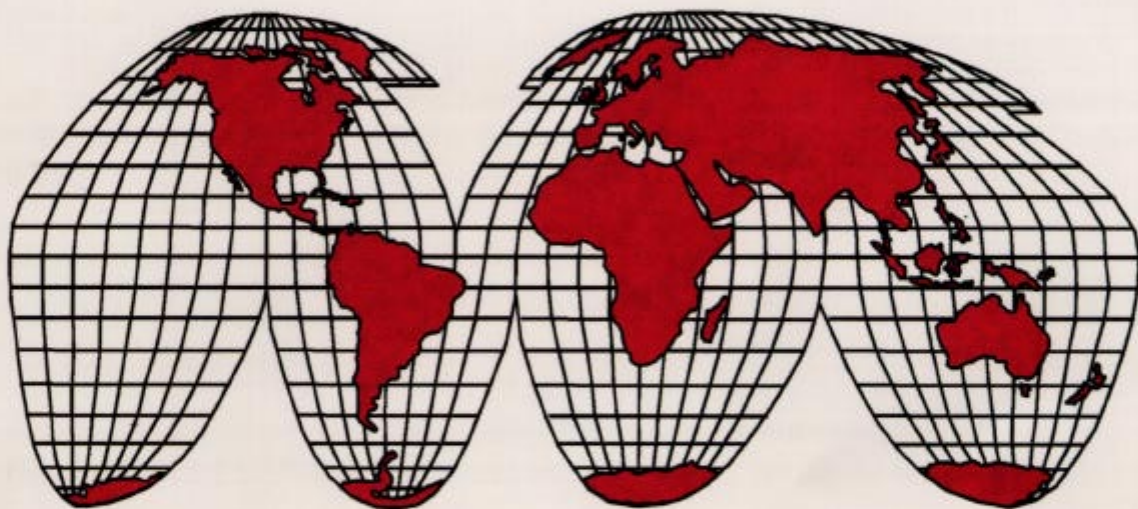


# USAID

## OFFICE OF INSPECTOR GENERAL

---

*Semiannual Report to the Congress  
October 1, 1998 - March 31, 1999*



*U.S. Agency for  
International Development*

**The Semiannual Report to the Congress is available on  
the internet at:  
[www.info.usaid.gov/oig/](http://www.info.usaid.gov/oig/)**

# TABLE OF CONTENTS

	Page
<b>Index of Reporting Requirements Under the Inspector General Act</b> .....	iii
<b>Executive Summary</b> .....	1
<b>Audit Activities</b> .....	3
<b>Financial Audit Program</b> .....	4
Financial Statement Audits .....	4
Financial-Related Audits .....	10
<b>Performance Audit Program</b> .....	15
<b>Information Resource Management</b> .....	22
<b>Other Significant Matters</b> .....	29
<b>Other Reporting Requirements</b> .....	32
<b>Investigations Activities</b> .....	33
<b>OIG Hotline</b> .....	41
<i>Table A: Reports Issued (October 1, 1998 - March 31, 1999)</i> .....	42
<i>Table B: Audit Reports Over Six Months Old With No Management Decision as of March 31, 1999</i> .....	64
<i>Table C: Significant Audit Recommendations Described in Previous Semiannual Reports Without Final Action as of March 31, 1999</i> .....	68
<i>Table D: Reports Issued With Questioned and Unsupported Costs (October 1, 1998 - March 31, 1999)</i> .....	72

*Table E: Reports Issued With Recommendations That Funds Be Put To  
Better Use (October 1, 1998 - March 31, 1999) .....73*

*Table F: OIG Statistical Summary, Investigative Actions.....74*

# 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>
(1) Significant Problems, Abuses and Deficiencies .....	7-28, 33-40
(2) Recommendations for Corrective Actions .....	7-28
(3) Significant Prior Recommendations on Which Corrective Action Has Not Been Completed .....	Table C
(4) Matters Referred to Prosecutive Authorities and the Prosecutions and Convictions Which Resulted .....	Table F
(5) Summary of Instances in Which Information or Assistance Was Refused.....	32
(6) List of Audit Reports Issued.....	Table A
(7) Summary of Each Significant Report.....	7-28
(8) Statistical Table of Reports With Questioned and Unsupported Costs .....	Table D
(9) Statistical Table of Reports With Recommendations That Funds Be Put to Better Use .....	Table E
(10) Summary of Each Audit Report Over Six Months Old For Which No Management Decision Has Been Made .....	Table B
(11) Decisions and Reasons for Significant Revised Management Decisions .....	32
(12) Significant Management Decisions With Which the Inspector General Disagrees.....	32

## EXECUTIVE SUMMARY

During the semiannual reporting period from October 1, 1998 through March 31, 1999, the OIG issued 339 audit reports with monetary recommendations valued at about \$19,650 thousand. In addition, the OIG completed 67 investigations and achieved recoveries of \$656,950. Significant results from audits and investigations are summarized in the following sections.

### Audit Results

- The OIG issued a disclaimer of opinion in its Government Management Reform Act (GMRA) audit report on USAID's consolidated financial statements for fiscal year 1998 due to the inability of USAID accounting and financial management systems to produce complete, reliable, timely, and consistent information and financial statements. The deficiencies in USAID systems create a consequential risk that the financial statements, including the performance overview information, could contain material misstatements.
- USAID funds new and continuing activities in nonpresence countries, which are countries where it does not maintain resident U.S. direct hire employees. It is difficult to estimate the magnitude or scope of nonpresence country programming because USAID does not have a systematic approach to collecting, maintaining, or storing data on nonpresence countries. The need for country specific information is critical for strategic planning and funding, and for ensuring compliance with various reform and prohibition legislation.
- USAID's financial statements for fiscal year 1998 illustrate its continuing vulnerability to major disruptions to its programs and operations in the Year 2000 (Y2K). None of USAID's mission critical systems were compliant by the Office of Management and Budget's due date of March 1999. USAID has not yet completed and tested contingency plans to ensure continuity of operations in the event disruptions do occur.
- Deficiencies in USAID's computer security program concerning both the mainframe and client-server computer systems are a continuing problem, and are the underlying cause of control weaknesses. Further deficiencies in USAID headquarters' implementation of Mission accounting system access and system software security controls make software and data vulnerable to exploitation where unauthorized users could access or modify data and software without detection.

## Investigative Results

- A prominent charitable organization in Mexico refunded \$300,000 in disaster relief funds to USAID after irregularities in the handling of the funds were brought to the attention of the OIG by the Controller in San Salvador and confirmed by a subsequent OIG investigation. The \$300,000 had been provided under a grant to support recovery efforts from the effects of Hurricane Pauline. The grant funds, which should have been maintained in a separate bank account, were commingled with other donor funds and the charitable organization could not adequately account for their use. In addition, \$200,000 of the grant was transferred to another organization, under the control of the President of the charitable organization, allegedly in return for medicines. The investigation, however, revealed that the medicines had actually been supplied by a U.S. non-profit organization. The charitable organization could not account for the medicines and there was no evidence that the pharmaceuticals were received to any significant extent in the areas devastated by Hurricane Pauline.
- An Ohio manufacturer paid a civil settlement of \$80,000 to USAID after an OIG investigation detected irregularities in a Commodity Import Program transaction. The manufacturer had contracted with the city of Alexandria, Egypt to provide sewer pipeline cleaner equipment under a sanitation project funded by USAID. The investigation revealed that the contractor had paid an unusually large commission of 22 percent to an Egyptian agent associated with the sale and had failed to report this amount, as required, on a USAID reporting form. The \$80,000 settlement represents approximately three times the amount of the unreported commission of \$27,134.
- The OIG closed a case on a U.S.-based company in which the company president pled guilty to making false statements to USAID in the U.S. District Court for the Eastern District of Missouri. The court sentenced the parties to five years' probation and ordered them to pay restitution of \$40,000. Subsequently, USAID debarred the company and its president from participation in all Federal procurements for a period of three years. The defendants admitted to a scheme to defraud the U.S. Government by making false statements to USAID and by misrepresenting the values of supplies and equipment provided under a grant for an education and rehabilitation center for disabled children in Poland.
- A major U.S. firm agreed to pay a settlement of \$100,000 to USAID. An employee of the company had submitted Biographical Data Sheets containing an inflated salary history, which resulted in USAID paying the employee \$100,000 more in salary than the person should have received. The company had used the salary history to obtain permission from USAID to hire the individual at a specified salary for a project in Egypt. The U.S. Government alleged that the company knew or should have known that the salary data was false. While the company denied the allegation, it agreed to reimburse USAID for the salary overpayment. The contractor employee had previously pled guilty to making false statements.

## AUDIT ACTIVITIES

Audit activities include conducting and reviewing financial audits and performance audits. Following is a statistical summary of OIG audit activities from October 1, 1998 through March 31, 1999.

TYPE OF REPORT	NUMBER OF REPORTS	MONETARY RECOMMENDATIONS (\$ THOUSANDS)
<b>FINANCIAL AUDITS:</b>		
USAID financial statement audits	1	-
Financial-related audits of USAID programs and operations	11	187
Audits of U.S.-based organizations	15	499
Audits of non-U.S.-based organizations	172	13,220
Audits of Enterprise Funds	-	-
Audits of U.S.-based contractors performed by the Defense Contract Audit Agency (DCAA)	78	5,245
Audits of non-U.S.-based organizations performed by DCAA	10	300
<b>PERFORMANCE AUDITS:</b>		
Economy and efficiency audits	29	199
<b>MISCELLANEOUS REPORTS:</b>		
Quality control reviews	13	-
Other reports	10	-
<b>TOTAL FOR THE CURRENT PERIOD</b>	<b><u>339</u></b>	<b><u>\$19,650</u></b>



## **Financial Audit Program**

The OIG's financial audit program comprises audits of financial statement and financial-related USAID activities, as well as, reviews of audits of USAID activities done by non-Federal auditors (independent public accounting firms).

### **Financial Statement Audits**

Under a series of legislative initiatives beginning in 1990, the Federal Government has embarked on a course to increase 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.

The CFO Act requires USAID to have an audited annual financial statement for each of its seven revolving funds and trust funds, while the GMRA extends the requirement for audited financial statements to include audited consolidated financial statements, which cover the operations of the Agency. The FFMIA requires USAID 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 ledger at the transaction level beginning in fiscal year 1997.

### **Scope of Financial Statement Audits**

Financial statement audits provide reasonable assurance about whether the financial statements of an audited entity present fairly the organization's financial position, results of operations, and cash flows in conformity with generally accepted accounting principles or any of several other accepted bases of accounting.

An audit report on the financial statements renders an opinion which can be:

- Unqualified—issued when the financial statements are presented fairly in all material respects.
- Qualified—issued when (1) there are restrictions on the scope of the audit, or (2) the financial statements contain a material departure from the applicable accounting principles but there is sufficient confidence in the internal controls and supporting documentation and the departures do not lead to conclusions that the financial statements, taken as a whole, are not presented fairly.
- Adverse—issued when the financial statements, taken as a whole, are not presented fairly.

- Disclaimed—issued when an opinion cannot be formed or has not been formed as to the fair presentation of the financial statements because of scope limitations resulting from the inability to obtain sufficient, competent, evidential matter.

Financial statement audits also test the entity's internal controls and compliance with laws and regulations. The auditors issue reports on these tests that present the reportable conditions in internal controls, irregularities, illegal acts and any other material noncompliance identified during the audit.

<b>CHIEF FINANCIAL OFFICER RESPONSIBILITIES</b>							
Agency	Finance Operations and Analysis	Financial Systems Responsibility	Budget Formulation and/or Execution	Results Act	Procurement	Grants Management	Personnel
<b>USAID</b>	Red						
SBA	Red	Blue					
DOE	Red	Blue	Green				
DOL	Red	Blue	Green				
NASA	Red	Blue	Green				
STATE	Red	Blue	Green				
DOD	Red	Blue	Green	Yellow			
DOT	Red	Blue	Green	Yellow			
EPA	Red	Blue	Green	Yellow			
GSA	Red	Blue	Green	Yellow			
HUD	Red	Blue	Green	Yellow			
NRC	Red	Blue	Green	Yellow			
OPM	Red	Blue	Green	Yellow			
Education	Red	Blue			Magenta	Purple	
NSF	Red		Green		Magenta	Purple	
USDA	Red	Blue		Yellow		Purple	
FEMA	Red	Blue	Green		Magenta	Purple	
SSA	Red	Blue	Green		Magenta	Purple	
VA	Red	Blue	Green	Yellow	Magenta		
DOJ	Red	Blue	Green	Yellow	Magenta		Cyan
Treasury	Red	Blue	Green	Yellow	Magenta		Cyan
HHS	Red	Blue	Green	Yellow	Magenta	Purple	Cyan
Commerce	Red	Blue	Green	Yellow	Magenta	Purple	Cyan
DOI	Red	Blue	Green	Yellow	Magenta	Purple	Cyan

Table included in Reports on USAID Financial Statements, Internal Controls, and Compliance for FY 1998  
 (Audit Report No. 0-000-99-001-F)

**In contrast to the CFO responsibilities at USAID, CFO's at other U.S. Government agencies have significantly more responsibility. According to OMB's 1998 Federal Financial Management Status Report and Five Year Plan dated June 1998, the CFO at USAID is responsible for the least amount of functions of any U.S. Government Agency CFO.**

**Audit of USAID Financial Statements, Internal Controls, and Compliance for Fiscal Year 1998**

The OIG issued a disclaimer of opinion in its GMRA audit report on USAID consolidated financial statements for the fiscal year 1998. The scope of the audit was impaired because USAID accounting and financial management systems could not produce complete, reliable, timely, and consistent financial statements that could be audited. USAID core financial system, performance measurement system, managerial cost accounting system, and budget system have widespread deficiencies. These systems do not meet Federal standards that establish minimum requirements needed to perform effectively. These system deficiencies required USAID to process massive data changes outside normal processes and controls. Pervasive computer security deficiencies significantly increase risks that data and assets might not be protected from theft, misuse, alteration, or destruction. System deficiencies prevented the OIG from expressing an opinion on the presentation of USAID financial statements by March 1, 1999—the statutory deadline for submitting the audited financial statements to the Office of Management and Budget (OMB). The deficiencies in USAID systems create a consequential risk that the financial statements, including the performance overview information, could contain material misstatements.

USAID accounting and financial management systems' deficiencies prevented USAID from generating complete, reliable, timely, and consistent financial and performance information. Because the statements lack such information, policy makers, oversight officials, managers, and other statement users should exercise caution when reading the statements. They should exercise similar caution when relying on financial and performance information derived from USAID systems because the information may not be reliable and therefore may reduce management effectiveness. Unreliable performance information also affects managers' ability to compare actual program results against anticipated results and use such information to make informed decisions, including budget-allocation decisions. These systems' deficiencies have resulted in unreliable or incomplete reports to external parties, including OMB, Congress, and the public.

During the last semiannual reporting period, the OIG also noted in its GMRA report that USAID computers are not likely to be Year 2000 (Y2K) compliant. Therefore, USAID may be vulnerable to major disruptions to its programs and operations if it does not adequately complete modifications to its computer systems to allow them to process information in the Y2K. To the extent that developing countries receiving USAID assistance encounter disruptions, USAID program accomplishments could be at risk. As of the end of fiscal year 1998, USAID had not fully assessed its systems or systems provided to host countries. Due to the scope and complexity of the needed changes and the limited time remaining to correct problems, USAID faces a high risk that business operations and programs will be disrupted at the start of the Year 2000.

The audit report included one recommendation that focused on improving the organization deficiencies that hinder USAID managers' efforts to correct the financial management system problems. In particular, it requires the Administrator to delegate the responsibility and authority to develop and maintain an integrated financial management system to the Chief Financial Officer (CFO) as required by the CFO Act. (*Audit Report No. 0-000-99-001-F*)



## Report to USAID Managers on Selected USAID Internal Controls

The OIG issued a management report to communicate detailed information about the issues raised in the OIG report on USAID Financial Statements, Internal Controls, and Compliance for Fiscal Year 1998. The OIG issued a disclaimer of opinion on the financial statements due to scope impairments. Deficiencies in USAID financial, accounting, and performance measurement systems as well as other previously reported material internal control weaknesses caused these impairments. The deficiencies in USAID accounting and financial management systems create consequential risks that the financial statements, including the performance overview information, could contain material misstatements. USAID needs to address the internal control problems noted in the management report as part of its overall strategy to improve its financial management systems as it brings the new core accounting system into use.

The management report provides more technical detail on the internal control issues identified in the financial statement report. The management report provided detailed information on several significant internal control weaknesses that hindered USAID management's ability to develop accurate financial statements and failed to provide the OIG with reasonable assurance about the completeness, reliability, and consistency of financial information with existing systems. Six of the more significant internal controls problems include:

- **Reporting Information to Oversight Agencies** - The Office of Financial Management reported questionable financial data in its budget reports to Federal oversight agencies.
- **Reconciling Information with U.S. Treasury** – The Fund Balance with Treasury reported on USAID fiscal year 1998 financial statements may be less than reliable. USAID did not properly reconcile differences identified between its general ledger and the U.S. Treasury records.
- **Rescheduling and Valuation Direct Loan Portfolio** – The OIG review of payments received and recorded against individual loans did not reveal any material errors or irregularities. The OIG did, however, identify areas for improvements. The primary areas were the loan rescheduling process, the reporting of direct loan assets at net present value, and the recording of accrued interest.
- **Disbursing Under Letters of Credit Policy Causes Problems on the Financial Statement** - USAID did not properly identify, record, and report advances made to grantees through the letter of credit system—approximately \$1.7 billion annually.

- **Calculating Accrued Expenses and Accounts Payable** – USAID current methodology for calculating accrued expenses and related accounts payable does not meet the requirements of the Federal accounting standards.
- **Reporting Performance Information** - USAID needs to improve its internal controls to better ensure that operating units report program results that were objectively verifiable, supported, accurate, complete and/or validated. Improved internal controls should be developed so that USAID consistently and reliably measures and reports achievements that were attributable to USAID-funded activities at the operating unit and USAID-wide levels. Additionally, USAID needs to report accurate and complete funding data in its Congressional Presentation as it pertains to the level of funding from host governments and other donors.

The management report included 11 recommendations to assist USAID management in improving internal controls and compliance with laws and regulations. (*Audit Report No. 0-000-99-002-F*)

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

The OIG is currently planning the audit of USAID's fiscal year 1999 financial statements, and intends to focus its resources to analyze currently known problems and issues. By focusing on these issues the OIG can better assist USAID in making necessary improvements and ultimately remove these longstanding issues. The OIG will focus its audit resources on the following areas:

- reviewing USAID's internal controls and process for reconciling its fund balances with the U.S. Treasury,
- verifying credit program balances with debtors,
- reviewing USAID's internal controls and processes over advances and Letters of Credit,
- reviewing USAID's internal controls and processes over calculating year-end accrued expenses and related accounts payable,
- reviewing the outsourcing of the direct loan program balances and verifying the balances with debtors, and
- assessing USAID's financial reporting process at both USAID Washington and selected overseas missions.

## **Financial-Related Audits**

Financial-related audits are used to determine whether (1) financial information is presented in accordance with established or stated criteria, (2) an entity has adhered to specific financial compliance requirements, or (3) an entity's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented to achieve the control objectives. Additionally, special purpose financial-related audits may be performed by the OIG upon request by USAID officials.

USAID is required by the Federal Acquisition Regulation, 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 and relies on non-Federal auditors (independent public accounting firms) to audit its U.S.-based grantees.

### **Audits of U.S.-Based Contractors**

Many USAID-funded activities are carried out through U.S.-based contractors, subject to the Federal Acquisition Regulation. USAID's inventory of U.S.-based contractors, as of December 31, 1998, consisted of 343 contractors, of which USAID was cognizant for 214. USAID is the cognizant audit agency, when USAID contracts with the DCAA to conduct an audit.

During this reporting period, the OIG transmitted to USAID officials 78 audit reports issued by DCAA. These 78 audits covered approximately \$528.2 million in costs claimed by the contractors and resulted in monetary recommendations of \$5.9 million. An example of one of these audits follows.

#### **Audit of an U.S.-Based Contractor's Incurred Cost for Fiscal Year 1996**

A U.S.-based contractor had claimed over \$8 million in reimbursable cost against its USAID contracts for its fiscal year ending December 31, 1996. An audit of these costs questioned the allowability of about \$2.1 million in costs claimed for just two contracts. About \$1 million in these questioned costs were the result of the contractor applying incorrect fringe benefit rates instead of those stipulated in the contract. The other \$1.1 million in questioned costs occurred because the contractor claimed more direct labor costs than the established ceiling set in the contract. (*Audit Report No. 0-000-99-064-D*)

## **Audits of U.S.-Based Grantees**

As described previously, USAID relies on non-Federal auditors (independent public accounting firms) 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 agency is designated as the cognizant agency for each nonprofit organization. In addition, Circular A-133 prescribes certain responsibilities for cognizant oversight and awarding agencies. Some of the major responsibilities cited in the Circular are:

- issuing a management decision for findings that relate to Federal awards made to recipients,
- 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 found in the audit that require corrective action, and
- ensuring that audits are completed and reports are received in a timely manner.

USAID currently has grants awarded to approximately 787 U.S.-based non-profit organizations. The primary purpose of a desk review is to determine that all the required single audit reports contain the required information and are presented in the proper format (i.e., in accordance with Generally Accepted Auditing Standards (GAAS), Generally Accepted Government Auditing Standards (GAGAS), and OMB Circular A-133). During the current reporting period, the OIG reviewed 15 OMB Circular A-133 audit reports of U.S.-based grantees covering \$133.1 million and monetary recommendations of \$4.5 million.

OMB Circular A-133 (June 30, 1997) requires non-Federal auditors to report the following as audit findings in a schedule of findings and questioned costs in their audit reports:

- reportable conditions in the internal control structure over major programs;
- material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program;
- known fraud affecting a Federal award;
- known questioned costs which are greater than \$10,000 for an individual compliance requirement of a major program and known questioned costs which are greater than \$10,000 for a Federal program which is not audited as a major program;
- instances where the audit follow-up procedures disclosed that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding; and
- the reasons why the auditor's report on compliance for major programs is other than an unqualified opinion.



Additionally, the revised Circular established a central clearinghouse designated by OMB for all non-Federal audit reports. This central clearinghouse will distribute audit reports to Federal agencies that meet the findings criteria described above. However, the Circular continues to allow Federal agencies discretion in requesting audit reports directly from recipients. USAID will continue to require its recipients to submit annual A-133 audit reports to the Agency in order to maintain adequate monitoring and tracking of its audits. An example of this type of audit follows.

### **Audited Financial Statements of U.S.-Based Grantee for Fiscal Year 1997**

The audit identified questioned costs of \$1.2 million billed to USAID by the recipient. Of the \$1.2 million in questioned costs, \$1 million represents a refund due to USAID as of the recipient's excess cash drawdowns at year-end. Under OMB Circular A-133, a recipient is required to maintain an adequate internal control system and implement procedures to effectively monitor all Federal cash drawdowns. The remaining \$200,000 in questioned cost represents indirect expenses questioned because the recipient's actual indirect cost rates were in excess of provisional billing rates and the recipient did not adjust its billings. Additionally, the audit found that the recipient was not conducting physical inventories of Federal property in a timely manner. OMB A-133 requires a recipient to take a physical inventory at least every two years and reconcile the inventory results to equipment records. (*Audit Report No. 0-000-99-007-A*)



## Financial-Related Audits of USAID Programs and Operations

### Audit of Permanent Interstate Committee for Drought Control in the Sahel

In response to a request from USAID Africa Bureau's Sahel Regional Program office, the OIG performed a quality control review of the Global Financial Audit of the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) for the fiscal year 1996. USAID's grant to CILSS totaled approximately \$4.4 million. Through its contributions to CILSS, USAID along with ten other bilateral donors and several multilateral donors, such as the United Nations and the World Bank, assists nine West African countries strengthen their capacity for regional planning and coordination.



USAID asked the OIG to conduct a quality control review because of the unique circumstances of the audit, particularly because of the multi-donor status of CILSS. The 1996 CILSS audit was an attempt to have a single audit meet all the multi-donor audit requirements rather than having each individual donor conduct separate audits, which could severely disrupt CILSS's operations. Although the single audit concept has merit, the OIG found that the audit did not meet U.S. standards. USAID could not accept it as meeting the annual audit requirement for 1996.

The OIG quality control review of the audit assisted USAID in deciding not to participate in a similar multi-donor audit of CILSS in fiscal year 1997. They decided to contract independently to audit USAID's 1997 contributions. This audit is scheduled to be conducted concurrently with the multi-donor audit to minimize disruptions to CILSS. (*Audit Report No. 7-625-99-001-Q*)

### Audit of USAID Health Insurance Contractor

The audit of a USAID health insurance contractor showed that most of the tasks were performed under a contract to provide health insurance coverage for participants in a USAID training program. The OIG was able to determine that the funds paid were properly recorded and reported to USAID. The audit however, disclosed that the contractor did not fully adhere to two contract provisions. The contractor held USAID's funds longer than was permitted under the contract. Additionally, the contract called for an audit of the contractor's records by private independent auditors as required by industry standards. The audit was never performed.

The audit showed that USAID was maintaining a revolving fund account that was not authorized and should be closed. After the OIG interim audit report (*Audit Report No. 0-000-98-002-F*), the USAID General Counsel issued two opinions allowing the use of the \$3.9 million in surplus generated by the revolving fund's operation. Each opinion addressed separate issues and offered a different analysis pertaining to proper handling of this surplus. Neither of the opinions considers the surplus to be a miscellaneous receipt which, by law, should be returned to the U.S.

Treasury. The OIG maintains that funds remaining with the contractor represented a surplus (premium receipts less expense claims paid) and any surplus is a miscellaneous receipt to the U.S. Government, which should be returned to the U.S. Treasury. While the Office of Procurement was responsive to one of the report's two recommendations, the OIG has yet to receive a response from the Office of Financial Management on a recommendation to close the revolving fund and properly dispose of the surplus funds. Consequently, the OIG issued a report without Office of Financial Management comment. (*Audit Report No.0-000-99-005-F*)



## Performance Audit Program

Performance audits are objective and systematic examinations of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function.

During the current semiannual reporting period, the OIG issued 29 performance audit reports. Following are summaries of several significant audits.

### Government Performance and Results Act (GPRA)

Since September 1996, the OIG has taken an active role in reviewing and assisting USAID with implementing the Government Performance and Results Act (Results Act). The OIG has issued five reports on USAID's progress, and has identified several issues and made recommendations regarding such topics as:

- overstating the link between the country-level results and what USAID contributed to meet these results,
- developing common indicators to consolidate results achieved by individual operating units into results achieved by USAID,
- reporting on the comparison of planned and actual results achieved for fiscal year 1999 and,
- reporting timely and relevant information on USAID's performance.

As a result of our reviews and recommendations, USAID has made progress in some areas including:

- organizing and delegating the implementation process to a responsible office,
- working with external partners and stakeholders to discuss goals, objectives, and performance measures,
- forming evaluation teams and working groups to actively address key issues and,
- preparing a work plan to lead USAID in implementing the Results Act.

The OIG is committed to informing USAID and Congress on the issues concerning USAID's efforts to implement the Results Act. In addition to the five reports referenced above, the OIG has issued reports on operating units' (Missions') implementation of the Results Act.

### USAID/Senegal's Private Voluntary Organization/ Nongovernmental Organization (PVO/NGO) Strengthening Activities

This audit was one of many conducted by the OIG to determine if USAID had implemented the Government Performance and Results Act of 1993 (GPRA) as intended. The audit's three objectives were to determine if USAID/Senegal, for its PVO/NGO strengthening activities, had

(1) developed performance indicators which were consistent with USAID guidance, (2) developed a system for collecting and reporting accurate performance information, and (3) used performance information to enhance program effectiveness.

The PVO/NGO project was highly complex. It was comprised of 37 different subrecipient organizations with activities implemented in approximately 270 sites throughout Senegal. Moreover, USAID/Senegal did not establish specific results reporting targets or baselines for PVO/NGO reporting purposes. The lack of targets or baselines required the auditors to verify the performance information statistics maintained by the implementing contractor. Verification fieldwork included visits to 10 subrecipient headquarters offices and 15 activity sites, including reviews of 90 different subrecipient efforts.

At the time of the audit, the PVO/NGO project had expenditures totaling \$14 million, while our testing examined expenditures of \$2.3 million as of December 31, 1997.

The audit found that USAID/Senegal had developed performance indicators that were generally consistent with USAID guidance, and had used performance information to enhance program effectiveness to help ensure the achievement of planned targets. USAID/Senegal, however, needed to adopt procedures to verify the accuracy and validity of reported information because no procedures were in place. The lack of such procedures resulted in USAID/Senegal's incorrect reporting of information by misstating seven of nine performance statistics (which covered four performance indicators) by more than five percent.

Accordingly, since the audit report was issued after USAID management's decision and USAID began corrective action, the OIG decided that formal recommendations were not necessary. USAID/Senegal, however, agreed to adjust its future reports to more accurately reflect performance indicator data. The mission also agreed to an in-depth analysis of PVO/NGO records to verify the statistics questioned in the report. (*Audit Report No. 7-685-99-003-P*)

### **Audit of USAID-Funded Activities in Nonpresence Countries**

USAID's traditional management model of an in-country Mission, includes resident U.S. and foreign national employees and personal services contractors filling a variety of program and administrative positions. USAID, however, is increasingly funding new or continuing activities in countries where it does not maintain resident U.S. direct hire employees—nonpresence countries. For example, of the 21 missions announced by the Administrator for closure in 1993, USAID still has activities in all 21 of them. Resident contractor staff, USAID personnel in nearby missions and/or one or more of USAID's Washington bureaus manage activities in these countries. Activities in nonpresence countries support a variety of developmental, humanitarian, and/or foreign policy objectives. It is difficult, however, to estimate the magnitude or scope of nonpresence country programming.

This audit was designed to determine whether USAID was able to identify and report on its activities in nonpresence countries. USAID officials readily acknowledged that, although individual USAID staff members may be aware of the details of individual activities in

nonpresence countries, USAID is generally unable, quickly or accurately, to identify the location, cost, or other basic data about such activities. Fundamentally, the OIG has determined that there is no systematic approach to collecting, maintaining, or storing data on nonpresence country activities. There are several reasons, many of which are interrelated, for this situation. USAID management has not conclusively decided what information should be collected on its activities in nonpresence countries, or who should collect it. Some agency managers, particularly managers of regional/global activities, believe that country-specific information is either irrelevant or impossible to collect. Although USAID created a central database to collect data about nonpresence country activities and did request information on an agency-wide basis at least once, USAID did not create a system for ensuring that updated information would be collected and made available to managers on a continuing basis. As a result, the current database is not a credible source of information.

The need for country-specific information, even for regional and global activities, is becoming increasingly apparent. Country-specific information is needed by strategy and funding decision-makers and to ensure compliance with various reform and prohibition legislation. Further, Congress, the Department of State and other external users need information about individual country activities.

Because USAID's current policies and procedures are inadequate for ensuring that needed information on nonpresence country activities is collected and made readily available, the OIG recommended that USAID consolidate and supplement existing nonpresence country policies and include appropriate guidance into its automated policy system. The OIG also recommended that USAID issue procedures that would result in the periodic collection of basic information on activities in nonpresence countries. USAID agreed with all the findings and recommendations, however, they had not yet decided on the corrective actions necessary to address the audit recommendations. Therefore, no management decision had been made upon report issuance. (*Audit Report No. 9-000-99-005-P*)

#### **Audit of the Quality of Results Review and Resource Request (R4) Report**

The OIG concluded its worldwide audit on the quality of Results Review and Resource Request reports (R4) prepared in 1997. This audit was based on a statistical sample of 18 USAID operating units and found that the operating units did not report 1996 results data in their annual R4, which were objectively verifiable, supported, accurate, complete and/or validated. Based on a statistical sample, the OIG found problems with 252 of the 302 results reviewed (83 percent).

These problems resulted from deficiencies in the following three areas:

- operating units did not always follow or were not successful in following prescribed USAID policies and procedures for measuring and reporting on program performance,
- the Bureau for Policy and Program Coordination (PPC) did not provide sufficient direction/support and oversight in requiring operating units to follow prescribed USAID

policies and procedures—and Federal requirements—for measuring and reporting on program performance,

- regional and central bureaus needed to better carry-out their assigned responsibilities for (1) reviewing and assessing the performance of operating units in achieving their objectives and (2) managing the review of R4 submissions for operating units under their authority.

The OIG had reported on several of these issues in prior years. Without reliable performance data, decision-makers have little assurance whether an operating unit met, exceeded, or fell short in achieving their performance indicators. The problems with performance indicators and reporting on performance limit operating units' and USAID management's ability to measure progress in achieving its operating units' program objectives and to use performance information in budget allocation decisions. Moreover, these problems impair USAID's ability to comply with laws and regulations; e.g., to have internal controls to ensure reliable information is obtained, maintained, reported and used for decision-making.

Specific R4 audits conducted at missions in Madagascar and Zimbabwe illustrate the problems. In Madagascar, of the 18 performance indicators developed for which performance results were reported in the Mission's R4 report, ten indicators reported performance results that were either not supported, or not accurate, or not validated. (*Report No. 4-687-99-001-P*) In Zimbabwe, of the 13 performance indicators for which performance results were reported, seven were either not supported or not accurate or not validated. (*Report No. 4-613-99-002-P*) Both missions attributed these reporting deficiencies primarily to constraints imposed by the R4 reporting deadlines which did not allow sufficient time to obtain the required supporting documentation or adequately verify the data for completeness and accuracy.

Based on the OIG's worldwide audit, one recommendation addressed improving USAID's internal controls to ensure operating units report quality performance data to measure actual against anticipated results. USAID agreed that meeting the audit recommendation is highly desirable and that the recommendation can eventually be met. USAID management never agreed however, to the specifics of the OIG's recommendation to develop and implement quality standards and controls for use by both PPC and the regional and central bureaus in reviewing R4 submissions. (*Audit Report No. 9-000-99-006-P*)

### **USAID/Bosnia-Herzegovina's Budget Support Program for the Republika Srpska**

In January 1998, the Republika Srpska elected a new government which immediately took steps to implement the Dayton accords and demonstrate a moderate, pro-Dayton attitude. The U.S. Government subsequently decided to support the Republika Srpska by providing \$5 million to help pay the salaries of certain eligible government employees. Responsibility for disbursing the money and overseeing the program was given to the Office of the High Representative (OHR) in Bosnia-Herzegovina.

In April 1998, the USAID Mission Director in Bosnia-Herzegovina asked the OIG to conduct a quick response review of this high visibility program. Subsequently, the OIG issued an interim report (No. B-168-98-002-S) on the preliminary results of the OIG review of this program in the

previous semiannual period and a final audit report after the completion of the program in this semiannual period.

The final audit report noted, that for the items tested, both the OHR and USAID/Bosnia-Herzegovina ensured that the intended recipients of USAID's Budget Support Program received their entitlement. Our conclusion is based on the following: (1) review of the OHR audit work and determination that we could rely on their work; (2) a joint assessment with OHR staff of one of the three disbursement tranches; (3) interviews of selected public sector recipients in the Republika Srpska; and, (4) review of the OHR final report which summarized its audit findings, problems identified, and the final financial position of the program. (*Audit Report No. B-168-99-002-P*)

### **USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program**

USAID is the primary agency responsible for delivering U.S. assistance in Bosnia-Herzegovina. The OIG is conducting ongoing audits of two major USAID programs in the region.

On October 30, 1998, the OIG issued a report covering the \$278 million Bosnian Reconstruction Finance Facility Program for the six-month period ending March 31, 1998. As of that date, USAID/Bosnia-Herzegovina obligated and disbursed \$99.5 million to the Government of Bosnia-Herzegovina, of which \$70.2 million was disbursed to borrowers under 161 loans. Loan volume increased significantly, with \$54.5 million in loans recommended, representing 91 percent of the targeted amount. The \$120.5 million in recommended loans from the inception of the program was short of the targeted amount of \$195 million due to a slow start as discussed in our earlier audit reports of this program. The shortfall in loan volume corresponds to a shortfall of over 12,000 estimated jobs that could have resulted if loan volume targets were met.

For the items tested, the OIG concluded that USAID/Bosnia-Herzegovina and the implementing contractors were using the economic revitalization assistance funds designated for the Bosnian Reconstruction Finance Facility program for the purposes authorized under the grant agreement and Public Law 104-122. The OIG noted some problems, however, with the borrowers and agent banks visited.

- Borrowers' problems discussed in prior reports continue to expand and 18 of the 38 borrowers visited were considered to have problem loans. For example, certain borrowers were experiencing difficulties such as delayed or reduced production, lack of anticipated market demand and problems in collecting receivables leading to institution of barter arrangements. Two instances were identified where the borrowers failed to respect the terms of the loan agreement.
- Several agent banks were engaged in questionable practices and were not effectively monitoring the borrowers.



- Delinquent loans were a growing problem and incomplete reporting left USAID unaware of the problem. The delinquency rate had been rising, from about 18 percent six months ago to over 30 percent as of March 31, 1998.

During the reporting period, there was extensive coordination between OIG audit and investigations staff as allegations of fraud and abuse surfaced.

The OIG did not make recommendations in this report because the contractor was taking action to address the problems. Additionally, a new implementing contractor formally took over the program on October 1, 1998. The original contractor:

- began developing a training program to correct deficiencies in the monitoring and reporting carried out by the agent banks,
- provided resources to address the problem of the rising delinquency rate, but additional and sustained efforts will be needed in the coming months, and
- formed a loan restructuring and workout group and a turnaround consulting practice. Furthermore, the contractor's internal audit unit has developed into an effective team and proven its value to the loan program. (*Audit Report No. B-168-99-001-P*)

**Regional Inspector General/Budapest Jim Bonnell (second from left) and Special Agent Mary O'Mara (second from right) present retiring USAID/Bosnia-Herzegovina Controller J.Wayne Butler (left) a special OIG achievement award, signed by the Inspector General for his outstanding support of the OIG audits and investigations in Bosnia-Herzegovina. Mission Director Craig Buck looks on (right)**



## Information Resource Management

The OIG continues to devote audit resources to help USAID overcome information resources management deficiencies that have prevented it from implementing effective information systems. The lack of effective systems makes it difficult for USAID managers to obtain the complete, reliable, timely and consistent financial and performance information they need to make appropriate decisions, protect resources from loss or misuse, and report reliable information to oversight officials and the public. OIG information technology audits have focused on (1) information resources management processes, (2) financial management systems, (3) computer security, and (4) efforts to ensure that systems operate in the Year 2000.

USAID has taken a number of steps to correct these deficiencies in response to OIG recommendations. During this reporting period, the OIG issued several reports recommending USAID take additional steps to better manage its information systems activities.

During this semiannual reporting period, the OIG continued to analyze USAID's progress in implementing effective management processes and the challenges it faces. In May 1998, USAID made progress by hiring a contractor to assist with information technology planning, technical direction, oversight, policy formulation, system acquisition, and management practices. The contractor is expected to assist USAID to improve its application of disciplined processes as it moves to modernize its financial management systems. Additionally, the Financial Management Division has made significant progress implementing disciplined practices to modernize USAID core accounting functions. These include efforts to streamline business processes and to define requirements for an effective core financial system.

The OIG, however, also reported that USAID still faces planning and management challenges that threaten its modernization efforts. In particular, USAID's plan to acquire a core financial system before completing important planning activities and before establishing a strong program management office involved significant risks. First, because the Chief Information Officer (CIO) had not completed an agency-wide information technology architecture,<sup>1</sup> or blueprint of USAID's planned investments, USAID lacked assurances that its new systems would operate effectively together, support business needs, and provide adequate security. Second, the acquisition strategy - to replace one component of the financial management system before adequately analyzing other business needs and system alternatives - could preclude USAID from implementing the most cost-effective system. Third, the lack of supporting plans describing the remedies (projects and tasks), resources, and interim milestones (schedules) needed to correct the deficiencies, created a substantial risk of delays, cost increases, and system performance shortfalls. The report recommended that before approving proposals to acquire any financial system component, the CIO should:

---

<sup>1</sup> An architecture is a blueprint or high-level description of how the systems will interact to accomplish agency mission requirements in a cost-effective manner. It focuses on describing the relationships among business functions, work processes, information flows, and technology. It also describes standards to be followed to ensure that systems will inter-operate, provide security, and be implemented in a disciplined manner.

- complete an agency-wide information technology target architecture,
- use the architecture to define USAID's financial management system portfolio,
- complete a modular acquisition strategy, and
- revise and update the remediation plan.<sup>2</sup>

The report also pointed out that USAID officials have not established a program management office with sufficient staff, expertise, and authority to ensure that modernization efforts are implemented successfully. Although a strong program office is recognized to be a key factor to successfully plan and implement major systems, USAID did not use a program management approach to manage its financial management system modernization effort. Instead, USAID officials managed the modernization effort by building consensus among responsible officials about the best course of action to take. As a result, USAID's program office consists of one individual who has no authority to make modernization decisions. To correct this deficiency, the OIG recommended that USAID establish a strong program management office, with sufficient responsibility, authority, and resources to apply disciplined practices to implement financial management system improvements. USAID managers generally agreed with the report findings and have begun taking action to implement the recommendations. For example, USAID established a program office. The OIG and USAID managers are continuing discussions to reach management agreement to fully implement both recommendations. (*Audit Report No. A-000-99-003-P*)

### **Financial Management System Deficiencies**

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. During the last semiannual period, the OIG reported that USAID systems do not meet these requirements. Additionally, 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 reported that its financial management systems did not meet these requirements in its Fiscal Year 1997 Integrity Act and Fiscal Year 1998 Accountability Reports.

The FFMIA requires OIGs to report annually on agency systems compliance with Federal requirements. The Act also requires:

- USAID to develop a remediation plan to bring the system into compliance with the requirements within three years, and

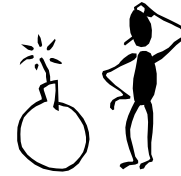
---

<sup>2</sup> The Federal Financial Management Improvement Act (FFMIA) requires USAID to develop a remediation plan to bring the system into compliance with the requirements within three years. The plan must include the resources, remedies and intermediate target dates necessary to implement a compliant system.

- the OIG to report in the Semiannual Report to the Congress, instances when USAID has not met the intermediate target dates established in the plan.

In March 1999, the OIG reported on USAID progress implementing a financial management system that meets FFMIA requirements. The report found that USAID systems still did not meet Federal requirements. The report stated that significant improvements are not achievable until existing systems are replaced or modernized - an effort that is scheduled to be completed in 2002. USAID continues to rely on a combination of outmoded legacy systems, informal and unofficial records maintained by individual managers or organizational units, and USAID's New Management System (NMS). NMS is an integrated financial and management information system that had not been tested and did not operate effectively, and which continues to suffer from technical and operational problems. USAID did correct one deficiency by complying with the requirement to provide adequate training to system users. The OIG found that USAID had scheduled regular training sessions for users, most of whom had been trained. The report also analyzed the adequacy of the USAID December 1998 remediation plan, concluding that the plan was not adequate and that planning deficiencies threatened USAID's efforts to modernize its systems. Responding to one recommendation, USAID agreed to revise the remediation plan. The OIG will continue to monitor USAID progress in completing the plan and will report any delay in future semiannual reports. (*Audit Report No. A-000-99-003-P*)

During this reporting period, the OIG extended the analysis of the process used to develop financial statement information by analyzing the process USAID used for its credit programs. Credit program information is important to USAID because a large portion of its development assistance funding is used to provide loans and credit guarantees. As of June 30, 1998, USAID reported that credit program receivables totaled \$7.3 billion, and the credit program fund balance with the U.S. Treasury totaled \$1.8 billion. Together, these items accounted for 42 percent of the total assets USAID reported in its June 30, 1998 unaudited interim financial statement. The OIG report found that credit program data follows a complex, largely manual process before being incorporated into USAID's financial statements. Source data is primarily generated from eight different types of documents and five formal USAID systems. The data is manually extracted and recompiled several times, using over 30 different informal spreadsheet systems before being incorporated into financial statements. This complex information flow and multiple entries of similar financial data is inefficient, increases the risk of incorrect data appearing in the financial statements, increases the time and staff resources to generate financial statement information, and increases the amount of audit testing required to determine whether the statements are fairly presented. USAID agreed to implement the report's recommendation to analyze near term alternatives to strengthen control over credit program information. (*Audit Report No. A-000-99-001-F*)



## Year 2000

During this reporting period, the OIG continued monitoring USAID efforts to assure that critical systems operate in the Year 2000 (Y2K). The OIG's report on USAID's financial statements for fiscal year 1998 concluded that USAID remained vulnerable to significant disruptions to its programs and operations. To the extent that developing countries encounter disruptions, USAID's program accomplishments could also be put at risk. USAID has strengthened its approach to address Y2K vulnerabilities by developing realistic schedules and closely tracking progress. However, due to the scope and complexity of the needed changes and the limited time remaining, USAID still faces high risks. USAID's February 1999 progress report to OMB stated that additional problems were discovered when validating whether systems could process Y2K dates. The three systems that were farthest along in the correction process all encountered delays, therefore none of USAID's mission critical systems were compliant by the OMB due date of March 1999. That report also found that USAID had not yet completed and tested contingency plans to ensure continuity of operations in the event disruptions do occur. USAID plans to complete contingency plans by June 1999. The OIG plans to continue to work with USAID in addressing Y2K issues. (*Audit Report No. 0-000-99-001-F*)

USAID issued a General Notice (No. 65) to address the impact that the Y2K problem might have on previous and future development accomplishments. This notice guides all USAID missions through the steps needed to be taken in identifying, repairing and testing the Y2K compliance of USAID program-funded systems. It also gives general guidance on making counterparts and beneficiaries aware of potential problems. The OIG audited one USAID mission's efforts to address Y2K issues related to program-funded systems.

### USAID/Philippines

USAID/Philippines' development assistance accomplishments are placed at risk by the Y2K problem. USAID/Philippines had taken steps to address the Y2K problem. Specifically, the Mission has: (1) designated a Y2K coordinator; (2) developed an inventory of systems that may be vulnerable to failure because of the Y2K problem; (3) contacted some host country counterparts; and, (4) identified three critical systems that were at risk.

However, significantly more needed to be done. The OIG found that:

- the Mission's inventory of critical systems was incomplete and there had been no systematic follow-up with host country counterparts concerning possible Y2K problems;
- the three priority systems identified by the Mission were not selected through a complete review of critical systems that have been funded by the Mission. Our review of these three, and two additional, critical systems revealed that two of the five systems—which were put in

place under development projects costing about \$140 million—were not Y2K compliant while the Y2K compliance of the remaining three had not been established; and,

- the Mission had not developed a plan and time line for managing the overall Y2K effort.

The OIG recommended that the Mission establish a Y2K working group composed of the Y2K Program Coordinator and representatives from each strategic objective team to ensure that the Y2K problem for USAID-funded systems is fully addressed. The OIG also recommended that USAID/Philippines work with the U.S. Embassy/Philippines, host country counterparts, and contractors/grantees to develop an action plan for managing the overall Y2K vulnerabilities in the Philippines.

USAID/Philippines management concurred with OIG recommendations and identified subsequent actions taken including contacting the Philippine government agency responsible for Y2K issues and taking the lead in the U.S. Government effort to help address the Y2K problem in the Philippines. By the issuance of our report, the Mission had taken action on our recommendation by forming a Y2K working group and initiating the development of a Y2K action plan. (*Audit Report No. 5-492-99-001-P*)

### **Computer Security Program**

USAID is vulnerable to computer security deficiencies. As reported during the last semiannual report, USAID did not implement an adequate system of management controls to support an effective computer security program as required by the Computer Security Act and OMB



Circular A-130. In response, 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 Year 1998 Accountability Reports. USAID also identified several actions to correct these deficiencies. USAID hired a security program manager to develop an action plan and budget to implement an effective computer security program. It also entered into an agreement with the General Service Administration's (GSA) Federal Systems Integration and Management Center to assess the risks associated with system security and access controls. USAID however, currently estimates that computer security vulnerabilities will not be fully resolved until 2003.

During this reporting period, the OIG continued to work closely with the new USAID Information Systems Security Officer. The OIG participates on the Information Systems Security Working Group. The OIG also:

- assisted in the development of security settings for USAID/Washington and Mission computer systems, and
- participated in using the National Security Agency's Risk Assessment methodology to conduct an assessment of USAID's Office of Foreign Disaster Assistance (OFDA).

The OIG also issued four audit reports addressing deficiencies in general controls over USAID's computer systems. General controls over computer systems are a subset of management controls. Management controls are the policies, procedures and management structure that management institutes to provide assurance that USAID operations are performed effectively; resources are protected from waste, loss, and abuse; and activities comply with laws and regulations. General computer controls are the policies, procedures, and management structure that apply to the computer infrastructure and platforms that host all or large segments of an entity's information systems and help ensure their proper operation. The primary objective of general controls include safeguarding data and assets, protecting computer applications and systems software from unauthorized modification, and ensuring continued operations in case of unexpected interruptions. Effective general controls are a prerequisite to ensuring effective controls over individual computer systems.

USAID maintains three computer platforms that require effective general controls. First, USAID maintains several financial management applications or systems that operate on an IBM mainframe computer located in Beltsville, Maryland. Second, in 1996 and 1997, USAID deployed NMS, which hosts four applications: accounting, budget, procurement, and operations. NMS is configured in a client/server architecture, which means that processing functions are shared between personal computers at user desks (clients) and centralized computers (servers) that support many users. Finally, USAID maintains computers at most Missions that host Mission accounting and other locally developed applications.

In December 1998, the OIG issued two reports that identified deficiencies in general controls over the Mission accounting systems. One report identified access control deficiencies in the accounting system at USAID's Peru Mission. That report stated that USAID/Peru's access controls did not adequately protect against serious threats that include unauthorized access to programs, data, and other computer resources. The report recommended that USAID/Peru develop a computer security program to strengthen general controls. USAID agreed with the recommendation. (*Audit Report No. A-527-99-001-P*)

A companion report described deficiencies in USAID headquarters implementation of Mission accounting system access and system software security controls. That report identified specific control deficiencies that made software and data vulnerable to exploitation. The identified weaknesses could allow unauthorized users to inappropriately access or modify data and software without detection. The report is not available to the public because the detailed descriptions of the vulnerabilities could facilitate unauthorized system penetration. These vulnerabilities resulted because the responsible headquarters office had not developed and implemented standards for access and system software controls to be applied at Missions. USAID agreed with the recommendation to implement the standards. (*Audit Report No. A-000-99-002-P*)



More recently, the OIG issued two reports citing deficiencies in general controls over both the mainframe and client-server computer systems. The mainframe report found that general controls were not effective in the areas of entity-wide security, access controls, application software development and change processes, and segregation of computer system duties. Mainframe controls in two areas--system software change controls and continuity of service controls--were found to be effective. The client-server report found that all six general control areas reviewed were not effective. Both reports concluded that deficiencies in USAID's computer security program were the underlying cause of the control weaknesses. USAID generally agreed with the OIG's assessment that general control weaknesses were due to computer security program deficiencies. USAID also is undertaking steps to implement an effective security program. USAID managers agreed with two of the five recommendations. The OIG is discussing the remaining three recommendations with responsible officials. (*Audit Report Nos. A-000-99-004-P and A-000-99-005-P*)

## Other Performance Audits

### USAID/Bangladesh's Disbursement Records

USAID Missions are required to reconcile their disbursement records to monthly reports provided by the U.S. Government offices that have made payments on their behalf. They are further required to resolve reconciling items that are over two months old. While USAID/Bangladesh had made considerable effort to reconcile its disbursement records to monthly payment reports, at the time of the OIG audit, it still carried 68 unreconciled transactions—with a total value of \$270,511—from previous fiscal years. As a result, the Mission did not have the requisite assurance concerning the propriety of these disbursements.

The audit report recommended that USAID/Bangladesh issue a \$199,461 bill for collection to the U.S. Department of Agriculture; assign someone the specific responsibility for resolving reconciling items; and develop a plan for resolving its long-outstanding reconciling items. USAID/Bangladesh concurred with our audit recommendations and took the recommended actions before the issuance of the audit report. (*Audit Report No. 5-388-99-002-P*)

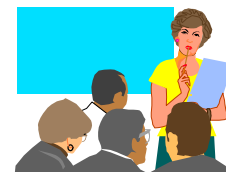


## OTHER SIGNIFICANT MATTERS

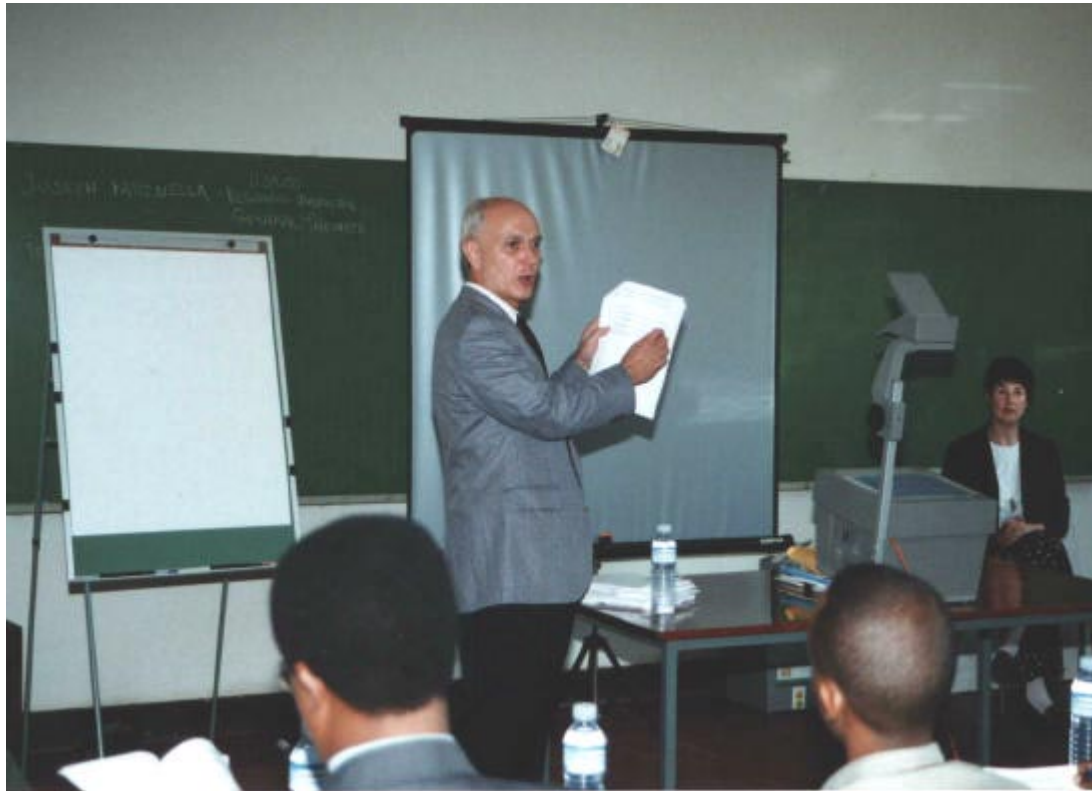
### Supreme Audit Institutions

Supreme Audit Institutions (SAIs) are national auditing agencies akin to the U.S. General Accounting Office, whose work fosters the principles of transparency and public accountability and deters public sector corruption. The OIG continues to work with USAID to help strengthen these important developing-country institutions. Highlights of OIG activities with SAIs follow.

- RIG/Budapest assisted the Hungarian State Audit Office in hosting a meeting of experts from the International Organization of Supreme Audit Institutions (INTOSAI), Internal Control Standard Committee in March 1999. An international conference will be held in Budapest in calendar year 2000 in which the OIG will assist the State Audit Office in planning and organizing. This conference will address several internal control issues, including: management responsibilities for internal controls; the role of external and internal audits in assessing and evaluating internal controls; and evaluating control risks in decentralized organizations/processes.
- RIG/San Salvador developed a course for training SAIs in 13 countries in Latin America on conducting audits in accordance with Government Auditing Standards and OIG Guidelines. The office conducted a quality control review of a pilot audit performed by El Salvador's Court of Accounts to determine whether it should be certified as qualified to audit USAID and other donor grants and loans. The OIG review found the Court of Accounts qualified to audit grants and loans provided to governmental institutions in El Salvador, becoming the sixth SAI in Latin America and the Caribbean to be so certified.
- RIG/Manila invited SAIs from Bangladesh, Indonesia and the Philippines to attend the OIG annual training course in December 1998. This assisted the OIG to better assess the type of training SAIs would need to enable them to conduct audits of U.S. Government funds. Consequently, OIG training in June 1999 will focus on auditing performance measurements, an area of mutual concern to both the RIG and SAIs.
- RIG/Pretoria conducted financial audit training programs to assist in developing the professional capabilities of auditing organizations in Rwanda and Zambia to conduct financial audits in accordance with U.S. Government auditing standards and thereby promote transparency and financial accountability of the public institutions in those countries. Memoranda of Understanding were signed in Zambia and Zimbabwe, allowing SAIs there to conduct financial audits of USAID funds. Additionally, an OIG representative presented a



session on fraud awareness, prevention and detection.



**RIG/Pretoria Auditor Peter Greene leading training sessions.**



**Class Participants in SAI training in Rwanda**

## Memorandum Reports

The OIG occasionally issues memorandum reports, which are designed to quickly report matters requiring USAID management attention or corrective action. These reports do not include formal recommendations to be tracked by the OIG and USAID but they could include suggestions for corrective actions and the OIG asks to be apprised of the corrective actions taken. There were no memorandum reports issued during this semiannual reporting period.



## 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. 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 significant management decisions with which the OIG disagreed. The OIG did not submit any reports to the Administrator of USAID describing instances where information or assistance was unreasonably refused or not provided.

Table A: *Reports Issued (October 1, 1998 through March 31, 1999)*

Table B: *Audit Reports Over Six Months Old With No Management Decision as of March 31, 1999*

Table C: *Significant Audit Reports Described in Previous Semiannual Reports Without Final Action as of March 31, 1999*

Table D: *Reports Issued With Questioned and Unsupported Costs (October 1, 1998 through March 31, 1999)*

Table E: *Reports Issued With Recommendations That Funds Be Put to Better Use (October 1, 1998 through March 31, 1999)*

## INVESTIGATIONS ACTIVITIES

At the opening of this semiannual reporting period, 78 investigative cases were pending completion. During this reporting period, the OIG opened 125 investigative cases and completed 67 cases. At the end of the period, 136 cases were pending completion. OIG investigative efforts resulted in one indictment, two convictions, four resignations/terminations, three debarments, one organizational suspensions, one reprimand, two systemic improvements and monetary recoveries of \$656,950.

OIG investigations focus on USAID programs and operations which are most vulnerable to fraudulent activities. 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.



### – PROCUREMENT INTEGRITY –

#### **Criminal Actions**

##### **U.S. Company and President Plead Guilty to Defrauding USAID**

The OIG closed a case concerning a U.S.-based company in which the company president pled guilty before the U.S. District Court for the Eastern District of Missouri to making false statements to USAID. The company had contracted with a USAID grantee to provide \$151, 800 in medical equipment and supplies to an education and rehabilitation center for disabled children in Poland. Both the company and its president admitted that they had devised a scheme to defraud the U.S. Government by making false representations to both the grantee and USAID and by misrepresenting the value of supplies and equipment sent to the rehabilitation center. As a result of the guilty pleas, the Court sentenced the company to five years' probation and sentenced its president to five years' probation, with the first six months to be served under house arrest. The defendants were also ordered to pay restitution to USAID in the amount of \$40,000.



**Special Agent Michael Haer (center) with some of the staff of the education and rehabilitation center for disabled children in Poland.**

### **Palestinian National Grantee Indicted for Falsifying Travel Expenditures**

In March 1999, a five-count, superseding indictment was returned in U.S. District Court for the District of Columbia against a USAID Palestinian national grantee for knowingly submitting false statements to USAID. The grantee had developed a scheme to inflate official travel costs and to "pocket" the difference. The indictment charged that during the period October 1993 through February 1995, the grantee submitted Financial Status Reports claiming travel expenses that were \$71,123 in excess of the costs actually incurred. A one-count indictment had been issued against the grantee in October 1998. As a result of that indictment, USAID suspended the Palestinian national from contracting with USAID and other Federal agencies and from participating in other USAID-financed agreements, programs and transactions.

### **Civil Actions**

#### **U.S. Manufacturer Pays Settlement of \$80,000**

An OIG investigation begun in Cairo, Egypt resulted in a civil settlement and the recovery of \$80,000 from an Ohio manufacturer. The manufacturer had contracted with the City of Alexandria, Egypt to supply sewer pipeline cleaner equipment for a sanitation project, with

the cost to be reimbursed by USAID. The OIG investigation of the USAID Commodity Import Program transaction for this equipment revealed that the Ohio manufacturer paid an unusually large commission of \$27,134 or 22 percent to the Egyptian agent involved in the sale. Additionally, the OIG found that the manufacturer failed to disclose the amount of the commission on a required USAID form, writing "none" where the amount should have been entered. The 22 percent commission greatly exceeded the percentage paid on comparable competitive government contracts, which the OIG found to be about 5 percent. The OIG referred this matter to the Office of the U.S. Attorney for the Southern Judicial District of Ohio, which successfully concluded the case. The \$80,000 settlement payment represents approximately three times the unreported commission.



### **Major U.S. Firm Agrees to \$100,000 Settlement**

In a previous semiannual report, the OIG noted that a former USAID contractor had pled guilty in U.S. District Court to making false statements to USAID by submitting Biographical Data Sheets that falsely represented educational qualifications and past salary history. The inflated salary history resulted in USAID paying the individual \$100,000 more in salary than the person should have received. The contractor was sentenced to six months of home detention and ordered to pay a fine of \$5,000 and restitution of \$10,000. In a related action, a large U.S. company settled a civil suit resulting from the excess billing. The U.S. Government alleged that the company knew or should have known that the Biographical Data Sheets it submitted to USAID were false. The company had used the salary history to obtain approval from USAID to hire the above individual at a specified salary for a project in Egypt. While the company denied the allegation, it agreed to reimburse USAID \$100,000 for the salary overpayment.

## **Administrative Actions**

### **Charitable Organization Refunds \$300,000 to USAID**

A leading charitable organization in Mexico refunded \$300,000 in U.S. disaster assistance funds to USAID. The funds had been provided in support of recovery efforts from the effects of Hurricane Pauline. Although the grant agreement required the charitable organization to maintain the USAID funds in a separate bank account, it commingled them with other donor funds and



was unable to provide a proper accounting of grant expenditures. In addition, the President of the charitable organization donated \$200,000 of the USAID grant to another organization under the president's control, allegedly in return for medicines. However, the investigation determined that the medicines from the second organization had actually been received as a donation from a non-profit organization in the United States. Further, the medicines received by the original charitable organization could not be accounted for. Finally, there was no evidence that the medicines were substantially received in the areas affected by Hurricane Pauline. Accordingly, the charitable organization decided to return the grant funding to USAID. In lieu of receiving a bill for collection from USAID/El Salvador, the charitable organization elected to refund the entire \$300,000 immediately, which it did on November 18, 1998.

### **USAID Debars U.S. Company and President**

In a follow-up to a previously reported case, USAID debarred a U.S.-based company and its president from participation in all Federal procurement activities for a period of three years. The debarment was ordered after an investigation of the company and its president culminated in a felony conviction by the U.S. District Court for the Eastern District of Missouri. Both the company and its president admitted that they had devised a scheme to defraud the U.S. Government by making false statements to USAID and by misrepresenting the value of supplies and equipment provided under an Agency grant. USAID previously suspended the parties from participation in all Federal procurements when the above-cited investigation resulted in a ten-count felony indictment.

### **U.S. University Agrees to Reimburse USAID \$81,490 in Questioned Charges**

An American university agreed to repay USAID \$81,490 in questioned charges made by a university researcher, who was the former Chief of Party for a project in Africa involving a cooperative agreement between USAID and the university. The OIG initiated an investigation after the new Chief of Party identified several questionable invoices for the payment of goods and services, which were authorized by the university researcher. These included double payments for computer equipment, payment for a consultation that never took place, the charging of domestic help (a cook and a cleaner) as project employees, and the billing of personal long distance telephone calls to the project. As a result of the investigation, the university agreed to repay USAID \$21,809 for the personal telephone calls and \$59,681 for other questioned costs. Although the United States Attorney's Office declined prosecution of this matter, the university will pursue a civil case against the researcher.

### **Contractor Repays \$1,698 in Diverted Project Funds**

A management-consulting firm repaid \$1,698 to USAID after an OIG investigation uncovered a scheme by a local vendor to divert project funds by inflating the costs of computers and software. Directed to procure 19 computer systems and 8 software packages for various Moroccan municipalities, the vendor instead contacted a U.S. supplier, obtained an estimate for

20 computer systems and 9 software packages, valued at over \$62,210, and passed them on to the contractor for final procurement approval. The investigation indicated that the contractor accepted the vendor's estimates without verifying the total number of items ordered. When the computers and software arrived in Morocco under a USAID customs exemption, the vendor took direct delivery of the commodities for the project and kept one computer and software package for commercial sales and demonstration purposes. Upon completion of the investigation, the contractor agreed to deduct the cost of the extra computer and software, as well as General & Administrative (G&A) fees of \$355, from the USAID/Morocco billing.

### **Mission Implements Systemic Improvements**

Mission officials in Senegal agreed to implement systemic improvements in the use of gas coupons funded under a \$22 million local Private Voluntary Organization/Non-Government Organization project, as the result of an OIG review. The OIG review identified weaknesses in the project's control over the gas coupons. It also revealed that the project's fuel consumption records were poorly kept and did not state whether the coupons were used for attendance at project meetings or for site visits. Additionally, the records did not contain documented mileage receipts as required. Accordingly, the new controls adopted by the Mission will enable the project to better monitor gas coupon usage and ensure that project funds are not utilized for personal benefit.

## **– EMPLOYEE INTEGRITY –**

### **Administrative Actions**

#### **Foreign Service National Employee Resigns**

A senior Foreign Service National (FSN) employee resigned after an OIG inquiry showed that the FSN, who managed the Mission's bank guaranty program, was responsible for the issuance of a false USAID letter to a local bank in Ghana. The letter, which bore the forged signature of the Acting Mission Director, was used to secure an overdraft line-of-credit for a local jewelry shop, which later defaulted on the loan. The inquiry found evidence that the FSN provided the letter to the bank as a possible favor to a senior bank official, who was the employee's former supervisor. The inquiry also determined that the FSN engaged in unapproved outside employment with a local mining firm, which was interested in seeking USAID assistance, and had failed to recuse himself from the review of local banking and consultant management proposals submitted by the former supervisor.

#### **FSN Contracting Specialist Resigns for Falsifying Official Documents**

Based upon information provided by the Executive Officer (EXO) of a USAID Mission in southern Africa, the OIG initiated an investigation to determine whether an FSN contracting specialist had intentionally submitted a false copy of the individual's contract with USAID to the

host country tax authority. The OIG investigation, conducted with the assistance of the EXO, confirmed that the FSN employee had provided an altered contract in a scheme to pay lower income taxes. These investigative findings resulted in the revocation of the FSN's security clearance by the Embassy's Regional Security Office. Subsequently, the employee resigned in lieu of termination.

### **University Billed for Unallowable Shipping Expenses**

A U.S. university implementing a USAID-funded agricultural planning and research contract in West Africa was issued a bill for collection of \$4,257 after an inquiry found that program funds were used to transport a 17 foot pirogue, a locally-made wooden canoe, to the U.S. The inquiry determined that the program's former Chief of Party bought the canoe for personal use shortly before departing from Mali and then shipped it with other household effects to a residence in the U.S.. Federal Joint Travel Regulations and the Foreign Affairs Manual prohibit the U.S. Government from paying transportation costs for boats.



**The picture illustrates a 17-foot pirogue (left) and a canoe (right). Federal Joint Travel Regulations and the Foreign Affairs Manual prohibit the U.S. Government from paying transportation costs for boats as household goods.**

### **Foreign Service National Employee Resigns over Conflict of Interest**

A Foreign Service National (FSN) employee resigned after an OIG investigation disclosed evidence of a conflict of interest. The individual had been counseled previously on matters of outside employment. The FSN employee had also signed an agreement stating that in no event would the individual undertake activities involving USAID clients or their employees, or clients of USAID-financed contractors or grantees. Nevertheless, a company in which the employee had an interest, applied for a USAID loan under a business development program and the

employee's share of the firm was signed over to a partner, without compensation, on the same date that the loan was submitted. Moreover, information regarding the employee's participation in the company was excluded from the loan application. After the loan was approved, the FSN employee contacted an attorney associated with the loan implementation component of the program in an attempt to expedite disbursement of the loan funds. Presented with the OIG findings, the employee chose to resign rather than be terminated. The Mission Director subsequently rescinded approval of the company's loan based on the applicant's failure to provide information regarding recent ownership of the firm.



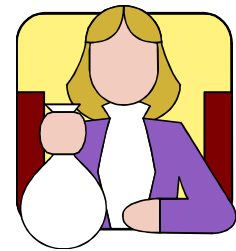
**Deputy Inspector General Everett Mosley (left) presents Embassy Regional Security Office investigator Elvir ("Tyson") Delalic with a Certificate of Appreciation for outstanding assistance to the OIG during an investigation in Bosnia. Ambassador Richard Kauzlarich (second from left) and USAID Director Craig Buck (right)**

### **USAID Employee Reprimanded for Privacy Act Violations**

A letter of reprimand was issued to a USAID employee for disclosing information which was protected under the Privacy Act. The employee, who had filed a gender complaint over a recent promotion selection, had inappropriately obtained data on other promotion candidates from the Agency's Revised Automated Manpower Personnel System (RAMPS). The individual had then provided this information to an Equal Employment Opportunity (EEO) Counselor in an attempt to bolster the complaint. The case was referred to the Public Corruption Section of the U.S. Attorney's Office but was declined in lieu of administrative action. Willful violation of the Privacy Act is a misdemeanor offense subject to fines of not more than \$5,000.

### **Contractor Chief of Party Resigns over Possible Conflict of Interest**

The Chief of Party of a contractor implementing a business program in Bosnia resigned over allegations of a possible conflict of interest. In December 1998, the person had provided information on two firms receiving USAID-funded loans to the head of an investment group, who was considering investing in the region. The Chief of Party, however, neither requested authorization from USAID/Bosnia nor notified the loan implementation component of the program of this action. In an OIG interview, the Chief of Party indicated plans to remain in Bosnia after departing the project and to engage in investment banking. The contractor employee acknowledged having discussions with the head of the investment group about a possible future financial investment in the firm but said that there was no commitment and that this matter had no effect on the assistance given. The Chief of Party believed that it was still a responsibility of the program to provide such assistance to foreign investors seeking to invest in Bosnian client companies, even though this part of the program had been terminated in September 1998. Subsequent to the OIG interview and discussions with USAID/Bosnia, the Chief of Party decided to resign.



## – **OIG HOTLINE** –

The OIG Hotline is staffed from 9:00 a.m. to 5:00 p.m., Eastern Time, Monday through Friday. During non-duty hours, telephone calls are recorded. People contacting the OIG Hotline can do so anonymously or they can request confidentiality. The Hotline phone number is **800-230-6539** or **202-712-1023**. The mailing address is: USAID/IG/I, P.O.Box 657, Washington, D.C. 20044-0657.

USAID employees, contractors, and the public can contact the Hotline to report any information involving suspected fraud, waste, abuse, bribery, conflict of interest, or violations of USAID rules and regulations. Matters that are not within the purview of the OIG are referred to management and handled in accordance with USAID administrative procedures. During the reporting period, the OIG received **33** hotline referrals.



## REPORTS ISSUED

October 1, 1998 through March 31, 1999

### 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>-- USAID Financial Statement Audits --</b>		
0-000-99-001-F	03/01/99	Reports on USAID's Financial Statements, Internal Controls, and Compliance for Fiscal Year 1998		
		<b>-- Financial-Related Audits of USAID Programs and Operations --</b>		
A-000-99-001-F	01/15/99	Audit of the Process Used by USAID to Develop Financial Statement Information for Its Credit Programs		
0-000-99-002-F	03/31/99	Report to USAID Managers on Selected USAID Internal Controls		
0-000-99-003-F	03/15/99	Audit on Processing of Interest Earned on Federal Advances by Selected Organizations		
0-000-99-004-F	03/16/99	Audit of USAID/Washington Cashiering Operations		
0-000-99-005-F	03/26/99	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		
1-519-99-001-F	01/29/99	Audit of Certain USAID/EI Salvador Unliquidated Obligations	152	BU
4-687-99-001-F	10/05/98	Audit of USAID/Madagascar's Cashiering Operations		
7-608-99-001-F	02/05/99	Audit of USAID/Morocco's Cashier Operations	35	BU
7-641-99-002-F	03/22/99	Audit of USAID/Ghana's Cashier Operations		
7-680-99-003-F	03/25/99	Audit of USAID/Benin's Cashier Operations		
7-608-99-004-F	03/25/99	Audit of USAID/Morocco Fiscal Year 1998 Financial Data		
		<b>-- Agency-Funded Audits --</b>		
B-121-99-001-N	01/14/99	Agency-Contracted Audit of Ukraine Bureau of Freedom House's Habits of the Heart Project for the Period September 21, 1994 to January 31, 1998, Cooperative Agreement Nos. 110-0007-A-00-4027, 121-0007-A-00-7040, and 121-0007-A-00-00059		
4-621-99-001-N	10/29/98	Audit of USAID/Tanzania's Grant to Social Action Trust Fund Under the Finance and Enterprise Development Program for the Period December 1, 1997 to July 31, 1998	246	QC

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
4-621-99-002-N	12/01/98	Audit of USAID/Tanzania's Grant to Tanzania Association of Accountants Under the Finance and Enterprise Development Program for the Period August 1, 1994 to December 31, 1997	8 3	QC UN
4-621-99-003-N	12/04/98	Audit of USAID/Tanzania's Grant to Ministry of Finance Fiscal Monetary Policy & Revenue Units Under the Finance & Enterprise Development Program		
4-621-99-004-N	12/04/98	Audit of USAID/Tanzania's Grant to Ministry of Finance Civil Service Retrenchment Program Under the Finance and Enterprise Development Program	247	QC
5-367-99-001-N	03/18/99	Audit of USAID/Nepal's Grant to the National Agricultural Research Council Under the Agroenterprise and Technology Systems Project No. 367-0160 for the Period July 16, 1993 to May 13, 1997	37 3	QC UN
6-263-99-001-N	11/22/98	Financial Audit of the Ministry of International Cooperation's Monitoring Unit, Costs Incurred Under USAID/Egypt's Technical Support for Sector Policy Reform Project		
6-263-99-002-N	12/17/98	Financial Audit of the Ministry of Health and Population, Costs Incurred Under USAID/Egypt's Healthy Mother/Healthy Child Project No. 263-0242	2	QC
6-263-99-003-N	02/18/99	Financial Audit of the Development Research and Technological Planning Center, Costs Incurred Under the Energy Conservation and Environmental Protection Component of USAID/Egypt's Science and Technology for Development Project No. 263-0140		
6-263-99-004-N	02/22/99	Financial Audit of the Government of Egypt's Special Accounts Related to Funds Contributed Under USAID/Egypt's Public and Private Commodity Import Programs and Cash Transfer Program	67	BU
7-685-99-001-N	01/08/99	Audit of Local Currency Expenditures Incurred by MHS Under the CS & FP Project (685-0286) for the Period January 1, 1997 to December 31, 1997		
		<b>-- Recipient-Contracted Audits of U.S.-Based Grantees --</b>		
0-000-99-001-A	12/03/98	Single Audit Report of International Eye Foundation for Fiscal Year Ended June 30, 1997		
0-000-99-002-A	12/01/98	Single Audit Report of Population Reference Bureau Inc., for Fiscal Year Ended September 30, 1997		
0-000-99-003-A	12/08/98	Single Audit Report of Project Concern International, for Fiscal Year Ended June 30, 1997	15	QC
0-000-99-004-A	12/18/98	Single Audit Report of National Academy of Sciences, for Fiscal Year Ended June 30, 1997	106	QC
0-000-99-005-A	01/08/99	Single Audit Report of National Academy of Sciences, for Fiscal Year Ended June 30, 1996		
0-000-99-006-A	01/26/99	Single Audit Report of American Institutes for Research in the Behavioral Sciences, for Fiscal Year Ended September 30, 1997		
0-000-99-007-A	02/04/99	Single Audit Report of Cooperative Housing Foundation for Fiscal Year Ended September 30, 1997	200	QC

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC



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>
0-000-99-008-A	02/17/99	Single Audit Report of Air Serv International, for Fiscal Year Ended December 31, 1997	42	QC
0-000-99-009-A	02/17/99	Single Audit Report of Save the Children Federation, Incorporated, for the Fiscal Year Ended September 30, 1997	110 11	QC BU
0-000-99-010-A	02/19/99	Single Audit Report of Partners in Economic Reform, Inc., for Fiscal Year Ended August 31, 1997	15	QC
0-000-99-011-A	02/26/99	Single Audit Report of Relief International, for Fiscal Year Ended August 31, 1997		
0-000-99-012-A	03/29/99	Single Audit Report of Opportunities Industrialization Centers International Inc., for Fiscal Year Ended September 30, 1997		
0-000-99-014-A	03/20/99	Single Audit Report of Freedom House, Inc. and Affiliate, for Fiscal Year Ended June 30, 1997		
0-000-99-016-A	03/19/99	Single Audit Report of World Concern Development Organization for Fiscal Year Ended June 30, 1997		
0-000-99-017-A	03/19/99	Single Audit Report of Family Health International for Fiscal Year Ended September 30, 1997		
		<b>-- Audits of Non-U.S. Organizations by DCAA --</b>		
B-181-99-001-D	10/30/98	Report on Preward Accounting System Survey, Gdansk Institute for Market Economics, Gdansk, Poland		
B-185-99-002-D	12/14/98	Report on Preward Accounting System Survey, Foundation for the Development of Democratic Rights, Budapest, Hungary		
B-160-99-003-D	12/15/98	Report on Joint Council of Municipalities Revenues and Costs for Calendar Years 1997 and 1998		
B-160-99-004-D	01/13/99	Report on Preward Accounting System Survey, Center for Civil Initiatives, Zagreb, Croatia		
B-183-99-005-D	02/04/99	Report on Accounting System Survey, National Association of Municipalities, Sofia, Bulgaria		
5-492-99-001-D	10/05/98	Financial Audit of the National Economic and Development Authority-Technical Resources Project/Project Management Office for the Period April 1, 1992 through September 30, 1997 Under Grant Agreement No. 492-0432	2	QC
5-492-99-002-D	10/05/98	Financial Audit of the Philippine Institute for Development Studies for the Period April 17, 1995 through September 17, 1996 Under Grant Agreement No. 492-0432		
5-492-99-003-D	10/21/98	Financial Audit of the Financial Executives Institute of the Philippines for the Period April 1, 1996 through March 31, 1998 Under Cooperative Agreement No. 492-0447-A-00-3055-00	202	QC
5-492-99-004-D	03/19/99	Financial Audit of the SGV Consulting Under Contract No. 492-0432-C-00-5008	31	QC

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
5-492-99-005-D	03/24/99	Financial Audit of the Urban Integrated Consultants, Inc. Under Contract No. 492-0395-C-00-5072-00	65 10	QC UN
		<b>-- Audits of U.S.-Based Contractors by DCAA --</b>		
0-000-99-001-D	11/25/98	Supplement to and Report on Incurred Costs for Land O'Lakes, Inc. for Fiscal Years 1991 through 1994	43	QC
0-000-99-002-D	11/04/98	Report on the Audit of Contractor Fiscal Year 1990, Fringe, Overhead, and General Administrative Expense Rates for Price Waterhouse Limited Liability Partnership		
0-000-99-003-D	11/05/98	Audit of Incurred Costs for Fiscal Year Ending December 31, 1995, for Harza Engineering Company		
0-000-99-004-D	10/20/98	Audit of Fiscal Year 1994 and 1995 Incurred Costs at WPI, Inc.		
0-000-99-005-D	11/04/98	Report on the Audit of Contractor Fiscal Year 1995, Fringe, Overhead, and General Administrative Expense Rates for Price Waterhouse Limited Liability Partnership		
0-000-99-006-D	11/04/98	Report on the Audit of Contractor Fiscal Year 1994, Fringe, Overhead, and General Administrative Expense Rates for Price Waterhouse Limited Liability Partnership		
0-000-99-007-D	11/04/98	Report on the Audit of Contractor Fiscal Year 1991, Fringe, Overhead, and General Administrative Expense Rates for Price Waterhouse Limited Liability Partnership		
0-000-99-008-D	11/04/98	Report on the Audit of Contractor Fiscal Year 1992, Fringe, Overhead, and General Administrative Expense Rates for Price Waterhouse Limited Liability Partnership		
0-000-99-009-D	11/04/98	Report on the Audit of Contractor Fiscal Year 1993, Fringe, Overhead, and General Administrative Expense Rates for Price Waterhouse Limited Liability Partnership		
0-000-99-010-D	11/30/98	Audit of Incurred Costs for Fiscal Years Ending October 31, 1992, 1993, 1994 and 1995 for LTS Corporation Trenton, New Jersey		
0-000-99-012-D	11/30/98	Audit of Final Direct Costs and Indirect Cost Rates for Fiscal Year 1995 at Land O'Lakes, Inc.	52	QC
0-000-99-013-D	11/06/98	Report on the Audit of TVT Associates for Audit of Calendar Years 1994-1996 Incurred Costs		
0-000-99-014-D	11/30/98	Audit of The Futures Group International, Inc. Incurred Costs from January 1, 1994 to December 31, 1994		
0-000-99-016-D	11/05/98	Report on the Audit of IGI International, Inc. Incurred Costs for Fiscal Year Ending December 31, 1995		
0-000-99-018-D	12/02/98	Audit of Incurred Costs for the Fiscal Year Ending December 31, 1995 for The Futures Group International, Inc.		
0-000-99-019-D	11/13/98	Preaward Accounting System Survey for Cuba Free Press, Inc.		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**TABLE A****Financial Audit Reports**

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
0-000-99-020-D	11/30/98	Audit of CH2M Hill International Services, Inc.'s Incurred Costs for Fiscal Year 1992	51	QC
0-000-99-021-D	11/24/98	Audit of Incurred Costs for Clapp & Mayne, Inc. for Calendar Year 1997		
0-000-99-022-D	11/25/98	Audit of Shorebank Advisory Services, Inc. Accounting System		
0-000-99-023-D	11/13/98	Audit of Incurred Costs for Morrison Knudsen Corporation for Fiscal Years Ending December 31, 1993 and 1994		
0-000-99-024-D	11/16/98	Audit of Direct/Indirect Costs/Rates Claimed for Fiscal Year Ended March 31, 1992, Booz Allen & Hamilton, Inc.		
0-000-99-025-D	11/13/98	Report on the Accounting System Review for John Snow, Inc.		
0-000-99-026-D	11/24/98	Audit of Incurred Costs for Fiscal Year Ended March 31, 1993 for Booz-Allen & Hamilton, Inc.		
0-000-99-027-D	11/24/98	Audit of Incurred Costs for Fiscal Year Ended March 31, 1994 for Booz Allen & Hamilton, Inc.		
0-000-99-028-D	11/25/98	Audit of Accounting System Review of Ronco Consulting Corporation		
0-000-99-029-D	11/24/98	Audit of CH2M Hill International Services, Inc.'s Incurred Costs for Fiscal Year 1993	196	QC
0-000-99-030-D	12/07/98	Audit of John Snow, Incorporated's Incurred Costs for Fiscal Year 1994	26	QC
0-000-99-031-D	11/27/98	Audit of Accounting System for Partnership for Child Health Care, Inc. – BASICS		
0-000-99-032-D	12/04/98	Audit of Incurred Costs for Eccles Associates, Inc. for the Calendar Year Ended December 31, 1996		
0-000-99-033-D	12/04/98	Audit of Incurred Costs for Computer Assisted Development, Inc. for the Fiscal Year Ended December 31, 1997		
0-000-99-034-D	12/04/98	Audit of Incurred Costs for Fiscal Year Ended March 31, 1996, Booz Allen & Hamilton, Inc.	9	QC
			9	UN
0-000-99-035-D	12/07/98	Audit of Incurred Costs for Fiscal Year Ended March 31, 1995, Booz Allen & Hamilton, Inc.	14	QC
			14	UN
0-000-99-036-D	12/08/98	Audit of CH2M Hill International Services, Inc.'s Incurred Costs for Fiscal Year 1994	1,739	QC
			1,592	UN
0-000-99-037-D	12/08/98	Follow-up Audit of the Accounting System for Center for Economic Initiatives		
0-000-99-038-D	01/08/99	Audit of Incurred Costs and Indirect Rates for Sanders International, Inc. for the Fiscal Year Ending December 31, 1996		
0-000-99-039-D	12/18/98	Audit of The Rendon Group Incurred Costs for Contract Number EPE-0005-I-00-5030-00		
0-000-99-040-D	12/18/98	Audits of Hagler Bailly, Inc. Disclosure Statements, Revisions, dated January 1, 1997 for All Of Its Offices		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**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>
0-000-99-041-D	12/18/98	Audit of Daniel, Mann, Johnson & Mendenhall's Direct Costs and Indirect Expenses for Fiscal Year Ended September 30, 1991		
0-000-99-042-D	12/21/98	Audit of Indirect Costs for Statistica Incorporated for the Fiscal Year Ending 1995		
0-000-99-043-D	01/08/99	Audit of Indirect Costs and Rates for Black & Veatch International for Fiscal Year Ending December 31, 1990		
0-000-99-044-D	01/08/99	Audit of Indirect Costs and Rates for Black & Veatch International for Fiscal Year Ending December 31, 1991		
0-000-99-047-D	01/08/99	Audit of Timekeeping Policies, Procedures and Practices for Black & Veatch International for Fiscal Year Ending December 31, 1998		
0-000-99-048-D	01/08/99	Audit of Incurred Direct and Indirect Costs and Indirect Rates for DevTech System Incorporated for Fiscal Year Ending December 31, 1994	223	QC
0-000-99-049-D	01/15/99	Audit of Incurred Costs for Fiscal Years Ended December 31, 1992, 1993 and 1994 for Metrica, Inc.	50	QC
0-000-99-050-D	01/14/99	Audits of Abt Associates, Inc.'s Noncompliance with Cost Accounting Standard (CAS) 401/Disclosed Cost Accounting Practices, CAS 410 and FAR 31.203(c) and CAS 418		
0-000-99-051-D	01/14/99	Audit of FY 1999 Provisional Bidding/Billing Rates for Abt Associates, Inc.		
0-000-99-052-D	01/14/99	Audit of Abt Associates, Inc.'s Noncompliance with Cost Accounting Standard 405 – Accounting for Unallowable Costs During Contract Performance		
0-000-99-053-D	01/14/99	Audit of Fiscal Year 1994 Incurred Costs for Abt Associates, Inc.	216 86	QC UN
0-000-99-054-D	01/14/99	Audit of Abt Associates, Inc.'s Compliance with Cost Accounting Standard 403 – Allocation of Home Office Expenses to Segments		
0-000-99-055-D	01/14/99	Abt Associates, Inc.'s Compensation System Review		
0-000-99-056-D	01/14/99	Audit of Abt Associates, Inc.'s Estimating System Flash Report		
0-000-99-057-D	01/14/99	Abt Associates, Inc., Report on Accounting Deficiencies for FY 1994		
0-000-99-058-D	01/14/99	Audit of Abt Associates, Inc.'s Timekeeping System (Floorcheck)		
0-000-99-059-D	01/21/99	Supplemental Audit Report of Review of Direct Costs and Indirect Cost Rates for Fiscal Year 1988 for Bechtel Group Inc.		
0-000-99-060-D	01/21/99	Supplemental Audit Report of Review of Direct Costs and Indirect Cost Rates for Fiscal Year 1989, First Six Months, for Bechtel Group Inc.		
0-000-99-061-D	01/21/99	Audit Report on Adequacy and Compliance of Revised Disclosure Statement dated March 25, 1998 (Effective January 1, 1998) for Bechtel Technology and Consulting		
0-000-99-062-D	01/21/99	Audit Report of Review of Direct Costs and Indirect Cost Rates for Fiscal Year 1993 for Bechtel Group, Inc.		
0-000-99-063-D	01/22/99	Audit of Calendar Year 1994 Incurred Costs for Burns and Roe Enterprises, Inc.	45	QC

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
0-000-99-064-D	01/22/99	Audit of Calendar Year 1996 Incurred Costs for Burns and Roe Enterprises, Inc.	2,052	QC
0-000-99-065-D	01/22/99	Audit of Calendar Year 1995 Incurred Costs for Burns and Roe Enterprises, Inc.		
0-000-99-066-D	02/02/99	Audit of Calendar Years 1994, 1995 and 1996 Incurred Costs and Indirect Cost Rates for Community Consulting International	3 3	QC UN
0-000-99-067-D	02/02/99	Audit Report on Direct Costs and Indirect Cost Rates for Fiscal Years 1991 and 1992 for Coopers & Lybrand, LLP		
0-000-99-068-D	02/02/99	Audit Report on Direct Costs and Indirect Cost Rates for Fiscal Year 1993 for Coopers & Lybrand, LLP		
0-000-99-069-D	02/02/99	Audit Report on Direct Costs and Indirect Cost Rates for Fiscal Years 1994 and 1995 for Coopers & Lybrand, LLP		
0-000-99-070-D	02/02/99	Audit Report on Direct Costs and Indirect Cost Rates for Fiscal Year 1996 for Coopers & Lybrand, LLP		
0-000-99-071-D	02/02/99	Audit of Timekeeping System for Barents Group, LLC		
0-000-99-072-D	02/02/99	Audit of Incurred Costs and Indirect Cost Rate for Barents Group, LLC for Fiscal Years Ending June 30, 1992, 1993, 1994 and 1995	373	QC
0-000-99-073-D	02/02/99	Audit of Incurred Costs and Indirect Cost Rate for Barents Group, LLC for Fiscal Year Ending June 30, 1996	10	QC
0-000-99-074-D	02/05/99	Audit Report on Direct Costs and Indirect Cost Rates for Fiscal Years 1992 - 1994 for Statistica, Inc.		
0-000-99-075-D	02/05/99	Audit Report on Direct Costs and Indirect Cost Rates for Fiscal Years 1992 - 1994 for Octagon, Inc.		
0-000-99-076-D	02/21/99	Audits of Geonex Corporation's Indirect Costs and Rates for Fiscal Years 1990 through 1995		
0-000-99-077-D	02/22/99	Audit of Jorge Scientific Corporation's Indirect Costs and Rates for Fiscal Years Ended December 31, 1992 and 1993	25 25	QC UN
0-000-99-078-D	02/26/99	Audit Report of Review of Direct Costs and Indirect Cost Rates for Fiscal Years 1993 through 1995 for Kenrob and Associates, Inc.		
0-000-99-079-D	02/26/99	Audit of Metcalf and Eddy, Inc.'s Incurred Costs for Fiscal Years 1991 through 1995		
0-000-99-080-D	03/19/99	Audit of Chemonics International, Inc. Incurred Costs and Indirect Cost Rates for Fiscal Years 1996 and 1997	48 48	QC UN
0-000-99-081-D	03/05/99	Audit of CASYSTEMS International, Inc.'s Incurred Costs for Fiscal Years January 1, 1990 through December 31, 1993		
0-000-99-082-D	03/05/99	Audit of Parsons Engineering Science, Inc.'s Incurred Costs for Fiscal Year Ended December 25, 1992		
0-000-99-083-D	03/08/99	Audit of Management Advisory Services, Inc.'s Indirect Costs and Rates for Fiscal Years 1991 through 1994	70	QC

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>-- Recipient-Contracted Audits of Non-U.S.-Based Recipients --</b>		
B-650-99-001-R	10/28/98	Audit of Medecins sans Frontieres, Holland, for the Year Ended December 31, 1997, for Grant Numbers AOT-G-00-97-00232-00 and AOT-G-0097-00354-00		
B-181-99-002-R	10/30/98	Audit of Expenditures by Caresbac-Polska (CARESbac) Under USAID Grant No. 181-G-00-95-00208 (formerly Grant No. 181-0023-G-00-5208) for the Period January 1, 1997 to December 31, 1997	52	QC
B-183-99-003-R	01/08/99	Audit of the Fund Accountability Statement of the Foundation for Local Government Reform Under Agreement No. 183-0019-G-SS-7106-00 for the Period May 1, 1997 to June 30, 1998	30	BU
B-181-99-004-R	03/12/99	Financial Audit of the USAID Project No. 181-0034-A-00-6328 Implemented by the Municipal Development Agency in Warsaw	19	QC
B-181-99-005-R	03/12/99	Audit of OIC Poland's Fund Accountability Statement Under Agreement No. 181-0023-A-00-5218 for the Period January 1, 1997 to September 30, 1998	4	QC
1-596-99-001-R	10/01/98	Audit of the INCAP Institutional Strengthening Project USAID/G-CAP Project No. 596-0169 and Additional Amendments for Add-On Projects No. 10, 11, 13 and 14 Managed by the Institute of Nutrition of Central America and Panama - INCAP for the Year Ending December 31, 1997		
1-521-99-002-R	10/09/98	Audit of Private Provincial Enterprise Development Project; USAID/Haiti Project No. 521-0223; Component Managed by the Haitian Development Foundation for the Period October 1, 1995 to August 31, 1997	9 2	QC UN
1-532-99-003-R	10/29/98	Audit of the Hillside Agriculture Project; USAID/Jamaica Project No. 532-0101; Financial Statements; March 31, 1996		
1-532-99-004-R	10/30/98	Audit of the Inner Kingston Development Project; USAID/Jamaica Control No. 532-0120-A-00-1074-00; Financial Statements; September 30, 1996		
1-532-99-005-R	10/30/98	Report on the Financial Audit of the Agricultural Export Services Project; USAID/Jamaica Project Number 532-0165; for the Period January 1, 1994 to December 31, 1996		
1-518-99-006-R	10/30/98	Report on 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-A-00-91-00101-14; At and for the Nine-Month Period Ended September 30, 1997		
1-532-99-007-R	11/04/98	Hillside Agriculture Project; USAID/Jamaica Project No. 532-0101; Financial Statements; April 30, 1997		
1-525-99-008-R	11/09/98	Chamber of Commerce, Industry and Agriculture of Panama; Trade and Investment Development Project; USAID/Panama Cooperative Agreement No. 525-0309-A-00-2204-00; for the Year Ended March 31, 1998		
1-532-99-009-R	11/09/98	The Component of the Sustainable Justice Reform; USAID/Jamaica Project No. 532-0175; Managed by the Jamaican Bar Association; Independent Auditor's Report; October 1, 1995 to January 31, 1997		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
1-519-99-010-R	11/12/98	External Audit Report: Cooperation Agreement USAID No. 519-0426-00-A-00-7019-00; for the Period of December 1, 1996 through March 31, 1998	20 20	QC UN
1-524-99-011-R	11/12/98	Close-Out Financial Audit of the USAID Resources Managed by Grupo FUNDEMOS Under Grant Agreement No. 524-A-00-97-00013-00, Strengthening Civil Society, for the Period April 1, 1997 to April 30, 1998		
1-521-99-012-R	11/12/98	Enhancing Food Security; USAID/Haiti – Project No. 521-0241-A-00-2013-00, USAID/Haiti – Project No. 521-0258-A-00-6078, USAID/Haiti - Project No. 521-0241-A-00-4022-00; Component Managed by Adventist Development and Relief Agency; October 1, 1995 to June 30, 1997	41 8	QC UN
1-519-99-013-R	11/13/98	Technical Secretariat for External Financing; Financial Audit of the Operating Expenses, Technical Assistance, Assets, Counterpart Contributions and Review of Assets Donated by USAID to the Technical Executive Unit, Under the Judicial Reform II Project No. 519-0376; for the Period January 1, 1994 to May 31, 1998		
1-511-99-014-R	11/13/98	Programa para la Mujer - Pro Mujer; Component of the Micro and Small Enterprise Development Project; USAID Cooperative Agreement No. 511-0596-A-00-5077; for the Period January 1 to September 30, 1997		
1-517-99-015-R	11/16/98	Financial Closeout Audit of the Potable Water and Environment Sanitation Project USAID/Dominican Republic No. 517-0247-G-00-5029-00; Managed by Asociacion Aguas Vivientes, Inc.; Year Ended November 8th, 1997		
1-517-99-016-R	11/16/98	Financial Audit of Private Initiatives in Primary Education Project, USAID/DR Project No. 517-0251, Managed by Accion para la Educacion Basica; Year Ended December 31, 1996		
1-524-99-017-R	11/16/98	Union de Productores Agropecuarios de Nicaragua (UPANIC); Audit of USAID Resources Managed by UPANIC Under Cooperative Agreement No. 524-0315-A-00-3015-00; Year Ended June 30, 1997	47	QC
1-511-99-018-R	11/16/98	Catholic University of Bolivia; Human Resources for Development; CUB-USAID-HIID; USAID Cooperative Agreement No. 511-A-00-94-00052-00; as of December 31, 1997		
1-517-99-019-R	11/17/98	Democratic Initiatives—Water and Sanitation Project USAID 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		
1-527-99-020-R	11/17/98	Award No. 527-0368-00-G-00-6003; Innovative Approaches to Solid Waste Management in Peri-Urban Areas Project Managed by Alternativa, Centro de Investigacion Social y Educacion Popular; for the Period November 14, 1995 to December 31, 1996		
1-527-99-021-R	11/18/98	Grupo de Analisis para el Desarrollo – GRADE; Audit of the Financial Statements of GRADE as of December 31, 1996 and Activities of Project No. 527-0356, Democracia Participatoria – DEMPARG; Managed by GRADE for the Period from January 1, 1996 to December 31, 1996		
1-527-99-022-R	11/18/98	Instituto Libertad y Democracia - ILD; Audit of the Fund Accountability Statement of the Cooperative Agreement USAID No. 527-0772-G-00-6149-00; for the Period December 1, 1995 to June 30, 1996		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
1-527-99-023-R	11/20/98	Grupo de Analisis para el Desarrollo – GRADE; Audit of the Financial Statements of GRADE as of December 31, 1997 and of the Activities of Project 527-0356, Democracia Participatoria - DEMPARG; Managed by GRADE for the Period from January 1, 1997 to January 31, 1998		
1-527-99-024-R	11/23/98	Audit of Instituto Apoyo Financial Statements as of December 31, 1997 and the Fund Accountability Statement of the USAID/Peru Project 527-0356-A-00-6448-00		
1-511-99-025-R	12/03/98	Ministry of Health National Woman and Child Directorate; Reproductive Health Services Project A.I.D. Agreement No. 511-0568; Audit Report as of December 31, 1996	4 3	QC UN
1-524-99-026-R	12/04/98	Audit of the USAID Resources Managed by COPROSA Under Limited Scope Grant Agreements No. 524-0316-G-SS-6028-00 and No. 524-0316-G-SS-6050-00 for the Periods May 20 to June 15, 1996 and September 20, 1996 to January 31, 1997	4 3	QC UN
1-596-99-027-R	12/11/98	Audit of the Cooperative Agreement "Local Government Regional Outreach Strategy," USAID/G-CAP Project No. 596-0167, Managed by the Federation of Municipalities of the Central American Isthmus for the Period January 1 to December 31, 1997		
1-521-99-028-R	12/14/98	Audit of Fondation Haitienne de l'Enseignement Prive; Financial Statements Including the Fund Accountability Statement of the Incentive to Improve Basic Education Project; USAID Haiti Project No. 521-0190; for the Period August 1, 1996 to July 31, 1997		
1-518-99-029-R	12/16/98	Fundacion Ecuador; Audit of Program to Improve Ecuadorian Abilities to Formulate and Execute Social and Economic Policy Reforms Signed with the United States Agency for International Development Under Cooperative Agreement No. 518-0089-A-00-5070-00; for the Year Ended December 31, 1997		
1-519-99-030-R	12/22/98	Fundacion Empresarial para el Desarrollo Educativo; Audit of USAID/EI Salvador Donation Agreement No. 519-0401; Project to Support the Education Reform for the Social Sector; for the Year Ended December 31, 1997		
1-524-99-031-R	12/22/98	Close-out Financial Audit of the USAID Resources Managed by Centro Nicaraguense de Estudios Laborales Under Cooperative Agreement No. 524-A-00-97-00029-00 'Labor Education Program;' for the Period August 1, 1997 to July 31, 1998	3	QC
1-520-99-032-R	12/22/98	Financial Audit of the Trust 'Small Coffee Farmer Improvement' and 'Credit Support for Small Coffee Farmer Improvement;' USAID/G-CAP Grant Agreement No. 520-0381-A-00-9637-00 Implemented by National Coffee Association for the Period from the Beginning of Operations (January 1991) to September 30, 1996	18 15	QC UN
1-518-99-033-R	12/22/98	INCAE; Final Audit of Cooperative Agreement; Policy Dialogue Support Project (second phase) USAID/Ecuador No. 518-0089-A-00-4267-00; August 31, 1997		
1-511-99-034-R	12/22/98	AIDS/STDs Prevention and Control Project, Element XIII - Local Operations; USAID Grant Agreement No. 511-0608 and No. 511-0644; for the Year Ended December 31, 1997		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC



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>
1-524-99-035-R	01/14/99	Audit of the USAID Resources Managed by PROFAMILIA Under Cooperative Agreement No. 524-A-00-91-00173-00; Year Ended December 31, 1997	1	QC
1-511-99-036-R	02/04/99	Audit of the Child and Community Health Project, USAID Grant Agreements No. 511-0594 and No. 511-0568 for the Year Ended December 31, 1997		
1-511-99-037-R	02/04/99	Asociacion de Proteccion a la Salud "PROSALUD" Grant Agreements; AID No. 511-0607-A-00-1247, AID No. 511-0568-G-00-5089 and No. 511-0644-3-60054; Independent Auditor's Report on the Financial Statements as of December 31, 1997	94 94	QC UN
1-511-99-038-R	02/10/99	Ministry of Sustainable Development and Planning, Vice-Ministry of Territorial Legislation and Planning, Unit of Population Policies, Reproductive Health Services Project, A.I.D. Grant Agreement No. 511-0568, Audit Report as of December 31, 1997		
1-527-99-039-R	02/10/99	Asociacion de Exportadores – ADEX; Project of Assistance to Microenterprises and Small Producers; Cooperation Agreement 527-0349-A-00-1275-00; Report on the Audit of the Fund Accountability Statement for the Period Between January 1 and December 31, 1996	21 14	QC UN
1-527-99-040-R	02/10/99	Audit of the Financial Statements of the Project No. 527-0326 Family Planning in the Commercial Sector; Managed by Apoyo a Programas de Poblacion – APROPO for the Period from January 1, 1996 to March 31, 1997; Cooperative Agreement No. 527-0326-A-00-1257-00		
1-511-99-041-R	02/11/99	Interactive Radio Learning Project in Bolivia; Independent Auditor's Report; March 17, 1992 – September 30, 1997		
1-526-99-042-R	02/12/99	Audit of the Program No. 526-0616-G-SS-2018-00 Managed by the Foundation Moises Bertoni for the Conservation of Nature for the Years Ended on December 31, 1996		
1-521-99-043-R	02/17/99	Agribusiness Guarantee Fund, USAID/Haiti Project No. 521-0256, Component Managed by Societe Financiere Haitienne de Developpement S.A., Fund Accountability Statement, for the Period October 1, 1996 to September 30, 1997 (With Independent Auditors' Report Thereon		
1-527-99-044-R	02/18/99	Examination of Project CAL AID/FCJG, Fortalecimiento Consultorios Juridicos Gratuitos, Agreement AID No. 527-0356-3-50084 for the Period from October 1, 1995 to June 30, 1997	10 10	QC UN
1-520-99-045-R	02/18/99	Audit of the Street Children Support Project, USAID/G-CAP Project No. 520-0412, Managed by Programa de Apoyo para la Salud Materno-Infantil y para la Salud de Otros Grupos de Riesgo for the Period July 1, 1996 to June 30, 1997		
1-517-99-046-R	02/22/99	Financial Audit of USAID Resources Provided to the National Child Survival Consortium's Operational Unit Under the Child Survival Phase IV Project No. 517-0247-G-00-4004-00 for the Period from December 15, 1995 to October 15, 1996	638 638	QC UN
1-525-99-047-R	02/26/99	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		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**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>
1-511-99-048-R	03/03/99	Asociacion de Proteccion a la Salud, "PROSALUD"; Self Financing Primary Health Care Project II; Grant Agreement: AID No. 511-0607-A-00-1247; for the Year Between January 1 and December 31, 1996	10 10	QC UN
1-504-99-049-R	03/03/99	University of the West Indies – Cave Hill; U.S. Agency for International Development (USAID) Guyana Justice Improvement Project No. 504-0109		
1-520-99-050-R	03/05/99	Audit of 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 Year Ending June 30, 1998		
1-511-99-051-R	03/09/99	Independent Auditor's Report; Child Survival Network "PROCOSI"; Reproductive Health Project – Rural Area Component and Primary Integrated Health Attention Program; Grants No. 511-0568 and 511-0644; for the Period between January 1 to December 31, 1997	41 36	QC UN
1-526-99-052-R	03/12/99	Centro Paraguayo para la Promocion de la Libertad Economica y de la Justicia Social, Project No. 526-0616-G-SS-3001-00, for the Period January 1 to December 31, 1997		
1-524-99-053-R	03/16/99	Asociacion Nicaraguense de Productores y Exportadores de Productos No Tradicionales (APENN) (Managua, Nicaragua), Audit of the USAID Resources Managed by APENN Under Cooperative Agreement No. 524-A-00-91-00343-7, Year Ended June 30, 1998		
1-511-99-054-R	03/17/99	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, 1997	8 8	QC UN
1-521-99-055-R	03/19/99	PL-480 Title II Food Aid Program, Commodity Accountability Statement, Managed by Adventist Development and Relief Agency, October 1, 1995 to June 30, 1997 (With Independent Auditors' Report thereon)	8,740 8,740	QC UN
1-532-99-056-R	03/19/99	Financial Audit; Primary Education Assistance Project II; PEAP II - 532-0155; April 1, 1994 – November 30, 1996		
1-521-99-057-R	03/22/99	Audit of the General Purpose Financial Statements of the Instituto Libertad y Democracia for the Years Ended December 31, 1997 and 1996 and of the Fund Accountability Statements of the Cooperative Agreement USAID No. PCE-G-00-96-00001-00 for the Period January 1 to December 31, 1997 and of the Cooperative Agreement USAID No. 521-0222-A-7042-00 for the Period August 7 to December 31, 1997		
1-524-99-058-R	03/24/99	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 March 11, 1997 to March 31, 1998		
1-526-99-059-R	03/25/99	Audit of the Program No. 526-0616-G-SS-2018-00, Managed by the Foundation Moises Bertoni for the Conservation of Nature, for the Year Ended on December 31, 1997		
1-526-99-060-R	03/26/99	Paraguay Kansas Committee, Information and Resources Center for Development, Audit of the Projects No. 526-0616-A-00-2019-00 and No. 526-0616-G-SS-3004-00, December 31, 1996		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
1-524-99-061-R	03/26/99	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, 1998		
4-674-99-001-R	10/15/98	Audit of Khululeka Community Education Development Centre's Grant No. 674-0302-G-SS-3043 for the Period April 1, 1995 to November 30, 1996	21 21	QC UN
4-674-99-002-R	10/16/98	Audit of Project Preparation Trust of Kwazulu-Natal's Grant No. 674-0312-G-SS-3077 for the Year Ending September 30, 1997		
4-674-99-003-R	10/26/98	Audit of Land & Agriculture Centre for the Year Ended December 31, 1996, Agreement No. 674-0301-G-SS-4099-01	4 4	QC UN
4-674-99-004-R	11/02/98	Audit of the Human Rights Trust for the Period April 1, 1995 through March 31, 1996 [Grant No. 674-0305-G-SS-3034]		
4-674-99-005-R	10/28/98	Audit of the Independent Mediation Service of South Africa for the Period 8 October 1996 through 31 December 1997 [Grant No. 674-0301-A-00-6086-00]		
4-613-99-006-R	10/26/98	Audit of Zimbabwe Trust/USAID Natural Resources Management Project No. 690-0251-4-00-9001 and Grant No. 690-G-00-89-00001-00 for the Period June 1, 1996 to May 31, 1997	5	QC
4-623-99-007-R	12/14/98	Audit of the Institute of Policy Analysis and Research Limited for the Year Ended December 31, 1997 [Grant No. 623-0266-A-00-4145]	2	QC
4-617-99-008-R	10/28/98	Audit of the Save the Children Fund for the Year Ending March 31, 1997		
4-617-99-009-R	10/29/98	Audit of the Action Programme for the Environment Sector Grant for the Period August 20, 1991 through June 30, 1996	85	QC
4-617-99-010-R	11/05/98	Audit of the Export Policy Analysis Unit for the Period July 1, 1994 to October 31, 1997		
4-617-99-011-R	11/09/98	Audit of the Uganda Manufacturers Association for the Period June 14, 1993 through September 24, 1994	14	QC
4-621-99-012-R	11/06/98	Audit of the Tanzania Revenue Authority for the Period July 1, 1996 through June 30, 1997	5	BU
4-674-99-013-R	11/02/98	Audit of Centre for Socio-legal Studies National Street Law Program for the Period January 1, 1996 to October 31, 1996 [Grant 674-0301-G-SS-2089-00]	29 2	QC UN
4-674-99-014-R	11/03/98	Audit of the National Welfare, Social Service and Development Forum for the Period April 1, 1996 through March 31, 1997	23	QC
4-674-99-015-R	11/03/98	Audit of the Vuleka Trust for the Period January 1, 1997 to December 31, 1997, Grant Nos. 674-0305-G-SS-3136-03 and 674-0301-A-00-6078-00		
4-623-99-016-R	11/04/98	Audit of the Family Planning Association of Kenya for the Period January 1, 1997 through December 31, 1997, Grant No. 623-0264-G-00-6003-00		
4-674-99-017-R	11/04/98	Audit of The Valley Trust for the Period April 1, 1997 to March 31, 1998, Grant No. 674-0301-G-SS-3040-03		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**TABLE A****Financial Audit Reports**

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
4-674-99-018-R	11/18/98	Close Out Financial Audit of the South African Institute of Race Relations for the Period April 1, 1996 to June 1, 1996 [Grant 674-0230-G-SS-9039-00]	15	BU
4-674-99-019-R	11/30/98	Close Out Financial Audit of the South African Institute of Race Relations for the Period April 1, 1996 to June 1, 1996 [Grant 674-0230-G-SS-9038-00]		
4-674-99-020-R	11/30/98	Audit of the South African Institute of Race Relations for the Period April 1, 1996 to March 31, 1997 [Agreement 674-0309-A-00-0039-00]	488 485 39	QC UN BU
4-674-99-021-R	12/01/98	Audit of Independent Electoral Commission for the Period March 12, 1994 to December 31, 1994, Agreement No. 674-0301-G-SS-4069		
4-674-99-022-R	12/02/98	Audit of the Centre for Socio-Legal Studies' Democracy for All Program for the Year Ended June 30, 1997 [Agreement 674-0301-G-SS-4134]	11 3	QC UN
4-674-99-023-R	12/11/98	Audit of Centre for Human Rights' Grant Nos. 674-0301-G-SS-4196, 674-0301-G-00-5062 and 674-0301-A-00-6083 for the Year Ending December 31, 1997	2 2	QC UN
4-674-99-024-R	11/04/98	Audit of the Tembaletu Trust for the Period January 1, 1997 to October 31, 1997, Grant No. 674-0301-G-SS-4169-01		
4-674-99-025-R	11/12/98	Audit of the Environmental and Development Agency Trust for the Period August 30, 1994 through December 31, 1997 [Grant No. 674-0301-G-SS-4127-00]		
4-674-99-026-R	11/05/98	Audit of the Africa Institute for Policy Analysis and Economic Integration for the Period March 1, 1997 through February 28, 1998, Grant No. 674-0315-G-00-6041-00		
4-674-99-027-R	11/10/98	Audit of the Africa Institute for Policy Analysis and Economic Integration for the Period March 1, 1997 through March 30, 1998 [Grant No. 674-0318-G-SS-4183-00]		
4-674-99-028-R	11/12/98	Audit of the Catholic Educational Aid Programme for the Twelve Month Period January 1, 1997 to December 31, 1997 [Grant No. 674-0309-G-SS-1016-01]		
4-674-99-029-R	11/10/98	Audit of the Centre for Criminal Justice for the Period January 1, 1995 through December 31, 1995 [Grant No. 674-0301-G-SS-5045-00]		
4-674-99-030-R	11/10/98	Audit of the Centre for Criminal Justice for the Period January 1, 1996 through December 31, 1996 [Grant No. 674-0301-G-SS-5045-00]		
4-674-99-031-R	11/12/98	Audit of the Centre for Criminal Justice for the Period January 1, 1997 through December 31, 1997 [Grant No. 674-0301-G-SS-5045-00]		
4-674-99-032-R	12/03/98	Audit of the Desmond Tutu Educational Trust for the Year Ended December 31, 1997 [Agreement 674-0309-G-SS-2038]	1	QC
4-674-99-033-R	12/04/98	Audit of the Savings and Credit Co-Operative League of South Africa for the Year Ended March 31, 1997 [Agreement 674-0312-G-SS-4114]	4 3	QC UN

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**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>
4-674-99-034-R	12/07/98	Audit of the Itusheng Community Association for the Period July 1, 1994 to March 31, 1997 [Agreement 674-0302-G-SS-4093]	51 39	QC UN
4-674-99-035-R	12/10/98	Audit of the Tertiary Education Fund of South Africa for the Period April 1, 1997 to March 31, 1998 [Agreement 674-0309-G-SS-5030]		
4-674-99-036-R	12/08/98	Audit of the Street Law Program for the Period September 15, 1995 to June 30, 1997 [Agreement 674-0301-G-SS-4182]	92	QC
4-663-99-037-R	12/10/98	Audit of the Ethiopian Orthodox Church Development and Inter-Church Aid Commission in Respect of USAID Food for Peace P.L. 480 Title II Program for the Year Ended September 30, 1997	28 28	QC UN
4-674-99-038-R	12/15/98	Audit of the Western Cape Community-Based Housing Trust for the Year Ended December 31, 1997; Agreement 674-0312-G-SS-4164		
4-674-99-039-R	12/15/98	Audit of the Education Foundation Trust for the Year Ended March 31, 1998, Agreement 674-0302-G-00-6029		
4-690-99-040-R	02/09/99	Audit of the Southern African Centre for Cooperation in Agricultural Research, Agreement No. 690-0225-SG-001, for the Year Ended March 31, 1997		
4-656-99-041-R	12/24/98	Audit of POWER for the Period from April 1, 1997 through December 31, 1997, Agreement 656-0215-A-00-6002		
4-674-99-042-R	12/24/98	Audit of South African Community Development Agency for the Period from April 1, 1996 through March 31, 1997, Agreement 674-0312-G-SS-2080		
4-674-99-043-R	12/15/98	Audit of the English Language Teaching Information Centre for the Year Ended February 28, 1997, Agreement 674-0134-G-SS-3089		
4-674-99-044-R	12/14/98	Audit of Libuyile Community Development Trust for the Period June 10, 1994 to September 30, 1997 [Agreement 674-0312-G-SS-4165]	13 13	QC UN
4-674-99-045-R	12/15/98	Audit of the Maths Centre for Primary Teachers for the Year Ended December 31, 1996 [Agreement No. GA-674-0314-G-SS-4070]	5 5	QC UN
4-674-99-046-R	12/15/98	Audit of the Maths Centre for Primary Teachers for the Period January 1, 1997 to May 31, 1997 [Agreement No. GA-674-0314-G-SS-4070]		
4-674-99-047-R	01/08/99	Audit of the Community Law Centre for the Year Ended September 30, 1997	1 1	QC UN
4-674-99-048-R	01/14/99	Audit of the Community Dispute Resolution Trust for the Year Ended December 31, 1997	1	QC
4-690-99-049-R	01/14/99	Audit of the Southern African Centre for Co-operation in Agricultural Research for the Year Ended March 31, 1997, Grant No. 690-0225-SG-001		
4-674-99-050-R	02/10/99	Audit of the Desmond Tutu Educational Trust, Agreement No. 674-0309-G-SS-2038 for the Year Ended December 31, 1996		
4-674-99-051-R	01/14/99	Audit of the Education With Enterprise Trust for the Year Ended October 31, 1997 [Agreement No. 674-0301-A-00-6069]		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**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>
4-674-99-052-R	01/14/99	Audit of the Community Law Centre, Grant No. 674-0301-G-SS-2061 for the Period September 1, 1995 to December 31, 1996	9 9	QC UN
4-674-99-053-R	01/20/99	Audit of the South African Institute of Race Relations, Grant No. 674-0301-A-00-6081, for the Period September 26, 1996 to September 30, 1997	52 45	QC UN
4-674-99-054-R	01/21/99	Audit of the Ntataise Trust, Grant No. 674-0314-G-SS-4038, for the Period Ended December 31, 1997		
4-613-99-055-R	02/10/99	Audit of Appropriate Technology, Zimbabwe Oil Press Project for the Year Ended December 31, 1997		
4-674-99-056-R	01/26/99	Audit of the Community Law Centre, Grant No. 674-0301-A-00-6083-01 for the Period October 1, 1997 to February 28, 1998	1 1	QC UN
4-674-99-057-R	01/26/99	Audit of the Institute for Multi-Party Democracy for the Year Ended March 31, 1998, Grant Nos. 690-G-00-96-00883 and 674-0301-A-00-6079		
4-674-99-058-R	02/17/99	Audit of the Institute for Democracy in South Africa, Agreement No. 674-0301-A-00-6080 for the Period January 1, 1997 to December 31, 1997		
4-674-99-059-R	01/27/99	Audit of Teacher Opportunity Programs, Grant No. 674-0314-G-SS-2071-02, for the Period August 31, 1996 to February 28, 1997	158 43	QC UN
4-674-99-060-R	01/28/99	Audit of the Human Rights Trust, Grant No. 674-96-A-006, for the Year Ended March 31, 1998		
4-615-99-061-R	01/07/99	Audit of the COBRA Project for the 24 Month Period Ended June 30, 1998		
4-623-99-062-R	01/28/99	Audit of the Centre for African Family Studies, Cooperative Agreement No. 623-0005-A-00-4143, for the Year Ended December 31, 1997	10 10	QC UN
4-623-99-063-R	02/01/99	Audit of the Pilot Program for Refugee Reintegration and Rehabilitation of Resettlement Areas in Eritrea, Program No. 968-4013, for the Period September 17, 1994 to September 30, 1997		
4-674-99-064-R	02/01/99	Audit of the Equal Opportunity Foundation's Community Development Project, Agreement No. 674-0301-G-SS-4151-03 for the Period Ended February 28, 1998		
4-674-99-065-R	02/08/99	Audit of the Primary Science Programme, Agreement No. 674-0314-G-SS-4109, for the Period January 1, 1996 to May 31, 1997	8	QC
4-674-99-066-R	02/08/99	Audit of the Housing Consumer Protection Trust, Agreement No. 674-0312-G-00-7030, for the Period June 4, 1997 to June 30, 1998		
4-674-99-067-R	02/08/99	Audit of the Centre for the Advancement of Science and Mathematics Education, Agreement No. 674-0302-G-SS-4106, for the Period January 1, 1996 to June 30, 1997		
4-674-99-068-R	02/12/99	Audit of the Early Learning Resource Unit, Agreement No. 674-0314-G-SS-3038-01 for the Period April 1, 1997 to October 31, 1997		
4-674-99-069-R	02/16/99	Audit of South African Black Construction Assistance Programme, Agreement No. 674-0312-G-SS-3059 for the Year Ended February 28, 1998		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
4-674-99-070-R	02/16/99	Audit of the Black Lawyers Association – Legal Education Centre, Agreement No. 674-0301-G-6082 for the Period October 1, 1996 to March 31, 1997		
4-623-99-071-R	02/17/99	Audit of Christian Health Association of Kenya, Grant Agreement No. 623-0264-G for the Period September 1, 1996 to December 31, 1997		
4-663-99-072-R	02/26/99	Audit of the Relief Society of Tigray PL 480 Title II Development Project Proposal for the Period October 1, 1995 to September 30, 1996	75	QC
5-492-99-001-R	10/01/98	Audit of Economic Development Foundation for the Period August 1, 1996 to September 30, 1997 Under Grant No. 492-0432-G-SS-5045		
5-386-99-002-R	10/15/98	Financial Audit of the National Institute of Urban Affairs for the Period April 1, 1994 to March 31, 1996 Under Grant Agreement No. 386-0531	150 77	QC UN
5-388-99-003-R	10/25/98	Financial Audit of the Women Entrepreneurship Development Program for the Period July 1, 1993 to June 30, 1994 Under Grant Agreement No. 388-0082	31 19	QC UN
5-388-99-004-R	10/27/98	Financial Audit of the Women Entrepreneurship Development Program for the Period July 1, 1994 to June 30, 1995 Under Grant Agreement No. 388-0082	23	QC
5-492-99-005-R	10/30/98	Financial Audit of the Social Sciences and Philosophy Research Foundation, Inc. for the Period February 12, 1996 to December 31, 1997 Under Cooperative Agreement No. 492-0432	49	QC
5-492-99-006-R	11/04/98	Financial Audit of the Ayala Foundation, Inc. Under Grant Agreement No. 492-0395 and Grant Agreement No. 492-0470		
5-492-99-007-R	03/09/99	Financial Audit of the TSPI Development Corporation Under Grant Agreement No. 492-0470-G-SS-3074		
5-492-99-008-R	03/05/99	Audit of Kapwa Upliftment Foundation, Inc. for the Period January 1 to December 31, 1996 Under Grant Nos. 492-0419-G-SS-2068 and 492-0470-G-SS-3087		
5-386-99-009-R	03/09/99	Audit of the Industrial Credit & Investment Corporation of India Ltd. (ICICI) Relating to the Program for the Advancement of Commercial Technology (PACT) for the Period April 1, 1996 to March 31, 1997 Under Project No. 386-0496		
5-386-99-010-R	03/10/99	Audit of the Industrial Credit & Investment Corporation of India Ltd. (ICICI) Relating to the Program for Acceleration of Commercial Energy Research (PACER) for the Period April 1, 1996 to March 31, 1997 Under Project No. 386-0494		
5-386-99-011-R	03/11/99	Audit of the Centre for Technology Development for the Period April 1, 1996 to March 31, 1997 Under Project No. 386-0507		
5-386-99-012-R	03/11/99	Audit of the Power Finance Corporation, Ltd. For the Period April 1, 1996 to March 31, 1997 Under Project No. 386-0517		
5-386-99-013-R	03/12/99	Audit of the Industrial Credit & Investment Corporation of India Ltd. Relating to the Agricultural Commercialization and Enterprise Project for the Period April 1, 1996 to March 31, 1997 Under Project No. 386-0521	71 65	QC UN

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**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>
5-386-99-014-R	03/15/99	Audit of the Industrial Credit & Investment Corporation of India Ltd. Relating to the Trade in Environment Services and Technology Project for the Period April 1, 1996 to March 31, 1997 Under Project No. 386-0530		
6-294-99-001-R	10/25/98	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		
6-294-99-002-R	10/25/98	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		
6-294-99-003-R	10/25/98	Audit of USAID Resources Managed by the Palestinian Academic Society for the Study of International Affairs Under USAID/West Bank & Gaza's Civil Society Empowerment Through Training and Skills Development Program		
6-263-99-004-R	11/10/98	Audit of USAID Resources Managed by the Sharkia Businessmen Association for Community Development Under Cooperative Agreement No. 263-0212-A-00-6084-00 of USAID/Egypt's Small and Microenterprise Development Project No. 263-0212		
6-263-99-005-R	12/02/98	Audit of USAID Resources Managed by the American Chamber of Commerce in Egypt Under USAID/Egypt Grant Nos. 263-G-00-94-00086-00 and 263-G-00-96-00073-00	5	BU
6-263-99-006-R	01/27/99	Audit of USAID Resources Managed by the Assuit Businessmen's Association Under USAID/Egypt's Small and Micro Enterprise Project No. 263-0212	4	QC
6-263-99-007-R	02/23/99	Financial Audit of the American University in Cairo for the Year Ended August 31, 1998	274 5	QC BU
7-683-99-001-R	12/09/98	Audit of the Niger Health Sector Support Program (Project Nos. 683-0254 & 683-0276) for the Period 1991 through 1996	938 905	QC UN
7-688-99-002-R	02/25/99	Audit of Food Aid Program PL 480 Titles II and III in Mali from January 1991 to June 1997	2	QC

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC



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>
		<b>-- Economy and Efficiency Audits --</b>		
A-527-99-001-P	12/30/98	Audit of USAID/Peru's General Controls Over the Mission Accounting and Control System (MACS)		
A-000-99-002-P	12/31/98	Audit of Access and System Software Security Controls Over the Mission Accounting and Control System (MACS)		
A-000-99-003-P	03/01/99	Audit of USAID's Progress Implementing a Financial Management System that Meets Federal Financial Management Improvement Act Requirements		
A-000-99-004-P	03/01/99	Audit of General Controls Over USAID's Mainframe Computer Environment		
A-000-99-005-P	03/01/99	Audit of General Controls Over USAID's Client-Server Computer Environment		
B-168-99-001-P	10/30/98	Audit of USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program for the Period October 1, 1997 through March 31, 1998		
B-168-99-002-P	01/22/99	Audit of USAID/Bosnia-Herzegovina's Budget Support Program for the Republika Srpska		
1-523-99-001-P	10/13/98	Audit of the Quality of Results Reported in USAID/Mexico's Results Review and Resource Request (R4) Report Prepared in 1997		
1-518-99-002-P	10/13/98	Audit of the Quality of Results Reported in USAID/Ecuador's Results Review and Resource Request (R4) Report Prepared in 1997		
1-514-99-003-P	10/30/98	Audit of the Quality of Results Reported in USAID/Colombia's Results Review and Resource Request (R4) Report Prepared in 1997		
1-521-99-004-P	11/30/98	Audit of the Quality of Results Reported in USAID/Haiti's Results Review and Resource Request (R4) Report Prepared in 1997		
1-598-99-005-P	01/14/99	Audit of the Use of Nonpersonal Services Contracts by USAID Mission in Latin America and the Caribbean		
1-514-99-006-P	03/26/99	Preaward Audit of Government of Colombia Office for National Alternative Development		
4-687-99-001-P	10/26/98	Audit of the Quality of Results in USAID/Madagascar's Results Review and Resource Request (R4) Report Prepared in 1997		
4-613-99-002-P	11/10/98	Audit of the Quality of Results Reported in USAID/Zimbabwe's Results Review and Resource Request (R4) Report Prepared in 1997		
5-492-99-001-P	11/30/98	Audit of USAID/Philippines' Program-Funded Year 2000 Sensitive Activities		
5-388-99-002-P	03/03/99	Audit of the Timeliness of USAID/Bangladesh's Resolution of Reconciling Transactions with Its Disbursing Offices	199	BU
6-388-99-001-P	10/08/98	Audit of the Quality of Results Reported in USAID/Bangladesh's Results Review and Resource Request (R4) Report Prepared in 1997		
6-294-99-002-P	02/02/99	Audit of USAID/West Bank and Gaza's Water Activities		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**TABLE A****Performance Audit Reports**

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amount of Findings (\$000s)</b>	<b>Type of Findings</b>
6-263-99-003-P	03/22/99	Audit of USAID/Egypt's Management of Residential and Office Maintenance Costs		
7-685-99-001-P	10/28/98	Audit of the Quality of Results Data Presented in USAID/Senegal's Results Review and Resource Request (R4) Report Prepared in 1997		
7-675-99-002-P	12/11/98	Follow-up Review on Recommendation No. 4 from Audit Report No. 7-675-97-004-P, the Audit of USAID/Guinea's Growth in Agricultural Markets Strategic Objective		
7-685-99-003-P	02/11/99	Audit of the USAID/Senegal Implementation of the Government Performance and Results Act in Its PVO/NGO Strengthening Activities		
9-000-99-001-P	10/05/98	Audit of the Quality of Results Reported in the Global Bureau's Center for Human Capacity Development Results Review and Resource Request (R4) Report Prepared in 1997		
9-000-99-002-P	10/07/98	Audit of the Quality of Results Reported in the Bureau for Humanitarian Response's Office of American Schools and Hospitals Abroad Results Review and Resource Request (R4) Report Prepared in 1997		
9-000-99-003-P	12/17/98	Audit of the Quality of Results Reported by the Africa Bureau's Office of Sustainable Development in Its Results Review and Resource Request Report Prepared in 1997		
9-515-99-004-P	02/01/99	Audit of USAID-Funded Activities in Costa Rica, a Nonpresence Country		
9-000-99-005-P	02/26/99	Audit of USAID-Funded Activities in Nonpresence Countries		
9-000-99-006-P	03/05/99	Audit of the Quality of Results Reported in USAID Operating Units' Results Review and Resource Request (R4) Reports Prepared in 1997		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
		<b>-- Quality Control Reviews --</b>		
1-511-99-001-Q	02/11/99	Quality Control Review of Interactive Radio Learning Project in Bolivia "P.A.I.R.B." La Paz – Bolivia; Independent Auditors' Report for the Period Comprehended from March 17, 1992 through September 30, 1997		
1-518-99-002-Q	03/12/99	Quality Control Review of Corporacion de Gestion Tecnologica y Cientifica sobre el Ambiente – Corporacion Oikos; Independent Auditors' Report on the Fund Accountability Statement of Agreement No. 518-0117-G-00-3320-00; Proyecto de Educacion Ambiental, Generacion y Transferencia de Tecnologia Educar; Funded by USAID for the Year October 1, 1996 to September 30, 1997, and Financial Statements of the Corporation for the Year Ended September 30, 1997		
1-519-99-003-Q	03/16/99	Quality Control Review of El Salvador's Corte de Cuentas de la Republica		
4-611-99-001-Q	12/08/98	Assessment of the Zambian Office of Auditor General's Audit Capabilities		
4-696-99-002-Q	01/21/99	Assessment of the Rwandan Supreme Audit Institution Capabilities		
5-367-99-001-Q	02/18/99	Quality Control Review of the Agency-Contracted Audit Conducted by T.R. Upadhya & Co. of the USAID Grant to the Government of Nepal Under the Agroenterprise and Technology Systems Project, National Agricultural Research Council		
5-383-99-002-Q	02/19/99	Quality Control Review of the Recipient-Contracted Audit Conducted by KPMG Ford, Rhodes, Thornton & Co. of the Grant to the International Irrigation Management Institute Relating to the Costs Incurred on the Shared Control of Natural Resources Project		
5-383-99-004-Q	03/10/99	Quality Control Review of the Agency-Contracted Audit Conducted by P.P. Pradhan & Co. of the USAID Grant to the Government of Nepal Ministry of Health Under the Child Survival/Family Planning Services Project		
6-263-99-001-Q	10/01/98	Quality Control Review of Coopers & Lybrand's Agreed-upon Procedures Performed on USAID Resources Managed by the Clinical Services Improvement Project Under Project Implementation Letter No. 9B of USAID/Egypt's Population and Family Planning III Project No. 263-0227		
6-294-99-002-Q	10/25/98	Quality Control Review of Mohamed A. Saadeh & Co.'s 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		
6-294-99-003-Q	10/25/98	Quality Control Review of Saba & Co.'s 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		
6-294-99-004-Q	10/25/98	Quality Control Review of Saba & Co.'s Audit of USAID Resources Managed by the Palestinian Academic Society for the Study of International Affairs Under USAID/West Bank & Gaza's Civil Society Empowerment Through Training and Skills Development Program		
7-625-99-001-Q	02/05/99	Quality Control Review of the Global Financial Audit of the Permanent Interstate Committee for Drought Control in the Sahel for the Year 1996		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

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>
		<b>-- Other Reports --</b>		
1-525-99-001-S	10/01/98	Rejection of Recipient-Contracted Audits of the Foundation for the Conservation of Natural Resources for the Year Ending June 30, 1997, the 18 Months Ending June 30, 1996, and the Year Ending December 31, 1994		
1-525-99-002-S	10/01/98	Rejection of Recipient-Contracted Audit of the Foundation for the Promotion of Women, Administration of Justice Project, Grant Agreement No. 525-0312-G-00-6226 for the Period from July 8, 1996 to December 16, 1996		
1-532-99-003-S	11/03/98	Rejection of Recipient-Contracted Audit of the Agricultural Export Services Project Submitted by Coopers & Lybrand for the Period January 1, 1997 to June 30, 1997		
1-520-99-004-S	11/17/98	Review Comments on Audit Report: Trade and Labor Relations Development Program, USAID/Guatemala Project AID-520-0403.00; Implemented by the Ministries of Labor and of Economy; Period from January 11, 1996 to April 30, 1997		
1-517-99-005-S	11/19/98	Rejection of Recipient-Contracted Audit of the Instituto Superior de Agricultura, Inc.; Proyecto Universitario de Asociacion Agroempresarial; USAID/Dominican Republic Fund 517-0243; Period from August 1, 1995 to December 31, 1996		
4-674-99-001-X	10/05/98	Audit of the Desmond Tutu Educational Trust's Grant No. 674-0309-G-SS-2038 for the Period from January 1, 1996 to December 31, 1996		
4-674-99-002-X	01/25/99	Audit of National Institute of Public Interest of Public Interest Law and Research, Grant Nos. 674-0301 and 674-0305 for the Period October 1, 1996 to February 28, 1998		
4-674-99-003-X	02/08/99	Audit of the Youth Development Trust, Agreement No. 674-0301-G-SS-5055, for the Period Ended December 31, 1997		
4-690-99-004-X	02/16/99	Audit of the Regional Networking and Capacity Building Initiative for Southern Africa, Agreement No. 690-0283-A-00-5950, for the Year Ended September 30, 1996		
6-263-99-001-O	12/01/98	Report of Agreed-Upon Procedures Applied to Resources Provided to the Clinical Services Improvement Project Under USAID/Egypt's Population and Family Planning III Project No. 263-0227		

BU - Better Use of Funds  
 QC - Questioned Costs  
 UN - Unsupported Costs  
 Note: UN is part of QC

**AUDIT REPORTS OVER SIX MONTHS OLD  
WITH NO MANAGEMENT DECISION  
As of March 31, 1999**

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
1-521-95-001-N	International Lifeline, Inc.	10/06/94	Recommended that USAID/Haiti resolve \$722,893 in questioned costs. Recommendation has been elevated to higher level of USAID management.	Unknown
0-000-97-004-D	Morrison-Maierle, Inc.	11/15/96	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-97-045-A	Population Services International	12/03/96	USAID management recently reassigned this recommendation to the appropriate Mission.	Unknown
0-000-97-007-A	Adventist Development and Relief Agency, International	12/12/96	The audit recommendations were recently reassigned to the appropriate contract office.	09/28/99
0-000-97-036-A	Midwest University Consortium for International Action	12/18/96	The audit recommendation was recently reassigned to the appropriate contract office.	06/26/99
0-000-97-051-A	Catholic Relief Services	12/26/96	USAID management is currently reviewing the only recommendation of this report that is still without a management decision.	Unknown
0-000-97-093-A	National Cooperative Business Association	12/30/96	USAID management is in the process of reassigning the recommendation to the appropriate contract office.	Unknown
0-000-97-091-A	Carter Center, Inc.	01/14/97	USAID management is in the process of reassigning this recommendation to the appropriate contract office.	Unknown
0-000-97-043-A	Pathfinder International	01/17/97	USAID management is in the process of reassigning these recommendations to the appropriate office.	Unknown
0-000-97-009-D	ABT Associates, Inc.	02/14/97	As of 3/31/99, the awards officer was reviewing the recommendation.	09/28/99
8-000-97-006-D	Norwegian People's Aid	02/19/97	M/OP advised that a reply from the auditee is pending.	Unknown

**TABLE B**

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-000-97-001-C	USAID's Financial Statements	02/24/97	The OIG followed up on these recommendations in its 1998 Financial Statement audit and still does not agree with M/FM's response and proposed management decision.	09/30/99
0-000-97-010-D	Black and Veatch, International	03/26/97	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-97-011-D	Black and Veatch International	03/31/97	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-97-107-A	Nature Conservancy	03/31/97	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-97-122-A	National Council of Negro Women, Inc	03/31/97	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-97-106-A	National Council of Negro Women, Inc.	5/30/97	In March 1999, the contracting officer informed the OIG that NCNW had sent M/FM a check for the \$1,233 Bill of Collection. As of 3/31/99, a management decision had not been reached on the remaining questioned costs.	Unknown
0-000-97-158-A	Consortium for International Development	06/18/97	USAID management is in the process of reassigning this recommendation to the appropriate contract office.	Unknown
0-623-97-072-R	Center for Agricultural Research and Policy Analysis	07/02/97	As of March 1999, a contracted audit was recently completed and the audit questioned costs of approximately \$751,000. The Mission is waiting for a determination on the questioned costs identified in that contracted audit.	09/15/99
0-000-97-191-A	Catholic Relief Services (CRS)- United States Catholic Conference, Inc.	08/07/97	USAID management recently reassigned these recommendations to the appropriate contract offices.	Unknown
0-000-98-007-D	Amex International, Inc	11/12/97	Of the seven recommendations, USAID management is still reviewing recommendation number 7, the only recommendation still without a management decision.	Unknown

**TABLE B**

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-000-98-004-D	Associates in Rural Development, Inc	11/25/97	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-98-009-D	Volunteers in Cooperative Assistance	12/17/97	As of 3/31/99, the awards officer was in the process of reviewing the recommendations.	09/28/99
0-000-98-013-D	Development Alternatives	01/08/98	USAID management is currently addressing the questioned costs of the three recommendations.	Unknown
0-000-98-017-D	Construction Control Services Corp	02/27/98	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-98-001-F	USAID's Financial Statements	03/02/98	During our 1998 audit, we conducted a follow up review of USAID's methodology for calculating accrued expenses and adjusting outstanding advances and prepayments. We found that USAID has not implemented a methodology that complies with the Federal Accounting Standards.	09/30/99
0-000-98-002-F	Acordia Healthcare Solutions, Inc.	03/26/98	The amount of funds to be returned to the U.S. Treasury is still under review and is being reconciled with accounts. Management intended to complete this process by January 30, 1999, but reported this will not be done until May 28, 1999.	05/28/99
B-182-98-010-D	Albanian Land Market Project	04/03/98	These recommendations have been discussed at length between RSC/RCO/Budapest and the prime contractor (the University of Wisconsin) but the contractor's responses have not yet fully addressed these recommendations.	Unknown
0-000-98-021-D	Timekeeping Practices at John Snow, Inc.	05/15/98	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-98-036-D	Planning and Development Collaborative International	05/21/98	USAID management is currently waiting for additional supporting documentation pertaining to the recommendation.	09/28/99

**TABLE B**

<b>Report Number</b>	<b>Auditee</b>	<b>Issue Date</b>	<b>Current Recommendation Status</b>	<b>Desired Decision Target Date</b>
0-000-98-028-D	CH2M Hill International Services, Inc.	05/26/98	As of March 1999, USAID management made final management decisions regarding recommendation numbers 1 through 5. USAID management is reviewing recommendation numbers 6 and 7.	09/28/99
0-000-98-046-A	AFRICARE	06/02/98	USAID management is in the process of reviewing the recommendation.	Unknown
0-000-98-041-A	Catholic Relief Services-U.S. Catholic Conference	06/08/98	USAID management is in the process of reviewing the recommendations.	04/09/99
0-000-98-038-D	University Research Corporation/CHS	06/09/98	As of 3/31/99, the awards officer was in the process of reviewing the recommendation.	09/28/99
0-000-98-049-A	General Board of Higher Education and Ministry of the United Methodist Church	06/09/98	USAID management is in the process of reviewing the recommendations.	Unknown
0-000-98-053-A	Carter Center, Inc.	06/19/98	As of March 1999, CCI has partially responded to the recommendations. Awarding officer is waiting for complete responses from CCI. However, if CCI does not respond by 3/31/99, M/OP/A/HRN will issue a final decision based on the information they have.	04/07/99
7-688-98-008-R	Strengthening Research Plan	06/24/98	No response to RIG's 30-day and 4-month notifications.	Unknown
B-623-98-014-D	Feed the Children	06/24/98	These recommendations require the grant officer's determination of allowability of questioned costs and address procedural issues concerning the recipient organization.	Unknown
B-669-98-007-R	Medecins Sans Frontieres, Holland	07/14/98	The recommendation requires the grant officer to obtain a listing of any non-expendable property purchased by Medecins sans Frontieres under USAID grants along with the recommended eventual final disposition.	Unknown
7-688-98-009-R	Population, Health and Rural Water Program	08/13/98	No response to RIG's 30-day and 4-month notifications.	Unknown
5-367-98-010-R	CRS Company Pvt Ltd	09/11/98	Awaiting Mission's responses to open issues. Responses expected during the next reporting period.	05/31/99
A-000-98-007-P	Post Transaction Review Activities	09/30/98	USAID management is currently reviewing the five recommendations.	05/31/99



**SIGNIFICANT AUDIT RECOMMENDATIONS DESCRIBED IN  
PREVIOUS SEMIANNUAL REPORTS WITHOUT FINAL ACTION  
As of March 31, 1999**

<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	04/00
6-294-96-018-N	America-Mideast Educational & Training Services/Jerusalem	04/11/96	1	03/08/98	05/99
0-000-97-001-C	USAID's Financial Statements for FY 1996	02/24/97	1.1	09/16/98	04/99
			1.2	09/16/98	04/99
			1.3	09/16/98	04/99
			2.1		04/99
			2.2	03/31/99	04/99
			2.3	09/16/98	04/99
			2.4	09/16/98	04/99
			2.5	09/16/98	04/99
			3.2	03/31/99	04/99
			3.3		04/99
7-624-97-001-P	REDSO/West and Central Africa's P.L. 480 Title II Non-Emergency Food Aid Program in Burkina Faso	11/29/96	2	01/03/97	06/99
			6	01/28/97	09/99
			7.1	11/29/96	09/99
			8	11/29/96	06/99
7-688-97-006-R	Road Reinforcement Service Under the Upper Valley Development Project (Mali)	02/13/97	1	05/19/97	06/99
9-000-93-006	A.I.D.'s Accounts Receivable	08/31/93	1.3	03/03/94	06/99
			2	03/23/94	09/99
9-000-96-001	Patent Reporting, Disclosure and Procurement	12/05/95	1.1	12/05/95	12/99
			1.2	12/05/95	12/99
			2.1	12/05/95	07/99
			5.2	12/05/95	07/99
			6	12/05/95	07/99

**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>
9-000-96-002	Accountability for USAID Funds with Non-U.S. Grantees	12/29/95	1.2	12/29/95	04/99
			1.3	12/29/95	06/99
			1.4	12/29/95	04/99
9-000-96-005	Controls Over the Quality of Financial Management Data	07/11/96	1	07/11/96	09/00
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	07/99
			1.2	02/25/98	04/99
			1.3	02/25/98	05/99
A-000-97-004-P	Worldwide Deployment of the New Management System	03/31/97	2	08/18/97	06/99
			3	08/18/97	06/99
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	10/99
			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
B-168-97-006-P	USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program for the Period January 1 through March 31, 1997	06/27/97	1.1	03/30/98	05/99
			1.2	03/30/98	05/99
0-000-98-001-F	USAID's Financial Statements for FY 1997/96	03/02/98	1	03/02/98	09/99
			2	03/02/98	07/99
			3		09/99
			4	03/02/98	09/00
			5	03/31/99	03/00
			6	03/02/98	09/00
			7.1	03/31/99	03/00
			8.1	03/02/98	09/00
			9.1	03/02/98	10/99
			9.2	03/02/98	10/99
			9.3	03/02/98	10/99
0-000-98-002-F	Accordia Healthcare Solutions, Inc.	03/26/98	3		05/99
4-621-98-005-F	USAID/Tanzania's Operating Expenses	02/26/98	1.1	02/26/98	06/99
			1.2	02/26/98	06/99

**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	02/26/98	06/99
			2	02/26/98	06/99
9-000-98-003-F	Unliquidated Obligations for Project and NonProject Assistance	03/27/98	1.1	03/27/98	07/99
			1.2	03/27/98	07/99
			1.3	03/27/98	07/99
			2	03/27/98	06/99
			3	03/26/99	09/99
9-000-98-002-F	Contracts, Grants & Cooperative Agreements	03/20/98	1	03/20/98	04/99
A-000-98-004-P	New Management Systems Status	03/31/98	1	03/31/98	06/99
7-688-98-001-P	Implementation of GPRA for Youth Strategic Objectives/Mali	03/23/98	1	03/23/98	06/99
			2	03/23/98	06/99
			3	03/23/98	06/99
			4.1	03/23/98	06/99
			4.2	03/23/98	06/99
7-624-98-002-P	Implementation of GPRA in its Family Health	03/24/98	4.1	03/24/98	06/99
			4.2	03/24/98	06/99
0-000-98-041-A	Catholic Relief Services-United States Catholic Conference, Inc.	06/08/98	1		06/99
			11		06/99
			2		06/99
			3		06/99
			4		06/99
			5		09/99
			6		06/99
			9		06/99
B-183-98-003-F	Chemonics International, Inc.	07/10/98	1	03/31/99	03/00
B-183-98-004-F	KPMG/Barents	07/10/98	1	03/31/99	03/00
			2	03/31/99	03/00
B-183-98-005-F	Research Triangle Institute	07/10/98	1	12/15/98	12/99
B-183-98-006-F	Development Alternatives, Inc.	07/10/98	1	11/04/98	11/99
			2	11/04/98	11/99
B-183-98-007-F	Urban Institute	07/10/98	1	03/31/99	03/00

**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>
7-675-98-003-P	Quality of Results Reported in USAID/Guinea's R4 Report Prepared in 1997	09/24/98	1.1	09/24/98	05/99
			1.2	09/24/98	05/99
			2	09/24/98	05/99
7-620-98-004-P	Quality of Results Reported in USAID/Nigeria's R4 Report Prepared in 1997	09/24/98	1	09/24/98	05/99
			2	09/24/98	05/99
B-386-98-006-P	Quality of Results Reported in USAID/India's R4 Report Prepared in 1997	09/03/98	1.1	10/30/98	04/99
			1.2	10/30/98	04/99
B-114-98-005-P	Quality of Results Reported for the Republic of Georgia in USAID/Caucasus' R4 Report Prepared in 1997	08/26/98	1.1	08/26/98	05/99
			1.2	08/26/98	05/99
A-000-98-006-P	USAID's Assessment of the Year 2000 Problem	09/21/98	1	09/21/98	06/99
			2	09/21/98	06/99
A-000-98-007-P	Post Transaction Review Activities Under the Commodity Import Program	09/30/98	1		05/99
			2		05/99
			3		05/99
			4.1		05/99
			4.2		09/99
			4.3		05/99
			5		05/99
6-278-98-002-P	USAID/Jordan's Loan Guarantee Activities	07/15/98	2	07/15/98	06/99
B-168-98-007-P	USAID/Bosnia-Herzegovina's Municipal Infrastructure and Services Program for the Period October 1, 1997 through March 31, 1998	09/30/98	3.3	03/04/99	09/99

**REPORTS ISSUED WITH QUESTIONED AND  
UNSUPPORTED COSTS  
October 1, 1998 through March 31, 1999**

*(Dollars in Thousands)*

REPORTS	NUMBER OF AUDIT REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS
For which no management decision had been made as of October 1, 1998	72	\$19,779 <sup>2,3</sup>	\$3,012 <sup>2,3</sup>
Add: Reports issued October 1, 1998 through March 31, 1999	96	\$19,094 <sup>4</sup>	\$13,174 <sup>4</sup>
Subtotal	168	\$38,873	\$16,186
Less: Reports with a management decision made October 1, 1998 through March 31, 1999	90	\$15,456 <sup>5,6</sup>	\$1,282 <sup>5,6</sup>
For which no management decision had been made as of March 31, 1999	91	\$23,417 <sup>7</sup>	\$14,905 <sup>7</sup>
For which no management decision was made within six months of issuance	27	\$6,026	\$1,928

<sup>1</sup>Unsupported 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).

<sup>2</sup>Amounts include \$11,861,404 in Questioned Costs and \$315,472 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

<sup>3</sup>The ending balance at September 30, 1998 for Questioned Costs totaling \$19,727,758 was increased by \$51,220 to reflect adjustments in the amount of recommendations contained in seven reports; the ending balance at the same period for Unsupported Costs of \$3,098,288 was decreased by \$85,512 to reflect adjustments in two reports.

<sup>4</sup>Amounts include \$5,543,915 in Questioned Costs and \$1,786,957 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

<sup>5</sup>Agency Officials disallowed \$10,254,967 in Questioned Costs (\$531,150 in Unsupported Costs) cited in 67 reports. Agency Officials did not sustain \$5,200,731 in Questioned Costs (\$750,591 in Unsupported Costs) cited in 58 reports.

<sup>6</sup>Amounts include \$9,151,684 in Questioned Costs and \$166,534 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

<sup>7</sup>Amounts include \$8,275,013 in Questioned Costs and \$1,935,895 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

**REPORTS ISSUED WITH RECOMMENDATIONS THAT  
FUNDS BE PUT TO BETTER USE  
October 1, 1998 through March 31, 1999**

*(Dollars in Thousands)*

<b>REPORTS</b>	<b>NUMBER OF AUDIT REPORTS</b>	<b>DOLLAR VALUES</b>
For which no management decision had been made as of October 1, 1998	2	\$484,949 <sup>1</sup>
Add: Reports issued October 1, 1998 through March 31, 1999	11	\$562
Subtotal	13	\$485,511
Less: Reports with a management decision made October 1, 1998 through March 31, 1999	10	\$481,624 <sup>2</sup>
For which no management decision had been made as of March 31, 1999	4	\$3,887
For which no management decision was made within six months of issuance	1	\$3,822

<sup>1</sup>The ending balance at September 30, 1998 (\$484,919,092), was increased by \$30,051 to reflect adjustments in the amount of recommendations contained in one report.

<sup>2</sup>Agency Officials agreed with \$189,893,167 in actions cited in eight reports and Agency Officials did not agree with \$291,731,082 in actions cited in three reports.

## OIG STATISTICAL SUMMARY

## INVESTIGATIVE ACTIONS

WORK LOAD		CIVIL	
CASES PENDING (DATE)	78	CIVIL REFERRALS	6
CASES OPENED	125	COMPLAINTS	0
CASES CLOSED	67	JUDGEMENTS/RECOVERIES	0
CASES PENDING (DATE)	136	SETTLEMENTS	3
CRIMINAL		ADMINISTRATIVE	
PROSECUTIVE REFERRALS	12	REPRIMANDS	1
PROSECUTIVE DECLINATIONS	6	PERSONNEL SUSPENSIONS	0
INDICTMENTS	1	RESIGNATIONS/TERMINATIONS	4
CONVICTIONS	2	OTHER ADMINISTRATIVE ACTIONS	2
FINES	0	RECOVERIES	5
RESTITUTIONS	1	SUSPENSIONS / DEBARMENTS	4
		SAVINGS	1

## INVESTIGATIVE RECOVERIES

JUDICIAL RECOVERIES	\$255,000
ADMINISTRATIVE RECOVERIES	\$391,926
SAVINGS	\$10,024
<b>TOTAL INVESTIGATIVE RECOVERIES</b>	<b>\$656,950</b>

U.S. Agency for International Development  
Office of Inspector General  
1300 Pennsylvania Avenue, N.W.  
Room 6.06D  
Washington, D.C. 20523

The Semiannual Report to the Congress is available on the internet at  
[www.info.usaid.gov/oig/](http://www.info.usaid.gov/oig/)