



# OFFICE OF INSPECTOR GENERAL

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## AUDIT OF USAID/WEST AFRICA'S EDUCATION SUPPORT PROGRAM IN COTE D'IVOIRE

AUDIT REPORT NO. 7-681-15-004-P  
FEBRUARY 4, 2015

DAKAR, SENEGAL



*Office of Inspector General*

February 4, 2015

**MEMORANDUM**

**TO:** USAID/West Africa Director, Alexandre Deprez

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

**SUBJECT:** Audit of USAID/West Africa's Education Support Program in Côte d'Ivoire  
(Report No. 7-681-15-004-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/West Africa's Education Support Program in Côte d'Ivoire. In its comments on the draft report, USAID/West Africa and USAID/ Côte d'Ivoire agreed with all six recommendations. Having evaluated management comments, we acknowledge the mission's management decisions on all of them and final action on Recommendations 1, 2, 3, and 4.

Please coordinate final action on Recommendations 5 and 6 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.

# CONTENTS

- Summary of Results** ..... 1
- Audit Findings**..... 4
  - Construction Delays Were Significant ..... 4
  - Program Did Not Achieve Component 1 Goals ..... 6
  - USAID/Côte d'Ivoire Did Not Demonstrate Sufficient Financial Oversight of the Program..... 8
- Evaluation of Management Comments**..... 10
- Appendix I—Scope and Methodology** ..... 11
- Appendix II—Management Comments** ..... 13

**Abbreviations**

The following abbreviations appear in this report:

- AIR            American Institutes for Research
- AOR           agreement officer’s representative
- ICT            information and communication technology
- MOU           memorandum of understanding
- PPP            public-private partnership
- RIG            Regional Inspector General
- RFP            request for proposal

# SUMMARY OF RESULTS

Côte d'Ivoire emerged in December 2011 from more than a decade of internal conflict with a weakened education system. According to USAID, schools were unable to keep enough teachers, who were paid late or not at all; enrollment and retention rates for girls were low; and materials and classrooms were lacking. To strengthen its education system, the Government of Côte d'Ivoire made increasing access to middle schools a priority in its Medium Term Action Plan for Education.

To help the Government of Côte d'Ivoire meet its goal, USAID/Washington designed the Education Support Program in Côte d'Ivoire. On January 29, 2012, USAID/Washington signed a 3-year, \$6 million cooperative agreement with the American Institutes for Research (AIR). The goal of the program is to increase equitable access to education, especially for girls in conflict-affected communities. The program has three components:

- **Component 1: Institutional Capacity Building.** This component was designed to improve the Ministry of Education's communication and resource allocation capacity. Three regional offices of the Ministry and three middle schools were to receive information technology equipment, tools, and training to connect with the Ministry's intranet. Under this component AIR would also work with the Ministry to encourage the private sector to provide assistance to the program, particularly with school construction.
- **Component 2: School Construction.** Under this component, AIR would build three middle schools in conflict-affected areas in the north, east, and center north of the country.
- **Component 3: Community Engagement.** To ensure local ownership and stability of the middle schools, this component would mobilize the communities around them.

As of June 30, 2014, USAID had obligated \$2.7 million and disbursed \$1.7 million to AIR.

Halfway through the program, USAID made two major changes. In August 2013, USAID/Washington transferred the management of the program from Washington, D.C., to Abidjan, Côte d'Ivoire, where USAID has a limited-presence mission. Employees there are technical staff who direct education, democracy and governance, and health programs. USAID/Côte d'Ivoire staff report to and depend on USAID/West Africa in Ghana for acquisition, financial management, contract modification, and subcontract approvals. In addition, in the wake of the 2013 federal budget sequestration, USAID/Washington announced plans to reduce the program budget from \$6 million to \$4.7 million, necessitating cuts in activities. The cuts were to be reflected in a third modification to the cooperative agreement, which USAID/West Africa had not approved at the time of the audit.

Because of concerns expressed by mission officials about program progress, the Regional Inspector General/Dakar (RIG/Dakar) conducted this audit to determine whether the program was increasing equitable access to education in conflict-affected areas such as Bouaké (center north) and Bondoukou (east), shown in the map on the following page. The audit team confirmed that the program was not. Although Component 3 activities were on schedule—AIR was training communities on gender equality, the importance of girls' education, and child protection and had helped form parent-teacher associations, school management committees,

and other community support groups—the other two components were so behind that the implementer could not finish them by the completion date.

Given the delays in Components 1 and 2 and the program’s pending budget reduction, plans were under way to narrow their scope. For Component 1—Institutional Capacity Building—AIR planned to shift focus from providing an intranet to the Ministry at the national level to providing six computers, printers, and improved internet connectivity to two regional offices in Bouaké and Bondoukou. For Component 2, AIR decided to reduce the number of schools it would build, from three in three villages to two in two villages—Languibonou (northwest of Bouaké) and Kotogwanda (north of Bondoukou).

**Map of Côte d’Ivoire**



**Source:** Central Intelligence Agency.

The audit identified the following problems with implementation:

- Construction delays were significant (page 4). AIR had not begun school construction, primarily because its construction subcontractor withdrew.
- The program did not achieve Component 1 goals (page 6). AIR’s institutional capacity-building and public-private partnership (PPP) activities were not achieving their goals because of disagreements with the Ministry of Education over the terms of cooperation.
- USAID/Côte d’Ivoire did not demonstrate sufficient financial oversight of the program (page 8). Mission officials could not quantify the funds the Agency had disbursed to AIR.

To improve its Education Support Program, we recommend that USAID/Côte d’Ivoire:

1. In coordination with USAID/West Africa’s Regional Assistance and Acquisition Office, sign Modification 3 after verifying that it includes updated plans and a revised budget for construction activities (page 5).

2. Document its intention to award AIR a no-cost extension of the program that will allow sufficient time to complete planned construction activities. If approved, the extension should require AIR to develop and implement a mission-approved schedule for construction (page 5).
3. In coordination with AIR and the Ministry of Education, implement a memorandum of understanding to establish roles and responsibilities that aligns with the cooperative agreement (page 8).
4. In coordination with USAID/West Africa's Regional Financial Management Office, review and document program disbursements as of June 30, 2014, and confirm that the implementer used the funds appropriately (page 9).
5. Train its staff to use PhoenixViewer in order to monitor payments to the implementer (page 9).
6. Implement procedures to provide financial oversight of the program. These procedures should include verifying that AIR submits quarterly federal financial reports as required and that the agreement officer's representative (AOR) compares this report to the Agency's online financial reporting system (page 9).

Detailed findings follow. The audit scope and methodology are described in Appendix I. Our evaluation of management comments is on page 10, and the full text of management comments, without attachments, is in Appendix II.

# AUDIT FINDINGS

## Construction Delays Were Significant

As noted in the cooperative agreement, AIR intended to build three middle schools over the 3 years of the program, one school each year.

AIR was not on track to meet its goal of building three schools under the program. In fact, as of June 30, 2014, AIR had not built any schools or started any construction activities. It had submitted a revised program description to USAID/Côte d'Ivoire in December 2013 to reduce the number of schools it would build to two. However, as of September 2014, USAID/West Africa had not approved the revised program description, which was included in the still-pending Modification 3.

USAID/Cote d'Ivoire officials gave several reasons for the construction delay. The construction subcontractor, Save the Children, withdrew, bringing school preparations to a standstill. AIR had contracted with Save the Children to do both construction (Component 2) and community engagement work (Component 3). By early 2013, AIR had become dissatisfied with performance on the latter and told the subcontractor to stop work on Component 3. Save the Children officials did not accept the reduced role and decided to withdraw from the program in April 2013. That left AIR to do all three components despite its lack of construction knowledge.

AIR had to advertise immediately for a replacement. In November 2013, it issued a request for proposal (RFP)<sup>1</sup> for the construction activities. However, after USAID/Côte d'Ivoire officials found that the RFP contained too many errors, AIR canceled it, hired an engineer to revise it, and republished it in March 2014.

USAID also had to make an adjustment in the wake of Save the Children's withdrawal. USAID/West Africa's agreement officer asked that USAID/Côte d'Ivoire get engineering or architecture support to review and consult on AIR's school construction plans. Because USAID/Côte d'Ivoire officials said they did not have the funds to hire an architecture firm, they asked Washington for additional funding, which took time to receive. USAID/Côte d'Ivoire hired an architecture firm on June 20, 2014. However, since the firm needed a month to review program construction plans, it had not completed its review as of June 30, 2014.

Even before the departure of Save the Children, the mission was delayed by having to seek a waiver for the construction. USAID policy<sup>2</sup> requires staff to use a direct contract to award construction activities valued at \$500,000 or more; USAID officials expected that AIR's planned construction activities would surpass this amount, yet the award to AIR was an agreement, not a contract. The mission thus needed to obtain a waiver from USAID/Washington before construction activities could begin and had not completed the lengthy process as of June 30, 2014.

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<sup>1</sup> A request for proposal is a form of solicitation used by Government agencies to seek proposals for services provided by prospective businesses.

<sup>2</sup> USAID Implementation of Construction Activities A Mandatory Reference for ADS Chapters 303, IIa(1), August 22, 2013.

Because the program was scheduled to end in January 2015, and planned construction for the two schools would take 6 to 8 months, USAID/Côte d'Ivoire intended to extend the program, via the third modification, until July 2015. Yet as of June 30, 2014, USAID/West Africa officials had not approved the modification. USAID/Côte d'Ivoire and AIR officials had agreed in talks that started in October 2013 to incorporate the following items in the modification: (1) a sustainability analysis to determine whether activities begun under the program can continue without USAID intervention, (2) the construction waiver, (3) the revised budget, and (4) the revised program description. However, getting approvals for some of these items, notably the sustainability analysis and the construction waiver, took a long time. In addition, disagreement with the implementer on the cost of building the schools delayed the signing of Modification 3. Without approval of this modification, many aspects of the program could not move forward.

Meanwhile, AIR selected Kotogwanda and Languibonou as the program's beneficiary communities, and staff placed stone markers like the one shown below at the sites. In doing so, USAID/Côte d'Ivoire and AIR raised the expectations of community members and the Ministry that the planned schools would be accepting students for the 2014–2015 school year.



**This stone marks the site for the planned middle school of Kotogwanda. (Photo by RIG/Dakar, September 2014)**

Because of the delays in construction, representatives from both communities and the Ministry expressed dissatisfaction with the program and its failure to fulfill its promises. Although mission officials maintained they were still committed to building the schools, further delays to the construction component could permanently damage the image of USAID/Côte d'Ivoire and the U.S. Government. Therefore, we make the following recommendations.

***Recommendation 1.*** We recommend that USAID/Côte d'Ivoire, in coordination with USAID/West Africa's Regional Assistance and Acquisition Office, sign Modification 3 after verifying that it includes updated plans and a revised budget for construction activities.

**Recommendation 2.** *We recommend that USAID/Côte d'Ivoire document its intention to award the American Institutes for Research a no-cost extension to allow sufficient time to complete planned construction activities. If approved, the extension should require the American Institutes for Research to develop and implement a mission-approved schedule for construction.*

## **Program Did Not Achieve Component 1 Goals**

The cooperative agreement stated that AIR would strengthen the Ministry's information and communication technology (ICT) systems to "reduce opportunities for corruption, [increase] efficiency with information flows to and from the national and regional and local levels and [facilitate] more transparent decision-making on all sides." To accomplish this, AIR planned to establish an intranet that would link the Ministry "down to the first construction site at the local level" through the selected regional offices. The proposed intranet would enable the Ministry, the regional offices, and the schools to share curriculum, exams, information, and general resources.

In addition, one of the program's guiding principles was the establishment of multiple partnerships. AIR was to explore PPP "to leverage the very best possible outcomes" for the Ministry and the program's beneficiary communities. AIR intended to develop a PPP plan outlining activities it would implement to raise "additional funds for new schools and/or for school improvements." The involvement of communities and the private sector was to "be sought, nurtured, and developed as a central part of the program."

AIR's institutional capacity-building activities and its PPP activities were not achieving these goals, as explained below.

**Institutional Capacity Building.** Other than completing a needs assessment of the Ministry's ICT systems, AIR did not implement the institutional capacity-building activities outlined in its program description. Instead, AIR planned to significantly reduce the scope of its ICT activities and change its focus from the national level of the Ministry to regional offices in Bouaké and Bondoukou.

The revised activities will not help AIR meet the goals outlined for its institutional capacity-building activities. AIR planned to provide the two regional offices with equipment to improve their Internet connectivity, 12 desktop computers (6 to each office) and printers, and training on equipment use to 20 representatives from each office. However, AIR had not implemented these revised activities, or planned activities, as of June 30, 2014.

**Public-Private Partnerships.** Although AIR began preparing a PPP strategy for establishing partnerships between private sector companies and the Ministry, as of June 30, 2014, it remained in draft.

Despite reportedly contacting more than 200 companies during program implementation, AIR had signed memorandums of understanding with only 3, which provided agricultural outputs such as cashew, corn, and rice seeds, and facilitated the donation of agricultural equipment by a fourth firm. These agreements did not directly involve the participation of the Ministry and some did not show promise of longevity or benefit to the community. For example, one private

sector participant, UNACOOPEC—an Ivorian microfinance institution—did not formally enter into a memorandum of understanding (MOU) with AIR. However, the organization donated a tiller and a grinder (shown below) for the community support group of Languibonou to use in its revenue-generating activities. According to group representatives, they had not used the grinder since they received it in January 2014. Moreover, the tiller has already fallen into a state of disrepair and did not start at the time of the audit team’s site visit.



**UNACOOPEC, an Ivorian microfinance institution, donated a grinder (left) and tiller (right) to the community support group of Languibonou. (Photo by RIG/Dakar, September 2014)**

AIR’s underperformance of these activities stems from disagreements it had with the Ministry on ICT activity implementation and a lack of Ministry support for AIR’s PPP activities.

**Disagreements Over Terms of Cooperation and Whose Capacity to Build.** Ministry officials said they needed a signed letter or an MOU with USAID, specifying the Ministry’s roles and responsibilities and explaining the budget reduction. Although USAID agreed to sign as the donor and AIR as the implementer, Ministry officials wanted an MOU directly with USAID because they believed that a document of this kind should be between two governments.

The lack of an MOU resulted in disagreements between the Ministry and AIR about the implementation of activities. The original plans for institutional capacity building could not move forward because AIR and the Ministry could not agree on which department within the Ministry would be responsible. Therefore, as AIR received more cooperation from the two regional offices, especially in engaging local communities, it decided to modify Component 1 and work directly with them. USAID/Cote d’Ivoire agreed to the change to give AIR better access to the communities where it would build the schools.

**Lack of Interest From the Ministry in PPPs.** A representative from the Ministry attended AIR-sponsored quarterly PPP meetings and periodic roundtable meetings. However, the Ministry did not agree with AIR’s PPP approach for several reasons. First, according to AIR, the Ministry did not have enough staff to focus on PPP activities. Second, the Ministry was more interested in the school construction and believed that AIR put too much emphasis on the PPP activities. Third, Ministry officials rightfully felt there was no framework in place to manage the PPP activities. According to one official, the Ministry did not know who would manage the donations from private enterprises or how AIR would allocate these donations within the project. Consequently, although AIR asked the Ministry to name a contact person to assist with PPP activities, the Ministry did not comply with the request.

AIR allocated \$35,330 to Component 1 activities. However, because of the change in scope and lack of Ministry interest, there was no visible impact from AIR's ICT or PPP activities, and AIR was unlikely to meet its goals for this component. Although welcomed by the Ministry, AIR's limited institutional capacity-building activities will do little to improve information flow and sharing from the local and regional levels of the Ministry to the national level. Furthermore, the lack of involvement by the Ministry in the program's PPP activities suggests that the Ministry will not be willing to take over or continue them after the close of the program. Therefore, we make the following recommendation.

***Recommendation 3.*** *We recommend that USAID/Côte d'Ivoire, in coordination with the American Institutes for Research and the Ministry of Education, implement a memorandum of understanding to establish roles and responsibilities that aligns with the cooperative agreement.*

### **USAID/Côte d'Ivoire Did Not Demonstrate Sufficient Financial Oversight of the Program**

According to the cooperative agreement, USAID/Washington makes payment to the implementer by letter of credit.<sup>3</sup> Each quarter the implementer should submit financial status reports documenting expenditures and liquidations to the AOR and agreement officer. The AOR designation letter requires the AOR to document reviewing these reports and periodic advance payments to monitor financial progress.

However, mission officials did not provide evidence demonstrating financial oversight of the program. Mission officials could not quantify the funds the Agency had disbursed to AIR and believed AIR had received the total obligated amount of \$2.7 million. In fact, although USAID/Washington had obligated \$2.7 million to the program, according to USAID's online financial reporting system (PhoenixViewer), as of June 30, 2014, USAID had disbursed only \$1.7 million to AIR by letter of credit.

Although AIR officials said they had submitted all the required financial reports to USAID/Côte d'Ivoire, they had no record of sending them. USAID officials in Abidjan and Accra could provide auditors with only two: one for the quarter ended December 2013 and one for the quarter ended June 2014 (which financial management officials said they received in September 2014). The agreement officer and AOR are responsible for following up with the implementer to get the required financial reports.

USAID/Côte d'Ivoire officials said they could not monitor the program's finances or track payments to AIR because Washington paid the implementer and because they did not receive all award documents from USAID/Washington after the transfer. Moreover, some Côte d'Ivoire officials responsible for monitoring the program were unfamiliar with using USAID's online financial reporting system to determine program spending.

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<sup>3</sup> A letter of credit is a payment method that authorizes grant recipients to request an electronic advance of funds approved by USAID's agreement officers. USAID outsourced this service to the Department of Health and Human Services.

The lack of knowledge about the implementer's spending constitutes a high risk that fraud could occur. At the same time, monitoring program financial activities is important to ensure that the implementer has the resources it needs to achieve desired results. Therefore, we make the following recommendations.

***Recommendation 4.*** We recommend that USAID/Côte d'Ivoire, in coordination with USAID/West Africa's Regional Financial Management Office, review and document program disbursements as of June 30, 2014, and confirm that the implementer used funds appropriately.

***Recommendation 5.*** We recommend that USAID/Côte d'Ivoire train its staff to use PhoenixViewer to monitor payments to the implementer.

***Recommendation 6.*** We recommend that USAID/Côte d'Ivoire implement procedures to provide financial oversight of the program. These procedures should include verifying that the American Institutes for Research submits quarterly federal financial reports as required and that the agreement officer's representative compares these reports to the Agency's online financial reporting system.

# EVALUATION OF MANAGEMENT COMMENTS

In their response to the draft report, USAID/West Africa and USAID/Côte d'Ivoire (mission) officials agreed with all six recommendations. The mission made management decisions on all of them and took final action on four. A detailed evaluation of the comments follows.

**Recommendation 1.** Officials from the USAID/West Africa Regional Assistance and Acquisition Office decided to sign Modification 3—which included the revised budget—on behalf of USAID/Côte d'Ivoire and did so on October 22, 2014. AIR officials signed the modification on October 28, 2014. We acknowledge the mission's management decision and final action.

**Recommendation 2.** Mission officials decided to document their intention to award the implementer a no-cost extension through August 30, 2015. The mission included the extension in Modification 3, signed on October 22, 2014. Additionally, USAID/Cote d'Ivoire officials approved the implementer's construction schedule as of December 2, 2014. We acknowledge the mission's management decision and final action.

**Recommendation 3.** USAID/Côte d'Ivoire officials, in coordination with AIR, decided to sign a memorandum of understanding with the Ministry of Education establishing the roles and responsibilities of all parties involved. The mission signed the memorandum on January 8, 2015. We acknowledge the mission's management decision and final action.

**Recommendation 4.** Mission officials decided to review and document program disbursements as of June 30, 2014. They did so on December 8, 2014, and confirmed that the implementer used funds appropriately. We acknowledge the mission's management decision and final action.

**Recommendation 5.** Mission officials decided to conduct a USAID/Côte d'Ivoire mission-wide Phoenix Viewer training by March 31, 2015. We acknowledge the mission's management decision.

**Recommendation 6.** Mission officials decided to implement procedures to provide financial oversight of the program. Accordingly, USAID/Côte d'Ivoire officials have begun tracking and verifying all disbursements in Phoenix and comparing them with AIR's quarterly federal financial reports. In addition, both missions meet quarterly to discuss their projects and review Phoenix pipeline and expenditures reports. The mission planned to complete action by March 31, 2015. We acknowledge the mission's 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 audit objective was to determine whether USAID/West Africa's Education Support Program in Côte d'Ivoire was achieving its goal of increasing equitable access to education in conflict-affected areas. As of June 30, 2014, the total estimated cost of the program was \$6 million; however, USAID/West Africa intended to reduce it to \$4.7 million. A total of \$2.7 million was obligated and as of June 30, 2014, USAID/Washington had disbursed approximately \$1.7 million under the program. The audit covered activities under the program's three components, from inception in January 2012 until June 30, 2014, and tested the disbursed amount during that period—\$1.7 million.

In planning and performing the audit, we evaluated internal control processes related to USAID/West Africa's oversight of the program. We assessed the following significant controls: USAID/West Africa's management structure, assistance mechanisms, monitoring and evaluation of program activities, financial monitoring, and site visits. This included reviewing the program's cooperative agreement and subsequent modifications, AOR designation letter, annual work plans, financial reports, partner progress reports, notes from advisory committee meetings, and trip reports. We also reviewed the mission's fiscal year 2014 annual self-assessment of management required by the Federal Managers' Financial Integrity Act of 1982.

We conducted our audit fieldwork from September 8 to September 26, 2014, at USAID/Côte d'Ivoire in Abidjan; USAID/West Africa in Accra, Ghana; and at national and regional offices of the Ministry of Education. We conducted site visits in Bondoukou, Bouaké, Kotogwanda, and Languibonou. During these visits, the audit team met with representatives from the two regional offices of the Ministry of Education and the two villages selected as program beneficiaries.

## Methodology

To answer the audit objective, we obtained an understanding of the program and its activities through a review of program documentation, including the cooperative agreement and modifications between USAID and AIR, annual work plans, and trip reports. We determined the status of the program's activities as of June 30, 2014, by reviewing AIR's periodic progress reports. We also interviewed officials from USAID/Côte d'Ivoire, USAID/West Africa, implementing partner staff, representatives from the Ministry of Education, representatives from selected companies that established public-private partnerships, and representatives from the architecture firm contracted by USAID/Côte d'Ivoire under the program.

To solicit feedback on the program's activities and status, we interviewed beneficiaries from the two regional offices of the Ministry of Education that the implementer selected to receive assistance, and the community support groups of the two villages where the implementer will build the schools. To verify that planned community mobilization trainings had taken place, we

judgmentally selected two trainings in the villages where the implementer will build the schools . For these we reviewed documentary evidence such as attendance sheets and training reports, and met with attendees. In addition, we judgmentally selected activities under each component of the work plan and used progress reports and site visits to see whether the implementer had completed the projects as scheduled. However, since the implementer had not collected data because of program delays, we could not sample any data from the program. Using the information obtained in document reviews and interviews throughout fieldwork, we also determined the extent to which gender integration was included in the program and evaluated the program's potential for sustainability.

# MANAGEMENT COMMENTS



**USAID** | **WEST AFRICA**  
FROM THE AMERICAN PEOPLE

## Memorandum

To: Abdoulaye Gueye, Regional Inspector General/Dakar

From: Alexandre Deprez, Mission Director, USAID/West Africa /s/

Date: January 14, 2015

Subject: Mission Response to the Regional Inspector General's Draft Audit Report No. 7-681-15-00X-P on USAID/West Africa Education Support Program Activities in Côte d'Ivoire

This memo transmits USAID/West Africa's response to and comments on the draft Audit Report No. 7-681-15-00X-P on USAID/West Africa Education Support Program activities in Côte d'Ivoire implemented by American Institute for Research ("AIR"). We agree with the audit recommendations and include comments and clarifications for each.

USAID/West Africa extends its appreciation to the Regional Inspector General (RIG)/Dakar for its audit of the Education Support Program in Côte d'Ivoire. The RIG's presence in Abidjan for several weeks reinforced the Agency message to USAID/Cote d'Ivoire and AIR staff of its responsibility vis-à-vis the accountability, management, and effective use of USG funds. WA appreciates the specific observations and recommendations in the report that go toward strengthening USAID's management of its activities.

Below please find our responses to the specific findings and recommendations in the audit report.

### Responses to the Specific Audit Recommendations:

#### ***Recommendation 1:***

*We recommend that USAID/Côte d'Ivoire, in coordination with USAID/West Africa's Regional Assistance and Acquisition Office, sign Modification 3 after verifying that it includes updated plans and a revised budget for construction activities.*

#### **We agree with the recommendation.**

USAID/West Africa's Regional Assistance and Acquisition Office signed Modification 3 on October 22, 2014 on behalf of USAID/CI including a revised budget. AIR, the implementing partner, signed Modification 3 on October 28, 2014. Prior to signing Modification 3, USAID through the contracted architecture firm approved the revised construction plans submitted by AIR. (*Attachment A*)

**Recommendation 2:**

*We recommend that USAID/Côte d'Ivoire document its intention to award the American Institutes for Research a no-cost extension to allow sufficient time to complete planned construction activities. If approved, the extension should require the American Institutes for Research to develop and implement a mission-approved schedule for construction.*

**We agree with the recommendation.**

A no-cost extension clause ending August 30, 2015 has been included in the signed Modification 3. Prior to the signing of the Modification, USAID/CI requested and approved an AIR submitted construction schedule. (*Attachment B*). Prior to the construction commencement, the selected companies (SICTB for Languibonou and Base 2A for Kotogwanda) were required to submit the construction schedules for AIR and USAID's approval. Those construction schedules have been submitted and are currently under review by AIR, and will then be submitted to USAID for approval.

**Target Date:** January 23, 2015

**Recommendation 3**

*We recommend that USAID/Côte d'Ivoire, in coordination with the American Institutes for Research and the Ministry of Education, implement a memorandum of understanding to establish roles and responsibilities that aligns with the cooperative agreement.*

**We agree with the recommendation.**

USAID/CI, in coordination with the American Institutes for Research, has negotiated and signed a Memorandum Of Understanding with the Ministry of Education. The Memorandum of Understanding establishes the roles and responsibilities of all parties involved. (*Attachment C*)

**Recommendation 4**

*We recommend that USAID/Côte d'Ivoire, in coordination with USAID/West Africa's Regional Financial Management Office, review and document program disbursements as of June 30, 2014, and confirm that the implementer used funds appropriately.*

**We agree with the recommendation.**

Several actions were taken by both USAID/CI and USAID/West Africa to review and document the program disbursements as of June 30, 2014, and confirm that the implementer used funds appropriately. USAID/CI requested and received all the vouchers and SF425 for the above mentioned period from AIR, compared these vouchers to the disbursements in Phoenix and against the performance reports to assess whether the funds were used appropriately and in compliance with the grant agreement. All these actions were performed with USAID/West Africa's support and guidance, leading to a memorandum which documents the financial review and that all disbursements are in line with project activities. (*Attachment D*)

**Recommendation 5**

*We recommend that USAID/Côte d'Ivoire train its staff to use Phoenix Viewer to monitor payments to the implementer.*

**We agree with the recommendation.**

USAID/WA plans to conduct a USAID/CI Mission-wide Phoenix Viewer training session that will include among other topics a chapter on Monitoring Disbursement. The training session is targeted to be completed by March 31, 2015.

**Target Date:** March 31, 2015

**Recommendation 6:**

*We recommend that USAID/Côte d'Ivoire implement procedures to provide financial oversight of the program. These procedures should include verifying that the American Institutes for Research submits quarterly federal financial reports as required and that the agreement officer's representative compares this report to the Agency's online financial reporting system.*

**We agree with the recommendation.**

USAID/Cote d'Ivoire has begun over the last two quarters of fiscal year 2014, ending June and September 2014, respectively, to provide more detailed financial oversight of the AIDE-CI program. The oversight includes tracking and verifying all payment disbursements in the Phoenix Financial Management System with AIR submitted quarter ending Federal Financial Reports. The exercise is conducted during the accruals period. Additionally, the West Africa Regional Financial Management Office confirms with the Agreement Officer Representative and USAID/Cote d'Ivoire on the Federal Financial Reports submission deadline. Lastly, USAID/CI and USAID/WA conduct a conjoined quarterly portfolio review during which issues surrounding each specific project are discussed including the review of planned activities and the review of Phoenix pipeline and expenditures reports.

**Target Date:** March 31, 2015

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