



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/HAITI'S PROTECTING THE RIGHTS OF CHILDREN, WOMEN, AND YOUTH PROGRAM

AUDIT REPORT NO. 1-521-15-001-P
November 12, 2014

SAN SALVADOR, EL SALVADOR



Office of Inspector General

November 12, 2014

MEMORANDUM

TO: USAID/Haiti Mission Director, John Groarke

FROM: Regional Inspector General/San Salvador, Van Nguyen /s/

SUBJECT: Audit of USAID/Haiti's Protecting the Rights of Children, Women, and Youth Program (Report No. 1-521-15-001-P)

This memorandum transmits our final report on the subject audit. We have carefully considered your comments on the draft and have included them in their entirety in Appendix II. The report contains 11 recommendations based on the lessons learned from the mission's Protecting the Rights of Children, Women, and Youth Program that should help USAID/Haiti manage its next program.

USAID/Haiti agreed with all eleven recommendations. Based on comments from the mission and supporting documentation, management decisions have been reached on ten, with final action taken on all, except Recommendation 7. A management decision has not been reached on Recommendation 8. For recommendations with questioned costs, a management decision will be reached when the mission determines the amounts unallowable.

Please provide the Audit Performance and Compliance Division in the USAID Office of the Chief Financial Officer with the necessary documentation to achieve final action on Recommendation 7.

Thank you and your staff for the cooperation and assistance extended to us during this audit.

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Abbreviations

The following abbreviations appear in this report:

- ADS Automated Directives System
- AKSE Aksyon Kolektif pou Sekirite kont Ekspwatasyon
(Collective Action for the Security of Children, Women, and Youth)
- AO agreement officer
- AOR agreement officer’s representative
- CARE Cooperative for Assistance and Relief Everywhere
- COP chief of party
- NGO nongovernmental organization
- PADF Pan American Development Foundation
- RIG Regional Inspector General

SUMMARY OF RESULTS

In Haiti, social, economic, and cultural factors combine to create an environment where gender-based violence and forms of exploitation can occur, such as human trafficking, prostitution, and children working as *restaveks*.¹ The Department of State lists Haiti as a Tier Two Watch List country² for trafficking in its annual *Trafficking in Persons Report* because of the extent of the problem and the government's limited antitrafficking resources.

These problems were exacerbated by Haiti's 2010 earthquake, especially for vulnerable children, women, and youth. To help alleviate the problems, on March 5, 2012, USAID/Haiti awarded a \$22.5 million cooperative agreement to Cooperative for Assistance and Relief Everywhere (CARE) Inc., with an estimated completion date of March 4, 2017. The objective was "to improve the safety and security of children, women, and youth in Haiti by decreasing the incidence of human rights abuses and expanding access to treatment and care." The program's Haitian Creole name was *Aksyon Kolektif pou Sekirite kont Ekspwatasyon* (AKSE), which means "Collective Action for the Security of Children, Women, and Youth." As of December 2013, AKSE had obligated \$7.7 million and disbursed \$3.4 million.

The program had five expected results:

1. Develop and expand integrated monitoring, prevention, and response networks.
2. Strengthen the community's capacity for prevention and response.
3. Strengthen Haitian Government institutions, policy, and legislation.
4. Strengthen the capacity of Haitian nongovernmental organizations (NGOs).
5. Expand access to specialized services for vulnerable children, women, and youth through innovative interventions.

CARE planned to implement the program as part of a consortium with Save the Children International Haiti and Plan International Haiti; CARE's expertise was in gender integration and gender-based violence, Save's was in child protection, and Plan's was in child-centered community development. The consortium would issue grants to Haitian organizations, service providers, and community groups. These grantees would carry out activities to (1) improve community-based services and support at-risk groups, (2) raise public awareness about key

¹ Restaveks are children sent by their parents to work as domestic servants for others. UNICEF estimated in January 2012 that there are about 225,000 restaveks in Haiti.

² According to the State Department's Web site, these are "[C]ountries whose governments do not fully comply with the Trafficking Victims Protection Act's minimum standards, but are making significant efforts to bring themselves into compliance with those standards AND:

- a. The absolute number of victims of severe forms of trafficking is very significant or is significantly increasing;
- b. There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or the determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year.

human rights issues, (3) reduce risk factors among at-risk individuals and groups, and (4) reduce the number of family separations that resulted from the earthquake. The program also sought to expand protection of and support for vulnerable populations facing the risks of gender-based violence, human trafficking, sexual exploitation, child labor, and recruitment into gangs and criminal activity.

The Regional Inspector General (RIG)/San Salvador initiated this audit in November 2013 to determine whether AKSE was achieving its main goals of improving the safety and security of children, women, and youth in Haiti by decreasing the incidence of human rights abuse and expanding access to treatment and care.

The audit found that during the program's initial 18 months, CARE had not achieved any significant results. Only 8 percent of the grants had been awarded to local partners, and the largest activity completed was a weeklong summer camp for 100 children funded through a \$100,000 grant.

The following problems contributed to the program's poor performance.

- The scope was broad, and objectives were not achieved (page 4). Because USAID/Haiti designed the program to tackle numerous problems, several sections within the mission needed to be involved.
- The mission found the program difficult to manage, in part because of the type of agreement used (page 5). Under a cooperative agreement, the mission's oversight was limited to approval of key personnel and program documents.
- The mission did not award the program until almost a year after it issued a request for applications (page 6). By then, the consortium's employees who had worked on the application had moved on to other programs.
- Mission employees did not review the agreement's program description to be sure it was accurate and complete before issuing the award (page 7). The document omitted descriptions of two of the five expected results.
- The consortium did not function as intended because of confusion and disagreements over members' roles and responsibilities and implementing program activities (page 7). As a result, the mission dissolved the consortium in March 2013.
- The documents CARE submitted to start the program did not meet requirements (page 8). For example, more than 50 percent of the target communities that CARE included in its mapping list were not in the corridor areas listed in the agreement, and a baseline survey that cost \$110,000 was deemed unusable.
- CARE did not award grants as intended (page 10). Eighteen months after the program began, only 8 percent of the grant funds intended for local organizations had been awarded.

Because of the lack of progress, in December 2013 CARE agreed to the mission's request to cease all program activities and close out the program. To help the mission manage a replacement program better, RIG/San Salvador recommends that USAID/Haiti:

1. Determine whether the scope of the human rights program should be simplified before designing the new program (page 5).
2. Coordinate and streamline its processes for approving documents for the new program, including defining roles and responsibilities within the mission and estimating timelines for approvals (page 5).
3. Develop and document a plan for a rigorous design process in accordance with Automated Directives System (ADS) 201 for the follow-on human rights program, and determine and document its expected level of involvement in program implementation before deciding between acquisition and assistance instruments (page 6).
4. Review its processing time for award actions to identify potential bottlenecks in the procurement process (page 6).
5. Review the new program's description for clarity and completeness, and revise as necessary before issuing the new award (page 7).
6. Confirm with the implementer the geographic coverage of the new program's areas of intervention before implementation (page 10).
7. Complete the mission's planned baseline survey for determining the existing capacity of local partners (page 10).
8. Make a determination on the allowability of the costs spent on the previous baseline survey (\$110,000), and recover any costs deemed to be unallowable (page 10).
9. Define requirements for the specific assessment tools to be used, and clarify them with the implementer before starting the new program (page 10).
10. Clarify the goals of the grants component of the program and its relationship to institutional capacity-building before implementing the new human rights program (page 11).
11. Assess the new implementer's capacity for awarding and managing grants before awarding the new agreement (page 11).

Detailed findings appear in the following section. The scope and methodology are described in Appendix I. Management comments are included in their entirety in Appendix II, and our evaluation of management comments is on page 12.

AUDIT FINDINGS

Program Scope Was Broad, and Objectives Were Not Achieved

ADS 201.3.11 emphasizes the importance of appropriate project design for projects to achieve intended results. According to the ADS, “Sound strategic planning, undertaken in coordination with national development priorities and needs, clarify what development results should be achieved.” The ADS further states, “The rigorous design and implementation of a project helps identify and understand how best to achieve those results in the most effective manner.”

According to the award, AKSE would improve the safety and security of children, women, and youth in Haiti by decreasing the incidence of human rights abuse and expanding access to treatment and care.

However, after 18 months of implementation, the program had not achieved any significant measurable results. Efforts to develop and expand integrated monitoring, prevention, and response networks never got beyond preparing a list of NGOs as a first step in building these networks.

Furthermore, the limited number of grants awarded to local partners and activities conducted were insufficient to strengthen communities, Haitian Government institutions, and NGOs. While the activities raised public awareness in targeted communities, those efforts did not result in expanding access to specialized services for vulnerable children, women, and youth.

Program Scope Was Broad. The mission’s previous human rights program,³ implemented by the Pan American Development Foundation (PADF), addressed two of Haiti’s most serious human rights abuses: (1) human trafficking and (2) torture and organized violence. It ended in 2011, 1 year after the earthquake. At that time, mission officials decided the needs for protective services for women and children had intensified because people displaced by the earthquake and living in camps or marginalized communities were more vulnerable to crime, gender-based violence, and exploitation. To meet these needs, the mission designed a broader follow-on program that addressed child protection, trafficking, political and legislative advocacy, and capacity building for local NGOs and the Haitian Government.

The technical evaluation committee reviewing the applications submitted in response to the request for applications found that none covered the entire program description. Additionally, PADF was the only applicant that had experience implementing a similar program in Haiti. However, the approach PADF outlined in its application did not build on the successes and resources of the previous program and proposed instead to use the Organization of American States’ approaches and resources.

USAID awarded the cooperative agreement for AKSE to CARE in March 2012 with the clear understanding that CARE’s program description was the “most acceptable” submitted. Despite some weaknesses in CARE’s proposed approach, the mission’s evaluation committee determined the strengths outweighed the weaknesses and decided to move forward because of the pressing needs for support.

³ The program was worth \$8.7 million, about a third of the amount of AKSE.

The program's broad scope led to unwieldy management. Because the program addressed youth, orphans, vulnerable children, disabled people, and individuals affected by HIV/AIDS or gender-based violence, the mission's democracy and governance office managed AKSE in partnership with the health office. In addition, AKSE documents were reviewed by several different sections of the mission and the regional legal advisor. CARE and its consortium partners expressed concerns about the amount of time and confusion that ensued from having to get decisions from multiple sections.

Objectives Were Not Achieved. USAID/Haiti found the program difficult to manage partly because the cooperative agreement limited the mission's authority. According to the document, mission staff could be substantially involved only in approving work plans, the program performance monitoring and evaluation plan, program coverage, subawards, and key personnel. Outside of those areas, the mission agreed to the approach CARE defined in the program description.

However, the first agreement officer's representative (AOR) assigned to AKSE was much more involved than the first agreement officer (AO) felt was necessary for a cooperative agreement, and he decided to assign a new one to "give the program a fresh start" in October 2012. The AO then left USAID/Haiti.

The program continued to perform poorly. The new AOR raised concerns about this to the new AO, and the mission AKSE team (including the mission director and the AO) met with CARE officials in March 2013 to discuss impediments to implementation and how to proceed.

Because AKSE ended its first year of implementation with little progress, the democracy and governance team concluded that the program should be modified and limited to smaller, more achievable objectives. The team proposed revising the program description by limiting it to two parts: one for antitrafficking to include all the child protection activities and one for gender-based violence. In each part, the main approaches would be delivering services and building the capacity of Haitian organizations.

In June 2013 the mission asked CARE to develop a program description for the simplified approach. CARE submitted a revised description, but the mission did not modify the agreement to adopt the new approach. After the mission met several times with CARE, the implementer committed to recruiting human rights professionals and experts in Haiti and asked to keep the program's original size and scope. Mission officials agreed.

The program sought to increase the safety and security of children, women, and youth by decreasing the incidence of human rights abuses and expanding access to treatment and care. However, these important needs remained unaddressed for the duration of the program while AKSE struggled with an implementation strategy. Therefore, we make the following recommendations.

Recommendation 1. We recommend that USAID/Haiti determine whether the scope should be simplified before designing the follow-on program and document its decision.

Recommendation 2. We recommend that USAID/Haiti implement a plan to coordinate and streamline mission approvals of program documents for the new program, defining roles and responsibilities within the mission, and estimating timelines for approvals.

Recommendation 3. *We recommend that USAID/Haiti develop and document a plan for a rigorous design process in accordance with Automated Directives System 201 for the follow-on program, and determine and document its expected level of involvement in program implementation before deciding on the appropriate type of award mechanism.*

Mission's Delay in Issuing Award Contributed to Staffing Difficulties

ADS 300.3.5 provides guidance for establishing time frames for issuing awards and emphasizes the importance of understanding the time it takes to process acquisition and assistance actions. AOs and technical offices are to work together to establish realistic schedules appropriate to the planned agreement to ensure timely awards. ADS also provides estimated time frames for processing actions; a cooperative agreement should take 150 days from request for applications to award.

While USAID/Haiti issued the request for applications for AKSE in April 2011, it did not award the agreement until March 2012. This happened because the mission amended the request three times to make corrections and answer questions. Then in November 2011, the mission discovered that an application sent in June was not received because of a computer network glitch; the technical evaluation committee subsequently reviewed the application.

By the time the award was issued in March 2012, all of the consortium staff who had worked on developing the proposed program description for AKSE had moved on to other programs and were not available. CARE had an especially difficult time finding a chief of party (COP) who could lead the program effectively. The initial person CARE proposed in its application was no longer available, so CARE proposed another. USAID/Haiti agreed to the change.

According to officials from the mission and the consortium, the COP adopted a centralized management structure that excluded the technical team and consortium members from actively participating. After generating considerable friction, the COP resigned after 6 months in-country. CARE brought on an interim COP with USAID's approval in January; however, this official could not turn the program around during his 5 months in the job. And in May 2013, CARE hired a third COP.

According to mission staff, hiring of the new chief of party was a turning point in the program. Documents like the work plan were redone and started receiving approvals, and space was allocated for AKSE staff to work together as a team. However, the third COP had differences with CARE leadership on how to implement the program according to the agreement, which led to USAID's decision to terminate the agreement.

The delays in awarding the agreement resulted in staff changes that contributed to the program's inability to achieve its goals. To prevent the new program from running into this problem, we make the following recommendation.

Recommendation 4. *We recommend that the mission review and document its award-processing time to identify potential bottlenecks.*

Mission Did Not Confirm Agreement's Accuracy or Completeness

ADS 303.3.3 states that before making an award, the AO must ensure that the program description “clearly identifies the purpose of the program” and “clearly and coherently express the specific understandings of both parties.”

However, the AKSE agreement signed by CARE and USAID/Haiti did not include information for all result areas in a format that would permit the award to be used as the guiding program document. The agreement had detailed information on expected program results, intermediate results, and activities for only two results: (1) expanded monitoring, prevention, and response networks, and (2) expanded access to specialized services. The agreement did not specify the expected results for the other three: (3) strengthening community capacity, (4) strengthening Haitian Government institutions, and (5) strengthening Haitian NGOs.

This happened because mission staff incorrectly copied and pasted sections of the program description into the agreement and did not proofread it before issuing the award. The AOR said she noticed the problem in September 2012 and asked the mission's acquisition specialists to correct it. A new AO arrived at this time and also noticed the program description needed to be corrected. But because of the heavy workload and staff shortages, nobody at the mission ever corrected it.

Thus, the program description could not be used for Results 3, 4, and 5. To prevent this from happening again, we make the following recommendation.

***Recommendation 5.** We recommend that USAID/Haiti review the new program's description for clarity, revise it as necessary before implementation, and document all revisions.*

Consortium Did Not Function as Planned

According to CARE's application, a consortium of three organizations would implement AKSE: CARE Haiti, Save the Children International Haiti, and Plan International Haiti. The consortium was expected to contribute expertise in child protection, as well as an established presence in the south and north of Haiti. In evaluating CARE's application, the mission documented that it found the responsibilities of CARE and its two partner organizations well defined, and the planned approach for how the three would work together to strengthen Haitian partner institutions was “useful.”

However, the consortium did not function as intended. Almost immediately, misunderstandings emerged between CARE and its partners. Although roles and responsibilities had been spelled out in the cooperative agreement, the first COP changed the structure, which led to confusion.

The consortium partners grew increasingly concerned about the lack of progress. In February 2013 they asked CARE's Haiti country director to send a memo to USAID/Haiti's acting mission director summarizing their apprehensions with the program and inability to move forward. Mission officials met with CARE a month later to discuss the memo and the

impediments to program implementation; and they determined that the consortium was not functioning as expected. They concluded that it was not adding value and expressed concern that each member was representing its own organization rather than AKSE. As a result, the mission told CARE to dissolve the consortium and to continue as the sole implementer.

The dissolution of the consortium weakened the program by removing the partners with expertise in child protection. AKSE did not have anyone with that skill until CARE recruited an expert in June 2013.

Because the consortium has been dissolved, we are not making a recommendation.

Key Program Documents Did Not Meet Agreement Requirements

ADS 203.3.2 states that USAID analyzes performance by comparing actual results achieved to targets set at the beginning of a project. According to the ADS, "This analysis is critical in determining the progress made in achieving the impacts and outcomes. Missions should use this to confirm or refute the stated assumptions and hypotheses so they can adapt projects and objectives as necessary."

The cooperative agreement required CARE to submit the following documents to USAID: a mapping study to identify communities for program support; a baseline survey to make sure changes resulting from program interventions could be measured in a meaningful way; work plans; and a monitoring and evaluation plan. These documents were necessary to support implementation and manage the program properly.

However, the documents CARE submitted were either not completed in accordance with the agreement or did not meet USAID requirements.

Mapping Study. CARE planned to conduct a mapping study to identify communities needing program support. The mapping involved compiling a list of local NGOs or service providers in the target areas. The study was supposed to provide baseline information on the strengths of existing institutions, local partners, and community-based efforts in responding to the needs of targeted groups; provide information on the status and vulnerabilities of targeted populations; and determine how interested local NGOs were in working with AKSE.

The agreement called for program interventions in the U.S. Government's designated development corridors of Cap-Haitien, Port-au-Prince, and St. Marc. The AOR said he was expecting the study to determine needs and available resources and provide a rationale for including areas outside the corridors. According to the agreement, the border areas are extremely important because the majority of human trafficking occurs across the border with the Dominican Republic. The agreement anticipated that 80 percent of the budget for grants would go to local organizations in the three corridors.

However, AKSE never completed the mapping study as described in the agreement because USAID/Haiti and CARE had different views on how the mapping should be done. CARE thought it should be a thorough exercise requiring time and resources, but the AOR and COP agreed to "keep it simple." According to the AOR, CARE submitted a "mapping list" of 53 communes, 28 of which were outside the corridors, without sufficient explanation as required by the agreement. After subsequent discussions between the AOR and COP, CARE produced a second mapping

list—this time of NGOs. Neither this list nor the first provided information on the strengths of existing institutions in responding to the needs of the targeted groups or to give information on the status and vulnerabilities of the targeted populations.

AKSE's staff agreed that the mapping was not completed according to the agreement, but said they were still able to identify NGOs to collaborate with through their experience working in the human rights sector. As a result, the mapping ended up being a list of NGOs.

Baseline Survey. The agreement required CARE to conduct a baseline survey and submit it to USAID within 90 days of the award. The baseline process was to include the development of data collection tools, data entry, and data analysis and interpretation. The baseline methodology and design, including the sampling strategy, was to make sure that indicator results could be measured to allow comparisons between the baseline and the end of the program.

CARE contracted a team of consultants to conduct the survey from August through October 2012 for \$110,000, and in January 2013 the consultants submitted it. According to mission officials, the survey recycled old information. They told CARE officials the survey therefore was unacceptable, and because of that, USAID/Haiti questioned the capacity of AKSE's leadership and monitoring and evaluation team. The mission decided it would contract for a new baseline survey because not having one made it difficult to measure the impact of program interventions.

Work Plans. CARE submitted the first year work plan in June 2012. Mission officials said they did not approve it because it repeated the text in CARE's proposal but did not describe the activities as required. The AOR provided feedback to CARE on the successive work plans submitted, which CARE revised and resubmitted. The mission approved an interim plan to get the program going, but did not approve a full work plan until November 2013 for FY 2014.

The multiple versions of the plan that the audit team reviewed, along with the mission's comments, were vague. According to the mission, the lack of detail indicated that CARE did not understand the program requirements.

Monitoring and Evaluation Plan. According to the agreement, CARE was to submit the program's monitoring and evaluation plan with indicators and intermediate results to USAID within 90 days of the award. However, after 18 months of implementation (up to the time of termination), the program did not have an approved plan.

CARE submitted a first draft in June 2012 for approval. The mission responded with comments, and CARE submitted revisions in August and October 2012. In October 2012 USAID/Haiti expressed concerns to CARE about the delay in finalizing the monitoring and evaluation plan despite the fact that the mission staff had provided guidelines and held working sessions with AKSE staff. CARE submitted another draft in January 2013, but USAID sent it back, asking CARE to focus on defining indicators and explanations for target changes. CARE did not, and the revisions continued throughout the remainder of the program.

According to CARE's monitoring and evaluation team, the plan did not meet program requirements because it was completed before the work plan was approved, contrary to best practices for monitoring and evaluation. As a result, the activities in the work plan did not correspond to indicators established in the monitoring and evaluation plan. CARE staff said they used an unapproved plan for guidance and started tracking some indicators in July 2013.

Assessment Tools. Another misunderstanding occurred over the methodology CARE used to create a quality assessment tool that measured the capacity of local organizations. The mission expected CARE to use USAID's assessment tools. However, the agreement did not specify what types of methodologies and tools had to be used.

These key program documents and tools formed the foundation for the proper implementation of the program; without them, activities and program implementation suffered and the program's impact cannot be measured. To apply lessons learned and prevent the same problems from occurring in the follow-on program, we make the following recommendations.

Recommendation 6. *We recommend that USAID/Haiti identify and document areas of intervention before implementing the follow-on program.*

Recommendation 7 *We recommend that USAID/Haiti complete and document the baseline survey to determine the capacity of local partners.*

Recommendation 8. *We recommend that USAID/Haiti's agreement officer determine the allowability of the \$110,000 in questioned costs spent on the baseline survey (\$110,000) and recover from Cooperative for Assistance and Relief Everywhere Inc. any amounts determined to be unallowable.*

Recommendation 9. *We recommend that USAID/Haiti define the assessment tools for studies required by the agreement, clarify them with the implementer before awarding the follow-on program, and document the complete process.*

Implementer Did Not Award Grants as Intended

According to the cooperative agreement, the program was supposed to implement the majority of its activities for three of the five results areas through grants. The program budget allocated \$14 million for grants, of which almost \$5 million was budgeted for local institutions and organizations. However, as of September 30, 2013, 18 months into program implementation, CARE had awarded only \$409,842 (8 percent) in grants to local partners, and most of them were awarded in the second year.

One reason the grants were not awarded faster was a misunderstanding between the mission and CARE on whether the primary goal of awarding grants to local organizations was to build capacity or to carry out program activities. The agreement stated, "A major role of the core program team would be the selection and oversight of sub-grantees and provision of capacity building support and technical assistance required to achieve results." CARE's primary focus was on providing technical assistance to the local organizations to build their capacity to prepare them for receiving grants, but USAID expected that CARE would award grants to the partner organizations to implement activities, and the capacity building would be achieved by strengthening the partner through providing resources and implementing activities under the program.

Furthermore, CARE's capacity for awarding and managing grants was weak. CARE developed a grants management manual and submitted it to the mission for approval in November 2012. A USAID legal advisor met with CARE's grants management staff to assess their processes for awarding grants and found a lack of basic understanding of general provisions in awarding

grants. The AOR provided provisional approval of the grants manual in December 2012, but revisions continued into the following year. The regional legal advisor approved the grants manual in late April 2013.

According to mission staff, some grantees said CARE did not process funding for their activities in a timely manner. In one case, CARE asked for retroactive payment for work undertaken before awarding and approving a grant.

Grants to local partner organizations were a vital part of AKSE's planned approach. By neglecting this important aspect of the program, program activities suffered and the needs of local partners were not met. To prevent this problem from reoccurring in the new program, we make the following recommendations.

Recommendation 10. *We recommend that USAID/Haiti clarify and document the goals of the grants component of the program and its relationship to institutional capacity building before implementing the follow-on program.*

Recommendation 11. *We recommend that USAID/Haiti assess the new implementer's capacity for awarding and managing grants before awarding the agreement for the follow-on program and document the results of the assessment.*

EVALUATION OF MANAGEMENT COMMENTS

USAID/Haiti agreed with all 11 recommendations. Based on comments from the mission and supporting documentation, management decisions have been reached on ten, with final action taken on all, except Recommendation 7. A management decision has not been reached on Recommendation 8. Our detailed evaluation of management comments follows.

Recommendation 1. The mission developed a smaller program implemented through a field support mechanism called the Health Policy Project (HPP) managed in Washington, D.C., with the Global Health Bureau. HPP is more focused and has three results instead of five. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 2. The mission has redistributed Mission Order 496 on the Delegation of Authority and Clearance Procedures to all mission personnel, reminding them of the required timeframes for clearing documents. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 3. USAID/Haiti prioritized training for mission staff and updated its mission order on program design on July 14, 2014. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 4. USAID/Haiti's Office of Acquisition and Assistance was understaffed, which caused delays in procurement. In September 2014 the mission contracted a senior acquisition and assistance specialist to help prevent future delays and bottlenecks. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 5. The mission reviewed the program's description and incorporated deliverables for the intermediate program. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 6. USAID/Haiti has narrowed the range of coverage for its intermediate program. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 7. The mission expects to complete the new baseline survey by December 31, 2014. We acknowledge the mission's management decision on this recommendation.

Recommendation 8. The mission did not reach a management decision for this recommendation. For all recommendations with questioned costs, a management decision can be reached only when a mission determines the amounts unallowable.

Recommendation 9. The mission clarified that USAID capacity-building tools should be used to assess and improve the capacity of local organizations receiving assistance in the new HPP/AKSE intermediate award. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 10. Under the HPP/ASKE intermediate program, the mission has redefined the goals of the subgrant component and expectations for capacity building for subgrantees. We acknowledge the mission's management decision and final action on this recommendation.

Recommendation 11. The mission researched and assessed the new implementer's grant management expertise and experience with other countries before electing HPP for the intermediate program. We acknowledge the mission's management decision and final action on this recommendation.

SCOPE AND METHODOLOGY

Scope

RIG/San Salvador 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 objective of the audit was to determine whether USAID/Haiti's AKSE program was achieving its main goals of improving the safety and security of children, women, and youth in Haiti by decreasing the incidence of human rights abuse and expanding access to treatment and care.

USAID/Haiti awarded CARE a \$22.5 million, 5-year cooperative agreement to implement the program. As of December 16, 2013, USAID/Haiti had obligated \$7,746,000 and disbursed \$3,379,306 for program activities. The disbursed amount represents the amount tested during this performance audit.

The audit covered the period from the program's inception on March 5, 2012, through September 30, 2013. We conducted audit fieldwork from November 13, 2013, to April 9, 2014, at USAID/Haiti and CARE's office in Pétiion-Ville. We also met with grantees in Pétiion-Ville and Port-au-Prince.

In planning and performing the audit, we assessed the significant internal controls the mission used to manage the program: work plans, quarterly progress reports, the performance monitoring and evaluation plan, approval of program coverage and subawards, and meetings with grantees. We also reviewed the mission's annual FY 2013 assessment of internal controls required by the Federal Managers' Financial Integrity Act of 1982.

Methodology

To determine whether USAID/Haiti appropriately managed the program activities, we met with USAID/Haiti officials, including the AORs, AO, and child protection adviser. We reviewed the agreement, technical proposals and evaluation, work plans, mapping study, baseline study, performance monitoring and evaluation plan, progress reports, consortium final reports, and the grants manual. We interviewed AKSE's country director, COP, child protection specialist, trafficking and human rights specialist, gender adviser, communications officer, and the staffs for monitoring and evaluation, administrative, and support to understand CARE's management controls and their understanding of program activities and constraints to implementation. We also reviewed CARE's policies and procedures for program and financial management. We verified reported results by reviewing source documents and interviewing grantees. We evaluated the program's performance against the agreement and reported results from the progress reports. We could not evaluate performance against the work plans or the performance management plan because the first work plan that USAID approved was the FY 2014 work plan approved during our fieldwork, and the program did not have an approved performance management plan the entire time it was implemented.

We interviewed grantees and reviewed 11 subaward files out of a universe of 24 to confirm the grants were awarded and approved, and activities were completed. We judgmentally selected grantees based on grant size and number of grants awarded. Because the testing and the grantee selections were based on judgmental samples, the results are limited to the items tested and cannot be projected to the entire audit universe.

MANAGEMENT COMMENTS



ACTION MEMORANDUM

TO: Van Nguyen, Regional Inspector General

FROM: John Groarke, Mission Director /s/

DATE: September 26, 2014

SUBJECT: Mission response to the draft audit report of USAID/Haiti's Protecting the Rights of Children, Women, and Youth Program (Report No. 1-521-14-XXX-P)

This memorandum represents USAID/Haiti's actions taken to address and reach the management decisions for the recommendations reported in the draft Audit of USAID/Haiti's Protecting the Rights of Children, Women, and Youth Program (RIG Draft Report No. 1-521-14-XXX-P). The Mission agrees with all eleven recommendations. The responses to these recommendations are below.

Recommendation 1: *We recommend that USAID/Haiti determine whether the scope should be simplified prior to designing the follow-on program and document its decision.*

Mission response:

The scope of work that became the CARE/AKSE program was designed in the immediate post-earthquake context of 2010 when the Mission was very short-staffed and the urgency of response often resulted in abbreviated clearance processes for program design. The magnitude of the human rights needs in the immediate post-earthquake period also contributed to a broad and overly ambitious program design that proved difficult to implement.

Following the termination of the award with CARE in March 2014 and taking the draft RIG audit recommendations into account, the Mission negotiated a scaled down program through a field support mechanism called the Health Policy Project (HPP), CA Agreement Number: OAA-A-10-00067 managed in USAID/DC through the Global Health Bureau. The new program has reduced the results framework from five results to three results and has clearly prioritized the identification and reinforcement of referral networks to assist victims of human rights in the new scope of work. The previous AKSE program had a significant NGO capacity-building element that has been minimized under the current HPP award. The current HPP program is also more

streamlined and focused. We have, for example, eliminated work on disabilities from this award because the USAID/Haiti health team already has a robust program helping persons with disabilities.

Plan of Action and Timeline:

Mission agrees with Recommendation 1 and has already incorporated this recommendation into the design of the HPP award.

Recommendation 2: *We recommend that USAID/Haiti implement a plan to coordinate and streamline mission approvals of program documents for the new program, defining roles and responsibilities within the mission, and estimating timelines for approvals.*

Mission response:

Since the immediate post-earthquake period when this program was designed and procured, the Mission has adopted many new tools to help coordinate and streamline approvals of program documents. The roll out of the GLAAS procurement management tool; an updated Mission Order on the Delegation of Authority and Clearance Procedures (496), issued June 19, 2012; a Program Office internal website with sample forms and detailed guidance, as well as a more robustly staffed Mission have all contributed to more accountability and better clearance timelines for Mission program documents.

Plan of Action and Timeline:

The Mission agrees with Recommendation 2 and as shown in the preceding paragraph, has taken clear steps to improve clearance procedures. We have attached a copy of Mission Order 496 as supporting documentation. The Front Office will send an email reminding all offices to clear or return with comments all documents within 48 hours, or 24 hours or less for urgent documents in accordance with the Executive Message issued on January 31, 2011 by October 31, 2014.

Recommendation 3: *We recommend that USAID/Haiti develop and document a plan for a rigorous design process in accordance with Automated Directives System 201 for the follow-on program, and determine and document its expected level of involvement in program implementation before deciding on the appropriate type of award mechanism.*

Mission response:

The Mission has undertaken an ambitious training program for the many new staff that have been hired since 2010. Trainings include Programming Foreign Assistance, Program Design and Management, and Acquisition and Assistance classes, which have been brought to the Mission to allow the maximum number of people to be trained in a short period of time. The Mission is adhering to ADS 201's design process for missions without an approved Country Development Cooperation Strategy (CDCS). The Mission is also in compliance with the Agency requirement for a customized mission order on project design, but as the Mission does not have a CDCS, our activity design process is currently guided by Mission Order 201 (Dec 30, 2009) and updated

activity design guidance that was issued by email on July 9, 2014 to the Mission, until the Mission has an approved CDCS. We have determined that a field support mechanism is appropriate for the bridge program.

Plan of Action and Timeline:

The Mission agrees with Recommendation 3 and has already taken steps to remedy deficiencies in the Mission's design process through rigorous and continuous employee training as well as application of Mission Order 201 on Program Design with relevant updates issued on July 9, 2014. This updated activity design guidance will be posted on the PCPS intranet site.

Recommendation 4: *We recommend that the Mission review and document its award processing time to identify potential bottlenecks.*

Mission response:

The December 2013 Haiti Mission Management Assessment acknowledged that post-earthquake, the USAID/Haiti Office of Acquisition and Assistance was understaffed and that the result was delays in moving procurement actions forward and bottlenecks. The Assessment noted that more recently there had been, "staffing up of both USDH staff and FSN staff," and that, "the support and guidance provided to the technical staff is much improved." The Assessment recommended the hiring of a PSC Senior Acquisition and Assistance Specialist, who has since been contracted and is expected to arrive in Haiti in late September 2014.

Plan of Action and Timeline:

The Mission Management Assessment was completed December 31, 2013. A solicitation for a USTCN Senior Acquisition and Assistance Specialist was posted on FBO.gov in May 2013. A contract was signed in September 2014.

Recommendation 5: *We recommend that USAID/Haiti review the new program's description for clarity, revise it as necessary prior to implementation, and document all revisions.*

Mission response:

As stated under Recommendation 1, the Mission reviewed and revised the AKSE scope of work before submitting it to the HPP field support mechanism. An inter-office team, composed of the Office of Acquisition and Assistance, the Program Office, and the Democracy and Governance Office edited the scope of work for clarity and feasibility. The new AKSE bridge program is now simplified and straightforward and will only intervene in areas within the purview of the DG technical office's expertise. The bridge program has been re-designed in clear terms with clearly stated deliverables and results to make it easy to track and evaluate performance.

Plan of Action and Timeline:

The Mission agrees with Recommendation 5 and has taken remedial action under the current award.

Recommendation 6: *We recommend that USAID/Haiti identify and document areas of intervention before implementing the follow-on program*

Mission response:

The previous AKSE program was designed at a time when human rights vulnerabilities were at an all-time high in the post-earthquake period and donor coordination for recovery and rebuilding was still weak. The program description, therefore, was too broad and ambitious in terms of its area of intervention. The new HPP/AKSE program has narrowed the range of geographic coverage it will cover. Future awards will also clearly state in the RFA/RFP and be confirmed and clearly documented in the post-award conference and discussions prior to the beginning of the implementation.

Plan of Action and Timeline:

The Mission agrees with Recommendation 6 and has narrowed the area of geographic coverage in the current bridge program to afford more clarity in activities and expected results.

Recommendation 7: *We recommend that USAID/Haiti complete and document the baseline survey to determine the capacity of local partners.*

Mission response:

The mission-planned baseline survey was recently awarded and the information we will be looking to collect includes the approximate capacity of our local partners in addition to other information pertaining to the relative prevalence of the problems our program will seek to address. By the time the new program comes online next year, the Mission will have reliable field information on these issues in order to allow for a more focused and targeted implementation.

Plan of Action and Timeline:

The baseline survey was awarded on 7/14/2014 and surveyors are currently in the field. The USAID/Haiti mission targets finalization of this action by December 31, 2014.

Recommendation 8: *We recommend that USAID/Haiti's agreement officer determine the allowability of the \$110,000 in questioned costs spent on the baseline survey (\$110,000) and recover from Cooperative for Assistance and Relief Everywhere any amounts determined to be unallowable.*

Mission response:

The Mission has contracted for an Agency Contracted Financial Audit to determine the allowability of costs incurred under this program, including the baseline survey costs. The audit firm will review the expenditures of the program and the Agreement Officer will make a determination about any costs that are not allowable, allocable and reasonable and not agreed upon in budget negotiations. Appropriate action will be initiated to recover any costs deemed unallowable.

Plan of Action and Timeline:

The CPA firm will issue the financial audit report in November 2014. The Agreement Officer will make final determination of questioned costs – if any- with the help of OFM and DG within 6 months of receipt. A request for reimbursement will subsequently be made, if necessary.

Recommendation 9: *We recommend that USAID/Haiti define the assessment tools for studies required by the agreement, clarify them with the implementer before awarding the follow-on program and document the complete process.*

Mission response:

Under the HPP/AKSE bridge award, and taking note of the draft RIG recommendations, the Mission has clarified that USAID capacity-building tools should be used to assess and improve the capacity of local organizations receiving assistance under the HPP/AKSE project. Future human rights programs will specify the specific toolkits that USAID expects to be used in its assistance programs in the RFA/RFP and award documents.

Plan of Action and Timeline:

The Mission agrees with Recommendation 10 and has taken a clear position on capacity-building tools in the HPP/AKSE bridge program. Future RFA/RFPs will be specific in this regard.

Recommendation 10: *We recommend that USAID/Haiti clarify and document the goals of the grants component of the program and its relationship to institutional capacity building before implementing the follow-on program.*

Mission response:

Under the HPP/ASKE bridge program, the Mission has clearly redefined the goals of the sub-grant component and expectations for capacity building for sub-grantees.

Plan of Action and Timeline:

The Mission agrees with Recommendation 10 and has already taken remedial action in the HPP/AKSE bridge program.

Recommendation 11: *We recommend that USAID/Haiti assess the new implementer's capacity for awarding and managing grants before awarding the agreement for the follow-on program and document the results of the assessment.*

Mission response:

As stated in Recommendation 5, in the last year, the Mission has undertaken an ambitious training program for the many new staff that have been hired since 2010. Trainings include Programming Foreign Assistance, training in Program Design and Management and Acquisition and Assistance classes which have been brought to the Mission to allow the maximum number of people to be trained in a short period of time. OAA has also greatly increased its involvement in reviewing statements of work, program descriptions, and technical evaluation criteria so the potential awardees are evaluated on relevant criteria to ensure the best chances of a successful implementation.

For the current HPP/AKSE bridge program, we researched the implementer and spoke with the IQC holder about the implementer's grant management capacity and other countries' experience. Given a positive review, we elected to go with the field support mechanism.

Plan of Action and Timeline:

The Mission agrees with Recommendation 11 and chose a field support mechanism with an experienced implementing partner with field-tested grantmaking capacity for the bridge program.

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