



Office of Inspector General

June 7, 2013

MEMORANDUM

TO: Kent Kuyumjian, Acting Chief Financial Officer
Office of the Chief Financial Officer

FROM: Nathan S. Lokos, Acting Director /s/
Performance Audits Division, Office of Inspector General

SUBJECT: Review of USAID's Partner-Country and Local Organization Assessments Under
Implementation and Procurement Reform (Report No. 9-000-13-003-S)

This memorandum transmits our final report on the subject review. In finalizing the report, we considered your comments and included your response in Appendix II.

The report contains seven recommendations to help strengthen the implementation of USAID's assessments of partner-country institutions under Implementation and Procurement Reform. Management decisions have been made on all seven recommendations. Please provide the Audit Performance and Compliance Division with evidence of final action to close the open recommendations.

Thank you for the cooperation and courtesy extended to us during the review.

SUMMARY

In August 2010, USAID introduced its reform agenda, USAID Forward, to transform the Agency through new partnerships, innovation, and greater emphasis on results. The reform agenda aligns with U.S. foreign policy guidance expressed in the President's Global Development Policy, which emphasizes sustainable development and country ownership and responsibility. USAID Forward was developed through the 2010 Quadrennial Diplomacy and Development Review and contains seven reform initiatives, including implementation and procurement reform (IPR).¹

The premise of IPR is that establishing implementation mechanisms to engage directly with partner governments and civil society is a key factor in achieving permanent and transformational development results. IPR and U.S. development policy reflect broader aid effectiveness principles. Since March 2005, international forums—the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and the Busan Partnership for Effective Development Co-operation—have outlined the donor community's commitments to improving aid effectiveness.

Most recently, donors at the 2011 Busan meeting committed to considering partner-country systems as a first option in implementing development assistance, thereby promoting partner-country ownership of development efforts. In this vein, the first two objectives of IPR seek to improve aid effectiveness and sustainability by strengthening the capacity of partner countries and local organizations to deliver development results. By 2015, USAID anticipates implementing up to 30 percent of its program funds through partner-country systems² and local organizations.³

This review gauges USAID's performance in assessing and managing the risks associated with IPR Objectives 1 and 2. Specifically, it examines USAID's efforts in assessing public financial management systems of partner countries to determine the suitability of using those systems for implementing USAID-funded assistance. The review also assesses the use of USAID's preaward survey tool to determine whether local organizations have sufficient financial and managerial capacity to manage USAID funds. The summary results of our review of Objective 1 are presented below, and the summary results related to Objective 2 start on page 3.

IPR Objective 1. The first objective of IPR focuses on strengthening partner-country capacity to improve aid effectiveness and sustainability and increasing use of reliable partner-country systems and institutions. Before using these, USAID is required to assess them using the Public Financial Management Risk Assessment Framework (the framework),⁴ a tool developed by USAID's Office of the Chief Financial Officer (CFO). The framework encompasses five stages, starting with Stage 1 Rapid Appraisal, which examines country-level fiduciary risk and political

¹ USAID changed the name of this initiative from IPR to Local Solutions in April 2013.

² Partner-country systems are arrangements and procedures for public financial management (the chain of activities related to budget execution), procurement, internal and external audit, and human resources.

³ USAID may also count the amount implemented through partner-country systems from pooled funding arrangements with bilateral or multilateral organizations and Development Credit Authority guarantees when the recipient is a local organization.

⁴ USAID provides direct assistance to Afghanistan, Pakistan, and other countries subject to the Agency's Automated Directives System Chapter 220, which gives them 3 years to comply with the framework.

or security factors that exacerbate fiduciary risk.⁵ Stage 2 Risk Assessment identifies fiduciary risk at ministries, departments, agencies, or subnational units of government and, as appropriate, proposes measures to mitigate those risks. Stages 3 through 5 address project design, bilateral agreement, and implementation.

We answered the following three questions related to Objective 1:

1. Do the Stage 1 rapid appraisals provide a high-level snapshot of fiduciary risks associated with use of partner-country public financial management systems and help inform decisions about whether to undertake a more rigorous, formal Stage 2 risk assessment?

We found that 23 of 24 Stage 1 rapid appraisals from the 24 missions reviewed provided a high-level snapshot of fiduciary risks associated with the use of partner-country public financial management systems and helped inform decisions on whether to undertake a more rigorous, formal Stage 2 risk assessment. USAID/South Africa's Stage 1 rapid appraisal was the only exception; the appraisal report understated risks.

2. Do the Stage 2 risk assessments provide a reasonable basis for deciding whether to use partner-country public financial management systems?

We found that the risk assessments did not always provide a reasonable basis for deciding whether to use partner-country systems. Of 34 risk assessments from seven missions we reviewed, 16 of USAID/Ghana's assessments and 1 assessment by USAID/Peru's did not provide a reasonable basis.⁶ However, the remaining 17 risk assessments from the other five missions provided a reasonable basis for using partner-country public financial management systems.

3. Were risk mitigation measures developed and implemented when appropriate?

We found that all seven missions that performed Stage 2 risk assessments had developed risk mitigation measures. While two countries (Peru and Jordan) had begun to implement the measures, the rest were not yet at the implementation stage.

In reviewing USAID's implementation of the early stages of the framework, we noted two areas for improvement—oversight, and policy and guidance:

1. USAID did not sufficiently establish oversight roles for the assessment process (page 5). CFO's Global Partner Country Systems Risk Management Team exerted little quality control over the rollout of the Stage 2 process. As a result, the quality of Stage 2 risk assessments varied. For example, USAID/Ghana's Stage 2 assessments related to the Resiliency in Northern Ghana Project lacked rigor and did not provide a reasonable basis for using partner-country systems.

⁵ Fiduciary risk is the danger that funds allocated from the budget may (1) lack proper control, (2) be used for purposes other than those intended, or (3) produce inefficient or uneconomic programmatic results.

⁶ The seven missions whose risk assessments we reviewed were Bangladesh (1), Ghana (18), Jordan (1), Moldova (1), Peru (1), Rwanda (10), and Tanzania (2). They were the only countries in our review with Stage 2 risk assessments; we reviewed all assessments completed as of August 7, 2012, for these seven countries.

2. Assessment guidance did not effectively address three key issues (page 7). They were (1) the relationship between project design and the assessment process and how these inform one another, (2) consideration of the technical capacity of the proposed entity to implement the specific type of program, and (3) the appropriate type and extent of testing in Stage 2 risk assessments, as well as documentation of that testing. As a result, the assessments varied greatly in the extent to which they addressed those three areas.

To address these issues we recommend that:

1. CFO, in coordination with USAID/Ghana, (1) conduct an onsite review of USAID/Ghana's implementation of the Public Financial Management Risk Assessment Framework for the Resiliency in Northern Ghana Project to confirm that all material risks were identified and effective mitigation measures developed and (2) implement procedures to verify that all future Stage 2 assessments comply with framework guidance (page 7).
2. CFO review and approve updates to the USAID/South Africa Stage 1 appraisal to verify that fiduciary risks are clearly identified and assessed (page 7).
3. CFO revise Automated Directives System (ADS) Chapter 220 and Stage 1 and Stage 2 guidance to assign a more active oversight role to the Global Partner Country Systems Risk Management Team, including applying additional quality assurance controls over the assessment process (page 7).
4. CFO, in coordination with the Bureau for Policy, Planning and Learning, revise ADS Chapter 220 and Public Financial Management Risk Assessment Framework guidance to explain how the framework and project design relate to one another (page 9).
5. CFO, in coordination with the Bureau for Policy, Planning and Learning, revise ADS Chapter 220 and Public Financial Management Risk Assessment Framework guidance to elaborate on how technical capacity evaluations should be used to inform the Public Financial Management Risk Assessment Framework (page 9).
6. CFO revise Stage 2 guidance to describe the importance and types of public financial management testing and require missions to document the type and extent of testing performed in Stage 2 assessments (page 10).
7. CFO verify that USAID/Peru updates its Stage 2 assessment of the Regional Government of San Martin by testing relevant areas of public financial management to determine the effectiveness of system operations and internal controls, identify risks and modify its risk mitigation plan as appropriate, and maintain supporting documentation for all testing performed to demonstrate due diligence in accordance with ADS Chapter 220 (page 10).

IPR Objective 2. We also reviewed USAID's efforts under Objective 2 to strengthen local civil society and private sector capacity to improve aid effectiveness and sustainability. Specifically, we examined the use of one of the Agency's local capacity development tools under Objective 2, the Non-U.S. Organization Pre-Award Survey. The preaward survey instrument was developed to facilitate a responsibility determination⁷ for any non-U.S. nongovernmental

⁷ A determination that a local organization "has the capacity to adequately perform on the award in accordance with the principles established by USAID and the Office of Management and Budget" (ADS 303.3.9, "Pre-Award Responsibility Determination.")

organization being considered for a USAID grant or cooperative agreement. According to Agency guidance, the preaward survey helps determine whether the local organization's financial management and internal control systems are adequate to manage, control, account for, and report on the uses of potential USAID funds, thus protecting the U.S. Government's interests.

We answered the following two questions related to Objective 2:

1. Did missions conduct the Non-U.S. Organization Pre-Award Survey in accordance with applicable guidelines, and did the survey serve its purpose of facilitating a responsibility determination for any non-U.S. nongovernmental organization or the eligibility of an organization when competition was limited to local entities?

We found that all four missions—Armenia, Philippines, Rwanda, and South Africa—had conducted the survey in accordance with applicable guidelines and that the survey had facilitated a responsibility determination.

Those who evaluated partner-country systems said the preaward survey tool was generally a useful, standardized method for reviewing the adequacy of an organization's financial and managerial capacity and facilitating a responsibility determination.

2. Were risk mitigation measures developed and implemented when appropriate?

We found that all four missions had developed risk mitigation measures. Two missions (Rwanda and South Africa) had implemented risk mitigation measures. The other two missions (Armenia and Philippines) were not yet at implementation stage.

Detailed results follow, and the scope and methodology appear in Appendix I. Management comments will appear in Appendix II, and our evaluation of management comments is included on page 11 of the report.

REVIEW RESULTS

USAID Did Not Sufficiently Establish Oversight Roles for Assessments

Management officials entrusted with public resources are responsible for carrying out public functions effectively, efficiently, and economically. According to ADS Chapter 220, “Use of Reliable Partner Country Systems for Direct Management and Implementation of Assistance,” CFO is responsible for supporting missions and controllers in the application of the Public Financial Management Risk Assessment Framework and establishing and overseeing the Global Partner Country Systems Risk Management Team (risk management team).⁸ In turn, the risk management team must assure quality control for risk assessments conducted under the framework, monitor the use of the partner-country systems, review the due diligence conducted by the teams that evaluated partner-country systems (assessment teams), and ensure that USAID’s training programs related to use of the framework and related policies are current and effective.

CFO was heavily involved in Stage 1. After completing pilot rapid appraisals in three countries, the office issued the first draft of the Stage 1 guidance. In addition, CFO participated directly on the Stage 1 assessment teams. All but two of the mission-completed Stage 1 appraisals reviewed by the Office of Inspector General (OIG) had CFO representation on the assessment teams. Most missions reported that CFO participation on the teams was invaluable; CFO was able to provide guidance and feedback throughout the process, ensuring that the team focused on significant issues and helped develop mission capacity. CFO was generally proactive in incorporating lessons learned into subsequent revisions to the Stage 1 guidance.

In contrast, CFO had relatively limited involvement in rolling out Stage 2 of the assessment process. Risk assessments were not piloted, nor was Stage 2 guidance issued in a timely manner according to the timeline shown in Appendix IV. Although CFO was available for assistance remotely, CFO staff members did not participate on the Stage 2 assessment teams as they had for Stage 1. The draft Stage 2 questionnaire was issued in August 2010, but it lacked accompanying guidance. ADS Chapter 220 guidance was issued in August 2011; however, the information it contained regarding the Stage 2 assessment process was too general and of limited use for missions conducting the Stage 2 assessments. Several missions commented on the need for better guidance and support for Stage 2.

We noted the following weaknesses, all of which stemmed from the absence of CFO involvement and insufficient guidance:

- The Stage 2 assessments were completed entirely by mission staff or contractors. Their varying levels of expertise and experience resulted in assessments of varying quality. Although Stage 2 assessments were initiated as early as June 2011, according to CFO, the first mission-completed Stage 2 assessment that complied “in letter and spirit” was not completed until early 2013.

⁸ Throughout this report CFO refers to the risk management team.

- The initial Stage 2 risk assessments completed by USAID/Ghana—one of the first missions to perform them—had significant weaknesses. USAID/Ghana used a local contractor to complete 15 risk assessments for the Resiliency in Northern Ghana Project, but these assessments of 15 districts lacked rigor to support conclusions about relevant areas of public financial management and did not provide a reasonable basis for using partner-country systems. The mission performed an additional assessment of a regional council related to the project, but it also lacked rigor. Further, the mission decided to conduct “mini-assessments” to supplement the contractor’s work, but the additional work did not clearly demonstrate sufficient testing of the contractor’s conclusions. The contractor- and mission-performed assessments and some of the supplemental work were completed before issuance of detailed Stage 2 guidance. The Stage 2 questionnaire was available at the time, but its application in conducting the assessments was not understood by the mission or contractor.
- Although CFO intended for missions to customize the Stage 2 questionnaire by completing only those parts of the questionnaire relevant to the public financial management risk associated with the proposed project and entity, several missions inadvertently completed the questionnaire in its entirety, spending unnecessary time and resources.
- Because of scheduling conflicts, USAID/South Africa decided to conduct the Stage 1 appraisal without CFO representation on the assessment team. This lack of CFO participation, combined with the lack of comprehensive guidance available at the time—the appraisal was conducted in April 2011, but ADS Chapter 220 was not issued until August 2011—contributed to confusion over the Stage 1 process. Moreover, the assessment team did not adequately vet the Stage 1 report before sending it to CFO. Consequently, USAID/South Africa produced a Stage 1 appraisal that was not satisfactory: the report understated certain fiduciary risks associated with the use of the country’s public financial management systems.

CFO exerted little quality control over the rollout of the Stage 2 process because the CFO staff was fully engaged in providing assistance to missions for the concurrent Stage 1 appraisals and in drafting ADS and Stage 1 guidance. CFO officials said their team was understaffed by at least two positions when the process was initiated. Officials also explained that since USAID’s administration was strongly pushing for increased Agency-wide government-to-government assistance, the assessment framework had to be constructed while it was being deployed. CFO told missions not to wait for guidance to be issued before proceeding to Stage 2. Missions were required to comply with the draft ADS Chapter 220 guidance and were encouraged to use the Stage 2 questionnaire, but the draft ADS Chapter 220 was not clear on Stage 2 requirements. Without accompanying guidance and direction by CFO, the Stage 2 questionnaire was widely misunderstood.

Another complication is that ADS lacks detail on CFO’s obligation to provide oversight. Although ADS Chapter 220 makes CFO responsible for quality control, CFO officials describe their role as that of a “helpdesk,” meaning that missions must solicit their assistance. Further, the guidance is not clear on what reviews and clearances CFO needs to provide during the assessment process. Therefore, CFO officials are not confident that missions are submitting all relevant documents to CFO for review and clearance. Moreover, ADS Chapter 220 does not grant explicit authority to CFO to continue or stop the assessment process. OIG observed that CFO did not clearly flag issues related to the Ghana Stage 2 assessments.

Although OIG notified USAID/Ghana and USAID/South Africa of the above weaknesses, and CFO has reported progress—namely that more Stage 2 work has been done, formal framework training has been initiated, and the quality of the assessments has improved—we make the following recommendations to be sure corrective actions are satisfactorily completed in USAID/Ghana and USAID/South Africa and to strengthen CFO quality control over the assessment process.

Recommendation 1. *We recommend that the Office of the Chief Financial Officer, in coordination with USAID/Ghana, (1) conduct an onsite review of USAID/Ghana’s implementation of the Public Financial Management Risk Assessment Framework for the Resiliency in Northern Ghana Project to confirm that all material risks were identified and effective mitigation measures developed and (2) implement procedures to verify that all future Stage 2 assessments comply with guidance for the Public Financial Management Risk Assessment Framework.*

Recommendation 2. *We recommend that the Office of the Chief Financial Officer review and approve updates to the USAID/South Africa Stage 1 appraisal to verify that fiduciary risks are clearly identified and assessed.*

Recommendation 3. *We recommend that the Office of the Chief Financial Officer revise Automated Directives System Chapter 220 and Stage 1 and Stage 2 guidance to assign a more active oversight role to the Global Partner Country Systems Risk Management Team, including applying additional quality assurance controls over the assessment process.*

Assessment Guidance Did Not Effectively Address Three Key Issues

Controls over program operations include policies and procedures. Consequently, it is important that such policies and procedures be well designed and effective. ADS Chapter 220, “Use of Reliable Partner Country Systems for Direct Management and Implementation of Assistance,” provides policy directives and required procedures for determining the suitability of partner-country systems for implementing USAID-funded assistance. Subsequent guidance on the Public Financial Management Risk Assessment Framework provides further detailed procedures.

Despite the importance of having well-designed and effective policies and procedures, ADS Chapter 220 and the subsequent guidance for the Public Financial Management Risk Assessment Framework do not adequately address three key issues. Specifically, the policy and guidance do not explain how the framework fits within a broader project design context, do not adequately address technical capacity, and do not explain the importance of testing.

- The guidance is unclear about the relationship between project design and the framework for government-to-government projects and does not address how these two processes inform one another. Existing policy suggests that they are parallel processes.
- ADS Chapter 220⁹ states that missions should consider the technical capacity—i.e., expertise in technical areas such as health, education, and agriculture—of the proposed partner entity to implement the specific type of program being contemplated by USAID when

⁹ The revision of March 26, 2012.

planning both the rapid appraisal and the risk assessment. However, this statement does not appear sufficient; officials from several missions expressed the need for elaboration on how to integrate the technical capacity evaluation into the assessment process.

- ADS Chapter 220 and framework guidance do not explain the importance of testing public financial management systems in supporting conclusions about the suitability of partner-country systems. The guidance also does not describe appropriate types of testing or require that missions document the type and extent of testing performed in their Stage 2 assessments to support conclusions about the suitability of those systems.

ADS and framework guidance do not explain where the framework fits in the project design process because, at the time CFO began implementing the framework, the Bureau for Policy, Planning and Learning was simultaneously piloting Country Development and Cooperation Strategies, and coordination between the two offices was limited. These two Agency priorities were being implemented simultaneously, and CFO opined that any issue of coordination between the assessment and project design processes would work itself out at the mission level.

Furthermore, because the framework guidance was developed independently of the project design guidance, the framework guidance focuses solely on public financial management capacity without addressing the importance of evaluating technical capacity and how or when to use those evaluations to inform Stage 2 risk assessments.

Regarding testing, according to CFO, the conduct of assessments is intended to be a “mission-led and mission-driven process.” Therefore, CFO left it to the mission staff performing the assessments to determine what testing was needed and appropriate.

In the absence of clear guidance, the assessments varied greatly in the extent to which they addressed the three areas. Missions began assessments at various stages of project design, did not always consider technical evaluations when performing their Stage 2 assessments, and performed varying amounts of testing without explanation, ranging from very limited to adequate across relevant areas of public financial management.

- **Missions began assessments at various stages of project design, sometimes missing opportunities to tailor assessments.** Some missions began to implement the framework before having a clear strategy laying out the country’s development objectives and desired results. Missions noted challenges in reconciling the assessments with project design. USAID/Nepal noted that it was difficult planning and developing a framework strategy without a mission strategy that guided areas of focus. According to the mission, if it had first developed clear goals for each development sector, it would have been able to tailor assessments to entities it planned to work with. Performing assessments without a clear mandate or the prospect of government-to-government programming opportunities could result in a labor-intensive process that wastes time and resources.

Other missions, such as USAID/East Timor and USAID/Rwanda, described the benefits of having a Country Development and Cooperation Strategy in place and performing assessments and project design in a sequence that improves the utility of assessments. USAID/Rwanda recommended determining the development objective, the appropriate government institution to further the objective, and the type of instrument to be used before proceeding with a Stage 2 assessment. Without coordination between USAID offices in Washington at the outset and clear guidance about how these two processes inform one

another, missions interpreted and implemented framework guidance the best they could. Some missions were able to link the two processes, while other missions proceeded to Stage 2 of the framework without information concerning project design.

- **Missions did not consider technical capacity in all assessments.** Of the eight Stage 2 assessments completed after ADS Chapter 220 was revised,¹⁰ only two discussed the technical capacity of the partner-country entity being considered for USAID project funds. USAID missions expressed the need for more guidance on the coordination and timely involvement of technical offices in assessing and assuring the technical capacity of a partner-country institution. For instance, USAID/Peru noted that framework guidance focuses exclusively on administrative capacity, with little or no explanation of technical offices' due diligence. The mission's risk assessment focused on procurement, financial, and legal aspects of risk management but was not well coordinated with the relevant technical office. The mission later asked the technical office to assess whether the partner-country institution had a minimum acceptable standard of technical capacity in health program implementation. Without further guidance on the involvement of technical offices and the incorporation of technical capacity evaluations into the assessments, mission assessments may not include factors vital to the successful management and implementation of USAID-funded projects.
- **Missions performed varying levels of testing in Stage 2 risk assessments.** In reviewing 34 Stage 2 assessments, we noted that the type and extent of testing were often unknown, and that if testing was performed, it was very limited. For example, USAID/Peru's testing was limited to walk-throughs of the Regional Government of San Martin's public financial management systems to gain an understanding of them. Although USAID/Peru noted the use of professional judgment in the conduct of those assessments, the assessment team did not document its process or perform testing to determine the effectiveness of systems operations and internal controls. OIG notified USAID/Peru of the weaknesses described above. In contrast, USAID/Bangladesh described the type and extent of testing performed in relevant areas of public financial management to support its decision to proceed with the use of partner-country systems. Without adequate testing of relevant public financial management systems, uncertainty exists as to whether the partner-country institutions assessed have sufficient capacity to manage USAID-funded assistance.

To address these weaknesses, we make the following recommendations.

Recommendation 4. *We recommend that the Office of the Chief Financial Officer, in coordination with the Bureau for Policy, Planning and Learning, revise Automated Directives System Chapter 220 and Public Financial Management Risk Assessment Framework guidance to explain how the Public Financial Management Risk Assessment Framework and project design relate to one another.*

Recommendation 5. *We recommend that the Office of the Chief Financial Officer, in coordination with the Bureau for Policy, Planning and Learning, revise Automated Directives System Chapter 220 and Public Financial Management Risk Assessment Framework guidance to elaborate on how technical capacity evaluations should be used to inform the Public Financial Management Risk Assessment Framework.*

¹⁰ ADS 220 was revised and issued on March 26, 2012.

Recommendation 6. *We recommend that the Office of the Chief Financial Officer revise Stage 2 guidance to describe the importance and types of public financial management testing and require missions to document the type and extent of testing performed in Stage 2 assessments.*

Recommendation 7. *We recommend that the Office of the Chief Financial Officer verify that USAID/Peru updates its Stage 2 assessment of the Regional Government of San Martin by testing relevant areas of public financial management to determine the effectiveness of system operations and internal controls, identify risks and modify its risk mitigation plan as appropriate, and maintain supporting documentation for all testing performed to demonstrate due diligence in accordance with Automated Directives System Chapter 220.*

EVALUATION OF MANAGEMENT COMMENTS

USAID's Bureau for Management, which oversees CFO, has made management decisions on all seven recommendations. The bureau agreed with all of the recommendations and submitted planned actions and estimated dates for completion. The Audit Performance and Compliance Division of USAID's Office of the Chief Financial Officer will determine final action upon completion of the corrective actions. The Agency's written comments on the draft report are included in their entirety as Appendix II.

Recommendation 1. CFO and USAID/Ghana are planning their onsite review of all Stage 2 activity—including the Resiliency in Northern Ghana Project—to identify all material risks, develop effective risk mitigation plans to address those risks and support program design, and ensure overall compliance with the guidance. The onsite review will include CFO staff members to guide the process. Additionally, CFO has drafted a revision to ADS Chapter 220 to be finalized in August 2013; in conjunction with the release of the revised ADS Chapter 220, CFO is planning to revise Stage 2 guidance to include procedures to validate compliance of risk assessments with ADS Chapter 220. The target date for completion of these actions is December 2013.

In its comments, the bureau asked OIG to clarify that although we examined and found weaknesses in 16 of USAID/Ghana's assessments affiliated with the Resiliency in Northern Ghana Project, the mission used only 5 of those assessments to develop risk mitigation measures. We do not believe this clarification is necessary. We looked at all applicable Stage 1 appraisals and Stage 2 assessments, whether or not a mission chose to proceed further through the framework. Moreover, given the weaknesses found in those 16 assessments, the bureau's comment raises questions about basing risk mitigation plans on faulty assessments. Hence, we recommended an onsite review.

Recommendation 2. USAID/South Africa, with CFO staff, initiated a reassessment of the mission's Stage 1 rapid appraisal to include additional interviews and meetings with local officials and organizations. The updated Stage 1 report and supporting documents are in progress, with an anticipated completion date of December 2013.

Recommendation 3. CFO plans to revise both Stage 1 and Stage 2 guidance to include the scope, roles, and responsibilities of quality assurance for CFO. The revised guidance will also clarify mission roles and responsibilities in the assessment process. The target date for revising and finalizing the guidance is December 2013.

Recommendation 4. CFO and the Office of Policy, Planning and Learning collaborated on draft revisions to ADS Chapter 220 and ADS Chapter 201, "Planning," which includes the Agency's project design guidance. The integration of the framework in project design is addressed by modifications to both ADS chapters. For example, the revised version of Chapter 220 addresses the timing of Stage 1 appraisals and Stage 2 risk assessments to better coincide with a mission's Country Development and Cooperation Strategy and project design processes. Also, the revised ADS Chapter 220 presents in both narrative and visual form how the framework, project design, and implementation interrelate. Additionally, the revised ADS chapters include

detailed cross-references to each other. The target date for finalizing the guidance is December 2013. Furthermore, in February 2013, in an effort to help missions address issues related to coordinating government-to-government (G2G) project design and implementation, the Agency established the G2G Information Desk. Professionals representing USAID offices with experience and expertise in developing and implementing government-to-government projects staff the information desk.

Recommendation 5. To appropriately address the evaluation of the capacity of a proposed partner institution, CFO and the Policy, Planning and Learning Office reviewed guidance related to technical capacity analyses in ADS Chapters 101 and 220. Although technical analyses were previously considered optional, the integration of government-to-government activities and projects into mission programming makes them mandatory. The upcoming revisions of ADS Chapter 201 will require technical analysis as part of project design, and the draft revision of ADS Chapter 220 references this requirement in the context of government-to-government projects and activities. The target date for finalizing the guidance is December 2013.

Recommendation 6. CFO plans to revise both Stage 1 and Stage 2 framework guidance. Revisions to the Stage 2 guidance for risk assessments will include language describing the importance and appropriate use of testing, along with requirements for documenting the type and extent of testing performed. The target date for revising and finalizing the guidance is December 2013.

Recommendation 7. CFO and USAID/Peru discussed an approach to updating the mission's Stage 2 risk assessment for the Regional Government of San Martin. The mission will review its initial assessment and then include testing of relevant areas of public financial management to determine the effectiveness of systems operations and internal controls, identify risks and develop an appropriate risk mitigation plan, and maintain supporting documentation for testing to demonstrate due diligence. The target date for completing the update is December 2013.

While the bureau agreed with all seven recommendations, it did not agree with the assignment of Recommendations 1, 2, and 7 to the Office of the Chief Financial Officer. We would like to reiterate our rationale for the assignment of those recommendations. As noted in management comments, CFO's risk management team is responsible for quality assurance, including the consistent application of the Public Financial Management Risk Assessment Framework. An overriding observation stemming from USAID's experience in the application of the framework was the need for effective oversight. Therefore, we recommended that CFO designate a more active oversight role with additional quality assurance controls over the assessment process to its risk management team. Likewise, we addressed Recommendations 1, 2, and 7 to the Office of the Chief Financial Officer to work with the mission and empower the risk management team to exercise their responsibility to provide quality assurance concerning USAID/Ghana, USAID/South Africa, and USAID/Peru's conduct and application of the early stages of the framework. During the course of this review, we also communicated to those missions the problems found with their assessments, along with suggestions for improvement.

The bureau provided additional comments to be considered in preparing the final report. These comments were previously provided to the OIG review team by CFO in April 2013 and were considered and incorporated into the draft report as appropriate. These comments reappear in USAID's formal response, even though we addressed most of them in the draft report provided for comment.

SCOPE AND METHODOLOGY

Scope

OIG conducted this review in accordance with generally accepted government auditing standards. Specifically, we followed the general standards in Chapter 3 of *U.S. Government Auditing Standards* and documentation standards, Sections 6.79–6.83. We also complied with the government auditing evidence standard, Sections 6.56–6.59, and with the standards for developing elements of a finding, Sections 6.74–6.77. These standards require that we perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, in accordance with our objectives. We believe that the evidence obtained provides that reasonable basis.

The review objectives were to determine (1) whether USAID's assessments of partner-country institutions and local organizations under IPR served their purpose and informed USAID missions about the risks associated with implementing assistance through local entities and (2) whether risk mitigation measures were developed and implemented through the assessment process. The review covered the 24 USAID missions whose assessments were completed as of August 7, 2012 (listed in Appendix III).

OIG performed fieldwork from October 5, 2012, to March 27, 2013. The Performance Audits Division managed the review and conducted fieldwork in Washington, D.C., while our Regional Inspector General Offices performed fieldwork in San Salvador, Dakar, Pretoria, Cairo, and Manila.

Methodology

In planning and performing the review, we gained an understanding of the application of USAID's Public Financial Management Risk Assessment Framework and Non-U.S. Organization Pre-Award Survey by reviewing guidance and meeting with Agency stakeholders. We met with USAID officials in the Offices of the Chief Financial Officer, General Counsel, Acquisition and Assistance, and Democracy and Governance. We held meetings and interviews with mission officials as needed.

To answer our review objectives, we collected information from 24 USAID missions and examined, in accordance with applicable guidance, rapid appraisals and risk assessments under IPR Objective 1, and preaward surveys and awards made under IPR Objective 2. Specifically, for Objective 1, strengthening partner-country systems, we reviewed Stage 1 appraisals performed by all 24 missions and Stage 2 assessments completed by 7 of the 24 missions: Bangladesh, Ghana, Jordan, Moldova, Peru, Rwanda, and Tanzania. We also reviewed risk mitigation plans developed by these seven missions to determine whether they developed and implemented appropriate risk mitigation measures. For Objective 2, strengthening local civil society and private sector capacity, we reviewed the use of the preaward survey tool for awards made to local organizations by 4 of the 24 missions: Armenia, Philippines, Rwanda, and South Africa. In addition, we reviewed risk mitigation plans developed by these four missions to determine whether risk mitigation measures were developed and implemented as appropriate.

In addition to reviewing assessments and risk mitigation plans, we solicited and received feedback from assessment teams in all 24 missions on the guidance and processes for conducting assessments and using the preaward survey tool. We followed up with ten of those missions for further elaboration and context.

MANAGEMENT COMMENTS



May 23, 2013

MEMORANDUM

TO: OIG/A, Nathan S. Lokos, Acting Director, Performance Audits Division

FROM: A-AA/M, Angelique M. Crumbly /s/

SUBJECT: Bureau for Management Comments on the draft Report of the Review of USAID's Partner Country and Local Organization Assessment Systems under Implementation and Procurement Reform (Report no. 9-000-12-003-X) dated May 8, 2013

Thank you for the opportunity to provide comments on the draft USAID's Partner Country and Local Organization Assessment Systems under Implementation and Procurement Reform report.

Overall, we agree with the recommendations outlined in the report. We do not concur with the assignment of all recommendations to the Bureau for Management, Office of the Chief Financial Officer. We recommend those recommendations that require individual missions to take specific action be directed to the respective mission, as indicated in our responses below. As noted in ADS 220, the Mission Director/Principal Officer is responsible for the conduct of the Public Financial Management Risk Assessment Framework (PFMRAF). The Global Partner Country Systems Team in the office of the M/CFO has a quality assurance role, which includes ensuring consistent application of the PFMRAF. Fulfillment of these recommendations requires action by the individual missions and cooperation with other respective USAID stakeholders.

We all should be mindful of the history and the challenges faced by operating units and Missions as this new policy implementation tool was advanced to support implementation of a major change in policy direction for USAID. We also note that though the Agency is committed to rigorously assess risks through this process, the mechanisms and guidance in place continue to evolve.

- While we agree that 17 of the 34 assessments you reviewed did not meet the expected standard, we note that 16 of those come from a single Mission and the remaining one was completed prior to issuance of ADS 220 and related guidance. We request language be

revised to recognize that there appears to be a situation in a single Mission that will be corrected, rather than that half of all assessments do not meet expected standards.

- The text of Section II makes a strong case for strengthened tools to implement and oversee the PFMRAF process. A title that is more reflective of that case, such as “USAID Requires Strengthened Policy Tools,” would strengthen the document and contribute to our ability to obtain those tools.
- There is a paraphrase and quote at the bottom of page 5 that incorrectly implies that the first Stage 2 assessment completed to standard was in early 2013. This is incorrect. Stage 2 Assessments performed by contractors/expert auditors have met our standards since 2011. The first Stage 2 assessment performed solely by a Mission without outside professional services assistance that fully met our standards was delivered in January 2013.
- We suggest some technical edits for clarity:
 - Within the introduction, establishing the number of Missions tested in any given category, before discussing results (example Seven Missions were tested for risk mitigation plans. Of the seven, all seven identified risk mitigation measures...”)
 - Titles of findings should be revised to reflect the contents (for example, second finding, page two could be revised to read ‘Agency Use of Partner Country Systems Guidance Should Better Integrate New Strategic Planning, Project Design, and Program Cycle Guidance’)

Management responses specific to each recommendation are included below.

Recommendation 1. *The Bureau for Management, Office of the Chief Financial Officer, in coordination with USAID/Ghana, 1) conduct an onsite review of USAID/Ghana’s implementation of the Public Financial Management Risk Assessment Framework for the Resiliency in Northern Ghana project to ensure all material risks were identified and effective mitigation measures were developed; and 2) institute procedures to verify that all future Stage 2 assessments comply with the Public Financial Management Risk Assessment Framework guidance.*

Management Decision:

We agree with this recommendation. However, the recommendation should be directed to USAID/Ghana for action. While USAID/Ghana understood the ADS 220 guidance and effectively implemented most of it, the Mission did not exercise adequate supervision over the 15 Stage 2 Risk Assessments which were contracted out to a local contractor. It should be noted that on page 2 of the report, Office of the Inspector General (OIG) states that 16 assessments had been reviewed for the USAID/Ghana Resiliency in Northern Ghana (RING) project. To date, only 5 of the 16 assessments have been used to develop risk mitigation measures for the ADS 220 required Approval of Use of Partner Government Systems (AUPGS) approval.

Nevertheless, OIG included all 16 RING assessments within this review. The report should clarify this distinction.

USAID/Ghana, together with M/CFO are currently planning to conduct an onsite review of all PFMRAF Stage 2 activity underway at the mission, including the Northern Ghana RING project, to ensure all material risks are identified, effective risk mitigation plans are developed to address these risks and support respective program design, and ensure overall compliance with PFMRAF guidance. This review will include an onsite team from M/CFO to guide the process.

Further, USAID/Washington is currently finalizing guidance for a comprehensive update to ADS 220, *Use of Reliable Partner Government Systems for Direct Management and Implementation of Assistance*. M/CFO distributed a draft revision of ADS 220 to USAID/Washington and Missions on May 6, 2013. The finalized ADS 220 is anticipated for August 2013. In conjunction with the release of the revised ADS 220, M/CFO plans to revise both Stage 1 and Stage 2 guidance. Revised Stage 2 guidance will include procedures to validate that Stage 2 risk assessments are in compliance with ADS 220.

Target Completion Date:

December 2013

Recommendation 2. *The Bureau for Management, Office of the Chief Financial Officer review and approve updates to the USAID/South Africa Stage 1 appraisal to verify that fiduciary risks are clearly identified and assessed.*

Management Decision:

We agree with this recommendation. However, the recommendation should be directed to USAID/South Africa for action. As a proactive response to the draft of this recommendation, USAID/South Africa initiated a reassessment of the Stage 1 Rapid Appraisal with staff from a crosscutting set of Mission offices and from M/CFO. The reassessment included additional interviews and meetings with select South African governmental officials, local Non-Governmental Organizations, and donor representatives operating in-country. Revision of the Stage 1 report and supporting documents is in progress.

Target Completion Date:

December 2013

Recommendation 3. *The Bureau for Management, Office of the Chief Financial Officer revise Automated Directives System 220 and Stage 1 and Stage 2 guidance to designate a more active oversight role for Global Partner Country Systems Risk Management Team, to include additional quality assurance controls over the Public Financial Management Risk Assessment Framework process.*

Management Decision:

We agree with this recommendation. M/CFO is currently finalizing guidance for a comprehensive update to ADS 220, *Use of Reliable Partner Government Systems for Direct Management and Implementation of Assistance*. M/CFO distributed a draft revision of ADS 220 to USAID/W and Missions on May 6, 2013. The finalized ADS 220 is anticipated for August 2013. In conjunction with the release of the revised ADS 220, M/CFO plans to revise both Stage 1 and Stage 2 guidance. These revisions will include more specified roles and responsibilities including:

- Clearance by M/CFO of Mission Stage 1 Risk Assessment Report, Stage 2 Statement of Work (SOW), Stage 2 Risk Assessment Report, and other select documents integral to the PFMRAF process; and
- Quality assurance scope, roles, and responsibilities for the Mission and M/CFO

Additionally, revised Stage 1 and Stage 2 guidance will clarify Mission roles and responsibilities in the PFMRAF process to include:

- Communicating to M/CFO and other key USAID stakeholders plans and progress of the PFMRAF process; and
- Defined timelines for completing PFMRAF process deliverables.

Target Completion Date:

December 2013

Recommendation 4. *The Bureau for Management, Office of the Chief Financial Officer, in coordination with the Bureau for Policy, Planning and Learning, revise Automated Directives System 220 and Public Financial Management Risk Assessment Framework guidance to include an explanation of the public financial management risk assessment framework within a project design context, and how the Public Financial Management Risk Assessment Framework and project design relate to one another.*

Management Decision:

We agree with this recommendation. At the time of the performance review, USAID's office of Policy, Planning and Learning (PPL) was revising project design guidance, in part to reflect USAID's renewed emphasis on partnering with partner country governments, where appropriate and prudent, to implement directly USAID-funded projects. To capture this revised guidance, M/CFO distributed a draft revision of ADS 220 to USAID Missions and USAID/Washington on May 6, 2013. This revision was prepared with the full participation of USAID/PPL project design staff and participation of Bureau management. Additionally, M/CFO government-to-

government (G2G) implementation staff has collaborated with PPL on the latest version of ADS 201, *Planning*, which contains the Agency's project design guidance. The integration of PFMRAF into project design is addressed by modifications to both ADS 201 and ADS 220. The revised version of ADS 220 (in draft) expands and explains the public financial management risk assessment framework within the project design context. For example, the following revisions are included:

- The timing of the PFMRAF Stage 1 Appraisals and Stage 2 Risk Assessments has been revised to better coincide with the Country Development Cooperation Strategy (CDCS) (Stage 1) and the project design process and project life (Stage 2).
- Clarifications in both ADS 220 and ADS 201 require that Project Approval Documents (PAD) include the AUPGS and the risk mitigation plan and that the PAD be finalized and authorized prior to sub-obligation of funds for both G2G and USAID-direct activities.
- Clarifications better describe how G2G risk mitigation and capacity building activities are incorporated into the project design process, the PAD authorization, and bilateral agreements.

The new version of ADS 220 includes separate and detailed discussions of the relationship of the PFMRAF, the AUPGS, and the PAD/PA. It also expands on the preliminary G2G project design and implementation guidance contained in the March 2012 version of ADS 220. This includes detailed information on how G2G projects and project activities are managed through, and relate to standard project design, authorization, obligation and implementation. (Ref. ADS 220.3.2 (a-c)). The revised ADS 220 addresses this issue both in narrative and in a visual presentation, showing in detail how the PFMRAF, project design, and implementation management interrelate. The draft visual was previously provided to the IG Audit Team.

Of equal importance, the revised ADS 201 Chapter, *Planning*, which includes project design guidance, has now been edited to include detailed cross-references to ADS 220, just as ADS 220 now includes similar cross-references to ADS 201. As a result, we are confident that official guidance on project design and on G2G risk assessments are appropriately cross-referenced and complete for project design. The revised ADS 201 is pending issuance.

To further address Mission issues relating to coordination of G2G design and implementation, the Agency established the G2G Information Desk (Info Desk) through an Agency Notice issued on February 13, 2013. The Info Desk is staffed by a team of professionals with significant amount of experience and expertise in using and developing G2G projects in USAID; including M, GC, PPL and IPR staff. The Info Desk is actively responding to a variety of questions about G2G assessment, design, and implementation and is establishing itself as a valuable resource. Most of the clients of the Info Desk are Missions with specific design, implementation, and funds management inquiries or questions. The Info Desk is able to provide answers tailored to

the specific circumstances of individual Mission projects related to the PFMRAF, the G2G project design processes, and financial and project management of G2G activities.

Target Completion Date:

December 2013

Recommendation 5. *The Bureau for Management, Office of the Chief Financial Officer, in coordination with the Bureau for Policy, Planning and Learning, revise Automated Directives System 220 and Public Financial Management Risk Assessment Framework guidance to include further guidance regarding how technical capacity evaluations should be used to inform the Public Financial Management Risk Assessment Framework process.*

Management Decision:

We agree with this recommendation. The draft revision of ADS 220 expands on and directs the roles and responsibilities of technical officers in the PFMRAF and Project Design processes.

USAID/M, GC, and PPL staff worked closely together to coordinate and integrate guidance on technical capacity analyses (for health services, agriculture, etc.). These analyses are usually considered as part of project designs. With the greater integration of G2G project activities into Mission projects, technical analyses, previously considered optional, will become mandatory. Technical capacity forms part of the basic hypothesis and assumptions for Project design, and project-level evaluation or analyses of partner implementing or beneficiary institutions (public or private) will be undertaken as part of the Project Design process. New ADS 201 project design guidance has been revised to require technical capacity analysis as part of a Project's required sustainability analysis. It may also be addressed in the optional institutional analysis, and is an issue to be considered in preparing the Project Implementation Plan.

Technical capacity analyses for public financial management and procurement are covered in the PFMRAF Stage 2 guidance and technical capacity building activities for PFM are included in the Risk Mitigation Plan, required as part of the AUPGS.

To address this recommendation, the M/CFO team reviewed with PPL the ADS 201 guidance related to technical capacity analyses and the ADS 220 PFMRAF guidance to appropriately and consistently address the concern that technical capacity of a proposed partner institution be evaluated as part of project design. The upcoming revision of ADS 201 will require such analysis as part of project design, and the draft revision of ADS 220 references this requirement in the context of G2G projects and project activities.

Target Completion Date:

December 2013

Recommendation 6. *The Bureau for Management, Office of the Chief Financial Officer revise Stage 2 guidance to 1) describe the importance and types of public financial management testing, and 2) require missions to document the type and extent of testing performed in Stage 2 assessment reports.*

Management Decision:

We agree with this recommendation. In the current version of ADS 220, testing of PFM systems is included as necessary to validate overall systems operations and internal controls and identify performance risks. This language was used to distinguish the PFMRAF Stage 2 – Risk Assessment from a general audit, which prescribes methods and types of testing used to support an attestation. The PFMRAF Stage 2 – Risk Assessment is neither an audit nor attestation of PFM systems, but rather an identification of risks associated with the achievement of a development objective relative to the country systems to be used. For this reason, testing within PFMRAF can also be referred to as “Validation or Confirmation”. Testing should be used in Stage 2 Risk Assessments to confirm existence and implementation of a public financial management process, activity, control or aspects of a system(s) and to determine the nature and functionality of such processes the Mission will be relying upon in using country systems. Typically, these relevant processes are identified in the course of gathering information from the partner government to assess evaluation criteria (selected from the Stage 2 – Risk Assessment Questionnaire) relative to areas covered within the scope of a PFMRAF Stage 2 – Risk Assessment.

The extent of testing is subjective and relative to the areas considered important and relevant by the evaluator. Testing should include examination of documents and transactions to confirm the existence of key processes and controls and “walk-throughs” to confirm or validate processes are consistent with how they have been described. Testing is not intended to be of a statistical nature but a random sampling based on professional judgment to provide anecdotal evidence of issues.

Missions are responsible for documenting the type (for example, examination of specific documents and walkthroughs of relevant processes to confirm or validate a process, activity or control) and extent (number of documents and transactions reviewed; and areas tested, such as budget, payroll, procurement, payment, financial reporting, and internal and external audit) of testing performed in Stage 2 Risk Assessment reports. This will provide evidence of the due diligence conducted to evaluate fiduciary risks in the Stage 2 Risk Assessment.

USAID/Washington is currently finalizing guidance for a comprehensive update to ADS 220. M/CFO and the Office of the General Counsel distributed a draft revision of ADS 220 to USAID Missions and USAID/Washington on May 6, 2013. The finalized ADS 220 is anticipated for August 2013. In conjunction with the release of the revised ADS 220, M/CFO plans to revise both PFMRAF Stage 1 and Stage 2 guidance. Revisions to Stage 2 guidance will include:

- Language describing the importance and appropriate use of testing during respective Stage 2 Risk Assessments; and
- Requirements for documenting the type and extent of testing performed during the Stage 2 Risk Assessments.

Target Completion Date:

December 2013

***Recommendation 7.** The Bureau for Management, Office of the Chief Financial Officer ensure that USAID/Peru update its Stage 2 assessment of the Regional Government of San Martin to include testing of relevant areas of public financial management to (1) determine the effectiveness of system operations and internal controls, and (2) identify risks and modify its risk mitigation plan as appropriate; and maintain supporting documentation for all testing performed to demonstrate due diligence in accordance with Automated Directives System 220.*

Management Decision:

We agree with this recommendation. However, this recommendation should be directed to USAID/Peru for action. In the Stage 2 Risk Assessment of the Regional Government of San Martin, though USAID/Peru used professional judgment in the conduct of those assessments, the assessment team did not document its process or perform testing to determine the effectiveness of systems operations and internal controls. As outlined in ADS 220 (220.3.2.2), every step/stage of the PRMRAF must be appropriately documented, along with any risk mitigation measures agreed upon by USAID and the Partner Country government. ADS 220 allows for an update to assessments to ensure current risk identification and mitigation measures are appropriately identified and documented. M/CFO and USAID/Peru have discussed this recommendation and an approach to update the Stage 2 Risk Assessment for the Regional Government of San Martin project. USAID/Peru is planning a review of the initial assessment which will include testing of relevant public financial management areas in order to:

- Determine the effectiveness of systems operations and internal controls,
- Identify risks and develop an appropriate risk mitigation plan, and
- Maintain all testing documentation as appropriate

Target Completion Date:

December 2013

USAID MISSIONS REVIEWED

Below is a regional list of USAID missions selected for OIG's review.

Asia

1. Bangladesh
2. East Timor
3. Nepal
4. Philippines

Europe and Eurasia

5. Armenia
6. Kosovo
7. Moldova
8. Serbia

Latin America and the Caribbean

9. Barbados
10. El Salvador
11. Jamaica
12. Peru
13. Trinidad and Tobago

Middle East

14. Jordan

East and Southern Africa

15. Kenya
16. Malawi
17. Mozambique
18. Rwanda
19. South Africa
20. Tanzania

West Africa

21. Ghana
22. Liberia
23. Mali
24. Senegal

GUIDANCE RELEASE DATES AND TIMING OF ASSESSMENTS

| Date | USAID Guidance | Stage 1 Rapid Appraisals | Stage 2 Risk Assessments |
|------------|------------------------------------|--------------------------|--|
| 8/19/2010 | Stage 2 questionnaire | | |
| 11/1/2010 | | Liberia | |
| 11/9/2010 | | Peru | |
| 1/18/2011 | | Rwanda | |
| 1/19/2011 | | Armenia | |
| 1/31/2011 | Stage 1 guidance | | |
| 3/9/2011 | | Tanzania | |
| 4/22/2011 | Stage 2 questionnaire – revision 1 | | |
| 4/26/2011 | | Ghana | |
| 4/29/2011 | | South Africa | |
| 6/16/2011 | | Malawi | |
| 6/29/2011 | | | Rwanda (performed by Deloitte) |
| 7/6/2011 | | Jamaica | |
| 7/11/2011 | | Moldova | |
| 7/14/2011 | Stage 1 guidance – revision 1 | | |
| 8/1/2011 | Stage 2 questionnaire – revision 2 | | |
| 8/16/2011 | ADS Chapter 220 | | |
| 9/1/2011 | | | Ghana (3 assessments – performed by local contractor) |
| 9/12/2011 | | Senegal | |
| 10/1/2011 | | | Ghana (performed by local contractor) |
| 10/3/2011 | | | Peru (performed by mission staff) |
| 10/10/2011 | | Bangladesh | |
| 10/17/2011 | | Mali | |
| 10/19/2011 | | | Jordan (performed by mission staff) |
| 10/25/2011 | | Jordan | |
| 11/1/2011 | | El Salvador | Ghana (11 assessments – performed by local contractor) |
| 11/7/2011 | | Mozambique | |
| 11/7/2011 | | East Timor | |
| 11/30/2011 | | | Moldova (performed by mission staff) |
| 1/1/2012 | | Trinidad and Tobago | |
| 1/1/2012 | | Barbados | |
| 1/5/2012 | | | Rwanda (performed by Deloitte) |

| Date | USAID Guidance | Stage 1 Rapid Appraisals | Stage 2 Risk Assessments |
|-----------|--------------------------------|--------------------------|--|
| 1/17/2012 | | Kosovo | |
| 1/27/2012 | | | Ghana (performed by mission staff) |
| 1/29/2012 | | | Tanzania (performed by Deloitte) |
| 1/30/2012 | Stage 1 guidance – revision 2 | | |
| 2/7/2012 | Stage 2 guidance – revision 3 | | |
| 2/10/2012 | | | Rwanda (4 assessments performed by Deloitte and mission staff) |
| 2/13/2012 | | Philippines | |
| 3/21/2012 | Stage 1 guidance – revision 3 | | |
| 3/26/2012 | ADS Chapter 220 revised | | |
| 3/27/2012 | | | Tanzania (performed by mission staff) |
| 4/13/2012 | | | Rwanda (performed by mission staff with Deloitte review) |
| 4/25/2012 | Stage 2 guidance – revision 4 | | |
| 4/30/2012 | | | Ghana (performed by mission staff) |
| 5/4/2012 | | | Rwanda (performed by Deloitte and local contractor) |
| 5/7/2012 | | | Ghana (performed by mission staff) |
| 5/7/2012 | | Serbia | |
| 5/15/2012 | | | Rwanda (performed by Deloitte and mission staff) |
| 5/30/2012 | | | Bangladesh (performed by Deloitte and mission staff) |
| 6/1/2012 | | Nepal | |
| 6/15/2012 | | | Rwanda (performed by Deloitte and mission staff) |
| 7/13/2012 | | Kenya | |
| 8/8/2012 | Stage 2 guidance – revision 5 | | |
| 8/31/2012 | Stage 1 guidance – revision 4 | | |
| 9/26/2012 | Stage 1 guidance – revision 5 | | |
| 9/26/2012 | Stage 2 guidance – revision 6 | | |