



Office of Inspector General

March 1, 2013

MEMORANDUM

TO: Cheryl Anderson, Mission Director
USAID/Ghana

FROM: Nathan Lokos, Acting Director /s/
Performance Audits Division, Office of Audit

SUBJECT: Review of USAID/Ghana's Partner Country and Local Organization Assessment Systems under Implementation and Procurement Reform

This memorandum is intended to share our concerns that surfaced during the subject review regarding USAID/Ghana's public financial management risk assessments.

Our concerns rest in the sufficiency of the mission's Stage 2 Risk Assessments performed both by AKUS Consulting and those performed in-house by the mission. The assessments lack the rigor needed to support conclusions across relevant areas of public financial management, and therefore do not provide a reasonable basis for using partner country systems. For example, AKUS did not use a risk-based approach in performing assessments, and the contractor's risk rating methodology was inconsistently applied across selected districts.

Mission personnel acknowledged that the AKUS assessments were not satisfactory and that they had performed additional work to supplement the assessments. However, the documentation provided by mission personnel demonstrates that the additional work performed is incomplete, unclear, and does not appear to meet USAID's Public Financial Management Risk Assessment Framework requirements. Additionally, we discussed these issues with a member of the CFO's Global Partner Country Systems Risk Management Team, who agreed with our concerns about the work performed. CFO officials offered assistance to the mission in late 2012, but as of February 21, 2013, had not received a response concerning that offer.

Furthermore, we understand that USAID/Ghana has begun to implement activities related to the Feed the Future initiative through the Regional Coordinating Council and select districts. We strongly urge the mission to consider suspending implementation until it has worked closely with CFO officials to perform the work necessary to inform, and adequately support, decisions of whether or not to use public financial management systems in selected government entities.

If you have any questions concerning the content of this memorandum, please contact me at nlokos@usaid.gov or Rameeth Hundle at rhundle@usaid.gov. Thank you again for your cooperation throughout this effort.

cc: Ken Collins, Regional Controller, USAID/Ghana
Stephen Ike, Deputy Regional Controller, USAID/Ghana
Thomas Briggs, Senior Advisor, USAID/CFO/ GPCSRMT
Abdoulaye Gueye, Regional Inspector General/Dakar