Office of Inspector General

ANNUAL PLAN
FISCAL YEAR 2009

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MESSAGE FROM THE INSPECTOR GENERAL

The Office of Inspector General (OIG) for the U.S. Agency for International Development (USAID), United States African Development Foundation (USADF), Inter-American Foundation (IAF), and Millennium Challenge Corporation (MCC) is pleased to present the Annual Plan for Fiscal Year 2009.

This comprehensive plan addresses requirements and challenges at all four organizations for which OIG has oversight responsibility; and more significantly, it is the first annual plan based upon OIG's new strategic goals. These goals were developed specifically to align with the USAID/
U. S. Department of State Foreign Assistance Framework, to support the policy positions contained in the National Security Strategy, and to recognize the similar purposes and missions—delivering foreign assistance—of USAID, USADF, IAF, and MCC.

OIG's work is planned and prioritized to contribute to the economy, effectiveness, and efficiency of foreign assistance programs; protect foreign assistance programs from fraud, waste, and abuse; and strengthen the management systems and controls at USAID, USADF, IAF, and MCC. Priority is given to programs that promote peace and security, just and democratic government, investment in people, economic growth and prosperity, and humanitarian assistance. In addition to these program areas, OIG is committed to helping these foreign assistance agencies to strengthen management systems and capabilities, particularly in the areas of information technology and financial management.

Critical USAID challenges to be addressed by OIG in fiscal year (FY) 2009 include the complex and vulnerable USAID programs in Iraq, Afghanistan, and Pakistan, the President's Emergency Plan for AIDS Relief, and the President's Malaria Initiative. OIG will perform audits to determine whether USADF and IAF information system security programs meet the requirements of the Federal Information Security Management Act of 2002 and will perform an audit of USADF's financial statements for FY 2009. MCC faces challenges related to the maturation of existing programs as they move from the planning and projecting stage to producing measurable and quantifiable results. At the same time, MCC continues to implement new country programs. OIG will focus upon risks inherent in MCC's project implementation as the programs develop and upon financial accountability for the compacts supporting country programs.

This is an ambitious plan, and it is understood that OIG must remain flexible enough to address any unanticipated or emerging priorities that may arise during the year. I believe that OIG's skilled and dedicated staff members in the Washington, DC, headquarters office and the six offices in Baghdad, Iraq; Cairo, Egypt; Dakar, Senegal; Manila, Philippines; Pretoria, South Africa; and San Salvador, El Salvador are ready for the challenge. I look forward to reporting the results of this plan in future semiannual reports to Congress.

Donald A. Gambatesa
Inspector General

INTRODUCTION

USAID's OIG was established on December 16, 1980, by statutory amendment to the Foreign Assistance Act of 1961.[1] On December 29, 1981, the President signed the International Security and Development Cooperation Act of 1981,[2] bringing the USAID Inspector General under the purview of the Inspector General Act of 1978.[3] OIG assumed audit and investigative oversight of USADF and IAF in 1999,[4] and MCC in 2004.[5]

The Inspector General Act of 1978, as amended, authorizes the Inspector General to conduct and supervise audits and investigations. As a result of this work, OIG promotes economy, efficiency, and effectiveness and detects and prevents fraud, waste, and abuse in USAID, USADF, IAF, and MCC programs and operations.

OIG established this plan to support its four strategic goals and to align with five key objectives in the USAID/U. S. Department of State Foreign Assistance Framework:

> Goal 1—Strengthen the economy, effectiveness, and efficiency of foreign assistance programs and operations.

> Goal 2—Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse.

> Goal 3—Strengthen USAID, USADF, IAF, and MCC management systems and controls.

> Goal 4—Optimize OIG management programs and resources.

Each planned activity is described briefly under the strategic goal it supports. The decision to perform the specific work of this plan was made after considering the risks associated with USAID, USADF, IAF, and MCC programs and assessing potential vulnerabilities in internal controls.

Some OIG work is mandated by statute or other requirements, and other work is performed at the discretion of OIG. To identify and prioritize the audits and activities to undertake, OIG considers stakeholder interests and needs, alignment with strategic goals, and anticipated results.

Examples of significant audits and activities to be performed during FY 2009 are described below, arranged by strategic goal.

The results of this plan will be reported in future semiannual reports to Congress.

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[1] International Security and Development Cooperation Act of 1980, Public Law 96–533; Foreign Assistance Act of 1961, Public Law 87–195.

[2] Public Law 97–113.

[3] Public Law 95–452.

[4] Admiral James W. Nance and Meg Donovan Foreign Relations Authorizations Act, Fiscal Years 2000 and 2001, Public Law 106–113, Appendix G.

[5] Millennium Challenge Act of 2003, Public Law 108–199, Division D, Title VI.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, UNITED STATES AFRICAN DEVELOPMENT FOUNDATION, AND INTER-AMERICAN FOUNDATION ANNUAL PLAN

FISCAL YEAR 2009

PLANNED OIG ACTIVITIES FOR FY 2009—USAID

Strategic Goal 1: Strengthen the economy, efficiency, and effectiveness of U.S. foreign assistance programs.

Strategic Priority 1.1: Improve governmental and social institutions in developing countries

Investigative Activity

OIG will continue to pursue ongoing proactive activities and work to identify new areas of focus within multimillion-dollar and high-risk USAID programs, including Iraq and Afghanistan. These proactive activities could lead to criminal or civil action by prosecutorial authorities and administrative action by USAID. In furtherance of a proactive program, OIG will conduct proactive investigations, conduct fraud awareness training, continue to develop and distribute fraud awareness literature and audiovisual aids, and offer advice on antifraud strategies.

Survey and Pilot Audit of USAID's Activities for Rule of Law and Human Rights

Respect for the rule of law and a well-developed system of justice are underpinnings of a democratic society and a modern economy. There are many ways not only to define elements and problems in the rule-of-law sector but also to develop rule-of-law programs. USAID supports work in rule of law in three areas:

- Improving outdated or otherwise inadequate legal frameworks and codifying human rights.
- Strengthening justice-sector institutions.
- Increasing citizens' access to justice.

According to the Congressional Budget Justification, USAID requested about $400 million in funding and received about $300 million in FY 2008 for rule-of-law and human rights programs worldwide.

The audit will (1) determine whether USAID-financed activities for rule of law and human rights have achieved intended results and (2) assess the activities' impact.

Audit of USAID/Sudan's Civil Society Program

Fighting in Sudan, particularly the Darfur region, has continued despite the signing of the Comprehensive Peace Agreement (January 2005) and the Darfur Peace Agreement (May 2006). A well-informed civil society can contribute to peace and stability in Sudan. The policies of the Government of Sudan can be disseminated through print and broadcast media. Civic participation also plays a role in preventing and mitigating conflicts as people become aware of their rights and advocate their views.

This audit will (1) determine whether USAID/Sudan's Civil Society Program achieved intended results and (2) assess the program's impact.

Audit of USAID/Afghanistan's Afghan Civilian Assistance Program

USAID/Afghanistan awarded a $27 million cooperative agreement to the International Organization for Migration to implement the Afghan Civilian Assistance Program. The program will assist the U.S. Government in providing support for Afghan civilian families and communities who have suffered losses as a result of military operations against insurgents and the Taliban. This program will also contribute to the overall stabilization of Afghanistan by addressing the needs of those families and communities, thus mitigating potential causes for disorderly migration.

This audit will (1) determine whether the program is achieving its intended results and (2) assess the program's impact.

Audit of USAID/Afghanistan's Technical Support to the Central and Provincial Ministry of Public Health

USAID/Afghanistan awarded a $24 million cooperative agreement to Management Services for Health to provide technical support to the Central and Provincial Ministry of Public Health. The program, called Tech-Serve, aims to contribute to an integrated health system that includes both public and private sectors. Tech-Serve's objective is to improve the capacity of the Ministry of Public Health to plan, manage, supervise, monitor, and evaluate the scale of access to quality health and hospital services, particularly among those at highest risk.

This audit will (1) determine whether selected activities funded under Tech-Serve are achieving intended results and (2) assess the activities' impact.

Audit of USAID/Afghanistan's Capacity Development Program

Since 2002, the Government of Afghanistan and the international community have focused on reconstruction in four key areas: national government structures, education and health systems, civil society, and the private sector economy in Afghanistan. These emergency reconstruction efforts relied on foreign technical expertise. However, the Government of Afghanistan and USAID appreciate the need to shift program focus away from emergency reconstruction and toward developing Afghan capacity to plan and manage the economic and social development process over the long term. In response to this need, USAID/Afghanistan awarded Bearing Point a $218.5 million contract to implement Afghanistan's Capacity Development Program. The objective is to obtain services and specified deliverables to contribute to the achievement of strategic objectives in all four areas.

This audit will (1) determine whether USAID/Afghanistan's Capacity Development Program achieved intended results and (2) assess the program's impact.

Audit of USAID/Afghanistan's Local Governance and Community Development Project in Northern and Western Regions of Afghanistan

The focus of U.S. Government assistance activity in Afghanistan is shifting to the outlying Provinces. National programs are beginning to adjust to this shift, but their geographic reach is still limited in many areas. Provincial reconstruction teams (PRTs) have been an important vehicle for delivering U.S. Government and international assistance outside of Kabul, particularly in unstable regions. PRTs are

small, joint civilian-military organizations that were established in Afghanistan at the end of 2002. They are designed to improve security, extend the reach of the Afghan Government, and facilitate reconstruction in priority Provinces. Particularly in insecure areas, the core objective of PRTs is to implement projects that will improve stability so that more traditional forms of development assistance can resume. USAID/Afghanistan awarded a $49.3 million contract to the Association for Rural Development, Inc., to implement the Local Governance and Community Development project's activities in the northern and western regions. The project's principal goal is to help the Government of Afghanistan, in partnership with local communities, identify and address the issues that are driving instability and support for insurgency in outlying Provinces and insecure areas. The ultimate objective is to help the Government of Afghanistan and local citizens create a stable environment for long-term political, economic, and social development.

This audit will (1) determine whether the project is achieving intended results and (2) assess the project's impact.

Audit of USAID/Pakistan's Capacity-Building Development Program

USAID/Pakistan awarded Development Alternatives, Inc. (DAI), a contract to implement a capacity-building program to improve economic and social conditions in the Federally Administered Tribal Areas (FATA) of Pakistan. The contract, awarded January 1, 2008, is valued at $43 million over a 3-year period, with an initial funding of $15 million. USAID/Pakistan's overall FATA program will provide technical assistance and training to private and public organizations to support projects that strengthen livelihoods, expand economic opportunities, and improve basic education and health care. DAI's program will strengthen the capacity of the Pakistani Government and nongovernmental institutions in FATA to plan, implement, and monitor programs at the regional, agency, and community levels; to improve coordination between security and development organizations; to strengthen communications; and to increase the ability of FATA-based civil society organizations to contribute to development. This program is part of the U.S. Government's commitment to provide $750 million over 5 years to assist in FATA development.

This audit will (1) determine whether USAID/Pakistan's capacity-building development program achieved intended results and (2) assess the program's impact.

Audit of USAID/Colombia's Human Rights Program

USAID provides technical assistance to strengthen human rights by supporting state and civil society organizations. Funds are used to support efforts to prevent human rights abuses; enhance protection provided by civil society and government entities; and strengthen human rights public policy implementation and civil society organizations. In addition, USAID continues to implement several recommendations from the U.N. High Commissioner for Human Rights.

This audit will (1) determine whether USAID/Colombia's human rights program is achieving planned results, (2) assess the program's impact, and (3) examine whether the mission's reporting on the program is complete and accurate.

Audit of USAID/Guatemala's Democracy and Governance Activities

Public security is perhaps the most basic of government functions, but crime and insecurity are everyday concerns for the nearly 13 million citizens of Guatemala. In addition, the Government of Guatemala needs to address other concerns, including inequality and human rights violations that fall most heavily on the indigenous population. USAID/Guatemala received approximately $16 million for its governance program from FY 2006 through FY 2008. Activities under this program are intended to improve the efficiency and effectiveness of judicial processes, fight corruption, support decentralization and greater transparency, and improve governance of public safety institutions.

This audit will (1) determine whether the democracy and governance program achieved intended results, (2) assess the program's impact, and (3) examine whether USAID/Guatemala's reporting on the program was complete and accurate.

Audit of USAID/Honduras's Democracy and Governance Activities

In 2007, Transparency International ranked Honduras the lowest of any Central American country in its annual corruption perception index. Instances of gang-related violence are on the rise, but weaknesses in the judicial system produce lengthy pretrial detentions, a lack of due process, and harsh prison conditions. USAID/Honduras received approximately $13 million to fund its democracy and governance program from FY 2006 through FY 2008. Activities under this program are designed to reinforce judicial independence, ensure access to justice, promote participation of civil society organizations, and support transparency and anticorruption activities.

This audit will (1) determine whether planned results are being achieved, (2) assess the program's impact, and (3) examine the completeness and accuracy of the mission's reporting on the program.

Audit of USAID/West Bank and Gaza's Democracy and Governance Activities

Since reestablishing relations with the Palestinian Authority in June 2007, the United States has increased democracy and governance programs with the Authority to improve Palestinian governance and to provide for infrastructure, capacity building, and social services measures. USAID programs in the West Bank focus on helping the Palestinian Authority extend the rule of law and improve governance by supporting selected municipalities and bolstering the system of justice by training judges and building judicial independence. USAID also provides training and assistance to independent media and civil society organizations and support to local government, judicial, and electoral institutions. In the civil society sector, USAID assistance at community levels is directed at increasing citizen participation, through mobilization of key populations such as youth, women, and other groups, and helping emerging leaders establish grassroots credibility. USAID seeks to expand opportunities for Palestinian citizens to communicate their expectations of democratic governance; strengthen civil society organizations and independent institutions; and provide capacity development and training to Palestinian nongovernmental organizations. Funding levels for the mission's democracy and governance activities for FY 2009 have

increased slightly over FY 2008, from $14 million to $15 million. However, increased funding for the FY 2009 activities is expected on the basis of supplemental funding.

This audit will (1) determine whether USAID/West Bank and Gaza's democracy and governance activities achieved intended results and (2) assess the activities' impact.

Audit of USAID/Yemen's Democracy and Governance Activities

Yemen is one of the least developed countries in the world, with 43 percent of the population living under the poverty level. Yemen lacks a skilled workforce and suffers from high illiteracy, high infant mortality, and chronic high unemployment. USAID's assistance is key to fighting the war on terror and addressing development needs in Yemen. USAID works in five remote, underserved Yemeni Governorates vulnerable to extremists. USAID works closely with other donors and implementing partners to build and sustain a democratic, well-governed state that responds to the needs of the Yemeni people. USAID also assists the Republic of Yemen Government in its efforts to strengthen its governance capacity, including the institutional development of local councils to support the electoral process and to mitigate tribal conflicts in rural areas. Planned funding for democracy and governance activities is more than $16 million for FYs 2008 and 2009.

This audit will (1) determine whether USAID/Yemen's democracy and governance activities achieved intended results and (2) assess the activities' impact.

Audit of USAID/Iraq's Community Stabilization Program

This 3-year, $544 million program, which began in May 2006, focuses on reducing the incentives for participation in violent conflict. OIG's audit of the program[6] identified significant problems within the community infrastructure and essential services component of the program and recommended that USAID take corrective actions to address the problems. A follow-up audit would allow OIG to review the effects of those corrective actions and examine other components of the program, such as the integration of disenfranchised youth into their communities, through accelerated learning and life-skills programs, and the improvement of employment and business opportunities through jobs, vocational training, and grants.

This audit will determine whether USAID/Iraq's community stabilization program is achieving intended results with regard to activities in the integration of disenfranchised youth into their communities.

Audit of USAID/Iraq's Assistance to the Iraqi Electricity Sector

The inability to generate electricity consistently above prewar levels has been a deficiency of post-Baathist Iraq. According to the Brookings Institution, the estimated prewar level of electricity generation was 95,000 megawatt hours per day; in January 2008 the figure reached 96,660 before declining to 92,400 in February 2008. This problem not only impedes reconstruction efforts but also diminishes the legitimacy of the Iraqi Government, hinders attempts to foster positive relations between Coalition

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[6] Audit of USAID/Iraq's Community Stabilization Program, Audit Report No. E-267-08-001-P, March 18, 2008.

Forces and Iraqi civilians, and erodes the confidence and patience of the American public regarding the U.S. Government's efforts in Iraq.

USAID is financing training and long-term technical assistance to strengthen the Ministry of Electricity's capacity to manage its operations effectively and promote sustainability. Specifically, activities are designed to help the Ministry improve its capabilities in capital budget planning, human resources management, and information technology.

This audit will determine whether USAID/Iraq's assistance to the Iraqi electricity sector is achieving intended results.

Audit of USAID/Iraq's Community-Based Conflict Mitigation Program

A successful conflict mitigation strategy for Iraq includes a concerted effort to address conflict resulting from competition for scarce resources, a result of decades of economic hardship and sanctions. A weakened economy—combined with internal displacement during the past 18 months—has diminished the country's middle class and destroyed livelihoods. Through targeted interventions, this program will address resource-based conflict at both the community and individual levels. The overall goal is to reduce the threat of violent conflict and promote peaceful resolution of differences in Iraq through a community-based conflict mitigation strategy.

This audit will (1) determine whether USAID/Iraq's Community-Based Conflict Mitigation Program achieved intended results and (2) assess the program's impact.

Strategic Priority 1.2: Help improve people's lives and promote human dignity

Audit of USAID's Activities Through the Victims of Torture Fund

Under the Torture Victims Relief Act of 1998,[7] USAID works through a Victims of Torture Fund to assist in the treatment and rehabilitation of people who suffer from the physical and psychological effects of torture. USAID has provided about $76.9 million over the past decade for these activities, including $8.7 million in FY 2007.

This audit will (1) determine whether the activities have achieved intended results and (2) assess the activities' impact.

Audit of USAID's Response to the Global Food Crisis

In response to recent increases in food prices, on April 14, 2008, President Bush directed the Secretary of Agriculture to provide an estimated $200 million in international emergency food aid through USAID, in addition to other FY 2008 funds allocated to the provision of food assistance. Also, on May 1, 2008, the President requested that Congress approve

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[7] Public Law 105–320.

an additional $770 million in food aid, for a total of nearly $1 billion in additional funding in 2008.

The U.S. Government is committed to working with other donor countries and international organizations to leverage U.S. funding to combat global food insecurity and price increases. The Government plans to work with the World Food Program, international financial institutions, other Group of Eight members, and nongovernmental organizations.

This audit will (1) determine whether USAID's response to the global food crisis has achieved intended results and (2) assess the activities' impact.

Audit of USAID/Democratic Republic of the Congo's Basic Education Program

The Democratic Republic of the Congo (DRC) has been plagued by dictators and civil war for 45 years. Although a unified government took office in June 2006, the new state institutions remain fragile and need targeted support to operate effectively. Given that the DRC is in the bottom 1 percent of the world's nations in terms of health and education indicators, major investments in those sectors are essential. With the support of USAID/DRC and through the Presidential African Education Initiative, girls are being provided scholarships and incentives to stay in school, and communities are being assisted in efforts to improve access to quality education.

The audit will (1) determine whether the USAID/DRC basic education program achieved intended results and (2) assess the program's impact.

Audit of USAID/Tanzania's Basic Education Program

Tanzania has long been known as a model of peace and stability in Africa, although it is one of the world's poorest countries and is dependent on foreign aid. It is in the interests of the United States to strengthen Tanzania's democratic institutions to ensure that it remains such a model. Strengthening Tanzania's educational and health care systems is critical to ensuring the long-term viability of its democracy and the vitality of its economy. Further, educational activities support the goals of the East African Counterterrorism Initiative in Zanzibar and in southern Tanzania.

This audit will (1) determine whether USAID/Tanzania's Basic Education Program achieved its intended results and (2) assess the program's impact.

Audit of USAID/Afghanistan's Basic Education Program

Afghanistan's educational system has been devastated by more than two decades of war. Many trained teachers and university professors either fled the country or took other jobs. The Ministry of Education estimates a shortage of 44,000 teachers. Considerable progress has been made in the past 5 years, but the quality of education in Afghanistan remains generally low. Fewer than half of all teachers are high school graduates. To improve the quality of basic education, in January 2006 USAID/Afghanistan awarded a 5-year, $48 million contract to Creative Associates International, Inc., to implement the Building Education Support Systems for Teachers (BESST) project. BESST's goal is to improve teacher performance and build the Ministry's capacity in education planning, management, and policymaking. Special

emphasis has been placed on developing teacher education curriculums and support programs that promise not only to improve learning outcomes for Afghan children but also to provide the basis on which teaching and learning can be assessed. By developing national competency standards for teachers and administrators, along with teacher and administrator education systems and curriculums, BESST intends to create the conditions whereby the Ministry can articulate who is qualified to be a credentialed primary school teacher. Integral to this goal and overall capacity building is the establishment of a national Educational Management and Information System.

This audit will (1) determine whether critical activities under USAID/Afghanistan's Basic Education Program implemented through the BESST project achieved intended results and (2) assess the project's impact.

Audit of Selected Activities Funded Under USAID/Bangladesh's Population and Health Program

In its FY 2009 budget request, USAID/Bangladesh requested $42.6 million to fund activities in its health program, which approximates 40 percent of the total amount requested to carry out all its programs. In the health program, USAID-administered assistance will fund basic health services to approximately 20 million people every year that would not otherwise have access to health care. Assistance also will fund programs that increase access to clean water and hygienic sanitation facilities, improve nutrition, and support reproductive health services. Funding will support bilateral programs to combat human immunodeficiency virus/acquired immunodeficiency syndrome (HIV

/AIDS) with programmatic emphasis on a range of interventions related to care, treatment, and prevention. A program goal in the health sector is the transition of greater responsibility for provision of health services to the public and private sectors with a concurrent gradual reduction in dependence on U.S. assistance.

This audit will (1) determine whether selected activities funded under USAID/Bangladesh's Population and Health Program achieved intended results and (2) assess the program's impact.

Audit of Selected Activities Funded Under USAID/Kazakhstan's Health Program

During the past 2 years, Kazakhstan has sought to improve its record on health expenditures by significantly increasing its health budget and committing to partnerships with international organizations, such as the World Bank. However, the quality and efficiency of health programming remain quite poor. To address this issue, USAID will focus on health system reforms, to ensure the provision of quality, client-oriented, cost-effective primary health care services, and on programs to promote increased community involvement in the health system. USAID will fund programs to prevent the spread of HIV/AIDS, expand the use of the Directly Observed Treatment Short-Course strategy for tuberculosis (TB) control, and improve maternal and child health. In its FY 2009 budget request, USAID/Kazakhstan requested $2.6 million to fund its health activities.

This audit will (1) determine whether selected activities funded under

USAID/Kazakhstan's health program are achieving intended results and (2) assess the activities' impact.

Audit of USAID/Pakistan's Links to Learning: Education Support to Pakistan Program

USAID/Pakistan is investing $170 million to fundamentally reform and revitalize basic education across Pakistan. On October 19, 2007, USAID/Pakistan awarded an $89.9 million cooperative agreement to American Institutes for Research to support basic education reform at the middle and secondary school system levels in Pakistan. The estimated completion date of the agreement is October 30, 2012. The Links to Learning: Education Support to Pakistan (ED-LINKS) program seeks to improve teacher education and professional development, student learning, and the learning environment. Other goals are to improve governance and strengthen public sector capacity at the federal, provincial, and district levels to sustain quality teaching and learning.

This audit will (1) determine whether USAID/Pakistan's ED-LINKS program achieved intended results and (2) assess the program's impact.

Audit of USAID/Philippines' Sustainable Health Improvements Through Empowerment and Local Development Project

Nearly 86 percent of the poorest Filipino households are living in a region in the southern Philippines known as the Autonomous Region of Muslim Mindanao. The overall poverty of this region is reflected in the poor health of the people, primarily caused by limited resources for protecting, sustaining, and improving health.

As a result, health outcomes in this region, particularly for women and children, have stayed low because of poor access to and low use of basic health services. On September 30, 2006, USAID awarded Helen Keller International a $15 million cooperative agreement to implement a health program that incorporated the Sustainable Health Improvements through Empowerment and Local Development (SHIELD) project on viable family planning and health related activities. This program will help the regional government, local governments, and communities in the region to improve their health status in a sustainable way.

This audit will (1) determine whether USAID/Philippines' SHIELD project achieved intended results and (2) assess the project's impact.

Audit of USAID/Russia's Program to Reduce Trafficking in Persons

In Europe, the trafficking of human beings became a major source of concern in the 1990s. Since then, media reports of women from Central and Eastern Europe who are being trafficked for sexual exploitation have became too numerous to ignore. USAID/Russia's program to reduce trafficking in persons is designed to combat trafficking of women in Russia by creating viable alternatives for at-risk women, empowering them with individual training and awareness that builds confidence and professional experience while creating new economic opportunities. The program seeks to work with existing anti-domestic-violence crisis centers to develop a network of regional empowerment centers that can offer services and consultations for women at risk and victim returnees. In addition, public education campaigns are used to

create awareness at a grassroots level and to engage policymakers.

The audit will (1) determine if USAID/Russia's activities to combat the trafficking of women created viable alternatives for women at risk and (2) assess the activities' impact.

Audit of USAID/Haiti's P.L. 480 Title II Programs

The U.S. Government has provided food security assistance to Haiti since 1958, and the current P.L. 480 Food for Peace Title II program[8] is the largest such program in the Latin American and Caribbean region. Under the program, food is distributed to children under age 5, nursing and pregnant mothers, children enrolled in primary schools, and orphans and the elderly. The program operates in 7 of the 10 Departments in the country.

The audit will (1) determine whether the program is achieving planned results and (2) assess whether food is adequately protected against loss and diversion.

Audit of USAID/Egypt's School-Based Reform Activities Under Its Education Reform Program

The Education Reform Program is the cornerstone of USAID/Egypt's education strategy. Strong support for education reform by the Government of Egypt has generated considerable momentum for education reform in Egypt. USAID/Egypt's Education Reform Program is divided into two programs—one focuses on school-based reform and the other on policy and

institutional development. The scope of this audit is the school-based reform program, with total estimated funding of $64.5 million. Activities under the school-based reform program are designed to improve school quality, community participation, teaching and learning processes, and school management in a selected family of schools. The program comprises three major components: classrooms and schools to direct teacher training and community support methods in participating schools; nonformal education for life skills training, as well as girls' scholarship activities; and construction to add schools where needed to achieve reform goals in the targeted Governorates.

This audit will (1) determine whether USAID/Egypt's school-based reform activities achieved intended results and (2) assess the activities' impact.

Audit of USAID/Jordan's Education Reform Support Project

USAID/Jordan's education reform project promotes access to quality early childhood education and helps the Government of Jordan improve its educational infrastructure. In July 2003, the Government of Jordan launched the Education Reform Support Project. This $380 million 5-year program, developed with USAID assistance, is one of the most ambitious educational reform programs in the Middle East and North Africa region. Its goal is to reorient education policy, restructure education programs and practices, improve physical learning environments, and promote learning readiness through improved and accessible early childhood education. During FY 2007, USAID provided an estimated $4.9 million to support reform efforts through this project. USAID supports early childhood education activities, develops information technology

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[8] Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, became known as P.L. 480 Food for Peace during the Kennedy administration. Title II refers to Emergency and Private Assistance programs.

(IT) for secondary school students, and improves learning environments through school construction. By the end of the project, USAID will have assisted in constructing or renovating 130 public schools to maintain high enrollment rates and prepare for broader IT use in classrooms; institutionalizing school-to-career initiatives; upgrading skills of early childhood and IT teachers; and connecting all schools to the national broadband network.

This audit will (1) determine whether USAID/Jordan's Education Reform Support Project achieved intended results and (2) assess the project's impact.

Audit of USAID/Lebanon's Water Activities

Although water is reasonably plentiful in Lebanon, 50 percent of the country's water is lost as a result of mismanagement. If this trend is not changed, Lebanon will face severe water shortages within the next 25 years. In response, USAID/Lebanon's water program has implemented projects such as the Small Village Wastewater Treatment Systems Project, a $10 million program to provide engineering, procurement, construction, and operations and maintenance training services. Another project is the Lebanon Water Policy Project, a $5 million program designed to help Lebanese water establishments solve institutional and technical problems and provide high-quality services to customers, with an ultimate purpose of attracting investment. USAID/Lebanon's water program will provide assistance to the water establishment by strengthening capabilities, training employees, and introducing IT systems, as well as implementing new tariff structures. Activities will continue through FY 2010 and include improving sustainable

management of natural resources and biodiversity conservation. In addition, USAID/Lebanon will establish a long-term water quality monitoring program at the Litani River Basin and provide technical assistance and training to the Litani River Authority.

This audit will (1) determine whether USAID/Lebanon's water activities achieved intended results and (2) assess the activities' impact.

Audit of USAID/West Bank and Gaza's Water Activities

USAID has been the lead donor in the West Bank and Gaza's water and sanitation sector since the Oslo Accords of 1993.[9] USAID/West Bank and Gaza has managed more than $1.7 billion in economic development and humanitarian assistance programs for more than 3 million Palestinians in the West Bank and Gaza. USAID's social, economic, and infrastructural investments promote the conditions necessary for achieving a viable, democratic state for the Palestinians. In turn, a stable Palestinian state will contribute to regional and Israeli security. Water shortages have historically been one of the key factors leading to Palestinians' livelihood insecurity and contributing to the Middle East conflict.

After the radical Islamic movement Hamas won a strong majority in the Palestinian Parliament in the 2006 election, the mission was directed to shut down its major water and infrastructure projects. (Some of these activities have since been reactivated because of the change in the political dynamic.) USAID/West Bank and Gaza

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[9] Declaration of Principles on Interim Self-Government Arrangements, signed September 13, 1993, in Washington, DC, by Israel and the Palestine Liberation Organization.

pursued an orderly closeout of some activities that had been suspended. Under a constrained operational context during the first three quarters of FY 2007, USAID/West Bank and Gaza provided water and sanitation services to an estimated 1.5 million Palestinians. Activities included replacing damaged or deteriorated water and sanitation networks, providing water in tanks to remote communities, and constructing rainwater collection cisterns. Although some of the planned funding for water activities includes infrastructure improvements valued at about $10 million per year, future funding is uncertain for these projects.

This audit will (1) examine the status of USAID/West Bank and Gaza's water supply and sanitation programs, (2) determine whether they achieved intended results, and (3) assess the programs' impact.

Audit of USAID's Activities Regarding Internally Displaced Persons in Iraq

The Office of U.S. Foreign Disaster Assistance (OFDA) is responsible for providing nonfood humanitarian assistance in response to international crises and disasters. In April 2003, the U.S.-led military operation in Iraq deposed Saddam Hussein's regime. In the subsequent months, insecurity posed significant challenges as the Iraqi people and the international community worked together to restore essential public infrastructure and foster a stable environment for the return of internally displaced persons (IDPs).

As the OFDA program matured, its intervention in Iraq became one of the largest humanitarian responses in its history. Beginning in FY 2003 and continuing through most of the first quarter of FY 2008, OFDA provided

$850 million for coordination, health, nutrition, logistics, shelter, emergency relief supplies, support to IDPs, water and sanitation, and capacity-building activities countrywide. In FY 2007 alone, USAID/OFDA awarded $150 million for assistance to IDPs, including those displaced since the 2003 conflict, long-term IDPs returning to their homes, and sudden new displacements, such as those displaced by military operations in Al Anbar Province.

This audit will (1) determine whether OFDA's internally displaced persons and vulnerable population activities achieved intended results and (2) assess the activities' impact.

Worldwide Audit of Selected Prevention Activities for Combating HIV/AIDS (Multicountry Audit)

President Bush signed legislation in May 2003 authorizing the President's Emergency Plan for AIDS Relief (PEPFAR). PEPFAR is a $15 billion, 5-year strategy for the prevention, care, and treatment of HIV/AIDS in more than 120 countries. On July 30, 2008, the President signed the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008.[10] The act authorized $48 billion in appropriations for another 5 years.

The multicountry audit of Selected Prevention Activities for Combating HIV/AIDS includes five centrally directed audits for West/Central Africa, East/Southern Africa (2), Asia, and Latin America/Caribbean. OIG will also issue a capping report summarizing the audit results at five missions and headquarters.

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[10] Public Law 110–293.

This audit will (1) determine whether selected USAID-financed prevention activities for combating HIV/AIDS achieved intended results and (2) assess the activities' impact.

Follow-up Audit of USAID/Guyana's Progress in Implementing PEPFAR

Guyana is one of 15 focus countries specifically targeted by PEPFAR. The program receives annual funding of $22 million to $28 million, and the main program implementers are Medical Sciences for Health, Family Health International, Cicatelli Associates, Inc., and Howard Delafield International.

This audit will follow up on the nine recommendations from a previous OIG audit[11] to examine whether the mission's actions were effective in correcting the underlying problems. It will also (1) determine whether USAID activities are achieving current performance targets and (2) assess the activities' impact.

Audit of USAID/Kenya's Implementation of the Prevention of Mother-to-Child Transmission of HIV Program

One of the consequences of the HIV/AIDS pandemic is mother-to-child transmission of HIV. Transmission of the virus can occur during pregnancy, at the time of delivery, or through breastfeeding. Approximately 630,000 babies became infected with HIV last year, 90 percent of them in Africa. The best way to avoid mother-to-child transmission is to prevent HIV infection among women of reproductive age. The

primary objectives of initiatives to prevent mother-to-child transmission of HIV are expanding voluntary HIV counseling and testing for pregnant women; administering single-dose antiretroviral drugs to mothers and infants; supporting safe options for feeding infants; and starting women and their spouses on full antiretroviral therapy whenever health care system capacity allows.

This audit will (1) determine whether USAID/Kenya's prevention of mother-to-child HIV transmission program activities achieved intended results and (2) assess the activities' impact.

Audit of USAID/Ethiopia's Management of Commodities for PEPFAR

Ethiopia faces an epidemic among subpopulations and geographic areas, with an estimated overall HIV prevalence rate between 0.9 and 2.5 percent among people aged 15 to 49. HIV/AIDS remains one of the key challenges for the overall development of Ethiopia, as it has led to a 7-year decrease in life expectancy and a greatly reduced workforce. In FY 2007, USAID/Ethiopia allocated $38 million for antiretroviral drugs and $11 million for laboratory infrastructure to be used for detecting and treating HIV/AIDS.

This audit will (1) determine whether selected USAID/Ethiopia implementing partners have procured, warehoused, and disseminated commodities to help ensure that intended results are achieved and (2) assess the activities' impact.

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[11] Audit of USAID/Guyana's Progress in Implementing the President's Emergency Plan for AIDS Relief, Audit Report No. 1-504-06-005-P, May 25, 2006.

Worldwide Audit of USAID's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV Program (Multicountry Audit)

Prevention of mother-to-child transmission of HIV is one of six priority PEPFAR program areas for 2009, but there have been large gaps between the achievement of targets and actual results reported across all countries.

This multicountry audit will (1) examine the impact of PEPFAR activities, such as the storage and distribution of commodities for the prevention of mother-to-child transmission, and (2) determine whether those activities have contributed to meeting their mandated targets.

Audit of USAID Activities to Combat Tuberculosis

Tuberculosis (TB) kills approximately 2 million people annually. Of the estimated 2 billion people infected with TB, 8 million develop the disease annually. It is a major killer among women of reproductive age and is the leading cause of death in HIV-positive people, accounting for one-third of AIDS deaths worldwide. Just 22 high-burden countries account for 80 percent of the global TB burden. USAID plans to provide financial and technical support to expand and strengthen programs; increase and strengthen human resource capacity; and develop and disseminate new tools and approaches.

This audit, which supplements previous audits, will (1) identify and review selected USAID mission activities in a priority country and (2) assess the activities' impact.

Audit of USAID/Nigeria's TB and Malaria Interventions

Nigeria has the largest TB burden in Africa, with more than 150,000 new cases and 100,000 TB-related deaths each year. USAID is the only U.S. Government partner supporting Nigeria's 5-year strategic plan to stop TB with Child Survival and Health resources ($1.6 million in FY 2007 and $2.6 million in FY 2008). These resources have been used primarily to expand access to directly observed treatment services nationwide.

Furthermore, Nigeria's 140 million people constitute the largest at-risk population for malaria in Africa. Every year Nigerians suffer 60 million episodes of malaria, causing the preventable deaths of 300,000 children and 7,000 women and costing the economy $1.3 billion in lost productivity. With an average of $3 million a year, USAID employs effective and proven community-based and national interventions, including improved access to insecticide-treated nets, availability of prepackaged treatment kits, and training and awareness programs.

The audit will (1) determine whether USAID/Nigeria's TB and malaria interventions achieved intended results and (2) assess the interventions' impact.

Audit of USAID's Implementation of the President's Malaria Initiative

The President's Malaria Initiative, a collaborative U.S. Government effort led by USAID, is a historic, $1.2 billion, 5-year initiative to control malaria in Africa. This initiative is continued under the Tom Lantos and Henry J. Hyde Global United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008. The initiative uses a comprehensive

approach to prevent and treat malaria by supporting four key measures: insecticide-treated mosquito nets, indoor spraying of homes with insecticides, lifesaving antimalarial drugs, and treatment to prevent malaria in pregnant women.

This audit will (1) determine whether selected USAID activities have met the planned results and (2) comment on their overall impact. The audit will draw from prior audits conducted in Angola, Tanzania, Uganda, and Senegal and may involve audit work performed at headquarters.

Worldwide Audit of USAID's Displaced Children and Orphans Fund (Multicountry Audit)

Since its inception in 1989, USAID's Displaced Children and Orphans Fund has worked to improve the well-being of children, families, and communities. The

Fund has provided more than $160 million to support projects in approximately 40 countries. The Fund emphasizes community-based activities that target the specific needs and strengths of the regions and populations they serve.

The multicountry audit of USAID's Displaced Children and Orphans Fund includes centrally directed audits for Ukraine, Philippines, and Senegal. OIG will also issue a capping report summarizing the audit results at various missions and headquarters.

This audit will (1) summarize the audit results at three missions and headquarters, (2) determine whether USAID-financed activities under the Displaced Children and Orphans Fund achieved intended results, and (3) assess the activities' impact.

Strategic Priority 1.3: Help promote economic growth

Audit of USAID's Reporting on Global Development Alliances

USAID uses global development alliances to engage nongovernmental organizations in jointly defining a development problem and contributing to its solution. In September 2005, OIG issued a report on its audit of USAID's alliances, summarizing the results of audits in India, Nigeria, Peru, South Africa, and Zambia from December 2004 to May 2005. The audit report included four recommendations for USAID to strengthen the completeness and accuracy of alliance reporting.

As of December 2007, USAID reported that it had entered into more than 600 alliances with more than 1,700 partners,

leveraging $5.8 billion in private funding by using $2.1 billion in public funding.

This audit will follow up on the prior audit to (1) determine whether USAID has fully and clearly disclosed the nature and limitations of reported alliance data in its external and internal reports and (2) assess the alliances' impact.

Survey and Pilot Audit of USAID Efforts to Protect the Environment

Growing populations are placing increasing pressure on the natural resources of many countries, and many of these resources are not renewable. USAID's activities in natural resource management are closely linked with activities to improve health, increase

agricultural productivity, mitigate or adapt to climate change, and even enhance governance—governance of the environment. For FY 2007, USAID reported that it had spent about $334 million on activities related to the environment. USAID has requested $333 million for FY 2009.

In carrying out its activities overseas, USAID is subject to U.S. environmental laws, regulations, Executive orders, and procedures that ensure the wise use of the taxpayers' money.

The audit will (1) determine whether USAID-financed activities in the environmental sector achieved intended results and (2) assess the activities' impact.

Audit of USAID/Sierra Leone's Agricultural Sector Activities

After many years of war, Sierra Leone is the second poorest nation in the world and has an unskilled, uneducated workforce. For stability to prevail, factors such as extreme destitution, volatile urban unemployment, lack of skilled youth, and food insecurity must be addressed. In Sierra Leone, 75 percent of the population resides in rural areas, dependent on subsistence agriculture and micro/household enterprises. Agriculture has been identified as the most effective driver of growth and employment. USAID activities focus on improving sustainable agriculture productivity by adopting improved management practices and technology and by increasing linkages along the market chain. These activities are intended to reduce food insecurity, increase incomes, and minimize the threat that unemployed youth pose to consolidating stability in Sierra Leone. Approximately

$25 million was obligated for these activities during the 3 years of implementation, 2006 through 2008.

The audit will (1) determine whether USAID's agricultural sector activities in Sierra Leone achieved intended results and (2) assess the activities' impact.

Audit of USAID/Liberia's Economic Growth Activities

Liberia's emergence from two decades of civil conflict presents opportunities for peaceful development. The democratically elected leadership must face challenges common to post-conflict countries and overcome past divisions between the capital and rural areas that resulted in uneven opportunities for Liberians and a shattered economy. USAID increased its funding request in FY 2008 to support Liberia's economic growth program from $26.7 million to $36.1 million. The program is intended to increase the transparency and legitimate use, ownership, access, and commercialization of timber, forest products, minerals, fisheries, and other natural resources. The program is implemented by the Governance and Economic Management Assistance Program to improve policies on natural resource commercialization. U.S.-supported community forestry initiatives are designed to establish sound policies and practices to ensure that the Liberian population benefits from its forests and related natural resources. Also, microcredit initiatives are supported to promote small businesses, by providing training and strengthening their commercial viability, with the goal of increasing employment.

The audit will (1) determine whether USAID/Liberia economic growth activities

achieved planned results and (2) assess the activities' impact.

Audit of USAID/Ethiopia's Agricultural Sector Productivity Activities

Ethiopia is the second most populous country in Africa. Approximately 44 percent of the population is "food insecure", meaning that they do not have enough food to meet minimum daily needs. A USAID internal assessment was commissioned in 2003 to look at the food crisis in Ethiopia in a different way. As a result, USAID now focuses on agricultural-based economic growth to reduce poverty and food insecurity and prevent famine in Ethiopia. Programs are designed to improve economic policy; increase market-led private sector growth, trade competitiveness, and agricultural productivity; protect and increase the assets of the poor; and provide emergency assistance.

This audit will (1) determine whether USAID/Ethiopia's agricultural sector productivity projects achieved intended results and (2) assess the projects' impact.

Audit of USAID/Afghanistan's Land Titling and Economic Restructuring Program

USAID/Afghanistan's Land Titling and Economic Restructuring in Afghanistan Program is aimed at improving land tenure security for millions of Afghans and helping the Government of Afghanistan undertake a comprehensive privatization program in support of the Afghan National Development Strategy and international donor programs. The project is being implemented by the Emerging Markets Group, which was awarded a $56 million

contract in 2004. By strengthening land titling and property rights and privatizing declining state-owned enterprises, USAID/Afghanistan is promoting economic growth in the country.

This audit will (1) determine whether USAID/Afghanistan's Land Titling and Economic Restructuring Program achieved its intended results and (2) assess the program's impact.

Audit of Selected Activities Funded Under USAID/Afghanistan's Infrastructure Rehabilitation Program—Transport Sector

In August 2006, USAID/Afghanistan awarded a $1.4 billion contract to a joint venture to implement the Afghanistan Infrastructure and Rehabilitation Program. Under the program, which runs through 2011, the joint venture will rehabilitate and construct vital energy, water, and transportation infrastructure across Afghanistan. Initial work will focus on rehabilitating and extending roads, power generation capacity, and power transmission networks. Subsequent work is expected to address water and sanitation infrastructure and a broad range of public building improvements. The joint venture will also help the Government of Afghanistan improve its institutional capabilities.

This audit will (1) determine whether selected activities funded under the program for the transport sector are achieving intended results and (2) assess the activities' impact.

Audit of Selected Activities Funded Under USAID/Afghanistan's Infrastructure Rehabilitation Program—Power Sector

In August 2006, USAID/Afghanistan awarded a $1.4 billion contract to a joint venture to implement the Afghanistan Infrastructure and Rehabilitation Program. Under the program, which runs through 2011, the joint venture will rehabilitate and construct vital energy, water, and transportation infrastructure across Afghanistan. Initial work will focus on rehabilitating and extending roads, power generation capacity, and power transmission networks. Subsequent work is expected to address water and sanitation infrastructure and a broad range of public building improvements. The joint venture will also help the Government of Afghanistan improve its institutional capabilities.

This audit will (1) determine whether selected activities funded under the program for the power sector achieved intended results and (2) assess the program's impact.

Audit of USAID/Colombia's Alternative Development Program

Alternative development plays a critical role in the counternarcotics strategy being pursued by the U.S. Government and the Government of Colombia. Alternative development programs are intended to improve social and economic conditions in illicit-crop-producing areas, thereby enabling small producers to voluntarily abandon illicit crop production. USAID/Colombia's alternative development program is carried out under conditions of great insecurity. Armed guerrilla and

paramilitary groups control many areas where the alternative development program is active, and limited physical security continues to be the most significant obstacle to program implementation. The current 5-year program is implemented primarily through two contracts with Associates in Rural Development, totaling $350 million.

The audit will (1) follow up on the 10 recommendations from a previous OIG audit,[12] (2) determine whether the program is achieving intended results, and (3) assess the program's impact.

Audit of USAID/Ecuador's Alternative Development Program

Ecuador is vulnerable to the risks and impacts of a coca/cocaine economy because of poverty, a limited government presence in some areas, and the country's location between two of the world's leading coca/cocaine-producing countries. In the border areas especially, threats include narcotics and coca cultivation, increased paramilitary-guerrilla violence and narcotics-related crime, enlarged flows of refugees and displaced persons, money laundering, and increased problems of trafficking in persons. USAID/Ecuador's $16.8 million alternative development program is designed to limit the appeal of illicit activities by strengthening the ability of local governments to promote economic and social development in Ecuador's six northern border Provinces.

This audit will (1) determine whether the program is achieving planned results, (2) assess the program's impact, and (3) examine the completeness and accuracy of

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[12] Audit of USAID/Colombia's Alternative Development Program, Audit Report No. 1-514-07-009-P, May 30, 2007.

USAID/Ecuador's reporting on the program.

Audit of USAID/Honduras's Trade, Investment, and Competitiveness Program

To help Honduras realize expected benefits from the Central American Free Trade Agreement, USAID/Honduras entered into a $4.3 million cooperative agreement with the Foundation for Investment and Export Development (FIDE) in May 2005. The cooperative agreement focuses on creating a policy analysis unit within FIDE, helping FIDE support the "economic cabinet" within the Government of Honduras, and helping FIDE support the Honduras Private Enterprise Council.

This audit will (1) determine whether FIDE is achieving planned results and (2) assess the impact of FIDE's activities.

Audit of USAID/Jordan's Sustainable Achievement of Business Expansion and Quality Project

In September 2006, USAID/Jordan awarded a 5-year, $69 million contract for the Sustainable Achievement of Business Expansion and Quality Project, ending in September 2011. The purpose of the contract is to develop and implement a program to help Jordan become more competitive in global markets, deepen the public sector reform process, and increase the number of jobs. The project has four components: trade competitiveness, agriculture, private sector competitiveness, and environment.

This audit will (1) determine whether USAID/Jordan's Sustainable Achievement of Business Expansion and Quality Project

achieved intended results and (2) assess the project's impact.

Audit of USAID/Iraq's Provincial Economic Growth Program

The Provincial Economic Growth Program, planned as a 24-month activity with 2 option years, began in January 2008 with a budget of $120 million. The program is intended to provide business development and financial services to Iraqi beneficiaries in strategic locations across the country and to promote economic diversification and employment. The program emphasizes the growth of the manufacturing and service sectors in Provinces throughout Iraq. The two components that focus on providing business development services promote sector competitiveness and expansion of commercial lending through microfinance institutions and banks.

The audit will (1) determine whether the activities have achieved intended results in creating an enabling environment for business operations, (2) determine whether the grant activities have achieved the intended results, and (3) assess the impact of those results.

Strategic Goal 2: Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse.

Strategic Priority 2.1: Contribute to program and operational integrity

Investigative Activity

OIG will continue to investigate allegations of fraud, waste, and abuse in USAID programs, prioritizing investigations in the following areas:

- Matters involving national security
- Matters of congressional interest
- Matters involving high-risk programs
- Matters involving major fraud

In addition, OIG will continue to investigate allegations of employee misconduct among USAID personnel, prioritizing investigations in the following areas:

- Matters involving national security
- Matters of congressional interest
- Matters involving high-level employee investigations

Since OIG recognizes the impact of employee investigations on programs and operations, OIG will complete investigations of employee integrity expeditiously.

The investigations could lead to criminal or civil action by prosecutorial authorities and administrative action by USAID.

Oversight of OMB Circular A-133 Audits, Defense Contract Audit Agency Audits, Enterprise Fund Audits, Audits Contracted by USAID, and Audits Contracted by Overseas Contractors and Grant Recipients

Under the terms of the Office of Management and Budget's (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; the Support for Eastern European Democracy Act; the Federal Acquisition Regulation; and grant and cooperative agreements, annual audits are required and conducted in accordance with generally accepted Government auditing standards. USAID relies on non-Federal auditors to audit the operations of nonprofit grantees and USAID Enterprise Funds, and on Federal auditors to audit the operations of its for-profit contractors.

OIG conducts annual oversight activities to determine that

- Non-Federal auditors have adequately assessed the allowability of USAID awards expended.
- Federal audits meet USAID's needs.
- Bills are reviewed before being paid to Federal auditors.
- Adequate internal control assessments have been made.
- Non-Federal auditors are familiar with the compliance auditing requirements of the Enterprise Fund programs.

- The independence of the non-Federal auditors has not been compromised in appearance or fact.

The objective is to examine the work of non-Federal auditors to determine (1) their understanding of the compliance auditing requirements of USAID's programs, (2) the adequacy of their assessment of the allowability of USAID awards expended, and (3) the adequacy of their review of the internal controls of audited entities.

Quality Control Reviews of Audits Performed by Independent Public Accountants

OIG conducts annual quality-control reviews of audit firms to establish reasonable assurance that non-Federal auditors are independent, are familiar with compliance auditing requirements of USAID's programs, and have adequately followed applicable Federal and American Institute of Certified Public Accountants audit standards in determining the allowability of USAID-funded activities.

Audit of the Integrity Checks of the Manual Processes Used to Prepare Financial Statements

A University of Hawaii study found that 50 to 90 percent of operational spreadsheets contain serious errors and that human error was inherent in spreadsheet design. Typical errors are mechanical errors (mistyping a number or pointing to the wrong cell); logic errors (entering the wrong formula because of a mistake in reasoning); and omission errors (leaving something out). Spreadsheet error research, in turn, has shown that nearly all large spreadsheets contain multiple errors and that errors of material size are very common. Another concern is spreadsheet

fraud, which is easy to perpetrate. According to the USAID document "Documentation of USAID Internal Controls," the Agency imports Phoenix information to Excel templates to automatically generate certain financial statements, such as balance sheets, net costs, and financial positions.

This audit will examine USAID's implementation of controls over the spreadsheets that support the Agency's financial statements.

Audit of USAID's Expenditures for Premium-Class Travel

Because of the high cost of premium-class travel, the Federal Travel Regulation includes specific guidelines meant to restrict premium-class use. A recent U.S. Government Accountability Office report identified internal control weaknesses that led to the improper and abusive use of premium-class travel at several Federal agencies.

This audit will determine whether USAID has adopted appropriate internal controls to prevent improper use of premium-class travel. If the controls are lacking, the audit will assess the impact.

Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq

The U.S. Government, including USAID, relies on private firms for a wide variety of security services in Iraq. By providing security for reconstruction and stabilization efforts, private security contractors contribute an essential service to U.S. and international efforts to bring peace to Iraq. Nevertheless, the use of armed contractors raises several concerns, including those of transparency and accountability. Such

concerns include the lack of public information on the terms of these contracts, such as costs and standards that govern hiring and performance.

This audit will (1) determine whether the services of USAID-funded private security contractors in Iraq were procured in accordance with established USAID and U.S. Government policies and (2) assess whether USAID/Iraq's management of its contracts and grant agreements with implementing partners has provided adequate oversight of private security contractors.

Audit of USAID/Iraq's Participation on Provincial Reconstruction Teams in Iraq

USAID PRT representatives serve as activity managers for all USAID activities in their respective Provinces or regions and integrate all USAID activities in support of PRT work plans. Therefore, representatives maintain close relationships with the implementing partners in their region through meetings and report reviews. The close coordination allows representatives greater ability to assess the progress and challenges of the various programs. As a result, USAID/Iraq will be better able to coordinate and monitor its programs to support the stabilization and development goals of each PRT and project. PRT representatives do not replace cognizant technical officers and contracting officers who are based in Baghdad, but they assist these officers as activity managers in the field.

At writing, Iraq had 25 PRTs. Each team is a hybrid civilian-military force working to establish provincial governments and teach their leaders ways to govern transparently and effectively, promote economic development, and respond to the basic needs of their constituents. The 25 PRTs comprise 10 full-size PRTs, 5 smaller teams, and 10 teams embedded within military brigades. It is anticipated that most will continue operating through FY 2009, when the mission will transition to a traditional USAID training program to develop local governance capacity.

This audit will (1) determine whether USAID/Iraq PRT representatives are performing their intended roles as activity managers and (2) assess how USAID/Iraq is assisting the PRTs in transitioning to USAID/Iraq activities.

Audit of USAID/Iraq's Rapid Assistance Program

In September 2007, USAID launched the 2-year, $130 million Iraq Rapid Assistance Program, which is being implemented by Development Alternatives, Inc. (DAI), to allow PRTs and embedded PRTs to provide grants in support of activities that meet essential needs in their areas of operation. The program will allow PRTs and embedded PRTs to design and generate grant proposals and provide funding with speed and flexibility, while maintaining administrative and managerial control. Results will be achieved through quick mobilization, accelerated operational setup, and swift delivery of grant funds to beneficiaries in PRT and embedded PRT areas of operations.

This audit will (1) determine whether USAID/Iraq developed guidelines for the program's consistent and consequential implementation and, if so, (2) assess whether the guidelines were followed.

Audit of USAID's FY 2009 Financial Statements (Multicountry Audit)

In accordance with the Government Management Reform Act of 1994 (GMRA),[13] OIG will conduct an audit of USAID's consolidated financial statements.

The audit will determine whether USAID's FY 2009 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and OMB Circular A-136, Financial Reporting Requirements. OIG will obtain an understanding of USAID's internal control structure and perform tests of compliance with laws and regulations that could have a direct and material effect on the principal statements and required supplementary information.

The multicountry audit of USAID's FY 2009 financial statements will include six centrally directed audits for West/Central Africa, East/Southern Africa, Asia, Middle East (2), and Latin America/Caribbean.

Review of Management's Discussion and Analysis Section in USAID's FY 2009 Financial Statements (Multicountry Review)

GMRA requires the annual preparation and audit of organization-wide financial statements for Federal departments and agencies. These financial statements must include a section titled "Management's Discussion and Analysis," which briefly describes the reporting entity and its mission, activities, program and financial results, and financial condition.

The multicountry review of this section in USAID's FY 2009 consolidated financial statements includes six centrally directed audits for West/Central Africa, East/Southern Africa, Asia, Middle East (2), and Latin America/Caribbean.

This review will examine certain USAID controls related to this section of the financial statements and determine whether the section meets the form and content standards.

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[13] Public Law 103–356.

Strategic Goal 3: Strengthen USAID's management systems and controls.

Strategic Priority 3.1: Evaluate effectiveness and integrity of automated systems

Audit of USAID's Implementation of the Privacy Requirements in Section 522 of the Consolidated Appropriations Act, 2005

The Consolidated Appropriations Act, 2005,[14] section 522, requires that each agency designate a chief privacy officer and implement comprehensive privacy and data protection procedures. The act also requires each agency to prepare a written report of its use of private information in identifiable form, along with its privacy and data protection policies and procedures. Each report must be signed by the agency's chief privacy officer to verify that the agency intends to comply with the procedures in the report.

This audit will (1) determine whether USAID has implemented comprehensive privacy and data protection procedures, as required by the act, and (2) assess the accuracy of USAID's reporting on its use of information in an identifiable form, along with its privacy and data protection policies and procedures.

Audit of USAID/Washington's Group Policy Objects

Group Policy is the central component of the change and configuration management features of the Microsoft Windows 2000 operating system. Group Policy specifies settings for groups of users and of computers, including registry-based policy settings, security settings, software

installation, scripts (computer startup and shutdown and logon and logoff), and folder redirection. For example, administrators use Group Policy to create a specific desktop configuration that is applied to groups of users and computers. The Windows 2000 Active Directory service enables Group Policy. The policy information is stored in Group Policy Objects, which are linked to selected Active Directory containers (sites, domains, and organizational units). Group Policy Objects can be used to filter objects on the basis of security group membership, allowing administrators to manage computers and users in either a centralized or a decentralized manner. Proper setup is crucial because inaccurate setup can lead to users' and computers' receiving the incorrect policy and security settings.

This audit will determine whether USAID's Group Policy Objects included the correct users and computers in accordance with Agency security policies.

Audit of USAID's Electronic Mail System

As of January 2007, the estimated number of Internet users worldwide exceeded 1 billion. Most of these users have e-mail accounts on one or more mail systems. E-mail is perhaps the most popularly used system for exchanging business information over the Internet (or any other computer network). At the most basic level, the e-mail process can be divided into two principal components: mail servers,

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[14] Public Law 108–447.

which are hosts that deliver, forward, and store e-mail; and mail clients, which allow users to read, compose, send, and store e-mail. National Institute of Standards and Technology (NIST) guidelines[15] address the security issues of mail servers and mail clients, including Web-based access to mail. Attackers frequently target mail servers and user workstations running mail clients. Because the computing and networking technologies that underlie e-mail are ubiquitous and widely understood, attackers can develop methods to exploit security weaknesses. Mail servers are also targeted because they (and public Web servers) must communicate to some degree with untrusted third parties. To protect their e-mail systems, Federal agencies must consider the following when installing, configuring, and maintaining secure mail servers and mail clients.

- Securing the operating system and mail server applications.
- Filtering the e-mail content.
- Implementing encryption standards.
- Deploying and configuring network protection mechanisms (e.g., fire-walls, routers, and switches).

This audit will determine whether USAID has installed, configured, and maintained its secure mail servers and mail clients for its network in accordance with NIST guidelines.

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[15] Special Publication 800–45v2, Guidelines on Electronic Mail Security.

Audit of USAID's Independent Verifications and Validations for Selected IT Investments Within the Bureau for Economic Growth, Agriculture and Trade's Information and Communication Technology Team

The USAID Bureau for Economic Growth, Agriculture and Trade's (EGAT) information and communication technology team expands access to appropriate and affordable telecommunications, information systems, and innovative applications of established and emerging technologies. EGAT's team works with missions to integrate the use of information and communication technologies into programs to support development objectives. Chapter 548 of USAID's Automated Directives System, Program-Funded Information Technology Reviews, provides the authority, policy directives, and procedures for the mandated independent verification and validation (IV&V) review of USAID's program-funded IT investments. According to that chapter, an IV&V is required for program-funded IT investments with a threshold of $100,000 or more over the full IT project life cycle up to 5 years. An IV&V is a technique used to increase the efficiency and effectiveness of a project's IT components. EGAT is not under the control of the Chief Information Officer, who develops IT systems and applications. An IV&V will help ensure the success of EGAT's IT projects by identifying weaknesses in project management, development, and implementation.

This audit will (1) determine whether USAID conducted IV&Vs for selected IT investments within EGAT and (2) assess whether EGAT's information and communication technology team has

implemented recommendations resulting from the required IV&Vs.

Audit of USAID's Compliance With OMB Requirements for Selected IT Business Cases

OMB Circular A-11, Preparation, Submission, and Execution of the Budget, requires agencies to complete and submit an Exhibit 300, Capital Asset Plan and Business Case, in each budget year for each major IT investment. These documents are essentially business cases that agencies use to request funds, monitor the progress of projects, and improve management decisionmaking over expensive IT investments.

Exhibit 300 is designed to coordinate OMB's collection of agency information for its reports to Congress, as required by the Federal Acquisition Streamlining Act of 1994, Title V,[16] and the Clinger-Cohen Act of 1996.[17] It also ensures that the business case for investments is made and tied to the mission statements, long-term goals and objectives, and annual performance plans developed pursuant to the Government Performance and Results Act of 1993.[18]

For selected IT projects, this audit will examine whether USAID has prepared and maintained complete and accurate IT business cases in conformance with OMB requirements.

Audit of USAID's Inventory Processes to Identify IT Hardware, Operating Systems, and Applications on USAID's Network

An accurate and up-to-date inventory of the hardware and software that constitute USAID's network is critical to supporting IT-related functions that include implementing patch management, identifying and documenting the "as-is" IT architecture, ensuring software license compliance, identifying unapproved software and noncompliant equipment, and supporting helpdesk functions. In lieu of a manual inventory, a more effective approach is to use commercially available automated inventory management tools whenever possible. The Agency uses the software application Remedy to support asset management tasks. All assets purchased for Agency use can be logged into the system and their location and primary users maintained in the database.

This audit will determine USAID's process for collecting, maintaining, and verifying its inventory of the IT resources (e.g., hardware, operating systems, and applications) that support the Agency's network.

Audit of USAID's Compliance With the Federal Information Security Management Act of 2002 for FY 2009 (Multicountry Audit)

The Federal Information Security Management Act of 2002 (FISMA),[19] requires each agency to develop, document, and implement an agencywide information security program for the information and information systems that support the operations and assets of the agency, including those provided or managed by

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[16] Public Law 103–355.
[17] Public Law 104–106, Division E, also known as the Information Technology Management Reform Act of 1996 or Federal Acquisition Reform Act of 1991.
[18] Public Law 103–62.

[19] Public Law 107–347.

another agency, contractor, or other source.

The multicountry audit of USAID's FISMA compliance for FY 2009 includes six centrally directed audits for West/Central Africa, East/Southern Africa, Asia, Middle East (2), and Latin America/Caribbean.

This audit will determine whether USAID has implemented selected minimum-security controls for its information systems as required by FISMA.

Strategic Priority 3.2: Evaluate effectiveness of management systems

Audit of USAID's Compliance with the Federal Financial Management Improvement Act of 1996 for FY 2009

The Federal Financial Management Improvement Act of 1996,[20] was intended to advance Federal financial management by ensuring that Federal financial management systems provide reliable, consistent disclosure of financial data and that they do so uniformly across the Federal Government from year to year. Among the act's mandates is the requirement that OIG report on USAID's compliance as part of the annual financial statement audit process. In FY 2006, USAID completed the deployment of its agencywide financial management system, Phoenix, and concluded that USAID was substantially compliant with the core financial requirements that were established in 2001. However, in January 2006, OMB issued new core financial system requirements. It is expected that OMB will require agencies to be substantially compliant with the new requirements in FY 2009.

This audit will determine whether USAID has implemented and maintained a core financial management system that substantially complies with the act.

Audit of USAID's Implementation of Its Managerial Cost Accounting Systems

OMB Circular A-127, Financial Management Systems, requires that agencies' financial management systems maintain accounting data to permit reporting in accordance with accounting standards recommended by the Federal Accounting Standards Advisory Board. OIG reported in its FY 1999 management letter that USAID did not have a system to report on the full costs of its programs, activities, and outputs as required by Federal accounting standards. In responding to the report, USAID officials stated that the Agency has financial information systems to capture the full costs of its program, activities, and outputs. Although USAID has enhanced its cost accounting systems since 1999, it has discontinued and replaced some of the information systems.

This audit will determine whether USAID's implementation of its managerial cost accounting systems satisfied OMB requirements.

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[20] Public Law 104–208.

Audit of the Performance of USAID's Worldwide Global Acquisition and Assistance System at Missions with Moderate and High Telecommunications Profile (Multicountry Audit)

In December 2006, USAID began to pilot its Global Acquisition System in selected Washington offices and overseas missions. However, in February 2008, OMB approved USAID's request to deviate from using the grants management line of business for capturing assistance activity. Therefore, USAID plans to implement the multimillion-dollar Global Acquisition and Assistance System (GLAAS), which will capture both acquisition and assistance activities. However, USAID is aware that the application's performance may be problematic, given the Agency's IT infrastructure. For example, USAID identified two issues related to systems performance as high risks to the success of the original GLAAS project. In addition, in a February 2005 audit report that focused on the performance of USAID's core accounting system, OIG reported that interconnectivity performance fell short at USAID's missions in the Asian, Near East, and especially African regions, where the telecommunications infrastructure was inherently limited in less-developed or remote areas. Although that report focused on the core accounting system, good telecommunications between USAID/Washington and the missions is even more important for GLAAS, as the application is very "chatty" (i.e., uses many round-trips across the network to accomplish some tasks).

This audit will determine whether users of USAID's GLAAS at missions with moderate and high telecommunication profiles are able to process transactions efficiently.

The multicountry audit of GLAAS at missions with poor telecommunication availability may include countries from West/Central Africa, East/Southern Africa, Asia, Middle East, Europe and Eurasia, and Latin America/Caribbean. Most of these audits will be performed in FY 2010.

Audit of USAID's Process for Suspension and Debarment

According to the Federal Acquisition Regulation,[21] "debarment" means action taken by a debarring official to exclude a contractor from Government contracting and Government-approved subcontracting for a reasonable, specified period. From 2003 through 2007, USAID had only 8 debarment actions registered on the General Services Administration's Excluded Parties List System, while, in comparison, the Department of State had 61.

This audit will examine the effectiveness of USAID's process for debarment and suspension.

Audit of USAID's Management Controls Over Its Travel Credit Card Program

The Federal Government sponsors a program to provide travel credit cards to Federal employees. Government card usage provides streamlined, best practice processes that are consistent with private industry standards.

This audit will (1) determine whether USAID has established appropriate controls to monitor and maximize the benefits of its Government-sponsored travel credit card program and (2) assess the impact of the controls.

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[21] FAR 2.101, Definitions.

Audit of USAID's Human Capital Strategy

As in other Federal departments, an increasing number of USAID employees are becoming eligible for retirement. Therefore, USAID will need to use succession planning, training, and executive development for existing staff to make up for anticipated gaps in skills that retiring workers will leave behind. In fact, strategic human capital management is one of the primary initiatives of the President's Management Agenda.

This audit will (1) determine whether USAID has implemented an effective Human Capital Strategy and (2) assess the impact of its strategic measures.

Strategic Goal 4: Optimize OIG management programs and resources.

Strategic Priority 4.2: Acquire and manage the financial resources necessary to achieve OIG's strategic goals

Integration of Budget and Performance

OIG's challenge is to develop a strategic budgeting approach that allocates resources to programs and budgets by strategic goals. The allocation will better align resources to U.S. foreign policy objectives. Performance-based budgeting will integrate budget and performance through a budget tracking model that improves the links between strategic goals and assesses the allocation of program resources.

Strategic Priority 4.3: Acquire and manage equipment, space, and information technology to realize OIG's planned results

Upgrade of Network Infrastructure

Recently, OIG performed an evaluation of its network infrastructure and concluded that the model for this infrastructure, based on decentralized server storage and processing, is unlikely to sustain projected growth. OIG network operations are very server intensive; many business functions that use large amounts of data rely upon sophisticated software to access, process, and manage the data.

The evaluation proposed a centralized data-storage model with server consolidations. This model has been found to be more space and energy efficient than the current decentralized model. Additionally, the new model would offer the capacity for expansion to meet business needs at lower cost.

OIG will incorporate a storage-area network and consolidated server technologies to ensure that all data are protected in the event of failure. The number of physical servers will be reduced by more than 50 percent, and consolidation will make data processing more efficient. The solution also meets the following new design goals:

- Better use of resources, staff, and equipment (reduction in excess hardware and unused capacity).
- Reduced hardware and software maintenance and management overhead.
- Simplified network management.
- Less time and effort in completing operational tasks.
- Less energy use and required space.
- High performance capability.
- Flexibility to tailor the system to match current business processes and modify it to accommodate changes.
- Continuous operation for long periods of time.

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The solution will completely redesign the OIG server infrastructure. Combined with a detailed and comprehensive plan for migrating data, a new network infrastructure will enhance network performance while keeping applications and data available during the move. Through these initiatives, Information Management will be better able to deliver the efficient IT services required by OIG.

Integration of Intranet Quorum (IQ) Investigation Cases from IQ to Case Management System

OIG implemented a new case management system, the Criminal Law Enforcement Records System (CLERS), for the Office of Investigations. CLERS provides a greater level of tracking, data management, and statistical reporting for investigative cases. CLERS is a Web-based system that enables OIG investigators stationed domestically and overseas to work from a central, secure resource.

Previously, the Office of Investigations used IQ for case tracking. In order for CLERS to be the single, comprehensive system for all OIG investigative case information, closed-case tracking data must be extracted from the IQ system, combined with supporting documentation, and made available and searchable through CLERS.

Data relating to closed investigative cases stored in the IQ system will be extracted. Supporting case data will be imaged and combined with the tracking information into a single, searchable database.

Staff in headquarters, as well as the Regional Inspector General offices across various locations, will be able to access and share historical data from a single source. The data will be available to investigators via the new CLERS software for use with new and existing cases.

PLANNED OIG ACTIVITIES FOR FY 2009—USADF

Strategic Goal 2: Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse.

Strategic Priority 2.1: Contribute to program and operational integrity

Audit of USADF's FY 2009 Financial Statements

GMRA requires OIG audits of Federal agency consolidated financial statements.

The audit will determine whether USADF's FY 2009 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and OMB Circular A-136, Financial Reporting Requirements. OIG will obtain an understanding of USADF's internal control structure and perform tests of compliance with laws and regulations that could have a direct and material effect on the principal statements and required supplementary information.

Strategic Goal 3: Strengthen USADF's management systems and controls.

Strategic Priority 3.1: Evaluate effectiveness and integrity of automated systems

Audit of USADF's Compliance With FISMA Provisions for FY 2009

FISMA requires each agency to develop, document, and implement an agencywide information security program for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source.

This audit will determine whether USADF's information system security program meets FISMA requirements.

PLANNED OIG ACTIVITIES FOR FY 2009—IAF

Strategic Goal 2: Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse.

Strategic Priority 2.1: Contribute to program and operational integrity

Audit of IAF's FY 2009 Financial Statements

GMRA requires OIG audits of Federal agency consolidated financial statements.

The audit will determine whether IAF's FY 2009 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and OMB Circular A-136, Financial Reporting Requirements. OIG will obtain an understanding of IAF's internal control structure and perform tests of compliance with laws and regulations that could have a direct and material effect on the principal statements and required supplementary information.

Strategic Goal 3: Strengthen USAID's management systems and controls.

Strategic Priority 3.1: Evaluate effectiveness and integrity of automated systems

Audit of IAF's Compliance With FISMA Provisions for FY 2009

FISMA requires each agency to develop, document, and implement an agencywide information security program for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source.

This audit will determine whether IAF's information system security program meets FISMA requirements.

APPENDIX I

PLANNED OIG ACTIVITIES FOR
FISCAL YEAR 2009—USAID, USADF, AND IAF
October 1, 2008–September 30, 2009

USAID

GENERAL
Survey and Pilot Audit of USAID's Activities for Rule of Law and Human Rights
Audit of USAID's Activities Through the Victims of Torture Fund
Audit of USAID's Response to the Global Food Crisis
Audit of USAID Activities to Combat TB
Audit of USAID's Reporting on Global Development Alliances
Survey and Pilot Audit of USAID Efforts to Protect the Environment
Oversight of OMB Circular A-133 Audits, Defense Contract Audit Agency Audits, Enterprise Fund Audits, Audits Contracted by USAID, and Audits Contracted by Overseas Contractors and Grant Recipients
Quality Control Reviews of Audits Performed by Independent Public Accountants
Audit of the Integrity Checks of the Manual Processes Used to Prepare Financial Statements
Audit of USAID's Expenditures for Premium-Class Travel
Audit of USAID's Implementation of the Privacy Requirements in Section 522 of the Consolidated Appropriations Act, 2005
Audit of USAID/Washington's Group Policy Objects
Audit of USAID's Electronic Mail System
Audit of USAID's Independent Verifications and Validations for Selected IT Investments Within the Bureau for Economic Growth, Agriculture and Trade's Information and Communication Technology Team
Audit of USAID's Compliance With OMB Requirements for Selected IT Business Cases
Audit of USAID's Inventory Processes to Identify IT Hardware, Operating Systems, and Applications on USAID's Network
Audit of USAID's Compliance With the Federal Financial Management Improvement Act of 1996 for FY 2009
Audit of USAID's Implementation of Its Managerial Cost Accounting Systems
Audit of USAID's Process for Suspension and Debarment
Audit of USAID's Management Controls Over Its Travel Credit Card Program

GENERAL (continued)
Audit of USAID's Human Capital Strategy
Integration of Budget and Performance
Upgrade of Network Infrastructure
Integration of Intranet Quorum (IQ) Investigation Cases from IQ to Case Management System
AFRICA
Audit of USAID/Sudan's Civil Society Program
Audit of USAID/Democratic Republic of the Congo's Basic Education Program
Audit of USAID/Tanzania's Basic Education Program
Audit of USAID/Kenya's Implementation of the Prevention of Mother-to-Child Transmission of HIV Program
Audit of USAID/Ethiopia's Management of Commodities for PEPFAR
Audit of USAID/Nigeria's TB and Malaria Interventions
Audit of USAID's Implementation of the President's Malaria Initiative
Audit of Sierra Leone's Agricultural Sector Activities
Audit of USAID/Liberia's Economic Growth Activities
Audit of USAID/Ethiopia's Agricultural Sector Productivity Activities
ASIA
Audit of USAID/Afghanistan's Afghan Civilian Assistance Program
Audit of USAID/Afghanistan's Technical Support to the Central and Provincial Ministry of Public Health
Audit of USAID/Afghanistan's Capacity Development Program
Audit of USAID/Afghanistan's Local Governance and Community Development Project in Northern and Western Regions of Afghanistan
Audit of USAID/Pakistan's Capacity-Building Development Program
Audit of USAID/Afghanistan's Basic Education Program
Audit of Selected Activities Funded Under USAID/Bangladesh's Population and Health Program
Audit of Selected Activities Funded Under USAID/Kazakhstan's Health Program
Audit of USAID/Pakistan's Links to Learning: Education Support to Pakistan Program
Audit of USAID/Philippines' Sustainable Health Improvements Through Empowerment and Local Development Project

ASIA (continued)
Audit of USAID/Afghanistan's Land Titling and Economic Restructuring Program
Audit of Selected Activities Funded Under USAID/Afghanistan's Infrastructure Rehabilitation Program—Transport Sector
Audit of Selected Activities Funded Under USAID/Afghanistan's Infrastructure Rehabilitation Program—Power Sector
EUROPE AND EURASIA
Audit of USAID/Russia's Program to Reduce Trafficking in Persons
LATIN AMERICA AND THE CARIBBEAN
Audit of USAID/Colombia's Human Rights Program
Audit of USAID/Guatemala's Democracy and Governance Activities
Audit of USAID/Honduras's Democracy and Governance Activities
Audit of USAID/Haiti's P.L. 480 Title II Programs
Follow-up Audit of USAID/Guyana's Progress in Implementing PEPFAR
Audit of USAID/Colombia's Alternative Development Program
Audit of USAID/Ecuador's Alternative Development Program
Audit of USAID/Honduras's Trade, Investment, and Competitiveness Program
MIDDLE EAST
Audit of USAID/West Bank and Gaza's Democracy and Governance Activities
Audit of USAID/Yemen's Democracy and Governance Activities
Audit of the USAID/Iraq's Community Stabilization Program
Audit of USAID/Iraq's Assistance to the Iraqi Electricity Sector
Audit of USAID/Iraq's Community-Based Conflict Mitigation Program
Audit of USAID/Egypt's School-Based Reform Activities Under Its Education Reform Program
Audit of USAID/Jordan's Education Reform Support Project
Audit of USAID/Lebanon's Water Activities
Audit of USAID/West Bank and Gaza's Water Activities
Audit of USAID's Activities Regarding Internally Displaced Persons in Iraq
Audit of USAID/Jordan's Sustainable Achievement of Business Expansion and Quality Project

MIDDLE EAST (continued)
Audit of USAID/Iraq's Provincial Economic Growth Program
Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq
Audit of USAID/Iraq's Participation on Provincial Reconstruction Teams in Iraq
Audit of USAID/Iraq's Rapid Assistance Program
MULTICOUNTRY
Worldwide Audit of Selected Prevention Activities for Combating HIV/AIDS (Multicountry Audit)
Worldwide Audit of USAID's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV Program (Multicountry Audit)
Worldwide Audit of USAID's Displaced Children and Orphans Fund (Multicountry Audit)
Audit of USAID's FY 2009 Financial Statements (Multicountry Audit)
Review of Management's Discussion and Analysis Section in USAID's Financial Statements for FY 2009 (Multicountry Review)
Audit of USAID's Compliance With the Federal Information Security Management Act of 2002 for FY 2009 (Multicountry Audit)
Audit of the Performance of USAID's Worldwide Global Acquisition and Assistance System at Missions With Moderate and High Telecommunications Profile (Multicountry Audit)
HIV/AIDS, TB, and MALARIA
Audit of Selected Activities Funded Under USAID/Bangladesh's Population and Health Program
Audit of Selected Activities Funded Under USAID/Kazakhstan's Health Program
Worldwide Audit of Selected Prevention Activities for Combating HIV/AIDS (Multicountry Audit)
Audit of USAID/Kenya's Implementation of the Prevention of Mother-to-Child Transmission of HIV Program
Audit of USAID/Ethiopia's Management of Commodities for PEPFAR
Worldwide Audit of USAID's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV Program (Multicountry Audit)
Audit of USAID Activities to Combat TB
Audit of USAID/Nigeria's TB and Malaria Interventions
Audit of USAID's Implementation of the President's Malaria Initiative

USADF

GENERAL
Audit of USADF's FY 2009 Financial Statements
Audit of USADF's Compliance With FISMA Provisions for FY 2009

IAF

GENERAL
Audit of IAF's FY 2009 Financial Statements
Audit of IAF's Compliance With FISMA Provisions for FY 2009

MILLENNIUM CHALLENGE CORPORATION ANNUAL PLAN

FISCAL YEAR 2009

PLANNED OIG ACTIVITIES FOR FY 2009—MCC

Strategic Goal 1: Strengthen the economy, efficiency, and effectiveness of U.S.foreign assistance programs and operations.

Strategic Priority 1.1: Improve governmental and social institutions in developing countries

Status of Work Planned for FY 2008 and Expected to End in Early FY 2009

During the first quarter of FY 2009, OIG will complete work begun in FY 2008 on audits of the MCC programs in Cape Verde and Nicaragua and an audit of the FY 2008 financial statements. After preliminary review in FY 2008, an audit of programs in Georgia was cancelled because of civil unrest in the country.

Audits of MCC's Programs in Cape Verde, Nicaragua, and Honduras

Cape Verde. The $110 million, 5-year compact program supports economic activity in agriculture and watershed management, infrastructure rehabilitation, and private-sector-led growth.

Nicaragua. On July 14, 2005, MCC signed a $175 million, 5-year compact with the Government of Nicaragua that entered into force on May 26, 2006. The program supports transportation development projects, property regularization, and rural business development.

Honduras. On June 13, 2005, MCC signed a $215 million, 5-year Compact with the Government of Honduras that entered into force on September 29, 2005. The program supports development activities in the transportation and rural development sectors.

The audits will determine whether (1) MCC had reasonable assurance that the compact recipients established proper milestones and targets for their MCC-funded programs; (2) compact recipients are meeting their performance milestones and targets; and (3) MCC is providing the local government, the U.S. Congress, the farming industry and nongovernmental organizations in the program zones, and other stakeholders identified during the audit with complete and accurate information on the programs' progress.

Verifying management, monitoring, and evaluation will help MCC to assess performance. OIG will identify any weaknesses in the recipients' data-gathering systems and in MCC's data verification processes. This early identification of potential problems will allow MCC to help compact recipients shift resources to overcome weaknesses, enhancing the ultimate success of the program and contributing to MCC's economy, efficiency, and effectiveness.

Audit of MCC's Management of the Threshold Program

MCC's Threshold Program is directed at countries on the "threshold" of eligibility for MCC assistance, using 17 indicators to determine a country's eligibility. The Threshold Program helps countries address specific policy weaknesses indentified by

their scores on these indicators. To qualify for assistance through the Threshold Program, countries must submit concept papers to explain how they intend to address their weaknesses. MCC, in consultation with USAID, decides whether a concept paper shows sufficient commitment to reform and a chance of success. A country that qualifies then prepares a Threshold country plan that establishes a program schedule, the means to measure progress, financing requirements, and other related considerations. USAID is charged with overseeing the implementation of approved Threshold country plans, but other U.S. agencies and departments may also be involved in providing threshold assistance. MCC signed Threshold agreements with 19 countries, approving approximately $440 million under the Threshold Program, including the 7 percent administrative fee charged by USAID.

MCC's interactions with USAID have been of continuing concern to Congress and various policy analysts. MCC and USAID officials have said that they would collaborate closely, but no previous audits have examined the exact nature of their relationship, especially with regard to the Threshold Program. It is critical to determine the effectiveness of MCC's coordination and management of USAID's efforts to ensure that their shared funds are handled properly. OIG will perform audit work at MCC headquarters, USAID headquarters (if needed), and selected USAID missions.

This audit will determine whether MCC (1) managed the Threshold Program agreements to ensure that intended results were achieved and (2) reported complete and accurate information on the progress and results of the program.

Audits of MCC's Programs in Armenia and Benin

Armenia. The goal of the $235.7 million compact is to reduce rural poverty through a sustainable increase in the economic performance of Armenia's agricultural sector. The project's objectives are to (1) expand the access of rural communities to agricultural markets, nonfarm income opportunities, and social infrastructure by improving the condition of rural roads and (2) increase the productivity of the agricultural sector by extending and improving the quality of the irrigation system, strengthening the entities that manage the system, and enabling farmers to commercialize their products.

Benin. The goal of the $307.3 million compact is to increase economic growth and reduce poverty in Benin by increasing investment and private sector activity. The project's objectives are to (1) strengthen property rights and investment; (2) expand access to financial services; (3) improve the judicial system's ability to enforce contracts and reconcile claims; and (4) improve access to markets through improvements to the Port of Cotonou.

The audits will determine whether (1) MCC had reasonable assurance that the compact recipients established proper performance milestones and targets for their MCC-funded programs; (2) compact recipients are achieving performance milestones and targets; and (3) MCC is providing the local government, the U.S. Congress, nongovernmental organizations in the program zones, and other stakeholders indentified during the audit with complete and accurate information on the program's progress.

Verifying management, monitoring, and evaluation will assist MCC's efforts to assess performance. OIG will be able to identify possible weaknesses in the recipients' data-gathering systems and in MCC's data verification processes. Assessing progress toward achieving intended outputs will identify potential problems while MCC can still help compact recipients shift resources to overcome them, enhancing the ultimate success of the program and contributing to MCC's economy, efficiency, and effectiveness.

Audit to Follow Up on Recommendations From Previous Audits

OMB Circular A-50, Audit Follow-Up, requires follow-up on past audit recommendations. OIG will assess whether MCC management's responses to audit recommendations were effective in correcting identified problems.

The audit will address whether MCC's planned actions, as documented in its management decision process for those recommendations tested, were implemented. Further, the audit will assess whether the implemented action resolves the weaknesses identified by the audit.

Strategic Goal 2: Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse.

Strategic Priority 2.1: Contribute to program and operational integrity

Investigative Activity

OIG will continue to investigate allegations of fraud, waste, and abuse in MCC programs, prioritizing investigations in the following areas:

- Matters involving national security
- Matters of congressional interest
- Matters involving high-risk programs
- Matters involving major fraud

In addition, OIG will continue to investigate allegations of employee misconduct among MCC personnel, prioritizing investigations in the following areas:

- Matters involving national security
- Matters of congressional interest
- Matters involving high-level employee investigations

Since OIG recognizes the impact of employee investigations on programs and operations, OIG will complete investigations of employee integrity expeditiously.

The investigations could lead to criminal or civil action by prosecutorial authorities and administrative action by MCC.

Strategic Goal 3: Strengthen MCC's management systems and controls.

Strategic Priority 3.1: Evaluate effectiveness and integrity of automated systems

Audit of MCC's FY 2008 Financial Statements

In accordance with the Government Corporation Control Act (GCCA),[22] MCC must have its consolidated financial statements audited by OIG or an independent external auditor. OIG will contract with an independent external auditor to review MCC's FY 2008 financial statements.

 The audit will determine whether MCC's principal financial statements present the financial condition of MCC fairly in all material respects and whether they conform to generally accepted accounting principles.

The external auditors will perform tests of MCC's internal controls structure and compliance with laws and regulations that could have a material effect on the principal financial statements. OIG will supervise the audit work, brief MCC on the audit findings, and recommend ways to correct identified weaknesses. This process will provide stakeholders with an evaluation of the integrity of MCC's accounting systems.

Audit of MCC's Financial Statements During FY 2009

In accordance with the GCCA, MCC must have its consolidated financial statements audited by OIG or an independent external auditor.

The audit will determine whether MCC's FY 2009 financial statements are presented fairly, in all material respects, in conformity with generally accepted Government accounting principles. OIG will obtain an understanding of MCC's internal control structure and perform tests of compliance with laws and regulations that could have a direct and material effect on the principal statements and required supplementary information.

Review of MCC's Compliance With FISMA Provisions for FY 2009

FISMA requires each agency to develop, document, and implement an agencywide information security program for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source.

The audit will determine whether MCC's information system security program meets FISMA requirements for program management and information security controls. The audit will test areas of repeated weakness in MCC management of information security and recommend means for the protection of data files, computer equipment, and resources from unauthorized activity.

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[22] 31 U.S.C. 9105.

Audit of MCC's Internal Controls for Preventing Transactions With Individuals and Organizations Associated With Terrorism

The President's Executive Order 13224, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (issued on September 23, 2001), sets forth procedures to disrupt the financial support network used by terrorists and terrorist organizations. Order 13224 created a list (periodically revised) of individuals and entities associated with terrorists. The order authorizes the U.S. Government to block the assets of foreign individuals and entities on that list that commit or pose a significant risk of committing acts of terrorism. The order also prohibits all transactions with and provision of support for these individuals and entities. Compliance is a priority for all Government agencies, especially those disbursing monies overseas.

In September 2006, the U.S. Treasury Department's Office of Foreign Asset Control updated its Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-based Charities, which serves as an industry standard for U.S. charities, many of which work in international development.

Other Miscellaneous Direct Activities

OIG conducts activities that directly support the principal office function of reviewing (auditing) MCC activities. Chief among them are required meetings for management staff, such as planning conferences and liaison activities. OIG also provides training on U.S. Government auditing standards to overseas firms that audit MCC-funded programs and to MCC and recipient country staff.

Strategic Priority 3.2: Evaluate effectiveness of management systems

Audit of MCC Progress in Meeting the Requirements of the Government Performance Results Act of 1993

The Government Performance Results Act of 1993 (GPRA)[23] established minimum standards for the planning, budgeting, program evaluation, and fiscal accountability of Federally funded programs. The intent of the act is to improve public confidence in Federal agencies' performance by holding them accountable for achieving program results. A second goal is to improve congressional decisionmaking by clarifying and stating program performance goals,

measures, and costs. As a Government corporation, MCC is considered a Federal agency under 5 U.S.C. 105[24] and is therefore obligated to meet GPRA requirements as follows:

Strategic plans. MCC must develop a 5-year strategic plan with a comprehensive mission statement, a set of outcome-related strategic goals, and a plan for achieving those goals. The strategic plan must be updated every 3 years.

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[23] Public Law 103–62.

[24] Title 5, United States Code, section 105, Executive agency.

Annual performance plans. MCC must submit annual performance plans to OMB covering each program activity in its budget. MCC's annual plans must be consistent with its strategic plan; establish quantifiable performance goals; define the level of performance to be achieved during the fiscal year; and describe the operational processes and resources required to meet the performance goals.

Annual performance reports. By March 31 of each year, MCC must issue a performance report for the previous fiscal year to the President and the Congress. This report assesses MCC's performance on the goals established for that year, analyzes progress toward strategic goals, and explains deviations from the goals and measures to overcome future impediments.

This audit will determine whether the MCC strategic plan and annual performance plan met GPRA requirements for quality of content, including indicators to measure results, and distribution.
The audit will point out any GPRA-related deficiencies that could become challenges if MCC does not address them. OIG adds value by providing an independent and experienced assessment of MCC's efforts.

Oversight of Contracted Financial Audits of MCC's Program Implementing Entities (Fund Accountability Statement Audits)

Each country receiving a compact must establish an "accountable entity" to manage the implementation of the compact. Millennium Challenge Account (MCA) is the name most often used for the accountable entity (for example, MCA-Madagascar). MCC compacts require MCAs to contract with independent auditors to perform annual (at a minimum) financial audits of funds provided under the compact. The audit (referred to as a fund accountability statement audit) must include a specific audit of all the recipient's MCC-funded programs.

The OIG review establishes reasonable assurance that standards are met for the audit work, including the independence of non-Federal auditors and whether the auditors accurately assessed expenditures, internal controls, and compliance with the agreement terms.

OIG will qualify firms to audit new compacts that MCC expects to award in seven countries and review all audit reports prepared by third parties under the Contracted Audit Program. OIG will also review the work of local audit firms that audited the MCAs in about 10 countries. Selection of the countries will be based on the results of OIG's reviews of individual audit reports.

As MCC expands operations, there is an increased risk of awarding funds to individuals or organizations connected with international terrorism, since MCC's overseas programs are operated by the recipient country, with host country nationals responsible for selecting and managing contractors, who may be unfamiliar with U.S. antiterrorism requirements. In these cases, MCC must be able to provide reasonable assurance that the procurement systems used by the various MCAs comply with Executive Order 13224.

The audit will determine whether MCC created adequate internal controls to prevent contracts from being awarded to individuals and entities that support terrorist activities.

Strategic Goal 4: Optimize OIG management programs and resources.

Strategic Priority 4.2: Acquire and manage the financial resources necessary to achieve OIG's strategic goals

Integration of Budget and Performance

OIG's challenge is to develop a strategic budgeting approach that allocates resources to programs and budgets by strategic goals. The allocation will better align resources to U.S. foreign policy objectives. Performance-based budgeting will integrate budget and performance through a budget tracking model that improves the links between strategic goals and assesses the allocation of program resources.

Strategic Priority 4.3: Acquire and manage equipment, space, and information technology to realize OIG's planned results

Upgrade of Network Infrastructure

Recently, OIG performed an evaluation of its network infrastructure and concluded that the model for this infrastructure, based on decentralized server storage and processing, is unlikely to sustain projected growth. OIG network operations are very server intensive; many business functions that use large amounts of data rely upon sophisticated software to access, process, and manage the data.

The evaluation proposed a centralized data-storage model with server consolidations. This model has been found to be more space and energy efficient than the current decentralized model. Additionally, the new model would offer the capacity for expansion to meet business needs at lower cost.

OIG will incorporate a storage-area network and consolidated server technologies to ensure that all data are protected in the event of failure. The number of physical servers will be reduced by more than 50 percent, and consolidation will make data processing more efficient. The solution also meets the following new design goals:

- Better use of resources, staff, and equipment (reduction in excess hardware and unused capacity).
- Reduced hardware and software maintenance and management overhead.
- Simplified network management.
- Less time and effort in completing operational tasks.
- Less energy use and required space.

- High performance capability.
- Flexibility to tailor the system to match current business processes and modify it to accommodate changes.
- Continuous operation for long periods of time.

The solution will completely redesign the OIG server infrastructure. Combined with a detailed and comprehensive plan for migrating data, a new network infrastructure will enhance network performance while keeping applications and data available during the move. Through these initiatives, Information Management will be better able to deliver the efficient IT services required by OIG.

Integration of Intranet Quorum (IQ) Investigation Cases from IQ to Case Management System

OIG implemented a new case management system, the Criminal Law Enforcement Records System (CLERS), for the Office of Investigations. CLERS provides a greater level of tracking, data management, and statistical reporting for investigative cases. CLERS is a Web-based system that enables OIG investigators stationed domestically and overseas to work from a central, secure resource.

Previously, the Office of Investigations used IQ for case tracking. In order for CLERS to be the single, comprehensive system for all

OIG investigative case information, closed-case tracking data must be extracted from the IQ system, combined with supporting documentation, and made available and searchable through CLERS.

Data relating to closed investigative cases currently stored in the IQ system will be extracted. Supporting case data will be imaged and combined with the tracking information into a single, searchable database.

Staff in headquarters, as well as in Regional Inspector General offices across various locations, will be able to access and share historical data from a single source. Historical data will be available to investigators via the new CLERS software for use with new and existing cases.

APPENDIX II

PLANNED OIG ACTIVITIES FOR
FISCAL YEAR 2009—MCC
October 1, 2008–September 30, 2009

GENERAL
Fraud Awareness and Prevention Outreach
Integrity Enhancement
Other Miscellaneous Direct Activities
DEPARTMENT OF COMPACT IMPLEMENTATION
Audits of MCC's Programs in Cape Verde, Nicaragua, and Honduras
Audits of MCC's Programs in Armenia and Benin
Audit of MCC's Internal Controls for Preventing Transactions With Individuals and Organizations Associated With Terrorism
Audit to Follow Up on Recommendations From Previous Audits
DEPARTMENT OF POLICY AND INTERNATIONAL RELATIONS
Audit of MCC's Management of the Threshold Program
ADMINISTRATION AND FINANCE
Audit of MCC's FY 2008 Financial Statements
Audit of MCC's Progress in Meeting the Requirements of the Government Performance Results Act of 1993
Audit to Follow Up on Recommendations From Previous Audits
Oversight of Contracted Financial Audits of MCC's Program Implementing Entities (Fund Accountability Statement Audits)
Audit of MCC's Financial Statements During FY 2009
Review of MCC's Compliance With FISMA Provisions for FY 2009
Upgrade of Network Infrastructure
Integration of Intranet Quorum (IQ) Investigation Cases from IQ to Case Management System
Integration of Budget and Performance

APPENDIX III

PLANNED OIG ACTIVITIES BY STRATEGIC GOAL

STRATEGIC GOAL 1
October 1, 2008–September 30, 2009

USAID
Strategic Priority 1.1
Survey and Pilot Audit of USAID's Activities for Rule of Law and Human Rights
Audit of USAID/Sudan's Civil Society Program
Audit of USAID/Afghanistan's Afghan Civilian Assistance Program
Audit of USAID/Afghanistan's Technical Support to the Central and Provincial Ministry of Public Health
Audit of USAID/Afghanistan's Capacity Development Program
Audit of USAID/Afghanistan's Local Governance and Community Development Project in Northern and Western Regions of Afghanistan
Audit of USAID/Pakistan's Capacity-Building Development Program
Audit of USAID/Colombia's Human Rights Program
Audit of USAID/Guatemala's Democracy and Governance Activities
Audit of USAID/Honduras's Democracy and Governance Activities
Audit of USAID/West Bank and Gaza's Democracy and Governance Activities
Audit of USAID/Yemen's Democracy and Governance Activities
Audit of the USAID/Iraq's Community Stabilization Program
Audit of USAID/Iraq's Assistance to the Iraqi Electricity Sector
Audit of USAID/Iraq's Community-Based Conflict Mitigation Program
Strategic Priority 1.2
Audit of USAID's Activities Through the Victims of Torture Fund
Audit of USAID's Response to the Global Food Crisis
Audit of USAID/Democratic Republic of the Congo's Basic Education Program
Audit of USAID/Tanzania's Basic Education Program
Audit of USAID/Afghanistan's Basic Education Program
Audit of Selected Activities Funded Under USAID/Bangladesh's Population and Health Program
Audit of Selected Activities Funded Under USAID/Kazakhstan's Health Program

USAID (continued)
Audit of USAID/Pakistan's Links to Learning: Education Support to Pakistan Program
Audit of USAID/Philippines' Sustainable Health Improvements through Empowerment and Local Development Project
Audit of USAID/Russia's Program to Reduce Trafficking in Persons
Audit of USAID/Haiti's P.L. 480 Title II Programs
Audit of USAID/Egypt's School-Based Reform Activities Under Its Education Reform Program
Audit of USAID/Jordan's Education Reform Support Project
Audit of USAID/Lebanon's Water Activities
Audit of USAID/West Bank and Gaza's Water Activities
Audit of USAID's Activities Regarding Internally Displaced Persons in Iraq
Worldwide Audit of Selected Prevention Activities for Combating HIV/AIDS (Multicountry Audit)
Follow-up Audit of USAID/Guyana's Progress in Implementing PEPFAR
Audit of USAID/Kenya's Implementation of the Prevention of Mother-to-Child Transmission of HIV Program
Audit of USAID/Ethiopia's Management of Commodities for PEPFAR
Worldwide Audit of USAID's PEPFAR-Funded Activities and Commodities for the Prevention of Mother-to-Child Transmission of HIV Program
Audit of USAID's Activities to Combat Tuberculosis
Audit of USAID/Nigeria's TB and Malaria Interventions
Audit of USAID's Implementation of the President's Malaria Initiative
Worldwide Audit of USAID's Displaced Children and Orphans Fund (Multicountry Audit)
Strategic Priority 1.3
Audit of USAID's Reporting on Global Development Alliances
Survey and Pilot Audit of USAID Efforts to Protect the Environment
Audit of USAID/Sierra Leone's Agricultural Sector Activities
Audit of USAID/Liberia's Economic Growth Activities
Audit of USAID/Ethiopia's Agricultural Sector Productivity Activities
Audit of USAID/Afghanistan's Land Titling and Economic Restructuring Program
Audit of Selected Activities Funded Under USAID/Afghanistan's Infrastructure Rehabilitation Program—Transport Sector

USAID (continued)
Audit of Selected Activities Funded Under USAID/Afghanistan's Infrastructure Rehabilitation Program—Power Sector
Audit of USAID/Colombia's Alternative Development Program
Audit of USAID/Ecuador's Alternative Development Program
Audit of USAID/Honduras's Trade, Investment, and Competitiveness Program
Audit of USAID/Jordan's Sustainable Achievement of Business Expansion and Quality Project
Audit of USAID/Iraq's Provincial Economic Growth Program
MCC
Strategic Priority 1.1
Audits of MCC's Programs in Cape Verde, Nicaragua, and Honduras
Audit of MCC's Management of the Threshold Program
Audits of MCC's Programs in Armenia and Benin
Audit to Follow Up on Recommendations From Previous Audits

STRATEGIC GOAL 2

USAID
Strategic Priority 2.1
Oversight of OMB Circular A-133, Audits, Defense Contract Audit Agency Audits, Enterprise Fund Audits, Audits Contracted by USAID, and Audits Contracted by Overseas Contractors and Grant Recipients
Quality Control Reviews of Audits Performed by Independent Public Accountants
Audit of the Integrity Checks of the Manual Processes Used to Prepare Financial Statements
Audit of USAID's Expenditures for Premium-Class Travel
Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq
Audit of USAID/Iraq's Participation on Provincial Reconstruction Teams in Iraq
Audit of USAID/Iraq's Rapid Assistance Program
Audit of USAID's FY 2009 Financial Statements (Multicountry Audit)
Review of Management's Discussion and Analysis Section in USAID's FY 2009 Financial Statements (Multicountry Review)
USADF
Strategic Priority 2.1
Audit of USADF's FY 2009 Financial Statements
IAF
Strategic Priority 2.1
Audit of IAF's FY 2009 Financial Statements
MCC
Strategic Priority 2.1
Fraud Awareness and Prevention Outreach
Integrity Enhancement

STRATEGIC GOAL 3

USAID
Strategic Priority 3.1
Audit of USAID's Implementation of the Privacy Requirements in Section 522 of the Consolidated Appropriations Act, 2005
Audit of USAID/Washington's Group Policy Objects
Audit of USAID's Electronic Mail System
Audit of USAID's Independent Verifications and Validations for Selected IT Investments Within the Bureau for Economic Growth, Agriculture and Trade's Information and Communication Technology Team
Audit of USAID's Compliance With OMB Requirements for Selected IT Business Cases
Audit of USAID's Inventory Processes to Identify IT Hardware, Operating Systems, and Applications on USAID's Network
Audit of USAID's Compliance With the Federal Information Security Management Act of 2002 for FY 2009 (Multicountry Audit)
Strategic Priority 3.2
Audit of USAID's Compliance with the Federal Financial Management Improvement Act of 1996 for FY 2009
Audit of USAID's Implementation of Its Managerial Cost Accounting Systems
Audit of the Performance of USAID's Worldwide Global Acquisition and Assistance System at Missions with Moderate and High Telecommunications Profile (Multicountry Audit)
Audit of USAID's Process for Suspension and Debarment
Audit of USAID's Management Controls Over Its Travel Credit Card Program
Audit of USAID's Human Capital Strategy
USADF
Strategic Priority 3.1
Audit of USADF's Compliance With FISMA Provisions for FY 2009
IAF
Strategic Priority 3.1
Audit of IAF's Compliance With FISMA Provisions for FY 2009

MCC
Strategic Priority 3.1
Audit of MCC's FY 2008 Financial Statements
Audit of MCC's Financial Statements During FY 2009
Review of MCC's Compliance With FISMA Provisions for FY 2009
Audit of MCC's Internal Controls for Preventing Transactions With Individuals and Organizations Associated With Terrorism
Other Miscellaneous Direct Activities
Strategic Priority 3.2
Audit of MCC's Progress in Meeting the Requirements of the Government Performance Results Act of 1993
Oversight of Contracted Financial Audits of MCC's Program Implementing Entities (Fund Accountability Statement Audits)

STRATEGIC GOAL 4

USAID and MCC
Strategic Priority 4.2
Integration of Budget and Performance
Strategic Priority 4.3
Upgrade of Network Infrastructure
Integration of Intranet Quorum (IQ) Investigation Cases from IQ to Case Management System

Inspector General
HOTLINE

OIG's Hotline makes it easy to report allegations of fraud, waste, abuse, mismanagement or misconduct in programs and operations of the USAID, USADF, IAF, and MCC. Employees, contractors, program participants and the general public may report allegations directly by e-mail, telephone, or mail to:

Phone   1-202-712-1023
        1-800-230-6539

E-mail ig.hotline@usaid.gov

Mail   USAID OIG HOTLINE
        P.O. Box 657
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CLEARANCE PAGE FOR FY 2009 Annual Plan

Clearances:
OIG/M/SPD:Brigitte Tolbert   _____ Date _____
OIG/M/SPD:Marie Harte   _____ Date _____
DAIG/M:Robert S. Ross   _____ Date _____
AIG/M:Paula F. Hayes   _____ Date _____
OIG/IO:Joanne Reams   _____ Date _____
OIG/IO:Thereasa Lyles   _____ Date _____
DIG:Michael G. Carroll   _____ Date _____
IG:Donald A. Gambatesa   _____ Date _____

OIG/M/SPD:Brigitte Tolbert:LW:2-0010:12/10/2008:Q\Annual Plan\2009 Annual Plan\ OIG Annual Plan 2009 Nov12.doc\IQ # 509264