403-A-00-3257-00; Administered by the Association of Non-Traditional Products Exporters; for the Period of Six Months Ended December 31, 1998 (With the Independent Auditors' Report)		
1-524-00-007-R	11/09/99	Asociacion Pro Bienestar de la Familia Nicaraguense (PROFAMILIA) (Managua, Nicaragua); Audit of USAID Resources Managed by PROFAMILIA Under Cooperative Agreement No. 524-A-00-91-00173-00; Year Ended December 31, 1998		

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Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-511-00-008-R	11/09/99	Technical Support for the Policies Reform Project, Ex-UDAPSO, USAID Grant Agreement No. 511-0616, Implementation Letter No. 20, Independent Auditor's Report, for the Period January 1, 1996 to September 30, 1997 (Project Closing Date)	13 10	QC UN
1-520-00-009-R	11/09/99	Financial Audit of the Trade and Labor Relations Development Project; USAID/G-CAP Agreement No. 520-0403-A-00-3258-00; Component Implemented and Administered by the Guatemalan Entrepreneurial Chamber; for the Year Ended December 31, 1998		
1-523-00-010-R	11/10/99	Movimiento de Ciudadanos, A.C.; Mexico, D.F.; Report on the Grant Agreement Programs: "Citizen Campaign Now ... I Think, Then I Vote" No. 523-4008-G-00-97-007; "Annual Progress Report on Democracy in Mexico" No. 523-4008-G-00-97-0008-00 y "Citizen Education Workshops" No. 523-4008-G-00-97-000011-00; from the Start of Each Program through December 31, 1998 of Agency for International Development	1 1	QC UN
1-511-00-011-R	11/10/99	Audit of the Cochabamba Regional Development Project; USAID Grant Agreement No. 511-0617; Component Managed by Bolivian Institute of Agriculture and Cattle Technology; for the Year Ended December 31, 1998		
1-511-00-012-R	11/12/99	Audit of the Cochabamba Regional Development Project; USAID Grant Agreement No. 511-0617; Component Managed by National Roads Service Neighboring Roads; for the Year Ended December 31, 1998		
1-511-00-013-R	11/26/99	Audit of the Cochabamba Regional Development Project; USAID Grant Agreement No. 511-0617; Component Managed by the Regional Alternative Development Program; for the Year Ended December 31, 1998		
1-511-00-014-R	12/17/99	Independent Auditor's Report, Bolinvest Foundation, Export Promotion Project Cooperative Agreement No. 511-0585-A-00-6028, for the Period from January 1 to December 31, 1998	1 1	QC UN
1-527-00-015-R	12/20/99	Audit of USAID Farmbill to Grant Program No. FFP-G-00-97-00047-01, Managed by Caritas del Peru for the Period from January 1, 1997 to September 30, 1997		
1-511-00-016-R	01/05/00	Asociacion de Proteccion a la Salud Prosalud, Project for Extension and Coverage of Reproductive Health Services and Products, Grant Agreements USAID No. 511-G-00-95-00089-00 and USAID No. 511-0644-3-60054, Audit Report as of December 31, 1998	5 5	QC UN
1-520-00-017-R	01/12/00	Financial and Compliance Audit of USAID/G-CAP Agreement No. 520-98-A-00-00037-00, Managed by Asociacion Pro-Bienestar de la Familia de Guatemala, Period from May 22 to December 31, 1998		
1-518-00-018-R	01/14/00	RESCINDED: Audit of the Sustainable Use for Biological Resources/Ecuador Environmental Action Plan Project No. 518-0069, Financed by USAID/Ecuador, Managed by the Environmental Advisory Commission, for the Period of October 1, 1996 through December 31, 1997		
1-526-00-019-R	01/14/00	Audit of the Agreement No. 526-A-00-92-00019-00, Managed by the Paraguay Kansas Committee, for the Year Ended December 31, 1998	15	QC
1-511-00-020-R	01/14/00	Ministry of Health and Social Welfare AIDS/STDs Prevention and Control Project, Element XIII – Local Operations, USAID Grant Agreements No. 511-0608 and No. 511-0644, Independent Audit Report, as of December 31, 1998	4	QC
1-526-00-021-R	01/14/00	Audit of the Agreement No. 526-A-00-94-00008-00, Managed by the Alter Vida Association, for the Year Ended December 31, 1998		

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Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-526-00-022-R	01/14/00	Centro Paraguayo para la Promocion de la Libertad Economica y de la Justicia Social, Audit of the Project No. 526-0616-A-00-3001-00 (USAID) for the Year Ended December 31, 1998		
1-527-00-023-R	01/19/00	Asociacion de Municipalidades de la Region San Martin – AMRESAM, Fund Accountability Statement Audit of Cooperative Agreement No. 527-A-00-98-00151-00, for Period February 1 through December 31, 1998 and Financial Statements for the General Purposes Audit for the Year Ended December 31, 1998	33	QC
1-527-00-024-R	01/20/00	Caritas del Peru; Financial Audit of the Program of Temporary Lodging Installation and Humanitary Aid for the Injured Population Due to Fenomeno del Nino Overflows; USAID/Peru No. 527-G-00-98-00125-00 for the Period February 6, 1998 to March 31, 1999		
1-511-00-025-R	01/27/00	Ministry of Sustainable Development and Planning, Viceministry for Territorial Ordaining and Planning, Unit for Population Policies, Project for Reproductive Health Services, Grant Agreement AID No. 511-0568, Period of Fifteen Months Ended on March 31, 1999	5	QC
1-527-00-026-R	01/27/00	Audit of USAID Farmbill to Grant Program No. 527-0802-G-00-6063-00, Managed by Caritas del Peru for the Period from October 1, 1995 to December 31, 1996		
1-523-00-027-R	01/27/00	The Trust Established Pursuant to the Agreement Entered into Between El Fondo Mexicano para la Conservacion de la Naturaleza, A.C. and the U.S. Agency for International Development on February 27, 1996 for the Calendar Year Ended December 31, 1998	45 45	QC UN
1-525-00-028-R	01/27/00	School of Biology P-525-5600-G-00-3263-00, The Use of Biphenyl and Chlorobenzoate Metabolizing Bacteria in the Biodegradation of PCB's, Financial Statements from August 12, 1993 to September 30, 1998.	5 5	QC UN
1-532-00-029-R	01/28/00	The University of the West Indies Management Education USAID/Jamaica Project No. 532-0129, for the Period October 1, 1994 to September 30, 1996	60 39	QC UN
1-527-00-030-R	02/01/00	Audit of USAID Monetization Program PL 480, Title II, Managed by Caritas del Peru for the Fiscal Period October 1, 1996 to September 30, 1997		
1-511-00-031-R	02/02/00	Independent Auditor's Report; Child Survival Network "PROCOSF"; Reproductive Health Project – Rural Component and Primary Integrated Health Attention Program; Grants No. 511-0568 and 511-0644; for the Period Between January 1, to December 31, 1998	18 15	QC UN
1-511-00-032-R	02/03/00	Child and Community Health Project; USAID Grant Agreements No. 511-0594 and No. 511-0568; Independent Auditor's Report for the Period January 1, 1998 to February 9, 1999 (Project Closing Date)	312 303	QC UN
1-511-00-033-R	02/03/00	Caja Nacional de Salud, Reproductive Health Services Project, Donation Agreement AID No. 511-0568, as of December 31, 1998		
1-527-00-034-R	02/03/00	Information and Education Center to Prevent Drug Abuse-CEDRO; Fund Accountability Statements Audit of the Projects USAID No. 527-0348, Component 2, Agreement No. 527-G-00-98-00262-00, for the Period Comprehended from July 1 through December 31, 1998 and Component 5, Agreement No. 527-A-00-98-0071-00 as for December 31, 1998 and General Purposes Financial Statements Audit as for December 31, 1998		

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Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-518-00-035-R	02/04/00	APROFE Asociacion Pro-Bienestar de la Familia Ecuatoriana; Audit of the Program Supporting Family Planning Services and Promotion of Other Services signed with the United States Agency for International Development under Cooperative Agreement No. 518-G-00-97-00267-00; at and for the Fifteen-Month Period from October 1, 1997 to December 31, 1998		
1-525-00-036-R	02/08/00	Chamber of Commerce, Industry and Agriculture of Panama; Trade and Investment Development Project; USAID/Panama Cooperative Agreement No. 525-A-00-92-00204-00; for the Year Ended March 31, 1999		
1-522-00-037-R	02/08/00	Audit of the Honduran Council of Private Enterprise, Grant Agreement USAID/Honduras No. 522-0325-1, Year Ended December 31, 1998		
1-527-00-038-R	02/10/00	Audit of USAID Program PL 480 Title II (Monetization), for the Fiscal Period from October 1, 1997 to September 30, 1998		
1-521-00-039-R	02/10/00	Audit of Policy and Administrative Reform/Technical Assistance; USAID/Haiti Contract No. 521-C-00-98-0019-00; Managed by Experts Conseils & Associes; for the Period May 20, 1998 to January 31, 1999		
1-522-00-040-R	02/10/00	Audit of Municipal Development Program; USAID/Honduras Project No. 522-A-00-93-00324-00; Managed by the Foundation for Municipal Development; for the Year Ended December 31, 1998		
1-527-00-041-R	02/10/00	Audit of USAID Farmbill to Grant Program No. FFP-G-00-97-00047-01, Managed by Caritas del Peru, for the Period from January 1, 1998 to September 30, 1998		
1-524-00-042-R	02/11/00	Union de Productores Agropecuarios de Nicaragua (UPANIC), (Managua, Nicaragua), Audit of USAID Resources Managed by UPANIC Under Cooperative Agreement No. 524-A-00-93-00015-00, Year Ended June 30, 1999		
1-524-00-043-R	02/14/00	Program for Technical Assistance to the National Commission of Jurists of Nicaragua Regarding the Reform of the Basic Law of the Judiciary, Grant No. 524-A-00-96-90044-00, Subscribed Between the Inter-American Institute of Human Rights and the Agency for International Development, Financial Audit of the Program for the Period from September 16, 1996 to December 15, 1998		
1-520-00-044-R	02/17/00	Tropical Agriculture Research and Training Center, Mayan Biosphere Project No. 520-0395 (CATIE/CONAP Project, Phase II), for the Period from December 17, 1996 to January 31, 1999		
1-520-00-045-R	02/17/00	Audit of the Project Strategic Educational Strengthening and Office of Human Rights Ombudsman, USAID/G-CAP Project No. 520-0398-A-00-6052-00, Managed by the Rafael Landivar University, for the Year Ended December 31, 1997		
1-520-00-046-R	02/17/00	Audit of the Development and Support to the Modernization of the State Project, USAID/G-CAP Project No. 520-9999-A-00-6064-00, Managed by Corporacion de Inversiones y Desarrollo de Centro America, S.A. (IDC), July 1, 1998 to June 30, 1999		
1-520-00-047-R	02/18/00	Audit of the Project Accord on the Rights and Identity of Indigenous Peoples – Human Capacity Development, USAID/G-CAP Project No. 520-A-00-98-00013-00, for the Year Ended December 31, 1998		
1-596-00-048-R	02/29/00	Financial Audit of the Support Project for the Participation of Central America in the Free Trade Area of the Americas; USAID/G-CAP Project No. 596-0178.01; Implemented by Secretariat for Central American Economic Integration; for the Period January 1 to December 31, 1998	18	QC

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Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-520-00-049-R	02/29/00	Closeout of the Project Support to the Modernization of Ports and Airports of the Government of Guatemala; USAID/G-CAP Project No. GA520-97-A-00-00031-00; Implemented by Centro de Investigaciones Economicas Nacionales – CIEN; for the Period June 1 to December 31, 1998	4 2	QC UN
1-521-00-050-R	03/03/00	Enhancing Food Security II Project (USAID/Haiti Project No. 521-0258-C-00-6112-00), Managed by International Maritime Terminal, S.A., Fund Accountability Statement, for the Period from October 1, 1998 to September 30, 1999		
1-521-00-051-R	03/15/00	Audit of Association des Oeuvres Privees de Sante, Including the Components of Health Systems 2004 (HS2004), (USAID/Haiti Project No. 521-0248), HNP Reproductive Health Training Program (UNFP Project No. HAI/98/PO4), Other Funds, February 1 to December 31, 1998		
1-527-00-052-R	3/21/00	Escuela de Administracion de Negocios para Graduados – ESAN Audit of the Activities of Local Government Development Project (Proyecto de Desarrollo de Gobiernos Locales) – Cooperative Agreement No. 527-0371-A-00-6018-00, Funded by the Agency for International Development, Managed by Escuela de Administracion de Negocios para Graduados, for the Year Ended December 31, 1997	52	QC
1-522-00-053-R	03/21/00	Audit of Private Sector Population III Project, USAID/Honduras Project No. 522-0389, Managed by the Asociacion Hondurena de Planificacion de Familia, December 31, 1998	2 2	QC UN
1-532-00-054-R	03/22/00	Financial Audit of the USAID/Jamaica AIDS/STD Prevention and Control Project Number 532-0153, Managed by the Ministry of Health, January 1, 1997 to December 31, 1998	36 21	QC UN
1-522-00-055-R	03/22/00	Audit of Private Sector Population III Project, USAID/Honduras Project No. 522-0389, Managed by the Asociacion Hondurena de Planificacion de Familia, December 31, 1997	1 1	QC UN
1-532-00-056-R	03/23/00	Health Sector Initiatives Project USAID/Jamaica, Contract No. 532-0152, Audit for the Period April 1, 1993 to September 27, 1998	9	QC
1-521-00-057-R	03/24/00	Agribusiness Guarantee Fund, USAID/Haiti-Project No. 521-0256, Component Managed by Societe Financiere Haitienne de Developpement (SOFIHDES), Fund Accountability Statement for the Period October 1, 1997 to June 30, 1998 (with Independent Auditors' Report Thereon)		
4-617-00-001-R	10/15/99	Audit of AIDS Information Centre, Agreement No. 623-0133-00-A-00-6007, for the Year Ended June 30, 1998	26	QC
4-617-00-002-R	12/03/99	Audit of the Grants Management Unit Under the Action Program for the Environment's Project Agreement No. 617-0124 for the Period May 1, 1998 to December 31, 1998		
4-623-00-003-R	12/03/99	Audit of the Centre for African Family Studies, REDSO/ESA Cooperative Agreement No. 623-0005-A-00-4143-00 for the Year Ended December 31, 1998		
4-674-00-004-R	12/14/99	Audit of the Black Lawyers Association Legal Education Centre, Grant No. 674-0301-G-6082-00 for the Period April 1, 1997 to March 31, 1998		
4-674-00-005-R	12/09/99	Audit of the Education Foundation Trust Under Grant Agreement No. 674-0302-G-6029-00 for the Period March 1, 1997 through April 30, 1998		

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<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-674-00-006-R	11/15/99	Audit of the Molteno Project, Agreement No. 674-0314-G-SS-4084-00, for the Period Ended February 28, 1998	1 1	QC UN
4-674-00-007-R	12/07/99	Audit of the Media in Education Trust Under USAID Grant Agreement Nos. 674-0302-G-00-6023-02 and 674-0314-G-00-7021-00 for the Period from April 1, 1997 to December 31, 1997		
4-674-00-008-R	12/08/99	Audit of the Media in Education Trust Under USAID Grant Agreement Nos. 674-0302-G-00-6023-02 and 674-0314-G-00-7021-00 for the Year Ended December 31, 1998		
4-674-00-009-R	12/15/99	Audit of Desmond Tutu Educational Trust, Agreement No. 674-0309-G-SS-2038, for the Year Ended December 31, 1998		
4-623-00-010-R	11/15/99	Audit of Chogoria Hospital (The Presbyterian Church of East Africa) Community Based Distribution Project, Agreement No. 623-0264-G-00-6001-00, for the Period July 1, 1996 to June 22, 1998	17 2	QC UN
4-674-00-011-R	12/13/99	Audit of the Trust for Community Outreach and Education's Grant No. 674-0301-G-SS-4134 for the Period January 1, 1998 to December 31, 1998		
4-674-00-012-R	11/15/99	Audit of Educational Opportunities Council, Agreement No. 674-0309-A-00-0038-00, for the Year Ended December 31, 1998		
4-674-00-013-R	12/08/99	Audit of the Project Preparation Trust of Kwazulu-Natal's Grant No. 674-0312-G-SS-3077 for the Period October 1, 1997 to September 30, 1998		
4-674-00-014-R	11/15/99	Audit of the Institute for Multi-Party Democracy, Agreement No. 674-0301-A-00-6079-00, for the Year Ended March 31, 1999	205	QC
4-690-00-015-R	03/15/00	Audit of USAID/Zimbabwe Trust Natural Resources Management Project Nos. 690-0251-4-00-9001-00 and 690-G-00-89-00001-00, for the Year Ended May 31, 1998	140	QC
4-674-00-016-R	12/15/99	Audit of Centre for Socio-Legal Studies Project Agreement No. 674-0301-G-SS-4134 for the Period June 30, 1999		
4-674-00-017-R	12/15/99	Audit of the Medical University of Southern Africa, Agreement No. 674-0315 for the Period from February 15, 1996 to March 3, 1999	11 11	QC UN
4-674-00-018-R	12/17/99	Audit of CARE South Africa, Agreement No. 674-0301-G-SS-4050, for the Period from September 1, 1994 to August 30, 1995		
4-690-00-019-R	02/08/00	Audit of Cooperative for Research and Education, Agreement No. 690-0284-G-00-6884, for the Year Ended December 31, 1998		
4-623-00-020-R	02/15/00	Audit of the Rossing Foundation, Grant Agreement No. 623-0004-A-00-3016-00, for the Year Ended December 31, 1997	37 37	QC UN
4-617-00-021-R	01/15/00	Audit of Makerere University Kibale Forest Biological Field Station Project, Agreement No. 617-0124.00-47, for the Period from January 1, 1995 to December 31, 1997	1 1	QC UN
4-674-00-022-R	01/06/00	Audit of the National Institute for Community Education Trust Under USAID Grant Agreement No. 674-0309-A-00-6044-00 for the Period from October 1, 1998 to March 31, 1999		

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Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-674-00-023-R	01/06/00	Audit of the Philisisizwe Association for Development Under USAID Agreement No. 674-0301-G-SS-4152-02 for the Year Ended December 31, 1997		
4-674-00-024-R	01/15/00	Audit of Land and Agriculture Centre, Agreement No. 674-0301-G-SS-4099-02, for the Year Ended December 31, 1997	1 1	QC UN
4-674-00-025-R	01/06/00	Audit of the Education Foundation Trust Under USAID Grant Agreement No. 674-0302-G-00-6029-00 for the Year Ended March 31, 1999		
4-674-00-026-R	01/06/00	Audit of the National Association of Democratic Lawyers Under USAID Grant Agreement No. 674-0305-G-SS-3025 for the Year Ended February 29, 1996		
4-617-00-027-R	01/15/00	Audit of AIDS Support Organisation Uganda Limited, Agreement No. 623-0133-A-00-6030-00, for the Year Ended June 30, 1998	48 3	QC UN
4-617-00-028-R	01/15/00	Audit of Uganda Wildlife Education Centre Trust, Agreement No. 617-0124.00-55/66, for the Year Ended June 30, 1998	5	QC
4-674-00-029-R	01/15/00	Audit of South African Institute of Race Relations, Agreement No. 674-0301-A-00-6081-00, for the Period from October 1, 1997 to March 31, 1999	10 5	QC UN
4-663-00-030-R	01/15/00	Audit of Ethiopian Orthodox Church, for the Period from October 1, 1997 to September 30, 1998	1 1	QC UN
4-615-00-031-R	01/15/00	Audit of Marie Stopes Kenya, Agreement No. 623-A-98-00-00035-00, for the Period August 1, 1998 to December 31, 1998	7 7	QC UN
4-621-00-032-R	01/15/00	Audit of the Agricultural Transport Assistance Program, Project No. 621-0166, for the Year Ended June 30, 1997	157 139	QC UN
4-621-00-033-R	01/15/00	Audit of Family Planning Unit, for the Year Ended June 30, 1998	11 11	QC UN
4-615-00-034-R	02/15/00	Audit of K-REP Holdings Limited, Agreement No. 623-A-00-97-00039-00, for the Period from October 1, 1997 to December 31, 1998	2	QC
4-615-00-035-R	03/15/00	Audit of the Appropriate Technologies for Enterprise Creation, Agreement No. 623-0263-A-00-7015-00, for the Period February 1, 1997 to June 30, 1999	4	QC
4-674-00-036-R	02/11/00	Audit of Education with Enterprise Trust, Grant Agreement No. 674-0301-A-00-6069-00, for the Period November 1, 1997 to April 30, 1999		
4-623-00-037-R	02/15/00	Audit of the Rossing Foundation, Grant Agreement No. 623-0004-A-00-3016-00, for the Year Ended December 31, 1998	57 38	QC UN
4-674-00-038-R	02/15/00	Audit of Social Change Assistance Trust, Grant Agreement No. 674-0301-AA-6070-00, for the Period January 1, 1999 to March 31, 1999	2	QC
4-617-00-039-R	02/22/00	Audit of Mgahinga and Bwindi Impenetrable Forest Conservation Trust, Project Agreement No. 617-0124, for the Year Ended June 30, 1997		
4-617-00-040-R	02/22/00	Audit of Mgahinga and Bwindi Impenetrable Forest Conservation Trust, Project Agreement No. 617-0124, for the Period Ended August 31, 1998		

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-674-00-041-R	03/15/00	Audit of the Handspring Trust for Puppetry in Education, Grant Agreement No. 674-0314-G-SS-3090-03, for the Year Ended February 28, 1999	2	QC
4-674-00-042-R	03/15/00	Audit of the Educational Support Services Trust, Grant Agreement No. 674-0323-G-00-7071-00, for the Period October 1, 1997 to March 31, 1999	7 7	QC UN
5-492-00-001-R	10/29/99	Financial Audit of the Philippine Business for Social Progress Under Cooperative Agreement No. 492-0471-A-00-5129	19 16	QC UN
5-386-00-002-R	11/17/99	Financial Audit of National Institute of Urban Affairs Agreement with USAID/India Under Grant No. AID 386-0531 – Financial Institutions Reform and Expansion Project	26	QC
5-383-00-003-R	12/14/99	Audit of the Agromart Outreach Foundation, Grant No. 51 of PVO CO-Financing Project 383	3 2	QC UN
5-492-00-004-R	12/15/99	Audit of the Grant to the UPECON Foundation, Inc. Under Cooperative Agreement No. 492-0446-A-00-2097 for the Years Ended September 30, 1995 and 1996	4	QC
5-492-00-005-R	01/28/00	Financial Audit of the Philippine Statistical Association, Inc. Under Cooperative Agreement No. 492-0445-A-00-2066-00		
5-386-00-006-R	01/31/00	Financial Audit of the Industrial Credit & Investment Corporation of India Ltd., Program for Acceleration of Commercial Energy Research Under Project No. 386-0494 for the Period April 1, 1997 to August 31, 1997		
5-492-00-007-R	02/07/00	Financial Audit of the Evelio B. Javier Foundation, Inc., Organizational Development Assistance to the Municipalities of the Philippines Under Cooperative Agreement No. 492-0471-G-SS-5079-00		
5-497-00-008-R	02/14/00	Financial Audit of Yayasan Institut Studi Arus Informasi Under Grant Agreement Nos. 497-0385-G-00-5027-00 and 497-G-00-98-00022-00	193 191	QC UN
5-492-00-009-R	02/23/00	Financial Audit of the International Marinelife Alliance-Philippines, Inc. Under Cooperative Agreement No. 492-A-00-97-00060	1 1	QC UN
6-263-00-001-R	10/25/99	Audit of USAID Resources Managed by the Ministry of Agriculture’s Agricultural Technology Utilization and Transfer Project Under Grant Agreement No. 263-0240	17	QC
6-263-00-002-R	11/30/99	Audit of the United Engineering and Marketing Company, Costs Incurred Under USAID/Egypt Contract No. 263-C-00-95-00019-00		
6-263-00-003-R	11/30/99	Audit of USAID Resources Managed by the Alexandria Businessmen Association Under USAID/Egypt’s Cooperative Agreement No. 263-0212-A-00-4011-00		
6-294-00-004-R	12/23/99	Audit of USAID Resources Managed by the Palestinian Working Women Society Under USAID/West Bank & Gaza’s Cooperative Agreement No. 294-97-00-A-00029-00		
6-263-00-005-R	01/13/00	Audit of USAID Resources Managed by the Egyptian Exporters Association under USAID/Egypt’s Cooperative Agreement No. 263-A-00-98-00004-00		
6-263-00-006-R	02/27/00	Audit of USAID Resources Managed by the American Chamber of Commerce in Egypt under USAID/Egypt Grant No. 263-G-00-96-00073-00	285 214	QC UN

Table A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
6-294-00-007-R	03/14/00	Audit of USAID Resources Managed by the Arab Thought Forum Under USAID/West Bank & Gaza's Cooperative Agreement No. 294-97-00-A-00023-00		
7-688-00-001-R	01/06/00	Audit of Local Currency Expenses Incurred by the Direction Nationale de l'Alphabetisation Fonctionnelle et de la Linguistique Appliquee Center for the Implementation of Functional Literacy Program Under the Development of the Haute Valle du Niger Project from January 1, 1994 to June 30, 1998, Project Number 688-0233	6	QC
7-688-00-002-R	01/20/00	Financial Audit of Local Currency Expenses Incurred by the Service de Renforcement des Routes for the Implementation of Rural Roads Construction Program Under the Project Development of the Haute Vallee du Niger Project from January 1, 1994 to September 30, 1998, Project Number 688-0233	31	QC
7-641-00-003-R	02/24/00	Report of the Auditor-General on USAID Grant to the University of Science and Technology School of Mines, Tarkwa for the Period of September 27, 1990 to December 31, 1997	30 30	QC UN
7-688-00-004-R	03/10/00	Audit of AID Grant to the Government of Mali and Disbursements in Local Currency Made by the Institute d'Economie Rurale as Relating to the SPARC – Project No. 688-0250 for the Period January 1, 1997 through June 30, 1998	4	QC
7-641-00-005-R	03/14/00	Audit of the Planned Parenthood Association of Ghana Under the Ghana Population and AIDS Project Agreement No. CA-641-0131-A-00-5015-00 for the Period January 1, 1998 to December 31, 1998		

Performance Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		<i>-- Economy and Efficiency Audits --</i>		
A-000-00-001-P	12/14/99	Audit of the Effectiveness of USAID's Contractor Performance Evaluation Program		
A-000-00-002-P	12/16/99	Audit of USAID's Efforts to Develop Year 2000 Contingency Plans		
B-168-00-001-P	11/19/99	Audit of USAID/Bosnia-Herzegovina's Monitoring of Parsons' Subcontractor Selection Process and Construction Change Orders		
B-111-00-002-P	12/10/99	Audit of the 1996 Emergency Wheat Assistance Program in Armenia	16,023	QC
B-168-00-003-P	12/27/99	Interim Audit Report on USAID/Bosnia-Herzegovina's Financial Stabilization Program Activity		
B-168-00-004-P	02/25/00	Audit of USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program for the Period October 1, 1998 through March 31, 1999		
1-520-00-001-P	01/21/00	Audit of USAID/Guatemala's Management of P.L. 480 Title II Commodity Losses		

Table A

Performance Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-621-00-001-P	01/06/00	Follow up Review on Recommendation No. 1 from Audit Report No. 4-621-98-005-F, "Audit of USAID/Tanzania's Operating Expenses"		
4-690-00-002-P	02/07/00	Audit of the Accuracy of USAID/RCSA's Recipient Audit Universe		
4-673-00-003-P	02/07/00	Audit of the Accuracy of USAID/Namibia's Recipient Audit Universe		
4-621-00-004-P	02/07/00	Audit of the Accuracy of USAID/Tanzania's Recipient Audit Universe		
5-398-00-001-P	03/24/00	Audit of the United States Asia Environmental Partnership Program		
6-294-00-001-P	12/12/99	Audit of Change Orders Under USAID/West Bank and Gaza's Construction Contracts for Water Activities in the West Bank		
7-688-00-001-P	12/02/99	Audit of USAID/Mali's Role in Obtaining Audits of Its Contracts, Grants and Cooperative Agreements		
7-608-00-002-P	01/28/00	Audit of USAID/Morocco's Family Planning/Maternal and Child Health V Program		
7-641-00-003-P	02/22/00	Audit of USAID/Ghana's Implementation of the Federal Managers' Financial Integrity Act		
7-675-00-004-P	03/02/00	Audit of USAID/Guinea's Implementation of the Federal Managers' Financial Integrity Act		
7-680-00-005-P	03/27/00	Audit of USAID/Benin's Democracy and Governance Special Objective		
9-000-00-001-P	03/21/00	Audit of USAID's Management of the Central Contraceptive Procurement Project		
9-000-00-002-P	03/29/00	Audit of USAID's P.L. 480 Title II Monetization Programs		

Miscellaneous Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		<i>-- Quality Control Reviews --</i>		
B-181-00-001-Q	03/14/00	Quality Control Review of the "Contracted Audit of Foundation in Support of Local Democracy Fund Accountability Statement under Agreement No. 181-G-00-98-00308-00 for the Period from April 1, 1998 to May 31, 1999"		
B-181-00-002-Q	03/14/00	Quality Control Review of the "Audit of Expenditures by CARESBAC-Polska S.A. under USAID Grant No. 181-G-00-95-00208 (formerly No. 181-0023-G-00-5208)" for the Period from January 1, 1998 to December 31, 1998		
0-000-00-001-Q	11/19/99	Quality Control Review of the Watkins, Meegan, Drury & Company, L.L.C., Fiscal Year Ended December 31, 1998, Audit of the America's Development Foundation		

Table A

Miscellaneous Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-00-002-Q	02/28/00	Quality Control Review of the Keller Bruner & Company, LLC Audit of the International Research & Exchanges Board, Fiscal Year Ended June 30, 1998		
0-000-00-003-Q	03/20/00	Quality Control Review of the Grant Thornton LLP September 30, 1998 Single Audit of Partnership for Child Health Care, Inc.		
1-517-00-001-Q	10/05/99	Quality Control Review of "Democratic Initiatives-Water and Sanitation Project No. 517-0247-G-00-3132, Managed by the Instituto Dominicano de Desarrollo Integral, Inc., Financial Statements for the Period May 1, 1994 to May 30, 1996 and Independent Auditors' Report"		
1-522-00-002-Q	10/05/99	Quality Control Review of "Audit of the Training and Municipal Development Program, Cooperative Agreement No. 522-A-00-95-00108-00, Managed by the Central American Technological University, December 31, 1998"		
1-525-00-003-Q	11/05/99	Quality Control Review of "Fundacion para la Conservacion de los Recursos Naturales, Natura; Financial Statements and Independent Auditors' Report; Years Ended June 30, 1998 and 1997"		
1-525-00-004-Q	11/05/99	Quality Control Review of "Fundacion para la Promocion de la Mujer; Administration of Justice Project; Grant Agreement No. 525-0312-G-00-6226 between the Government of the Republic of Panama and the U.S. Agency for International Development for the Period from July 8 to December 16, 1996"		
1-517-00-005-Q	01/14/00	Quality Control Review of "Instituto Superior de Agricultura, Inc.; Proyecto Universitario de Asociacion Agroempresarial; USAID/Dominican Republic Project No. 517-0243; Report and Financial Statements; Period from August 1, 1995 to December 31, 1996"		
4-690-00-001-Q	10/25/99	Quality Control Review of a Recipient-Contracted Audit of IUCN Regional Networking and Capacity Building Initiative for Southern Africa, Grant No. 690-0283-A-00-5950, for the Year Ended September 30, 1997		
4-690-00-002-Q	10/25/99	Quality Control Review of a Recipient-Contracted Audit of IUCN-ROSA Natural Resources Management Programme, Agreement No. 690-0251-A-00-6046-08, for the Period December 1, 1995 to December 31, 1997		
4-674-00-003-Q	10/04/99	Quality Control Review of the Recipient-Contracted Audit of the Centre for Human Rights for the Period January 1, 1998 through December 31, 1998		
4-612-00-004-Q	02/24/00	Assessment of the National Audit Office of Malawi's Audit Capabilities		
5-386-00-001-Q	10/04/99	Quality Control Review of Dalal & Shah		
		<i>-- Other Reports --</i>		
6-294-00-001-S	01/25/00	Survey of USAID/West Bank and Gaza's Management of Construction Contracts in the Gaza Strip		
4-617-00-001-X	12/10/99	Audit of Mgahinga and Bwindi Impenetrable Forest Conservation Trust's Project Agreement No. 617-0124, for the Year Ended June 30, 1997		
4-617-00-002-X	12/1/0/99	Audit of Mgahinga and Bwindi Impenetrable Forest Conservation Trust's Project		

Table A

Miscellaneous Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		Agreement No. 617-0124, for the Year Ended August 31, 1998		

Table B

**AUDIT REPORTS OVER SIX MONTHS OLD
WITH NO MANAGEMENT DECISION**

As of March 31, 2000

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-000-97-091-A	Carter Center, Inc.	01/14/97	USAID's Office of Procurement has reassigned this audit recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-97-043-A	Pathfinder International	01/17/97	USAID's Contracting Officer was provided additional documentation to support the audit recommendations. The OIG is awaiting a management decision.	04/30/00
0-000-97-009-D	Abt Associates, Inc.	02/14/97	USAID's Office of Procurement is reviewing the audit report and information for the relevant awards. The OIG is awaiting a management decision.	04/30/00
0-000-97-191-A	Catholic Relief Services (CRS)- United States Catholic Conference, Inc.	08/07/97	USAID management is currently reviewing the recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-98-013-D	Development Alternatives, Inc.	01/08/98	USAID's Office of Procurement recently reassigned this recommendation to USAID/Nairobi.	04/30/00
0-000-98-017-D	Construction Control Services Corp.	02/27/98	The contractor has been unwilling to negotiate the questioned direct and indirect costs with USAID's Office of Procurement. The OIG is awaiting a management decision.	03/31/01
0-000-98-002-F	Acordia Healthcare Solutions, Inc.	03/26/98	The USAID General Counsel determined that the \$3.9 million funds recovered, which the OIG recommended be returned to the U.S. Treasury, were refunds with the exception of \$133,000 in interest. The opinion was that USAID did not have to return these funds to the U.S. Treasury. While the interest was returned, the OIG disagrees with the USAID General Counsel opinion and has not accepted the management decision.	04/30/00
0-000-99-036-D	CH2M Hill International Services, Inc.	12/08/98	USAID's Office of Procurement recently reassigned the audit recommendation to the responsible contracting officer. The OIG is awaiting a management decision.	06/30/00

Table B

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
7-683-99-001-R	Niger Health Sector Support Program	12/09/98	The audit was directed to USAID/Niger, which closed in December 1998. Accounting responsibility for the former USAID/Niger program was transferred to USAID/Mali. USAID/Mali indicated that it did not receive a copy of the report until September 1999. USAID/Mali has subsequently sent an inquiry to AFR/WA to clarify if USAID/Mali also has responsibility/authority for the Niger program activities and recommendations. The AIG/Audit has referred the issue to AA/AFR on September 1999. AA/AFR indicated that the target date for a management decision is April 30, 2000.	04/30/00
0-000-99-004-A	National Academy of Sciences	12/18/98	USAID management is currently reviewing this recommendation. The OIG is awaiting a management decision.	04/30/00
0-000-99-048-D	DevTech System, Inc.	01/08/99	USAID's Procurement Officials are reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-053-D	Abt Associates, Inc.	01/14/99	USAID's Procurement Officials are reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-049-D	Metrica, Inc.	01/15/99	USAID's Procurement Officials are reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-066-D	Community Consulting International	02/02/99	USAID's Contracting Officer is working with DCAA to clarify audit issues applicable to the recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-99-072-D	Barents Group, LLC	02/02/99	USAID's Contracting Officer has requested additional supporting documentation from the contractor. The OIG is awaiting a management decision.	05/31/00
0-000-99-009-A	Save the Children	02/17/99	USAID management is currently obtaining additional documentation to support the questioned amount. The OIG is awaiting a management decision.	05/31/00
0-000-99-010-A	Partners in Economic Reform	02/19/99	USAID management is currently reviewing the audit recommendation. The OIG is awaiting a management decision.	04/30/00
0-000-99-077-D	Jorge Scientific Corp.	02/22/99	USAID's Contracting Officer has requested additional supporting documentation from the contractor. The OIG is awaiting a management decision.	06/30/00
0-000-99-080-D	Chemonics International, Inc.	03/19/99	The recommendation was recently reassigned to USAID/Haiti. The OIG is awaiting a management decision.	04/30/00
0-000-99-014-A	Freedom House	03/20/99	USAID management is currently reviewing the audit recommendations. The OIG is awaiting a management decision.	06/25/00
0-000-99-005-F	Acordia Healthcare Solutions, Inc.	03/26/99	See comment for Report No. 0-000-98-002-F.	04/30/00

Table B

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-000-99-084-D	Harvey & Company, Inc.	04/16/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-098-D	Casals & Associates	05/28/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-99-105-D	John Snow, Inc.	06/02/99	USAID's Contracting Officer has approved a course of action and is preparing a request for final management decision. The OIG is awaiting a management decision.	05/31/00
0-000-99-110-D	Selective Environmental Technologies, Inc.	06/03/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-117-D	Development Assistance Corp.	06/11/99	The recommendation was recently reassigned to USAID/Guinea. The OIG is awaiting a management decision.	09/30/00
0-000-99-120-D	Planning & Learning Technologies, Inc.	06/11/99	The Contracting Officer has contacted the contractor concerning the findings and is awaiting the contractor's response. The OIG is awaiting a management decision.	05/31/00
0-000-99-029-A	ACDI/VOCA	06/21/99	USAID management is currently reviewing this recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-99-030-A	Environmental Export Council	06/23/99	USAID management was provided additional documentation regarding the report. The OIG is awaiting a management decision.	09/30/00
0-000-99-137-D	Association for International Resources & Development	06/23/99	The Contracting Officer is awaiting a response from the contractor. The OIG is awaiting a management decision.	05/31/00
0-000-99-141-D	Institute for International Research	06/24/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-146-D	Center for Financial Engineering in Development	06/29/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-130-D	Burson-Marsteller, Ltd.	06/30/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-99-156-D	Nathan Associates, Inc.	06/30/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	05/31/00
0-000-99-157-D	Scientech, Inc.	06/30/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	09/30/00

Table B

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-000-99-161-D	Kramer Associates, Inc.	06/30/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-163-D	IGI International, Inc.	07/08/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-155-D	Amex International, Inc.	07/09/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	04/30/00
0-000-99-165-D	Abt Associates, Inc.	07/09/99	USAID's Contracting Officer is currently reviewing the recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-019-A	International City/County Management Association	07/23/99	USAID management is currently reviewing this audit recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-172-D	Planning & Learning Technologies, Inc.	07/28/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-173-D	Center for Financial Engineering in Development	07/28/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-033-A	Johns Hopkins University	07/30/99	USAID's Contracting Officer was provided additional documentation supporting the audit recommendation. The OIG is awaiting a management decision.	09/30/00
0-000-99-179-D	International Resource Group, Ltd.	07/30/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
5-388-99-049-R	USAID/Bangladesh's PL-480, Title III Multi-Year Agreement	07/30/99	The Mission has met with the Ministry of Food, GOB, and the SAI (CAG) regarding the recommendations and has been following up with all concerned GOB offices in order to expedite the decision process. The Ministry of Food has requested the CAG to send a detailed list of all outstanding audit findings to the Ministry so that the Ministry can prepare and organize required documentation.	04/01/00
0-000-99-180-D	Burson-Marsteller, Ltd.	08/05/99	USAID's Contracting Officer is currently reviewing the recommendations. The OIG is awaiting a management decision.	09/30/00
0-000-99-183-D	Meridian Group International, Inc.	08/31/99	The Contracting Officer has approved a course of action for resolving the recommendation and is preparing correspondence to the contractor. The OIG is awaiting a management decision.	05/31/00

Table C

**SIGNIFICANT AUDIT RECOMMENDATIONS
DESCRIBED IN PREVIOUS SEMIANNUAL
REPORTS WITHOUT FINAL ACTION**

As of March 31, 2000

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
6-294-96-006-N	Society for the Care of the Handicapped in Gaza	11/28/95	1	06/16/96	09/00
0-000-97-001-C	USAID's Financial Statements for FY 1996	02/24/97	1.1	09/16/98	09/00
			1.2	09/16/98	09/00
			1.3	09/16/98	09/00
			2.1	07/26/99	09/00
			2.2	03/31/99	09/00
			2.3	09/16/98	09/00
			2.4	09/16/98	09/00
			2.5	09/16/98	09/00
7-688-97-006-R	Road Reinforcement Service Under the Upper Valley Development Project (Mali)	02/13/97	1	05/19/97	06/00
9-000-93-006	A.I.D.'s Accounts Receivable	08/31/93	2	03/23/94	09/00
9-000-96-002	Accountability for USAID Funds with Non-U.S. Grantees	12/29/95	1.3	12/29/95	06/00
9-000-96-005	Controls Over the Quality of Financial Management Data	07/11/96	1	07/11/96	03/01
A-000-97-001-P	USAID/Washington's Review and Certification of Funds Obligated for Operating Expenses	02/07/97	1.1	03/17/98	05/00
			1.2	02/25/98	05/00
			1.3	02/25/98	05/00
A-000-97-004-P	Worldwide Deployment of the New Management System	03/31/97	2	08/18/97	09/00
			3	08/18/97	09/00
A-000-97-008-P	USAID's Compliance with Federal Computer Security Requirements	09/30/97	2.2	09/30/97	12/03
			2.3	09/30/97	05/00
			2.4	09/30/97	12/03
			2.5	09/30/97	12/03
A-000-97-009-P	Internal Controls for the Operational New Management System	09/30/97	1	12/26/97	09/00
0-000-98-001-F	USAID's Financial Statements for FY 1997/96	03/02/98	1	03/02/98	05/00

Table C

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
			3	12/14/99	12/00
			4	03/02/98	09/00
			5	03/31/99	09/02
			6	03/02/98	09/00
			7.1	03/31/99	09/02
			8.1	03/02/98	10/00
			9.1	03/02/98	06/00
			9.2	03/02/98	06/00
			9.3	03/02/98	06/00
0-000-98-002-F	Acordia Healthcare Solutions, Inc.	03/26/98	3	-	09/00
9-000-98-003-F	Unliquidated Obligations for Project and NonProject Assistance	03/27/98	1.1	03/27/98	05/00
			1.2	03/27/98	05/00
			1.3	03/27/98	05/00
A-000-98-004-P	New Management Systems Status	03/31/98	1	03/31/98	09/00
7-688-98-001-P	Implementation of GPRA for Youth Strategic Objectives/Mali	03/23/98	4.1	03/23/98	05/00
			4.2	03/23/98	05/00
7-624-98-002-P	Implementation of GPRA in its Family Health	03/24/98	4.1	03/24/98	05/00
			4.2	03/24/98	05/00
0-000-99-001-F	USAID's Financial Statements, Internal Controls, and Compliance for FY 1998	03/01/99	1.1	03/01/99	09/00
			1.2	03/01/99	09/00
			1.3	03/01/99	09/00
0-000-99-002-F	Report to USAID Managers on Selected USAID Internal Controls	03/31/99	1.1	07/26/99	05/00
			1.2	07/26/99	09/00
			2.1	06/07/99	05/00
			2.2	12/14/99	05/00
			2.4	07/26/99	05/00
			3.1	06/07/99	05/00
			3.2	06/07/99	05/00
			6.1	12/14/99	12/00
			6.2	12/14/99	12/00
			6.4	07/26/99	05/00
			8.1	07/01/99	05/00
			8.2	07/01/99	05/00

Table C

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
			8.3	07/01/99	05/00
			9	07/01/99	05/00
			10.1	07/01/99	05/00
			10.2	07/01/99	10/00
0-000-99-064-D	Incurred Costs for Burns and Roe Enterprises, Inc. (CY 1996)	01/22/99	1	03/08/00	03/01
			2	03/08/00	03/01
0-000-99-005-F	Acordia Healthcare Solutions, Inc.	03/26/99	1	09/15/99	09/00
			2.1	-	09/00
			2.2	-	09/00
9-000-99-005-P	USAID-Funded Activities in Nonpresence Countries	02/26/99	2	07/21/99	07/00
9-000-99-006-P	Quality of Results Reported in USAID Operating Units' Results Review and Resource Request (R4) Reports Prepared in 1997	03/05/99	1.1	07/29/99	05/00
			1.2	07/29/99	05/00
			1.3	07/29/99	05/00
			1.4	07/29/99	05/00
A-000-99-003-P	USAID's Progress Implementing a Financial Management System that Meets Federal Financial Management Improvement Act Requirements	03/01/99	1.3	06/01/99	09/00
			1.4	06/01/99	09/00
A-000-99-001-F	Process Used by USAID to Develop Financial Statement Information for Its Credit Programs	01/15/99	1	04/19/99	05/00
A-000-99-002-P	Access and System Software Security Controls Over the Mission Accounting and Control System	12/31/98	1	12/31/98	09/00
A-000-99-005-P	General Controls Over USAID's Client-Server Computer Environment	03/01/99	1	07/14/99	05/00
			2	07/14/99	05/00
			3	07/14/99	05/00
			4	03/01/99	05/00
			5	03/01/99	05/00
A-000-99-004-P	General Controls Over USAID's Mainframe Computer Environment	03/01/99	1	07/14/99	05/00
			2	03/01/99	05/00
			3	07/14/99	05/00
			4	03/01/99	05/00
			5	07/14/99	05/00
4-674-99-002-F	USAID/South Africa's Fiscal 1998 Year End Financial Data	04/15/99	1	04/15/99	04/00
9-000-99-007-P	USAID's Interagency Agreements Under Section 632(b) of the Foreign Assistance Act	04/15/99	1.1	06/17/99	06/00
			1.2	06/17/99	06/00

Table C

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
			1.3	06/17/99	06/00
			2	04/15/99	09/00
			3	04/15/99	09/00
			4.1	09/30/99	09/00
			4.2	04/15/99	08/00
			4.3	09/24/99	09/00
			4.5	02/03/00	04/00
			5	04/15/99	05/00
			6	04/15/99	05/00
B-160-99-016-D	International Organization for Migration, Zagreb, Croatia	07/19/99	1	12/23/99	12/00
			2	12/23/99	12/00
			3	12/23/99	12/00
			4	12/23/99	12/00
			5	12/23/99	12/00
			6	12/23/99	12/00
			7	12/23/99	12/00
0-000-99-033-A	Johns Hopkins University	07/30/99	1	03/30/00	04/00
			2	-	04/01
0-000-99-180-D	Burson-Marsteller, Ltd.	08/05/99	1	-	04/01
			2	-	04/01
7-688-99-004-P	USAID/Mali's Operating Expenses	08/13/99	1.4	08/13/99	09/00
			4.1	08/13/99	05/00
			5	08/13/99	05/00
A-000-99-006-P	USAID's Processing of Personal Property Claims in Ordered Evacuation of USAID Employees	08/20/99	1.1	01/13/00	05/00
			1.2	01/13/00	04/00
			2	08/20/99	04/00
B-111-99-005-P	The 1996 Natural Gas Import Program In Armenia	09/07/99	1.1	09/07/99	09/00
			1.2	09/07/99	09/00
			1.3	09/07/99	09/00
			2	09/07/99	09/00
			3.1	09/07/99	09/00
			3.2	09/07/99	09/00

Table C

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
0-000-99-007-F	USAID's Section 620(q) & Brooke Amendment Violations Involving Indonesia	09/30/99	1.1	09/30/99	06/00
			2.1	09/30/99	06/00
			2.2	09/30/99	06/00
			3.3	09/30/99	06/00

Table D

REPORTS ISSUED WITH QUESTIONED AND

UNSUPPORTED COSTS

October 1, 1999 through March 31, 2000

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS¹
For which no management decision had been made as of October 1, 1999	91	\$21,489 ^{2,3}	\$12,686 ^{2,3}
Add: Reports issued October 1, 1999 through March 31, 2000	94	\$70,439 ⁴	\$50,764 ⁴
Subtotal	185	\$91,928	\$63,450
Less: Reports with a management decision made October 1, 1999 through March 31, 2000	115	\$34,512 ^{5,6}	\$12,161 ^{5,6}
For which no management decision had been made as of March 31, 2000	80	\$57,416 ⁷	\$51,289 ⁷
For which no management decision was made within six months of issuance	36	\$5,251	\$1,409

¹Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).

²The ending balance at September 30, 1999, for Questioned Costs totaling \$21,874,331 was decreased by \$385,691 to reflect adjustments in the amount of recommendations contained in 13 reports; the ending balance at the same period for Unsupported Costs of \$12,700,842 was decreased by \$15,169 to reflect adjustments in four reports.

³Amounts include \$8,554,308 in Questioned Costs and \$1,042,218 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

⁴Amounts include \$46,814,933 in Questioned Costs and \$44,929,561 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

⁵Agency Officials disallowed \$20,201,767 in Questioned Costs (\$1,603,236 in Unsupported Costs) cited in 84 reports. Agency Officials did not sustain \$14,310,023 in Questioned Costs (\$10,557,989 in Unsupported Costs) cited in 72 reports.

⁶Amounts include \$4,720,520 in Questioned Costs and \$647,539 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

⁷Amounts include \$50,554,123 in Questioned Costs and \$45,328,871 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

Table E

REPORTS ISSUED WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

October 1, 1999 through March 31, 2000

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	DOLLAR VALUES
For which no management decision had been made as of October 1, 1999	4	\$14,192 ¹
Add: Reports issued October 1, 1999 through March 31, 2000	2	\$202
Subtotal	6	\$14,394
Less: Reports with a management decision made October 1, 1999 through March 31, 2000	7	\$10,572 ²
For which no management decision had been made as of March 31, 2000	1	\$3,822
For which no management decision was made within six months of issuance	1	\$3,822

¹The ending balance at September 30, 1999 (\$14,049,538), was increased by \$142,522 to reflect adjustments in the amount of recommendations contained in two reports.

²Agency Officials agreed with \$5,890,224 in actions cited in six reports and Agency Officials did not agree with \$4,682,181 in actions cited in two reports.

Table E

OIG STATISTICAL SUMMARY

As of March 31, 2000

INVESTIGATIVE ACTIONS

WORK LOAD			CIVIL	
CASES PENDING (9/30/99)	136		CIVIL REFERRALS	0
CASES OPENED	84		COMPLAINTS	0
CASES CLOSED	81		JUDGEMENTS/RECOVERIES	1
CASES PENDING (3/31/00)	139		SETTLEMENTS	1
CRIMINAL			ADMINISTRATIVE	
PROSECUTIVE REFERRALS	2		REFFERALS TO MANAGEMENT FOR ADMINISTRATIVE ACTION	1
PROSECUTIVE DECLINATIONS	1		REPRIMANDS	0
INDICTMENTS	0		PERSONNEL SUSPENSIONS	0
CONVICTIONS	0		RESIGNATIONS / TERMINATIONS	3
			OTHER ADMINISTRATIVE ACTIONS	0
FINES	0		RECOVERIES	1
RESTITUTIONS	0		SUSPENSIONS / DEBARMENTS	0
			SAVINGS	0

INVESTIGATIVE RECOVERIES

JUDICIAL RECOVERIES	\$2,350,000
ADMINISTRATIVE RECOVERIES	\$2,057
SAVINGS	\$0
TOTAL INVESTIGATIVE RECOVERIES	\$2,352,057