

USAID

OFFICE OF INSPECTOR GENERAL

*Semiannual Report to the Congress
April 1, 1999 - September 30, 1999*



U.S. Agency for International Development

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International Development



October 29, 1999

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

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

Dear Mr. Anderson:

It is my pleasure to report the accomplishments of the U.S. Agency for International Development, Office of Inspector General (OIG) for the period April 1, 1999 through September 30, 1999. In compliance with Section 5 of the Inspector General Act of 1978, as amended, this report summarizes significant Agency-wide Audit and Investigative efforts during this period.

During this Semiannual period the OIG issued 398 audit reports with monetary recommendations valued at about \$59.2 million, closed 105 investigations, and achieved recoveries of about \$635,000 in support of **USAID's** programs and operations. The Executive Summary provides an overview of the most significant issues discussed in the report.

This is the first OIG Semiannual report prepared since you started your tenure as Administrator. The OIG appreciates the support you have provided for our efforts since your arrival at **USAID** and the continuing support of the Deputy Administrator.

Also, Jeffrey Rush, Jr., after serving almost five years as Inspector General at **USAID**, departed during this reporting period to become the Inspector General at the U.S. Department of the Treasury.

The employees of the Office of Inspector General continue to maintain excellence and professionalism in their work and are committed to helping make the U.S. Agency for International Development a stronger and more efficient organization.

Sincerely,

Everett L. Mosley
Acting Inspector General

Enclosure: a/s

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INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

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

<u>Reporting Requirement</u>	<u>Page Reference(s)</u>
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EXECUTIVE SUMMARY

During the semiannual reporting period from April 1, 1999 through September 30, 1999, the OIG issued 398 audit reports with monetary recommendations valued at about \$59.2 million. In addition, the OIG completed 105 investigations and achieved recoveries of \$635,163. Significant results from audits and investigations are summarized in the following sections.

Highlights of Significant Audits

- The OIG has begun audit coverage of \$620.9 million in supplemental appropriation funding for the Central America and the Caribbean Emergency Disaster Recovery Fund. Specifically, reconstruction efforts include assistance for Central American countries affected by Hurricane Mitch (Honduras, Nicaragua, El Salvador, and Guatemala), for Caribbean countries affected by Hurricane Georges (Haiti and the Dominican Republic), and for Colombia, which was affected by an earthquake. The OIG consulted with each of the seven USAID Missions and performed risk assessments. Briefings were held with congressional staff, the Ambassador to Honduras, senior USAID officials, and other donors.
- USAID reported to the Office of Management and Budget (OMB) that six of seven agency mission critical computer systems were Year 2000 (Y2K) compliant. The one system that is not ready, is the New Management System (NMS), which USAID estimates will be Y2K ready by October 31, 1999. The OIG is verifying USAID's Y2K readiness and reviewing the adequacy of its Y2K contingency plans. USAID has yet to develop contingency plans for some core business functions that are needed to continue providing development assistance. Key activities such as providing disaster assistance and emergency food aid could be disrupted by Y2K failures.
- The OIG continues to work with USAID to correct computer security deficiencies identified during previous reporting periods. Making significant progress, USAID has crafted a Model Information System Security Program, which provides a framework for identifying, implementing and disseminating to other government agencies a complete set of "best practices" for implementing an effective computer security program. The General Accounting Office has recognized USAID for its innovative and comprehensive approach that could benefit the entire Federal government. Computer security vulnerabilities at overseas missions remain particularly high, however, because local officials often establish adhoc security practices without consulting USAID/Washington officials. USAID estimates that its computer security vulnerabilities will not be fully corrected until 2003.
- Supreme Audit Institutions (SAIs) are national auditing agencies similar in many respects to the U.S. General Accounting Office. Their work fosters the principles of transparency and public accountability and deters public sector corruption. The OIG Regional Inspectors

General Offices not only expanded their area of audit coverage with SAI assistance, but also helped USAID in developing civil government, transparency and accountability in host countries. During this reporting period the OIG provided financial audit training to over 1,000 participants in over 20 countries and signed a Memorandum of Understanding with each of four additional SAIs.

- USAID plans to provide approximately \$111 million in economic support funding to six Balkan countries adversely affected economically by the hostilities in Yugoslavia. The OIG, the Bureau for Europe and Eurasia (E&E), and various individual USAID Missions have worked together to identify and address potential problem areas in accounting for USAID funds during the early stages of each program—often during the design phase as grant agreements are being drafted. The OIG has assessed internal control systems of selected government programs, including the government’s ability to adequately document expenditures; assessed existing monitoring/audit systems; designed assistance agreements to utilize available documentation; and arranged audit coverage of USAID-funded expenditures.
- The OIG found that though \$225 million of the \$278 million Bosnian Reconstruction Finance Facility Program was targeted for loans, only \$149.5 million were actually approved due to inadequate loan monitoring. Further, only 50 percent of jobs targeted for creation under this program actually materialized.

Highlights of Significant Investigations

- A joint OIG audit/investigation uncovered evidence of theft and misuse of funds by the former Managing Director of a sub-organization under a USAID cooperative agreement. According to the terms of the cooperative agreement, the funds were authorized to provide technical and managerial assistance to Egyptian private enterprises, government entities, and other organizations. The Managing Director, an Egyptian national, diverted the funds through a scheme that involved the use of ineligible and non-existent clients and consultants, the alteration of checks, forgery of internal payment documents, price fixing with consultants, and the acceptance of commissions. As a result of the investigation, the recipient of the cooperative agreement repaid USAID \$106,241.
- USAID and American Embassy officials dismissed the local national Resident Advisor of a health project in Cameroon after an OIG investigation uncovered evidence of the diversion of over \$13,798 in project funds and property. The OIG investigation determined that the Resident Advisor submitted false invoices and other fraudulent payment records in connection with USAID-sponsored training seminars. Evidence was also uncovered that the Advisor performed consultant work for an international donor while concurrently working for the project and the Advisor and the Advisor's spouse owned a local business, which sold commodities to the project. The American university, which managed the project, agreed to repay all diverted funds as a result of the investigation.

AUDIT ACTIVITIES

Audit activities include conducting and reviewing financial audits and performance audits. Following is a statistical summary of OIG audit activities from April 1, 1999 through September 30, 1999.

TYPE OF REPORT	NUMBER OF REPORTS	MONETARY RECOMMENDATIONS (\$ THOUSANDS)
FINANCIAL AUDITS:		
USAID financial statement audits	-	-
Financial-related audits of USAID programs and operations	9	2,786
Audits of U.S.-based organizations	18	91
Audits of non-U.S.-based organizations	205	8,807
Audits of Enterprise Funds	4	-
Audits of U.S.-based contractors performed by the Defense Contract Audit Agency (DCAA)	101	4,644
Audits of non-U.S.-based organizations performed by DCAA	15	3
PERFORMANCE AUDITS:		
Economy and efficiency audits	18	42,890
MISCELLANEOUS REPORTS:		
Quality control reviews	27	-
Other reports	1	-
TOTAL FOR THE CURRENT PERIOD	<u>398</u>	<u>59,221</u>

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 general ledger at the transaction level.

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

The OIG is currently assessing risk and testing the accounting policies and procedures for the audit of USAID's fiscal year 1999 financial statement. The OIG is focusing its resources on analyzing the known deficiencies identified in prior audit reports, to better assist USAID in making necessary improvements and ultimately remove these longstanding issues. These deficiencies have precluded the OIG from rendering an opinion in past years on USAID's financial statement. In accordance with regulations, the report will be available in March 2000. The OIG is focusing its audit resources on the following areas:

- reviewing USAID internal controls and processes for reconciling its fund balances with the U.S. Treasury;
- verifying credit program balances with debtors;
- reviewing the outsourcing of USAID's direct loan program;
- reviewing USAID internal controls and processes over advances and Letters of Credit;

- reviewing USAID internal controls and processes over calculating year-end accrued expenses and related accounts payable;
- assessing USAID financial reporting processes at both USAID Washington and selected overseas Missions; and
- reviewing USAID implementation of a cost accounting system.

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 control objectives. Additionally, special purpose, financial-related audits may be performed by the OIG upon request of 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 ensure the appropriate and timely audit 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 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 June 30, 1999, consisted of 373 contractors, of which USAID was cognizant, i.e. it was responsible for obtaining audits, for 242. DCAA conducted these audits for USAID.

During this reporting period, the OIG reviewed 101 DCAA audit reports. These 101 audits covered approximately \$191.2 million in costs claimed by the contractors and resulted in 86 recommendations and \$4.6 million in questioned costs. An example of these audits follows.

Audit of a U.S.-Based Contractor's Incurred Costs under a USAID Contract

The purpose of the audit was to determine the allowable amounts for labor charges under five task orders and related other direct costs. The total amount claimed by the contractor was \$16,708,919. The audit resulted in \$673,554 in questioned costs and \$165,871 in supported costs. Direct labor costs of \$108,750 were questioned because labor costs were charged in labor categories/positions that were not required by the contract. Post-contract costs of \$520,764 were questioned, because they were incurred beyond the contract's period of performance. Other direct costs of \$44,020 were questioned, due principally to a lack of supporting documentation. Unresolved costs of \$30,871 represented costs for "local/third country national professionals," which exceeded those agreed to and negotiated in the contract. Finally, \$135,000 was unresolved and represented a rental payment which was made prior to the contract. (*Audit Report No. 0-000-99-180-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 Federal agency is designated as the cognizant agency for each nonprofit organization receiving funds from the U.S. Government. 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 active grants with approximately 804 U.S.-based non-profit organizations. USAID is cognizant for 485 of them. OIG “desk reviews” a sample of these audit reports. 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 18 audit reports of U.S.-based grantees covering \$201.4 million, resulting in 19 recommendations and questioned costs of \$91,000.

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 to receive copies of all non-Federal audit reports. This central clearinghouse will distribute audit reports to Federal agencies whose programs are affected by findings as described above. The Circular, however, 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 an U.S.-Based Grantee for Fiscal Year 1998

Performed in accordance with the requirements of OMB Circular A-133, the audit covered funds received and expended by the Federal awards recipient for fiscal year 1998. Total expenditures under USAID cooperative agreements were \$58.2 million. Under the terms of the agreement, the recipient was required to obtain preapproval from USAID for equipment purchased directly for the agreements. Equipment purchases valued at \$77,000 were questioned because they lacked the necessary approval by USAID. (*Audit Report No. 0-000-99-033-A*)

DCAA Audit of an International Organization

Audit of the International Organization for Migration, USAID/Croatia

Because of USAID/Croatia's concerns with several aspects of its \$13.7 million cooperative agreement with the International Organization for Migration (IOM), the OIG arranged for the DCAA to evaluate actual incurred costs. Additionally, DCAA was to examine the personal use of vehicles and equipment and the internal controls related to IOM implementation and procurement procedures. Specifically, USAID/Croatia wanted to know how IOM (1) chose the projects to fund, (2) selected subcontractors, (3) established prices, and (4) handled cost overruns.

DCAA's report disclosed several significant internal control weaknesses, including IOM's:

- failure to substantiate charges to the project;
- failure to document and justify charges made for termination benefits charged to the project;
- failure to maintain adequate labor records;

- failure to identify and segregate unallowable expenses according to U.S. Government regulations;
- exceeding the award amount of program inventory for vehicles;
- inadequate policies and procedures concerning the personal use of company vehicles; and
- inadequate internal controls related to lower-tier grant procurement.

In transmitting the DCAA audit report, the OIG made seven recommendations to the Regional Contracting Officer.

The OIG conducted further audit work and assisted USAID/Croatia in developing a scope of work to contract with a local Croatian engineering firm to assess IOM's procurement practices and its implementation of projects in three communities. This work was undertaken due to USAID/Croatia's continued concerns about IOM performance in awarding local construction contracts and the DCAA findings regarding inadequate internal controls in this area. (*Audit Report No. B-160-99-016-D*)

Audits of Enterprise Funds

Enterprise funds are U.S.-based nonprofit entities established under the Support for Eastern European Democracy (SEED) Act of 1989. USAID has established approximately 11 enterprise funds. Ten of those funds invest in countries in Eastern Europe and the former Soviet Union and the eleventh fund invests in South Africa.

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

The OIG performs desk reviews of enterprise fund audit reports for compliance with generally accepted government auditing standards. During this reporting period, the OIG issued four reports covering \$104.3 million in USAID funds and resulting in one procedural recommendation.

Audits of Non-U.S.-Based Grantees

OMB Circular A-133 does not apply to non-U.S. grant recipients, however, USAID, through standard provisions in individual grant agreements, has generally applied the standards of OMB Circular A-133 to foreign-based grantees. USAID foreign-based grantees receiving a minimum \$300,000 of USAID funding undergo annual financial audits performed by either local auditing firms or host country Supreme Audit Institutions. These audits, among other things, identify unallowable expenses charged to USAID grants.

During this reporting period, the OIG issued 205 audits of foreign-based grantees and contractors covering \$356 million, resulting in questioned costs of \$8.8 million.

Financial-Related Audits of USAID Programs and Operations

Audit of USAID/South Africa's Fiscal Year 1998 Financial Data Report

Beginning in fiscal year 1996, the Government Management Reform Act required Federal agencies to prepare consolidated financial statements each year covering all of their accounts and associated activities. These financial statements are intended not only to report the financial position and results of operations of the agencies but also to provide further information allowing Congress and the public to assess management performance and stewardship of agency resources.

This audit was conducted as part of a USAID-wide effort to audit USAID's fiscal year 1998 financial statements prior to their submission to OMB. The OIG reviewed USAID financial controls related to the Mission Accounting and Control System (MACS)¹. The audit included testing sampled financial transactions, to ensure that the year end financial data reported through MACS was accurate and reliable. This review was performed both at USAID/Washington and at ten randomly selected overseas missions including USAID/South Africa.

The audit sought to determine whether the Mission's financial data were adequately supported and accurately recorded and reported. The OIG examined the procedures and controls in place and determined that they were generally operating effectively. The OIG also tested a sample of financial transactions and verified that these transactions were adequately supported and accurately recorded. The audit found, however, that the Mission was not following up and addressing outstanding cash balance reconciliations in a timely manner, causing a backlog. The report contained one audit recommendation to address this problem.

USAID/South Africa concurred with the audit finding and recommendation. The OIG reached a management decision with the Mission upon issuance of the report based on the receipt of written procedures on the reconciliation process which incorporated additional procedures to

¹ MACS is USAID's primarily overseas accounting system.

address the recommendation and ensure that outstanding items are followed up and cleared in a timely manner in the future. (*Audit Report No. 4-674-99-002-F*)

**Audit Report of USAID's Section 620(q)
And Brooke Amendment Violations Involving Indonesia**

Section 620(q) of the Foreign Assistance Act (FAA), as amended, 22 U.S.C. 2370(q) provides that FAA assistance shall not be furnished to any country which is in default for a period of six months or more on the principal or interest on any loans made by the United States under the FAA. The Section 620(q) restriction does not require termination of existing obligations. Section 512, of the Foreign Operations, Export Financing and Related Programs Appropriation Act of 1999, provides that no part of any appropriation contained in the appropriation act shall be used to furnish assistance to a country that is in default for 12 or more months in payment of principal or interest on any loan made by the United States under programs for which funds are appropriated under the Act. Defaults meeting these criteria are referred to as being under "Brooke Amendment" restrictions.

According to a USAID General Counsel representative, the Brooke Amendment, like section 620 (q) applies only to new obligations and does not require termination of existing obligations.

The Office of Financial Management did not follow the procedures for reporting delinquencies under Section 620(q) and/or the Brooke Amendment. Material internal control weaknesses in USAID's procedures for preparing monthly Section 620(q) and Brooke Amendment reports resulted in a failure to accurately report the delinquent status of certain loans to the Government of Indonesia. Additionally, information about the delinquency status was not provided to appropriate program officials to prevent USAID violations of restrictions of both Section 620(q) and the Brooke Amendment.

By February 9, 1999, a Section 620(q) restriction should have been enforced for the Government of Indonesia because it had not made principal payments since August 8, 1998. Over the ensuing months, Indonesia's arrearages continued to grow. By August 9, 1999, Brooke Amendment restrictions should have been enforced.

During the seven-month period from February 9, 1999 to August 31, 1999, USAID offices obligated \$49.4 million for activities in Indonesia. The following schedule lists the USAID offices and obligations made for activities in Indonesia while Section 620(q) and Brooke Amendment sanctions should have been enforced. Because the USAID General Counsel believes that section 620 (q) applies to only new obligations, this schedule lists only new obligations.

USAID Office Bureau/Office	Number of New Obligations	Value of New Obligations
Obligations that Violated Section 620(q) of the FAA		
Bureau for Humanitarian Response Office of Transition Initiatives	6	\$5,451,962
Bureau for Asia and Near East USAID Indonesia	138	\$43,261,924
Total	144	\$48,713,886
Obligations that Violated the Brooke Amendment		
Bureau for Asia and Near East USAID Indonesia	19	\$758,344
Total	19	\$758,344
Total Section 620(q) and Brooke Amendment Violations	163	\$49,472,230

On August 31, 1999, the Director of the Loan Management Division informed the Government of Indonesia that they were in arrears on its loan payments and that it was currently under the Brooke Amendment restriction. In the notification, USAID informed the government that, under United States law, additional obligations may not be incurred until amounts past due for more than one year were paid. On September 2, 1999, USAID received confirmation that \$6,015,960 was paid to eliminate the arrears that exceeded one year. On September 20, 1999, the State Department signed a 620(q) waiver for the Government of Indonesia. As of September 22, 1999, the appropriate Senate and House of Representatives members had not been notified.

While it is laudable that USAID officials were successful in getting the Government of Indonesia to remedy the Brooke Amendment conditions, violations of the Brooke Amendment began on August 9, 1999. From August 9 until September 2, 1999, \$758,000 were obligated without having the Presidential waiver required by Section 614 of the Foreign Assistance Act and without notification to the appropriate Senate and House of Representatives members.

In commenting on our report and its recommendations, the USAID Chief Financial Officer said that the report was a fair and timely assessment of the events and circumstances surrounding the violations involving Indonesia. Management agreed with the intent of the audit recommendations. (*Audit Report 0-000-99-007-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 18 performance audit reports. Following are summaries of several significant audit efforts.

Government Performance and Results Act (GPRA)

The Government Performance and Results Act of 1993 (Results Act) requires that Federal agencies develop strategic plans every three years covering a period of at least five years. Annual performance plans and annual reporting on actual performance compared to planned performance are two major requirements of the Results Act.

- **USAID Strategic Plan.** USAID issued its Strategic Plan in September 1997. The Plan includes goals, objectives and performance measures for USAID's major functions and operations. The U.S. General Accounting Office (GAO) noted in a January 1998 report,² that the USAID's plan did not contain sufficient information on program evaluations or acknowledge major management challenges. The Plan did not convey the significant problems USAID has had in generating complete, timely, and reliable financial and performance data. These problems hinder USAID's ability to identify costs and measure performance. USAID has begun discussions of its September 2000 Strategic Plan and intends to identify ways to strengthen the Plan to improve implementation of Results Act requirements.
- **USAID Annual Performance Plans.** USAID issued its fiscal year 1999 Annual Performance Plan in September 1997. In an April 23, 1998 letter, Congress evaluated the USAID plan, giving it 53 out of 100 possible points, a score which ranked USAID sixth out of the 24 Federal departments and agencies rated. Congress noted the shortcomings of the plan including the need to (1) establish independent evaluators to eliminate the conflict of interest of program officers measuring their own performance; (2) identify specific measures of project results, not nation-wide indicators that are influenced by host government policies, other donor activities, and external factors; and (3) recognize the actions of host governments and other donors that contribute or detract from the achievement of performance goals. USAID issued its fiscal year 2000 Annual Performance Plan in February 1999. Congress gave the plan 75 out of 100 possible points. In its review, GAO noted three key weaknesses. Specifically, the USAID plan (1) does not develop a clear link between Agency and individual country goals; (2) fails

² GAO Report No. GAO/GGD-98-44, "Managing for Results: Agencies' Annual Performance Plans Can Help Address Strategic Planning Challenges," January 1998

to identify all other agency and other donor programs that may contribute to achieving overall goals; and (3) relies on weak financial program results data.³

- **USAID Annual Performance Report.** USAID is currently working on its fiscal year 1999 Annual Performance Report. According to officials, USAID is on schedule in preparing an initial draft for internal review and plans to finalize its Report in February 2000.

The OIG Role. Since September 1996, the OIG has taken an active role in reviewing and assisting USAID with implementing the Results Act. The OIG has issued a series of reports on USAID's progress and identified a number of issues and made recommendations. Additionally, the OIG has issued reports on operating units' implementation of the Results Act. The OIG currently is reviewing USAID progress in finalizing its fiscal year 1999 Annual Performance Report and is monitoring the status of outstanding audit recommendations. Additionally, at the request of USAID, the OIG is developing an audit program to review the quality of data being reported by Agency operating units, with audits planned at selected units in fiscal year 2000.

USAID Interagency Agreements under Section 632(b) of the Foreign Assistance Act

The OIG reviewed whether USAID monitored funds it transferred to other Federal agencies under Section 632(b) of the Foreign Assistance Act (FAA) of 1961, as amended, in accordance with U.S. laws and regulations and USAID policies and procedures.

According to Section 632(b) of the Foreign Assistance Act of 1961, as amended, "Allocation and Reimbursement Among Agencies (b) Any officer of the United States Government carrying out functions under this Act may utilize the services (including defense services) and facilities of, or procure commodities, defense articles, or military education and training from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury."

There are three types of Section 632(b) interagency agreements.

- The Participating Agency Service Agreement (PASA) is used for activity-specific services to be performed within a definite time frame either in Washington, D.C., or outside the United States. USAID Bureau for Management/Office of Procurement (M/OP) issues and closes these interagency agreements.
- The Resources Support Services Agreement (RSSA) is used to obtain general professional support assistance on a continuing basis from another Federal agency. Work is normally funded only by USAID/Washington bureaus and offices and is performed only in USAID/Washington. RSSAs have no specific, readily measurable,

³ GAO Report No. GAO/GGD/AIDM-99-215, "Managing for Results: Opportunities for Continued Improvements in Agencies' Performance Plans," July 1999

goals to be accomplished within set time periods. M/OP issues and closes these agreements.

- The Non-PASA/RSSA agreement is used to obtain technical assistance or inherently governmental services. USAID geographic and central bureaus and offices issue and close these interagency agreements.

The OIG found that, due mainly to internal control deficiencies, USAID did not adequately monitor these funds. The audit included the following findings:

- USAID's current financial management system could not provide reliable reports needed to manage Section 632(b) agreements;
- the filing system for some agreements in the operating units was not adequate, resulting in agreements and their supporting documents being lost or misplaced;
- noncompliance with USAID documentation requirements, and the need for guidance on the use of interagency agreements; and,
- 198 expired agreements had unliquidated balances. As a result of the untimely closure of these agreements, approximately \$34 million in residual funds, which might have been reprogrammed, for other needs, remained idle for many years.

The audit report made six recommendations to address the above issues. Management decisions have been reached on five of the six recommendations. The remaining recommendation had five sub-parts, of which four have received management decisions. The final subpart requires additional information from USAID's Management Bureau. (*Audit Report No. 9-000-99-007-P*)

USAID Assistance Activities in Bosnia-Herzegovina

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. In August 1999, the OIG issued audit reports for both programs for the period ending September 30, 1998.



The Municipal Infrastructure and Services Program

USAID/Bosnia-Herzegovina had obligated and disbursed \$160.7 million to the Government of Bosnia-Herzegovina for this \$265 million program, as of September 30, 1998. About \$121.8 million had been disbursed to the implementing contractor, funding 550 construction projects. These projects covered five sectors: energy, transportation, water resources, education, and health. The audit focused on (1) visiting construction sites and updating the status of project activities, (2) monitoring small community infrastructure rehabilitation projects by the

Stabilization Force (NATO), and (3) conducting a survey of the local procurement process used by the implementing contractor.

The audit concluded that, for the items tested, both USAID and the implementing contractor were using operational funds for the purposes authorized under the grant agreement and Public Law 104-122. The report also concluded that, at midpoint, program accomplishments far exceeded original construction targets.

USAID/Bosnia-Herzegovina has been responsive in correcting problems identified during the audits and has ensured that controls are in place to monitor the areas reviewed and tested. The OIG strategy for the near future is to replace high level audit testing of the MIS Program with special audits, as resources permit. An audit of the subcontractor selection process—a result of the procurement survey noted above is planned. (*Audit Report No. B-168-99-003-P*)

Bosnian Reconstruction Finance Facility Program

USAID/Bosnia-Herzegovina had obligated and disbursed \$194.9 million to the Government of Bosnia-Herzegovina from this \$278 million program, as of September 30, 1998. About, \$101 million had been disbursed to borrowers under 264 loans. Loan dollar volume decreased significantly from the previous reporting period, however, from \$54.5 million to \$33.8 million. Furthermore, the \$149.5 million in loans recommended for approval from the inception of the program through September 30, 1998 was less than the \$225 million targeted. This shortfall was the result of factors such as:



- contract expiration and associated close-out activities that disrupted loan activities;
- reorganization of the Business Finance⁴ lending structure;
- increased emphasis on loan restructures and foreclosures; and
- increased emphasis on lending smaller amounts to smaller enterprises.

The disbursed loans were expected to generate 19,216 jobs, or only 50 percent of the target of 38,250 jobs.

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

⁴ The Business Finance is composed of a team of experienced U.S. bankers, accountants, and Bosnian staff. Their headquarters are at the Central Bank of Bosnia-Herzegovina, and is the primary administrator of the Bosnian Reconstruction Finance Facility Program. Responsibilities of the Business Finance include reviewing and recommending loan applications for approval to USAID/Bosnia-Herzegovina, managing the Program's lending operations, and monitoring and managing the flow of funds between the Program, the borrowing enterprises, and the agent Bosnian commercial banks, which are licensed by the Central Bank.

and Public Law 104-122. Upon the completion of audit fieldwork, however, the OIG issued a preliminary finding which addressed the following areas of inadequate loan monitoring by the Business Finance staff and agent banks.

- Crucial monitoring tasks have been carried out by the Business Finance field associates and agent bank personnel, but problems with loan monitoring in the Bosnian Reconstruction Finance Facility Program continued. For example, while a field associate increased visits to one borrower, the quality of the work was so poor that the visits provided little benefit to Business Finance. Also, quarterly monitoring reports prepared by many agent banks initiated neither actions to correct noted deficiencies nor follow-up.
- There was a lack of effective supervision and training of field associates and agent bank personnel.
- The program's success was at risk due to a combination of more loans, in smaller amounts, and inadequate monitoring. Also, delinquent loans have increased substantially since the program began. According to a Business Finance delinquency report of September 30, 1998, 68 borrowers were delinquent, an increase of 22 over a six month period.

USAID/Bosnia-Herzegovina took the following immediate actions to address these preliminary findings.

- The Mission developed a plan with substantial input from Business Finance to improve loan monitoring.
- The new agent bank coordinator will prepare and implement a detailed plan for upgrading the monitoring efforts of the agent banks.
- New loan production was reduced and will continue until the delinquency rate decreases. According to the Mission, the focus will be more on loan quality rather than quantity.

The OIG did not include any formal recommendations in the final audit report because the Mission took appropriate corrective action in response to preliminary findings. The OIG will continue, however, to review the adequacy of loan monitoring during future audit work on this program. (*Audit Report No. B-168-99-004-P*)

Audit of the 1996 Natural Gas Program in Armenia

USAID and the Government of Armenia (GOA) signed a Memorandum of Agreement (MOA) on May 2, 1996 under which USAID was to purchase and deliver approximately \$15 million of natural gas to Armenia. The GOA was to use the proceeds from the sale of the USAID-procured gas to purchase additional gas. The funds generated from the sale of the additional gas were to be used for budget support



through the Ministry of Finance. On July 9, 1996, the Government of Armenia signed a Memorandum of Understanding to facilitate the implementation of the MOA. This agreement detailed the GOA's responsibilities in several areas, including monitoring the delivery of imported gas, depositing proceeds from gas sales, and reporting on the use of those proceeds.

An OIG audit found that the GOA did not comply with most of the terms of the MOA and the subsequent MOU. For example:

- a special local currency account was not established as required;
- deposits were not timely and the minimum deposit requirements were not met;
- purchases of additional gas could not be traced to sales proceeds; and
- energy sector reforms were not implemented on a timely basis.

Poor economic conditions and the Government of Armenia's large International Monetary Fund debt service requirements might have jeopardized the implementation of a successful monetization program. Additionally, a low consumer collection rate in the energy sector may have affected the Government of Armenia's ability to collect and deposit the minimum \$9 million required by the MOA into the special accounts.

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

The Government of Armenia's failure to comply with the terms of the Memoranda included insufficient deposits to the Program's Special Accounts and an inability to adequately account for the funds that were deposited. The OIG recommended the recovery of the local currency equivalent of \$9 million, which consists of: \$1,229,092 in local currency equivalent never deposited to the Special Accounts; \$2,435,282 transferred to pay for prior gas purchases rather than to purchase more natural gas; and \$5,335,626 for Special Account funds that were used for unknown purposes.

USAID/Armenia officials concurred with the OIG findings and recommendations and advised that they plan to meet with the Ministry of Finance and propose a conversion of all or part of the claim into development activities using local currency equivalent provided by the Government. USAID/Armenia, however, also advised that given the economic conditions prevailing in Armenia and the fiscal strictures imposed on the Government by the International Monetary Fund it is unlikely that the Government will be able to provide the promised local currency. USAID/Armenia then plans to seek a waiver of the refund claim pursuant to USAID procedures, on the grounds that a waiver would be in the best interest of the United States foreign policy in Armenia. (*Audit Report No. B-111-99-005-P*)

Audit of USAID/Egypt's Reported Results in Power and Telecommunications

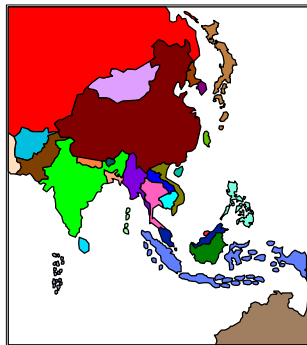
Since the mid-1970s, USAID has expended about \$1.8 billion for the construction or modernization of the electric utility infrastructure, the institutional strengthening of the telecommunications sector in Egypt; and, the improvement and expansion of telecommunications networks in Cairo and Alexandria. With this (and other donor) assistance, Egypt increased its total installed electricity generating capacity from 3,789 megawatts in 1976 to 13,303 megawatts in 1997, and increased the number of telephone lines from 0.5 million to 4.5 million lines in about the same period.

USAID requires its missions to develop strategic plans, establish annual targets, and report on the results achieved as a part of implementing the Results Act. At the request of USAID/Egypt, the OIG audited results data reported by the Mission in March 1998, to determine if the Mission accurately reported on the increased capacity for electrical power and number of telephone lines installed.

The OIG conducted the audit from February through May 1999 at USAID/Egypt, the Egyptian Electricity Authority, and Telecom Egypt in Cairo. It visited eight power stations and three telecommunications sector offices at eleven different locations in Egypt. Based on data provided by Egyptian authorities and on tests performed on a sample of power plants and telephone lines, the OIG concluded that USAID/Egypt, for the items tested, reported accurate data for the installed electrical capacity and the number of telephone lines in its March 1998 Results Review and Resource Request Report. (*Audit Report No. 6-263-99-004-P*)

Audit of USAID/Philippines' Response to Customs Duties Levied on Donated Contraceptives

Pursuant to a January 1998 change in Government of the Philippines policy, USAID began shipping contraceptives using the United Nations Population Fund (UNFPA) as consignee—thereby circumventing a Department of Health (DOH) pay contraceptives. This arrangement the Philippine Bureau of Customs challenging this arrangement elements have been using your illegal trade.” The UNFPA longer allow “USAID the use of contraceptives, thus avoiding the withdrawal from that arrangement three shipments of contraceptives held by the Bureau of Customs at the Manila port.



requirement that the Philippine customs duties on those continued until April 1999, when sent the UNFPA a letter noting that “some unscrupulous firm [UNFPA] as conduit in their informed USAID that it would no the UNFPA name to import payment of taxes.” UNFPA’s left USAID and the DOH with

While the DOH ultimately convinced the Philippine Department of Finance and Bureau of Customs to release the contraceptive shipments, their release was only a stopgap measure pending the issuance of a joint circular or memorandum that was to provide a permanent solution. Unfortunately, this situation mirrors an earlier event in 1998, when the consignment of

shipments to the UNFPA was viewed as a temporary measure pending a waiver from the President of the Philippines—a waiver that never came.

The OIG report noted several concerns, including:

- USAID's bilateral agreement with the Government of the Philippines did not directly address the issue of customs duties levied on donated commodities;
- the Mission continued to accept short-term solutions rather than address the long-term problem;
- although customs duties could potentially be levied on any donated commodities, the Mission was only concerned with addressing the immediate case of contraceptives rather than the larger issue of donated commodities;
- significant political risks were associated with using the UNFPA as consignee—an arrangement which apparently imported a controversial commodity⁵ while avoiding the taxes required by a Philippine Presidential Directive; and
- the responsibility and liability for the contraceptive shipments was uncertain due to the fact that UNFPA never actually took possession of the shipments.

The OIG recommended that USAID/Philippines develop an action plan to eliminate the requirement that customs duties be paid on USAID-donated commodities and that this action plan enlist the assistance of the Philippine's Department of Foreign Affairs and/or the National Economic Development Authority. (*Audit Report No. 5-492-99-006-P*)

Audit of USAID/Mali's Operating Expenses

The OIG reviewed a number of issues related to the use of USAID/Mali's operating expenses. Audit recommendations were developed to address weaknesses and improve management controls. The Mission was interested in addressing the audit issues expeditiously and, as a result of this cooperative effort, management decisions were determined for each of the five multi-part recommendations in the audit report.

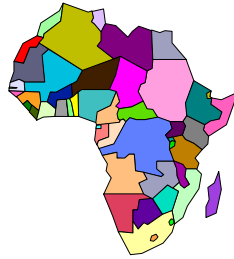
OIG audit and investigation staffs worked together to review allegations that a vehicle maintenance contractor was overcharging the Mission for maintenance services and unallowable costs for taxes and duties paid on spare parts. An audit found that the contractor had charged the Mission for an estimated \$25,800 in unallowable taxes and duties and an indeterminable amount of the same type of charges to the Mission's implementing Non-Governmental Organization (NGO) partners. The recommendation was made to resolve this issue through reimbursement and also to advise the NGOs of applicable USAID and Mission policy on the payment of taxes and duties. The audit also revealed that the Mission did not effectively manage its operating

⁵ The subject of family planning and the use of contraceptives are controversial issues in the Philippines. The Philippine government, and religious leaders and their followers frequently disagree on using such methods.

expenses for the period covered by the audit. The report included recommendations, which resulted in \$216,702 in savings as follows:

- the Mission did not identify and deobligate unneeded obligations totaling \$187,892 as required by Federal law and USAID regulations;
- the Mission could not provide adequate supporting documentation for \$6,109 in obligations; and
- the Mission had recorded an operating expense obligation amounting to \$22,701 for which there was no need.

The audit also disclosed the existence of 11 unliquidated obligations totaling \$130,353 which did not comply with USAID funding guidelines for service contracts. This funding was intended for contracts for which the associated services were primarily received in the following fiscal years and not in the years for which the funds were appropriated. Noncompliance with funding guidelines violates both Federal laws and USAID regulations. (*Audit Report No. 7-688-99-004-P*)



Audit of USAID/Mozambique's Monitoring of its Host Country Contracting Activities

Pursuant to the signing of the Mozambique peace accord of 1992, and the subsequent elections in 1994, the Government of Mozambique has embarked on rebuilding the country's economy and infrastructure which was devastated after years of civil war. Critical to this rebuilding effort has been the rehabilitation and development of the country's road system, which the Government considers a national priority. The Government signed an agreement with USAID in November 1995, to improve the quality of the country's road network, through the Rural Access Project, a \$53.0 million, seven-year project.

Road rehabilitation financed under the project was planned to take place in two, three-year phases and cover 1,400 kilometers of rural roads in key provinces in central Mozambique. Much of this roadwork was performed through host country contracts (HCCs) with road construction firms and also USAID-direct contracts for architectural and engineering services. Through the period of OIG fieldwork in May 1999, USAID/Mozambique had financed two HCCs, with a combined value of \$6.7 million, which were for the rehabilitation of two roads covering a total distance of 102 kilometers. The Mission was also monitoring the procurement of a third HCC, valued at \$21 million, which was still in the process of being tendered at the time of OIG fieldwork and involved the rehabilitation of a 240-kilometer section along Mozambique's main north-

south corridor. Combined cumulative expenditures under the two initial HCCs totaled \$4.7 million, respectively, as of May 1999.

The audit showed that USAID/Mozambique complied with USAID policies and procedures in monitoring the procurement and implementation of its HCCs.

The report contained no audit recommendations but suggested that the Mission consider developing a detailed log for tracking payment requests received from construction contractors to strengthen its monitoring over these payments. USAID/Mozambique concurred with the audit findings contained in the report. (*Audit Report No. 4-656-99-005-P*)

Audit of USAID/Tanzania's Human Resource Development Assistance Program

USAID/Tanzania's Human Resources Development Assistance (HRDA) Program was created to strengthen the capability of Tanzania's development institutions and private sector entities to promote economic growth where the lack of adequately trained personnel was the primary constraint. HRDA was to provide a nucleus of qualified technical, scientific, and managerial personnel to strengthen African development institutions, enhance growth of the private sector, and increase the participation of women in development.

Since inception of the HRDA program in 1988, USAID/Tanzania had obligated \$11 million for short-term training and \$4.1 million for long-term training which would take place in Tanzania, the United States, and other countries. Approximately 500 participants received short-term training and 57 participants received long-term training. The program ended on September 30, 1998.

USAID/Tanzania monitored HRDA in accordance with USAID policies and procedures and Federal regulations. The Mission monitored the progress of participants through Academic Enrollment and Term Reports and other ongoing correspondence with the contractor. Additionally, the Mission ensured that participants received required visas, medical examinations, and tests. Finally, USAID/Tanzania either verified that participants returned to Tanzania upon completion of training or took proper action in those cases where the participant did not return.

Participants returned from training to take up positions in the public and private sectors to help promote development in Tanzania. The OIG recommended, however, that the participant selection process could be strengthened to improve the quality of the trainees and facilitate their enrollments in higher ranked U.S. universities. The OIG found that the participants selected, in general, scored poorly in graduate aptitude tests, were not accepted at the better schools, and sometimes required extensions to their allotted training periods to complete their courses.

Based on the Mission's comments to the report, acceptable management decisions have been reached on both recommendations covering the use of graduate aptitude testing as a screening

criterion and the need to coordinate the recruitment and screening process with the U.S. Information Agency in Tanzania. (*Audit Report No. 4-621-99-004-P*)

Information Resource Management

The OIG continued to devote audit resources to assist USAID in overcoming information resources management deficiencies. These deficiencies have prevented USAID from implementing effective information systems and have made it difficult for USAID managers to obtain complete, reliable, timely, and consistent financial and performance information. USAID managers need reliable information to make appropriate decisions, to protect resources from loss or misuse, and to report reliable information to oversight officials and the public. During this reporting period, the OIG focused on USAID's efforts to (1) implement an integrated financial management system, (2) ensure that systems will operate in the year 2000, and (3) improve computer security.

Progress in Implementing an Integrated Financial Management System

The Federal Financial Management Improvement Act (FFMIA) requires agencies to implement and maintain financial management systems that comply with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. During the last semiannual reporting period, the OIG reported that USAID systems did not meet these requirements and that significant improvements were not achievable until existing systems are replaced or modernized—an effort scheduled to be completed in fiscal year 2002. Further, the OIG reported that the USAID plan to acquire a core financial system before completing important planning activities and before establishing a strong program management office involved significant risks.

The OIG recommended that USAID establish a program management office with sufficient responsibility, authority, and resources to ensure that its financial management system modernization efforts would be implemented successfully. The report also recommended that, before approving proposals to acquire any financial system component, the Chief Information Officer should:

- complete agency-wide information technology target architecture at a sufficient level of detail to provide assurance that the systems will work together effectively;⁶
- use the architecture to define the USAID financial management system's portfolio of investments;

⁶ 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 a modular acquisition strategy; and
- revise and update the financial management system remediation plan.⁷

During this semiannual reporting period, USAID made management decisions to implement all of these recommendations. USAID created a program management office headed by the Chief Financial Officer to manage its acquisition of an integrated financial management system. It also prepared an information technology architecture in sufficient detail to justify issuing a Letter of Interest to initiate procurement of a commercial off-the-shelf (COTS) core financial system. USAID awarded the contract for the COTS core financial system on September 29, 1999. This new system was procured from the Financial Management Systems Software schedule, which is maintained by the General Services Administration. The schedule includes products that have been certified to meet the mandatory financial system requirements identified by the Joint Financial Management Improvement Program.

Responding to the other recommendations, USAID has begun drafting a modernization plan that will identify its portfolio of investments and incorporate a modular acquisition strategy. According to USAID officials, the modernization plan will also satisfy FFMIA requirements for a financial systems remediation plan.

USAID's acquisition strategy - to initially purchase a core financial system component, followed by other COTS packages to perform procurement, budget, operations and other financial management functions - is a recognized acquisition process that corresponds to current evolving practices for acquiring COTS-based, enterprise-wide systems. Information about success rates, however, for this evolving COTS acquisition strategy is limited. Because integrating complex COTS-based systems generally involves significant risks, the success of this effort will depend to a large extent on how well USAID manages these risks.

Year 2000

The OIG continued to monitor USAID's efforts to ensure that its computer systems are able to correctly process dates in the Year 2000 (Y2K). USAID reported to the Office of Management and Budget that six of seven agency mission critical computer systems were Y2K ready. The one system that was not ready—the New Management System—is scheduled to be Y2K compliant by October 31, 1999. USAID also reported that it had developed Y2K contingency plans, although it expected its critical systems to be operational on January 1, 2000.

Due to limited staff and the need to also address other priority areas, the OIG acquired the services of a contractor to assist in verifying USAID's Y2K readiness and to review the adequacy of its Y2K contingency plans. Together with the contractor, the OIG worked closely with USAID personnel and notified them whenever issues were identified, so that they could



⁷ The Federal Financial Management Improvement Act 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.

take timely action to correct deficiencies. Based on concerns about limited tests of one mainframe computer application, the OIG suggested that an alternative test be conducted. That test disclosed 115 Y2K symptom errors that needed review. One of these errors required USAID to install a patch to bring the mainframe system into Y2K compliance. In another case, a review of test results for the system that supports USAID personnel functions showed that only three of the seven critical dates that needed to be tested, were actually tested.

The GAO has issued Year 2000 Business Continuity and Contingency Planning guidance to assist U.S. Government agencies in Y2K planning. This guidance requires Agencies to identify core business functions and to develop contingency plans. The OIG review of USAID's contingency plans found that USAID had developed a contingency plan for its key financial management functions, including obligating funds, controlling funds, and making payments. USAID, however, has not developed contingency plans for some core business functions that are needed to continue providing development assistance. For example, the Bureau of Humanitarian Response has no written contingency plan to support its critical functions should there be internal or external Y2K induced failures. The Bureau is responsible for critical development assistance activities such as providing disaster assistance and emergency food aid. The lack of contingency plans creates a risk that those functions could be disrupted by Y2K failures. The OIG is working with USAID officials to address these concerns.

Computer Security

During prior reporting periods, the OIG identified a number of computer security deficiencies that exposed USAID to unacceptable risks that resources and sensitive data might not be adequately protected from loss or destruction. The deficiencies affected computer systems at headquarters and at overseas Missions. Deficiencies existed because USAID had not implemented an effective computer security program as required by the Circular A-130. USAID then identified its overall computer security program and New Management System security and access controls as material weaknesses in its fiscal year 1997 Integrity Act and fiscal year 1998 Accountability Reports.



During this reporting period, USAID continued its efforts to correct known deficiencies. The OIG also continued to work closely with the USAID Information Systems Security Officer and to participate on the Information Systems Security Working Group.

USAID has made significant progress in developing a program to improve its ability to protect computerized information. For example, USAID officials have crafted a Model Information System Security Program. This program provides a framework for identifying and disseminating to other government agencies a complete set of 'best practices' for implementing an effective computer security program. The program has been recognized by the Chief Information Officers Council, GSA, and others as an innovative and comprehensive approach that could benefit the entire Federal government. By collecting, testing, and disseminating best security practices in a

form that is usable by the entire Federal Government, USAID has attracted support and potential funding from the Government Information Technology Services Innovation Fund Committee.

USAID conducted computer security risk assessments at two overseas Missions. These assessments found that computer security vulnerabilities at overseas Missions remain particularly high because local officials often have implemented adhoc security practices without consulting with USAID/Washington officials. USAID established a team to focus on improved computer security practices to deal with these vulnerabilities. The team identified 12 possible security improvements, five of which were considered to have the greatest cost-benefit and probability of success. As of September 1999, three of the five improvements were completed and two were nearing completion.

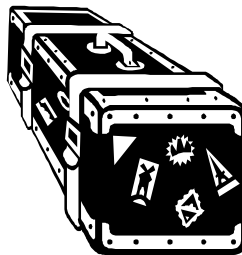
Although significant improvements in USAID Information Systems Security have occurred, much work remains to be done. USAID estimates that computer security vulnerabilities will not be fully corrected until 2003.

Other Performance Audits

Audit of USAID Processing of Personal Property Claims in Ordered Evacuations of USAID Employees

Civil wars and other civil disturbances created deteriorating security conditions in the past several years in countries receiving USAID funds, making it necessary for the U.S. Government to order the evacuation of U.S. Government employees and their dependents from the affected countries. Evacuations of this kind usually occurred with little or no notice, forcing evacuees to leave with few possessions. Often, any belongings left behind were lost as a result of looting. Employee losses were usually not covered by personal casualty and theft insurance. Congress passed The Military Personnel and Civilian Employee Claims Act of 1964 (31 U.S.C., Section 3721b, as amended), to allow Government agencies to reimburse employees for personal property losses.

From June to August 1991, the OIG conducted an audit to evaluate the processing and payment of claims by employees. That review indicated that procedures to adequately review employees evacuated from revealed that USAID reimbursed in Liberia and Somalia for claims \$54,000 per person for personal



evacuated from Liberia and Somalia. USAID did not have appropriate and settle claims submitted by USAID missions. The review also 22 employees evacuated from Missions totaling \$1.2 million, or an average of losses.

The OIG completed a follow-up audit of USAID policies and procedures for processing personal property claims to determine if USAID had strengthened its procedures for processing personal property claims as recommended in the prior audit. The follow-up audit

found that, although USAID had implemented policies and procedures to strengthen its process to adjudicate personal property claims, USAID still did not adhere to all requirements for processing employees' claims. USAID evacuated its Mission in Rwanda in 1994 because of civil disturbances. The OIG review of USAID records disclosed that nine employees filed claims totaling \$437,359 for loss of personal property. USAID reimbursed the claimants for personal property loss totaling \$308,944 or 71 percent of their requests, an average of \$34,327 per person for personal losses.

USAID may be subject to paying inappropriate claims because it did not enforce its own requirements that employees provide an inventory of personal property shipped overseas, including a list of High Value Items. Due to the absence of a formal program to inform employees of relocation issues and personal property matters, employees also may not have had adequate information regarding personal claims requirements.

The audit recommended that USAID ensure that the Office of Travel and Transportation:

- implement procedures to obtain High Value Items lists;
- enforce requirements that employees provide a packer's inventory when submitting a claim; and,
- implement a formal program to inform employees of relocation issues and personal property matters.

Responding to a draft of this report, USAID generally agreed with the report's findings, however, it was unclear whether USAID agreed to implement procedures to obtain High Value Items Lists and to enforce requirements that employees provide a packer's inventory when submitting a claim. The OIG will continue to discuss the recommendations with responsible officials. (*Audit Report No. A-000-99-006-P*)

Federal Managers Financial Integrity Act (FMFIA) Audits

Audits of three USAID Missions in the Southeast Asia region (USAID/Philippines, USAID/Indonesia and USAID/Cambodia) found that each Mission had established and assessed its management controls in accordance with the Federal Managers Financial Integrity Act (FMFIA) and related regulations and guidance. While each mission devoted significant time and resources to implementing its annual FMFIA review, the OIG recommended that the Missions perform more effective and efficient reviews by using a risk-based approach

While the Missions were technically complying with the FMFIA requirements, the FMFIA reports submitted by two of the three Missions audited did not disclose items of major concern which were unresolved at the time the FMFIA reports were due. Accordingly, these Missions were not carrying out the intent of the FMFIA legislation, which was to ensure that all potential vulnerabilities were reported under the process. Focusing reviews on high-risk areas would better assist the Missions in assessing their programs and operations. For example, one Mission did not

report situations involving physical security and the Year 2000 (Y2K) computer issue, both of which were known at the time of its FMFIA report. Accordingly, the OIG recommended that these Missions disclose all unresolved material weaknesses and major concerns in future FMFIA certifications that would be of interest to USAID/Washington. The Missions agreed to implement the recommendations. (*Audit Report Nos. 5-492-99-003-P, 5-497-99-004-P, 5-442-99-005-P*)

Disaster Assistance Supplemental Appropriation

Legislation providing \$620.9 million in supplemental appropriations funding for a Central American and the Caribbean Emergency Disaster Recovery Fund was enacted on May 21, 1999.

The supplemental appropriation for Central America and Caribbean reconstruction includes assistance for Central American countries affected by Hurricane Mitch (Honduras, Nicaragua, El Salvador, and Guatemala), for Caribbean countries affected by Hurricane Georges (Haiti and the Dominican Republic), and for Colombia, which was affected by an earthquake. To provide a basis for comparison, the Administration's fiscal year 2000 budget request for the entire LAC region was approximately \$655 million. The following charts illustrate the funding allocation.

Hurricane Mitch	Millions
Honduras	\$291.0
Nicaragua	94.1
El Salvador	22.1
Guatemala	25.0
Central America Regional	<u>13.9</u>
Subtotal	446.1

Hurricane Georges	
Dominican Republic	29.0
Haiti	9.8
Eastern Caribbean	<u>3.0</u>
Subtotal	41.8

Colombia Earthquake	10.0
Other U.S.G.Agencies (Section 632(a) and 632(b)) ⁸	116.0
Subtotal	126.0

Management & Oversight	
USAID Operating Expenses	5.5
USAID OIG Operating Expenses	<u>1.5</u>
Subtotal	7.0

Total	\$620.9
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⁸ USAID transferred funds to other Federal agencies through interagency agreements under Sections 632(a) and 632(b) of the Foreign Assistance Act. Transfers under Section 632(a) transfers budget authority, and USAID does not retain any monitoring responsibility for the transferred funds. Under Section 632(b), USAID has authority to obligate funds through interagency agreements with other Federal agencies and USAID retains monitoring responsibility for the funds.

The Administration and the Congress are extremely concerned about anti-corruption efforts and accountability for the funds provided under this appropriation. USAID and the OIG have a mandate to undertake exceptional efforts to ensure accountability for these funds.

The OIG completed a strategy for audit and investigations coverage of the supplemental appropriation in July 1999 based on these concerns. This strategy will help ensure that USAID assistance funds for these countries will be well spent. The OIG intends that (1) the funds will be spent for agreed-upon purposes; (2) expenditures will be reasonable, allocable, and necessary; and (3) USAID programs will be efficient and effective in achieving planned results. The OIG plans to audit and investigate the supplemental funding to ensure accountability, as well as to pursue proactive activities to prevent and deter fraud and corruption.



Audit Activities

The OIG performed risk assessments of the planned activities in each country covered by the supplemental appropriation to prioritize its workload and determine the appropriate type of audit coverage for each individual activity to be funded under the supplemental appropriation. The risk assessments examined four areas for each activity.

- Implementing Entities – What experience does USAID have with each entity and what is the audit history of the entity?
- Implementation Arrangements – Are there any special arrangements that will either increase or decrease risk? (For example, in Honduras, the Mission plans to hire public accounting firms to serve as “fiscal agents” who will handle all receipts and disbursements on behalf of certain Government of Honduras agencies receiving assistance under the supplemental.)
- Nature of Activities Financed – How inherently vulnerable are the activities? (For example, construction activities are inherently much more vulnerable than technical assistance activities.)
- Amount of Funding – All other things being equal, larger activities will receive more audit coverage than smaller ones.

The OIG assessed risk in each of these areas and, based on the results, determined the type of audit coverage that would be most cost effective and useful. Higher-risk activities will be covered by concurrent financial statement audits. Lower-risk activities will receive annual

financial statement audits. Additionally, all activities will be subject to coverage by OIG performance audits.

The OIG plans to perform concurrent financial statement audits on approximately 27 activities with \$315 million in supplemental funding and annual financial statement audits on approximately 86 activities with \$145 million in supplemental funding.⁹ The OIG expects to issue approximately six performance audits per year on subjects related to the supplemental appropriation. These audits will provide an independent assessment of the performance of an organization, program, activity, or function. They will also determine whether an entity is acquiring, protecting, and using its resources economically and efficiently. Finally, performance audits will determine whether desired results or benefits are being achieved, and if an entity is operating effectively; or if an entity is complying with significant laws and regulations. The USAID OIG uses its own staff resources to conduct performance audits.

Audit and Investigation Activities

The OIG also intends to take a proactive role to prevent and deter fraud and corruption. The OIG will:

- educate USAID staff and partners about fraud and make sure that they understand their responsibility to report evidence of fraud and corruption;
- help USAID design its activities to minimize the risk of fraud and corruption;
- help USAID and its partners establish appropriate fraud prevention policies, including policies regarding financial disclosure, ethics, employee conduct, and fraud reporting;
- enforce the Foreign Corrupt Practices Act;
- provide advice to USAID program managers on internal and external risks;
- evaluate the internal controls established by USAID and its partners through pre-award audits and our other audit activities; and
- assist USAID officials with their monitoring efforts. (For example, the OIG will help them draft scopes of work for agreed-upon procedure engagements¹⁰ when deemed useful, and the OIG will supervise these engagements if requested.)

⁹ In addition to the concurrent financial statement audits and annual financial statement audits discussed above, approximately seven activities with supplemental funding of \$4 million will be subject to organization-wide audits of U.S. contractors and grantees. Finally, no financial audit coverage is currently planned for activities implemented directly by USAID or by other Federal agencies with their own employees, with approximately \$157 million in supplemental funding, given the relatively low risk associated with these activities. These activities, however, may be covered by OIG performance audits.

¹⁰ An agreed-upon procedure engagement is one in which an accounting firm issues a report of findings based on specific procedures designed to test one or more assertions. These engagements differ from audits in that (1) the

The OIG will offer these services to USAID Missions upon request. When the OIG sees unmet needs, it may suggest to individual Missions or partners that a particular service would be useful.

Given the serious concerns about accountability that have been expressed by members of the Administration and the Congress, the OIG will advocate that every partner receiving funds under this supplemental appropriation take affirmative, tangible steps to prevent fraud and corruption.

Successfully carrying out this audit strategy will involve a sustained coordinated effort by the LAC Bureau, the USAID missions receiving funds under the supplemental, audit firms and Supreme Audit Institutions, and other important partners and stakeholders. The OIG will provide briefings on the status of the audit strategy to LAC Bureau management and interested congressional staff not less often than every three months.

firm follows attestation standards rather than auditing standards and (2) the client, rather than the accounting firm, assumes responsibility for the sufficiency of the procedures performed. Agreed-upon procedures engagements might be useful when a mission needs an accounting firm to perform certain well-defined monitoring or testing procedures on a program or activity (e.g., end-use checks of commodities) but does not require an audit opinion.

Prevention Activities in the Balkans

During the hostilities in Yugoslavia and particularly after the Kosovo peace agreement was reached, USAID began drafting several grant agreements providing economic support funding (ESF) for other Balkan countries negatively affected by the war. Although the funds are intended primarily to provide budgetary support for these governments, USAID also attempted to tie this assistance to various initiatives and activities associated with either USAID development strategy for the country or to the country's refugee assistance activities. The severe impact of the war on the economic and political situation in each of these countries necessitates rapid transfer of these funds. Accountability concerns for governmental expenditures in many of these countries are significant, however, and arranging for costly audits of the programs months after the funds have been transferred is more likely to document problems that occurred rather than provide any meaningful accountability over the funding. Further, since these programs are intended to fill a short-term need and would not be funded by USAID on a long-term basis, a post audit would provide little useful information.



The OIG, the Bureau for Europe and Eurasia¹¹ (E&E), and various individual USAID Missions have worked closely together to identify and address potential problem areas in accounting for \$111 million in USAID funds during the early stages of each program, often during the design phase as grant agreements are being drafted. Preventative measures taken included: assessing internal control systems of selected government programs, including the government's ability to adequately document expenditures; assessing existing monitoring/audit systems; designing assistance agreements to utilize available documentation; and arranging audit coverage of USAID-funded expenditures.

The OIG hopes to minimize the opportunities for misuse of USAID funding with an early assessment of each program's specific vulnerabilities and whether USAID can assure that these funds will be spent as intended. The various USAID programs and OIG assistance in identifying accountability concerns and solutions include the following:

Albania – USAID is planning to provide \$12 million in direct budget support to selected government ministries as part of the Government of Albania's Public Expenditure Support Program. The OIG assisted USAID/Albania and the E&E Bureau by assessing the World Bank's monitoring system for this program and determining whether USAID should supplement World Bank monitoring to ensure that USAID funds are used for authorized purposes. The OIG

¹¹ USAID changed the name of the Bureau for Europe and the New Independent States (ENI) to Europe and Eurasia to more accurately reflect the scope of USAID focus and operations.

has found that USAID cannot supplement the World Bank's monitoring activities due to the structure of program implementation and the monitoring function's sampling method. The OIG did suggest improvements and options for strengthening existing efforts and offered to arrange for a DCAA oversight visit of the monitoring function as it is being performed so that any potential problems or areas of concern to USAID would be identified in a timely fashion.

Bulgaria – USAID/Bulgaria and the E&E Bureau designed a grant agreement that tied \$25 million in USAID assistance to four activities, including three closely related to the current USAID strategy in Bulgaria. These activities included: closure of insolvent state-owned companies by providing severance payments for affected workers and assisting a regional initiatives fund providing support to local municipalities. The OIG asked DCAA to assess the severance payment program and the Government of Bulgaria's ability to document its expenditures, as prescribed in the draft grant agreement. Additionally, DCAA was asked to assess the non-Federal audit coverage already performed of the regional initiatives fund and determine whether USAID could rely on this coverage to provide accountability for USAID funds in the future. Although DCAA found that the audit coverage of the regional initiatives fund was generally adequate, its findings on the severance payment fund indicated that the USAID draft grant agreement would have to be restructured to reflect problems associated with the Government of Bulgaria's inability to provide precise and specific documentation on payments to selected workers. (*Audit Report Nos. B-183-99-019-D and B-183-99-020-D*)

Macedonia – The Government of Macedonia's Family Assistance Program for low income Macedonians was supported by a \$6 million grant agreement. The OIG requested that DCAA: (1) prepare an overview of the program and (2) specify the documentation that USAID should require the Government to submit to support its expenditures. Additionally, the OIG arranged for DCAA to perform a similar review of the Macedonian unemployment compensation and pension programs. The results of the DCAA reviews were provided to the E&E Bureau for consideration in designing a \$22 million grant agreement to support these programs. The OIG is also prepared to arrange for either DCAA or a local accounting firm to review the Government's supporting documentation for these programs when such documentation is submitted to USAID. (*Audit Report Nos. B-165-99-017-D and B-165-99-018-D*)

Montenegro – The OIG continues to work with the E&E Bureau in reviewing existing documentation supporting the Government of Montenegro's \$10 million in local currency expenditures for refugee assistance. USAID will provide an equivalent amount in ESF funds to be used to pay short-term commercial debts of the Government.

Romania – The OIG provided extensive comments and suggestions on accountability issues regarding USAID/Romania's planned approach for using \$14 million in ESF funds to assist institutionalized children.

Bosnia-Herzegovina – USAID/Bosnia-Herzegovina approved a \$22 million Financial Stabilization Program Activity in July 1999, to provide budgetary support to the Governments of the Republika Srpska and the Federation of Bosnia-Herzegovina. The Mission Director approved a \$10 million public international organization grant to the Office of the High Representative (OHR) to pay the net salary of qualified government employees. The Mission

expects to amend the grant, increasing the amount by \$12 million. The OIG is conducting an audit at the request of USAID/Bosnia-Herzegovina, to determine if the Mission and OHR are ensuring that the intended recipients actually receive their entitlements.

OTHER SIGNIFICANT MATTERS

Supreme Audit Institutions

Supreme Audit Institutions (SAIs) are national auditing agencies similar in many respects to the U.S. General Accounting Office, whose work fosters the principles of transparency and public accountability and deters public sector corruption. The OIG continued to expand the number of its formal agreements with SAIs during this reporting period. Once an SAI in a country receiving USAID funds expresses an interest in auditing those funds, OIG evaluates the SAI's capabilities and independence. If the SAI meets all requirements, the OIG and local USAID Mission sign a memorandum of understanding (MOU) with the SAI detailing duties and responsibilities of all three parties. SAIs must use U.S. Government or comparable auditing standards to perform these audits. Since most are unfamiliar with such standards, the OIG uses its limited resources to provide advice, technical assistance, and when possible, on-the-job and classroom training for the SAI staff. The OIG reviews and critiques all audit reports, that the SAI performs under the agreement. OIG signed MOUs with four SAIs this reporting period, bringing to thirteen the number of agreements now in force. The OIG not only expanded its area of audit coverage with SAI assistance, but also helped USAID in developing civil government, transparency and accountability in host countries. The OIG continues to work with USAID to help strengthen these important institutions. Highlights of OIG activities with SAIs follow.

- On August 19, 1999, USAID/El Salvador and the OIG signed an MOU with the Court of Accounts, El Salvador's SAI. The Court of Accounts' first audits of USAID funds will include an annual financial statement audit of a \$600,000 electrical distribution line construction activity and a concurrent financial statement audit of an \$8 million road rehabilitation activity. Both of these activities are part of the USAID Hurricane Mitch reconstruction effort. The OIG will be closely involved in both of these audits.
- The OIG San Salvador regional office provided financial audit training to approximately 950 participants in 13 countries in Latin America and the Caribbean between April and September 1999. The training was directed toward auditors in public accounting firms and Supreme Audit Institutions, and provided guidance on performing financial audits in accordance with the GAO's *Government Auditing Standards*.
- The OIG Pretoria regional office and USAID/South Africa provided training on a variety of financial accountability issues to representatives from 27 South African Non-Governmental Organizations. The training emphasized the importance of financial management. Work with SAIs in South Africa, Tanzania, Zimbabwe, Rwanda and Ethiopia continued throughout the reporting period. Expansion of SAI activities included establishing a relationship with the President of the Administrative Tribunal of Mozambique, the key SAI official in that country, to foster SAI work in that country. Audits of USAID funds to six South African universities began while the South Africa Auditor General's Office concurrently began a management review of university

operations. The coordination of this joint effort is expected to foster transparency and improve operations at these institutions.

- The OIG Regional Inspector General in Hungary, James R. Bonnell, received a personal honor from the Hungarian government for his dedicated work with the Hungarian State Audit Office, that country's SAI. The Hungarian State Audit Office has become a leader in promoting government accountability throughout Eastern Europe. During an awards ceremony at the Hungarian Parliament, Mr. Bonnell received the MEDIUM CROSS DECORATION OF THE HUNGARIAN REPUBLIC from the President of Hungary for:

"His immediate professional help at the period of formation of the Hungarian State Audit Office, as well as his pledging work for making this organization internationally acknowledged."



**Mr. Bonnell (on right) receives the award from President Árpád Gönez.
Right is Prime Minister Viktor Orbán, left is Speaker of the Parliament, János Áder.**

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.

Disposition of Excess Funds Returned by Contractor

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

- A. Interim Audit Report of Acordia Healthcare Solutions, Inc.,—Excess Federal Cash Being Held—Contract No. FAO-C-00-93-00012-00; *Audit Report No. 0-000-98-002-F, March 26, 1998.*

Recommendation No. 3: The OIG recommends that the USAID Office of Financial Management return all the funds recovered from the Acordia Healthcare Solutions, Inc. contract to the U.S. Treasury when it has determined that these funds are no longer needed for claim payments.

- B. Audit of Acordia Healthcare Solutions, Inc., Billings and Processing of Health and Accident Insurance Claims for the Period July 1993 through April 1998 under Contract No. FAO-C-00-93-00012-00; *Audit Report No. 0-000-99-005-F, March 26, 1999.*

Recommendation No. 2: The OIG recommends that the USAID Office of Financial Management:

- 2.1. Close the Health and Accident Coverage revolving fund account and
- 2.2. Classify all surplus funds generated by the Health and Accident Coverage revolving fund that are not needed to pay health service claims for participants as “miscellaneous receipts” and return them to the U.S. Treasury.

On August 17, 1999 the USAID General Counsel contended that the funds at issue, exclusive of interest, represent a refund of properly obligated but unexpended Federal funds that USAID may deobligate and reprogram.

The OIG does not concur with the USAID General Counsel's opinion. The USAID General Counsel position is based on its belief that the funds in question were advances to USAID contractors, grantees, and cooperative agreement holders (CAs) which were transferred to the Health and Accident Coverage Program contractor, Acordia. The various USAID contractors, grantees and CAs recorded the funds in question as expenditures. USAID has no accounting record(s) to reflect that these were transfers of obligations or Federal funds. The General Counsel did not provide evidence to justify that the funds in question were advances, that were recorded as transfers of obligated funds between authorized parties.

The General Counsel, in its argument, states:

“We realize, as the auditors have pointed out, that USAID did not instruct the recipient organizations or Acordia to treat payments to Acordia as ‘transfers’ of appropriated funds. The grant agreements and contracts characterized these payments as premiums and . . . the recipient organizations accounted for these payments as expenditures. Acordia accounted for these funds as program income. *Nevertheless, the legal nature of the funds is not controlled solely by the words used to describe the funds or the mechanism used to account for them. . . .*” (emphasis added).

Other than the words for the nature of these transactions and the mechanisms allowed for by law and agreements, the OIG has no basis on which to question any action taken by USAID. The facts as disclosed in our audit reports are:

- the Health and Accident Coverage contractor collected, as program income, funds directed by USAID from other contractors, grantees, and CAs for the purpose of paying medical claims;
- the funds generated from this activity were in excess of the needs for paying medical claims; and
- excess funds must be returned to the Treasury.

The General Counsel argued that the funds in question were advances and, therefore, fall under the Rule –“Refunds—defined as amounts collected from outside sources for payments made in error, overpayments or adjustments for previous amounts disbursed, *including returns of authorized advances*” [emphasis added by USAID]. These arguments, like the preceding one, did not resolve the primary issues. That is, there was no evidence that the payments by the various USAID contractors, grantees, and CAs were advances. The payments were not made in error, because these were directed by USAID. Further, the payments were not overpayments or other adjustments to amounts previously disbursed. Therefore, the OIG rejects this argument.

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

- Table A: *Reports Issued (April 1, 1999 through September 30, 1999)*
- Table B: *Audit Reports Over Six Months Old With No Management Decision as of September 30, 1999*
- Table C: *Significant Audit Reports Described in Previous Semiannual Reports Without Final Action as of September 30, 1999*
- Table D: *Reports Issued With Questioned and Unsupported Costs (April 1, 1999 through September 30, 1999)*
- Table E: *Reports Issued With Recommendations That Funds Be Put to Better Use (April 1, 1999 through September 30, 1999)*

INVESTIGATIONS ACTIVITIES

At the beginning of this semiannual reporting period, 136 investigative cases were pending completion. During this reporting period, the OIG opened 100 investigative cases and completed 105 cases. At the end of the period, 131 cases were pending completion. OIG investigative efforts resulted in two reprimands, six personnel suspensions, two resignations/terminations, one organizational suspension/debarment and recoveries of \$635,163.

OIG investigations focus on those USAID programs and operations that are most vulnerable to fraudulent activities. Investigative priorities include program integrity (contract, grant, and cooperative agreement fraud) and employee integrity (direct hire employee or personal services contractor misconduct). OIG investigations may result in criminal, civil, or administrative action.

– PROGRAM INTEGRITY –

Civil Actions

Consulting Firm Settles Civil Suit for \$289,494

Without admitting guilt or liability, a large U.S. consulting firm agreed to pay \$289,494 to settle a dispute resulting from an OIG investigation of alleged presentation of false claims. The OIG initiated the investigation based on information received from the FBI that the consulting firm might be overcharging several government contracts including one with USAID. The DCAA had received the same allegation through its hotline. The OIG investigation determined that, without USAID knowledge and consent, the firm had moved some of its employees from one internal division to another in an effort to charge higher labor rates on work performed in St. Petersburg, Russia. The agreed upon figure of \$289,494 was based on calculations made by the DCAA.

Computer Supplier Settles Dispute for \$101,713

In June 1996, the OIG initiated an investigation based on allegations that a U.S. contractor had committed source/origin and product substitution violations in connection with a project in Russia. The case was closed in February 1997 because no evidence was found to substantiate these allegations. Subsequently, in June 1997, the investigation was reopened based on an allegation that the contractor issued false documents and certifications with respect to computers supplied under the project. Specifically, it was asserted that computers supplied under the

contract did not meet the required specifications contained in the contractor's Technical Proposal, which was used as the basis for the contract award. In fact, the contractor supplied the computers that could not be used with the existing system for which they were ordered. Upon conclusion of the investigation, a referral was made to the United States Attorney's Office, Eastern District of Virginia, which elected to handle the case as a civil false claim. In August 1999, the parties entered into an Agreement and Release settling the disputed claim. Under that agreement, the contractor agreed to a settlement of approximately \$101,713.

Administrative Actions

Resident Advisor Dismissed for Diverting Project Resources

USAID and American Embassy officials dismissed the local national Resident Advisor of a health project in Cameroon after an OIG investigation uncovered evidence of the diversion of over \$13,798 in project funds and property. The investigation resulted from a complaint filed by a former project employee and revealed that the Resident Advisor submitted false conference and hotel invoices and other fraudulent payment records in connection with USAID-sponsored training seminars. The investigation also found that the Advisor performed consultant work for an international donor while concurrently working for the project. Additionally, the investigation determined that the Advisor and the Advisor's spouse owned a local business, which sold commodities to the project. Finally, evidence showed that the Advisor approved project funds as an incentive award to a local hospital managed by the Advisor's spouse, who was also periodically employed by the project as a paid trainer. The American university managing the project agreed to repay all diverted funds as a result of the investigation.

Consulting and CPA Firm Reimburses USAID \$121,764

USAID/Philippines requested DCAA to conduct a financial audit of two of its contractors - a consulting and engineering firm and a Certified Public Accounting (CPA) firm - both in Manila, Philippines. The audit reported the possibility that the firms had overbilled USAID by inflating their requests for reimbursement of salary and per diem expenditures. The OIG initiated an investigation and confirmed that both firms had overcharged USAID by requesting reimbursement for budgeted expenses, as opposed to actual expenses, for salaries and per diem. USAID initiated collection proceedings against the firm as a result of the investigation and recovered excess charges of \$90,485 from the consulting and engineering firm and \$31,279 from the CPA firm.

Joint OIG Audit/Investigation Effort Recovers \$106,241 in Embezzled Funds

The recipient of a USAID cooperative agreement repaid USAID \$106,241 in project funds after a joint OIG audit/investigation uncovered evidence of theft and misuse of funds by a former Managing Director of one of the recipient's sub-organizations. The Managing Director an Egyptian National, diverted the funds through a scheme that involved the use of ineligible and non-existent clients and consultants, the alteration of checks, forgery of internal payment documents, price fixing with consultants, and the acceptance of commissions. According to the terms of the cooperative agreement, the funds were authorized to provide technical and managerial assistance to Egyptian private enterprises, government entities, and other organizations. Additional funds may be recovered as the total amount of the embezzlement may reach \$177,264.

– EMPLOYEE INTEGRITY –

Administrative Actions

USAID Suspends Deputy Mission Director for 40 Days

USAID Management suspended a Deputy Mission Director for 40 days for conduct unbecoming a Federal employee. An OIG investigation determined that the Deputy Mission Director had failed to act impartially in the hiring of a consultant. The official convened a selection committee to avoid the appearance of impropriety and then pressured the committee to hire a personal friend for the position. The investigation also found that the official misused a government vehicle by transporting family children to and from a summer camp and by failing to reimburse the government for the time of a contract driver. Further, the investigation revealed that sworn testimony provided by the official during a Federal investigation was false.

FSN Employee Terminated for Serious Misconduct

A Foreign Service National (FSN) employee of the USAID/Egypt Mission in Cairo was terminated after an OIG investigation uncovered evidence that the employee solicited a USAID contractor firm to import a duty-free vehicle into Egypt for personal use. The investigation confirmed that the employee even selected the color of the vehicle and the desired options. The vehicle was not used on the USAID project and sat virtually idle for almost three years - the length of time needed for the vehicle to be transferred duty free to an Egyptian national. During the period the FSN solicited the vehicle, the individual was a Project Officer with responsibility for supervising the contractor firm under the USAID contract, including reviewing and approving vouchers for payment. Additionally, during the three-year waiting period, the employee served on two technical panels, which reviewed the contractor firm and its competitors for contract awards. The solicited contractor won both awards. The investigation also found that

the FSN obstructed the investigation by threatening witnesses and hindering the collection of evidence by the OIG.



Four USAID Direct Hire Employees Suspended

Following reports that U.S. Government employees assigned to Egypt had used their diplomatic status to import duty-free vehicles for Egyptian nationals for financial gain, the U.S. Ambassador requested that the OIG review whether USAID employees had violated any laws or regulations. The OIG investigation determined that four USAID employees violated regulations concerning the importation and/or sale of duty-free vehicles. The case was referred to the Department of Justice for prosecution but was declined in favor of administrative action. Subsequently, the OIG presented these findings to USAID managers for review and they concluded that the four USAID employees had engaged in conduct unbecoming a Federal employee. Each employee was suspended for five days without pay.

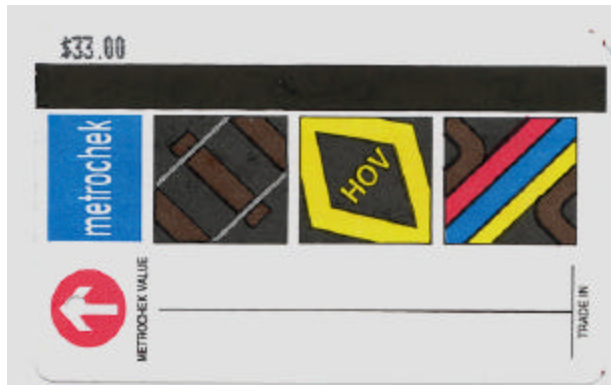
Contractor Employees Reprimanded for Forging Travel Voucher

An OIG investigation into allegations of travel voucher fraud by a USAID contractor found that the contractor's Ukrainian Office Director, a Ukrainian national, had developed a scheme through which employees were required to return 50 percent of their per diem for travel. The returned funds were kept in an office safe and used for other trips, employee bonuses, and other employee entertainment. When one employee declined to participate in the scheme by refusing to sign a travel voucher for the full per diem amount, the Office Director and the Bookkeeper conspired to forge the employee's signature. They then submitted the travel voucher with the forged signature to obtain the full reimbursement. Based upon the investigative findings, both Ukrainian employees – the Office Director and the Bookkeeper - received letters of official reprimand.

Employee Suspended for Metrochek Program Abuse

A USAID direct hire employee was suspended for seven days without pay for abuse of the USAID Metrochek Program. The employee admitted receiving Metrocheks for a three-month period, while taking extended leave. This was a violation of USAID rules and regulations governing the program, although the employee claimed to be unaware of the policy. The case was referred to the U.S. Attorney's Office for the District of Columbia for prosecution but was declined in favor of administrative action. USAID suspended the employee for seven days

without pay and banned the individual from participation in the Metrochek Program for a period of one year. Additionally, the employee was required to reimburse the Agency \$153.



– 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 numbers are **800-230-6539 and 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 this reporting period, the OIG received **34** hotline referrals.



TABLE A

**REPORTS ISSUED.
April 1, 1999 through September 30, 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>
		<i>-- Financial-Related Audits—</i>		
0-000-99-006-F	07/23/99	Review of the Financial Solvency of the Overseas Private Investment Corporation, Fiscal Year Ended September 30, 1998		
0-000-99-007-F	09/30/99	Audit of USAID's Section 620(q) and Brooke Amendment Violations Involving Indonesia		
		<i>-- Financial-Related Audits of USAID Programs and Operations—</i>		
4-674-99-002-F	04/15/99	Audit of USAID/South Africa's Fiscal 1998 Year End Financial Data		
4-611-99-003-F	05/18/99	Audit of USAID/Zambia's Cashiering Operations		
7-641-99-005-F	04/12/99	Audit of USAID/Ghana Fiscal Year 1998 Financial Data		
7-680-99-006-F	05/26/99	Audit of USAID/Benin's Review and Certification of Unliquidated Obligations for Project and Non-Project Assistance	2,786	BU
7-675-99-007-F	09/24/99	Audit of USAID/Guinea Imprest Fund Balance and Controls Associated with the Cashier Operations		
7-675-99-008-F	09/24/99	Audit of USAID/Guinea Self-Help Program		
7-675-99-009-F	09/24/99	Audit of USAID/Guinea's Management of Cash Advances		
		<i>-- Agency-Funded Audits—</i>		
4-623-99-005-N	04/01/99	Audit of the University of Swaziland CARPA Project, Agreement No. 623-0478.23-A-00-4092, for the Period October 1, 1994 to June 30, 1998	751 517	QC UN
4-623-99-006-N	05/24/99	Audit of the Kenya Association of Manufacturers Under Cooperative Agreement No. 623-0249-A-00-7012 for the Period January 8, 1997 to June 30, 1998		
5-367-99-002-N	07/07/99	Audit of USAID/Nepal's Grant to the Ministry of Health Under the Child Survival/Family Planning Services Project No. 367-0157 for PILs No. 38 and 40 (for the Period July 16, 1994 – July 16, 1995) and PIL No. 50 (for the Period July 17, 1995 – July 15, 1996)	28 3	QC UN
6-263-99-005-N	04/20/99	Financial Audit of the Government of Egypt's Ministry of Health, Costs Incurred Under USAID/Egypt's Cost Recovery for Health Project No. 263-0170	190 51	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>
6-263-99-006-N	05/20/99	Financial Audit of the Ministry of Health's Systems Development Project II, Costs Incurred Under USAID/Egypt's Population/Family Planning III Project No. 263-0227	17 6	QC UN
6-263-99-007-N	06/03/99	Financial Audit of the Egypt-U.S. Joint Business Council's Trade Development Center, Costs Incurred Under USAID/Egypt's Export Enterprise Development Project No. 263-0226	91	QC
6-263-99-008-N	07/15/99	Audit of the Federation of Egyptian Industries, Costs Incurred Under USAID/Egypt's Energy Conservation and Environment Project No. 263-0140	3 3	QC UN
6-263-99-009-N	08/09/99	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	24	QC
6-263-99-010-N	08/22/99	Financial Audit of the Curative Care Organization, Expenditures Incurred Under Project Implementation Letter No. 20 Under USAID/Egypt's Cost Recovery for Health Project No. 263-0170	45	QC
6-263-99-011-N	09/02/99	Financial Audit of the Ministry of Health's Teaching Hospital Organization, Expenditures Incurred Under Project Implementation Letter No. 8B Under USAID/Egypt's Population/Family Planning III Project (Project No. 263-0227)	9 9	QC UN
6-263-99-012-N	09/14/99	Financial Audit of the International Resources Group, Costs Incurred Under Contract No. PCE-I-00-96-00002-00, Task Order Nos. 802 and 812	27	QC
6-263-99-013-N	09/15/99	Financial Audit of USAID Resources Managed by the National Population Council Under Project Implementation Letter No. 6B of the Population/Family Planning III Project (USAID/Egypt Project No. 263-0227)		
7-698-99-002-N	05/27/99	Audit of Local Currency Expenditures Incurred by SENECEI Under the Human Resources Development Assistance Project for the Period July 5, 1994 through July 1, 1997	7 3	QC UN
7-641-99-003-N	06/18/99	Audit of Costs Incurred Under USAID Contract Nos. 641-C-00-98-002 and 641-C-00-98-257 to Centinia Construction Company Limited for the Period September 29, 1997 to March 31, 1999	25 24	QC UN
		-- Recipient-Contracted Audits of U.S.-Based Grantees—		
0-000-99-013-A	04/26/99	Single Audit Report of Ethiopian Community Development Council, Inc. for Fiscal Year Ended September 30, 1997		
0-000-99-015-A	04/26/99	Single Audit Report of Mercy Corps International for Fiscal Year Ended June 30, 1997		
0-000-99-017-A	04/26/99	Single Audit Report of Family Health International for Fiscal Year Ended September 30, 1997		
0-000-99-018-A	04/26/99	Single Audit Report of Katalysis North/South Development Partnership, for Fiscal Year Ended September 30, 1997		
0-000-99-019-A	04/26/99	Single Audit Report of International City/County Management Association for Fiscal Year Ended June 30, 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>
0-000-99-020-A	04/26/99	Single Audit Report of the Nature Conservancy for Fiscal Year Ended June 30, 1997		
0-000-99-021-A	04/26/99	Single Audit Report for Health Volunteers Overseas, Inc. for Fiscal Year Ended December 31, 1997		
0-000-99-022-A	05/13/99	Single Audit Report for Winrock International Institute for Agricultural Development for Fiscal Year Ended December 31, 1997		
0-000-99-023-A	04/26/99	Single Audit Report of International Orthodox Christian Charities, Inc. for the Year Ended December 31, 1997		
0-000-99-024-A	04/26/99	Single Audit Report of International Research & Exchanges Board, Inc. for the Year Ended June 30, 1997		
0-000-99-025-A	04/27/99	Single Audit Report of Health Alliance International for the Year Ended December 31, 1997		
0-000-99-026-A	05/28/99	Single Audit Report of Minnesota International Health Volunteers for the Year Ended December 31, 1997		
0-000-99-027-A	06/21/99	Single Audit Report of American ORT, Inc. for the Year Ended December 31, 1997		
0-000-99-028-A	06/22/99	Single Audit Report of Rural Development Institute for the Year Ended December 31, 1997		
0-000-99-029-A	06/21/99	Single Audit Report of ACDI/VOCA for the Year Ended December 31, 1997		
0-000-99-030-A	06/23/99	Single Audit Report of Environmental Export Council for the Year Ended December 31, 1997	14	QC
0-000-99-032-A	07/30/99	Single Audit Report of Mercy International-USA, Inc. for the Year Ended December 31, 1997		
0-000-99-033-A	07/30/99	Single Audit Report of Johns Hopkins University for Fiscal Year Ended June 30, 1998	77	QC
		<i>-- Audits of Enterprise Funds—</i>		
0-000-99-001-E	06/21/99	Polish-American Enterprise Fund Consolidated Financial Statements as of September 30, 1996 Together With Auditors' Report and Reports on Internal Controls and Compliance		
0-000-99-002-E	06/21/99	Polish-American Enterprise Fund Consolidated Financial Statements as of September 30, 1997 Together With Auditors' Report and Reports on Internal Controls and Compliance		
0-000-99-003-E	06/21/99	Polish-American Enterprise Fund Financial Statements and OMB Circular A-133 Supplemental Financial Reports for the Year Ended September 30, 1998 Together With Auditors' Report on Internal Controls and Compliance		
0-000-99-004-E	07/22/99	Bulgarian-American Enterprise Fund Financial Statements and Audit Opinion Letters for the Years Ending September 30, 1998, through 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>
		<i>-- Audits of Non-U.S. Organizations by DCAA—</i>		
B-649-99-006-D	04/07/99	Report on Preaward Accounting System Survey, Life and Peace Institute, Uppsala, Sweden		
B-181-99-007-D	05/12/99	Report on Preaward Accounting System Survey, Foundation for Social and Economic Initiatives, Warsaw, Poland		
B-193-99-008-D	05/18/99	Report on Accounting System Survey, Nadacia Ekopolis, Banska Bystrica, Slovakia		
B-193-99-009-D	05/18/99	Report on Accounting System Survey, Transparency International, Bratislava, Slovakia		
B-181-99-010-D	05/19/99	Report on Audit of Incurred Costs for Fiscal Years 1997 and 1998 Under USAID Cooperative Agreement No. 181-A-00-95-00230, Warsaw Journalism Center, Warsaw, Poland		
B-181-99-011-D	06/08/99	Report on Audit of Financial Capability of the Warsaw Journalism Center, Warsaw, Poland		
B-186-99-012-D	06/08/99	Report on Preaward Accounting System Survey, Youth for Youth Foundation, Bucharest, Romania		
B-186-99-013-D	06/14/99	Report on Preaward Accounting System Survey, Romanian Association Against AIDS, Bucharest, Romania		
B-186-99-014-D	06/14/99	Report on Preaward Accounting System Survey, Romanian Public Health and Health Management Association, Bucharest, Romania		
B-186-99-015-D	07/01/99	Report on Preaward Accounting System Survey, Romanian-American Association for the Promotion of Health, Education and Human Services, Bucharest, Romania		
B-160-99-016-D	07/19/99	Report on Application of Agreed-Upon Procedures [Audit of the International Organization for Migration, Zagreb, Croatia]	3	QC
B-165-99-017-D	08/06/99	Report on Application of Agreed-Upon Procedures, Family Assistance Program, Skopje, Macedonia		
B-165-99-018-D	08/06/99	Report on Application of Agreed-Upon Procedures, Unemployment and Pension Relief Program, Skopje, Macedonia		
B-183-99-019-D	08/23/99	Report on Application of Agreed-Upon Procedures, Severance Payment Program for Isolation List State-Owned Enterprises, Sofia, Bulgaria		
B-183-99-020-D	08/24/99	Report on Application of Agreed-Upon Procedures, Regional Initiatives Fund, Sofia, Bulgaria		
		<i>-- Audits of U.S.-Based Contractors by DCAA—</i>		
0-000-99-084-D	04/16/99	Audit of Harvey & Company, Inc.'s Indirect Costs and Rates for Fiscal Years 1990 through 1994	473	QC
0-000-99-085-D	04/16/99	Audit of Arthur D. Little, Inc.'s Indirect Costs and Rates for Fiscal Year 1993		

BU- Better use of funds
 QC- Questioned Costs
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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>
0-000-99-086-D	04/16/99	Audit of Aguirre International, Inc.'s Indirect Costs and Rates for Fiscal Years 1995 and 1996		
0-000-99-087-D	04/15/99	Audit of Incurred Costs for Sibley International Corporation for Calendar Years 1995 and 1996	35	QC
0-000-99-088-D	05/17/99	Audit of Incurred Costs for the Pragma Corporation for Calendar Years Ending December 31, 1995 and 1996		
0-000-99-089-D	04/26/99	Audit Report of Direct and Indirect Costs and Rates Claimed for Fiscal Years 1991, 1992, 1993 and 1994 for Advanced Resources Technologies, Inc.		
0-000-99-090-D	04/26/99	Audit of Direct and Indirect Costs and Rates Claimed for Fiscal Years 1995, 1996 and 1997 for Advanced Resources Technologies, Inc.		
0-000-99-091-D	04/15/99	Preaward Accounting System Review, The Manoff Group, Inc.		
0-000-99-092-D	04/26/99	Audit of Incurred Costs for the Futures Group International, Inc. for the Fiscal Years 1996 and 1997		
0-000-99-093-D	05/18/99	Audit Report of Review of Direct Costs and Indirect Cost Rates for Fiscal Year 1992 for Daniel, Mann, Johnson, & Mendenhall		
0-000-99-094-D	05/18/99	Report on Audit of Preaward Accounting System Survey, Tina Sanghvi Ltd.		
0-000-99-095-D	05/18/99	Report on Agreed-Upon Procedures for Nutritional Technical Assistance to the Manoff Group, Inc., a Subcontractor to the Partnership for Child Health Care, Inc.		
0-000-99-096-D	05/18/99	Audit of Fiscal Year Ending December 31, 1996 for Bain & Company, Inc.	196	QC
			196	UN
0-000-99-097-D	05/21/99	Audit of Revised Forward Pricing Rates for Bechtel Systems and Infrastructure, Inc. (Functions and Systems) for the Calendar Year Ending December 31, 1999		
0-000-99-098-D	05/28/99	Audit of Incurred Costs for Casals & Associates for Calendar Years 1994, 1995 and 1996	68	QC
0-000-99-099-D	05/28/99	Audit of Forward Pricing Rates for Electrotek Concepts, Inc. for the Fiscal Year Ended March 31, 1999		
0-000-99-100-D	05/28/99	Audit of Indirect Costs for Carana Corporation for the Calendar Years Ending December 31, 1996 and December 31, 1997		
0-000-99-101-D	05/28/99	Audit of Indirect Costs for Harvey & Company, Inc. for the Calendar Years Ending December 31, 1995 and December 31, 1996		
0-000-99-102-D	05/28/99	Audit of Indirect Costs for the Pragma Corporation for the Calendar Year Ending December 31, 1997		
0-000-99-103-D	06/21/99	Audit of Incurred Costs for the Mitchell Group, Inc. for the Calendar Years 1994 through 1996	88	QC
0-000-99-104-D	06/07/99	Audit of Calendar Year 1997 Incurred Costs, Sibley International Corporation		
0-000-99-105-D	06/02/99	Audit of Indirect Costs for John Snow, Inc. for the Calendar Years Ending December 31, 1995 and December 31, 1996	1	QC
0-000-99-106-D	05/28/99	Floor Check Survey of DevTech Systems, Inc.		

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>
0-000-99-107-D	05/28/99	Audit of Davis/Valente Group's Cost Plus Fixed Fee Price Proposal for Technical Assistance		
0-000-99-108-D	06/08/99	Audit of Incurred Costs for Horizon Data Corporation for the Fiscal Years Ending December 31, 1989 through December 31, 1995		
0-000-99-109-D	06/04/99	Audit of Termination for Convenience Proposal Submitted by Planning Assistance for Contract No. 522-0385-C-00-4189-00	16	QC
0-000-99-110-D	06/03/99	Audit of Incurred Costs for Selective Environmental Technologies, Inc., Closeout of Cooperative Agreement No. NIS-A-00-97-00002-00	5	QC
0-000-99-111-D	06/04/99	Audit of Cost Proposal Submitted by The Futures Group International, Incorporated Under Request for Proposal No. M/OP-98-918		
0-000-99-112-D	06/10/99	Audit of Termination for Convenience Proposal of the Walker & Company, LLP for Contract No. CCP-C-97-0002-00	29	QC
0-000-99-113-D	06/11/99	Audit of Incurred Direct and Indirect Costs and Rates for Octagon, Inc., for Calendar Years Ended December 31, 1996 and December 31, 1997		
0-000-99-114-D	06/11/99	Audit of Incurred Direct and Indirect Costs and Rates for Octagon, Inc., for Calendar Year Ended December 31, 1995		
0-000-99-115-D	06/22/99	Audit of Aurora Associates International, Inc. Incurred Costs for Fiscal Years 1996 and 1997		
0-000-99-116-D	06/10/99	Audit of Follow-up Accounting System Review of Cuban Dissidence Task Group		
0-000-99-117-D	06/11/99	Audit of Incurred Costs and Indirect Costs for Development Assistance Corporation for the Calendar Years Ending December 31, 1994 through December 31, 1996	67	QC
0-000-99-118-D	06/10/99	Audit of Incurred Direct Costs for Ebasco Services, Incorporated for the Fiscal Year Ended December 31, 1986	181 181	QC UN
0-000-99-119-D	06/21/99	Audit of Incurred Costs for DevTech Systems, Incorporated for Fiscal Years 1995 through 1997	14	QC
0-000-99-120-D	06/11/99	Audit of Floor Check Survey of Planning and Learning Technologies, Inc. for Calendar Year 1999		
0-000-99-121-D	06/24/99	Audit of T&M Incurred Costs for Recovery Group for Fiscal Year 1995		
0-000-99-122-D	06/18/99	Audit of Philippines Institute for Development Studies' Accountability Statement for the Period April 17, 1995 through September 17, 1996		
0-000-99-123-D	06/23/99	Audit of Annual Incurred Costs for Parsons Engineering Science, Inc., for Fiscal Year Ended December 31, 1993		
0-000-99-124-D	06/14/99	Audit of Stanford University's Estimating System and Related Internal Controls		
0-000-99-125-D	06/18/99	Supplemental Audit of Costs Incurred Under USAID Grant with Medecins Du Monde, January 1, 1993 to December 31, 1994	21	QC
0-000-99-126-D	06/21/99	Audit of Incurred Costs and Indirect Costs Rates for Smithsonian Institution for the Fiscal Year 1995		
0-000-99-127-D	06/22/99	Audit of Incurred Direct and Indirect Costs and Rates for Eccles Associates, Inc. for Calendar Year Ended December 31, 1997		

BU- Better use of funds

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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>
0-000-99-128-D	06/21/99	Audit of Fiscal Year 1996 Incurred Costs, Development Associates, Inc.		
0-000-99-129-D	06/18/99	Audit of Indirect Expense Rates and Direct Costs Incurred Under Government Flexibly Price Contracts for Daniel, Mann, Johnson, & Mendenhall for the Fiscal Year 1994		
0-000-99-130-D	06/30/99	Audit of Incurred Costs of Burson-Marsteller Ltd. For Basic Ordering Agreement No. 3108-00-E, Under Contract No. CCN-005-C-00-3108-00	289	QC
0-000-99-131-D	06/22/99	Audit of Incurred Costs and Indirect Cost Rates for BHM International, Inc. for Fiscal Years 1994 and 1995		
0-000-99-132-D	06/21/99	Audit of Incurred Direct and Indirect Costs/Rates for Central Maine Power Company for Calendar Years 1994 through 1996		
0-000-99-133-D	06/23/99	Audit of Incurred Costs and Indirect Costs Rates for Raytheon Engineers & Constructors, Incorporated for the Fiscal Year 1995		
0-000-99-134-D	06/23/99	Audit of Incurred Costs and Indirect Cost Rates for Boston Institute for Developing Economies for Fiscal Years 1994 through 1996		
0-000-99-136-D	06/23/99	Audit of the Recovery Group, Inc.'s Incurred Costs for Fiscal Years 1996 and 1997		
0-000-99-137-D	06/23/99	Audit of Associates for International Resources and Development's Incurred Costs for Fiscal Years 1995 and 1996		
0-000-99-138-D	06/23/99	Audit of Medical Services Corporation International Incurred Costs for Fiscal Years 1996 and 1997		
0-000-99-139-D	06/23/99	Audit of Checchi and Company Consulting, Inc. Incurred Costs for Fiscal Year 1998		
0-000-99-140-D	06/24/99	Audit of Fomentco, Inc. dba: Mendez England & Associates Incurred Costs for Calendar Year 1996		
0-000-99-141-D	06/24/99	Audit of Institute for International Research Incurred Costs for Fiscal Years 1996	9	QC
0-000-99-142-D	06/24/99	Audit of Lance Bailey Associates, Inc. Incurred Costs for Fiscal Years 1994 through 1996		
0-000-99-143-D	06/24/99	Audit of Ebasco Services, Incorporated for Fiscal Year 1993 Direct Costs	460	QC
0-000-99-144-D	06/25/99	Audit of Fiscal Periods Ended June 30, 1995, December 31, 1995, and December 31, 1996 of International Science and Technology Institute, Inc.		
0-000-99-145-D	06/24/99	Audit of Incurred Costs for Management Systems International, Inc. for Fiscal Year 1997		
0-000-99-146-D	06/29/99	Audit of Incurred Costs and Indirect Cost Rates for Center for Financial Engineering in Development for Fiscal Years 1994 and 1995	583	QC
0-000-99-147-D	06/28/99	Audit of Incurred Cost for Fiscal Year Ended December 31, 1995 for Morrison-Maierle, Inc.		
0-000-99-148-D	06/28/99	Audit of Incurred Cost for Fiscal Year Ended June 1996, Technical Support Services, Inc.	14	QC
0-000-99-149-D	06/24/99	Audit of Montgomery Watson Americas, Inc.'s Incurred Costs for Fiscal Year 1994		
0-000-99-150-D	06/24/99	Audit of Montgomery Watson Americas, Inc.'s Incurred Costs for Fiscal Year 1995		

BU- Better use of funds

QC- Questioned Costs

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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>
0-000-99-151-D	06/29/99	Audit of STV Group, Inc. Incurred Costs for Fiscal Years 1995 and 1996		
0-000-99-152-D	06/30/99	Audit of Incurred Costs for Camp Dresser and McKee Corporate for Fiscal Year 1995		
0-000-99-153-D	07/07/99	Audit of Incurred Costs and Indirect Costs Rates for January 1, 1996 through December 31, 1996		
0-000-99-154-D	07/08/99	Audit of Incurred Direct and Indirect Costs/Rates for LTS Corporation, Inc. for Fiscal Year 1996		
0-000-99-155-D	07/09/99	Audit of Incurred Direct and Indirect Costs/Rates for AMEX International, Inc. for Calendar Year 1996	84 42	QC UN
0-000-99-156-D	06/30/99	Audit of Incurred Costs and Indirect Cost Rates for Nathan Associates, Inc., for Calendar Year Ended December 31, 1997	10	QC
0-000-99-157-D	06/30/99	Audit of Incurred Costs of Sciencetech, Inc. for Fiscal Year 1994	7	QC
0-000-99-158-D	07/09/99	Audit of J.E. Austin Associates, Inc.'s Incurred Costs for Fiscal Years Ending December 31, 1993 and 1994	2	QC
0-000-99-159-D	06/30/99	Audit Report of Review of Direct Costs and Indirect Cost Rates for Calendar Years 1995 and 1996 for Maria Elena Torano Associates, Inc.		
0-000-99-160-D	06/30/99	Audit of Incurred Costs for GTE Government Systems Corporation, for Fiscal Year 1994		
0-000-99-161-D	06/30/99	Audit of Incurred Costs for the Period of September 1, 1992 through March 31, 1994 for Kramer Associates, Inc.	373	QC
0-000-99-162-D	06/30/99	Report on Physical Observations (Floorchecks), Checchi and Company Consulting, Inc.		
0-000-99-163-D	07/08/99	Audit of Incurred Direct and Indirect Costs/Rates for IGI International, Inc. for Calendar Year Ending December 31, 1997		
0-000-99-164-D	06/30/99	Audit of Time & Material Contract No. AOT-0000-C-00-5007, Software Control International		
0-000-99-165-D	07/09/99	Audit of Abt Associates, Inc.'s Compliance with Cost Accounting Standards 413 – Adjustment and Allocation of Pension Cost		
0-000-99-166-D	07/20/99	Audit of Incurred Costs and Indirect Cost Rates for DPK Consulting for the Fiscal Years Ending December 31, 1996 and 1997		
0-000-99-167-D	07/27/99	Audit of Incurred Costs and Indirect Cost Rates for the Mitchell Group, Inc. for the Calendar Year Ending December 31, 1997		
0-000-99-168-D	07/01/99	Audit of Incurred Cost for Fiscal Years Ended December 31, 1993 through December 31, 1997 for Innovative Resource Partners		
0-000-99-169-D	07/27/99	Audit of Incurred Costs and Indirect Cost Rates for Information Management Consultants for Fiscal Years 1994 and 1995		
0-000-99-170-D	07/20/99	Audit of Camp Dresser and McKee-International's Compliance with Cost Accounting Standards 418 – Allocation of Direct and Indirect Costs		
0-000-99-171-D	07/20/99	Audit of Incurred Direct and Indirect Costs/Rates for Development Alternatives, Inc. for Fiscal Years 1996 and 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>
0-000-99-172-D	07/28/99	Audit of Planning and Learning Technologies, Inc.'s Incurred Costs for Calendar Years 1996 and 1997	18 4	QC UN
0-000-99-173-D	07/28/99	Audit of Center for Financial Engineering in Development, Inc.'s Incurred Costs for Fiscal Years 1996 and 1997	135 35	QC UN
0-000-99-174-D	07/23/99	Audit of Technical Support Services, Inc.'s Incurred Costs for Fiscal Year Ended June 30, 1997	599 213	QC UN
0-000-99-175-D	07/29/99	Audit of Indirect Costs for Research Management Consultants, Inc. for the Fiscal Year Ending 1995		
0-000-99-176-D	07/30/99	Audit of Incurred costs for PRC Environmental Management, Inc. for the Year Ended December 31, 1992	5 4	QC UN
0-000-99-177-D	07/30/99	Audit of Incurred Costs for Coverdale Organization, Inc. for Fiscal Years 1995 and 1996		
0-000-99-178-D	08/06/99	Audit of Incurred Costs and Indirect Cost Rates for Land O'Lakes, Inc. for the Fiscal Year Ending December 31, 1997		
0-000-99-179-D	07/30/99	Audit of Incurred Costs and Indirect Cost Rates for International Resource Group, Ltd. For the Calendar Year Ending December 31, 1996	23	QC
0-000-99-180-D	08/05/99	Audit of Burson-Marsteller, Ltd Incurred Costs Related to U.S. Agency for International Development Contract No. EPE-0005-I-5028-00	839	QC
0-000-99-181-D	08/05/99	Audit of Incurred Costs and Indirect Cost Rates for Planning and Development Collaborative International for the Fiscal Year Ending December 31, 1997		
0-000-99-182-D	08/24/99	Audit of Incurred Costs and Indirect Cost Rates for BHM International, Inc. for Fiscal Years 1996 and 1997		
0-000-99-183-D	08/31/99	Audit of Cost Accounting System, Meridian Group International, Inc.		
0-000-99-184-D	08/31/99	Audit of Cost Plus Award Fee Proposal Submitted by Meridian Group International, Inc. Under RFP No. M/OP-98-918 for Technical Services to the Bureau for Global Programs, Field Support and Research PHN Center		
0-000-99-185-D	09/14/99	Audit of Cost Plus Fixed Fee Proposal Submitted by Deloitte Touche Tohmatsu Under RFP No. M/OP-98-918 for Commercial Market Strategies		
		<i>-- Recipient-Contracted Audits of Non-U.S.-Based Recipients--</i>		
B-181-99-006-R	07/29/99	Audit of Association of Polish Cities Fund Accountability Statement Under Agreement No. 181-G-00-97-00324-00 for the Period September 30, 1997 to December 31, 1998	1	QC
B-181-99-007-R	08/02/99	Audit of the Foundation in Support of Local Democracy Fund Accountability Statement Under Grant No. 181-G-00-98-00308-00 for the Period April 1, 1998 to May 31, 1999		

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-163-99-008-R	08/18/99	Audit of the Lithuanian Free Market Institute Grant Nos. 181-A-00-96-90322 and 181-00230-A-00-6322 for the Period September 1, 1996 through August 31, 1998		
1-520-99-062-R	04/08/99	Financial Audit of the Project Support to the Modernization of Ports and Airports of the Government of Guatemala, USAID/G-CAP Proyecto No. GA520-97-A00-00031-00, Implemented by Centro de Investigaciones Economicas Nacionales – CIEN, for the Period June 2, 1997 to May 31, 1998		
1-532-99-063-R	04/08/99	Revised Report on the Financial Audit of the Agricultural Export Services Project, USAID/Jamaica Project Number 532-0165, for the Period January 1, 1997 to June 30, 1997		
1-522-99-064-R	04/12/99	Audit of Municipal Development Program, USAID/Honduras Project No. 522-0340, Managed by the Foundation for Municipal Development, December 31, 1995	71	QC
1-520-99-065-R	04/19/99	Audit of the Development and Support to the Modernization of the State Project, USAID/G-CAP Project No. 520-9999-A-00-6064-00 Managed by Corporacion de Inversiones y Desarrollo de Centro America, S.A., for the Period July 16, 1996 to June 30, 1998	12 4	QC UN
1-511-99-066-R	04/27/99	Sistema Educativo Antidrogas y de Movilizacion Social “SEAMOS” Project, Cooperative Agreement USAID 511-0613-A-00-2030-00, Financial Statements, Period January 1 to September 30, 1997, (With Independent Auditor’s Report)	43 27	QC UN
1-511-99-067-R	04/29/99	Center for Promotion of Economic Initiatives, USAID Cooperative Agreement No. 511-A-00-96-00012-00, Independent Auditor’s Report, for the Period January 1, 1997 to March 31, 1998	70 70	QC UN
1-525-99-068-R	04/30/99	Fundacion para la Conservacion de los Recursos Naturales, NATURA; Financial Statements and Independent Auditors’ Report; Years Ended June 30, 1998 and 1997		
1-532-99-069-R	04/30/99	Revised Report on the Financial Audit of the Sanitation Support Unit Project, USAID/Jamaica Project Number 532-0149, for the Period January 1, 1997 to December 31, 1997	2 1	QC UN
1-519-99-070-R	05/17/99	Financial and Legal Compliance Audit of the Health Systems Support Project, Financed with USAID Grant Agreement No. 519-0308, and Implemented by the Ministry of Public Health and Social Assistance, Through the General Direction of Health, From January 1, 1996 to December 31, 1997		
1-522-99-071-R	05/17/99	Project USAID/Private Sector Population III No. 522-0389, Managed by the Honduran Family Planning Association, Year Ended December 31, 1996		
1-522-99-072-R	05/17/99	Project USAID/Private Sector Population II No. 522-0369, Managed by the Honduran Family Planning Association, Year Ended December 31, 1996		
1-526-99-073-R	05/18/99	Paraguay Kansas Committee, Information and Resources Center for Development, Audit of the Project No. 526-0616-A-00-2019-00, December 31, 1997		
1-522-99-074-R	05/21/99	Audit of the Project Small Farmer Development; USAID/Honduras No. 522-0399; Managed by the Fundacion Hondurena de Investigacion Agricola as of December 31, 1995		
1-522-99-075-R	05/21/99	USAID Sanitation and Familiar Health Program Managed by the Cooperative Housing Foundation from May 1, 1994 to December 31, 1995		

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>
1-522-99-076-R	05/28/99	Audit of Municipal Development and Training Program, Cooperative Agreement No. 522-0340-A-00-5108-00 Managed by Central American Technological University for the Period from October 15, 1994 to December 31, 1995		
1-522-99-077-R	05/28/99	Audit of the USAID/Honduras Resources, Managed by the Democracy and Development of Honduras Foundation, Under the Strengthening of the Democratic Institutions Program, USAID/Honduras Project No. 522-0296, from July 1, 1994 to December 31, 1995	23	QC
1-520-99-078-R	06/03/99	Maya Biosphere Reserve Project (MAYAREMA 520-0395), National Council for Protected Areas	84	QC
1-522-99-079-R	06/09/99	Program USAID/PL-480 Title III, Managed by the Secretaria de Finanzas Acting Through the Direccion General de Credito Publico, from January 1, 1994 to February 28, 1997		
1-522-99-080-R	06/16/99	USAID/Public Law 480/Title II/Maternal-Child Health Program, Managed by CARE Internacional en Honduras and Came Out by the Secretaria de Salud, from October 1, 1994 to December 31, 1995		
1-522-99-081-R	06/16/99	USAID/Public Law 480/Title II/School Breakfasts Program, Managed by CARE Internacional in Honduras and Came Out by the Secretaria de Educacion, from July 1, 1992 to December 31, 1996		
1-522-99-082-R	06/16/99	USAID/Public Law 480/Title II/School Lunch Program, Managed by CARE Internacional in Honduras and Came Out by the Secretaria de Educacion, from October 1, 1994 to December 31, 1995		
1-518-99-083-R	06/16/99	Independent Auditors' Report on the Fund Accountability Statement of Cooperation Agreement No. 518-0071-A-00-5133-00, Proyecto Analisis y Promocion de Politicas de Salud en el Ecuador, Funded by USAID for the Period May 1, 1996 to December 31, 1997 and on the Financial Statements of CEPAR for the Years Ended December 31, 1997 and 1996		
1-520-99-084-R	06/16/99	Financial Audit of the Small Coffee Farmer Improvement Program, USAID/ANACAFE Cooperative Agreement No. 520-0381-A-00-9637-00 Implemented by National Coffee Association – ANACAFE, for the Year Ended September 30, 1998		
1-527-99-085-R	06/16/99	Audit of Financial Statements of Centro de Informacion y Educacion para la Prevencion del Abuso de Drogas – CEDRO as of December 31, 1997 and of the USAID/Peru Project No. 527-0347 Fund Accountability Statement for the Nine Month Period Ended on September 30, 1997		
1-527-99-086-R	06/23/99	Audit of the Project Emergency Plan for El Nino Phenomenon in Peru, Administered by Adventist Development Relief Agency ADRA-OFASA, USAID Grant Agreement No. 527-G-00-98-00112-00, for the Period from February 20, 1998 to March 31, 1999		
1-527-99-087-R	06/23/99	Asociacion de Exportadores – ADEX, Project of Assistance to Micro-Enterprises and Small Producers, Cooperation Agreement No. 527-0349-A-00-1275-00, Report on the Audit of the Accountability Statement for the Period between January 1 and December 31, 1997; and Alternative Development Program, Report on the Accountability Statement for the Period between October 16 and December 31, 1997	62 43	QC UN
1-526-99-088-R	06/24/99	Audit of Project No. 526-642-G-SS-2021-01 Judicial Reform, Executed by the Supreme Court of the Republic of Paraguay, for the Period Covering January 1, 1997 up to July 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>
1-519-99-089-R	06/30/99	Entrepreneurial Foundation for Educational Development, "Fundacion Empresarial para el Desarrollo Educativo," Audit of the Grant Agreement Numbers 519-0315, 519-0401, 519-0349, 519-0394, Year Ended December 31, 1996		
1-520-99-090-R	06/30/99	Closing Audit of the USAID/G-CAP Agreement No. 520-0357-G-00-2312-00, Administered by Asociacion Pro-Bienestar de la Familia de Guatemala, for the Period from January 1, 1997 to May 31, 1998		
1-526-99-091-R	06/30/99	Audit of the Agreement No. 526-A-00-94-00008-00, Managed by the Alter Vida Association, for the Year Ended December 31, 1997	3 1	QC UN
1-521-99-092-R	07/02/99	Promotion of Business and Export Project Component Managed by Capital Consult S.A.; USAID/Haiti Project No. 521-0186-C-00-5038-00; for the Period October 1, 1996 to February 28, 1998	130 108	QC UN
1-522-99-093-R	07/27/99	USAID/Public Law 480 Title II/School Lunch, Maternal-Child, and Municipal Infrastructure and Technical Assistance Programs, Managed by CARE International in Honduras, from October 1, 1994 to December 31, 1995		
1-522-99-094-R	07/28/99	USAID/Public Law 480/Title II/School Breakfasts Programs, Managed by CARE International in Honduras, from July 1, 1992 to December 31, 1996		
1-522-99-095-R	07/29/99	Final Audit of USAID Project No. 522-0252, Managed by the Financial Service Unit of FACACH, for the Period May 1, 1992 to July 31, 1995	60 38	QC UN
1-596-99-096-R	07/30/99	Close-out Audit of the Economic Policy Research Project, USAID/G-CAP Project No. 596-0147-G-00-5110-00, Implemented by Secretariat for Central American Economic Integration, for the Period January 1 to June 30, 1997	75	QC
1-596-99-097-R	08/10/99	Close-out Audit of the Association for Democracy and Development Support Project, USAID/G-CAP Project No. 596-0177-92-042, Implemented by Secretariat for Central American Economic Integration, for the Period January 1 to December 31, 1997	36	QC
1-521-99-098-R	08/11/99	Enhancing Food Security II Project (USAID/Haiti Project No. 521-0258-C-00-6122); Fund Accountability Statements; Managed by International Maritime Terminal, S.A.; for the Period from October 1, 1997 to September 30, 1998		
1-596-99-099-R	08/11/99	Financial Audit of the Support Project for the Participation of Central America in the Free Trade Area of the Americas, USAID/G-CAP Project No. 596-0178.01, Implemented by Secretariat for Central American Economic Integration, for the Period January 1 to December 31, 1997	41	QC
1-521-99-100-R	08/11/99	Auditing of the Project Formalization of the Real Property in Haiti, Administered by the Consortium Center for Free Enterprise and Democracy and the Institute for Freedom and Democracy, Port-au-Prince Office, Grant Agreement No. 521-A-00-97-00042-00, for the Period Comprehended Between August 7 to December 31, 1997		
1-527-99-101-R	08/12/99	Asociacion Benefica Prisma; Reissuance of Audit Opinion on the Indirect Costs Rate Determined by Asociacion Benefica Prisma for the Year Ended December 31, 1995		
1-518-99-102-R	08/12/99	Capitulo Latinoamericano de la Union Internacional de Municipios y Poderes Locales; Independent Auditors' Report o the Fund Accountability Statement of Cooperation Agreement AID/RHUDO-IULA-CELCADEL No. 518-A-00-88-00211-00; Programa Mujer y Gobierno Local en America Latina: Nuevas Areas de Responsibilidad Municipal; Funded by USAID for the Period October 1, 1994 to March 31, 1998	23 23	QC UN

BU- Better use of funds

60

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>
1-521-99-103-R	08/17/99	Auditing of the Fund Accountability Statements of the Grant Agreement USAID No. PCE-G-00-96-00001-0 "Globalization of ILD Programs" Period Comprehended Between January 1 and June 30, 1998, No. 521-A-00-97-00042-00 "Formalization of Urban Real Property in Haiti" Period Comprehended Between January 1 and December 31, 1998, and LAG-A-00-98-00047-00 "Formalization of Properties in Latinamerica" Period Comprehended Between May 1 and December 31, 1998, and Financial Statements for General Purposes of Institute for Freedom and Democracy for the Year Ended in December 31, 1998		
1-522-99-104-R	08/18/99	Project USAID/Honduras HOPS II No. 522-0364-C-00-1258-00, Managed by the Centro Asesor para el Desarrollo de los Recursos Humanos de Honduras, for the Period from May 1, 1992 to March 31, 1995	60 19	QC UN
1-519-99-105-R	08/31/99	Fundacion Empresarial para el Desarrollo Educativo; Audit of USAID/El Salvador Donation Agreement No. 519-0401; Project to Support the Education Reform for the Social Sector; for the Year Ended December 31, 1998		
1-524-99-106-R	08/31/99	Close-out Financial Audit of the USAID Resources Managed by Centro de Estudios Estrategicos de Nicaragua Under Grant Agreement No. 524-A-00-98-00003-00 for the Period December 1, 1997 to March 1, 1999		
1-518-99-107-R	08/31/99	Independent Auditors' Report on the Fund Accountability Statement of Proyecto de Reforma Judicial y Administracion de Justicia No. 518-0120-A-00-6150-00 Funded by USAID for the Period August 1, 1996 to December 31, 1997 and Financial Statements of Corporacion Latinoamericana para el Desarrollo for the Year Ended December 31, 1997		
1-519-99-108-R	09/03/99	Salvadoran Demographic Association, Report for the Year Ended December 31, 1998 of the AID Project No. 519-A-00-90-0408-020 "Family Health Services" and Independent Auditor's Report Over the Financial Statements		
1-522-99-109-R	09/07/99	Audit of the Honduran Council of Private Enterprise, Grant Agreement USAID/Honduras No. 522-0325-1, Year Ended December 31, 1996		
1-520-99-110-R	09/09/99	Audit of the Communities in Transition Managed by the Canadian Center of Studies and International Cooperation; USAID/G-CAP Project No. 520-0413-A-00-5130-00; for the Year Ended March 31, 1998		
1-511-99-111-R	09/09/99	Catholic University of Bolivia Human Resources for Development Project; CUB-USAID-HIID; USAID Cooperative Agreement No. 511-A-00-94-00052-00 as of December 31, 1998	13	QC
1-520-99-112-R	09/09/99	Close 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, 1997 to July 31, 1998		
1-518-99-113-R	09/10/99	Fundacion Ecuador; Audit of the 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-A-00-95-00070-00; for the Year Ended December 31, 1998		
1-524-99-114-R	09/10/99	Financial Audit of the USAID Resources Managed by Grupo <i>Fundemos</i> Under Grant Agreement No. 524-A-00-98-00009-00, "Strengthening of Civil Society," for the Period May 1, 1998 to April 30, 1999		
1-596-99-115-R	09/10/99	Audit of the Central American Regional Environment Project (USAID/G-CAP No. 596-0180), Managed by Comision Centroamericana de Ambiente y Desarrollo for the Period January 1 to December 31, 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>
1-527-99-116-R	09/14/99	Audit of the Activities of Programs, Project and Agreement Funded by the Agency for International Development, Managed by Asociacion Benefica Prisma, and of the Financial Statements of Asociacion Benefica Prisma, for the Year Ended December 31, 1996	2	QC
1-518-99-117-R	09/14/99	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 and Financial Statements of the Corporation for the Period October 1, 1996 to September 30, 1997		
1-518-99-118-R	09/14/99	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 and Financial Statements of the Corporation for the Period October 1, 1997 to September 30, 1998		
1-511-99-119-R	09/17/99	Ministry of Health and Social Welfare, Woman and Child Health Services National Unit; Reproductive Health Services Project, USAID Grant Agreement No. 511-0568.00; Independent Audit Report as of December 31, 1997	79 72	QC UN
1-518-99-120-R	09/20/99	Family Planning Project Managed by Centro Medico de Orientacion y Planificacion Familiar for the Period Comprised Between January 1 and September 30, 1997; USAID/Ecuador Project No. 518-A-00-91		
1-525-99-121-R	09/20/99	Fundacion para la Conservacion de los Recursos Naturales, NATURA; Financial Statements and Schedules; June 30, 1997 and 1996 (with Independent Auditors' Report Thereon)		
1-525-99-122-R	09/20/99	Fundacion para la Conservacion de los Recursos Naturales, NATURA; Financial Statements and Schedules; June 30, 1996 and December 31, 1994 (with Independent Auditors' Report Thereon)		
1-521-99-123-R	09/20/99	Audit of Fondation Haitienne de l'Enseignement Prive Financial Statements for the Period August 1, 1997 to July 31, 1998; Including the Fund Accountability Statements of Incentive to Improve Basic Education Project, USAID/Haiti – Project No. 521-0190 for the Period August 1, 1997 to August 31, 1998 and Haiti Education 2004 Project, USAID/Haiti – Project 521-0259 for the Period April 1, 1998 to July 31, 1998 (with Independent Auditors' Report Thereon)	14 11	QC UN
4-674-99-073-R	04/20/99	Audit of the Fund for the Promotion of Medical Education for South African Blacks for the Year Ended June 30, 1998, Grant No. GA-674-0309-G-SS-2044		
4-674-99-074-R	04/21/99	Audit of the Ekuhlaleni Community Pre-School Project's Grant No. 674-0302-G-SS-3106-01 for the Period August 10, 1993 through December 31, 1995		
4-674-99-075-R	04/20/99	Audit of the Educational Opportunities Council, Agreement No. 674-0309-G-SS-3132 for the Period January 1, 1997 to October 31, 1997		
4-674-99-076-R	04/22/99	Audit of the Development Resources Trust's Grant No. 674-0510-G-SS-3160 for the Period April 1, 1994 to March 31, 1995	39	QC
4-674-99-077-R	04/23/99	Audit of the Institute for African Alternatives for the Period July 1, 1995 through June 30, 1996	3	QC

BU- Better use of funds

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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>
4-674-99-078-R	04/23/99	Audit of the Institute for African Alternatives for the Period July 1, 1996 through March 31, 1997	10	QC
4-674-99-079-R	04/22/99	Audit of Western Transvaal Paralegal Movement, Grant No. 674-0301-G-SS-4062, for the Period February 1, 1994 to April 30, 1995	20 12	QC UN
4-674-99-080-R	04/23/99	Audit of the Tertiary Education Fund of South Africa for the Period 1 April 1997 through 31 March 1998 [Grant No. 674-0309-G-SS-5030-00]		
4-674-99-081-R	04/28/99	Audit of Union of Democratic University Staff Associations' Grant No. 674-0309-G-SS-2028, for the Period January 1, 1996 to June 30, 1996	3	QC
4-674-99-082-R	04/23/99	Audit of the South African-Israel Center for International Co-operation and Socio-Political Options Trust's Grant No. 674-0309-G-SS-2097-05 for the Period March 1, 1996 to November 30, 1997		
4-674-99-083-R	05/17/99	Audit of the Educational Opportunities Council for the Year Ended December 31, 1997, Grant No. 674-0309-A-00-0038	138 3	QC UN
4-674-99-084-R	04/26/99	Audit of the Independent Examinations Board for the Fifteen Month Period October 1, 1996 through December 31, 1997, Grant No. 674-0302-G-00-6063-00		
4-617-99-085-R	04/30/99	Audit of Grants Management Unit Under the Action Plan for the Environment Grant Agreement No. 617-0124 for the Period April 1, 1995 through April 30, 1998		
4-617-99-086-R	06/08/99	Audit of Uganda Wildlife Education Centre Trust's Grant No. 617-0124.00-55/66, for the Period July 1, 1996 to June 30, 1997		
4-617-99-087-R	06/07/99	Audit of Uganda Wildlife Education Centre Trust's Grant No. 617-0124.00-55/66, for the Period July 1, 1995 to June 30, 1996		
4-611-99-088-R	05/03/99	Audit of the Zambia Association of Chambers of Commerce and Industry for the Period April 1, 1997 to March 31, 1998, Agreement No. 690-0463-A-00-7073-00		
4-621-99-089-R	05/04/99	Audit of the Ministry of Works Component of the Agricultural Transport Assistance Programme for the Period July 1, 1995 to June 30, 1996, Grant No. 621-0166	266 189	QC UN
4-674-99-090-R	05/04/99	Audit of Social Change Assistance Trust Agreement No. 674-0301-A-6070 for the Period Ended December 31, 1997		
4-674-99-091-R	05/10/99	Audit of the National Welfare, Social Service and Development Forum for the Period April 1, 1997 to March 31, 1998, Grant No. 674-0301-G-SS-4153	4	QC
4-674-99-092-R	05/12/99	Audit of the Israeli Center for International Cooperation and Socio-Political Options' Grant No. 674-0309-G-SS-2097-01, for the Period March 1, 1996 to November 30, 1997		
4-674-99-093-R	05/10/99	Audit of Umtapo Centre for Two Years Ended December 31, 1997 [Grant 674-0301-G-SS-5056]	10 9	QC UN
4-674-99-094-R	05/10/99	Audit of Amy Biehl Foundation Trust's Grant No. 674-0320-A-00-7082, for the Period September 19, 1997 to November 9, 1998		
4-674-99-095-R	04/19/99	Audit of the National Institute of Public Interest Law and Research Grants Nos. 674-0301 and 674-0305 for the Period October 1, 1996 to February 28, 1998		

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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>
4-674-99-096-R	05/12/99	Audit of USWE Trust's Grant No. 674-0302-G-SS-3107, for the Period March 1, 1995 to March 31, 1996		
4-674-99-097-R	05/11/99	Audit of the National Literacy Co-operation for the Period 20 June 1995 through 28 February 1997, Grant Agreement No. 674-0302-G-SS-5021-02	28 24	QC UN
4-674-99-098-R	05/12/99	Audit of the National Literacy Co-operation for the Period 10 July 1997 through 31 May 1998, Grant Agreement No. 674-0302-G-00-7001-00	5	QC
4-617-99-099-R	05/17/99	Audit of the Civil Aviation Authority for the Construction and Equipping of Cold Stores at Entebbe International Airport, Project No. 617-0114, for the Period September 29, 1992 to September 30, 1997	108	QC
4-617-99-100-R	05/14/99	Audit of Save the Children Fund, PIO/T No. 617-0128-00-3-10204, for the Year Ended March 31, 1998		
4-621-99-101-R	05/17/99	Audit of Tanzania Family Planning Unit for the Period July 1, 1996 to June 30, 1997, Grant 621-173	8 8	QC UN
4-617-99-102-R	05/14/99	Audit of Mgahinga and Bwindi Impenetrable Forest Conservation Trust, Agreement No. 617-0124, for the Year Ended June 30, 1996	29 25	QC UN
4-656-99-103-R	05/17/99	Audit of the Terre des Hommes – Mozambique for the Period May 1, 1997 through December 31, 1997, Grant Agreement No. 656-0229-G-00-7060	60	QC
4-690-99-104-R	05/14/99	Audit of IUCN Natural Resources Management Programme, Grant No. 690-0251-A-00-6046 for the Period December 1, 1995 through December 31, 1997		
4-690-99-105-R	05/17/99	Audit of IUCN Regional Networking and Capacity Building Initiative for Southern Africa, Grant No. 690-0283-A-00-5950, for the Year Ended September 30, 1997	34	BU
4-674-99-106-R	05/14/99	Audit of Primary Science Programme, Agreement No. 674-0134-G-SS-4109, for the Six Months Ended November 30, 1997		
4-674-99-107-R	06/08/99	Audit of the South African Institute of Race Relations for Year Ended March 31, 1998 [Cooperative Agreement 674-0309-A-00-0039]	5 3	QC UN
4-674-99-108-R	06/08/99	Audit of The Open Learning Systems Education Trust's Grant No. 674-0314-G-00-6076 for the Period September 9, 1996 to December 31, 1998		
4-617-99-109-R	06/11/99	Audit of Uganda Women's Effort to Save Orphans Grant No. 617-0133-G-00-5002 for the Period January 1, 1996 to June 30, 1997		
4-617-99-110-R	06/15/99	Audit of AIDS Information Center's Agreement No. 623-0133-00-A-00-6007 for the Period July 1, 1996 to June 30, 1997		
4-617-99-111-R	07/15/99	Audit of AIDS Support Organization's (Uganda) Agreement No. 623-0133-A-00-6030-00 for the Period July 1, 1996 to June 30, 1997	2 2	QC UN
4-617-99-112-R	06/15/99	Audit of Uganda Investment Authority's Grant No. 617-0134-02 for the Period January 1, 1996 to June 30, 1998	106 18	QC UN
4-674-99-113-R	06/28/99	Audit of the President's Award – Youth Empowerment Trust, Grant No. 674-0301-G-SS-4136-00 for the Period January 1, 1996 to March 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>
4-674-99-114-R	06/29/99	Audit of the Centre for Human Rights, Grant Nos. 674-0301-G-SS-4136-00 and 674-0301-A-00-6083-00 for the Period January 1, 1998 through December 31, 1998		
4-674-99-115-R	06/30/99	Audit of Social Change Assistance Trust for the Period Ended December 31, 1998		
4-674-99-116-R	07/01/99	Audit of the Vulani Pre-Primary Project of Umlazi College, Grant No. 674-0314-G-SS-4146 for the Two Years Ended December 31, 1996 and the Fourteen Month Period Ended February 28, 1998		
4-674-99-117-R	07/15/99	Audit of Khululekani Institute for Democracy for the Period March 1, 1996 to February 28, 1997	2	QC
4-674-99-118-R	07/15/99	Audit of the National Institute for Community Education Trust for the Period April 1, 1997 through September 30, 1998, Grant Agreement No. 674-0309-A-00-6044-00	38	QC
4-656-99-119-R	07/02/99	Audit of the Action Contre La Faim for the Year Ended December 31, 1997		
4-663-99-120-R	07/07/99	Audit of the Basic Education System Overhaul Program's Regional Incentive Fund for the Period from March 4, 1997 through June 30, 1998		
4-623-99-121-R	07/15/99	Audit of Fresh Produce Exporters Association of Kenya Cooperative Agreement No. 623-0249-A-00-6035 for the Period July 1, 1996 to June 30, 1998	28 16	QC UN
4-674-99-122-R	07/08/99	Audit of the University of the Western Cape's Activities Under Project Implementation Letter No. 10 for the Period from September 26, 1995 through February 28, 1999		
4-674-99-123-R	07/09/99	Audit of the South African Foundation for Public Management and Development, Agreement No. 674-0318-G-SS-4168-00 for the Period October 1, 1997 through September 30, 1998		
4-674-99-124-R	07/12/99	Audit of the African Centre for the Constructive Resolution of Disputes, Grant No. 674-0301-A-00-6064-00 for the Period October 10, 1996 through December 31, 1997		
4-674-99-125-R	07/15/99	Audit of the Peace Corps for the Period March 1, 1996 to October 31, 1997	16 6	QC UN
4-674-99-126-R	07/15/99	Audit of the National Institute for Economic Policy's Grant No. 674-0318-G-SS-5040 for the Period March 1, 1996 to February 28, 1997	2	QC
4-674-99-127-R	07/15/99	Audit of the National Institute for Economic Policy, Grant No. 674-0318-G-SS-5040-00 for the Period March 1, 1997 through February 28, 1998		
4-674-99-128-R	07/22/99	Audit of Edendale Lay Ecumenical Centre for the Period from January 1, 1993 through December 31, 1996		
4-674-99-129-R	08/02/99	Audit of the Centre for Rural Legal Studies Trust, Agreement No. 674-0301-G-SS-1052-01 for the Period March 1, 1992 through September 30, 1993		
4-674-99-130-R	08/12/99	Audit of Khululekani Institute for Democracy for the Period March 1, 1997 to February 28, 1998		
4-674-99-131-R	08/11/99	Audit of Vuleka Trust's Agreement No. 674-0301-A-00-6078 for the Period January 1, 1998 to December 31, 1998		
4-674-99-132-R	08/12/99	Audit of South African Black Economic Empowerment Program Agreement No. 674-0303-G-SS-4128 for the Period April 1, 1997 to August 31, 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>
4-656-99-133-R	08/17/99	Audit of POWER - Mozambique, Agreement No. 656-0215-A-00-6002-00 for the Year Ended December 31, 1998		
4-674-99-134-R	08/27/99	Audit of the Khanya College Cape Trust, Agreement No. 674-0309-G-SS-3133 for the Period January 1, 1994 to March 31, 1996		
4-674-99-135-R	09/15/99	Audit of South African Association for Academic Development, Agreement No. 674-0309-G-SS-5025, for the Period September 1, 1996 to August 31, 1997	115 29	QC UN
4-674-99-136-R	09/15/99	Audit of Youth Development Trust, for the Period October 1, 1995 to December 31, 1997	20 2	QC UN
4-674-99-137-R	09/15/99	Audit of the Independent Examinations Board, Agreement No. 674-0302-G-00-6063 for the Period Ended December 31, 1998		
4-674-99-138-R	09/15/99	Audit of the Street Law Program, Agreement No. 674-0301-G-SS-4133-01, for the Period September 15, 1995 to October 31, 1998	47	QC
4-674-99-139-R	09/17/99	Audit of the Interfaith Community Development Association, No. 674-0312-G-00-6034 for the Year Ended March 31, 1998		
4-690-99-140-R	09/17/99	Audit of the Southern African Centre for Co-Operation in Agricultural Research, No. 690-0225-SG-001 for the Period April 1, 1998, through November 30, 1998		
5-497-99-015-R	04/15/99	Audit of PT Bank Rakyat Indonesia for the Period September 29, 1995 to June 30, 1997 Under Cooperative Agreement No. 497-0406-A-00-5040-00	100	QC
5-386-99-016-R	04/15/99	Audit of the Grant to the National Institute of Urban Affairs Relating to the Financial Institutions Reform & Expansion Project for the Period April 1, 1996 to March 31, 1997	186 152	QC UN
5-492-99-017-R	04/16/99	Financial Audit of the Philippine Center for Population and Development, Inc. Under Grant Agreement Nos. 492-0470-G-SS-4090-00, 492-0480-G-SS-5025-00 and 492-0470-G-SS-5134-00	4	QC
5-388-99-018-R	04/16/99	Financial Audit of the Family Planning Services and Training Centre Under Grant Agreement No. 388-0071	11	QC
5-497-99-019-R	04/19/99	Audit of Yayasan Lembaga Bantuan Hukum Indonesia for Grant Agreement No. 497-0364-G-00-4067-00 for the Period September 1, 1995 to February 29, 1996 and Grant Agreement No. 497-0385-G-00-5021-00 for the Period September 1, 1995 to December 31, 1996	6 4	QC UN
5-497-99-020-R	04/19/99	Audit of Yayasan Wahana Lingkungan Hidup Indonesia for Grant Agreement No. 497-0385-G-00-5015-00 for the Period January 1, 1995 to September 30, 1997		
5-386-99-021-R	04/19/99	Audit of the Grant to the Voluntary Health Services Relating to the AIDS Prevention and Control Project (No. 386-0525) for the Period April 1, 1996 to March 31, 1997	1,379 1,050	QC UN
5-386-99-022-R	04/20/99	Audit of the Grant to the National Bureau of Plant Genetic Resources for the Period April 1, 1996 to March 31, 1997	853 828	QC UN
5-386-99-023-R	04/21/99	Audit of the Grant to the National Bureau of Plant Genetic Resources for the Period April 1, 1997 to September 30, 1997	105 99	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>
5-497-99-024-R	04/22/99	Audit of Family Planning Association of Bangladesh Cooperative Agreement No. 388-0071-A-9109-00 for the Period January 1, 1996 to December 31, 1996	26	QC
5-497-99-025-R	04/22/99	Audit of Family Planning Association of Bangladesh Cooperative Agreement No. 388-0071-A-9109-00 for the Period January 1, 1997 to December 31, 1997		
5-386-99-026-R	04/22/99	Audit of the Housing Development Finance Corporation Limited Relating to Grant No. 386-G-00-97-00107-00 for the Period August 1997 to September 1997		
5-492-99-027-R	05/03/99	Audit of the Andres Soriano Foundation Inc., Livelihood Enhancement in Agro-Forestry Project, Grant Agreement No. 492-0419-G-SS-1169-00 for the Period August 1, 1992 to June 30, 1995	20 20	QC UN
5-383-99-028-R	06/11/99	Audit of the International Irrigation Management Institute Relating to the Shared Control of Natural Resources Project for the Period January 1, 1995, to September 30, 1998, Under Cooperative Agreement No. DC-383-0109-A-00-3413	36 35	QC UN
5-388-99-029-R	06/14/99	Audit of Business Advisory Services Center for the Period October 1, 1993 to September 30, 1994 and from October 1, 1995 to September 30, 1996 Under Cooperative Agreement No. 388-0076-A-00-4062	2 1	QC UN
5-386-99-030-R	06/29/99	Audit of the Grant to the Voluntary Health Services Relating to the AIDS Prevention and Control Project (No. 386-0525) for the Period April 1, 1997 to March 31, 1998	132 2,350 2,326	BU QC UN
5-497-99-031-R	07/09/99	Financial Audit of the Yayasan Institut Studi Arus Informasi Under Grant Agreement No. 497-0385-G-00-5027-00	42	QC
5-492-99-032-R	07/13/99	Audit of USAID/Philippines' Grants to Jaime V. Ongpin Foundation, Inc. Relating to the Integrated Area Development Assistance Project (Grant No. 492-0395-4017) and the League of Corporate Foundations - Institutional Building Project (Grant No. 492-0395-3090) for the Period January 1, 1995 to December 31, 1995		
5-492-99-033-R	07/13/99	Audit of USAID/Philippines Grant to Jaime V. Ongpin Foundation, Inc. Relating to the Integrated Area Development Assistance Project (Grant No. 492-0395-4017) for the Period January 1, 1996 to December 31, 1996		
5-492-99-034-R	07/13/99	Audit of USAID/Philippines Grant to Jaime V. Ongpin Foundation, Inc. Relating to the Integrated Area Development Assistance Project (Grant No. 492-0395-4017) for the Period January 1, 1997 to June 30, 1998 (End of Project Report)		
5-492-99-035-R	07/13/99	Financial Audit of Philippine Business for Social Progress, Inc. Under Grant Agreement No. 492-0470-G-SS-5131-00		
5-388-99-036-R	07/13/99	Audit of the International Centre for Diarrhoeal Disease Research, Bangladesh for the Period January 1, 1997 to July 31, 1997 Under Cooperative Agreement No. 388-0071-A-00-3016-04	4	QC
5-388-99-037-R	07/13/99	Audit of the International Centre for Diarrhoeal Disease Research, Bangladesh for the Period January 1, 1997 to December 31, 1997 Under Cooperative Agreement No. HRN-A-00-96-90005-02	11	QC
5-442-99-038-R	07/13/99	Audit of the Association of Cambodian Local Economic Development Agencies for the Period January 30, 1997 to January 31, 1998 Under Grant No. 492-G-00-97-00021	10	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>
5-492-99-039-R	07/14/99	Financial Audit of the Philippine National Red Cross Under Grant Agreement Nos. 492-4043-G-SS-4080-00 and 968-6003-G-SS-6020-00	1	QC
5-442-99-040-R	07/14/99	Audit of Handicap International, Cambodia, for the Period July 1, 1995 to August 31, 1997 Under Grant No. 442-0112-G-00-5511-00		
5-386-99-041-R	07/15/99	Financial Audit of the IDBI-EMCAT Secretariat (USAID/India Project No. 386-0517)		
5-492-99-042-R	07/15/99	Audit of USAID/Philippines' Grants to Philippine Business for Social Progress, Inc. Relating to Grant No. 492-0470-G-SS-3123 and Cooperative Agreement No. 492-0471-A-00-5129 for the Periods October 1, 1995 and November 22, 1995, Respectively, to September 30, 1996		
5-492-99-043-R	07/22/99	Financial Audit of Gerry Roxas Foundation, Inc. Under Grant Agreement Nos. 492-0470-G-SS-3028 and 492-0470-G-SS-4083		
5-492-99-044-R	07/22/99	Financial Audit of Philippine Business for Social Progress, Inc. Under Grant Agreement No. 492-0470-G-SS-5131-00		
5-492-99-045-R	07/22/99	Audit of USAID/Philippines' Grants to the Corporate Network for Disaster Response, Inc. Relating to Grant No. 492-4043-G-SS-4081-00 and Grant No. 492-0470-G-SS-4091-00 for the Period August 26, 1994 to December 31, 1996		
5-383-99-046-R	07/23/99	Audit of USAID/Sri Lanka's Public Law 480, Title III Local Currency Program for the Period January 1, 1993 to December 31, 1993		
5-383-99-047-R	07/23/99	Audit of USAID/Sri Lanka's Public Law 480, Title III Local Currency Program for the Period January 1, 1994 to December 31, 1994		
5-497-99-048-R	07/27/99	Financial Audit of the Yayasan Pengembangan Masyarakat (USAID/Indonesia Project No. 497-0364-G-SS-3270-00)	5	QC
5-383-99-049-R	07/30/99	Audit of the Sales Proceeds Accounts for Food Grains Received Under USAID/Bangladesh's PL-480, Title III Multi-Year Agreement for the Year Ended June 30, 1994	122	QC
5-388-99-050-R	08/04/99	Financial Audit of International Center for Diarrhoeal Disease Research, Cooperative Agreement No. 388-A-00-97-00032-00	11	QC
5-388-99-051-R	08/04/99	Financial Audit of International Center for Diarrhoeal Disease Research, Cooperative Agreement No. HRN-A-00-96-90005-02	9	QC
5-497-99-052-R	08/10/99	Financial Audit of Yayasan Keanekaragaman Hayati Indonesia Under Grant Agreement No. 497-0384-A-00-5011-00	30 25	QC UN
5-497-99-053-R	08/11/99	Financial Audit of Yayasan Lembaga Bantuan Hukum Indonesia Under Grant Agreements No. 497-0385-G-00-5021-00 and No. 497-G-00-97-00013	1	QC
5-492-99-054-R	08/13/99	Financial Audit of Philippine Business for Social Progress, Inc., Grant No. AID 492-G-00-00058		
5-386-99-055-R	08/18/99	Financial Audit of Centre for Technology Development, Grant No. AID 386-0507	47	QC
5-492-99-056-R	08/18/99	Financial Audit of Philippine Business for Social Progress, Inc., Grant No. AID 492-0470-G-SS-3123 (Bohol Area Resource Management Project) and Cooperative Agreement No. 492-0471-A-00-5129 (Peoples Participation in Local Governance-GOLD 2)	1 1	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>
5-386-99-057-R	08/23/99	Financial Audit of Power Finance Corporation's Agreement with USAID/India Under Grant No. AID 386-0517 (Energy Management Consulting and Training Project)		
5-497-99-058-R	08/23/99	Financial Audit of Lembaga Penelitian, Pendidikan dan Penerangan Ekonomi dan Sosial Under Cooperative Agreement No. 497-0385-A-00-6030-00		
5-497-99-059-R	08/23/99	Financial Audit of Yayasan Obor Indonesia Under Grant Agreement No. 497-0385-A-00-6035-00		
5-386-99-060-R	08/24/99	Financial Audit of National Institute of Biologicals Grant No. 386-0514 for the Quality Control Health Technologies Project	13	QC
5-492-99-061-R	08/27/99	Recipient-Contracted Audit of USAID/Philippines' Disbursements to Mondragon Foundation, Inc. Pertaining to the "Synchronizing and Harnessing Local Efforts for Sustainable Shelter Reform" Program for the Period August 22, 1995 to December 31, 1997		
6-263-99-008-R	05/19/99	Recipient-Contracted Audit of USAID Resources Managed by the Assuit Businessmen's Association Under USAID/Egypt's Small and Micro Enterprise Project No. 263-0212		
6-263-99-009-R	06/08/99	Audit of USAID Resources Managed by the Egyptian Center for Economic Studies Under USAID/Egypt's Cooperative Agreement No. 263-0230-A-00-3104-00		
6-263-99-010-R	08/01/99	Audit of USAID Resources Managed by the Ministry of Health's Schistosomiasis Research Project Under USAID/Egypt's Science and Technology for Development Project (Grant Agreement No. 263-0140)	5	QC
6-263-99-011-R	09/09/99	Audit of USAID Resources Managed by the Sharkia Businessmen Association for Community Development Under USAID/Egypt's Cooperative Agreement No. 263-0212-A-00-6084-00		
6-263-99-012-R	09/12/99	Audit of USAID Resources Managed by the Foreign Relations Co-ordination Unit Under Project Implementation Letter No. 14 of USAID/Egypt's University Linkage Project Phase II (Project No. 263-0211)		
7-683-99-003-R	06/11/99	Audit of Tranches One through Six of the Non-Project Assistance Component of the Niger Economic Policy Reform Program from 1991 through December 31, 1996		
7-683-99-004-R	06/11/99	Audit of the First Tranche [1A] of the Non-Project Assistance Component of the Agriculture Sector Development Grant II [ASDG II], Expended from September 1992 to August 1996		
7-688-99-005-R	07/01/99	Audit of the Expenditures Made by the Project Management and Coordinating Unit Under the Animal Productivity and Export Project in Mali (No. 688-0244) from September 1, 1993 to December 31, 1997	18	QC
7-641-99-006-R	06/16/99	Audit of the Planned Parenthood Association of Ghana (USAID/GHANAPA Project No. CA-641-0131-A-00-5015-00) for the Period January 1, 1997 to December 31, 1997		
7-641-99-007-R	07/20/99	Audit of USAID's Grant to Ghana Registered Midwives Association Under the Ghana Population and AIDS Project for the Period April 1, 1997 to March 31, 1998		
7-641-99-008-R	09/24/99	Audit of USAID Resources Managed by Songhai Center, Benin, from January 1998 to December 31, 1998		

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>
		<i>-- Economy and Efficiency Audits--</i>		
A-000-99-006-P	08/20/99	Audit of USAID's Processing of Personal Property Claims in Ordered Evacuation of USAID Employees		
B-168-99-003-P	08/13/99	Audit of USAID/Bosnia-Herzegovina's Municipal Infrastructure and Services Program for the Period April 1 through September 30, 1998		
B-168-99-004-P	08/18/99	Audit of USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program for the Period April 1 through September 30, 1998		
B-111-99-005-P	09/07/99	Audit of the 1996 Natural Gas Import Program in Armenia	9,000	QC
1-521-99-007-P	09/16/99	Follow-Up on Recommendations No. 2 and 3 from Audit Report No. 1-521-96-005 of USAID's Disaster Assistance to Haiti		
1-511-99-008-P	09/27/99	Audit of USAID/Bolivia's Management of P.L. 480 Title II Commodity Losses		
1-532-99-009-P	09/27/99	Audit of USAID/Jamaica Foreign Service National Severance Payments		
1-522-99-010-P	09/27/99	Audit of Arrangements for Audit Coverage of USAID/Honduras' Assistance Portfolio		
4-621-99-003-P	04/20/99	Audit of the Follow up on Recommendation No. 3 from Audit Report No. 4-621-98-005-F of USAID/Tanzania's Operating Expenses		
4-621-99-004-P	06/18/99	Audit of USAID/Tanzania's Human Resource Development Assistance Program		
4-656-99-005-P	08/05/99	Audit of USAID/Mozambique's Monitoring of its Host Country Contracting Activities		
5-492-99-003-P	06/10/99	Audit of USAID/Philippines' Implementation of the Federal Managers' Financial Integrity Act		
5-497-99-004-P	07/07/99	Audit of USAID/Indonesia's Implementation of the Federal Managers' Financial Integrity Act		
5-442-99-005-P	07/22/99	Audit of USAID/Cambodia's Implementation of the Federal Managers' Financial Integrity Act		
5-492-99-006-P	09/27/99	Audit of USAID/Philippines' Response to Customs Duties Levied on Donated Contraceptives		
6-263-99-004-P	07/20/99	Audit of USAID/Egypt's Reported Results in Power and Telecommunications		
7-688-99-004-P	08/13/99	Audit of USAID/Mali's Operating Expenses	217	BU
9-000-99-007-P	04/15/99	Audit of USAID's Interagency Agreements Under Section 632(b) of the Foreign Assistance Act	33,673	BU

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>
		<i>-- Quality Control Reviews—</i>		
1-511-99-004-Q	05/20/99	Quality Control Review Report on the Pre-qualification Review of Aparicio Asociados Ltda.		
1-596-99-005-Q	06/08/99	Quality Control Review of Audit of the Cooperative Agreement "Local Government Regional Outreach Strategy," USAID/G-CAP Project No. 596-0167, Managed by Federacion de Municipios del Istmo Centroamericano for the Period January 1 to December 31, 1997		
1-596-99-006-Q	06/11/99	Quality Control Review of Audit of the Project Strategic Educational Strengthening and Programs Plan of the Human Rights Ombudsmanship, USAID/G-CAP Project No. CA 520-0398-A-00-6052-00 for the Year Ended December 31, 1997		
1-518-99-007-Q	06/29/99	Quality Control Review of Audit of the Sustainable Use of Galapagos Marine Resources Project No. 518-0124, for the Year Ended December 31, 1997		
1-518-99-008-Q	07/01/99	Quality Control Review of Audit of Family Planning Project Managed by Centro Medico de Orientacion y Planificacion Familiar for the Period January 1 to September 30, 1997		
1-526-99-009-Q	07/23/99	Quality Control Review of Audit of the Agreement No. 526-A-00-94-00008-00 Managed by the Alter Vida Association, for the Year Ended December 31, 1997		
1-524-99-010-Q	07/29/99	Quality Control Review of 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		
1-527-99-011-Q	07/29/99	Quality Control Review of the Contraloria General de la Republica's Auditoria Financiera-Operativa al Proyecto de Manejo Sostenible del Medio Ambiente y los Recursos Naturales, Proyecto USAID No. 527-0368, Por el periodo comprendido entre el 22 de Setiembre de 1995 y el 31 de Diciembre de 1997, and Informe de Auditoria de las Actividades del Proyecto "Fortalecimiento de Consultorios Juridicos Populares para Lima y Callao," por el periodo comprendido entre de 1 de Julio y el 31 de Diciembre de 1997		
1-523-99-012-Q	08/10/99	Quality Control Review of Citizen Campaign "Now...I Think, then I Vote" No. 523-4008-G-00-97-007; Annual Progress Report on Democracy in Mexico No. 523-4008-G-00-97-0008-00; and Citizen Education Workshops No. 523-4008-G-00-97-000011-00, from the Start of Each Program through December 31, 1998, Managed by Movimiento de Ciudadanos		
1-526-99-013-Q	08/12/99	Quality Control Review of Paraguay Kansas Committee Information and Resources Center for Development; Audit of the Project No. 526-0616-A-00-2019-00; December 31, 1997		
1-523-99-014-Q	09/01/99	Quality Control Review of Report on the Fund Accountability Statement and the Financial Statements of the Trust Fund Established by the Agreement Between the Mexican Nature Conservation Fund and the U.S. Agency for International Development dated February 27, 1996, for the Year Ended December 31, 1998		
1-521-99-015-Q	09/03/99	Quality Control Review of Audits of Fund Accountability Statements of the		

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>
		Management Sciences for Health USAID Contract Under Grant No. 521-0248-010 for the Period from May 1, 1996 to January 31, 1997 and Subcontract No. 521-0248-041 for the Period from February 1, 1997 to March 31, 1998; Managed by Centers for Development and Health		
1-519-99-016-Q	09/03/99	Quality Control Review of Salvadoran Demographic Association, Report for the Year Ended December 31, 1998, of the AID Project No. 519-A-00-90-0408-020 "Family Health Services" and Independent Auditor's Report Over the Financial Statements		
1-532-99-017-Q	09/09/99	Quality Control Review of Revised Report on the Financial Audit of the Sanitation Support Unit Project; USAID/Jamaica Project No. 532-0149		
4-674-99-003-Q	04/16/99	Quality Control Review of the Recipient-Contracted Audit of the Youth Development Trust, Grant No. 674-0301-G-SS-5055 for the Two Years Ended December 31, 1997		
4-674-99-004-Q	04/19/99	Quality Control Review of the Recipient-Contracted Audit of National Institute of Public Interest Law and Research, Grants Nos. 674-0301 and 674-0305 for the Period October 1, 1996 to February 28, 1998		
4-674-99-005-Q	08/26/99	Quality Control Review of the Amy Biehl Foundation Trust Under Agreement No. 674-0320-A-00-7082-00 for the Period September 19, 1997 to November 9, 1998		
4-674-99-006-Q	08/26/99	Quality Control Review of the University of the Western Cape's Tertiary Linkages Project for the Period September 26, 1995 to February 28, 1999 (USAID Agreement No. 674-0315-P-5078-10)		
5-497-99-003-Q	06/11/99	Quality Control Review of the Recipient-Contracted Audit Conducted by DRS JOHAN, MALONDA & REKAN of Two USAID Grants Awarded to Yayasan Lembaga Bantuan Hukum Indonesia		
5-386-99-005-Q	06/25/99	Quality Control Review of the Recipient-Contracted Audit Conducted by Ernst & Young of the Grants to the Hambantota Women's Development Federation, Grants No. 386-G-00-97-00216-00 & 386-G-00-97-00202-00		
5-442-99-006-Q	07/22/99	Quality Control Review of the Recipient-Contracted Audit Conducted by PriceWaterhouseCoopers of Handicap International Grant No. 442-0112-G-00-5511-00		
5-492-99-007-Q	08/31/99	Quality Control Review of Joaquin Cunanan & Co.		
5-386-99-008-Q	09/17/99	Quality Control Review of Thakur, Vaidyanath Aiyar & Co.		
7-608-99-002-Q	04/16/99	Quality Control Review of the Financial Audit of the Strengthening Research Planning and Research on Commodities Project (SPARC) No. 688-0250		
7-608-99-003-Q	04/16/99	Quality Control Review of the Financial Audit of USAID's Grant to the Action Consulting Association		
7-641-99-004-Q	06/18/99	Quality Control Review of the Financial Audit of the Centinia Construction Company Limited Under USAID Contract Nos. 641-C-00-98-002 and 641-C-00-98-257 for the Period September 29, 1997 to March 31, 1999		
7-641-99-005-Q	06/18/99	Quality Control Review of the Financial Audit of the Ghana Social Marketing Foundation USAID Grant for the Year Ended June 30, 1998		

BU- Better use of funds

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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>
		<i>-- Other Reports—</i>		
1-522-99-006-S	05/04/99	Rejection of Recipient-Contracted Audit of the Small Farmer Agribusiness Development Project, USAID/Honduras Project No. 522-0383, Managed by the Financial of Agriculture Cooperatives, Year Ended December 31, 1995		

BU- Better use of funds

QC- Questioned Costs

UN- Unsupported Costs

Note: UN is part of QC

TABLE B

**AUDIT REPORTS OVER SIX MONTHS OLD
WITH NO MANAGEMENT DECISION
As of September 30, 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	USAID/Haiti was recommended to resolve \$722,893 in questioned costs. Recommendation has been elevated to higher level of USAID management.	Unknown
0-000-97-045-A	Population Services International	12/03/96	USAID management recently reassigned this recommendation to the appropriate Mission.	02/26/00
0-000-97-007-A	Adventist Development and Relief Agency, International	12/12/96	The audit recommendations were recently reassigned to the appropriate office.	02/26/00
0-000-97-091-A	Carter Center, Inc.	01/14/97	USAID management is in the process of reassigning this recommendation to the appropriate office.	12/31/99
0-000-97-043-A	Pathfinder International	01/17/97	USAID management is in the process of reassigning these recommendations to the appropriate office.	12/31/99
0-000-97-009-D	ABT Associates, Inc.	02/14/97	The audit recommendation was recently reassigned to the appropriate office.	02/28/00
0-000-97-122-A	National Council of Negro Women, Inc.	03/31/97	The audit recommendation was recently reassigned to the appropriate office.	03/25/00
0-000-97-106-A	National Council of Negro Women, Inc.	05/30/97	USAID management is in the process of reassigning these two recommendations to the appropriate office.	12/31/99
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 office.	12/31/99

TABLE B

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-623-97-072-R	Center for Agricultural Research and Policy Analysis	07/02/97	The Mission is awaiting the results of an audit begun in 10/98 and anticipates making a management decision based on that audit.	03/15/00
0-000-97-191-A	Catholic Relief Services (CRS)-United States Catholic Conference, Inc.	08/07/97	USAID management recently reassigned these audit recommendations to the appropriate Mission.	12/31/99
0-000-98-009-D	Volunteers in Cooperative Assistance	12/17/97	USAID management is currently reviewing this recommendation.	03/31/00
0-000-98-013-D	Development Alternatives	01/08/98	USAID management is currently addressing the questioned costs for two of the recommendations. However, the Mission that is responsible for one of these recommendations is in the process of moving and will be unable to take any action until the move is complete.	02/28/00
0-000-98-017-D	Construction Control Services Corp	02/27/98	Audit recommendation was recently reassigned. USAID management is currently reviewing the recommendation.	02/26/00
0-000-98-001-F	USAID's Financial Statements	03/02/98	USAID management decisions have been reached on all but one recommendation to develop and implement a methodology to accrue expenditures and adjust outstanding advances and prepayments to ensure that the financial statements are not materially overstated. Financial Management (FM) has agreed to develop a methodology but has not agreed to the details. FM is waiting for OMB to establish a methodology.	03/31/00
0-000-98-002-F	Acordia Healthcare Solutions, Inc.	03/26/98	The USAID General Counsel determined that the \$3.9 million funds recovered, which the OIG recommended be returned to the U.S. Treasury, were refunds with the exception of \$133,000 in interest. The opinion was that USAID did not have to return these funds to the U.S. Treasury. While the interest was returned, the OIG disagrees with the USAID General Counsel opinion and has not accepted the management decision.	01/30/00
0-000-98-021-D	Timekeeping Practices at John Snow, Inc.	05/15/98	USAID management is currently reviewing the audit recommendation.	12/31/99
0-000-98-046-A	AFRICARE	06/02/98	USAID management is currently reviewing the audit recommendation.	03/31/00

TABLE B

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
7-688-98-008-R	Strengthening Research Plan	06/24/98	USAID/Mali has stated that the recipient had informally agreed to pay back the questioned costs of \$14,445, noted in this recommendation, from its fiscal year 2000 budget. No official agreement or date has yet been established for this payment, nor has a bill of collection been issued.	Unknown
7-688-98-009-R	Population, Health and Rural Water Program	08/13/98	No response to RIG's 4-month and 6-month notifications. Recommendations have been elevated to higher level of USAID management.	Unknown
0-000-99-030-D	John Snow, Inc.	12/07/98	USAID Management is currently reviewing the audit recommendations.	12/30/99
0-000-99-036-D	CH2M Hill International Services, Inc.	12/08/98	USAID management is in the process of reassigning the recommendation to the appropriate Contracting Officer.	03/31/00
7-683-99-001-R	Niger Health Sector Support Program	12/09/98	With the closure of USAID/Niger in December 1998, accounting responsibility for the former USAID/Niger program was transferred to USAID/Mali. USAID/Mali is subsequently seeking clarification as to whether or not they also have responsibility/authority for Niger program activities and recommendations.	Unknown
0-000-99-004-A	National Academy of Sciences	12/18/98	USAID management is currently reviewing this recommendation.	12/15/99
0-000-99-048-D	DevTech System, Inc.	01/08/99	The Regional Contracting Officer has requested DevTech System, Inc. to either concur with the audit findings or provide additional supporting documentation.	10/15/99
0-000-99-053-D	ABT Associates, Inc.	01/14/99	USAID management is in the process of reviewing the recommendations.	03/25/00
0-000-99-049-D	Metrica, Inc.	01/15/99	USAID management is in the process of reviewing the recommendations.	03/25/00
0-000-99-064-D	Burns & Roe Enterprises, Inc.	01/22/99	USAID management is in the process of reviewing the recommendations.	03/25/00
0-000-99-066-D	Community Consulting International	02/02/99	The Contracting Officer is working with DCAA to clarify audit issues applicable to the recommendations.	12/15/99
0-000-99-072-D	Barents Group, LLC	02/02/99	The Contracting Officer is reviewing the audit recommendation to determine the appropriate course of action.	03/31/00
0-000-99-073-D	Barents Group, LLC	02/02/99	The Contracting Officer is reviewing the audit recommendations to determine the appropriate course of action.	03/31/00

TABLE B

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
0-000-99-007-A	Cooperative Housing Foundation	02/04/99	USAID management is currently reviewing these recommendations.	03/25/00
0-000-99-009-A	Save the Children	02/17/99	USAID management is currently reviewing these audit recommendations.	12/15/99
0-000-99-010-A	Partners in Economic Reform	02/19/99	USAID management is currently reviewing this audit recommendation.	03/25/00
0-000-99-077-D	Jorge Scientific Corp.	02/22/99	USAID management has requested the contractor's response to the audit recommendation. Recently, USAID management reassigned the recommendation.	12/15/99
0-000-99-011-A	Relief International	02/26/99	USAID management is currently reviewing this audit recommendation.	03/25/00
0-000-99-083-D	Management Advisory Services	03/08/99	On 04/14/99, the Contracting Officer requested a response from the contractor and is currently following up with the contractor.	12/15/99
0-000-99-080-D	Chemonics International, Inc.	03/19/99	USAID management is currently reviewing the audit recommendation.	12/15/99
1-521-99-055-R	Adventist Development and Relief Agency	03/19/99	The recommendation deals with questioned (unsupported) costs of \$8,739,976. The recipient needed to reconstruct its records, which it did, and has asked that a second audit be performed to determine the amount to be repaid to USAID.	12/31/99
0-000-99-014-A	Freedom House	03/20/99	USAID management is currently reviewing these audit recommendations.	03/25/00
0-000-99-005-F	Acordia Healthcare Solutions, Inc.	03/26/99	See comment for Report No. 0-000-98-002-F.	01/30/00
0-000-99-002-F	USAID Internal Controls	03/31/99	USAID management decision has been reached on all but four of the eleven recommendations. In a memo dated 07/26/99, the OIG disagreed with the Chief Financial Officer's (CFO) response dated 06/26/99. The CFO's response was non-responsive to three of the four outstanding recommendations. The CFO is awaiting guidance from OMB on two of the four recommendations.	03/31/00

TABLE C

**SIGNIFICANT AUDIT RECOMMENDATIONS DESCRIBED IN
PREVIOUS SEMIANNUAL REPORTS WITHOUT FINAL ACTION
As of September 30, 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	03/00
0-000-97-001-C	USAID's Financial Statements for FY 1996	02/24/97	1.1	09/16/98	11/99
			1.2	09/16/98	11/99
			1.3	09/16/98	11/99
			2.1	07/26/99	11/99
			2.2	03/31/99	11/99
			2.3	09/16/98	11/99
			2.4	09/16/98	11/99
			2.5	09/16/98	11/99
			3.2	03/31/99	10/99
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	03/00
			8	11/29/96	03/00
7-688-97-006-R	Road Reinforcement Service Under the Upper Valley Development Project (Mali)	02/13/97	1	05/19/97	02/00
9-000-93-006	A.I.D.'s Accounts Receivable	08/31/93	2	03/23/94	03/00
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	04/00
			5.2	12/05/95	12/99
			6	12/05/95	12/99
9-000-96-002	Accountability for USAID Funds with Non-U.S. Grantees	12/29/95	1.3	12/29/95	11/99
9-000-96-005	Controls Over the Quality of Financial Management Data	07/11/96	1	07/11/96	03/01
A-000-97-001-P	USAID/Washington's Review and Certification of Funds Obligated for Operating Expenses	02/07/97	1.1	03/17/98	12/99
			1.2	02/25/98	12/99

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	02/25/98	11/99
A-000-97-004-P	Worldwide Deployment of the New Management System	03/31/97	2	08/18/97	10/99
			3	08/18/97	10/99
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
0-000-98-001-F	USAID's Financial Statements for FY 1997/96	03/02/98	1	03/02/98	12/99
			3	-	12/99
			4	03/02/98	09/00
			5	03/31/99	01/02
			6	03/02/98	03/00
			7.1	03/31/99	01/02
			8.1	03/02/98	10/00
			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	Acordia Healthcare Solutions, Inc.	03/26/98	3	-	03/00
9-000-98-003-F	Unliquidated Obligations for Project and NonProject Assistance	03/27/98	1.1	03/27/98	12/99
			1.2	03/27/98	12/99
			1.3	03/27/98	12/99
			3	03/26/99	12/99
A-000-98-004-P	New Management Systems Status	03/31/98	1	03/31/98	10/99
7-688-98-001-P	Implementation of GPRA for Youth Strategic Objectives/Mali	03/23/98	1	03/23/98	12/99
			2	03/23/98	12/99
			3	03/23/98	12/99
			4.1	03/23/98	12/99
			4.2	03/23/98	12/99
7-624-98-002-P	Implementation of GPRA in its Family Health	03/24/98	4.1	03/24/98	12/99
			4.2	03/24/98	12/99
B-183-98-003-F	Chemonics International, Inc.	07/10/98	1	03/31/99	12/99

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>
B-183-98-004-F	KPMG/Barents	07/10/98	1	03/31/99	11/99
			2	03/31/99	11/99
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	12/99
A-000-98-006-P	USAID's Assessment of the Year 2000 Problem	09/21/98	1	09/21/98	11/99
			2	09/21/98	12/99
A-000-98-007-P	Post Transaction Review Activities Under the Commodity Import Program	09/30/98	1	05/28/99	12/99
			2	05/28/99	12/99
			3	05/28/99	12/99
			4.1	05/28/99	12/99
			4.3	05/28/99	12/99
0-000-99-001-F	USAID's Financial Statements, Internal Controls, and Compliance for FY 1998	03/01/99	1.1	03/01/99	03/00
			1.2	03/01/99	03/00
			1.3	03/01/99	03/00
0-000-99-002-F	Report to USAID Managers on Selected USAID Internal Controls	03/31/99	1.1	07/26/99	03/00
			1.2	07/26/99	03/00
			2.1	06/07/99	12/99
			2.2	-	03/00
			2.3	06/07/99	11/99
			2.4	07/26/99	03/00
			3.1	06/07/99	12/99
			3.2	06/07/99	12/99
			4.1	-	12/99
			4.2	-	12/99
			5	06/07/99	12/99
			6.1	-	03/00
			6.2	-	03/00
			6.3	-	12/99
			6.4	07/26/99	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	-	03/00
			8.1	07/01/99	02/00
			8.2	07/01/99	01/00
			8.3	07/01/99	01/00
			9	07/01/99	01/00
			10.1	07/01/99	01/00
			10.2	07/01/99	10/00
			11.1	06/07/99	03/00
			11.2	06/07/99	11/99
0-000-99-064-D	Incurred Costs for Burns and Roe Enterprises, Inc. (CY 1996)	01/22/99	1	-	03/00
			2	-	03/00
0-000-99-007-A	Cooperative Housing Foundation	02/04/99	1	-	03/00
			2	-	03/00
0-000-99-005-F	Acordia Healthcare Solutions, Inc.	03/26/99	1	09/15/99	03/00
			2.1	-	03/00
			2.2	-	03/00
9-000-99-005-P	USAID-Funded Activities in Nonpresence Countries	02/26/99	1.1	07/21/99	11/99
			1.2	07/21/99	12/99
			2	07/21/99	11/99
9-000-99-006-P	Quality of Results Reported in USAID Operating Units' Results Review and Resource Request (R4) Reports Prepared in 1997	03/05/99	1.1	07/29/99	12/99
			1.2	07/29/99	12/99
			1.3	07/29/99	12/99
			1.4	07/29/99	12/99
A-000-99-003-P	USAID's Progress Implementing a Financial Management System that Meets Federal Financial Management Improvement Act Requirements	03/01/99	1.1	08/24/99	10/99
			1.2	08/24/99	10/99
			1.3	06/01/99	10/99
			1.4	06/01/99	10/99
A-000-99-001-F	Process Used by USAID to Develop Financial Statement Information for Its Credit Programs	01/15/99	1	04/19/99	03/00
A-000-99-002-P	Access and System Software Security Controls Over the Mission Accounting and Control System	12/31/98	1	12/31/98	12/99
A-527-99-001-P	USAID/Peru's General Controls Over the Mission Accounting and Control System	12/30/98	1.1	12/30/98	10/99
			1.2	12/30/98	10/99

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	12/30/98	10/99
			1.4	12/30/98	10/99
A-000-99-005-P	General Controls Over USAID's Client-Server Computer Environment	03/01/99	1	07/14/99	09/01
			2	07/14/99	11/99
			3	07/14/99	11/99
			4	03/01/99	11/99
			5	03/01/99	03/00

TABLE D

**REPORTS ISSUED WITH QUESTIONED AND
UNSUPPORTED COSTS
April 1, 1999 through September 30, 1999**

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS¹
For which no management decision had been made as of April 1, 1999	86	\$22,097 ^{2,3}	\$14,909 ^{2,3}
Add: Reports issued April 1, 1999 through September 30, 1999	129	\$22,365 ⁴	\$6,594 ⁴
Subtotal	215	\$44,462	\$21,503
Less: Reports with a management decision made April 1, 1999 through September 30, 1999	140	\$22,606 ^{5,6}	\$8,803 ^{5,6}
For which no management decision had been made as of September 30, 1999	91	\$21,874 ⁷	\$12,701 ⁷
For which no management decision was made within six months of issuance	33	\$16,247	\$11,696

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

²Amounts include \$6,807,453 in Questioned Costs and \$1,935,895 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

³The ending balance at March 31, 1999 for Questioned Costs totaling \$21,707,371 was increased by \$390,019 to reflect adjustments in the amount of recommendations contained in five reports; the ending balance at the same period for Unsupported Costs of \$14,904,676 was increased by \$4,642 to reflect adjustments in one report.

⁴Amounts include \$4,647,727 in Questioned Costs and \$675,029 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

⁵Agency Officials disallowed \$12,750,671 in Questioned Costs (\$1,379,477 in Unsupported Costs) cited in 105 reports. Agency Officials did not sustain \$9,855,429 in Questioned Costs (\$7,423,067 in Unsupported Costs) cited in 83 reports.

⁶Amounts include \$2,903,994 in Questioned Costs and \$619,319 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

⁷Amounts include \$8,554,308 in Questioned Costs and \$1,042,218 in Unsupported Costs for audits performed for the IG by other federal audit agencies.

TABLE E

**REPORTS ISSUED WITH RECOMMENDATIONS THAT
FUNDS BE PUT TO BETTER USE
April 1, 1999 through September 30, 1999**

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	DOLLAR VALUES
For which no management decision had been made as of April 1, 1999	4	\$4,084 ¹
Add: Reports issued April 1, 1999 through September 30, 1999	5	\$36,835
Subtotal	9	\$40,919
Less: Reports with a management decision made April 1, 1999 through September 30, 1999	8	\$26,876 ²
For which no management decision had been made as of September 30, 1999	4	\$14,050
For which no management decision was made within six months of issuance	2	\$3,833

¹The ending balance at March 31, 1999 (\$3,886,738), was increased by \$197,141 to reflect adjustments in the amount of recommendations contained in one report.

²Agency Officials agreed with \$4,720,940 in actions cited in six reports and Agency Officials did not agree with \$22,154,647 in actions cited in three reports.

TABLE F

**OIG STATISTICAL SUMMARY
April 1, 1999 through September 30, 1999**

INVESTIGATIVE ACTIONS

WORK LOAD		CIVIL		
CASES PENDING (DATE)	136		CIVIL REFERRALS	2
CASES OPENED	100		COMPLAINTS	0
CASES CLOSED	105		JUDGEMENTS/RECOVERIES	0
CASES PENDING (DATE)	131		SETTLEMENTS	2
CRIMINAL		ADMINISTRATIVE		
PROSECUTIVE REFERRALS	4		REPRIMANDS	2
PROSECUTIVE DECLINATIONS	5		PERSONNEL SUSPENSIONS	6
INDICTMENTS	0		RESIGNATIONS/ TERMINATIONS	2
CONVICTIONS	0		OTHER ADMINISTRATIVE ACTIONS	1
FINES	0		RECOVERIES	6
RESTITUTIONS	0		SUSPENSIONS / DEBARMENTS	0
			SAVINGS	0

INVESTIGATIVE RECOVERIES

JUDICIAL RECOVERIES	\$391,207
ADMINISTRATIVE RECOVERIES	\$243,956
SAVINGS	\$0
TOTAL INVESTIGATIVE RECOVERIES	\$635,163