



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/GUINEA'S ELECTIONS AND POLITICAL PROCESS STRENGTHENING PROGRAM III

AUDIT REPORT NO. 7-675-14-003-P
July 31, 2014

Dakar, Senegal



Office of Inspector General

July 31, 2014

MEMORANDUM

TO: USAID/Guinea Mission Director, Michelle Godette

FROM: Regional Inspector General/Dakar, Abdoulaye Gueye /s/

SUBJECT: Audit of USAID/Guinea's Elections and Political Process Strengthening Program III (Report No. 7-675-14-003-P)

This memorandum transmits our final report on the subject audit. We have considered your comments on the draft report and included them, without attachments, in Appendix II.

The final report includes six recommendations to improve the management of USAID/Guinea's Elections and Political Process Strengthening Program III. In its comments on the draft report, USAID/Guinea agreed with all six recommendations. Based on our evaluation of management comments, we acknowledge that the mission made management decisions on Recommendations 2, 3, 4, and 6.

Although the mission agreed with Recommendations 1 and 5, we do not acknowledge that it made management decisions for these recommendations because actions taken did not address them. Please coordinate final action for all recommendations with the Audit Performance and Compliance Division in the Office of the Chief Financial Officer.

Thank you for the cooperation and courtesy extended to the audit team during this audit.

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Abbreviations

The following abbreviations appear in this report:

- ADS Automated Directives System
- AOR agreement officer’s representative
- CENI National Independent Electoral Commission
- CEPPS Consortium for Elections and Political Process Strengthening
- FY fiscal year
- IFES International Foundation for Electoral Systems
- M&E monitoring and evaluation
- NDI National Democratic Institute for International Affairs
- OIG Office of Inspector General
- RIG Regional Inspector General

SUMMARY OF RESULTS

The West African nation of Guinea ranks 178 of 187 countries on the United Nations' Human Development Index, used to measure average achievement in three basic dimensions of human development: life expectancy, educational attainment, and command over the resources needed for a decent living. This ranking qualifies Guinea as a nation with "low human development."

Furthermore, according to Transparency International's 2013 Corruption Perception Index, which measures the perceived levels of government corruption in countries, Guinea ranks 150 of 177 countries with a score of 24. A score less than 50 implies the perception of serious corruption problems that continue to damage societies around the world and could include the abuse of power, secret deals, and bribery.

Although Guinea received its independence from France in 1958, its first presidential election was held more than 50 years later on June 27, 2010. Because no one candidate received a majority of votes, the country did not declare an official winner until November 16, 2010, after a run-off election on November 7. The delays in announcing the first president were attributed to civil unrest caused by ethnic tensions, mistrust, and clashes between the police and rival groups of supporters.

The next milestone in Guinea's road to democracy was to conduct fair, transparent legislative and local elections, planned for November 2013 and early 2014, respectively. To help Guinea reach this milestone, on September 27, 2013, USAID/Guinea awarded a 3-year, \$9 million cooperative agreement to Consortium for Elections and Political Process Strengthening (CEPPS)¹ to implement the Elections and Political Process Strengthening Program III. As of February 28, 2014, the mission obligated \$3.1 million and disbursed about \$586,000.

The overall goals were to support the Guinean Government to (1) strengthen political processes and (2) develop capacity of new legislators and National Assembly² staff. To achieve these goals, the program planned to implement activities under four main objectives:

- Objective 1: Strengthen the capacity of political parties so they are more inclusive of marginalized groups, including women and minorities.
- Objective 2: Strengthen the institutional capacity of the National Independent Electoral Commission (CENI) and its technical staff to credibly and transparently administer elections.
- Objective 3: Provide technical assistance to newly elected deputies and the permanent staff of the National Assembly.

¹ According to CEPPS' fiscal year (FY) 2012 financial report, the International Republican Institute, the International Foundation for Electoral Systems (IFES), and the National Democratic Institute for International Affairs (NDI) created the organization on September 26, 1995, to submit applications for grant awards to USAID in implementing political and electoral strengthening programs in foreign countries.

² According to *The World Factbook*, Guinea's legislative branch, referred to as the People's National Assembly, is composed of 114 seats elected by a mix of direct popular vote and proportional party list appointments.

- Objective 4: Build capacity of local civil society organizations working to promote government oversight to enhance service delivery and election monitoring.

Examples of program activities include providing technical assistance to operate the call center within CENI's Transparency Department. The center, shown in the photo on the left below, receives, analyzes, and transmits information between CENI and election monitors and observers. In addition, the program planned to provide support to the seven civic and electoral education centers located in each region of Guinea; the photo on the right below shows the center in Kindia. Activities that take place in the centers include training sessions that inform voters of their rights and the voting process.



The program gave technical assistance to the call center at CENI's office in the capital of Conakry. (Photo by RIG/Dakar, March 24, 2014)



The program planned to support this civic center in Kindia Region. (Photo by RIG/Dakar, March 31, 2014)

The Regional Inspector General/Dakar (RIG/Dakar) conducted this audit as part of its FY 2014 audit plan to determine whether USAID/Guinea's Elections and Political Process Strengthening Program III was achieving its goals to strengthen political processes and develop legislative capacity.

Based on program interventions so far, the mission was not on track to achieve its goals under the current agreement (page 4). Mission officials did not revise the annual work plan to align program activities with political realities in Guinea that were causing delays in implementing activities. For example, CEPPS planned to start activities with the expectation that Guinea's first democratically elected National Assembly would be seated by the end of November 2013. However, the elected officials did not take office until January 2014.

In addition, the audit found the following problems that USAID/Guinea should address to improve program performance.

- The program did not use advanced funds in a timely manner (page 5).
- USAID/Guinea did not approve the monitoring and evaluation plan in a timely manner (page 6).
- Implementers did not document some program activities sufficiently (page 7).

To improve program performance, we recommend that USAID/Guinea:

1. In coordination with CEPPS, revise the program work plan to achieve its goals based on political realities in the country (page 5).
2. Document an assessment to determine whether program activities are viable given political realities in the country, and modify the agreement to update program activities and funding accordingly (page 5).
3. In coordination with USAID/Senegal's Regional Financial Management Office, review and document program disbursements as of February 28, 2014, to confirm that funds were used for immediate disbursement needs, and collect any identified excess funds (page 6).
4. In coordination with USAID/Senegal's Regional Financial Management Office, implement procedures that require CEPPS to comply with USAID's advanced funds policies, and verify and document on a semiannual basis that advanced funds are used for immediate disbursement needs (page 6).
5. In coordination with CEPPS, approve a monitoring and evaluation plan with program indicators that align with the activities included in the work plan and integrate gender-disaggregated targets when applicable (page 7).
6. Implement procedures to verify that CEPPS collects and retains appropriate, sufficient evidence to document program activities (page 8).

Detailed findings appear in the following section, and the scope and methodology appear in Appendix I. Management comments, without attachments, are in Appendix II, and our evaluation of them is on page 9.

AUDIT FINDINGS

Program Was Not on Track to Achieve Goals

According to USAID’s Automated Directives System (ADS) 203.3.2, “Performance Monitoring,” looking at the results of each activity helps determine the extent to which a program progresses toward its goals. Furthermore, missions analyze data to help make judgments about program outcomes to improve effectiveness and inform decisions about current and future programming. To that extent, mission officials designed 28 activities to achieve goals for phase I of the elections program and should have started or completed 17 of them as of February 28, 2014.

Additionally, ADS 202.3.7.3, “Comparing Planned Versus Actual Expenditures,” states that a comparison of planned versus actual expenditures is a valuable means of tracking a project’s progress. Any variations between planned and actual expenditures could indicate that time has slipped and targets are off track, or that planned outputs and results may require modification.

The program is not on track to achieve its goals. As of February 28, 2014, CEPPS implemented only five activities as planned, four activities started late, and the remaining eight had not started. (The table below shows the number of activities for the four objectives.) In addition, 5 months into the 18-month-long phase 1 (28 percent), CEPPS had spent only \$586,000, or 19 percent, of the total estimated program costs of \$3.1 million.

Number of Activities, as of February 28, 2014 (Audited)

Program Objectives	Number of Activities			Total
	Started on Time	Delayed	Not Started	
1. Strengthen the capacity of political parties so they are more inclusive of marginalized groups, including women and minorities.	1	0	3	4
2. Strengthen the institutional capacity of the National Independent Electoral Commission and its technical staff to credibly and transparently administer elections.	1	3	1	5
3. Provide technical assistance to newly elected deputies and the permanent staff of the National Assembly.	1	0	2	3
4. Build local capacity of civil society organizations working to promote government oversight to enhance service delivery and election monitoring.	2	1	2	5
Total	5	4	8	17

The program was behind schedule because mission officials did not revise the annual work plan to align program activities with political realities in Guinea that delayed activity implementation. For example, CEPPS planned to start three activities from the third objective when the National

Assembly members were seated in November 2013. However, the members took their seats in January 2014, 2 months behind schedule.

Mission officials determined that it was not prudent to revise the work plan because the election results would not be final until the Supreme Court validated them. The agreement officer's representative (AOR) said CENI unofficially closed in October 2013 after the court validated the results. Accordingly, the program delayed many activities directly related to working with CENI because there were no government counterparts.

To further highlight the political constraints imposed on the program, CEPPS officials expressed concerns that phase II, designed to strengthen the presidential election process, would be delayed because the presidential election may not occur in 2015 due to the uncertainty of the local elections.

Completing activities is critical to achieving results, and any delays in implementing them provide an early warning that results may not be achieved as planned. Moreover, early action in response to problems is essential in managing for results, and mission officials must make adjustments when conditions warrant. This may include developing an entirely new program or simply modifying and changing existing activities to achieve its goals. Therefore, we make the following recommendations.

***Recommendation 1.** We recommend that USAID/Guinea, in coordination with Consortium for Elections and Political Process Strengthening, revise the program work plan to achieve its goals based on political realities in the country.*

***Recommendation 2.** We recommend that USAID/Guinea document an assessment to determine whether program activities are viable given political realities in the country, and modify the agreement to update program activities and funding accordingly.*

Program Did Not Use Advanced Funds in Timely Manner

According to the program's agreement, payment shall be made to the implementer by letter of credit.³ This is the Agency's preferred method of advance payment because it results in the shortest period of borrowing for the U.S. Treasury Department and therefore costs the least in added interest charges to the Government. Further, USAID's ADS 636.3.3.1, "Amount Limitations," states that advances shall be limited to the minimum amount needed for "immediate disbursing needs," defined as 7 days or less.

ADS 636.3.3.2, "Excessive Advances/Periodic Review of Requirements," requires mission controllers to periodically review advances for recipients to verify that the amounts were not for more than needed. Furthermore, anything more than what was needed must be refunded to USAID, except when the excess funds will be disbursed within 7 days, or when the amount is less than \$10,000 and will be disbursed within 30 days.

CEPPS officials could not provide documentation to confirm that the program used advanced funds within 7 days of receipt. For example, we reviewed an advance of \$197,000 received by

³ A letter of credit is a financial instrument certified by USAID that authorizes a recipient to request an advance payment. Using an automated Treasury system, a USAID implementer sends the request to the U.S. Department of Health and Human Services, USAID's servicing agent.

the field office on January 24, 2014, and confirmed that the implementer conducted activities, worth \$66,625, February 19 through 28, 2014, more than 3 weeks after funds were received.

CEPPS officials said they could not provide the documents because “the program receives drawdowns [advanced program funding] on an estimated basis ranging from 2-4 weeks in advance and it would be difficult to identify which expenditures relate to the USAID advances.” Furthermore, our review of the National Democratic Institute’s (NDI’s) financial procedures manual corroborated that they make advance requests on a monthly basis according to field budgets, and funds are not disbursed within 7 days. In addition, a CEPPS official said he was certain the advances they received exceeded the amount of actual program expenditures, and advances would not match expenditures because of the sluggish implementation of activities.

The program’s financial position and its activities are important to achieving desired results. Though mission and CEPPS officials said the political environment in Guinea caused program implementation delays, implementer officials should be able to link expenditures with implementation activities. Mission officials cannot determine the financial and programmatic impact a program will have when implementers do not use advanced funds for immediate disbursement needs.

Moreover, missions cannot manage resources made available to them to achieve planned outputs and results in a cost-effective, timely manner. If implementers do not return program funds not needed for immediate disbursement needs, those funds cannot be put to better use. Therefore, we make the following recommendations to address this problem.

Recommendation 3. *We recommend that USAID/Guinea, in coordination with USAID/Senegal’s Regional Financial Management Office, review and document program disbursements as of February 28, 2014, to confirm funds were used for immediate disbursement needs, and collect any identified excess funds.*

Recommendation 4. *We recommend that USAID/Guinea, in coordination with USAID/Senegal’s Regional Financial Management Office, implement procedures that require Consortium for Elections and Political Process Strengthening to comply with USAID’s advanced funds policies, and verify and document on a semiannual basis that advanced funds are used for immediate disbursement needs.*

USAID/Guinea Did Not Approve Monitoring and Evaluation Plan in Timely Manner

According to ADS 203.3.5, “Monitoring Activities,” USAID expects implementers to submit an activity monitoring and evaluation (M&E) plan to AORs within the first 90 days of an award and before the start of “major activity implementation.”

The election program agreement stated that CEPPS must submit a monitoring plan within 45 days of signing the award on September 27, 2013. As of February 28, 2014, more than 150 days after program start date, the AOR had not approved the M&E plan. CEPPS submitted a plan on November 14, 2013, more than 45 days after signing the award.

The AOR said he did not approve the plan because it lacked required information and needed multiple revisions. For example, on February 13, 2014, the AOR asked CEPPS to revise M&E

indicators to align with USAID/Guinea's country development cooperation strategy and foreign assistance framework standard indicators. CEPPS officials submitted the revised plan on March 21, 2014, and the AOR returned it again for additional revisions on March 26, 2014.

The M&E plan is important because it outlines key program activities and indicators that demonstrate achievement of program goals. It also measures progress toward planned results and identifies the cause of any delays or impediments during program implementation. Consequently, the following problems occurred because mission officials did not approve the M&E plan on time.

- Six of 28 activities (21 percent) in the program's activity work plan did not correspond with an indicator included in the M&E plan.
- The units of measurement for two M&E plan indicators were not quantified to measure results effectively and mitigate subjectivity. For example, the unit for Indicator 2.1.2, *Number of actionable recommendations to strengthen the electoral framework or the operational capacity of the CENI adopted by electoral stakeholders*, is "the number of district recommendations." However, the number of recommendations made by districts has no impact on the electoral framework. The number of implemented recommendations would be a more relevant unit of measurement for this indicator because it measures a discrete result that has been achieved toward the program objective.
- Indicators did not have gender-disaggregated targets. Without data broken out by gender, the mission cannot track how effectively USAID assistance contributes to gender equality and helping women in the electoral process.
- CEPPS and mission officials do not have the same time frame for the implementation of program activities. For example, according to the work plan, CEPPS would implement "Workshop on establishing a women's wing" in February 2014. However, CEPPS officials said this activity was scheduled for March to June 2014.

Without addressing these problems, the program cannot effectively evaluate and analyze progress toward achieving intended results. Therefore, we make the following recommendation.

Recommendation 5. *We recommend that USAID/Guinea, in coordination with Consortium for Elections and Political Process Strengthening, approve a monitoring and evaluation plan with program indicators that align with the activities included in the work plan, and integrate gender-disaggregated targets when applicable.*

Implementers Did Not Document Some Program Activities Sufficiently

ADS 203.3.11.1, "Data Quality Standards," states that missions must be sure that the quality of evidence during performance monitoring meets the five standards of data quality: validity, integrity, precision, reliability, and timeliness. In addition, the AOR designation letter makes the AOR responsible for monitoring the implementer's progress in achieving the objectives of the program and for verifying implementation of activities funded by USAID.

While reviewing source information of implemented activities, the audit team determined that support documents for activities 2.1.1., "Preparatory Meetings," and 3.1.2., "Baseline

Assessment,” were not sufficient. Although CEPPS officials provided copies of agendas for these two activities, they could not provide documentation, like attendance sheets, as more reliable sources of evidence that the activities occurred.

While the AOR said he conducted periodic site visits and weekly meetings with CEPPS chiefs of party, CEPPS did not gather and retain documentary evidence of completed activities because the AOR did not ask for attendance sheets or review other documentation to verify that certain activities were completed during his site visits. The AOR said he did not know he was supposed to ask for such documents.

Without effectively monitoring the program, mission officials cannot verify the reliability and validity of evidence used to support completed activities. Moreover, mission officials may not be able to collect reliable physical, documentary, or testimonial evidence to support program activities. The lack of appropriate and sufficient documentation for two of the activities tested does not provide reasonable assurance that program officials implemented them. Consequently, we make the following recommendation.

Recommendation 6. *We recommend that USAID/Guinea implement procedures to verify that Consortium for Elections and Political Process Strengthening collect and retain appropriate, sufficient evidences to document program activities.*

EVALUATION OF MANAGEMENT COMMENTS

In its comments on the draft report, USAID/Guinea agreed with all six recommendations. After evaluating the comments, we acknowledge that the mission made management decisions on Recommendations 2, 3, 4, and 6. A detailed evaluation of the comments follows.

Recommendation 1. USAID/Guinea officials received the revised work plan on May 22, 2014, that reflected when program activities were or are scheduled to be completed. We reviewed the revised plan and noted that the program either postponed activities or linked them to the achievement of political milestones. However, mission officials did not provide evidence that they approved the revised work plan. As a result, the mission did not make a management decision on this recommendation.

Recommendation 2. Mission officials said they plan to perform an assessment to determine whether program activities are viable given political realities in Guinea, and modify the agreement to update program activities and funding, if necessary, by September 30, 2014. As a result, we acknowledge that the mission made a management decision.

Recommendation 3. USAID/Guinea officials said they would conduct a review of program expenses from inception to February 28, 2014, to determine whether program officials used funds for immediate disbursement needs. Based on this review, mission officials plan to determine the allowability of funds not used for immediate disbursement needs by September 30, 2014. Accordingly, we acknowledge that the mission made a management decision.

Recommendation 4. Mission officials said they would take appropriate actions that include the agreement officer's determination of a waiver or adherence to agency policies. Additionally, the officials said they would develop a plan that would review disbursements noted on implementer quarterly financial submissions to ensure compliance with USAID's advanced funds policies. The target date for this action plan is September 30, 2014. As a result, we acknowledge that the mission made a management decision.

Recommendation 5. USAID/Guinea officials received a revised performance monitoring plan on April 11, 2014. However, our review of this plan identified that four indicators do not have gender-disaggregated targets, and one activity in the work plan could not be matched with an indicator from the revised performance monitoring plan. Consequently, the mission did not make a management decision for Recommendation 5.

Recommendation 6. Mission officials said they would implement a plan to verify, on a sample basis, the accuracy of each activity indicator by September 30, 2014. Therefore, we acknowledge that the mission made a management decision.

SCOPE AND METHODOLOGY

Scope

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our audit objective. We believe that the evidence obtained provides that reasonable basis.

The purpose of this audit was to determine whether USAID/Guinea's Elections and Political Process Strengthening Program III was achieving its goals to strengthen political processes in Guinea and develop capacity of new legislators and National Assembly staff. The mission awarded CEPPS a 3-year cooperative agreement for approximately \$9 million on September 27, 2013. As of February 28, 2014, USAID/Guinea had obligated \$3.1 million and disbursed about \$586,000. The audit team tested \$66,625, or 11 percent, of that disbursement.

The audit covered the period from when the program started on September 27, 2013, to February 28, 2014. In planning and performing the audit, we assessed management controls related to documentation and data verification; reporting; supervisory and management review of program processes and activities; and establishment and review of performance measures and indicators. We assessed the following significant controls: the program's M&E plan, annual work plans, quarterly report, and CEPPS' agreement.

We conducted audit fieldwork from March 24 to April 9, 2014, at USAID/Senegal, USAID/Guinea, and in the offices of CEPPS and CENI in Conakry. We visited one civic education center in the region of Kindia.

Methodology

To answer the audit objective, we interviewed personnel from USAID/Guinea, CEPPS, as well as government officials. We reviewed reports and files that the mission and CEPPS maintained as part of their program monitoring activities. We reviewed the agreement, the mission's performance management plan, CEPPS' annual work plan, and quarterly report to gain an understanding of the program and how USAID/Guinea monitored and measured results. We also reviewed the mission's FY 2013 Federal Managers' Financial Integrity Act assessment. We reviewed applicable laws and regulations and USAID policies and procedures regarding the program, including the agreement, the Government Accountability Office's *Government Auditing Standards*, and ADS Chapters 201, 202, 203, 303, and 636.

To assess whether the program was achieving its objective, we validated reported results for 17 activity indicators for capacity building and election monitoring activities that covered all 4 program objectives through February 28, 2014. We judgmentally selected these activities to review because they had planned start dates at the time of fieldwork.

We validated CEPPS's results captured in its monitoring and evaluation report with supporting documentation, like attendance sheets, interviews with government officials, and our observations during site visits. The audit team considered an activity indicator achieved if the

activity was completed, or started as planned, as of February 28, 2014. However, because only 5 of 17 indicators were completed, or started, as planned, we selected from those that reported results. We considered the reported results for all indicators accurate. The results of our test work cannot be projected to the population of program activities.

The program planned to provide assistance to seven civic education centers. The audit judgmentally selected one in Kindia for a site visit based on health constraints caused by the Ebola virus outbreak and geographic locations. To the extent possible, we verified support activities and determined the extent to which the center was aware of the source of program funding. The result of this visit cannot be generalized to the population of all centers supported.

In addition, we inspected financial support documents of three subgrant and workshop activities worth \$66,625, judgmentally selected based on monetary value. We considered the inspected documents to be reliable and valid. The results of our test work cannot be projected to the population of program expenditures.

MANAGEMENT COMMENTS



MEMORANDUM

DATE: June 16, 2014

TO: Abdoulaye Gueye, Regional Inspector General/Dakar

FROM: Michelle Godette, Mission Director, and USAID/Guinea /S/

REF: RIG/Dakar Draft Audit Report No. 7-675-14-00X-P

This memorandum transmits USAID/Guinea's management comments to the subject RIG/Dakar Draft Audit Report. Thank you for sharing the draft report and providing us the opportunity to offer clarifications and our response. We view audits as an opportunity to improve USAID programming and accountability. Before addressing the six recommendations put forth by the subject draft report, we would like to take the opportunity to provide clarifications regarding some of the information presented in the report.

I. CLARIFICATIONS

Terms of Cooperative Agreements: Cooperative agreements bring with them some measure of flexibility to modify programs and adjust for evolving development contexts in complex environments. As an Assistance mechanism, cooperative agreements can produce impressive development results and maintain a great deal of accountability when the implementing partner project team is effective and has good leadership. In cases in which implementation meets internal challenges, the nature of cooperative agreements, as development assistance as opposed to contracting, can make it more difficult for USAID to bring about swift changes in project management, especially where staffing is concerned. USAID/Guinea believes that it is important to consider the context – opportunities and constraints – of working under cooperative agreements. Substantial involvement from the Mission side has always been required and productive in reviewing, editing and amending the partner's technical and financial submission. Although CEPPS partners are US based experienced organizations with USAID, the Agreement Officer's Representative (AOR) has always worked closely with the partners to ensure the basic knowledge and skills needed to effectively perform its role by adapting a responsive work plan and a result-oriented

Performance Monitoring Plan (PMP) and Monitoring & Evaluation M&E plan to the complex Guinean context.

Development Context: It is important to highlight the development context, as it effects implementation and can engender successes or set-backs. Adjustments are made to address a changing context throughout the life of any agreement. Many factors, both within and outside of USAID control, impact the use of resources and our ability to achieve the exact results as originally anticipated in an activity design. For example, the Guinean legislative elections were scheduled eight times since November 2011 before being held on September 2013 after several violent sociopolitical unrests. Under the current award being audited, the SELP program has planned to support the Guinean local and communal elections, which was planned to take place during the first quarter of year 2014. But to date, there is still no official schedule.

II. USAID/GUINEA RESPONSE TO THE AUDIT FINDINGS AND RECOMMENDATIONS

Finding: Program Was Not on Track to Achieve Goals

Recommendation 1: *We recommend that USAID/Guinea, in coordination with Consortium for Elections and Political Process Strengthening, revise the program work plan to achieve its goals based on political realities in the country.*

USAID/Guinea's position on the finding and Recommendation 1: USAID/Guinea concurs with the finding and a revised work plan has been approved which shows adjusted annual work plan target dates to reflect when program activities were completed (will be completed) .

Action Taken/Planned:

Following the partner's initial technical submission in November 2013, USAID Guinea has continuously worked with the Consortium to revise the program work plan, Performance Monitoring Plan (PMP), Monitoring & Evaluation (M&E) and branding so as to meet and adapt the moving target. A Requisition for Modification through GLAAS action was initiated to include the amendments to the award. The work plan was approved by the Agreement Officer's Representative (AOR) on January 27, 2014 and was revised in May 2014. A revised Performance Monitoring Plan (PMP), incorporating USAID's comments was submitted and approved by Agreement Officer's Representative (AOR) on April 11, 2014, while the BSMP was approved on May 15, 2014 (revised work plans attached).

USAID/Guinea agrees with this recommendation, which is reinforcing its substantial involvement position through constant monitoring of deliverables and requests that a management decision be issued and Recommendation 1 closed upon issuance of final report.

Recommendation 2: *We recommend that USAID/Guinea document an assessment to determine if program activities are viable given political realities in the country, and modify the agreement to update program activities and funding accordingly.*

USAID/Guinea's position on the finding and Recommendation 2:

USAID/Guinea has conducted several assessments including the baseline survey for USAID Guinea strategy of Advanced Democratic Governance in March 2008, the USAID Guinea Democracy and Governance Assessment in November 2011, the Faisons-Ensemble (governance) Project Evaluation in 2013 and the Reinforcement of the Confidence of Political Parties and the Electorate (RECOPPEL) of CEPPS previous award in November 2013. All the preceding assessments have identified governance as the main issue that needs to be addressed through the promotion and reinforcement of a continuing democratic rule. After more than fifty years of autocratic rules, the transition to democratic governance and an effective rule of law still remain a challenge for Guineans to overcome. USAID/Guinea believes that a continuous support to strengthen election and legislative processes will contribute to develop and sustain a durable democratic culture in Guinea. In addition the US Ambassador has requested that USAID continue to provide assistance to the electoral process with the understanding that activities and the work plan continually have to be adjusted to accommodate the political context. To fully support these efforts, the Mission will perform the assessment recommended by the RIG and make any necessary modifications to the current agreement in order to realign resources to achieve program goals given the political environment.

Action Taken/Planned:

Upon completion of CEPPS II award, USAID Guinea initiated and funded self-led institutional and operational assessments of the Election Management Body, a consortium of civil society governance organizations; conducted an evaluation of the capacity of the newly established National Assembly. The results of these assessments guided USAID / Guinea in anticipating modification of its program based on the context by designing a new governance program that builds on previous achievements. This new governance program (SELP – Support Election and Legislative Processes) through the CEPPS mechanism aims to address documented constraints and weaknesses due to field context and political realities. USAID Guinea would like to capitalize, consolidate and expand on new activities through legislative strengthening, institutional and policy reforms so as to better the governance architecture in Guinea. USAID Guinea believes that a continuous support to strengthen election and legislative processes will contribute to develop and sustain a durable democratic culture in Guinea. As a result, USAID will perform an assessment to determine if program activities are viable given political realities in the country, and modify the agreement to update program activities and funding accordingly. This assessment will also determine whether current program activities can be completed within the timeframe of the award and if any additional adjustments are needed.

USAID/Guinea agrees with this recommendation and requests that a management decision be issued and Recommendation 2 closed upon issuance of the assessment report and modifies the agreement to update program activities and funding accordingly as described above planned for September 30, 2014.

Finding: Program Did Not Use Advanced Funds in Timely Manner

Recommendation 3: We recommend that USAID/Guinea, in coordination with USAID/Senegal's Regional Financial Management Office, review and document program disbursements as of February 28, 2014, to confirm funds are used for immediate disbursement needs, and collect any identified excess funds.

USAID/Guinea's position on the finding and Recommendations 3:

Per Automated Directives System (ADS) 636.3.3.2, Mission Controllers and the M/CFO/CMP must ensure that outstanding advances for the contractors and recipients are monitored on an on-going basis. The Mission has set up procedures and systems to comply with this requirement especially for local organizations. For US organizations receiving Letter of Credits (LOCs) under Cooperative Agreements and Grants, the Mission previously relied upon the annual financial audit to ensure compliance with this requirement. However, given the findings identified under this audit, the Mission has strengthened its procedures and systems for monitoring compliance of this requirement for US organizations receiving LOCs under Cooperative Agreements and Grants.

Action Taken/Planned:

USAID/Guinea OFM has developed and implemented tracking tools to review and monitor spending for awards using LOCs. Quarterly, draw-downs reported on the SF 425 form will be compared to the spending of the contractor on the field, the agreed upon budget and elapsed time. If spending is not in line with the draw-down, budget and elapsed time, then additional explanation will be requested from the Grantee. If necessary, additional steps will be taken based upon the quarterly analysis which includes requesting further documentation or performing a financial review. We also modified our financial review procedures to ensure US organizations receiving LOCs under Cooperative Agreements and Grants comply with this requirement. In addition, the Mission will perform a financial review for Quarter 4 in FY 14 to confirm funds are used for immediate disbursement needs, and collect any identified excess funds.

USAID/Guinea agrees with this recommendation and plans to perform a financial review and monitor the issue quarterly. Therefore, we request that a management decision be issued and Recommendations 2 closed (final action) after the Mission conducts a review of program expenses from inception through February 28, 2014, and determine if funds were used for immediate disbursements needs. For funds not used for immediate disbursement needs, the mission will determine the allowability of these expenses planned by September 30, 2014.

Recommendation 4: *recommend that USAID/Guinea, in coordination with USAID/Senegal's Regional Financial Management Office, implement procedures that require Consortium for Elections and Political Process Strengthening to comply with USAID's advanced funds policies, and verify and document on a semiannual basis that advanced funds are used for immediate disbursement needs.*

USAID/Guinea's position on the finding and Recommendation 4:

As mentioned above under Recommendation 3, the Mission previously relied upon the annual financial audit to ensure compliance with this requirement. As also mentioned above, the Mission has strengthened its procedures and systems for monitoring compliance of this requirement for US organizations receiving LOCs under Cooperative Agreements and Grants.

Action Taken/Planned:

The actions taken above (Recommendation 3) predominantly address the findings of Recommendation 4 to comply with USAID's advanced funds policies, and verify and document on a semiannual basis that advanced funds are used for immediate disbursement needs. In addition, USAID/Guinea has requested that CEPPS review its disbursement needs and respond in writing regarding their compliance with ADS 636.3. This response will also include any necessary justifications if unable to comply with the seven day LOC requirement to cover its immediate disbursement needs for this activity. Based upon CEPPS response, USAID/Guinea will review it and take appropriate actions including the Agreement Officer's determination of a waiver or adherence of ADS 636.3 planned by September 30, 2014. In addition, the Mission will develop a plan that would review disbursements noted on the SF 425 to ensure compliance with the advanced funds policies.

Therefore, USAID/Guinea agrees with this recommendation and will requests that a management decision be issued upon the Agreement Officer's determination of a waiver or adherence of ADS 636.3 and preparation of a review plan which is planned by September 30, 2014.

Finding: USAID/Guinea Did Not Approve Monitoring and Evaluation Plan in Timely Manner

Recommendation 5: *We recommend that USAID/Guinea, in coordination with Consortium for Elections and Political Process Strengthening, approve a monitoring and evaluation plan with program indicators that align with the activities included in the work plan, and integrate gender-disaggregated targets when applicable.*

USAID/Guinea's position on the finding and Recommendation 5:

USAID/Guinea has worked closely with the partner to review, amend and adjust the program work plan and performance monitoring and evaluation plan (Attachment II includes the

approved copies of these plans). USAID Guinea would like to draw attention to the fact that the performance monitoring and evaluation plan was under review/revision by the partner to take into consideration USAID's third round of comments made to the initial submission during the field work of this audit.

Action Taken/Planned

After several follow-ups with the CEPPS Partners, the finalized Performance Monitoring Plan (PMP) was approved by the Mission on April 11, 2014 and is attached. The approved monitoring and evaluation plan with program indicators is aligned with the activities included in the work plan, and integrates gender-disaggregated targets when applicable.

Therefore, **USAID/Guinea agrees with recommendation and requests that a management decision be issued and Recommendation 5 closed upon issuance of the final report.**

Finding: Implementers Did Not Document Some Program Activities Sufficiently

***Recommendation 6:** We recommend that USAID/Guinea implement procedures to verify that Consortium for Elections and Political Process Strengthening collect and retain appropriate, sufficient evidences to document program activities*

USAID/Guinea's position on the finding and Recommendation 6:

USAID Guinea acknowledge and agree that the first two quarters of the award implementation was very challenging for both USAID Guinea and the CEPPS partners due to the aftermath of the organization of the legislative elections and attention was focused on building consensus around the work plan both with the polarized National Assembly, CENI and political parties. The Mission has scheduled a Data Quality Assessment (DQA) for August 2014 to validate results to date and will adjust the award accordingly. As part of this exercise, the Mission also plans to implement a plan to verify, on a sample basis, the accuracy of each activity indicator.

Action Taken/Planned:

The Mission has scheduled a Data Quality Assessment (DQA) for August 2014 to validate results to date and will adjust the award accordingly. USAID/Guinea will also develop and implement a plan to verify on a sample basis, the accuracy of each activity indicator.

USAID/Guinea agrees with the recommendation and requests that a management decision be issued and Recommendations 6 closed upon issuance of final DQA report and implementation of the sample plan which is planned for September 30, 2014.

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