OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/MALI'S EDUCATION PROGRAM

AUDIT REPORT NO. 7-688-10-004-P

February 26, 2010

DAKAR, SENEGAL

Office of Inspector General

February 26, 2010

MEMORANDUM

TO: Acting USAID/Mali Mission Director, Henderson Patrick

FROM: Regional Inspector General, Gerard Custer /s/

SUBJECT: Audit of USAID/Mali's Education Program (Audit Report No. 7-688-10-004-P)

This memorandum is our report on the subject audit. In finalizing the report, we carefully considered your comments on the draft report, and we have included the mission's comments in their entirety in appendix II.

The report includes 10 recommendations for your action. Based on management's comments, we have deleted one recommendation (recommendation no. 1 in the draft report), and have renumbered the recommendations accordingly in this report. Based on actions taken by the mission and supporting documentation provided, final action has been taken on recommendations 5, 6, 8, 9, and 10. Based upon your comments and actions planned, a management decision has been reached on recommendations 4 and 7. Please provide the Audit, Performance, and Compliance Division in the USAID Office of the Chief Financial Officer (M/CFO/APC) with the necessary documentation to achieve final action.

A management decision has not been reached on recommendations 1, 2, and 3. Please provide us with written notice within 30 days of actions planned or taken to address recommendations 1, 2, and 3. A management decision can be achieved when USAID/Mali and we agree on a firm plan of action, with target dates, for implementing the recommendations.

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

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SUMMARY OF RESULTS

Mali has some of the most pressing education needs in the world. According to statistics from its Ministry of Education, only an estimated 29 percent of adults in Mali (and only 21 percent of women) are literate. More than a third of Mali's school-aged children, approximately 890,000 children between ages 7 and 12, do not attend any form of schooling (see page 3).

To address Mali's basic education needs, USAID/Mali developed a strategy to expand access to quality basic education with an emphasis on reinforcing lifelong literacy in Mali. The strategy included improving instruction to reinforce literacy and numeracy, improving the capacity of the Ministry of Education to implement decentralization, improving coordination among school-, district-, and regional-level planning, and improving access to quality basic education for targeted populations. During the period covered by this audit, from fiscal year (FY) 2008 to FY 2009, USAID/Mali's education team was engaged in the closeout of four programs that had been put in place under the 2003–2012 Country Strategic Plan. At the same time, it was working to develop and initiate a new strategy for 2009–2013 with programs capable of absorbing the mission's rapidly increasing education budget.

To accomplish program goals, USAID/Mali entered into agreements with three main implementing partners: Education Development Center ($4,935,000 budgeted from February 2004 through July 2008 and $29,999,000 from August 2008 through July 2013), Academy for Educational Development ($4,455,000 budgeted from September 2004 through June 2009 and $22,500,000 from May 2009 through April 2014), and World Education Development ($15,485,000 budgeted from August 2003 through October 2008). During FY 2008 and FY 2009, $27.2 million was obligated and $11.8 million was disbursed for USAID/Mali's education program (see pages 4–5).

The Regional Inspector General/Dakar conducted this audit as part of its FY 2010 audit plan to determine whether USAID/Mali's major education program was achieving its main goals (see page 5). The audit team was not able to determine whether USAID/Mali's education program was achieving its main goals because it was unable to obtain sufficient evidence to support the results reported by the mission. The scope of the audit was limited because one key implementing partner violated record retention regulations by discarding or misplacing documentation needed to support its reported results, such as sign-in sheets for the number of administrators and officials trained (see pages 7–9). In addition, for a second key implementer, the audit team noted weak internal controls over the process for maintaining accurate teacher training records, and paying teachers a per diem and transportation allowance. The possibility for fraud existed because accountants at the Ministry of Education were re-creating lists for claim purposes, which resulted in discrepancies between the number of training participants who signed the attendance sheets and the number who were paid a per diem and transportation allowance. Of the 25 training sessions reviewed at four school districts in Mali, about $20,500 (out of a total of $22,100) in per diem and transportation payments were unsupported (see pages 9–12).

Furthermore, some program records maintained by the third key implementing partner (such as those pertaining to the number of learners enrolled), were flawed, making it difficult to reach any conclusions about whether the mission met its goals (see pages 9-12). These data quality issues occurred because the mission did not properly monitor and evaluate program activities. Also, these setbacks occurred because the top two of six technical positions on the education team will have been unfilled for more than 10 months, and two other team members joined USAID/Mali less than 1 year ago. Without a fully staffed team, the mission will continue to encounter problems that will impede progress toward achieving its goal of expanding access to quality education (see pages 12–16).

In addition to the serious data quality and availability issues and insufficient monitoring and evaluation, there were program implementation delays in FY 2009, weaknesses in the mission's performance management plan and data quality assessments, inconsistency in broadcasting radio programs, noncompliance with branding requirements, and an excessive funding pipeline (see pages 16–22).

This audit makes the following 10 recommendations for USAID/Mali to strengthen its education program:

- Document the contractor's failure to provide supporting documentation in the contractor's performance evaluation.
- Obtain adequate documentation from the Education Development Center for the $20,500 in unsupported questioned costs related to per diem payments or issue a bill for collection; and follow up with the Education Development Center regarding its internal review to determine if additional amounts should be questioned and request a bill for collection for those amounts.
- Verify that the Education Development Center has established adequate controls over the Road to Reading Program's per diem payments.
- Conduct expanded data quality assessments, including a thorough review of data validity and reliability for all standard and customized performance indicators.
- Require written site visit reports.
- Schedule staff for monitoring and evaluation training.
- Finalize the performance management plan for the Education Decentralization Program.
- Enforce the program's contract with the radio stations and minimize the broadcasting of other content.
- Require partners to implement branding plans and take the necessary steps to ensure adherence to USAID branding guidelines.
- Develop a realistic, multiyear education program budget to ensure compliance with USAID's forward funding regulations (see pages 9–22).

USAID/Mali agreed with most of our recommendations. Based on management's comments, we have deleted one recommendation (recommendation no. 1 in the draft report), and have renumbered the recommendations accordingly in this report. Based on actions taken by the mission and supporting documentation provided, final action has been taken on recommendation nos. 5, 6, 8, 9 and 10 and management decisions have been reached on recommendation nos. 4 and 7. A management decision has not been reached on recommendation nos. 1, 2, and 3. USAID/Mali's comments are included in their entirety in appendix II.

BACKGROUND

Mali has some of the most pressing education needs in the world. According to statistics of its Ministry of Education, only an estimated 29 percent of adults in Mali (and only 21 percent of women) are literate. More than a third of Mali's school-aged children, approximately 890,000 children between ages 7 and 12, do not attend any form of schooling. The government is currently focused on increasing access to education for children and adults. Growth in primary school admission and enrollment rates has not been matched by comparable increases in student retention through the sixth grade. Inefficiencies in terms of high repetition rates and poor quality of education leave the majority of Malians without the basic skills they need to find employment. Access to public schooling suffers from regional and rural/urban inequities and does not meet popular demand; as a result, 40 percent of students attend private, community-managed, or Islamic schools (medersas). Despite improvements in girls' access to education, significant gender inequities persist, and the past few years have shown almost no change in the gender gap in student completion rates. United Nations Educational, Scientific and Cultural Organization (UNESCO) projections show that if these trends continue, Mali has only a "weak" chance of achieving universal primary school completion by 2015.

Moreover, despite years of substantial donor assistance, Mali remains one of the world's poorest countries, ranking 178th out of 182 countries in the 2009 United Nations Human Development Report. This poverty not only impedes future economic development but also encourages an environment conducive to radicalization and terrorism. Mali's vulnerability to terrorism is a real threat to its national security and is vividly illustrated by the presence of Al-Qaeda in the northern region of the country.

Figure 1. Map of Mali

During the period covered by this audit, from fiscal year (FY) 2008 to FY 2009, USAID/Mali's education team was engaged in the closeout of four programs that had been put in place under the 2003 Country Strategic Plan. At the same time, it was working to develop and initiate a new strategy with programs capable of absorbing the mission's rapidly increasing education budget.

The four activities that were ending consisted of the Improved Quality of Education Program (AQEE), Regional Action Plan – Decision Making Program (RAP-DM), Teacher Training via Radio Program (FIER), and Shared Governance Program (PGP). The five newly established activities are the Road to Reading Program (PHARE), Education Decentralization Program (EDP), Shared Governance 2 Program (PGP2), Education Sector Strategy Design Program, and Community Led Development Program. These five new activities address USAID/Mali's 2009–2013 strategy of supporting the government of Mali's education sector reform by expanding access to quality basic education, with an emphasis on reinforcing lifelong literacy in Mali. In addition, USAID/Washington funds and manages World Education Development's Ambassador's Girls' Scholarship Program, which focuses on increasing girls' access, attendance, and retention in primary school, as well as improving students' academic achievement.

Key activities to accomplish USAID/Mali's education goals are conducted by different partners though various awards, as described in the following narrative and table.

- PHARE is focused on engaging the Ministry of Education in developing student, teacher, and supervisor competency. A cornerstone of PHARE is the development of Interactive Radio Instruction programs aimed at improving the instruction and acquisition of French literacy skills, and the use of Early Grade Reading Assessments to measure student learning.

- FIER, the activity preceding PHARE, focused on developing and broadcasting interactive radio training programs in the classroom.

- EDP is focused on implementing the decentralization policies of the government of Mali and improving coordination between education stakeholders. The program will provide technical assistance and training to the Ministry of Education.

- RAP-DM, the activity preceding EDP, provided assistance to the Ministry of Education in planning, finance, and basic education and decentralization directorates.

- AQEE supported the Ministry of Education's 10-year program for education development. It initially focused on developing and testing a basic education curriculum and later focused on improving teacher performance and managing schools through increased parent participation.

Table 1. Information for Selected USAID/Mali Education Activities

Activity Name/Partner Name	Award Amount	Start Date	End Date
PHARE / Education Development Center	$29,999,079	8/6/2008	7/31/2013
EDP / Academy for Educational Development	$22,500,000	5/1/2009	4/30/2014
AQEE / World Education Development	$15,484,681	8/30/2003	10/31/2008
FIER / Education Development Center	$4,934,653	2/13/2004	7/31/2008
RAP-DM / Academy for Educational Development	$4,455,000	9/1/2004	6/30/2009

During FY 2008 and FY 2009, $27.2 million was obligated and $11.8 million was disbursed for USAID/Mali's education program.

AUDIT OBJECTIVE

The Regional Inspector General/Dakar conducted this audit at USAID/Mali as part of its FY 2010 audit plan to answer the following question:

- Is USAID/Mali's education program achieving its main goals?

The audit's scope and methodology are described in appendix I.

AUDIT FINDINGS

Is USAID/Mali's education program achieving its main goals?

The main goal of USAID/Mali's education program is to expand access to quality basic education with an emphasis on reinforcing lifelong literacy in Mali. It aims to do this by (1) improving instruction to reinforce literacy and numeracy in grades one through six, (2) improving the capacity of the Ministry of Education to implement decentralization, (3) improving coordination among school-, district-, and regional-level planning, and (4) improving access to quality basic education for targeted populations. The audit team was unable to determine whether the mission met its goals for fiscal year (FY) 2008 because of scope limitations. The scope of the audit was limited because relevant documentation to support the results achieved for Mali's education program were either destroyed, inconsistent, or flawed.

One of USAID/Mali's three key implementing partners violated record retention regulations by discarding or misplacing all relevant documentation pertaining to the mission's goal of improving the quality of education (e.g., the number of administrators and officials trained). Another implementing partner could not justify the reported number of participants who had attended and were paid per diem for the training (the program is anticipated to spend $6,351,586 on training). The process used for training teachers and paying them a per diem and transportation allowance was susceptible to fraud. For example, the audit noted discrepancies between the number of training participants who signed the attendance sheets and the number of training participants who were paid a per diem and transportation allowance. Of the 25 training sessions reviewed at four school districts in Mali, about $20,500 (out of a total of $22,100) in per diem payments and transportation allowances were unsupported.

The third implementing partner was either unable to provide supporting documents or provided documentation that was flawed pertaining to the number of learners enrolled. The lack of documentation and discrepancies noted in the reported results occurred primarily because the mission and its partners lacked sufficient monitoring and evaluation. In addition, the three major activities that reported almost all 2008 results have been closed, which made it difficult to locate partner staff and supporting documentation. These problems with program records made it difficult to reach any conclusions about whether the mission met its goals.

In FY 2009, final results were not available until after the audit fieldwork. However, the audit team noted that customized targets had not been established to measure the achievement of the program and that two of the three major activities had experienced startup delays. The Education Decentralization Program and the Shared Governance Program 2, currently the second and third largest activities, were behind schedule. Also, efforts to increase spending under the education program have been delayed.[1]

[1] The Shared Governance Program 2 was not included in the scope of the audit. The Education Decentralization Program and the mission's efforts to increase spending are discussed further on page 16.

Nonetheless, based on interviews with mission personnel, implementing partner personnel, and beneficiaries, and site visits where program activities were implemented, USAID/Mali's education program has had some program successes described below:

- The Road to Reading Program produced and distributed 14,000 teacher guides to support the use of the radio programs, facilitated teachers' understanding and implementation of approaches and strategies in the classroom, and improved students' reading and writing development. It developed and produced 120 30-minute radio programs for first-graders, which began broadcasting in November 2009. These programs aim to develop students' mastery of the alphabet, sound-letter correspondences, oral expression, and vocabulary. The program further developed a self-evaluation instrument to help teachers and educational support personnel assess their development and performance based on the literacy standards. It has purchased and distributed 7,600 radios to schools across Mali for radio broadcast programs.

- The Improved Quality of Education Program supported 300 communities of learning in FY 2008 by encouraging them to complete program-defined school improvement activities. It undertook a skill-building initiative for school directors, teachers, and supervisors in managing and directing classes with several courses or multigrade classes. It has introduced teachers to child-focused pedagogic methods, including (1) utilizing interactive problem solving, (2) applying equitable gender principles in class, (3) arranging classrooms to accommodate large and small groups, and (4) applying different teaching methods such as work groups, research activities, and role playing.

- The Regional Action Plan – Decision Making Program encouraged the use of statistical data for better decision making and used Web-based information dissemination strategies so that participants in the education system can obtain and use critical information.

Although these achievements were noteworthy, the audit identified some serious data quality and availability issues, insufficient monitoring and evaluation, program implementation delays, weaknesses in the mission's performance management plan (PMP) and data quality assessments, inconsistency in broadcasting radio programs, noncompliance with branding requirements, and an excessive funding pipeline. These issues are discussed in the following sections.

Implementing Partner Violated Record Retention Regulations

Summary: Even though records pertinent to an award are required to be retained for a period of 3 years, the Academy for Educational Development (AED) discarded or misplaced documentation immediately after its Regional Action Plan – Decision Making Program ended. The chief of party did not retain supporting documentation because he was not aware of any requirement regarding the retention of documentation related to performance data. Therefore, the audit team was unable to verify any results to form conclusions as to the overall achievement of the program. Lack of documentation hinders management's ability to make sound performance-based decisions because the mission did not have reasonable assurance that intended results were being achieved and cannot determine whether the information provided was sufficiently reliable for making decisions.

Record retention requirements for awards to recipients receiving a grant or cooperative agreement directly from USAID to carry out a project or program are set forth in Title 22 of the Code of Federal Regulations (CFR), Section 226.53. According to 22 CFR 226.53(b), with limited exceptions, "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by USAID." Part 226.53(e) further states that "USAID, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents."

Although 22 CFR 226.53(b) generally requires that implementing partners retain records for 3 years, one of USAID/Mali's key implementing partners for the education program, AED, discarded or misplaced documentation immediately after its cooperative agreement to implement the Regional Action Plan – Decision Making Program ended. AED had misplaced, and in many instances destroyed, all supporting documentation related to one of the key Agency-mandated indicators—the number of administrators and officials trained—as well as three custom indicators pertaining to the program under Intermediate Results #4: Improved Capacity of Regional and Local Education Offices.[2] AED was unable to provide any documentation, such as sign-in sheets, per diem claim sheets, or any other pertinent documentation, to verify that the training had taken place or the number of participants who had attended and were paid per diem for the training. The chief of party was not aware of any USAID or AED requirement regarding the retention of documentation related to performance data. Since the program had ended, he assumed that the documentation could be discarded and authorized the destruction of all related documentation. Neither USAID/Mali's contracting officer's technical representative nor the contracting officer was aware of these actions by the implementing partner, and they agreed that this should not have happened. As discussed later in the audit report, the mission could have prevented this from occurring if it had increased oversight over the implementing partners and program activities and verified the results reported by the implementing partner.

AED officials should have exercised sound judgment with regard to the disposition of documents. Good records management practices are essential and vitally important when carrying out activities funded by the U.S. Government, and the managers of implementing organizations should have demonstrated good faith, prudence, and care in retaining records to meet both legal and audit requirements. While the Regional Action Plan – Decision Making Program has ended, AED is currently the USAID partner chosen to implement the $22.5 million Education Decentralization Program.

The destruction and misplacement of supporting documentation, as well as other documentation deficiencies discussed in the next section, prevents the audit team from determining whether USAID/Mali achieved its goals under the education program. It also

[2] See appendix III for the list of indicators.

hinders management's ability to make sound performance-based decisions because the mission did not have reasonable assurance that intended results were being achieved and cannot determine whether the information provided was sufficiently reliable for making decisions. In light of the problems discussed later in the audit report related to indications of fraud over the number of teachers trained, this is a serious issue, and action should be taken immediately to prevent it from occurring in future agreements.

Recommendation No. 1: We recommend that USAID/Mali reflect the Academy for Educational Development's failure to retain pertinent information regarding the project activities in the contractor's performance evaluation.

Data to Support Results Were Unavailable or Unreliable and Indicated Potential for Fraud

Summary: According to USAID guidelines, sound decisions require accurate, current, and reliable information, and the benefits of USAID's results-oriented approach depend substantially on the quality of the performance information available. However, there were serious data quality problems for the reported number of learners enrolled, teachers trained, and administrators trained. In addition, the process used for training teachers and paying them per diem and transportation allowance was susceptible to fraud. Factors that contributed to the various data quality issues included overreliance on Ministry of Education records, poor data quality assessments, a lack of site visits, and insufficient monitoring and evaluation of the program by USAID/Mali and its partners. Reporting inaccurate results can undermine USAID's credibility and impair USAID's ability to secure the resources it needs to accomplish its mission.

To measure performance effectively and make informed management decisions, missions must ensure that quality data are collected and made available. USAID provides its assistance objective teams with extensive guidance to help them manage for improved results. Among this guidance is ADS 203.3.5.2, which states that the USAID Mission/Office and Assistance Objectives Teams should be aware of the strengths and weaknesses of their data and the extent to which the data's integrity can be trusted to influence management decisions. According to ADS 203.3.5.1, *Data Quality Standards*, performance data should meet data quality standards for validity, integrity, precision, reliability, and timeliness, and missions should take steps to ensure that submitted data are adequately supported.

USAID/Mali and its three primary partners—Academy for Educational Development (AED), the Education Development Center (EDC), and World Education Development (WED)—were responsible for reporting almost all the results for the basic education program in FY 2008. The documentation retention issue at AED was discussed on the prior page, and the other two partners' data quality issues are discussed below.

World Education Development – This partner implemented the Improved Quality of Education Program, which contributed to all five key standard indicators, as well as 12 of the 16 custom indicators in FY 2008. While the audit team was able to verify to a limited extent two of the five standard indicators (number of parent-teacher associations or similar "school" governance structures supported and number of adult learners enrolled), it had difficulties verifying the other three indicators (number of learners enrolled, number of teachers/educators trained, and number of administrators and officials trained).

For the number of learners enrolled in U.S. Government-supported primary schools and the number of teachers trained, the audit team compared WED's reported figures with figures obtained directly from the schools, and noted discrepancies of underreporting as much as 237 percent and overreporting of 41 percent (as shown in table 2).

Table 2. Number of Learners Enrolled and Teachers Trained as Reported by WED vs. School

School Name/Region	No. of Learners		Percent Difference	No. of Teachers		Percent Difference
	WED	School		WED	School	
Camp Teiba/Sikasso	1597	950	-41%	17	17	0%
Babemba A/Sikasso	1425	1466	3%	14	15	7%
Ouloum Addine/Sikasso	587	794	35%	9	7	-22%
Kouorobarrage/Sikasso	145	488	237%	6	7	17%
Markala II B/Segou	652	624	-4%	10	12	20%
Markala II C/Segou	324	330	2%	8	8	0%

Furthermore, when comparing the partner's reported number of learners at 27 schools with numbers provided by the Ministry's district offices, the audit team noted disturbing differences. For 15 of the 27 schools, WED's figures were different by at least 10 percent. In the five cases shown in table 3, the differences were extreme, with the district office reporting more than twice as many students as the partner. Neither WED nor USAID had an explanation for the differences shown in tables 2 and 3.

Table 3. Number of Learners Enrolled as Reported by WED vs. District

School Name	WED	District	Percent Difference
Finkolo Sanso – Sikasso II	63	131	108%
Koumbala – Sikasso II	91	825	807%
Kouna – Sikasso II	213	679	219%
Kuoro Barrage – Sikasso II	145	495	241%
Kouroumasso – Sikasso II	35	610	1643%

For the number of administrators and officials trained, WED was unable to provide detailed supporting documentation because it had relied completely on the Ministry of Education for record keeping and file management, as discussed in more detail below.

Education Development Center – Under the Teacher Training via Radio Program, this partner implemented activities that contributed to three of five key standard indicators (number of learners enrolled, number of teachers trained, and number of administrators and officials trained) as well as 5 of 16 custom indicators. Unfortunately, after the program ended in July 2008, EDC shipped all program documentation to its office in Washington, DC, and access to the files was difficult.

Under the current Road to Reading Program, EDC was not maintaining sufficient supporting documentation. For example, the audit attempted to verify the number of teachers and students using a sample of 11 schools selected for testing, but EDC was unable to locate the appropriate corresponding documentation for 9 schools. It stated that it relied on the Ministry of Education for record keeping and file management, yet the Ministry of Education was unable to consistently provide lists containing training participant data.

Ministry of Education – USAID/Mali and all three partners relied on the Ministry of Education for much of their results reporting, yet the Ministry was generally unable to provide detailed documentation to support these figures. During site visits to six Ministry offices at the district and regional levels, the audit team noted that the record-keeping system was completely inadequate in some offices. Document organization was very poor and inconsistent. For example, some offices had originals of documentation, but other offices had misplaced them, discarded them, or forwarded them to the regional office without retaining copies. There were instances where documents were missing or poorly maintained, with no folders, binders, filing cabinets, or use of other methods for segregating information. The audit team found project-related paperwork hidden under stacks of unrelated papers or scattered among several unlabeled boxes.

Furthermore, there were weak internal controls over the Ministry of Education's record keeping for training participants that may have contributed to potential acts of fraud. Under the Road to Reading Program, each training participant was entitled to receive up to 10,000 CFA (about $23) per day for per diem and transportation allowances for attending one training session. Each participant was required to sign an attendance sheet and attend the training session prior to claiming the funds.

The audit team noted that accountants at the Ministry of Education were re-creating attendance sheets for claim purposes, contrary to guidance from EDC, and that there were discrepancies between the number of training participants who signed the attendance sheets and the number who were paid a per diem and transportation allowance. For example, in the school district of Sikasso, 12 people signed the attendance sheet for participant training held on November 23, 2008, but 23 names appeared on the claim sheet, which resulted in per diem overpayment of about $250 for that session. In another training session, 21 participants signed the attendance sheet but 27 names appeared on the claim sheet. Several cases were similar to these, but even worse, most sign-in sheets to support these payments were not even available. Of the 25 training sessions reviewed at four school districts in Mali, about $20,500 (out of a total of $22,100) of per diem costs were unsupported. The amount spent for training was $741,703 for FY 2009 and is expected to be $6,351,586 over the life of the program.

The district accountants responsible for making payment to trainees were unable to explain why the number of names on claim sheets exceeded the number of names on the sign-in sheets. EDC was surprised to learn of these discrepancies, as it did not realize that a separate sign-in sheet was maintained. It agreed that this was a serious problem that was caused by a lack of internal controls over claim sheets and participation records. The chief of party immediately responded to the potential fraud and instigated a review of the current process. As a result of this situation, U.S. Government funds may have been diverted and not used as intended. Also, EDC overreported to USAID the number of teachers who received training because it based its figures on per diem claim sheets instead of sign-in sheets.

Reporting results that are inaccurate or that lack needed context can undermine USAID's credibility and impair USAID's ability to secure the resources it needs to accomplish its mission. Internal controls for results reporting were not sufficiently reliable to ensure that reported service provider results were (1) valid, (2) attributable to the mission's program, (3) accurate and supported, and (4) accurately summarized prior to being reported to the mission. Without accurate reported results, USAID/Mali did not have reasonable assurance that data quality met validity, reliability, and timeliness standards established in ADS 203.3.5.1, *Data Quality Standards*, the lack of which could negatively affect performance-based decision making. The likelihood of data quality issues such as those described above can be minimized if data quality assessments are adequately completed, site visits are conducted more regularly, and monitoring and evaluation of the program by USAID/Mali and its partners is improved. Although these issues are discussed further in the next sections, this audit makes the following recommendations with regard to cash payments for training sessions.

Recommendation No. 2. We recommend that USAID/Mali (a) obtain adequate documentation from the Education Development Center for the $20,500 in unsupported questioned costs related to per diem payments or issue a bill for collection, and (b) follow up with the Education Development Center regarding its internal review to determine if additional amounts should be questioned and request a bill for collection for those amounts.

Recommendation No. 3: We recommend that USAID/Mali verify that the Education Development Center established adequate controls over the Road to Reading Program's per diem payments.

Monitoring and Evaluation of Activities Was Weak

Summary: USAID/Mali's education team was not adequately supervising, monitoring, and evaluating its activities, particularly with regard to data quality as required by USAID's guidelines. Specifically, the mission did not perform adequate data quality assessments, verify and retain supporting information provided by its partners, ensure that partners were providing final reports, and conduct regular site visits. These setbacks occurred primarily because the top two of six technical positions on the education team will have been unfilled for more than 10 months. Two other team members have been with USAID/Mali for less than 1 year. These absences have led to the loss of historical knowledge and other skills as well. Without a fully staffed team, the mission will continue to encounter problems that will impede progress toward achieving its goal of expanding access to quality education.

USAID has developed extensive guidelines on the management of awards. Most notably, USAID's ADS 303, *Grants and Cooperative Agreements to Nongovernmental Organizations*, Section 303.2(f) states that technical representatives should review and analyze reports, monitor reporting requirements, and ensure the recipient's compliance with numerous terms and conditions of an award.

USAID/Mali's education team is not adequately supervising, monitoring, and evaluating its activities, particularly with regard to data quality. The mission did not perform adequate data quality assessments, ensure that partners were providing final reports, conduct regular site visits, or adequately monitor implementing partners.

Data Quality Assessments Were Incomplete – ADS 203.3.5.2 states that the purpose of data quality assessments is to ensure that the USAID mission/office and assistance object team are aware of (1) the strengths and weaknesses of the data as determined by applying applicable quality standards and (2) the extent to which data integrity can be trusted to influence management decisions. The awards for the Road to Reading Program and the Education Decentralization Program further required that data quality assessments be completed 6 months after the award date. However, since the PMPs (performance management plans) for both programs were not yet completed, the corresponding data quality assessments have not been started.

Although USAID/Mali completed four data quality assessments for the standard education indicators in early 2008, the validity, timeliness, and reliability of the data were not adequately tested in three out of four of those assessments. In fact, two of the four data quality assessments did not even specify which indicator was being assessed. These assessments did not contain any comments that describe any analysis of data validity and reliability. A third assessment was undated and lacked sufficient detailed information. At a minimum, data quality assessments should highlight the following:

- Scope and methodology used
- Important findings
- Conclusions (evaluators' interpretations and judgments based on the findings)
- Recommendations (proposed actions for management based on the conclusions)
- Lessons learned (implications for future designs and for others to incorporate into similar programs in other locations)

Without adequate data validity and reliability testing, the mission did not have reasonable assurance that data used for performance-based decision making and reporting were valid and reliable. Procedures for addressing data integrity problems identified in data quality assessments could have corrected the data validity and reliability problems identified earlier in this report.

Final Reports Were Not Submitted in Accordance with Agreement Provisions – Even though the Regional Action Plan – Decision Making Program ended on June 30, 2009, and the Teacher Training via Radio Program ended on July 31, 2008, final reports have not yet been submitted to USAID for either activity. Both documents were due 3 months after the awards ended and are currently 2 and 13 months overdue, respectively. The two chiefs of party responsible for the reports have been working tirelessly while transitioning to the newer programs and have been overwhelmed with other priorities. Completing these reports on time would have enabled lessons learned, synergies, and progress made from these programs to be transferred to the Education Decentralization Program and the Road to Reading Program. When these reports are eventually issued, it will be more difficult to verify the reported results. Subsequent to completing audit fieldwork, USAID's contracting officer sent a written request for these final reports. Therefore, this audit is not making a recommendation related to this issue.

Site Visits Were Infrequent and Undocumented – ADS 303.3.17 states that "site visits are an important part of effective award management, since they usually allow a more effective review of the project…." When the Agreement Officer or Agreement Officer's Technical Representative makes a site visit, this individual must write a brief report highlighting findings, and put a copy in the official award file. A USAID/Mali mission order dated October 12, 2004, adds that "teams are expected to average no less than two monitoring field visits per month" and that personnel are required to complete a standardized report. The education team documented only four site visits during the past 2 years and explained that other undocumented site visits took place. Prior to FY 2008, they admitted that there were even fewer site visits. The mission explained that the lack of documented visits was primarily due to understaffing, but also can be attributed to not knowing about site visit requirements and a weakness in professional writing skills. The former education director explained that there was an attempt to edit site visit reports to ensure that they were well written but the time to do so was lacking. The mission has acknowledged the need for more site visits and has partly remedied the situation by assigning one of its team members the role of requesting site visit information from each implementing partner on a quarterly basis. An active monitoring program with regular site visits for monitoring project progress and verifying data could have identified documentation and reporting issues and avoided the data reliability problems identified in this report.

Lack of Monitoring by Implementing Partners Went Unnoticed by USAID – The Educational Development Center did not sufficiently verify the accuracy and consistency of data reported by its subpartners, the Ministry of Education, or the schools. It did not have guidelines on monitoring and evaluation of activities for its employees and subpartners. Therefore, insufficient guidance was provided to administrators at the regional and district offices concerning the process of collecting, analyzing, and reporting participant data. In addition, EDC lacked established policies and procedures on data quality assessments and site visits for the program. Finally, its monitoring and evaluation specialist position was still vacant 14 months after the implementation of the program. This is a key position responsible for developing procedures to address control gaps and ensuring the accuracy and completeness of program results. The monitoring and evaluation specialist position under the Education Decentralization Program, a major activity that started more than 6 months ago, remains unfilled as well.

These problems can primarily be attributed to an understaffed education team at USAID/Mali, highlighted by the extended absence of the top two positions. The deputy education director position was vacant for more than 10 months, from January 2 to October 16, 2009, and the education director position will have been vacant for more than 10 months as well. The prior director left the team on June 11, 2009, and the replacement is not scheduled to arrive until April or May 2010. These absences are more noticeable when one takes into account that USAID/Mali has been operating without a mission director since early July 2009 and without an executive officer since April 2008. Furthermore, legal and contracting services are provided by other missions. In the April 2009 report on USAID's Acquisition and Assistance, the U.S. Government Accountability Office confirmed that remotely located contracting officers were sometimes not available to assist USAID/Mali in meeting its activities' goals.

With the prolonged absence of two leaders, historical knowledge and other skills are no longer available. The two departing leaders were extremely knowledgeable about both the current programs (the Education Decentralization Program and the Road to Reading

Program) and their predecessor programs because they were responsible for their design and were working closely with the partners in starting these programs. Their transition has forced the mission to reallocate tasks among remaining team members; as a result, four Foreign Service National employees are being asked to assume new roles that are not suited to their technical or management experience. Two of these four members have been on the education team for less than 1 year. While the other two have substantial work experience, there are information gaps that they are unable to bridge. The current education team is overwhelmed by these circumstances. For example, the acting contracting officer's technical representative for the Road to Reading Program was unfamiliar with the preceding program because it ended on July 31, 2008, prior to her start date. In fact, Road to Reading started more than 4 months before her arrival. Because the program has components that continue from the prior program, this institutional knowledge was important in ensuring the success of the program.

Despite the staffing shortages, the team has continued to work diligently and professionally. Nonetheless, it acknowledged that it is suffering from a lack of leadership and has weaknesses in professional English-language writing, advocacy, and monitoring and evaluation. To address these weaknesses, the education team intends to receive training in professional writing, programming foreign assistance, project design and management, leadership, and monitoring and evaluation during FY 2010.

The mission acknowledged that monitoring and evaluation has been a weak area, and it has assigned an individual to spend 50 percent of her time on this specific function. Unfortunately, this person had not been able to devote half her time to this function because of other competing priorities. Because of the weaknesses exhibited by USAID's partners and the mission's problems with data quality assessments and site visits, this individual will need to pay close attention to ensure that reported information is valid and reliable. In addition, because of staffing shortages, the mission has not consistently reviewed quarterly reports and has relied on the implementers to verify the data they reported.

USAID/Mali is fully aware of the staffing absences and has repeatedly taken actions to fill these positions. Unfortunately, the problem persisted and came at a time when five new education activities were in startup mode. As a result, the education team is witnessing a general slowdown in progress toward the goal of expanding access to quality basic education. Management oversight ensures that USAID partners are aware of their financial and programmatic responsibilities. When implementers are not aware of or reminded of fiscal and fiduciary responsibilities, risks to program achievements increase. For these reasons, this audit makes the following recommendations to strengthen the results reporting system and enhance monitoring and evaluation under the mission's education program.

Recommendation No. 4: We recommend that USAID/Mali conduct expanded data quality assessments, including a thorough review of data validity and reliability for all standard and customized performance indicators.

Recommendation No. 5: We recommend that USAID/Mali require a written site visit report to document the purpose and the results of each visit and specify that each site visit include the confirmation of data validity and reliability, when possible.

Recommendation No. 6: We recommend that USAID/Mali schedule the monitoring and evaluation specialist for the Certificate Course in Monitoring and Evaluation scheduled for January to March 2010.

Progress Has Been Delayed in FY 2009

Summary: During FY 2009, progress in implementing the education team's second largest activity has been delayed. Specifically, deliverables under the Education Decentralization Program have not been completed in accordance with the cooperative agreement. In addition, identifying mechanisms to spend excess education funds has taken longer than anticipated, which has contributed to a surplus of idle funds that exceed funding guidelines. Both delays can be attributed to understaffing, as described earlier. Without a fully staffed team, the mission will continue to encounter delays that will impede progress toward achieving its goal of expanding access to quality education.

The Education Decentralization Program Is Behind Schedule – The Education Decentralization Program is the second largest education activity, with a budget of $22.5 million. Even though it started on May 1, 2009, little has been accomplished beyond planning. The work plan and the PMP were due 30 days after the start of the cooperative agreement but were not actually submitted until September 30, or 4 months late. Without these documents, it was difficult to determine what results are to be accomplished by any given date. While the contracting office was notified about these delays in a memo dated June 3, 2009, no formal action was taken. In addition, the monitoring and evaluation specialist position has not been filled, and the design of the statement of work that engaged closely with the Ministry of Education was behind schedule. Furthermore, the award started much later than planned because the original proposal submitted by AED was unacceptable and lengthened the contracting process.

Efforts to Spend More Education Funds Are Delayed – As described in the finding below, USAID/Mali recognized in 2008 that its budget for that year and upcoming years exceeded the amounts being used by its existing portfolio of activities. In order to minimize the extent of its noncompliance with USAID funding requirements, it needed to expend its surplus of education funds as soon as possible. In January 2009, it considered an Annual Program Statement as a mechanism to expend these excess funds. This statement was written to attract new proposals and ideas to assist the mission in spending its excess funds based on a variety of funding scenarios and timeframes. Owing to the absence of the deputy office director and the time required to start EDP, the Annual Program Statement was not drafted until early June 2009. Because it needed to be translated into French, it was not sent to the Ministry for review until August 10, 2009. On September 28, 2009, the mission learned that the initial submission was lost and resent it to the Ministry. As of mid-November 2009, feedback had not been received from the Ministry, and the mission decided to postpone the publication of the Annual Program Statement in favor of developing two new instruments. In the Operational Plan for FY 2009, the mission estimated that $3.5 million would be spent on a new activity; however, according to one USAID official, activities under the new instruments will not begin until the end of March 2010.

The Shared Governance Program 2, currently the third largest activity in the education portfolio, is delayed as well. These delays, as well as other problems mentioned in the report, can be attributed to understaffing and lack of leadership, as described earlier. Without a fully staffed team, the mission will continue to encounter delays that will impede progress toward achieving its goal of expanding access to quality education. Since the mission has taken action by alerting the contracting office about the delays, this audit is not making any recommendations at this time.

Performance Management Plans Were Not Approved

Summary: Rigorous performance management is an important part of USAID's system for managing results. The education team changed its indicators excessively in the past few years, and during FY 2009, its two main activities were operating without an approved performance management plan. The frequent changes were due to the team's desire to improve the indicators, guidance received from USAID/Washington, and a new strategic framework that takes into account a new portfolio of activities. The mission chose to postpone the establishment of indicators during FY 2009 to ensure that they would be well conceived and agreed on by all the partners and the Ministry of Education. Therefore, the mission will be unable to determine whether results were achieved in FY 2009 because progress could not be measured.

According to ADS 203.3.3, an assistance objective team, such as USAID/Mali's education team, is responsible for preparing a PMP to establish baseline data from which to measure progress toward intended objectives. It should systematically monitor results, collect and analyze performance information, and communicate results achieved or not achieved to advance organizational learning and tell the Agency's story. ADS 203.3.3 emphasizes that assistance objective teams must prepare a PMP for each assistance objective for which they are responsible. According to ADS 203.3.3.1, a PMP should define at least one performance indicator to be tracked and specify the source, method of collection, schedule of collection, and known data limitations.

While missions should update PMPs regularly as programs develop and evolve, the changes at USAID/Mali have been excessive. In addition, the mission's two primary activities did not have a PMP during FY 2009. The Road to Reading Program and the Education Decentralization Program started on August 6, 2008, and May 1, 2009, respectively. According to these awards, the PMPs were due 3 and 5 months after the start date, but more than 15 and 6 months have elapsed since their start dates.

The education team's indicators and targets have been in near constant evolution in the past few years for the reasons described below. The former office director explained that the PMP that had been put in place to monitor activities initiated under the Country Strategic Plan starting in 2003 was completely inadequate. Indicators were not clearly established, were in a continuous state of change, were not supported by expanded data quality assessments, and were not adequately validated through regular monitoring trips to the field. Partners were engaged in synergistic activities that required joint reporting, but did not have well-established systems for coordinating the collection or reporting of data. While these problems were even more serious in the past, they persist today, as discussed below.

USAID/Washington's guidance on annual reporting of data changed significantly, resulting in additional changes. The Agency developed several standard indicators that now form the basis for annual reporting. The mandated standard indicators for education are not as useful for management purposes because they are output indicators rather than impact indicators that better fit USAID/Mali's focus on quality of education. For example, measuring how people think and react to instruction is more difficult than merely counting the number of students trained. In addition, targets were lowered in 2006 in response to a decrease in funds.

During the past year, the education team maintained its commitment to having a PMP that better reflects, monitors, and manages the achievements of the education portfolio, and demonstrated this by changing its indicators once again. The mission worked to create a results framework for its new activities that would serve as a structure for an improved PMP that could demonstrate program impact on student and teacher learning, as well as system-level impact in addressing issues of education access and quality. To ensure that the PMP would adequately capture the multisector and cross-program synergies planned under the new set of education activities, a 3-day workshop was held in May 2009 to bring together all education-funded partners and the Ministry of Education to review and finalize indicators. The mission's use of joint indicators added difficulty to the process of establishing and tracking indicators because more than one partner is responsible for each result. USAID specifically requested that the Road to Reading Program not finalize its indicators until after the workshop, but no formal request for this delay was made.

Without a PMP, there were no clearly defined indicators and targets by which to measure the progress of activities. The Road to Reading Program's PMP was finally approved, so this recommendation is only for the Education Decentralization Program.

> *Recommendation No. 7: We recommend that USAID/Mali work closely with its implementing partner to finalize the performance management plan for the Education Decentralization Program.*

Radio Broadcasts May Not Be Reaching Intended Audiences

Summary: Per the contract in place between USAID's partner, Education Development Center (EDC), and the National Radio Station of Mali, radio broadcasts under the Road to Reading Program were to be fully aired in their entirety at the contracted time without interruption. However, students were sometimes deprived of the opportunity to listen to the radio program, primarily because the Mali regional radio stations were not always tuning in with the national radio station during broadcasts. As a result, the program broadcast was unreliable in some communities and students missed the opportunity to listen to scheduled programming.

Ensuring that students have access to scheduled radio broadcasts plays an integral part in ensuring the success of the Road to Reading Program. USAID's implementing partner, EDC, contracted with the National Radio Station of Mali to broadcast radio transmissions at prescheduled times during the school week. To ensure nationwide coverage and allow all students to listen to the scheduled programs, seven regional stations in Mali must synchronize their connections with the national radio station prior to program broadcasts.

However, the regional stations did not always synchronize when required, and many students were not able to listen to the programs. Some regional stations were occasionally late in synchronizing or did not attempt to synchronize at all, making the program broadcasts unreliable in some communities. In addition, the national radio station has at times dropped the USAID-sponsored broadcast to support other national events or programs, such as elections or speeches by a visiting dignitary.

While certain national events may take precedence over the radio broadcasts, these interruptions should be minimized. Also, when special occasions occur, the national radio station should reschedule these broadcasts. The problem regarding the broadcast synchronization occurred because of negligence by the regional radio station staff. During site visits, two school officials explained that as a result of the intermittent radio broadcasts, they had to call to remind the regional station to tune in with the national station. Even after repeated phone calls, not much was done to ensure that it would not happen again. Both the mission and EDC are aware of these issues, but little has been done to correct them.

An inability to ensure that students are able to listen to the scheduled radio programs puts the success of the program in jeopardy, especially since 30 districts with approximately 1,800 schools rely on the regional radio stations for program listening. Programs are usually only 30 minutes long, and even a slight delay would disrupt class participation. In addition, participant data reported by EDC may be overestimated if students are unable to listen to the programs.

> *Recommendation No. 8: We recommend that USAID/Mali engage in dialogue with Education Development Center and the Ministry of Education to (a) enforce the program's contract with the radio stations and (b) minimize the broadcasting of other content.*

USAID/Mali Should Adhere to Branding Requirements

Summary: Although USAID's ADS 320.3.2 normally requires USAID implementers to brand all aspects of its program assistance, the audit team noted some exceptions under the Road to Reading Program. All seven vehicles viewed did not have appropriate USAID logos on them, none of the cassette radios were branded, business cards improperly used the USAID logos, and only 1 student out of about 200 interviewed was able to identify USAID as the program sponsor. This failure occurred because the Education Development Center did not have a branding implementation plan to describe how the program would be promoted to beneficiaries and the people of Mali. In addition, USAID/Mali did not ensure compliance with USAID branding requirements. Consequently, the objectives of USAID's branding campaign, such as enhancing the visibility and value of USAID's foreign assistance, will not be met.

ADS 320, *Branding and Marking,* Section 320.3.2, requires an approved marking plan for USAID contracts. USAID programs, projects, activities, public communications, and commodities with USAID funding are required to be "branded with a standard graphic identity." Moreover, USAID/Mali's program awards require implementers to brand all aspects of its program assistance accordingly. It is also USAID policy to prohibit the use of the USAID identity on contractor and recipient business cards, although they may include such wording as “USAID Contractor” or “USAID Grantee” as appropriate on their employees’ business cards to identify that these individuals are working on a USAID-funded activity.

The audit team observed the following instances of the Road to Reading Program’s noncompliance with USAID’s branding requirements:

1. All seven vehicles viewed were not marked with the appropriate USAID logo.

2. None of the radios viewed at schools and government offices visited were branded with the appropriate USAID logo. The deputy chief of party explained that while radios were branded under the preceding Teacher Training via Radio Program, it appeared that this was not the case for the 7,600 Sonic Star cassette radios distributed under the Road to Reading Program.

3. EDC business cards prominently featured the USAID logo next to the program logo. It would be difficult for outsiders to determine if the individual was working on a USAID-funded activity or if the individual was a USAID employee.

4. Although administrators, teachers, and students interviewed were all very excited about the radio program and hoped for it to continue, only 1 student out of about 200 interviewed was able to identify the American people as the sponsor. Some teachers were not certain about the sponsor and admitted that they had not relayed the information to the students.

These omissions can be attributed to the lack of an approved branding implementation plan and the failure of USAID/Mali personnel to recognize the problem. The risk exists that the objectives of furthering U.S foreign policy in Mali will not be achieved and that neither the U.S. Government nor the American people will receive credit for providing public resources in Mali. To ensure that USAID contributions are known to the people of Mali, this audit makes the following recommendation.

Recommendation No. 9: We recommend that USAID/Mali require partners to implement branding plans and take the necessary steps to ensure adherence to USAID branding guidelines.

USAID/Mali Has an Excessive Pipeline

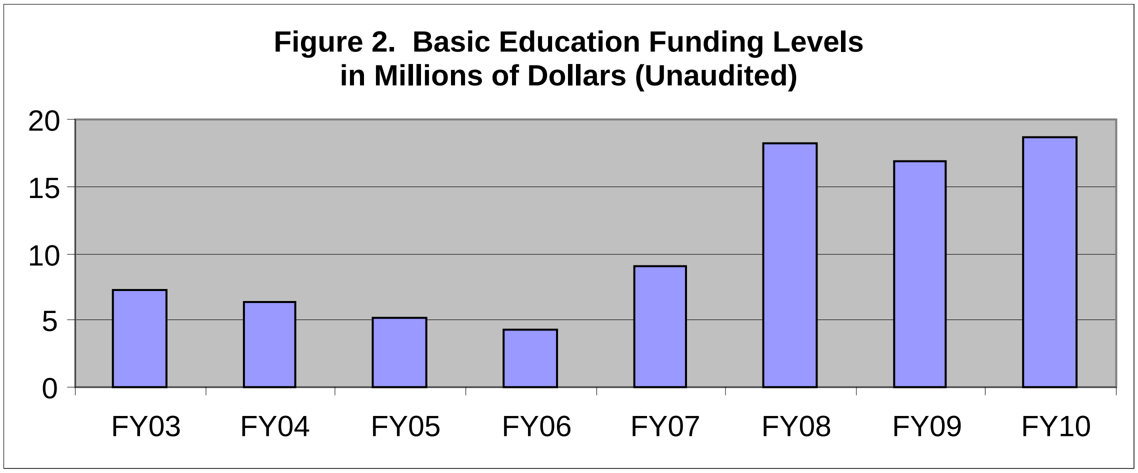
Summary: USAID policy states that, with some exceptions, missions should not forward fund obligations for more than 12 months beyond the end of the fiscal year in which the obligation takes place. USAID/Mali’s education program exceeded the forward funding limitation by $16.4 million at the end of FY 2009, and this amount is expected to increase by the end of FY 2010. This occurred because the mission has recently received large increases in funding. In addition, the development of additional programs has been delayed, and current programs are starting more slowly than anticipated. As a result, funds that could have been used for more pressing needs will continue to remain idle.

Funding decisions by USAID/Mali must comply with the directives and required procedures in ADS 602, *Forward Funding of Program Funds*. More specifically, ADS 602.3.2 states that program managers, with some exceptions, should not forward fund obligations for more than 12 months beyond the end of the fiscal year in which the obligation takes place. This restriction was established to create a balance between providing adequate funds for activities and the need to limit obligations to required needs. ADS 602.3.2 cites exceptions to this general rule, as described in ADS 602.3.3 and ADS 602.3.5, and some of these exceptions may apply to portions of USAID/Mali's education program.

According to the mission, as of September 30, 2009, the education program exceeded its funding limit by more than $16.4 million. The forward funding violation will likely be even greater in FY 2010 because the education program is expected to spend only $12 to $15 million, which leaves an unused balance of $4.4 to $1.4 million. This amount, in addition to the $16.9 million received during FY 2009, will result in a forward funding violation of $18.3 to 21.3 million by the end of FY 2010 (excluding the impact of possible exceptions). As a result, funds that could be used for more pressing needs will continue to remain idle.

During USAID/Mali's most recent portfolio implementation review in January 2009, the mission noted that "it is essential that the education program's pipeline issues be understood in the context of these program mortgages." To address this concern, the team was to publish an annual program statement to solicit ideas for additional spending of up to $4 million during FY 2009. The operational plan prepared in May 2009 reiterated that the mission was in the process of developing education programs to absorb higher resource levels. In addition, the Road to Reading Program is structured to be able to absorb budget increases by expanding resources aimed at improving literacy in Mali, while the Education Decentralization Program and the Shared Governance 2 Program are structured to be able to adjust school construction activities in response to shifting budgets.

Despite early awareness of this situation, the development of additional programs has been delayed, and current programs are starting more slowly than anticipated, as explained earlier in this report. The pipeline has increased because while USAID/Mali's education budget has risen significantly, its expenditures have failed to keep pace with this dramatic funding growth. The education team added that during FY 2006, planned activities actually had to be scaled down because of lack of funds. Given the unpredictability of education funding in recent years, as shown in figure 2, it has been a challenge to maintain the balance between receiving and spending funds.



The mission further explained that it was hesitant to deobligate excess obligations because any deobligation of funds would result in a commensurate shortfall to complete the programs, which would force the mission to scale back and/or drop current or planned activities supporting high-profile objectives. This would lead to a deterioration of USAID/Mali's relationship with the host government and its partners, as the mission is committed to full implementation of the approved programs.

In response to the growing pipeline and the observations made by the new controller and the audit team, the mission decided to rely on ADS 602.3.3, which allows directors to approve exceptions to forward funding requirements. This exception memo, signed on October 9, 2009, noted that USAID/Mali exceeded the forward funding guidelines by more than $36 million (of which $16.4 million pertains to education). While this action puts the mission in compliance with ADS, the mission must take action to ensure that the problem is not repeated in the future, and the mission must be realistic about the severity of the problem. The waiver optimistically estimated that the excessive pipeline for the education program should be entirely rectified by the end of FY 2011. However, based on the projected increase in excess funds, the mission's estimate may be overly optimistic.

Recommendation No. 10: We recommend that USAID/Mali develop a realistic, multiyear education program budget to ensure that future activities are carefully planned to reduce the existing and projected pipeline and ensure compliance with the Agency's forward funding regulations. The budget should include a realistic assessment of historical and future expenditures, the time required to complete procurement actions, and the risk of unanticipated implementation delays.

EVALUATION OF MANAGEMENT COMMENTS

USAID/Mali agreed with most of the recommendations in the draft report. In preparing the final report, the Regional Inspector General/Dakar (RIG/Dakar) considered management's comments and clarified its position for the recommendations with which the mission did not agree. Based on management's comments, we have deleted recommendation no. 1 from the audit report and have renumbered the recommendations in the report. The evaluation of management comments is summarized below.

For recommendation no. 1, USAID/Mali disagreed with the recommendation, pointing out that a revision to the agreement was not necessary since provision C.1 of the agreement already makes reference to requirements for the retention of records.

There was obviously a misunderstanding as both a staff member on the education team and the acquisitions and assistance specialist stated that such provisions were not included because it was a cooperative agreement, not a contract. In reviewing the agreement again, we noted that the requirements for the retention of records was embedded in provision C.1. Therefore, we agree with management's response and have deleted this recommendation from the audit report.

For recommendation no. 2, USAID/Mali disagreed with the recommendation, stating that the auditors met with the Academy for Educational Development (AED) project chief of party but did not contact AED headquarters, and that all original records were maintained at its headquarters office in Washington, DC.

RIG/Dakar would like to clarify that during the audit, documentation was requested repeatedly from AED in Mali. The AED chief of party stated several times that the documentation had been destroyed and, therefore, could not be provided. At no time during the audit, which lasted more than 4 months from the time of the entrance conference on September 28, 2009, to the receipt of management's comments on February 1, 2010, was there any mention of records being retained at AED's main office. The chief of party represents the implementing partner; RIG/Dakar had no need or reason to contact any other AED personnel. In conducting fieldwork, an audit team expects to receive either the documentation requested or a reason why it cannot be provided. The AED chief of party is the highest-ranked person at AED in Mali and oversees the $4.5 million agreement, and his responsibilities include providing the auditors with requested documentation or reasons why it cannot be provided. Furthermore, in AED's response to the draft report, it stated that there may have been some confusion surrounding the term "backup" or "photocopy" of documentation which may have led the auditor to understand "original." We would like to clarify that there was absolutely no confusion or misunderstanding in what was requested from AED.

The audit fieldwork has been concluded and the report contains the audit results. RIG/Dakar does not know whether the documentation is adequate or how it would have affected the answer to the objective, and it cannot continue an audit indefinitely when and where the implementing partner decides to provide the requested documentation. AED and its representatives did not provide a complete or accurate response to the audit request during fieldwork, and the recommendation contains appropriate corrective action. Therefore, a management decision can be recorded when USAID/Mali and RIG/Dakar agree on a firm plan of action, with target dates, for implementing the recommendation.

For recommendation no. 3, USAID/Mali agreed with the recommendation and will make a determination on the allowability of the questioned costs by March 30, 2010. Also, EDC will complete an internal review to identify additional questioned costs by April 30, 2010. A management decision will be recorded for this recommendation when USAID/Mali makes a final determination on the allowability of the questioned costs.

For recommendation no. 4, USAID/Mali agreed with the recommendation. The Education Development Center (EDC) has developed and provided guidelines and procedures for the government district offices to ensure that per diem payments are properly monitored for the Road to Reading Program. However, EDC did not develop or provide any procedures for its financial analysts (from its office in Mali) who prepare the training budgets for the program. As discussed with EDC during the audit, the process for preparing and analyzing the training budget needs improvement. A management decision will be recorded for this recommendation when USAID/Mali provides RIG/Dakar with a firm plan of action, with target dates, for implementing the recommendation.

For recommendation no. 5, USAID/Mali agreed with the recommendation and has plans to conduct data quality assessments and review all indicators by September 2010. Accordingly, a management decision has been reached for this recommendation.

For recommendation no. 6, USAID/Mali has taken final action on this recommendation. USAID/Mali has developed an Education Team Monitoring and Evaluation Plan, which includes regular site visits and written reports. RIG/Dakar examined this plan and it adequately addresses the recommendation.

For recommendation no. 7, USAID/Mali has taken final action on this recommendation. The USAID/Mali Education Team Monitoring and Evaluation Specialist is taking the requisite training in Washington and the Deputy Team Leader is taking the online USAID University Course on “Foreign Assistance Monitoring and Evaluation.” These actions adequately address the recommendation.

For recommendation no. 8, USAID/Mali agreed with the recommendation and plans to finalize the final Education Decentralization Program performance management plan by February 2010. Accordingly, a management decision has been reached for this recommendation.

For recommendation no. 9, USAID/Mali has taken final action on this recommendation. USAID/Mali is working with the Education Development Center and the Ministry of Education to enforce the program’s contract and to minimize the broadcasting of other content. These actions constitute final action for this recommendation.

For recommendation no. 10, USAID/Mali has taken final action on this recommendation. The two implementing partners have submitted their branding plans to USAID/Mali. RIG/Dakar also reviewed these plans, and they adequately address USAID branding guidelines.

For recommendation no. 11, USAID/Mali has taken final action on this recommendation. USAID/Mali has developed a multiyear budget for educational activities from fiscal years 2010 to 2014. RIG/Dakar reviewed this budget, and it demonstrates awareness of USAID's funding regulations.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/Dakar conducted this 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 based on the audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective, which was to determine whether USAID/Mali's education program is achieving its main goal. We were unable to fully determine if the mission met its goals because of scope limitations. One of USAID/Mali's three key implementing partners violated record retention regulations and discarded or misplaced all relevant documentation, and the other two implementing partners either were unable to provide supporting documents or provided documentation that was inconsistent or flawed. These problems with program records made it difficult to reach any conclusions about whether the mission met its goals.

The audit covered the education activities under the mission's operational plan program element, "Basic Education." Audit fieldwork was conducted in Mali from September 28 to October 16, 2009, and focused on education activities performed during fiscal year (FY) 2008 and FY 2009. Specifically, the audit covered the three largest partners that implemented five activities, including all three activities that were responsible for almost all FY 2008 results. These partners were the Academy for Educational Development, the Education Development Center, and World Education Development. The audited activities are the Improved Quality of Education Program, Regional Action Plan – Decision Making Program, Teacher Training via Radio Program, Road to Reading Program, and Education Decentralization Program.

In conducting this audit, we reviewed and assessed the significant internal controls developed and implemented by the mission to manage and monitor the activities. The assessment included internal controls related to whether the mission (1) reviewed progress and financial reports submitted by the implementing partners, (2) conducted and documented periodic meetings with the implementing partners, (3) performed documented visits to the activity sites, and (4) developed and implemented policies and procedures to safeguard the assets and resources of the activities. In addition, we obtained an understanding of and evaluated (1) the FY 2008 and FY 2009 operational plans, (2) the FY 2008 and FY 2009 performance management plans, (3) the Federal Managers' Financial Integrity Act of 1982[3] to determine whether the mission prepared an assessment of its internal controls, (4) implementing partner agreements, (5) performance measures and indicators, (6) actual performance results, (7) data quality assessments, and (8) financial reports. We interviewed key USAID/Mali personnel and implementing partners, and conducted site visits in the Bamako, Segou, and Sikasso regions.

[3] Public Law 97-255, as codified in 31 U.S.C. 1105, 1113, and 3512.

Based on funding information provided by the mission on its education program, obligations totaled $27.2 million and disbursements totaled $11.8 million during FY 2008 and FY 2009.

Methodology

To answer the audit objective on achieving planned results, we selected all five of the Agency-standard performance indicators that the mission reported in its FY 2008 Performance Plan and Report. FY 2009 results were not yet available at the time of our fieldwork, and therefore we were unable to verify reported results.

For the five indicators, we attempted to validate performance results by comparing reported information with detailed documentation for all three of the implementing partners. However, the implementing partners were unable to provide sufficient evidence to support the reported results. We reviewed and analyzed other relevant documents at both the mission and the implementing partners' offices. This documentation included cooperative agreements, quarterly progress reports, performance management plans, annual work plans, progress and financial reports, and the mission's Federal Managers' Financial Integrity Act report for FY 2008. Those reviews were complemented by interviews with mission officials; the implementing partners' and subpartners' staff; the Regional Education Office directors; the District Education Office for Pedagogical Support directors; and principals, teachers, and students of schools visited.

As part of our data testing and other substantive procedures, we visited the offices of the Academy for Educational Development, the Education Development Center, World Education Development, and the National Ministry of Education in Bamako. We also visited 10 schools and 4 of the 10 medersas. These sites were located in Bamako and the regions of Sikasso to the south and Segou to the north of Bamako. At these sites, we attempted to perform various procedures, such as reviewing enrollment registers and training sign-in sheets and interviewing principals, teachers, and students. Finally, we reviewed a wide range of laws, regulations, and other official guidance. These included relevant portions of the USAID's Automated Directives System chapters and the Code of Federal Regulations.

MANAGEMENT COMMENTS

DATE: Friday, January 29, 2010

From: Paul Sabatine, Country Program Manager

To: Acting Regional Inspector General, Van Nguyen

Subject: Mission Comments on Audit of USAID/Mali's Education Program

Ref: Audit Draft Report No. 1-688-10-00X-P

The Mission would like to thank RIG/Dakar for this timely audit. USAID/Mali's Education Team has been working diligently to design, implement and monitor programs to assist the Government of Mali in its efforts to improve education in Mali.

As noted in the audit report, the Mission was aware in January 2009 of the pipeline issue and had plans to address this issue. Due to various factors, especially staff vacancies, the Mission was unable to follow through on these plans. In the past few months, the Education Team has hired new team members including a Deputy Team Leader who began in October 2009 during the audit field work. With the addition of these team members and with assistance of personnel from USAID/Washington, the Education Team has been moving ahead with the design of new programs and fully expects to resolve the pipeline issue.

We take exception to comments in the report that forward funding guidelines were contravened or otherwise violated by USAID/Mali. As is noted in the report, ADS 602.3.3 allows for exceptions to the forward funding guidelines, and USAID/Mali complied with one of the exceptions. Since the audit report acknowledges that USAID/Mali complied with an exception to the forward funding guidelines, it is difficult to understand how the audit report can at the same time state that USAID/Mali contravened or violated the guidelines. It is requested that these comments be changed.

The Mission fully expects several of the recommendations to strengthen the implementation of our overall program, particularly with respect to monitoring and data integrity. Stated below are our comments regarding each recommendation.

Recommendation 1. We recommend that USAID/Mali revise its agreements to include appropriate provisions requiring the maintenance and retention of records and establish a policy requiring this provision in all future agreements.

USAID/Mali disagrees with this recommendation. Revision of the agreement is not necessary since provision C.1 of the contract already makes all of 22 CFR 226 applicable, including the requirement for the retention of records at 226.53. Establishment of a policy is likewise not necessary insofar as the referenced provision in a standard provision in all agreements and is already automatically included.

Recommendation 2. We recommend that USAID/Mali reflect the Academy for Educational Development's failure to retain pertinent information regarding the project activities in the contractor's performance evaluation.

USAID/Mali disagrees with the finding that the Academy for Educational Development (AED) did not retain pertinent information regarding the project and consequently disagrees with this recommendation. AED states that all original technical, performance and financial documentation is available at AED headquarters in the United States. The Regional Action Plan – Decision Making Program implemented by AED was completed, and AED's local office handling that program had closed, prior to the audit. During the audit, the auditors met with the former AED project Chief of Party, but they did not contact AED itself. Subsequent to the receipt of the draft audit report, the Education Team contacted AED's offices in Washington.

The documentation that was destroyed were copies that were in Mali at the time the project closed. Original documentation was then and is still held by AED in the United States in accordance with applicable procedures.

Recommendation No. 3. We recommend that USAID/Mali (a) obtain adequate documentation from the Education Development Center for the $20,500 in unsupported questioned costs related to per diem payments or issue a bill for collection, (b) follow up with Education Development Center regarding its internal review to determine if additional amounts should be questioned and request a bill for collection for those amounts.

USAID/Mali agrees with this recommendation. USAID/Mali will make a decision on the allowability of the questioned costs after receipt of back-up documentation from Education Development Center (EDC) and appropriate follow-up with the EDP partner. The target date for making the determination on the allowability of these questioned costs is 30 March 2010. If questioned costs are found to be not allowable, a bill for collection will be issued. To date, EDC was able to provide receipts for payments of per-diem, but was still not able to provide related attendance lists. EDC has scheduled an internal review to identify eventual additional questionable amounts. This review is to be completed by 30 April 2010 and will be monitored by the USAID/Mali Financial Analysis Unit.

USAID/Mali will request closure of this recommendation once a final decision is made regarding allowability of costs and when questioned costs are refunded if confirmed not allowable.

Recommendation No. 4. We recommend that USAID/Mali verify that the Education Development Center established adequate controls over the Road to Reading Program's per diem payments.

USAID/Mali agrees with this recommendation. EDC has developed guidelines to ensure that per diem payments are properly documented, and particularly that attendance to the workshop is well monitored and documented, as described in the attached EDC response. In addition, the USAID/Mali Financial Analysis Unit will conduct regular financial reviews of the Road to Reading program's files to ensure compliance of records with USAID regulations.

Recommendation No. 5. We recommend that USAID/Mali conduct expanded Data Quality Assessments, including a thorough review of data validity and reliability for all standard and customized performance indicators.

USAID/Mali agrees with this recommendation and has started to assess data quality. In addition, partners of USAID/Mali have already provided a calendar for their Data Quality Assessment (DQA) as part of their PMP.

Four standard indicators related to the PHARE project were assessed in November during a monitoring visit of the project. PHARE will conduct its initial Data Quality Assessment in May 2010.

The other three standard indicators are related to the Education Decentralization Program which has not yet started its activities on the ground. Those will be evaluated as soon as related activities are implemented. To the exception of three indicators scheduled for January 2011, all EDP indicators (standard and customized) will be assessed by September 2010.

The data quality of all USAID/Mali Education program indicators will be assessed by the 30th of September 2010, as indicated in Education Program Management Plan.

USAID/Mali will request closure of this recommendation when the Data Quality Assessment for all standard and customized indicators will be completed.

Recommendation No. 6. We recommend that USAID/Mali require a written site visit report to document the purpose and the results of each visit and specify that each site visit include the confirmation of data validity and reliability, when possible.

USAID/Mali agrees with this recommendation. The site visit report template was reviewed by the team to integrate a wider range of quantitative and qualitative data to be integrated during site visits, including Data Quality Assessment. An Education Team

Monitoring and Evaluation plan was designed and plans for regular site visits for which written reports are required.

Recommendation No. 7. We recommend that USAID/Mali schedule the Monitoring and Evaluation Specialist for the Certificate Course in Monitoring and Evaluation scheduled for January to March 2010.

USAID/Mali agrees with this recommendation. The Education Team Monitoring and Evaluation Specialist is currently on training at USAID/Washington on monitoring and evaluation, and the Deputy Team Leader is taking the online USAID University Course on "Foreign Assistance Monitoring and Evaluation."

USAID/Mali requests closure of this recommendation.

Recommendation No. 8. We recommend that USAID/Mali work closely with its implementing partner to finalize the Performance Management Plan for the Education Decentralization Program.

USAID/Mali agrees with this recommendation. The Education Decentralization Program Performance Management Plan (PMP) was reviewed by the USAID Education Team and sent back to AED with the USAID comments for finalization. The EDP monitoring and evaluation specialist was hired on January 1st, and short term technical assistance was brought in to work with local consultants to respond to Mission feedback on the initial PMP submission. The PMP was finally re-submitted to USAID on January 18, 2010, and is attached to this document. USAID will provide final feedback to EDP by the end of January 2010, and the document will be finalized by the 12th of February 2010.

USAID/Mali will request closure of this recommendation when EDP PMP is finalized and approved.

Recommendation No. 9. We recommend that USAID/Mali engage in dialogue with Education Development Center and the Ministry of Education to (a) enforce the program's contract with the radio stations and (b) minimize the broadcasting of other content.

USAID/Mali agrees with this recommendation. USAID/Mali and PHARE are regularly advocating for ORTM to minimize the broadcasting of other content, and PHARE is putting in place a systematic monitoring program that will give accurate information about the broadcasting regularity. However, the ultimate solution is the dedicated radio channel which the Ministry of Education is working to put in place and over which it will have full control. We are actively supporting the Ministry's inter-sectoral committee, and the radio channel has been included in the proposed narrative and funding drafts for USAID/Mali's next three years Education Sector Investment Plan (PISE).

Insofar as the recommended dialogue with Education Development Center and the Ministry of Education is already under way, USAID/Mali requests closure of this recommendation.

Recommendation No. 10. We recommend that USAID/Mali require partners to implement branding plans and take the necessary steps to ensure adherence to USAID branding guidelines.

USAID/Mali agrees with this recommendation. Both EDC/PHARE and AED/PRADDE-PC have submitted their branding plans (attached), and they adhere to USAID branding guidelines. USAID/Mali has included the verification of branding requirements in its monitoring tools. The implementation of partners branding plans will therefore be monitored during each USAID monitoring visit.

USAID/Mali requests the closure of this recommendation.

Recommendation No. 11. We recommend that USAID/Mali develop a realistic, multiyear education program budget to ensure that future activities are carefully planned to reduce the existing and projected pipeline and ensure compliance with the Agency's forward funding regulations. The budget should include a realistic assessment of historical and future expenditures, the time required to complete procurement actions, and the risk of unanticipated implementation delays.

USAID/Mali agrees with this recommendation. The Education Team is currently developing two new programs which will progressively resolve the pipeline issue. The "Out-of-School Youth" program is being developed in cooperation with the USAID/Mali Accelerated Economic Growth Team and is due to start in May 2010 with an estimated budget of $12,500,000 under the Development Assistance program, and $12,500,000 under the Accelerated Economic Growth program. The program will be procured under EQUIP 3 Indefinite Quantity Contract (IQC), and an assessment and project design activity is already scheduled in February 2010.

Out-of-School Youth	FY10	FY11	FY12	FY13	FY14
Education	$1,000,000	$2,500,000	$3,000,000	$3,000,000	$3,000,000
AEG		$3,000,000	$3,500,000	$3,000,000	$3,000,000
Total	$1,000,000	$5,500,000	$6,500,000	$6,000,000	$6,000,000

The "Basic Education Level 2" program should start in July 2010 and the anticipated budget for this activity is $25,000,000, with an important portion of the budget being absorbed in FY12 and FY13 in an ambitious school building / renovation and equipment provision activity.

2nd Level of Basic Education	FY10	FY11	FY12	FY13	FY14
Total budget	$2,000,000	$8,000,000	$5,000,000	$5,000,000	$5,000,000

This will gradually reduce the pipeline over the next three years as indicated in the following table:

	FY10	FY11	FY12
Total available for FY	$37,200,539	$34,207,539	$27,063,606
Total estimated expenditure	$20,286,288	$30,143,933	$26,563,933
Anticipated Pipeline at FY End	$16,914,251	$4,063,606	$499,673

USAID/Mali's Standard Education Indicators for FY 2008 and FY 2009 (Unaudited)

Indicator	FY 2008		FY 2009	
	Target	Reported Result	Target	Reported Result
Number of learners enrolled in U.S. Government-supported primary schools or equivalent non-school-based settings	269,425	274,497	190,050	77,960
Number of teachers/educators trained with U.S. Government support	5,412	5,908	12,960	19
Number of parent-teacher association or similar "school" governance structures supported	865	932	40	0
Number of adult learners enrolled in U.S. Government-supported schools or equivalent non-school-based settings	4,508	5,141	0	0
Number of administrators and officials trained	1,383	1,636	6,975	509

USAID/Mali's Education Custom Indicators for FY 2008 (Unaudited)

Result Statement	Performance Indicator	Activity	2008	
			Target	Actual
SO: The quality of basic education for boys and girls improved in target schools to increase learning outcomes	Percentage of target schools considered "quality schools"	AQEE	80%	94%
	Percentage of target schools considered "effective schools"	AQEE	90%	97%
IR #1: Better-performing teachers in grades 1–6	Percentage of teachers in target schools using child-centered pedagogical methods	AQEE	95%	94%
		FIER	85%	84%
	Number of pre-service teachers trained	AQEE + FIER	1,606	2,021
	Number of in-service teachers trained	AQEE + FIER	4,905	5,258
	Number of learners benefiting from instructional radio broadcasts	FIER	115,000	116,342
	Percentage of schools that are members of an "operational" community of learning	AQEE	95%	95%
	Number of supervisors trained	AQEE	80	210
		FIER	825	831
IR #3: Better supported and managed schools	Percentage of target schools that have a functional school management committee or parents of students association managing the school	AQEE	85%	95%
	Number of functional literacy centers	AQEE	140	143
	Number of civil society organization members trained	AQEE	7,806	7,806
	Percentage of target schools that have executed 80% of activities within a realistic annual school quality improvement plan	AQEE	92%	99%
	Number of school projects implemented	AQEE	8,400	9,637
IR #4: Improved capacity of regional and local education offices	Level of budget execution of Regional Action Plans	RAP-DM	41%	60%
	Percentage of Regional Action Plans meeting quality standards	RAP-DM	95%	100%
	Number of administrators trained	RAP-DM	3,500	3,956

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