U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Annual Plan

OFFICE OF INSPECTOR GENERAL

Fiscal Year 2015

Cover Photo: The President Barack Obama Education Centre for Excellence is a school established in Accra, Ghana to increase education efforts. (Photo by David M. Weil for OIG.)

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MESSAGE FROM THE DEPUTY INSPECTOR GENERAL

I am pleased to present the Office of Inspector General (OIG) annual plan, which provides brief descriptions of activities that OIG intends to perform in fiscal year (FY) 2015. These activities will advance our oversight agenda for the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), the United States African Development Foundation (USADF), and the Inter-American Foundation (IAF). OIG also maintains limited oversight authority for the Overseas Private Investment Corporation (OPIC).

OIG is dedicated to detecting and preventing fraud, waste, abuse, and mismanagement in the organizations we oversee. We do this through active oversight, identifying and meeting the needs of the agencies and stakeholders we serve, improving our own internal operations, and building a strong, capable workforce to carry out our mission.

**Deputy Inspector General
Michael Carroll**

OIG uses several criteria for identifying the activities we will focus on each year, including:

- Goals and objectives identified in our strategic plan.

- Importance to our stakeholders' ability to promote efficient, effective delivery of foreign assistance.

- Cost benefit in dollars or other resources.

- Results of formal risk assessments of the organizations we oversee.

- Congressional mandates.

- Stakeholder interests.

- New or changing conditions affecting a program or function, including worldwide events.

- Availability of resources and expertise.

The Office of Audit prepares audit proposals based on risk, prior audit results, and knowledge of the agencies we oversee and their programs' priority areas. We also consider USAID and MCC's most serious management and performance challenges identified by OIG each year.

OIG made the expansion of formal risk assessments a priority for planning our work. For FY 2015, OIG built on previously used risk analysis criteria to formulate audit plans. Applying a uniform analytical system for assessing risk helps OIG focus on the highest priority programs, conduct its work more efficiently, and provide a more useful product for the agencies we oversee.

OIG has prioritized oversight activities that are targeted at higher risk programs, as identified through the risk analyses. These programs include those carried out in conflict and crisis settings and implemented through local systems in host countries. In addition, OIG will address Presidential priority programs, such as Feed the Future (FTF), programs to fight HIV/AIDS, and the President's Malaria Initiative (PMI). Finally, OIG will make efforts to measure broader program results across regions.

In addition to the audits identified in this plan, there are a number of emergent issues that we are expecting will require our attention during the year, including USAID's response to the Ebola outbreak in West Africa, the new Executive Order requiring the integration of climate-resilience considerations into U.S. international development work, and overseas contingency operations in Syria and Iraq. We will continue to monitor these issues to determine appropriate responses. At the necessary time, we will adjust our plan to dedicate the necessary resources to oversee these emerging issues.

The Office of Investigations has responsibilities that extend over billions of dollars in foreign assistance and has staff deployed around the world. Its priorities include resolving allegations of criminal activity; operating hotlines to facilitate the reporting of allegations of fraud, waste, abuse, mismanagement, or misconduct; and educating stakeholders and publicizing investigative outcomes to detect and deter fraud.

Because USAID missions and offices are spread over more than 100 locations, the Office of Investigations has developed a prioritization strategy to address the most critical, severe issues. The office has improved its operations and results by using more specialized investigative techniques, which are securing larger numbers of indictments, bringing greater numbers of cases to trial, and saving or recovering tens of millions of dollars each year.

To support OIG's activities, we are planning to use information technology (IT) to streamline processes, improve communications with stakeholders through the use of social media, and implement mobile solutions to improve efficiency and effectiveness within the organization. In addition, we will continue to involve employees in addressing critical issues that affect OIG's morale and efficiency. This plan helps ensure that OIG's work remains relevant, timely, and responsive to the priorities of our stakeholders, including the agencies under our purview, the Administration, Congress, and the foreign affairs community.

INTRODUCTION

Mission

OIG's mission is to provide independent oversight that promotes the efficiency, effectiveness, and integrity of foreign assistance programs and operations under OIG's jurisdiction.

Authority and Responsibility

The Inspector General Act of 1978, as amended, authorizes the Inspector General to conduct and supervise audits and investigations. USAID OIG was established on December 16, 1980, by a statutory amendment to the Foreign Assistance Act of 1961. On December 29, 1981, the International Security and Development Cooperation Act of 1981 brought the USAID Inspector General under the purview of the Inspector General Act of 1978. OIG assumed audit and investigative oversight of USADF and IAF in 1999 and of MCC in 2004. Under 22 U.S.C. 2199, OIG is also authorized to conduct reviews, investigations, and inspections of the operations and activities of OPIC.[1]

Some of our work is mandated by statute or other requirements, and other work is performed at our discretion or by request. When identifying audits and other activities to undertake and setting priorities in performing them, we consider stakeholder interests and needs, alignment with strategic goals, and anticipated results. Before deciding to perform specific work, we consider the risks associated with agency programs and assess potential vulnerabilities in internal controls.

OIG established this plan of audits and activities to be performed during FY 2015 to support U.S. foreign assistance goals in the following program areas:

- Food security

- Global health and strong health systems

- Climate change impacts and low emissions growth

- Sustainable, broad-based economic growth

- Stable, prosperous, and democratic states

- Humanitarian assistance and support disaster mitigation

- Crises, conflict, and instability

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[1] Since FY 2013, OIG has provided additional limited oversight services to OPIC under a congressionally directed interagency agreement signed each year between OIG and OPIC. A similar agreement is expected to outline our oversight of OPIC in FY 2015.

We also pay particular attention to management initiatives to ensure that they help facilitate U.S. foreign assistance objectives though program management, monitoring and evaluation, and accounting for and tracking costs.

Organization

OIG is headquartered in Washington, D.C., and carries out audit and investigative work in approximately 100 countries from offices in 10 overseas locations. The office maintains approximately 250 employees and contractors, including auditors, investigators, and program analysts, as well as specialists in management, budget, information management, and human capital operations. Our staff of Civil Service, Foreign Service, Foreign Service National, and contractor personnel helps us respond with flexibility to conduct oversight activities around the world.

Areas of Responsibility

Audit. OIG performs audit activities relating to the worldwide foreign assistance programs and agency operations of USAID, MCC, USADF, IAF, and OPIC. This work includes performance audits, reviews, and assessments of programs and management systems, financial statement audits required under the Chief Financial Officers Act of 1990,[2] and audits related to financial accountability of grantees and contractors. It also includes ensuring the quality of related work performed by independent public accounting firms and working with host countries' supreme audit institutions to improve their oversight of U.S. Government funds.[3]

Investigations. OIG investigates allegations of fraud, waste, and abuse relating to the foreign assistance programs and operations of agencies we oversee. Investigations may identify criminal, civil, and administrative violations and cover all facets of agencies' worldwide operations. OIG also works proactively by providing fraud awareness briefings, literature, and advice on fraud prevention strategies to agency personnel and employees of foreign assistance implementers worldwide.

Management. The Office of Management provides support to OIG's offices to ensure that they have the tools to carry out OIG's mission. Management directs the development, coordination, and execution of organizational management and administrative policy and planning, including strategic planning, financial resources, human capital, administrative support, and IT programs.

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[2] Public Law 101–576.
[3] As noted by the World Bank, Supreme Audit Institutions are national agencies that are "responsible for auditing government revenue and spending."

Immediate Office. The Immediate Office manages OIG's congressional and public affairs efforts and provides legal counsel to the Inspector General. The office also assesses the impact of proposed and enacted legislation, analyzes OIG-wide practices related to OIG's commitment to continuous improvement, and provides internal communication and information sharing across operating units.

STRATEGIC PLAN PRIORITIES FOR FY 2015

OIG's is in the process of publishing our new FY 2015–2019 strategic plan. As with the FY 2012–2016 strategic plan, the new plan affirms our commitment to providing quality oversight to the agencies we serve and informing the public and our stakeholders of how OIG is safeguarding taxpayer resources. The plan also emphasizes our obligation to continually find ways to improve our own operations and to ensure that our workforce is highly motived and well trained to carry out its responsibilities. In FY 2015, OIG plans to take the following actions to continue to support our strategic goals.

Goal 1: Strengthen the ability of the organizations for which OIG provides oversight to manage and deliver foreign assistance efficiently and effectively through audit products and activities.

Objectives:

1.1 Align audit plans with agency priorities, needs, and challenges to ensure that reporting and recommendations are informed and useful.

1.2 Assess risk in agency programs and target oversight activities accordingly.

1.3 Promote effectiveness and efficiency in foreign assistance programs.

1.4 Promote integrity in agencies' financial and management systems and procedures, and identify misspent funds and other questioned costs.

FY 2015 Strategies for Objectives:

OIG will continue to improve the audit planning process. This includes expanding and improving our use of formal risk assessments to help plan future reviews and audits. OIG will continue to prioritize oversight activities targeted at higher risk programs, including those carried out in conflict and crisis settings, implemented through local systems in host countries, and dealing with global food security and health programs. Furthermore, we will examine certain risk areas, such as procurement programs and programs with persistent weaknesses.

With USAID's focus on local solutions—making foreign assistance more sustainable and cost-effective by building host countries' capacity to manage development funds—OIG will respond to an increase in associated risks by intensifying audit coverage of these funds as appropriate, increasing outreach efforts to implementing partners and the public, and expanding engagement with local law enforcement, prosecutors, and host-country audit entities.

OIG will coordinate audit planning with colleagues in the oversight community to ensure the most effective level of oversight of foreign assistance programs. In particular, we will work with the Inspectors General for the Departments of Defense and State to provide coordinated oversight during future contingency operations.

To promote effectiveness and efficiency in foreign assistance programs, OIG reports on performance across regions and program sectors. The majority of ongoing and planned audits for FY 2015 (as summarized later in this plan) focus on whether key agency programs are achieving intended results.

To help improve agencies' financial and management systems, we will carry out our mandatory work, such as conducting financial statement and Federal Information Security Management Act (FISMA) audits of the organizations we oversee. When conducting these audits, OIG will be examining the programs' sustainability, as well as the extent of coordination among foreign assistance agencies, organizations, and implementers.

Goal 2: Deter and detect fraud, corruption, criminal activity, and misconduct in the programs, operations, and workforce of the organizations for which OIG provides oversight.

Objectives:

2.1: Prevent, detect, and deter fraud by educating and building relationships with stakeholders.

2.2: Resolve allegations of criminal activity and employee misconduct, and promote integrity.

2.3: Improve hotline capabilities and analytical mechanisms to identify criminal activity and misconduct.

FY 2015 Strategies for Objectives:

OIG's investigative priorities are twofold: (1) investigate allegations of procurement and contract fraud, and (2) investigate allegations of serious misconduct by employees and personal service contractors. Historically, OIG has opened more than 300 cases per year. The recent increase in mandates, such as expanded whistleblower protections, will likely increase the workload and add to the number of cases initiated.

The Office of Investigations will continue to work with the Office of Management to make enhancements to OIG's investigative case management system to provide additional functionalities and greater flexibility to meet reporting requirements.

The Office of Investigations is also in the process of revising and updating its *Criminal Investigator's Manual*, which should be complete in FY 2015. The manual will reflect current policy and procedures to ensure consistency throughout the organization.

In FY 2015, the office plans to establish an orientation program for new employees to train them in OIG's mission, procedures, and administrative processes.

To raise awareness of reporting responsibilities, whistleblower protections, and appropriate reporting mechanisms, OIG plans to continue conducting proactive outreach and fraud awareness briefings to agency implementers, recipients, and staff.

Goal 3: Provide useful, timely, and relevant information to enable stakeholders to make informed decisions about foreign assistance programs and operations.

Objectives:

3.1: Ensure that OIG products are responsive to the needs of stakeholders.

3.2: Identify and analyze information relevant to OIG's mission and functions, and use it to inform activities and initiatives.

FY 2015 Strategies for Objectives:

OIG will continue to work with stakeholders of U.S. foreign assistance programs, partners in the oversight community, and donors and other development organizations worldwide to help inform our work. We will take into account congressional, Administration, and agency priorities to help direct our oversight of U.S. foreign assistance programs. We will conduct regular outreach, monitor developments across the foreign assistance and donor communities, and look for new and more effective ways to present our work to decision-makers and other stakeholders. OIG also will use reporting from both major and niche news outlets to follow and respond to emerging issues in foreign assistance.

OIG will meet all mandated reporting requirements through timely, accurate responses. We will continue to monitor statutory, regulatory, and policy developments affecting oversight of foreign assistance programs and align our work accordingly. We will develop and use internal systems to help reinforce awareness of these requirements and to improve the quality and timeliness of related notifications and reports.

We will continue to use social media to alert Congress, the public, and the press of our plans, the results of our work, and other important information. We will prioritize our responses to congressional

requests for information and testimony, and provide decision-makers in Congress and the Administration with responsive, reliable assessments. We will make finding and sharing information easier on our internal and external Web pages, and update and improve content to increase its value to users.

Goal 4: Continually improve the efficiency, effectiveness, and quality of OIG operations and outputs.

Objectives:

4.1: Ensure that budgetary resources are used efficiently and effectively to support OIG's oversight mission.

4.2: Promote and practice continual process improvement.

4.3: Leverage information technology systems to improve the productivity and quality of oversight processes and products.

4.4: Improve internal communications, collaboration, and transparency.

FY 2015 Strategies for Objectives:

To ensure that OIG resources are used wisely, we will begin implementing our new strategic plan and ensure that budget requests are aligned with the priorities identified in the plan.

To support process improvement, OIG is implementing 11 recommendations that resulted from the work of several employee and management work groups that address such issues as communication, collaboration, training, and rewards.

To track and improve internal operations and employee support, OIG will continue to conduct its annual satisfaction survey and share the results and information about actions taken in response to them.

In FY 2015, OIG will develop a new document management system to improve workflow tracking, information sharing, and online collaboration within and across organizational units.

Goal 5: Recruit, develop, and retain a highly qualified, motivated, and diverse workforce with the necessary tools and training to fulfill OIG's mission.

Objectives:

5.1: Attract highly skilled candidates in all required disciplines.

5.2: Prioritize professional and leadership development.

5.3: Retain highly performing and engaged employees.

5.4: Proactively position resources to balance workload and oversight needs appropriately.

FY 2015 Strategies for Objectives

As OIG expands its staff to address growing mission needs, we will target high-quality candidates through active outreach efforts, promote the use of available hiring authorities and incentives, and work to improve the timeliness of the hiring process.

In FY 2015, OIG plans to emphasize training and development for line staff and supervisors. We will hire a training coordinator to develop a corporate OIG training and development strategy that documents, tracks, and guides employee training and development needs.

OIG will review and update select human capital policies, procedures, and guidance to clarify processes and make them more transparent to employees. We will put a special emphasis on Foreign Service promotion policies and criteria because employees have identified that as an area of particular need.

OIG will institute an annual awards program to improve employee recognition within the organization.

OIG will conduct a pilot program to test telework best practices, as defined in our mobile workforce plan. Increasing employees' ability to work remotely is intended to achieve two objectives: (1) retaining high performing employees, and (2) improving the efficiency and effectiveness of OIG's work.

OIG will continue to track employee engagement and opportunities for improvement through the annual employee survey.[4]

In FY 2015, OIG will expand investigators' presence overseas and work to increase the profile of their work. This includes efforts to reach the Office of Investigations' full staffing level and establishing investigator positions in Uganda and West Bank/Gaza to address growing needs.

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[4] According to the U.S. Merit Systems Protection Board, employee engagement is a heightened connection between employees and their work, their organization, or the people they work for.

PERFORMANCE MEASURES FOR FY 2015

OIG identified the following performance measures and targets for FY 2015 to gauge progress in meeting our strategic goals and objectives. At the time of the original publication of this plan, OIG was in the process of updating its strategic plan, redefining its performance measures, setting baselines when possible, and developing FY 2015 targets for those measures. The measures and targets listed below are final. We have noted "NA," or not applicable, for the performance measures we had not previously been tracking.

OIG provides biannual reports to all employees on the results of the performance measures, and the results are also reported in our semiannual reports to Congress. In addition, we conduct strategic reviews of the goals and objectives as part of the annual managers' meeting.

Goal 1: Strengthen the ability of the organizations for which OIG provides oversight to manage and deliver foreign assistance efficiently and effectively through audit products and activities.

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target
Percentage of audits covering high priority programs and operations, addressing management challenges, or identifying systemic weaknesses	NA	NA	NA	90%
Percentage of agency expenditures audited	65%	60%	91%	65%
Percentage of management decisions[5] on which OIG and the Agency agree that have final action within 1 year of the decision.	NA	NA	NA	70%

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[5] A management decision is considered to be made when auditee management establishes corrective action to be taken in response to an audit recommendation. A management decision must determine the allowability of questioned costs (if applicable), establish a corrective action plan, and identify a target date for final action. An auditee cannot state that a decision will be made at a later date once more information is available.

Goal 2: Deter and detect fraud, corruption, criminal activity, and misconduct in the programs, operations, and workforce of the organizations for which OIG provides oversight.

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target
Percentage of OIG investigations resulting in substantiated allegations that were referred for criminal, civil, or administrative action	100%	85%	100%	90%
Number of individuals reached through outreach events	6,259	3,500	7,818	3,800
Dollar value of investigative savings and recoveries	NA	NA	NA	Meets or Exceeds Total Cost of Investigative Operations
Number of briefings or meetings with senior US Government or foreign government officials that provide law enforcement liaison and support to anti-corruption efforts	NA	NA	NA	25

Goal 3: Provide useful, timely, and relevant information to enable stakeholders to make informed decisions about foreign assistance programs and operations.

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Midyear Actual	FY 2015 Target
Number of congressional engagements (e.g., testimony, briefings, and other formal contacts)	NA	NA	NA	45
Number of page views on the OIG Web site	NA	NA	NA	176,264

Goal 4: Continually improve the efficiency, effectiveness, and quality of OIG operations and outputs.

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target
Percentage of employees indicating satisfaction with OIG customer service, operations, and initiatives	57%	60%	61%	60%
Percentage of major management milestones met relating to strategic planning, continuity of operations, policy development, information technology management, financial resource management, operations planning, and external reporting requirements[6]	82%	80%	84%	80%
Percentage of OIG operating units executing within 5 percent of budget plans	NA	NA	NA	50%

Goal 5: Recruit, develop, and retain a highly qualified, motivated, and diverse workforce with the necessary tools and training to fulfill OIG's mission.

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target
Percentage of incoming employees hired within established time frames	NA	NA	NA	65%
Percentage of employees retained who are performing at or above fully successful or proficient levels	NA	NA	NA	90%
Percentage of employees engaged in their work[7]	NA	NA	57%	60%

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[6] Specifically, major management milestones include items such as reviewing and updating select human capital policies, procedures, and guidance; improving OIG's information management; and improving OIG's budget management process.
[7] As measured through OIG's annual survey, using the U.S. Office of Personnel Management's employee engagement index.

AUDIT ACTIVITIES PLANNED FOR FY 2015

OIG conducts audits and reviews to determine how effectively programs are managed, whether program results are being achieved, and what challenges impede progress. These activities provide information to improve program operations, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. The following audits and reviews are planned for FY 2015.

The planned audits and reviews are listed first by agency and second by the primary foreign assistance program area they support. The audit work plan is an evolving document, dependent on available resources and expertise, as well as stakeholder priorities. It will be updated as necessary to ensure that OIG's work remains relevant, timely, and responsive.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Food Security

Audit of USAID's Feed the Future Program

Feed the Future (FTF) is the U.S. Government's global hunger and food security initiative. It is a Presidential priority, and OIG is addressing it in FY 2015 through several oversight activities, including this audit of USAID's FTF program. FTF addresses the root causes of hunger and poverty by focusing on small farmers. FTF currently focuses on 19 countries that were selected based on five factors: (1) level of need, (2) opportunity for partnership, (3) potential for agricultural growth, (4) opportunity for increased effectiveness through regional collaboration, and (5) resource availability. This audit will determine the extent to which USAID's activities under FTF align with implementation plans and whether such efforts have promoted sustainability.

Audit of USAID/Haiti's Feed the Future North Project

Haiti's agricultural sector is responsible for 25 percent of the nation's GDP and employs 60 percent of its able workforce.[8] However, agricultural productivity has decreased in past decades due to environmental degradation, the growth of the urban sprawl, and the scarcity of water. A 2010 earthquake crippled

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[8] Oxfam America Press Release, "Haiti must redouble efforts to boost agriculture; cannot afford to fail," October 15, 2012, http://www.oxfamamerica.org/press/haiti-must-redouble-efforts-to-boost-agriculture-cannot-afford-to-fail/

several of Haiti's economic sectors and created added pressure to increase agricultural yields to bolster the economy and contribute to a sustainable economic recovery. In April 2013, USAID/Haiti began implementation of the 3-year, $75 million FTF North Project. This project seeks to increase income for at least 4,000 rural households located in the North and North-East Departments. The audit will determine whether the project is achieving its goals.

Audit of USAID/Tanzania's Feed the Future Activities

Tanzania's Feed the Future FY 2011-2015 Multi-Year Strategy reported that in the past decade, growth in the agriculture sector—employer of nearly three-fourths of the national labor workforce—has significantly trailed that of other sectors in the economy. As a result, most Tanzanians still cannot meet their basic needs and one-third of the population lives below the poverty line. The strategy seeks to reduce the poverty rate and increase the agriculture sector's annual growth rate from 3.2 to 6.3 percent by 2015. To achieve these goals, USAID/Tanzania created a portfolio with more than 45 activities, worth $356 million. The audit will determine whether these FTF activities are achieving their intended goals.

Review of Competition for Nonemergency Food for Peace Projects in Southern and East Africa

Recent audits found that USAID used cooperative agreements with consortiums of nongovernmental organizations (NGOs) to implement nonemergency Food for Peace (FFP) programs in Southern and East Africa.[9] This structure essentially eliminated competition by consolidating qualified bidders, at times leaving USAID with only one bid for the award and hindering USAID's effectiveness. To address this concern, OIG will review the nonemergency FFP projects in both regions to determine how many consortiums there are, the extent to which they are hindering competition, the reasons these consortiums were established, and how competition can be better promoted in the regions.

Stable, Prosperous, and Democratic States

Audit of USAID/Afghanistan's Assistance to Legislative Bodies of Afghanistan Program

The $23 million Assistance to Legislative Bodies of Afghanistan Program tries to prepare both houses of the Afghan Parliament for greater self-reliance. The program provides training and capacity-building assistance to members of Parliament and staff based on the issues being addressed in actual bills or policies. This audit will determine whether the program is enabling Parliament to operate as an independent and effective legislative, representative, and oversight body.

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9 *Audit of USAID's Food Security Program in Madagascar* (No., 4-962-14-002-P), http://oig.usaid.gov/sites/default/files/audit-reports/4-962-14-002-p.pdf, and *Audit of USAID's Agricultural Programs in Malawi (*4-612-13-010-P), http://oig.usaid.gov/sites/default/files/audit-reports/4-612-13-010-p.pdf

Audit of USAID/Pakistan's Citizen Accountability and Voice Program

To foster effective engagement between the government and its citizens and advance good governance, USAID/Pakistan developed the Citizen Accountability and Voice Program. Launched in 2011, this 5-year, $45 million program has three main components: (1) policy advocacy and government oversight, (2) targeted training, and (3) public-private connections between and among state and nonstate entities. This audit will determine whether USAID/Pakistan implemented those components.

Audit of USAID/West Africa's Legislative Strengthening Program in Côte d'Ivoire

Despite progress made after 10 years of internal conflict in Côte d'Ivoire, public sector institutions still lack operational capacity, and corruption is prevalent. To address this concern, USAID/West Africa's $13.3 million Legislative Strengthening Program is intended to (1) develop a National Assembly better able to fulfill its basic legislative, representational, and oversight functions, and (2) improve National Assembly operations and oversight in a select number of communes. The audit will determine whether the program is achieving those results.

Audit of USAID/Egypt's Promoting Civic Participation Among Students in North Sinai Project

Most of the people in North Sinai are nomads and members of tribes whose leaders influence or dictate the tribe's orientations and political views. In particular, the tribal leaders limit their youths' participation in public life. As a result, North Sinai society has suffered from illiteracy and lack of awareness of civil rights, particularly among the 15,000 high school students in North Sinai. To address these problems, USAID/Egypt's 8-year, $1.4 million Promoting Civic Participation Among Students in North Sinai Project is designed to increase the awareness of community groups about political and social issues in North Sinai and train youth to participate in political life. The audit will determine whether the project is promoting students' civic participation.

Audit of USAID/Kosovo's Efforts to Empower Citizens to Consolidate a Functioning Democracy

Despite the strides that the Kosovar Government has made since independence, problems remain with the country's judicial independence and rule of law. There continue to be inefficiencies that prevent the judicial branch from counterbalancing the executive branch. Inefficiencies include limited autonomy of the members of the national legislature and a political landscape dominated by the executive branch and political party leaders. To help address these issues, USAID/Kosovo implemented a rule of law and governance program that consists of 17 active awards totaling $95.5 million. The program is designed to empower citizens to consolidate a functioning democracy and create sustainable changes in the public sector. The audit will determine whether the program is meeting these goals and whether the indicators are sufficient to measure the impact of this effort.

Audit of USAID/Ukraine's Fair, Accountable, Independent, and Responsible Judiciary Program

Political turmoil that has been percolating for years in Ukraine reached a critical stage in November 2013 when Ukrainian President Viktor Yanukovych abandoned a trade agreement with the European Union. Subsequent protests have escalated almost to the point of civil war. In this context, USAID/Ukraine is implementing the 5-year, $16 million Fair, Accountable, Independent, and Responsible Judiciary Program. The audit will determine whether the program is meeting its objectives to (1) establish a legislative and regulatory framework, (2) strengthen judicial accountability and transparency, (3) reinforce judicial professionalism, and (4) strengthen civil society organizations.

Audit of USAID/Peru's Decentralization and Local Governance Project

Decentralization has been a primary part of Peru's governmental reform effort during the past decade. Nevertheless, critical aspects of decentralization remain undefined and incomplete. Uncertainty about the roles and responsibilities of subnational governments has impeded the delivery of public services and limited citizen participation and oversight. As a result, subnational governments cannot fully respond to local demands and development priorities. To address these challenges, USAID/Peru initiated the 5-year, $12 million Decentralization and Local Governance Project to improve management and provide more effective service delivery that benefits marginalized populations in target regions. The audit will determine whether the project is achieving its goals.

Sustainable, Broad-Based Economic Growth

Audit of USAID/Afghanistan's Power Transmission Expansion and Connectivity Project

USAID/Afghanistan's Power Transmission Expansion and Connectivity Project is intended to support the Afghan Government in expanding and improving the country's electric transmission system to provide affordable, reliable, and sustainable power to a greater number of Afghans. This audit will determine whether USAID/Afghanistan's project is on track to achieve that objective.

Audit of USAID/Pakistan's Energy Policy Program

To address the problem of a chronic shortage of electricity in Pakistan, the mission implemented a 3-year, $14.9 million contract in February 2012 to implement the Energy Policy Program. The award was later modified to increase the amount to $80.3 million and extend the completion date to October 2015. The purpose of the program is to increase the capacity of the national grid, decrease revenue losses, increase cost recovery, and support the Pakistani Government's reform efforts. The program's three components are (1) monitoring and supporting implementation, (2) providing advice and support for energy sector reform, and (3) helping select, plan, and design project agreement documents for new projects. This audit will determine whether the program is reaching its goals.

Audit of USAID/Pakistan's Mangla Dam Rehabilitation

As discussed above, Pakistan suffers from a severe electricity shortage because the existing infrastructure is in poor shape and the government has not planned adequately for new power plants. To address this issue, USAID and the Pakistani Government jointly selected and planned the Mangla Dam Rehabilitation Project. Under the project, USAID will contribute up to $150 million to rehabilitate two Mangla Dam generating units, make the power station more efficient, and enable it to operate productively for another 40 years. The objective of this audit will be to determine whether project activities are on schedule and sustainable after project completion.

Audit of USAID/Haiti's Pilot Project for Sustainable Electricity Distribution

According to USAID/Haiti, about 25 percent of the population has access to electricity and, in rural areas, access rates are less than 5 percent. The lack of secure access to affordable and reliable electricity hinders investment in the country and degrades living standards. To help address this problem, USAID/Haiti initiated the 3-year, $24 million Pilot Project for Sustainable Electricity Distribution. This audit will determine whether the project is providing modern electricity services and expanding the generation, transmission, and distribution of electricity in targeted economic corridors and communities.

Audit of USAID's Contributions to the Power Africa Initiative

To address the lack of access to electricity in sub-Saharan Africa, President Barack Obama announced the Power Africa Initiative in June 2013. Among the 12 U.S. Government agencies contributing to this initiative for the first 5-year phase, USAID is providing $285 million to Ethiopia, Ghana, Kenya, Liberia, Nigeria, and Tanzania. The funding will cover technical assistance, grants, and risk mitigation to advance private sector energy transactions and make reforms that will help attract private investment in energy and power. The audit will determine whether (1) USAID's assistance to date has been effective in helping governments attract private investment and (2) USAID's activities are effectively increasing clean electricity generation and access to reliable, affordable power. This area is a Presidential priority, and the audit is a special focus multiregional assessment led by the Regional Inspector General/Pretoria, working with the Regional Inspector General/Dakar.

Audit of USAID/Afghanistan's Assistance in Building Afghanistan by Developing Enterprises Program

USAID/Afghanistan's 4-year, $105 million Assistance in Building Afghanistan by Developing Enterprises Program began in October 2012. This audit will determine whether the program is meeting its primary objective to work with the private sector to strengthen the productivity of enterprises focused on sustained growth and job creation.

Sustainability Audit of USAID/Georgia's Internally Displaced Persons Durable Housing Program

Instability and declining government revenue in Georgia have allowed basic infrastructure—such as roads, sewage treatment, and irrigation—to degrade, reducing the quality of life for the rural poor. In August 2010, USAID/Georgia established the 4-year, $77 million Internally Displaced Persons Durable Housing Program to improve municipal infrastructure, create economic opportunity, and provide housing for internally displaced persons. The objective of the audit is to determine whether the program complies with applicable agreements and requirements and is sustainable.

Audit of USAID/Jordan's Local Enterprise Support Program

Jordan is at the center of a political and economic crisis that continues as neighbors and trading partners Egypt and Syria experience ongoing instability and conflict. USAID/Jordan's 5-year, $49.5 million Local Enterprise Support Program is designed to (1) promote growth and job creation among small and medium-sized enterprises and (2) build the capacity of local governments to implement competitiveness strategies that result in economic growth and increased investment. The audit will determine whether the program is achieving these goals, with a focus on growth outside Amman, the capital.

Audit of USAID/Moldova's Progress in Increasing Investment and Trade in Targeted Sectors

USAID's Country Development Cooperation Strategy (CDCS) for Moldova identifies several economic challenges in the country, including broad corruption, emigration of talent (so-called "brain drain"), and limited natural resources. Thus, the CDCS identified "increasing trade in targeted sectors" as an essential mission priority. To this end, USAID awarded three contracts totaling $34 million to (1) increase trade by improving the foundation for growth through regulatory environment and access to finance and (2) strengthen the private sector through increased productivity and market linkages. This audit will determine whether projects in USAID/Moldova's economic growth portfolio are achieving the combined goal of increasing investment and trade in targeted sectors.

Audit of USAID/West Bank and Gaza's Trade Project

A quarter of the population in West Bank and Gaza lives in poverty. A recent World Bank report described lethargic economic growth and high unemployment in the area. The 3-year, $12 million Trade Project is designed to stimulate Palestinian private-sector growth by expanding trade and investment. The audit will determine whether the USAID/West Bank and Gaza Trade Project effectively promotes trade, builds trade capacity, and improves trade efficiency.

Audit of USAID/El Salvador's Regional Trade and Market Alliances Project

In Central America, chronic undernutrition limits opportunities for the poor to earn a stable income. The high volatility of food prices, the lack of strong political institutional capacity, and insufficient productive opportunities for the poor contribute to a cycle of poverty. To address these issues, USAID initiated the 3-year, $15.2 million Regional Trade and Market Alliances Project in 2013. The project seeks to promote inclusive economic growth, improve food security, and expand regional trade. It will also emphasize increasing the participation of small and medium-sized enterprises in regional trade. The audit will determine whether the project is meeting these goals.

Audit of USAID/Mexico's Supporting Improved Economic Governance Program

USAID noted that there are a number of factors that constrain Mexico's economic growth, including security concerns that increase business costs, barriers to competition in the energy and telecommunications sectors, limitations in the educational system, and labor market inefficiencies. To address these concerns, USAID/Mexico initiated the 3-year, $15.6 million Improved Economic Governance Program in 2013, also known as the Mexico Competitiveness Project II. By supporting government-led efforts to obtain systemic reforms in targeted areas, the project seeks to enhance Mexico's economic competitiveness, ultimately contributing to more equitable, sustainable economic growth and job creation. The audit will determine whether the program is improving Mexico's economic governance by strengthening policies and enhancing the capacity of key Mexican institutions.

Audit of USAID/Burma's Shae Thot (The Way Forward) Program

Shae Thot is an integrated model for humanitarian assistance in Burma, recognizing that health, livelihoods, food security, and water are linked inextricably. The program works in 24 townships, reaching some 2,500 villages. The program encourages community members to make decisions about how best to use resources and time while increasing access to financial services, obtaining inputs to increase agricultural production in key sectors, and increasing food security through cash-for-work and other interventions. The program also includes upgrading water collection and storage infrastructure throughout the target region. The audit will determine whether the program is achieving its planned results and if the results are sustainable.

Audit of USAID/Afghanistan's Afghanistan University Support and Workforce Development Program

Afghanistan's higher education system currently is engaged in an ambitious effort to recreate itself, recovering from two decades of neglect, underutilization, and internal conflict. USAID/Afghanistan's 5-year, $91.9 million Afghanistan University Support and Workforce Development Program is designed to

help Afghanistan's higher education professionals effectively manage the growth of tertiary (higher and vocational) education while improving academic quality. This audit will determine whether the program is achieving this goal.

Audit of USAID/Pakistan's Pakistan Reading Project

To assist the U.S. Government strategy in Pakistan—increased stability, democracy, and prosperity—USAID initiated the 5-year, $167.7 million Pakistan Reading Project in June 2013, USAID/Pakistan's largest education project since 2002. The project's goal is to improve the quality of reading in public and private schools so that a minimum of 2.5 million additional primary school students are reading at grade level. This audit will determine whether the program is on track to achieve this goal.

Audit of USAID/Egypt's Education Consortium for the Advancement of Science, Technology, and Mathematics Model Schools in Egypt Project

Serving 16 million students in 43,000 schools, Egypt's Ministry of Education faces numerous challenges in providing quality basic education.[10] According to the [2013-2014 World Economic Forum Global Competiveness Report](#), Egypt ranked last out of 148 countries in the quality of primary education. To support the ministry's efforts, USAID/Egypt began implementing the 4-year, $25 million Education Consortium for the Advancement of Science, Technology, and Mathematics Model Schools in Egypt Project in August 2012. The program intends to develop and test innovative educational tools that will act as the foundation for science, math, and technology education in Egypt. The audit will determine whether the project is improving access to quality education.

Audit of USAID/Indonesia's Higher Education Leadership and Management Project

The weaknesses of Indonesia's higher education programs are a barrier to addressing the country's social and economic challenges. Students are graduating without the necessary skills to be successful in the global economy, faculty lack relevant training and knowledge, and institutions lack the management practices needed to provide quality higher education. USAID/Indonesia's $19.7 million Higher Education Leadership and Management Project is designed to foster effective institutional management and leadership in higher education. In coordination with the Ministry of National Education and the Directorate General for Higher Education, the project will provide (1) technical assistance to the directorate to implement key higher education reforms and (2) technical assistance to selected institutions of higher education to strengthen their capacity to perform more effectively. The audit will determine whether the project is increasing the quality of higher education and its relevance to the economic and social growth of the country.

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[10] http://www.usaid.gov/egypt/education

Climate Change Impacts and Low Emissions Growth

Audit of USAID/Philippines' Mangrove Rehabilitation for Sustainably Managed, Healthy Forests Project

Mangrove forests play a vital role for coastal communities because they provide food, medicine, cooking fuel, lumber, and they buffer against storm surge and rising sea levels. However, the forests have been declining rapidly because of coastal development and conversion to aqua farming. To address the decline in mangrove forests in the Pacific, USAID/Philippines implemented the 5-year Mangrove Rehabilitation for Sustainably Managed, Healthy Forests Project in October 2012 in Papua New Guinea, and will expand into the Solomon Islands and Vanuatu. The audit will determine whether the project is achieving its objectives to restore degraded forests by providing training for community-based, sustainable management of mangrove forests and reforestation, and strengthening the technical and scientific capacity for monitoring, reporting, and verifying carbon levels in forests.

Global Health and Strong Health Systems

Review of PEPFAR Coordination Efforts

Since its launch in 2003, the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) has committed nearly $42 billion for bilateral country and regional HIV/AIDS programs. The passage of the PEPFAR Stewardship and Oversight Act of 2013 extends PEPFAR through 2018, with an emphasis on program oversight to ensure maximum impact on the epidemic. Past OIG audits have observed opportunities for improved coordination in the implementation of PEPFAR among U.S. Government agencies and implementers. The review will assess the efforts of country coordinators and implementers in Africa and Asia to determine whether PEPFAR coordination among U.S. Government agencies and USAID's implementing partners has been efficient and effective. This review is a special focus multiregional assessment led by the Pretoria audit working with the Dakar and Manila audit units.

Audit of USAID/India's HIV/AIDS Partnership: Impact Through Prevention, Private Sector, and Evidence-Based Programming

India is estimated to have the third largest HIV/AIDS epidemic in the world. Although the number of new annual HIV infections has been declining overall, infections have increased in some states. Through the $38 million HIV/AIDS Partnership, USAID is assisting the Indian Government to scale up proven innovations and replicate them. The audit will determine whether the program is achieving its goal to reverse the HIV epidemic at the national and state level.

Audit of USAID/South Africa's Transition of Its Clinical Care and Treatment Program

According to the [World Health Organization and UNAIDS' 2011 Global HIV/AIDS Response Progress Report](#), South Africa has the largest HIV epidemic in the world. In 2012, an estimated 5.7 million people were living with HIV, and approximately one-third of South Africa's health budget was allocated for HIV and AIDS programs. Simultaneously, PEPFAR partners in South Africa began an important transition—the shift of support provided by PEPFAR to increased ownership by the South African Government. The government will absorb the management responsibility and costs of providing treatment services, as well as the salaries of health-care professionals currently funded by USAID. This transition is expected to be complete by 2017. The audit will determine whether the transition of care and treatment activities has been timely and effective for continued service delivery.

Audit of USAID/Zambia's HIV Commodity Management

Zambia has one of the world's most devastating HIV and AIDS epidemics, with more than one in seven adults living with HIV.[11] The primary treatment goal of the Zambian Government and PEPFAR is to increase access to antiretroviral treatment services for at least 85 percent of people who require them. To ensure that drugs and commodities are in place, PEPFAR is supporting a robust logistics system in Zambia, with emphasis on building local capacity. The audit will determine whether USAID-funded HIV commodities are reaching their intended beneficiaries in Zambia.

Audit of USAID/Madagascar's Indoor Residual Spraying Program under the President's Malaria Initiative

Malaria is endemic in 90 percent of Madagascar and remains among the top five causes of mortality in the country.[12] Madagascar receives funds from the [President's Malaria Initiative (PMI)](#) to assist in the fight against malaria. One key PMI activity for the prevention of malaria in Madagascar is the spraying of homes with residual insecticides, known as indoor residual spraying. This $189 million intervention is an effective malaria control measure that interrupts malaria transmission. The audit will determine whether the spraying program is reaching intended beneficiaries.

Audit of USAID/Senegal's Community Health Program

In October 2011, USAID/Senegal initiated the 5-year, $40 million Community Health Program. This program will build on the efforts of USAID/Senegal and the Ministry of Health to improve community health, understanding that access to a package of services, products, and information for underserved Senegalese populations is indispensable for the country to achieve health-related Millennium

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[11] PEPFAR, *Zambia Operational Plan Report, FY 2013*, http://www.pepfar.gov/documents/organization/222188.pdf.
[12] *President's Malaria Initiative, Madagascar, Malaria Operational Plan FY 2014*, http://www.pmi.gov/docs/default-source/default-document-library/malaria-operational-plans/fy14/madagascar_mop_fy14.pdf?sfvrsn=10.

Development Goals. The audit will determine whether the program is achieving its goals to expand community health services, increase coverage areas, and promote sustainability through community involvement and harmonization with national health efforts.

Audit of USAID/Haiti's Quality Health Services for Haiti (Services de Santé de Qualité pour Haiti) Project

Haiti is plagued by persistent poverty and lagging development. Access to basic primary health care and malnutrition among children are significant issues. USAID/Haiti's Services de Santé de Qualité pour Haiti Project provides access to a package of integrated health services at health facilities throughout the country. This 3-year, $36 million project seeks to improve the health status of the Haitian population through improved primary care, improved health-care referral networks, and improved management practices at the health facility, community, and national levels. The audit will determine whether the project is achieving these objectives.

Audit of USAID/West Bank and Gaza's Palestinian Health Capacity Project

The World Health Organization (WHO) cites significant barriers to health care in the West Bank and Gaza. In 2012, WHO highlighted medication shortages, and a 2013 assessment identified the difficulty of obtaining a hospital referral for serious conditions. Many Palestinians requiring specialized services experience delays receiving access to the limited number of available hospitals. The 5-year, $15 million Palestinian Health Capacity Project is designed to build capacity within the Palestinian Authority's Ministry of Health to manage health workforce systems efficiently. The audit will determine whether the project has created sustainable changes in health-care management.

Audit of USAID/Bangladesh's NGO Health Service Delivery Project

In Bangladesh, health care is provided by the government, the private sector, and NGOs. Within this system, NGOs fill critical gaps in public and private services to reach the poor and marginalized. The 4-year, $82 million Health Services Delivery Project is designed to support the delivery of essential health services through a network of NGO clinics that targets the poor and underserved. The project's primary focus areas are reproductive health, child health, and limited curative care. Secondary focus areas are tuberculosis and HIV/AIDS. The target populations are women of reproductive age, newborns, and children under 5. By strengthening NGOs that provide health care in Bangladesh, the project aims to increase the number of poor people receiving quality care and improve sustainability. The audit will determine whether the project is expanding health care to the poor and recovering enough of its costs to be sustainable.

Crises, Conflict, and Instability

Audit of USAID's Food Assistance to Syria Through the World Food Programme

During fiscal years 2012 and 2013, USAID's Office of Food for Peace reported giving ten awards worth almost $443 million to the United Nations (UN) and NGOs in response to the humanitarian crisis in Syria. This included approximately $372 million provided to the UN's World Food Programme to support emergency operations. Although the UN is responsible for food aid audits, OIG intends to perform audit work in association with the World Food Programme OIG with a focus on USAID's assistance to the program. The audit will determine whether this food assistance reached the intended recipients in Syria.

Review of USAID/Afghanistan's Contributions to Multi-Donor Trust Funds

USAID/Afghanistan's assistance includes contributions to two multi-donor trust funds that are administered by public international organizations and contribute to the Afghan Government's on-budget projects. The first is the Afghan Reconstruction Trust Fund, which is managed by the World Bank and supports development projects in a range of sectors and incentivizes public financial management strengthening and government and civil society capacity-building. The second is the Afghan Infrastructure Trust Fund, which partners with the Asian Development Bank to finance infrastructure investments and improve the livelihood of the Afghan people. As of February 2014, USAID estimated that it would contribute $604.8 million to the Reconstruction Trust Fund between April 2012 and March 2017, and $180.3 million to the Infrastructure Trust Fund between March 2013 and March 2018. This special focus review of public international organization trust funds will determine whether USAID/Afghanistan coordinates effectively with other donors and the Afghan Government to ensure that funds contributed to multi-donor trust funds are used for their intended purposes.

Building Institutional Capacity

Audit of USAID's Risk Analysis and Mitigation Measures for Non-U.S. Organizations

Over the past 4 years, USAID has started to change the way it administers assistance. To make assistance more effective and sustainable, it has put more emphasis on direct partnerships with local institutions, companies, and civil society organizations. The goal of the initiative, known as Local Solutions, is to channel 30 percent of assistance directly to local partners by 2015. One mechanism USAID uses to implement the initiative is the non-U.S. preaward survey, which assists the Agency in determining the financial and managerial capacity of potential awardees—local and regional NGOs. If an organization scores low on the survey, it may still receive an award under a special award condition. Through a sample of projects that cover various USAID funding mechanisms, the audit will determine whether USAID is effectively identifying, assessing, mitigating, and managing the risks associated with

non-U.S. NGO partners through surveys and special award conditions. The audit is a special focus multiregional assessment led by the Performance Audits Division and coordinated with audit units in Dakar, Frankfurt, Manila, Pretoria, and San Salvador. OIG may issue separate reports for each country audit and a capping report that summarizes the overall findings.

Audit of USAID's Mobile Banking Activities

USAID estimates that 2.5 billion people worldwide do not have bank accounts. Mobile banking allows individuals to conduct financial transactions via mobile devices. In 2012, USAID conducted mobile activities in Afghanistan, Haiti, Indonesia, Malawi, Mozambique, and the Philippines. It planned to extend mobile banking initiatives to ten missions by FY 2013. OIG has tentatively selected the following USAID mission programs for review: Afghanistan, Colombia, Haiti, Indonesia, Malawi, Mozambique, and Philippines. The audit will determine the status of these activities and will assess the effectiveness of USAID's planning for its mobile money activities. In addition, some audits will review of the status of previously audited programs. This audit is a special multiregional assessment led by the Performance Audits Division and coordinated with audit units in Kabul, Manila, Pretoria, and San Salvador.

Audit of USAID/Pakistan's Assessment and Strengthening Program

To build the capacity of Pakistani implementing partners to meet standards for compliance with U.S. Government rules and regulations, USAID/Pakistan launched the 5-year, $44 million Assessment and Strengthening Program in October 2010. The goals of the program were to help potential Pakistani partners (1) increase capacity to manage and account for U.S. Government development assistance funds, (2) reduce the vulnerability of the funds to waste and misuse, and (3) increase the speed and efficiency in getting USAID development resources to the intended beneficiaries. This audit will determine whether the program is improving the capabilities of local organizations as intended.

Regional Review of USAID's Cost-Sharing Practices

Resources that a grantee or agreement recipient contributes toward the total cost of a project constitute the grantee/recipient's cost share. Agency guidance suggests that cost sharing is appropriate when a project must continue after USAID assistance ends because cost sharing is seen as enhancing project sustainability. The objective of this regional review is to determine whether cost-sharing practices at selected USAID missions follow Agency guidelines and contribute to project sustainability.

Review of USAID's Use of U.S. Personal Services Contractors in Asia

USAID has come to rely on personal services contractors (PSCs) to supplement its ranks. Under USAID policies and regulations, PSCs are prohibited from supervising direct-hire employees, serving as

contracting officers, or making policy or personnel selection decisions. Secretary of State Hillary Clinton's [Remarks on Development in the 21st Century](#) in January 2010 expressed concern about the reliance on contractors for core government work and the loss of professional and institutional capacities. She said USAID and the State Department must have the "staff, the expertise, and the resources to design, implement, and evaluate our programs." The review will determine whether USAID is procuring and using U.S. PSCs in Asia in accordance with applicable policies and regulations.

Regional Review of the Middle East Bureau's Use of Other Than Full and Open Competition

Federal regulations send a strong message to industry and federal procurement personnel that full and open competition is the customary way for the government to obtain goods and services. The Competition in Contracting Act of 1984, as implemented in Part 6 of the Federal Acquisition Regulations, sets a standard of competition for procuring goods and services through the federal procurement process. USAID is not permitted to use sole-source procurements without written authorization from the Agency head and specific statutory or regulatory authority for sole-source or limited competition. Objectives of this regional review are to determine (1) to what extent the Middle East Bureau is using other than full and open competition and (2) whether the bureau is complying with Federal Acquisition Regulations when using other than full and open competition in awarding contracts.

Audit of USAID's FY 2014 and 2015 Financial Statements

The Government Management Reform Act of 1994 requires annual audits of each agency's financial statements. OIG is required to conduct the audit of USAID's consolidated financial statements. The audit team will prepare a report detailing any findings and recommendations for the improvement of USAID's financial management operations. Office of Management and Budget (OMB) Circular 14-02, "Audit Requirements for Federal Financial Statements," contains the detailed requirements for this audit, which will be conducted in accordance with *Government Auditing Standards* using the Government Accountability Office's *Financial Audit Manual* and other procedures developed by OIG.

Oversight and Quality Control Reviews of OMB Circular A-133 Audits, Defense Contract Audit Agency Audits, Recipient-Contracted Audits, Enterprise Fund Audits, and Limited-Scope Reviews

USAID relies on the Defense Contract Audit Agency (DCAA) and nonfederal auditors to audit the following: for-profit contractors, U.S.-based not-for-profit organizations, overseas not-for-profit organizations, and all USAID Enterprise Fund activities. OIG will conduct desk reviews and quality control reviews of Agency-required audits to see that they comply with Federal Acquisition Regulations, OMB Circular A-133, OMB Circular A-122, *OIG Guidelines for Recipient Contracted Audits*, the Support for East European Democracy Act, and generally accepted government auditing standards. OIG will also conduct

limited-scope reviews at U.S.-based grantees, building on the work done by the OMB Circular A-133 auditors.

Monitoring and Reporting on the Improper Payments Elimination and Recovery Act for FY 2015

The Improper Payments Elimination and Recovery Act (IPERA) and OMB Memorandum M-11-16, "Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123," require federal agencies to provide estimates and reports of improper payments. The Act requires agencies to review all programs and activities annually and identify those that may be susceptible to improper payments. OIG will evaluate the accuracy and completeness of USAID's reports and its performance in reducing and recapturing improper payments. OIG will also report on USAID's compliance with IPERA.

Audit of USAID's Management of Purchase and Travel Cards for FY 2015

In October 2012, Congress enacted Public Law 112-194, the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), which requires that all executive branch agencies establish and maintain specific safeguards and internal controls for managing purchase and travel cards. The Charge Card Act and subsequent OMB guidance also establish reporting and oversight requirements relating to agency purchase and travel cards, including annual risk assessments, annual audits of travel card programs if agency charges in the previous year exceeded $10 million, and periodic audits or reviews of purchase card programs as indicated by the annual risk assessment. To meet these mandates, OIG will perform a risk assessment of USAID's purchase and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments, and will perform an audit, if required.

Review of DCAA Bills to Ensure Allowability Before Audit Cost Payments Are Made

USAID's Office of Acquisition and Assistance hires DCAA to conduct cost incurred, close-out, and special audits of USAID contractors, programs, and activities. OIG will review the bills DCAA submits to make sure hours being charged correspond with hours that OIG approved for each audit, and transmit recommendations made by DCAA to USAID procurement officials.

Audit of USAID's Compliance With the Federal Information Security Management Act for FY 2015

FISMA provides the framework for securing the U.S. Government's IT. FISMA requires each agency to develop, document, and implement an agency-wide information security program for the information and information systems that support the operations and assets of the agency. This audit will determine whether USAID complies with selected FISMA requirements that help protect data files, computer equipment, and resources from unauthorized access, modification, or destruction.

Audit of USAID's Google Mail System

Electronic mail is perhaps the most widely used system for exchanging business information. In September 2010, USAID's Chief Information Office awarded a contract to Google for its bundled software service components, including e-mail service. This audit will determine primarily whether the Agency complied with software procurement and implementation best practices, such as identifying user requirements, testing software prior to acceptance, and providing training to users. In addition, the audit will determine whether the Agency complied with selected requirements from OMB Circulars A-11 and A-130, which describe requirements for budgeting for capital assets and requirements for federal information resources, respectively.

Audit of Selected Controls Over USAID's Mobile Devices and Personally Owned Devices

Cell phones and personal digital assistants have become indispensable tools for today's highly mobile workforce. Small and relatively inexpensive, these devices can be used for many functions, including sending and receiving electronic mail, storing documents, delivering presentations, and remotely accessing data. While these devices deliver productivity benefits, they also pose new risks to organizations. This audit will determine whether USAID implemented selected controls over Agency and personally owned mobile devices.

Audit of USAID's Information Technology Governance for Its Information Technology Investments

The Clinger-Cohen Act of 1996 requires the heads of executive agencies to implement a process that maximizes the value of their IT investments and assesses and manages risks to those investments. Recent audit work indicates that USAID may not have implemented good governance for its IT investments. This audit will assess whether USAID implemented appropriate controls to select, manage, and control such investments.

Audit of USAID's Utilization of Its System to Manage Acquisition and Assistance

USAID's Global Acquisition and Assistance System, or GLAAS, is the Agency's Web-based acquisition and assistance system. GLAAS tracks acquisition and assistance documents from start to finish and maintains a permanent electronic record of an award's history. However, a recent OIG audit revealed that contracting officers were not using GLAAS fully.[13] This audit will determine whether USAID uses GLAAS to maximize value. It will also identify areas for improving the efficiency and effectiveness of acquisition and assistance operations with respect to GLAAS. Finally, this audit may identify areas in which funds could be put to better use if the system is not being fully used.

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[13] *Audit of USAID's Defense Base Act Insurance Program*, No. 9-000-13-005-P, September 18, 2013.

MILLENNIUM CHALLENGE CORPORATION

Economic Growth

Audit of the MCC-Funded Green Prosperity Project in Indonesia

A $600 million compact between MCC and the Indonesian Government, which will end on April 2, 2018, funds three initiatives: (1) a $333 million Green Prosperity Project promoting environmentally sustainable, low-carbon economic growth; (2) a $132 million community-based nutrition project focusing on reducing and preventing low birth weight and childhood stunting and malnourishment; and (3) a $50 million procurement modernization project to accelerate the government's procurement reform. This audit will focus on the Green Prosperity Project and determine whether the project is achieving its objective.

Audit of the MCC-Funded Water and Sanitation Projects in Jordan and Zambia

MCC recognizes that access to water, sanitation, and hygiene is fundamental to improving the livelihoods and the well-being of the poor. It acknowledged the importance with a $275 million compact with the Jordanian Government and a $355 million compact with the Zambian Government. The Jordan compact aims to address severe water shortages in the Zarqa Governorate by increasing the efficiency of the water supply to households and businesses, extending wastewater collection, and expanding wastewater treatment. The Zambia Compact aims to address the high incidence of water-related diseases in the capital, Lusaka, by expanding access there to reliable water, sanitation, and drainage services. This audit will determine whether these projects are achieving their objectives.

Audit of the MCC-Funded Community Development Project in the Philippines

A $434 million compact between MCC and the Philippine Government, which ends May 25, 2016, funds three major projects: (1) the $120 million Comprehensive Integrated Delivery of Social Services Project aimed at increasing the incomes of Filipinos by addressing what community members see as the most important needs; (2) the $214 million Secondary National Roads Project designed to reduce travel time and transportation costs; and (3) the $54 million Revenue Administration Reform Project to increase tax revenue and reduce corruption. This audit will focus on the Comprehensive Integrated Delivery of Social Services Project being implemented by the Department of Social Welfare and Development, and it will determine whether the project is achieving its objective.

Audit of the MCC-Funded Road Project in the Philippines

As discussed above, MCC has a compact with the Philippine Government to fund three major projects (also listed above). This audit will focus on the Secondary National Roads Project and will determine whether the project is achieving its objective.

Audit of the MCC-Funded Road Project in Senegal

The 5-year, $540 million compact with the Senegalese Government, which ends September 23, 2015, is working to improve agricultural productivity and increase access to markets and services through investments in roads and irrigation. The compact funds two major projects: (1) the Irrigation and Water Resources Management Project to improve the productivity of the agriculture sector by improving the quality of irrigation systems in northern Senegal, and (2) the Road Rehabilitation Project to increase access to markets and services by improving two national roads and reducing transportation time and costs for goods and domestic travel. This audit will determine whether the $324 million MCC Road Rehabilitation Project—the largest in the compact—is achieving its objective.

Audit of MCC's Threshold Program in Honduras

After MCC found that Honduras needed to undertake economic reform to be eligible for a compact, the board of directors approved a $16 million, 3-year threshold program. The program aims to improve public financial management and the efficiency and transparency of public-private partnerships. The Government of Honduras and MCC selected these activities after working with the private sector, ministries, and civil society to identify the constraints to economic growth. This audit will determine whether the threshold program in Honduras is achieving its aims.

Management Accountability

Review of MCC's Process for Designing Second Compact Programs in El Salvador and Ghana

MCC compacts are designed to target key constraints to economic growth and poverty reduction. Given the importance of developing sound compacts to address these constraints, MCC established detailed guidance and makes funds available to assist partner countries in developing their compacts. MCC has been working with the Governments of Ghana and El Salvador to design second compacts. This special focus audit will examine the design process and whether it provides for sound investments.

Review of Bid Challenge Policies at Millennium Challenge Accounts

MCC's *Program Procurement Guidelines* establish policies for processing challenges to procurements by bidders. The guidelines require Millennium Challenge Accounts (MCAs) to develop bid challenge systems

to record rules and procedures; levels of review, eligibility, deadlines, fees, decisions, suspensions, remedies; and establish appeal bodies. This special focus review will determine whether MCAs followed policies to resolve bid challenges promptly to prevent delays in compact implementation.

Audit of MCC's FY 2014 and 2015 Financial Statements

The Government Corporation Control Act of 1945 requires that MCC's consolidated financial statements be audited by OIG or an external auditor. OIG will contract with an external auditor to review the MCC financial statements to determine whether MCC's principal financial statements present the financial condition of the organization fairly and whether they conform to generally accepted government accounting principles.

Monitoring and Reporting on IPERA for FY 2015

As previously discussed, IPERA and OMB Memorandum M-11-16 require federal agencies to provide estimates and reports of improper payments. OIG will evaluate the accuracy and completeness of MCC's reports and its performance in reducing and recapturing improper payments. OIG will also report on MCC's compliance with the Act.

Audit of MCC Management of Purchase and Travel Cards for FY 2015

As previously discussed, the Charge Card Act and subsequent OMB guidance establish reporting and oversight requirements that cover agency purchase and travel cards, including annual risk assessments, annual audits of travel card programs if agency charges in the previous year exceeded $10 million, and periodic audits or reviews of purchase card programs as indicated by the annual risk assessment. To meet these mandates, OIG will perform a risk assessment of MCC's purchase and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments, and will perform an audit, if required.

Limited Scope Reviews— Cape Verde, Ghana, Georgia, Jordan, Malawi, Senegal, and Zambia

These reviews typically focus on narrow issues such as sustainability, procurement, expenditures, and other areas agreed to by MCC. For example, procurement reviews will assess whether MCC and MCAs have procedures in place to assess risk in their contracts and to obtain and use independent audits. Expenditure reviews will assess whether MCAs are complying with the terms of their compacts, fiscal accountability plans, and cost principles. The reviews will include elements such as (1) identifying the reasons for changing the scope of projects and associated costs, and (2) noting issues that could affect the compact's success.

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

OIG reviews financial audits of MCC program implementing entities to determine whether there is reasonable assurance that their fund accountability statement audits meet established standards. These standards relate to the independence of nonfederal auditors, accuracy of accounts, adequacy of internal controls, and compliance with compact terms. OIG expects to receive approximately 35 financial audit reports, and it will review the audit firms' fund accountability statement audits to ensure that their quality control standards and professional capabilities are sufficient.

Quality Control Reviews of Audits Performed by Independent Public Accountants

OIG will conduct quality control reviews of audit firms to establish reasonable assurance that nonfederal auditors are independent, are familiar with compliance auditing requirements of MCC's projects, and have followed applicable generally accepted government auditing standards adequately in determining the allowability of expenditures for MCC-funded activities. OIG plans to carry out these reviews in Cape Verde, Georgia, Ghana, Jordan, Malawi, Senegal, and Zambia.

Audit of MCC's Compliance With FISMA for FY 2015

FISMA provides the framework for securing the U.S. Government's IT. FISMA requires each agency to develop, document, and implement an agency-wide information security program for the information and information systems that support the operations and assets of the agency. This audit will determine whether MCC complies with selected FISMA requirements that help protect data files, computer equipment, and resources from unauthorized access, modification, or destruction.

Audit of the Millennium Challenge Corporation's Controls Over Personally Owned Mobile Devices

Bring-your-own-device policies allow employees to use their personal mobile devices to access organizational IT resources. However, using personal devices creates numerous security, technical, and legal challenges.[14] This audit will assess whether MCC considered key control areas when implementing its bring-your-own-device program, and it will seek ways to help MCC strengthen its controls. The results of this audit will be considered in designing future FISMA audits.

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[14] *A Toolkit to Support Federal Agencies Implementing Bring Your Own Device (BYOD) Programs*, August 23, 2012, http://www.whitehouse.gov/digitalgov/bring-your-own-device.

U.S. AFRICAN DEVELOPMENT FOUNDATION

Program Management

Audit of USADF's FY 2014 and 2015 Financial Statements

The Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002 require annual audits of each agency's financial statements. OIG will prepare a report detailing findings and recommendations for improvement to USADF's financial management operations. OMB Bulletin No. 14-02, "Audit Requirements for Federal Financial Statements," as amended, contains the detailed requirements for this audit.

Audit of USADF's Compliance With FISMA for FY 2015

FISMA provides the framework for securing the U.S. Government's IT. FISMA requires each agency to develop, document, and implement an agency-wide information security program for the data and information systems that support the operations and assets of the agency. This audit will determine whether USADF complies with selected FISMA requirements that help protect data files, computer equipment, and resources from unauthorized access, modification, or destruction.

Audit of USADF's Management of Purchase and Travel Cards for FY 2015

As previously discussed, the Charge Card Act and subsequent OMB guidance establish reporting and oversight requirements that relate to agency purchase and travel cards, including annual risk assessments, annual audits of travel card programs if agency charges in the previous year exceeded $10 million, and periodic audits or reviews of purchase card programs as indicated by the annual risk assessment. To meet these mandates, OIG will perform a risk assessment of USADF's purchase and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments and will perform an audit, if required.

INTER-AMERICAN FOUNDATION

Program Management

Audit of the Inter-American Foundation

IAF is an independent foreign assistance agency that promotes and invests in citizen-led development in Latin America and the Caribbean. The Foundation helps fund creative development projects that are proposed and supported by grassroots organizations. It seeks to improve the material circumstances of the poor, promote social inclusion and civic participation, and make the generation and management of knowledge integral parts of its work. In 2013, IAF invested $12.6 million in 58 new grants and 35 supplemental grants to organizations in 18 countries, and received a total of $16.6 million in counterpart contributions for program activities. This audit will determine whether IAF is achieving its development goals.

Audit of IAF's FY 2014 and 2015 Financial Statements

The Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002 require OIG annual audits of each agency's financial statements. OIG will prepare a report detailing findings and recommendations for improvement to IAF's financial management operations. OMB Bulletin No. 14-02, "Audit Requirements for Federal Financial Statements," as amended, contains the detailed requirements for this audit.

Audit of the IAF's Compliance With FISMA for FY 2015

FISMA provides the framework for securing the U.S. Government's IT. FISMA requires each agency to develop, document, and implement an agency-wide information security program for the data and information systems that support the operations and assets of the agency. This audit will determine whether IAF complies with selected FISMA requirements that help protect data files, computer equipment, and resources from unauthorized access, modification, or destruction.

Audit of the IAF's Management of Purchase and Travel Cards for FY 2015

As previously discussed, the Charge Card Act and subsequent OMB guidance establish reporting and oversight requirements relating to agency purchase and travel cards, including annual risk assessments, annual audits of travel card programs if agency charges in the previous year exceeded $10 million, and periodic audits or reviews of purchase card programs as indicated by the annual risk assessment. To meet these mandates, OIG will perform a risk assessment of IAF's purchase and travel card programs to

identify and analyze risks of illegal, improper, or erroneous purchases and payments, and will perform an audit, if required.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The scope of OIG's FY 2015 oversight of OPIC will be determined in part through an interagency agreement signed with the Corporation.[15] Contingent upon that agreement, OIG plans to perform several statutorily mandated audit activities, as well as one to two performance audits.

Audit of OPIC's Compliance With FISMA for FY 2015

FISMA provides the framework for securing the U.S. Government's IT. FISMA requires each agency to develop, document, and implement an agency-wide information security program for the data and information systems that support the operations and assets of the agency. This audit will determine whether OPIC complies with selected FISMA requirements that help protect data files, computer equipment, and resources from unauthorized access, modification, or destruction.

Monitoring and Reporting on IPERA for FY 2015

IPERA and OMB Memorandum M-11-16, "Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123," require federal agencies to provide estimates and reports of improper payments. The Act requires agencies to review all programs and activities annually and identify those that may be susceptible to improper payments. OIG will evaluate the accuracy and completeness of OPIC's reports and its performance in reducing and recapturing improper payments. OIG also will report on OPIC's compliance with the Act.

Audit of OPIC Management of Purchase and Travel Cards for FY 2015

As previously discussed, the Charge Card Act and subsequent OMB guidance establish reporting and oversight requirements relating to agency purchase and travel cards, including annual risk assessments, annual audits of travel card programs if agency charges in the previous year exceeded $10 million, and periodic audits or reviews of purchase card programs as indicated by the annual risk assessment. To meet these mandates, OIG will perform a risk assessment of OPIC's purchase and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments, and will perform an audit, if required.

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[15] Senate Report 113-195, accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2015, directs the OPIC president to implement a FY 2015 agreement with USAID OIG that reflects an inspection/audit plan.

APPENDIX A: COMMON ABBREVIATIONS

COMMON ABBREVIATIONS	
DCAA	Defense Contract Audit Agency
FISMA	Federal Information Security Management Act
FTF	Feed the Future
FY	Fiscal year
HIV/AIDS	Human immunodeficiency virus/acquired immunodeficiency syndrome
IAF	Inter-American Foundation
IPERA	Improper Payments Elimination and Recovery Act
IT	Information technology
MCC	Millennium Challenge Corporation
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPIC	Overseas Private Investment Corporation
PEPFAR	President's Emergency Plan for AIDS Relief
PMI	President's Malaria Initiative
PSC	Personal Services Contract
USADF	United States African Development Foundation
USAID	United States Agency for International Development

APPENDIX B: LISTS OF SPECIAL FOCUS, PRIORITY, MULTIREGIONAL, AND JOINT OVERSIGHT WORK

Working in Crises and Conflict—Consolidated List of Audit Work for Afghanistan and Pakistan

Afghanistan

Review of USAID/Afghanistan's Contributions to Multi-Donor Trust Funds

Audit of USAID/Afghanistan's Power Transmission Expansion and Connectivity Project

Audit of USAID/Afghanistan's Assistance to Legislative Bodies of Afghanistan Program

Audit of USAID/Afghanistan's Afghanistan University Support and Workforce Development Program

Audit of USAID/Afghanistan's Assistance in Building Afghanistan by Developing Enterprises Program

Pakistan

Audit of USAID/Pakistan's Assessment and Strengthening Program

Audit of USAID/Pakistan's Citizen Accountability and Voice Program

Audit of USAID/Pakistan's Energy Policy Program

Audit of USAID/Pakistan's Mangla Dam Rehabilitation Project

Audit of USAID/Pakistan's Pakistan Reading Project

Presidential Priorities

Audit of USAID/Haiti's Feed the Future North Project

Audit of USAID/Tanzania's Feed the Future Activities

Audit of USAID's Feed the Future Program

Audit of USAID's Contributions to the Power Africa Initiative

Review of PEPFAR Coordination Efforts

Audit of USAID/India's HIV/AIDS Partnership: Impact Through Prevention, Private Sector, and Evidence-Based Programming

Audit of USAID/Southern Africa's Transition of Its Clinical Care and Treatment Program

Audit of USAID/Zambia's HIV Commodity Management

Audit of USAID/Madagascar's Indoor Residual Spraying Program under the President's Malaria Initiative

Audit of USAID/Senegal's Community Health Program

List of Work Involving More Than One Audit Office

Audit of USAID's FY 2014 and 2015 Financial Statements

USAID Risk Analysis and Mitigation Measures for Non-U.S. Organizations

Audit of USAID's Mobile Banking Activities

Audit of USAID's Contributions to the Power Africa Initiative

Review of PEPFAR Coordination Efforts

Audits and Reviews Focused on Regions

Review of USAID's Cost-Sharing Practices

Review of the Middle East Bureau's Use of Other Than Full and Open Competition

Review of Competition for Nonemergency Food for Peace Programs in Southern and East Africa

Review of USAID's Use of U.S. Personal Services Contractors in Asia

Audit of the Inter-American Foundation

List of Work With an External Audit Organization

Joint Audit of USAID's Food Assistance to Syria Through the World Food Program