

# USAID

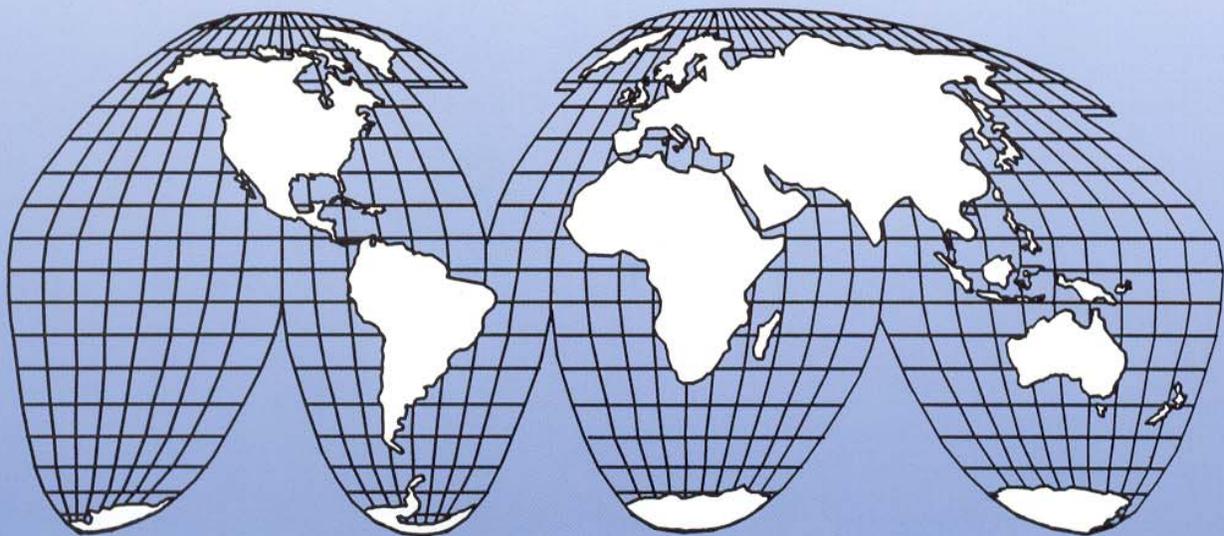
## OFFICE OF INSPECTOR GENERAL

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**Report on Follow-up Audit of Recommendation  
Nos. 1 through 10 from the Audit of  
USAID/Tanzania's Participant Training Activities**

**Audit Report No. 4-621-05-003-P**

**March 15, 2005**



**PRETORIA, SOUTH AFRICA**



*Office of Inspector General*

March 15, 2005

**MEMORANDUM**

**FOR:** USAID/Tanzania Acting Mission Director, Douglass Sheldon  
USAID/M/FM Deputy Chief Financial Officer, David Ostermeyer  
USAID/EGAT/ED Director, John Grayzel

**FROM:** Acting Regional Inspector General/Pretoria, James Gaughran /s/

**SUBJECT:** Report on Follow-up Audit of Recommendation Nos. 1 through 10 from the Audit of USAID/Tanzania's Participant Training Activities, Report No. 4-621-04-001-P (Report No. 4-621-05-003-P)

This memorandum transmits our report on the subject audit. In finalizing this report, we considered management comments on the draft report and have included those comments, in their entirety, as Appendix II in this report.

This report has eight recommendations. In response to the draft report, USAID/Tanzania concurred with Recommendation Nos. 1 through 4, agreed with the additional \$26,806 in accrued interest and \$55,728 in penalty charges, and included corrective action plans and target completion dates. Therefore, we consider that management decisions have been reached on all four recommendations. USAID/Office of Financial Management, (USAID/M/FM) concurred with Recommendation Nos. 5 and 6 and included corrective action plans and target completion dates. Therefore, we consider that management decisions have been reached on both recommendations. USAID/Bureau for Economic Growth, Agriculture and Trade, Office of Education (USAID/EGAT/ED) concurred with Recommendation No. 7 but did not agree to issue bills for collection for \$372,338. We have revised the recommendation, and a management decision can now be reached when USAID/EGAT/ED provides a corrective action plan to resolve the issue of recovering training costs of \$372,338 from the three centrally funded non-returned participants using all available debt collection actions in accordance with ADS 625 and includes a target completion date. Please advise my office within 30 days of the actions you have planned or taken to implement Recommendation No. 7. USAID/EGAT/ED concurred with Recommendation No. 8 and included a corrective action plan and target completion date. Therefore, we consider that a management decision has been reached.

Please provide the Bureau for Management, Office of Management Planning and Innovation, (USAID/M/MPI) with evidence of final action in order to close Recommendation Nos. 1 through 6 and 8.

I appreciate the cooperation and courtesy extended to my staff during the audit.

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## Summary of Results

The Regional Inspector General, Pretoria (RIG/Pretoria) conducted this follow-up audit to determine whether USAID/Tanzania took corrective actions on Recommendation Nos. 1 to 10 of the Office of Inspector General's Audit Report No. 4-621-04-001-P, Audit of USAID/Tanzania's Participant Training Activities. (See Appendix III pp. 25 – 26.) The Mission effectively addressed eight of the ten recommendations, but additional action is still required for USAID/Tanzania to fully address Recommendation Nos. 1 and 8.

For Recommendation No. 1, although training was provided to the Mission's Training Results and Information Network (TraiNet) data entry personnel, the Mission's TraiNet database continued to contain inaccuracies. (See page 8.) As a result, the Mission's TraiNet database cannot provide an accurate list of participant trainees. (See pages 8 - 10.) Furthermore, the Mission's TraiNet access controls were weak and need to be strengthened. Weak access controls expose the TraiNet system to unauthorized access and modification of data. (See pages 10 - 12.)

To address Recommendation No. 8, the Mission sent out Bills for Collection and follow-up letters and transferred the uncollectible accounts receivable to the USAID/Office of Financial Management (USAID/M/FM) in accordance with Automated Directives System (ADS) policy. However, the Mission did not record the accrued interest and penalty charges for those accounts. Therefore, the transferred uncollectible accounts receivable amount was understated by the accrued interest of \$26,806 and penalty charges of \$55,728. (See pages 13 -14.) A system to log and track uncollectible accounts receivable transferred by operating units to USAID/M/FM should be implemented to facilitate the transfer of these accounts to Treasury for cross-servicing. (See pages 15-16.)

Additionally, three centrally funded non-returned participants—funded under USAID/Economic Growth Agriculture and Trade, Office of Education (USAID/EGAT/ED) sponsoring units—had not been issued bills for collection. This audit recommends that USAID/EGAT/ED resolve the issue of recovering training costs of \$372,338 from the three centrally funded non-returned participants using all available debt collection actions in accordance with ADS 625, develop and implement a system to require all partners, including universities implementing and managing centrally funded participant training programs to provide accurate and timely information in the participant tracking systems to increase compliance with existing USAID policies. (See pages 16-18.)

This report has eight recommendations. In response to the draft report, USAID/Tanzania concurred with Recommendation Nos. 1 through 4, agreed with the additional \$26,806 in accrued interest and \$55,728 in penalty charges, and included corrective action plans and target completion dates. Therefore, we consider that management decisions have been reached on all four recommendations. USAID/M/FM concurred with Recommendation Nos. 5 and 6 and included corrective action plans and target completion dates. Therefore, we

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consider that management decisions have been reached on both recommendations. USAID/EGAT/ED concurred with Recommendation No. 7 but will have to resolve the issue of recovering training costs of \$372,338. A management decision can be reached when USAID/EGAT/ED provides a corrective action plan for Recommendation No. 7 to resolve the issue of recovering training costs from three centrally funded non-returned participants using all available debt collection measures in accordance with ADS 625 and includes a target completion date. USAID/EGAT/ED concurred with Recommendation No. 8 and included a corrective action plan and target completion date. Therefore, we consider that a management decision has been reached. (See pages 23 – 30)

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## **Background**

USAID's Automated Directives System (ADS) 253 defines "Participant" as a host country resident or national taking part, under USAID sponsorship, in a structured learning activity, whether the training is in-country, in a third country or in the U.S. All USAID training supports the achievement of the missions' Strategic Objectives and Intermediate Results. For U.S.-bound participant training, both short-term and long-term training have challenges. For short-term training, it is difficult for participants to make a major commitment away from work, especially for U.S. and third country programs. Also, J-1 visa<sup>1</sup> requirements in some cases are prohibitive. For long-term training, the cost is much higher, and participants may not return to their home country as planned.

A worldwide audit of participant training was part of the Office of Inspector General's audit plan for fiscal year 2003. Regional Inspector General/Pretoria (RIG/Pretoria) participated in this effort and issued Audit Report No. 4-621-04-001-P, Audit of USAID/Tanzania's Participant Training Activities, on November 5, 2003. The ten recommendations from the audit report addressed several issues regarding the Mission's participant training activities, namely that (1) inaccuracies were found in the Mission's Training Results and Information Network (TraiNet) database; (2) the Mission needed to obtain and retain required documents for all participants; (3) the Mission needed to strengthen its system of tracking and reporting non-returnees; (4) the Mission needed to collect training costs from non-returnees; and (5) the Mission needed to develop Mission-specific guidance.

Recommendation Nos. 1, 7, 8 and 9 received USAID/Management Planning and Innovation (MPI) final action on July 14, 2004. Recommendation Nos. 2, 3, 4, 5, 6, and 10 received MPI clearances on September 14, 2004. Subsequently, MPI stated they did not require further action from the Mission regarding any of the ten recommendations.

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<sup>1</sup> J-1 visa - A non-immigrant visa issued by the Department of State for an individual who has a residence in a foreign country which he or she has no intention of abandoning and who is coming to the U.S. temporarily as a participant in a program designated by the Department of State.

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To determine whether the Mission's actions were effective in correcting the identified problems stated in Audit Report No. 4-621-04-001-P, a follow-up audit was conducted by RIG/Pretoria at USAID/Tanzania on September 13 to 17, 2004. To determine the status of the transferred accounts receivables and the training costs for three centrally funded non-returned participants, we communicated with the following offices:

- USAID/Office of Financial Management (M/FM),
- USAID/Office of Management, Planning and Innovation (M/MPI), and
- USAID/Bureau for Economic Growth, Agriculture and Trade, Office of Education (EGAT/ED).

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### **Audit Objective**

This follow-up audit was conducted in accordance with the U.S. Office of Management and Budget's Circular No. A-50 and Office of Inspector General (OIG) audit policy, which requires the OIG to follow up on recommendations that have been closed. Specifically, the audit was conducted to answer the following question:

- Were USAID/Tanzania's actions in response to Recommendations 1 through 10 of Audit Report No. 4-621-04-001-P effective in correcting the identified problems?

Appendix I contains a discussion of the audit's scope and methodology.

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### **Audit Findings**

USAID/Tanzania's actions effectively addressed eight of the ten recommendations from the prior audit. However, additional corrective action is still required to carry out Recommendation Nos. 1 and 8.

Mission Order 11-2 (Mission Policy on Participant Training), issued on August 5, 2004, specifically addressed the identified problems in Recommendation Nos. 2, 3, 4, 5, 6 and 10. One case of a potential non-returnee participant was successfully tracked, and the participant was repatriated. USAID/Tanzania issued a bill for collection for \$100,207 to a non-returned participant, who requested a waiver of the two-year residency requirement in response to the prior audit's Recommendation No. 7. This bill for collection was subsequently transferred on September 10, 2004 to USAID/Office of Financial Management (USAID/M/FM) as an uncollectible accounts receivable.

USAID/Office of Management, Planning and Innovation (M/MPI) accepted USAID/Tanzania's actions to address Recommendation No. 9. In accordance with ADS 253, the "sponsoring unit" was responsible for issuing demand letters

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to participants who do not return to their country of origin after attending USAID-funded training.

In March 2003, the Mission sent the Assistant Computer Systems Manager (also known as the Assistant Computer Manager) and Participant Training Specialist (also known as Mission Training Specialist) to Malawi for a Training Results and Information Network (TraiNet) II Workshop. The purpose of the TraiNet Workshop was to help missions understand how to comply with the new J-1 Visa requirements as prescribed by USAID/Washington, the Bureau of Citizenship and Immigration Services (BCIS) (previously known as the Immigration and Naturalization Services [INS]), and the State Department and to present hands-on training on how to install and enter data into TraiNet.

The Participant Training Specialist and Assistant Computer Systems Manager conducted training sessions at USAID/Tanzania to impart knowledge from the training they received at the TraiNet Workshop in Malawi. The TraiNet data entry personnel, who are also Strategic Objective (SO) secretaries, were trained from August 4-14, 2003 and one secretary was trained from June 3-4, 2003. Each received a minimum of four hours of training. The training was conducted on a one-to-one basis because the Mission did not have enough computers to hold a classroom-type training session. In the training sessions, the trainees entered actual data into TraiNet, data which was then transmitted to the Visa Compliance System (VCS). Yet, despite this training, the Mission's TraiNet database continued to contain significant errors and inaccuracies.

### **USAID/Tanzania Needs to Maintain An Accurate TraiNet Database**

<p><b>Summary:</b> ADS 253 requires the use of TraiNet to document and track all USAID participants and their accompanying dependents. ADS 253 further emphasizes the importance of entering information into TraiNet for all participant training. The Mission's TraiNet data for U.S.-bound participant trainees sent to the Visa Compliance System (VCS) was accurate. However, there were inaccuracies for third-country and in-country trainees. The inaccuracies were caused by data entry personnel's lack of guidance because they followed a different standard for entering data for in-country and third-country participants than they did for U.S.-bound participants. These data entry personnel had training in TraiNet data entry, but the training did not convey the importance of maintaining data integrity on all information entered into TraiNet. As a result, information stored in TraiNet was not accurate, and the Mission could not generate accurate reports for either management and control purposes or congressional requests.</p>
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ADS 253.3.2 states that sponsoring units must record third-country training participants in the TraiNet database as they do with U.S.-bound participants. ADS 253.3.3 allows for the entry of in-country participant training information in

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clusters but must include the subject area of training, start and end date, total trainees per participant group, with gender breakdown, and total cost of training for each program. The entry of the information into TraiNet for in-country training programs of less than three consecutive class days is not required. However, if sponsoring units want to enter short term training critical to local development into TraiNet, they are urged to do so. In accordance with ADS 253.3.3, the USAID/Tanzania Participant Training Specialist sent an email on May 9, 2003, to all TraiNet trained data entry personnel requiring that they enter all training data into TraiNet—regardless of duration or type of training. However, a Mission generated TraiNet report listing participant trainees for the period under audit showed data for the U.S. trainees had some records in which return status was left blank, making the data incomplete for reporting purposes. Regarding the data that was to be sent to the VCS system, there were no inaccuracies for U.S. trainees. On the other hand, the data for the third-country and in-country participant trainees had a number of inaccuracies, such as the following:

The Return Status field was filled as “Unknown.”

1. Organization names or training programs were entered in Last and First Name fields.
2. Third-country training programs that were completed were still defined as “planned.”

The reasons for the inaccuracies of the TraiNet data were:

1. The TraiNet data entry operators (SO secretaries) did not receive training that stressed the importance of maintaining the integrity of the TraiNet data regardless of whether the participant trainees are U.S.-bound, in-country or third-country trainees.
2. Infrequent use of TraiNet by some data entry operators’ since their training.
3. There was no basic procedures manual available to the data entry operators. The Assistant Computer Systems Manager informed the auditors that TraiNet has an extensive “Help” menu. However, it was not useful as the data entry operators could not recall how to use the system to access the Help menu.
4. TraiNet data was not periodically reviewed for accuracy.

If the Mission’s TraiNet database contains inaccurate data, USAID/Tanzania cannot generate accurate TraiNet participant trainee reports—such as program and financial reports by SO—which could be used as a management tool for

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Mission staff. This would also hinder accountability to Congress or other government agencies requiring information as to how many people were trained, the sectors involved, and the fields of study pursued, as well as the amount of money spent by USAID/Tanzania for training.

In addressing the recommendations from the prior audit, USAID/Tanzania took actions to improve the TraiNet systems database. However, as stated, this follow-up audit has identified continuing problems, such as inaccurate data, Mission's failure to periodically review data for accuracy, incomplete training of data entry operators, and the lack of a basic user's manual. Additional action is required for USAID/Tanzania to remedy these problems. Therefore, we are making the following recommendation:

**Recommendation No. 1: We recommend that USAID/Tanzania (1) provide data entry personnel with additional training, paying specific attention to integrity of data, (2) provide a basic Training Results and Information Network user's manual to data entry personnel, (3) correct the existing Training Results and Information Network data, and (4) provide relevant periodic Training Results and Information Network data printouts for the Participant Training Specialist to review the Training Results and Information Network data printouts as a quality control measure.**

#### **USAID/Tanzania Needs to Strengthen Access Controls of Its Training Results and Information Network System**

**Summary:** ADS 545 has set specific requirements for implementing USAID's security policy for system access. One of the requirements is that all USAID networked computer systems must provide controlled access safeguards to protect the integrity, availability, and confidentiality of USAID information. USAID/Tanzania has not followed the ADS requirements for controlling access to its TraiNet system because the Assistant Computer Systems Manager, the person in charge of the technical aspect of the Mission's TraiNet system, has not had recent training in information system security. Not having the appropriate access control for TraiNet has resulted in exposing it to vulnerabilities.

ADS 545 prohibits the assignment of more than one user-ID to individuals and has other requirements, such as:

- allowing system users to gain access to USAID networks or distributed systems only after entering their unique user-ID and password;

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- randomly selecting passwords that are not easily revealed and following other specific requirements;
  - deleting default user-IDs and passwords supplied by the vendor once installation is complete;
  - immediately deleting user-IDs and passwords whenever the user terminates employment with USAID or transfers to another office; and
  - restricting access to information systems to individuals who require access to perform their official duties and restricting their level of access to only the information needed to complete assigned responsibilities.

Further, the ADS 545 requires that staff who have security responsibilities must maintain their security training. USAID/Tanzania's TraiNet system is its official database training management system. It is designed to contain information about all participant training funded by USAID/Tanzania. As such, the information stored in the TraiNet database is vital and access to it should be tightly controlled and monitored. Yet, USAID/Tanzania has not effectively controlled access to its TraiNet system. We noted the following cases:

- The initial vendor-provided user-ID and password for administrator access had not been changed. Vendors provide passwords and user-IDs to be used during the installation of systems. These passwords and user-IDs are generally generic and are to be used by all personnel involved in the installation until the installation is completed. The user-ID and password provided for the Mission's TraiNet system were particularly simple. However, the Mission did not change them when the TraiNet installation was completed.
- Two employees used the same user-ID and password that allows them to have full TraiNet access—an access usually given to computer systems administrators. The Assistant Computer Systems Manager, who assists users on technical issues, accessed TraiNet using the above-mentioned vendor-provided user-ID and password. The Participant Training Specialist has delegated the task of sending data to VCS to her assistant—the person who enters participant training data on TraiNet for U.S.-bound trainees. This person accesses TraiNet, for sending data to the VCS, using the same vendor-provided user-ID and password the Assistant Computer Systems Manager uses. The administrator's user ID and password gives the person the ability to perform any function TraiNet allows. This is beyond the requirements of the person's duties.
- User passwords did not follow USAID password requirements and were easily revealed. Some passwords contained names and others did not contain

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uppercase letters, lowercase letters, numbers, and symbols in a random pattern as required by ADS 545.

- The user-ID and password for an ex-employee was still in the TraiNet system and was not promptly deleted when employment was terminated.
- One employee, a supervisor on the health strategic objective (SO) team, had user access to TraiNet although the employee did not use it. The supervisor's access to TraiNet included user privilege to enter and modify data. The employee was not trained to use TraiNet because data for participant training was entered by the SO secretary and not the supervisor.

The Assistant Computer Systems Manager has not had training in system security in the last four years. Information technology security training would include awareness of threats and vulnerabilities to computer systems as well as knowledge of improved security practices. The Assistant Computer Systems Manager's lack of current security training has contributed to the Mission's TraiNet system's access control weaknesses.

Weak access controls of the TraiNet system expose it to vulnerabilities such as unauthorized access, modification, and disclosure of the participant training information. These weaknesses have the potential of compromising USAID/Tanzania's participant training program.

Access to the Mission's TraiNet system was not properly controlled. ADS 545 details the required measures for establishing the proper access controls—for all USAID systems. The Assistant Computer Systems Manager in charge of the technical aspects of the TraiNet system, if properly trained on access control and well versed on the requirements of ADS 545, could take measures to initiate the proper access control. The Mission's Assistant Computer Systems Manager was also not aware of whether the TraiNet system has advanced user privilege-setting capability. Accordingly, we make the following recommendations that will improve the TraiNet systems access controls.

**Recommendation No. 2: We recommend that USAID/Tanzania establish and implement an information system security training plan, with timeframes and milestones, for the Assistant Computer Systems Manager.**

**Recommendation No. 3: We recommend that USAID/Tanzania develop and implement a plan to correct the five access control weaknesses detailed on pages 11 and 12 of this audit report.**

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## **The Mission Did Not Record and Transfer Accrued Interest and Penalties**

**Summary:** ADS 625.3.5 requires the accruing and recording of interest and penalty charges as outlined in 22 CFR 213. USAID/Tanzania did not record and include the accrued interest and penalty charges of the delinquent accounts receivables transferred to USAID/Office of Financial Management (M/FM) because it misunderstood the requirements included in respective sections of the ADS. As a result, the total amount of USAID/Tanzania's uncollectible accounts receivable balances transferred to USAID/M/FM was understated by \$82,534.

ADS 625.3.5 requires accruing and recording of interest and penalty charges as outlined in 22 CFR 213. The Mission did include the interest and penalty charges in their follow-up collection letters and followed ADS 625.3.6.7 (c) requiring the billing office to open an administrative file and other important documentation to be retained in the files to support USAID's collection actions. However, this ADS provision does not specifically mention including the accrued interest and penalty charges in the total amount to be transferred to USAID/M/FM as uncollectible accounts receivable.

In response to Recommendation Nos. 7 and 8 of the Audit of USAID/Tanzania's Participant Training Activities, USAID/Tanzania re-issued seven bills for collection totaling \$765,363, and later issued an eighth bill for collection for \$100,207. After making several collection attempts, USAID/Tanzania deemed these debts to be uncollectible and, consequently, transferred the related accounts receivable balances to USAID/M/FM. According to USAID/Tanzania, balances for the seven bills for collection were transferred to USAID/M/FM on January 30, 2004, and the eighth bill for collection was transferred on September 10, 2004. However, USAID/Tanzania's transfers to USAID/M/FM included only the principal amount of the receivables, without the accrued interest and penalty charges.

While the Mission calculated accrued interest and penalty charges, and included those charges in follow-up collection letters sent to the non-returned participants, the Mission did not record those charges in USAID's Financial Data Collection Tool. Consequently, the accrued interest and penalty charges were not included in the uncollectible accounts receivable balances transferred to USAID/M/FM.

USAID/Tanzania did not transfer the accrued interest and penalty charges to USAID/M/FM because they misunderstood the requirements included in respective sections of ADS 625. For example, since no payments were received, USAID/Tanzania was under the impression that once uncollectible accounts receivable were transferred, USAID/M/FM would then compute and record the

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applicable interest and penalty charges as these amounts would continue to accrue until the accounts were settled or collected as stated in ADS 625.3.6.1.a.

This misunderstanding resulted from a lack of clarity on the part of the ADS guidance. Although it could be reasonably inferred from ADS 625 that accrued interest and penalties should be included in receivables transferred to USAID/M/FM, the ADS guidance does not explicitly state the requirement to record and transfer accrued interest and penalties. USAID/Tanzania has not been the only mission confused by this issue. According to USAID/M/FM personnel in charge of processing uncollectible receivables transferred to Washington, that office received inquiries from several missions as to whether accrued interest and penalty charges needed to be included along with the principal amounts being transferred.

As a result of this misunderstanding, the total amount of USAID/Tanzania's uncollectible accounts receivable balances transferred to USAID/M/FM was understated by \$82,534. Using the U.S. Treasury's Current Value of Funds Rate to compute the accrued interest and the penalty charge rate per 22 CFR 213.12, the amounts transferred to USAID/M/FM should have included accrued interest of \$26,806 and penalty charges of \$55,728.

The Mission did not record and transfer the accrued interest and penalties because the provision in ADS 625 related to transferred accounts from operating units was misinterpreted due to the lack of clarity. Therefore, the accounts receivable transferred by USAID/Tanzania and USAID/M/FM's accounts receivable balance was understated. To address the cause, as well as the condition, of this finding we are making the following recommendations:

**Recommendation No. 4:** We recommend that USAID/Tanzania modify the uncollectible accounts receivable amounts transferred to the USAID/Office of Financial Management for non-returned participants identified in Audit Report No. 4-621-04-001-P to include \$26,806 in accrued interest and \$55,728 in penalty charges in accordance with the requirements contained in 22 CFR 213.12.

**Recommendation No. 5:** We recommend that the USAID/Office of Financial Management provide missions with guidance specifying that accrued interest and penalties be included in the total amount of uncollectible accounts receivable balances transferred by operating units to the USAID/Office of Financial Management.

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## **USAID/M/FM Did Not Transfer the Uncollectible Accounts Receivable to Treasury**

**Summary:** ADS 625.3.7.4 states, “If a settlement or response is not received within 180 days of the due date established in the initial bill for collection or demand letter, the billing office must send the debt administrative file to M/FM/A for forwarding the delinquent receivable to Treasury...” USAID/Tanzania transferred delinquent accounts receivable of \$765,363 on January 30, 2004 and \$100,207 on September 10, 2004 to USAID/M/FM. When transferred, these accounts were 412 days and 190 days delinquent, respectively. USAID/Office of Financial Management (M/FM) personnel had not reviewed the Financial Data Collection Tool for the uncollectible accounts transferred by the Mission. Therefore, they were not aware of the above-mentioned transfers until the RIG/Pretoria audit team inquired about the status of the transferred accounts. The untimely transfer of delinquent debts to Treasury for cross-servicing has resulted in delaying the implementation of Treasury’s collection procedures as well as in increasing USAID’s administrative costs.

The provision in ADS 625.3.7.2 for non-Tax Identification Number (TIN) debts states that at the conclusion of the 180-day period, all debt that is not in the process of being collected, and is not in litigation, must be transferred to Treasury.

USAID/Tanzania issued bills for collection totaling \$765,363 to seven non-returned participants on November 14, 2002. To address Recommendation Nos. 7 and 8 of the Audit of USAID/Tanzania’s Participant Training Activities, the Mission re-issued six bills for collection on March 11, 2003 and one bill for collection on May 15, 2003. The Mission issued a bill for collection for \$100,207 to another non-returned participant on February 4, 2004. After making several collection attempts, these debts were all deemed by the Mission to be uncollectible. USAID/Tanzania then transferred the related accounts receivable balances to USAID/M/FM. According to USAID/Tanzania, balances for the first seven bills for collection were transferred to USAID/M/FM on January 30, 2004. At that time, those debts were 412 days delinquent. According to USAID/Tanzania, the eighth bill for collection was transferred to USAID/M/FM on September 10, 2004, when it was 190 days delinquent.

USAID/M/FM personnel in charge of transferring uncollectible receivables from USAID operating units were not aware of the above-mentioned transfers from USAID/Tanzania because they had not reviewed the Financial Data Collection Tool for the uncollectible accounts transferred by the Mission. They only became aware of the above-mentioned transfers when the RIG/Pretoria audit team inquired about the status of the transferred accounts. This indicated the lack of an adequate logging and tracking system for such transfers. Instead of directly transferring these delinquent debts to Treasury as required, USAID/M/FM

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indicated that another collection attempt would be made by sending each of the non-returned participants a letter requesting payment within 60 days. This unnecessary action will further delay the transfer of these delinquent debts to Treasury.

The untimely transfer of delinquent debts to Treasury for cross-servicing has resulted in delaying the implementation of Treasury's collection procedures as well as in increasing administrative costs for USAID. Meanwhile, the accounts receivable balances continue to accrue interest and penalty charges. Further, the statute of limitations on debts is three years for the District of Columbia, so any additional delays could hamper the U.S. Government's ability to ultimately collect these delinquent debts.

The Mission should have transferred the uncollectible accounts receivable to USAID/M/FM once the 180-day collection period had expired. Thereafter, accounts receivable transferred by the Mission should be transferred by USAID/M/FM to Treasury for cross-servicing in a timely manner to increase the probability of collection. To facilitate this process, a system to log and track uncollectible accounts receivable transferred by operating units to USAID/M/FM should be implemented. Accordingly, we are making the following recommendation:

**Recommendation No. 6: We recommend that the USAID/Office of Financial Management implement a system to log and track uncollectible accounts receivable balances transferred from USAID operating units in order to transfer those debts to the U. S. Treasury in a timely manner.**

**USAID/EGAT/ED Needs to Determine Training Costs  
and Resolve the Issue of Collection from Centrally Funded  
Non-Returned Participant Trainees**

**Summary:** In accordance with ADS 253 the sponsoring unit for centrally funded participants is under USAID/Economic Growth, Agriculture and Trade, Office of Education (EGAT/ED). The provision for the sponsoring unit to issue AID Form 253-1, Demand for Training Costs Repayment Letter ("Demand Letter") for non-returned participants became effective with the issuance of the revised ADS 253 on June 2004. USAID/EGAT/ED did not have a system to track the training costs for the centrally funded non-returned participants and could not provide total costs of training when USAID/Office of Financial Management (M/FM) requested this information to identify and record these accounts receivable. As a result, USAID/M/FM's total accounts receivable balance was understated by an estimated \$372,338.

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In response to Recommendation No. 9 of the Audit of USAID/Tanzania's Participant Training Activities, USAID/Tanzania verified that, in accordance with ADS 253, the "sponsoring unit" was responsible for issuing demand letters to participants who do not return to their country of origin after attending USAID-funded training. Further, sponsoring units are to send copies of such letters to the relevant accounting office to establish an account receivable in accordance with ADS 625. For centrally funded non-returned participants, the relevant office providing oversight to sponsoring units would be USAID/EGAT/ED.

In December 2003, USAID/Tanzania, in conjunction with USAID/EGAT/ED, forwarded the available background information of three centrally funded non-returned participants to USAID/M/FM. However, the total cost of training had not been established by the sponsoring units. Thus, as of October 5, 2004, USAID/M/FM indicated that no bills for collection had been issued for the three participants.

USAID/EGAT/ED had not issued bills for collection to the three centrally funded non-returned participants from Tanzania because the process for sponsoring units to establish training costs only became effective with the issuance of the revised ADS 253 in June 2004. In addition, USAID/M/FM does not have the files of the centrally funded non-returned participants to determine the training costs for preparing the bills for collection.

The sponsoring units did not provide training costs reports for centrally funded participant trainees to USAID/EGAT/ED. Further, the predecessor tracking systems failed to trigger timely recovery efforts for the three centrally funded participants administered by the sponsoring units identified by this audit. Therefore, USAID/EGAT/ED was not immediately able to provide the total cost of training when USAID/M/FM requested this information to identify and record the accounts receivable for centrally funded non-returned participants.

In November 2004, USAID/EGAT/ED determined the training costs for two of the three non-returned participants,

- The participant trainee who attended Michigan State University (MSU) from 1984 – 1989 generated \$137,500 in training costs per USAID/EGAT/ED files. In return for a favorable waiver of the home residency requirement, this non-returned participant may be convinced to repay this amount.
- For the non-returned participant trainee who attended Iowa State University (ISU) from 1988 – 1992 USAID/EGAT/ED determined the training cost in the amount of \$140,000 based on the participant's files, Certificate of Eligibility for Exchange Visitor J-1 Status.

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USAID/EGAT/ED could not determine the training costs for the non-returned participant trainee who attended Texas A & M University from 1987 – 1993. RIG/Pretoria communicated with the university this individual attended but was not able to obtain estimated training costs. However, we estimated the training costs to be \$94,838 using tuition fees for another university for the period attended. The estimate does not include travel costs.

As a result, USAID/M/FM's total accounts receivable balance is understated by an estimated amount of \$372,338. Further, USAID's ability to recover training costs owed by the three centrally funded non-returned participants has most likely diminished over time.

Accounts receivable for the three centrally funded non-returned participants need to be established and USAID/EGAT/ED needs to resolve the issue of recovering the training costs by taking all available debt collection measures in accordance with ADS 625. Once this is resolved, these amounts can then be recorded in USAID/M/FM's accounts receivable balances. In addition, USAID/EGAT/ED needs to monitor the cost of training for centrally funded non-returned participants who are managed by sponsoring units. To facilitate the issuance of bills for collection for centrally funded non-returned participants, we are making the following recommendations:

**Recommendation No. 7: We recommend that USAID/Economic Growth, Agriculture and Trade, Office of Education establish a system to track training costs for centrally funded participant trainees and resolve the issue of recovering training costs of \$372,338 from the three centrally funded non-returned participants using all available debt collection actions in accordance with Automated Directives System Chapter 625.**

**Recommendation No. 8: We recommend that USAID/Economic Growth, Agriculture and Trade, Office of Education develop and implement a system to require all partners, including universities implementing and managing centrally funded participant training programs, to provide accurate and timely information in the participant tracking systems to increase compliance with existing USAID policies.**

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**Evaluation of  
Management  
Comments**

In response to the draft report, USAID/Tanzania concurred with Recommendation Nos. 1 through 4, agreed with the additional \$26,806 in accrued interest and \$55,728 in penalty charges, and included corrective action plans and target completion dates. Therefore, we consider that management decisions have been reached on all four recommendations. USAID/Office of Financial Management (USAID/M/FM) concurred with Recommendation Nos. 5 and 6 and included corrective action plans and target completion dates. Therefore, we consider that management decisions have been reached on both recommendations.

USAID/Bureau for Economic Growth, Agriculture and Trade, Office of Education, (USAID/EGAT/ED) concurred with Recommendation No. 7 but, based on consultations with the Office of General Counsel and the Office of Financial Management, did not agree to issue bills for collection for \$372,338. We have revised the recommendation, and a management decision can now be reached when USAID/EGAT/ED provides a corrective action plan that resolves the issue of recovering training costs of \$372,338 from the three centrally funded non-returned participants using all available debt collection actions in accordance with ADS 625 and includes a target completion date. USAID/EGAT/ED concurred with Recommendation No. 8 and included a corrective action plan and target completion date. Therefore, we consider that a management decision has been reached.

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**Scope and  
Methodology****Scope**

The Regional Inspector General/Pretoria conducted this follow-up audit in accordance with generally accepted government auditing standards. The purpose of the audit was to determine whether USAID/Tanzania's actions taken to close Recommendation Nos. 1 through 10 were effective. To make this determination, we reviewed the participant training records from November 1, 2003 to August 31, 2004. We conducted the audit to determine whether the Mission (1) obtained and retained required documents for all participants, (2) strengthened its system of tracking non-returnees, (3) collected training costs from non-returnees, (4) developed mission-specific guidance, and (5) ensured there were no inaccuracies in the TraiNet database. In planning and performing this audit, we tested and assessed significant management controls, specifically, the Mission's systems and procedures for processing J-1 visas for U.S.-bound participant trainees and for transferring delinquent accounts receivable to the USAID/Office of Financial Management (M/FM). Additionally we reviewed Mission documents provided to USAID's Office of Management Planning and Innovation (M/MPI) and supporting documentation that was the basis for MPI's determination that USAID/Tanzania's actions in response to the previous audit report's recommendations were complete.

In addition, during the course of the audit we observed weaknesses in the TraiNet access controls and conducted reviews to determine the extent of the weaknesses. We expanded the scope of the audit to address this matter.

We conducted the fieldwork at USAID/Tanzania in Dar Es Salaam from September 13 through 17, 2004. We contacted USAID/M/FM and USAID/M/MPI to provide clarification on the status and procedures pertaining to transferred accounts receivable.

**Methodology**

In planning and performing the audit, we obtained and reviewed the previous audit report, examined USAID/Tanzania's supporting documents to close the recommendations and perused USAID/M/MPI's clearance memo.

For criteria, we used relevant Automated Directives System chapters, the Code of Federal Regulations, the Complete Guide to USAID's Visa Compliance, other guidance developed by USAID/Washington, and other legal guidance.

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We interviewed Mission personnel who were delegated the roles of entering, verifying and approving data in TraiNet and the Mission's Assistant Computer Systems Manager. We interviewed USAID/Tanzania's accounting personnel, examined the bills for collection and copies of administrative files pertaining to the delinquent accounts receivable transferred to USAID/M/FM, and browsed the Financial Data Collection Tool reports to verify these accounts were indeed transferred to USAID/M/FM.

To determine the status of the transferred accounts receivable, we contacted USAID/M/FM officials and personnel. We also communicated with USAID/M/MPI to clarify the provisions contained in ADS 625 on the Mission's responsibility for recording and transferring accrued interest and penalties.

To estimate the accounts receivable for three centrally funded non-returned participants, we contacted the universities they attended and were provided with the estimated training costs of each of their Ph.D. programs. Since the sponsoring unit that provided funds to the centrally funded non-returned participants was under USAID/EGAT, we also contacted USAID/EGAT officials and personnel to determine the actual training costs and resolve the issue of recovering training costs of \$372,338 from the three centrally funded non-returned participants using all available debt collection actions in accordance with ADS 625.

We did not set a materiality threshold for this audit as the nature of the audit did not lend itself to the establishment of such a threshold.

**Management  
Comments**



U.S. Agency For International Development  
**memorandum**

**DATE:** February 1, 2005

**REPLY TO  
ATTN OF:** Douglass Sheldon, Acting Mission Director /s/

**SUBJECT:** **Draft Report on Follow-up Audit of Recommendation Nos. 1 through 10 from the Audit of USAID/Tanzania's Participant Training Activities, Report No. 4-621-04-001-P (Report No. 4-621-05-XXX-P)**

**TO:** Jay Rollins, Regional Inspector General/Pretoria

**REF:** RIG's memorandum dated January 4, 2005

Please find herewith USAID/Tanzania's comments on recommendation numbers 1 to 4 of draft audit report No. 4-621-05-XXX-P.

**Recommendation No. 1: We recommend that USAID/Tanzania (1) provide data entry personnel with additional training, paying specific attention to integrity of data, (2) provide a basic Training Results and Information Network user's manual to data entry personnel, (3) correct the existing Training Results and Information Network data, and (4) provide relevant periodic Training Results and Information Network data printouts to the Participant Training Specialist as a quality control measure.**

Comments: We agree with the recommendation. USAID/Tanzania's timeframe are as follows: (1) Mission has scheduled a TraiNet training course for all data entry personnel in February 2005. This course will be a structured activity with a full agenda. (2) Upon completion of the TraiNet training course, all attendees will leave with a copy of a TraiNet user's manual. Manual updates will be sent to the data entry personnel as they come. Follow-on TraiNet training courses will be conducted as needed. (3) Correction of the TraiNet existing data is expected to be completed by the end of April 2005. (4) TraiNet Administrator will produce monthly printouts for the PTS starting end of May 2005.

**Recommendation No. 2: We recommend that USAID/Tanzania establish and implement an information system security training plan, with timeframes and milestones, for the Assistant Computer Systems Manager.**

Comments: We agree with the recommendation. USAID/Tanzania is taking the following actions to establish and implement an information system security training plan:

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- The Assistant Computer Systems Manager (ACSM) is currently undertaking a one-year course in computer studies which covers in depth the information systems security topics. The course is expected to end in December 2005.
  - Also, on daily basis the ACSM is getting Information Security Tips as part of an on going security training through IRM/Washington which is web-based.

**Recommendation No. 3: We recommend that USAID/Tanzania develop and implant a plan to correct the five access control weaknesses detailed on page 11 of this audit report.**

Comments: We agree with the recommendation. USAID/Tanzania will correct the five access control weaknesses detailed on page 11 of this audit report by April 30, 2005.

**Recommendation No. 4: We recommend that USAID/Tanzania modify the uncollectible accounts receivable amounts transferred to the USAID/Office of Financial Management for non-returned participants identified in Audit Report No. 4-621-04-001-P to include \$26,806 in accrued interest and \$55,728 in penalty charges in accordance with the requirements contained in 22 CFR 213.12.**

Comments: We agree with the recommendation. USAID/Tanzania will modify the uncollectible accounts receivable amounts transferred to the USAID/Office of Financial Management to include interest and penalty charges due as of the date of transfer. The transfer of additional amounts will be reflected in the PC web tool report for the quarter ending March 31, 2005.

Please also find additional comments that clarify some issues in the draft audit report.



February 8, 2005

**MEMORANDUM**

**TO:** Regional Inspector General/Pretoria, Jay Rollins

**FROM:** Deputy CFO, David Ostermeyer /s/

**SUBJECT:** Management Response to Draft Report on Follow-up Audit of Recommendation Nos. 1 through 10 from the Audit of USAID/Tanzania's Participant Training Activities, Report No. 4-621-04-001-P (Report No. 4-621-05-XXX-P)

Thank you for the opportunity to respond to the draft audit report. The report contains two recommendations for CFO action intended to improve USAID's processing and tracking of accounts receivable. Management concurs with the proposed recommendations and has implemented corrective action for one of the recommendations. Documentation supporting our corrective action is attached for your immediate review. We respectfully request that recommendation nos. 5 and 6 receive management decisions upon the issuance of the audit report and that recommendation no. 5 be closed upon the issuance of the audit report.

Following are our management decisions and corrective action regarding the proposed audit recommendations:

**Recommendation No. 5:** We recommend that the USAID/Office of Financial Management provide missions with guidance specifying that accrued interest, penalties and applicable administrative costs be included in the total amount of uncollectible accounts receivable balances transferred by operating units to the USAID/Office of Financial Management.

**Management Decision:** On February 8, 2005, a General Notice Policy Reminder was issued on the Transfer of Uncollectible Accounts Receivable. The reminder clarifies existing policy regarding the amount to be transferred to the Office of Financial Management (M/FM) in accordance with ADS 625.3.7.4. The clarification contained in the policy reminder will be incorporated into the next revision to ADS 625.

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**Recommendation No. 6:** We recommend that the USAID/Office of Financial Management implement a system to log and track uncollectible accounts receivable balances transferred from USAID operating units in order to transfer those debts to the U.S. Treasury in a timely manner.

**Management Decision:** M/FM will ensure that the accountant in charge of managing delinquent accounts receivable will establish a log of delinquent accounts receivable that contains the following information:

- Relevant identifying data,
- Date received by M/FM,
- Mission or Washington office that referred the debt,
- Date transferred to Treasury for collection and cross-servicing, and
- Date of and nature of final disposition of the debt.

In addition, M/FM will implement procedures to ensure that the accountant in charge of managing the delinquent accounts receivable will notify the referring office that M/FM has received the transferred debt. M/FM will also reconcile, on a quarterly basis, the log against the information that the missions transferred to M/FM through the Financial Data Collection Tool. This last step will prevent debt referred by the missions from going unnoticed indefinitely. A final action target date is set for 05/30/05.

Attachment: General Notice: Policy Reminder, ADS 625 Transfer of  
Uncollectable Accounts Receivable

**CLEARANCE PAGE FOR MEMORANDUM**, Management Response to Draft Report on Follow-up Audit of Recommendation Nos. 1 through 10 from the Audit of SUAID/Tanzania's Participant Training Activities, Report No. 4-621-04-001-P (Report No. 4-621-05-XXX-P)

Clearances:

FM/A/: Jeff Carr \_\_\_/s/\_\_\_\_\_ Date 02/09/2005

FM/CAR/: Tom Clarkson \_\_\_/s/\_\_\_\_\_ Date 02/09/2005

M/MPI/: Connie Turner \_\_\_/s/\_\_\_\_\_ Date 02/09/2005

Drafter:

M/MPI/: Diane Travis \_\_\_/s/\_\_\_\_\_ Date 02/09/2005

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**Date:** 02/08/2005

**Subject:** ADS 625 - Transfer of Uncollectable Accounts Receivable.

**Type:** Policy-Reminder

**Agency Notice Message:**

POLICY-REMINDER

USAID/General Notice  
M/MPI  
02/08/2005

Subject: ADS 625 - Transfer of Uncollectable Accounts Receivable.

This policy reminder will be incorporated into the next revision to ADS 625. The reminder clarifies existing policy regarding the amount to be transferred to the Bureau for Management, Office of Financial Management, Accounting Division (M/FM/A) under ADS 625.3.7.4.

Existing ADS policy is:

625.3.7.4 Subsequent Demands for Payment - Non-TIN Debts

If payment is not received by the due date, the billing office must send three progressively more strongly worded demand letters at 30-day intervals until the efforts result in payment in full, a satisfactory installment plan arrangement, or an administrative determination that the debt is uncollectible through means available to USAID. If a settlement or response is not received within 180 days of the due date established in the initial bill for collection or demand letter, the billing office must send the debt administrative file to M/FM/A for forwarding the delinquent receivable to Treasury.

The following provides clarification on the amount to be transferred in the debt administration file:

The transferred amount must include the principal, plus accrued interest, penalties, and administrative costs associated with the delinquent receivable.

Point of Contact: Any questions concerning this Notice may be directed to Joe Keady, M/MPI, (202) 712-5744.

Notice 0223



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

February 14, 2005

**MEMORANDUM**

**TO:** Regional Inspector General/Pretoria, Jay Rollins

**FROM:** EGAT/AA, Emmy B. Simmons /s/

**SUBJECT:** Management Response to Draft Report on Follow-up Audit of Recommendation No's 7 and 8 from the Audit of USAID/Tanzania's Participant Training Activities, Report No. 4-621-04-001-P (Report No. 4-621-05-XXX-P)

Thank you for the opportunity to respond to the draft audit report. The report contains two recommendations for EGAT action intended to improve USAID's implementation and management of centrally funded participant training programs. We respectfully request that recommendations no 7 and 8 be closed upon the issuance of the audit report.

Following are our management decisions and corrective action regarding the proposed audit recommendation:

**Recommendation No. 7:** We recommend that USAID/Economic Growth, Agriculture and Trade, Office of Education establish a system to track training costs for centrally funded participant trainees and issue bills for collection totaling \$372,338 for the three centrally-funded non-returned participants from Tanzania in accordance with Automated Directives System 625.

**Management Decision:**

We concur in the recommendation.

A system for tracking has been established. In 1998, USAID began utilizing its TraiNet system to capture cost data in a uniform way, worldwide. ADS 253 now requires all USAID partners to enter participant training cost data into TraiNet for all training events, including those that are centrally funded. We presume that this satisfies the first part of the recommendation.

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However, concerning the second part of Recommendation 7, that Bills of Collection be issued for the three centrally funded non-returned participants from Tanzania in accordance with the ADS 625, USAID/EGAT/ED has sought advice from General Counsel. The Office of General Counsel has advised that before a bill of collection may be sent, it must concern a legally supportable case which includes evidence of due process, namely that the participant had agreed in writing to refund USAID's training costs; there is evidence of the exact amount of the costs incurred on behalf of the participant; and those costs must have been incurred by USAID no more than ten years prior. These cases started in 1989 and 1992 (or shortly thereafter), and thus the cases do not present legally supportable claims which would be enforceable in a court of law. The Office of the General Counsel, after consultation with the Office of Financial Management, further advises that the statute of limitations of ten years has run out on these cases.

Therefore, USAID/EGAT/ED will not be issuing bills of collection in these three specific cases. However, it should be noted that systems and procedures are now in place for centrally-funded participant training programs. These systems and procedures ensure that accurate and timely information exists in a sufficient manner so as to establish due process and existence of legal claims so that bills of collection may be issued to future non-returnees. We presume that this addresses the second element of the recommendation.

**Recommendation No. 8:** We recommend that the USAID/Economic Growth, Agriculture and Trade, Office of Education develop and implement a system to require all partners, including universities implementing and managing centrally funded participant training programs, to provide accurate and timely information in the participant tracking systems to increase compliance with existing USAID policies.

### **Management Decision**

We concur with the recommendation. EGAT has developed and implemented a new system to require all partners, including universities implementing and managing centrally funded participant training programs, to provide accurate and timely information in the participant tracking systems to increase compliance with existing USAID policies. This system is reflected in the new USAID ADS 252, to be released on/a February 28, 2005.

On February 15, 2003, the Departments of State and Homeland Security began implementation of the Student and Exchange Visitor Information System, know as SEVIS, to facilitate the tracking of exchange visitors. SEVIS enables USAID and other exchange visitor program sponsors to transmit electronic information and event notifications via the internet, to the Department of Homeland Security, U.S. Immigration & Customs Enforcement (ICE), and Department of State (DOS), prior to, during, and following an exchange visitor's stay in the United States. SEVIS is an Internet-based system that maintains current information on non-immigrant students (F and M visa), exchange visitors (J visa), and their dependents (F-2, M-2, and J-2). The system reflects exchange visitor status changes, such as admission at port of entry (POE), validation of arrival, change of address, change in program of study, and other programmatic and financial details. USAID is in full compliance with these requirements, and SEVIS, when used in conjunction with USAID's TraiNet system, is USAID's primary tool for participant tracking. It is used regardless of whether the participant is Mission or Washington funded.

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On June 15, 2004, an amended version of ADS 253 was released, specifying that Sponsoring Units or implementers are required to update exchange visitor data in accordance with USAID and SEVIS requirements, and to track the departure status of their participants. Sponsoring Units or Implementers must inform the EGAT/ED Responsible Officer in writing immediately in the event that an exchange visitor does not return, (in addition to recording the non-returnee in TraiNet). In the event that an exchange visitor does not return, for any reason, the EGAT/ED Responsible Officer is required to terminate the exchange visitor's data directly in SEVIS, citing the failure to return as "non-compliance with exchange visitor program regulations". Termination of the exchange visitor's data effectively reports the individual as "out of status" to the Department of Homeland Security.

Sponsoring Units or implementers are also required to inform the EGAT/ED Responsible Officer if a non-returnee is found to have returned to his or her home country at any time after being reported as a non-returnee.

The requirements regarding the requirement for accurate and timely data entry as reflected in ADS 253, apply to USAID Missions and USAID contractors, grantees and cooperative agreement recipients, regardless of whether or not the exchange visitor event was funded with Mission or Washington regional funds.

**CLEARANCE PAGE FOR MEMORANDUM**, Management Response to Draft Report on Follow-up Audit of Recommendation No. 8 from the Audit of USAID/Tanzania's Participant Training Activities, Report No. 4-621-04-001-P (Report No. 4-621-05-XXX-P)

Clearances:

EGAT/ED: John Grayzel \_\_\_\_/s/\_\_\_\_ Date 02/11/2005

EGAT/AA:EBSimmons (email)\_\_\_\_ Date 2/11/2005 @ 4:15 pm

EGAT/PAICO/PAMS: DBrazier \_\_\_\_/s/\_\_\_\_ Date 2/14/2005

Drafter:EGAT/ED/: EGAT/ED:James Nindel:02/11/2005:2-5317

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## Original Audit Recommendations

Audit recommendations from Audit Report No. 4-621-04-001-P, Audit of USAID/Tanzania's Participant Training Activities issued on November 5, 2003, listed in their entirety.

Recommendation No. 1: We recommend that USAID/Tanzania train all current and prospective Training Results and Information Network (TraiNet) data entry operators.

Recommendation No. 2: We recommend that USAID/Tanzania implement procedures and controls to properly document all future participants in accordance with Automated Directives System Chapter 253 requirements.

Recommendation No. 3: We recommend that USAID/Tanzania conduct background checks on all prospective participant training applicants traveling to the United States for training programs.

Recommendation No. 4: We recommend that USAID/Tanzania develop procedures for verifying and documenting participants' return to the country in accordance with Automated Directives System Chapter 253.

Recommendation No. 5: We recommend that USAID/Tanzania implement a system to document all actions taken, such as notification to appropriate authorities, once a participant is identified as a non-returnee.

Recommendation No. 6: We recommend that USAID/Tanzania develop and implement procedures with USAID/Washington and affected contractors to locate and track all current and future non-returnees.

Recommendation No. 7: We recommend that USAID/Tanzania issue a bill of collection in the amount of \$100,207 to the non-returnee who requested a waiver of the two-year residency requirement.

Recommendation No. 8: We recommend that USAID/Tanzania impose applicable interest charges on the unpaid balances, totaling \$765,363, of the seven bills of collection mentioned above and reissue the bills of collection until paid or written off in accordance with 22 CFR Part 213.12.

Recommendation No. 9: We recommend that USAID/Tanzania request clarification from USAID/Washington to determine which USAID office is responsible for issuing bills of collection to USAID participants who are in

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centrally-funded programs and do not return to their home country. If the Mission is deemed responsible, it should obtain cost data for all centrally-funded non-returnees and issue bills of collection to them for applicable training costs.

Recommendation No. 10: We recommend that USAID/Tanzania develop Mission-specific guidance on participant training to address areas such as participant training clauses in agreement documents; real-time tracking, monitoring and reporting of participants; and the new visa compliance requirements. The guidance should also address the other weaknesses identified in this report (including allowable visa and program extensions) to implement USAID policies and procedures for participant training in the United States.