



HUMANITARIAN ASSISTANCE PROGRAMS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



AUDIT AND INVESTIGATIVE FINDINGS FISCAL YEARS 1999–2009

March 2010

Cover photo: Cases of vegetable oil—bound for Afghanistan—being loaded onto a ship (November 2001).

CONTENTS

Introduction.....	1
Review of Audits and Investigations	1
Significant Performance Audit Findings and Recommendations.....	2
Financial Audit Activity	7
Significant Investigative Activity	8
Conclusion and Areas for Examination	9
Appendix: Audit Reports, Fiscal Years 1999–2009	11

INTRODUCTION

To date, the U.S. Agency for International Development (USAID) has committed over \$380 million to assist the victims of the recent earthquake in Haiti. Agency personnel continue working to address immediate humanitarian needs, and in the weeks and months to come, greater focus will be placed on reconstruction efforts and other long-term measures to support the well-being of the Haitian people. Given the large amounts of funding already expended, and in anticipation of additional funding being directed to Haiti, USAID must ensure that funds provided for relief are not inadvertently exposed to fraud and waste and that available resources are used for the greatest good.

USAID has a long history of providing humanitarian assistance. The Agency facilitates and coordinates U.S. Government and emergency assistance overseas in an effort to mitigate the effects of natural and manmade disasters. It distributes food to those who have immediate needs and helps defray donors' costs for transporting needed goods, such as medical supplies and building equipment. In the past decade, USAID has provided substantial humanitarian assistance to Latin America, the Caribbean region, Asia, and Africa to help affected areas recover from hurricanes, earthquakes, and massive flooding, as well as to address food insecurity. In fiscal year (FY) 2009 alone, the Agency provided more than \$1.4 billion in humanitarian assistance and food aid.

The current challenges in Haiti will require tremendous effort to overcome. USAID must heed past lessons in the implementation of assistance programs to ensure that programs and services are as effective as they can be. To assist implementers of USAID humanitarian assistance programs, the Office of Inspector General (OIG) provides this summary report to share perspective on issues it has identified in its oversight of humanitarian assistance programs.

This report contains examples and suggestions to improve implementation of future efforts. We hope that this report will aid those implementing recovery and rebuilding programs and look forward to working with USAID to help address future challenges.

REVIEW OF AUDITS AND INVESTIGATIONS

During FY 1999 through 2009, OIG conducted 67 performance audits and several financial audits, and we opened nearly 100 investigations of USAID programs involving humanitarian assistance activities.

SIGNIFICANT PERFORMANCE AUDIT FINDINGS AND RECOMMENDATIONS

Our review of performance audit reports over the past decade found that the majority of reports have noted USAID's accomplishments in implementing humanitarian assistance programs. These accomplishments—detailed in the appendix to this report—included repairing roads to improve commerce and refugee resettlement, increasing agricultural production and rural incomes, and improving the health of individuals in targeted communities.

Our review also identified several areas that the Agency should be aware of in its implementation of humanitarian assistance programs. In particular, OIG performance audits have highlighted the following areas for improvement:

- Need for better contract or project management
- Inability to obtain appropriate data from implementing contractors to make decisions about the effectiveness of programs
- Unsatisfactory contractor performance
- Noncompliance with regulations and procedures
- Crosscutting issues, such as better coordination between partners and ensuring the sustainability of programs

Contract and Project Management

Contract and project management—by USAID personnel as well as implementing personnel—has been problematic across all USAID program areas, including humanitarian assistance. Implementing partners have been inconsistent in completing required planning and performance documentation and conducting site visits. Insecure conditions and lack of staffing have often exacerbated these problems. Contract and project management problems were found in 45 percent of audits conducted of humanitarian assistance programs between 1999 and 2009.

Examples:

USAID/Pakistan's Earthquake Reconstruction Activities. Our FY 2009 audit of USAID's earthquake reconstruction activities in Pakistan found mixed results. The livelihood activities program helped to increase rural incomes by 38.5 percent. However, the mission had not completed any activities to construct schools or health facilities at the time of the audit, thereby delaying the replacement of nearly 600 health care facilities and 1,500 educational buildings leveled by the earthquake. The audit found that contractor performance reviews had not been consistently performed on all contractors, including

one that had subcontracted with a nonperforming construction company.¹ In addition, performance management plans had not been approved because the cognizant technical officers believed that the approvals were the responsibility of the mission's program office.²

USAID/Ukraine's Displaced Children and Orphans Fund Activities. In November 2008, OIG issued a report on Ukraine's activities to assist displaced children and orphans. The purpose of this program was to develop sustainable services for children who otherwise would be institutionalized or on the streets. Although the program had completed most planned activities, OIG could not easily assess the program's progress or effectiveness because of changes in project emphasis, as well as weaknesses in monitoring and reporting. Monitoring problems occurred, in part, because USAID/Ukraine's cognizant technical officer position had changed incumbents four times during the life of the project, and the lack of continuity weakened the mission's monitoring efforts. Project monitoring problems also reflected a lack of management oversight and reduced emphasis on program monitoring. To correct this situation, the audit recommended that USAID develop a comprehensive directive on activity monitoring that would require the periodic evaluation of planned and actual progress toward the goals, objectives, and stated outputs of grants and contracts.

Internal Controls Over USAID Relief Commodities at the Port of Freetown in Sierra Leone. In FY 2000, an OIG audit found that the regional Food for Peace office, located in Mali, had not established necessary controls over relief commodities at the port of Freetown in Sierra Leone. Operationally, USAID had no representative in Sierra Leone to monitor or oversee its interests in the large humanitarian effort. The port security personnel were unreliable, and without an onsite presence, USAID could not prevent commodity losses. As a result, intended beneficiaries did not receive all planned U.S. Government relief supplies. OIG recommended the use of private security personnel to escort and guard U.S. Government relief supplies while they were being discharged from ships to warehouses located outside the port. We also recommended that USAID develop procedures to speed the unloading of emergency relief cargoes.

¹ Regular, comprehensive, and conscientious performance evaluations provide missions with information to make better acquisition decisions and are a significant incentive to implementing partners to provide USAID with superior products and services. Further, the U.S. Government Accountability Office has stated that failure to properly document contractor performance information and make it available for use in source selections for the same or similar items is a sufficient basis to sustain a protest of a contract award in a subsequent source selection.

² Performance management is the systematic process of monitoring the results of activities; collecting and analyzing performance information to track progress toward planned results; using performance information to influence program decision making and resource allocation; and communicating results achieved, or not attained, to advance organizational learning and tell the Agency's story. Operating units use the performance management plan to plan and manage the process of assessing and reporting progress toward achieving a strategic objective. Without a formally approved performance management plan between the mission and its implementing partners, partners risk straying from activities that support the strategic objectives.

Data Quality and Reliability

In the dynamic environments in which USAID works, the Agency and its implementing partners often have difficulty obtaining reliable, high-quality data to assist with program implementation and evaluation. In some cases, performance metrics themselves have not been structured to provide useful data and required reconsideration. In others, misleading data has resulted in cost overruns or mistaken assumptions about the capabilities of local workforces. Despite the difficulties USAID faces in obtaining data, the Agency needs this information to make informed decisions about how well programs are working and which implementers are best suited to carry them out. Nearly a quarter of humanitarian assistance audits that OIG conducted over the past decade identified noteworthy data quality or data integrity issues.

Examples:

USAID/Sudan’s Road Infrastructure Activities. OIG conducted an audit of Sudan’s road infrastructure activities in FY 2009. Although this project to pave Sudanese roads—and thus facilitate refugee resettlement and the transportation of humanitarian aid—appeared to be on schedule, the lack of technical data and erroneous assumptions in the contractor’s feasibility study caused the cost of the project to nearly double. The faulty data led to a substantial underestimation of the materials required to complete the task. Further increases resulted from the contractor’s inaccurate assumptions about the role the Sudanese Government would play in ensuring that the roads were ready for paving, as well as a lack of information about bridge repair and other maintenance issues. OIG recommended that the Agency develop policies and procedures to help ensure that future feasibility studies of USAID-funded projects receive adequate funding and scheduling. We also recommended that USAID provide unambiguous instructions regarding the nature and extent of technical analyses to be performed.

Office of Foreign Disaster Assistance Program in Iraq. For the 4 years ending in September 2006, the USAID Office of Foreign Disaster Assistance (OFDA) provided \$190.7 million of humanitarian assistance to internally displaced persons and other vulnerable populations in Iraq. Activities included programs to improve water, sanitation, and health; to support livelihoods; and to provide emergency relief commodities. OIG’s 2007 audit of these activities found that more than a third of projects undertaken—principally those in the areas of health and livelihood support—lacked sufficient supporting documentation to determine whether intended outputs had been achieved. OIG recommended that OFDA develop and implement a system to ensure that its implementing partners support performance data with readily available documentation.

Followup Audit on USAID’s Disaster Assistance to Haiti. In FY 1998, USAID devoted \$20 million to a P.L. 480 Title II food program in Haiti that provided hot meals for schoolchildren and supported food-for-work programs. Our followup audit on disaster assistance to Haiti, conducted in FY 1999, found mixed results. Although USAID/Haiti had improved its systems for tracking commodity losses, the mission had

not improved its food monitoring system. Our previous audit had found that while a significant amount of data had been gathered on program implementation, there had been no analysis to identify which aspects of the program had been successful and which had suffered systemic or recurring problems. Our followup audit found the mission's data-analysis capabilities to be minimal, fragmented, and obsolete. OIG recommended that the mission upgrade its food monitoring unit systems.

Performance of Program Implementers

Contractor and grantee performance is one of the most important issues for USAID to consider as it makes decisions about which implementing partners to use in humanitarian assistance efforts, particularly for reconstruction efforts. Our audits of these programs have highlighted past performance problems that have involved cost overruns, substandard construction, and a lack of proper coordination and planning. Ten percent of our audits of humanitarian assistance programs have identified these kinds of problems.

Examples:

USAID/Sri Lanka's Tsunami Recovery and Reconstruction Program Selected Outputs Implemented by Development Alternatives, Inc. Our June 2007 audit of work following the 2004 Asian tsunami found that the implementer had not performed as expected. During the project's original performance period of almost 8 months, the implementer did not execute planned repairs and improvements to seven roads. The implementer subsequently amended its work expectations to reduce the quantity of roadwork for which it was responsible, while simultaneously increasing the award by more than \$100,000. OIG recommended that USAID reevaluate the terms of the award and determine whether to allow Development Alternatives, Inc., to continue with planned activities or to put USAID funds to better use.

USAID/Jamaica's Hurricane Recovery and Rehabilitation Activities. Funding for reconstruction activities in Jamaica and Grenada following Hurricane Ivan (2004) was provided to several implementers: Planning and Development Collaborative International, the CARANA Corporation, Development Alternatives, Inc., the Jamaica Exporters Association, and Wingerts Consulting. Multiple problems were found during our 2006 audit: Housing construction had not been completed on schedule, and the cost of new houses in Grenada was one-third to one-half higher than the cost of comparable houses in Jamaica and more than double the cost of comparable houses financed by the Government of Jamaica. In addition, auditors found more than \$60,000 of ineligible costs charged to the program. To address these issues, OIG recommended that USAID formulate revised targets for the program, develop a plan to complete construction of new houses and turn them over to beneficiaries, control the costs associated with any additional subcontracts, recover ineligible costs that were charged to USAID, and ensure completion of reconstruction work financed by USAID.

USAID/Haiti's Tropical Storm Reconstruction Program. Our 2005 audit of USAID's oversight of the Tropical Storm Reconstruction Program showed that the mission had

taken positive steps to mitigate some program risks. It scheduled biweekly meetings with the implementing partners and required work plans from them; conducted monthly field visits; hired monitoring firms; preapproved engineering plans; and arranged for environmental reviews and approvals. The audit report did not make any recommendations. However, it noted that prior to January 2005, neither the engineering monitoring firm nor Haiti's chief engineer had approved project plans. Moreover, contractors had not obtained required environmental approvals before beginning construction.

Regulations and Procedures

USAID humanitarian assistance efforts are subject to an array of regulatory and procedural requirements intended to promote adherence to applicable law and policy. Failure to comply with applicable procedures and regulations produces inconsistencies in program implementation that can contribute to a perception that programs are managed arbitrarily and that the Agency does not fulfill its legal obligations. Our audits have revealed regulatory and procedural compliance issues in 10 percent of the humanitarian assistance programs we have examined.

Examples:

USAID/Mozambique's Railroad Rehabilitation Project. USAID efforts to restore the flood-damaged Limpopo Rail Line prior to 2005 were hampered by mission compliance shortcomings. USAID directives state that missions must annually evaluate and report on contractor performance. However, USAID/Mozambique overlooked this requirement and neglected to follow up on adverse indications about the work of an engineering consulting firm in an earlier evaluation. Because the mission failed to adhere to Agency policy, contractor performance issues could have continued unnoticed, and such issues would not have come to the attention of other U.S. Government agencies considering related procurements. OIG recommended that USAID evaluate and document the performance of the engineering consulting firm.

USAID/Guatemala's Direct Food Aid Distribution Program. Our 2003 audit of USAID/Guatemala's food aid distribution program found that food assistance was generally delivered to the intended recipients in accordance with existing agreements. However, we also learned that one cooperating sponsor had required beneficiaries to make a payment to receive their food ration—a practice not allowed by regulation. In particular, the implementing partner had required maternal/child health program participants to pay a monthly contribution in exchange for their food rations to offset the substantial cost of transporting commodities. This practice may have limited the program's effectiveness in improving health and reducing malnutrition and, moreover, is contrary to USAID policy. We recommended that the mission notify the implementing partner in writing of this requirement and monitor cooperating sponsors to prevent this practice in the future.

Crosscutting Issues

We identified several crosscutting issues during the course of our audits that, although not prevalent, are significant enough to reference. As shown in the examples above, these issues include the need for improved coordination among development partners, better efficiency in partners' operations, a consideration of program sustainability, sufficient training for development partners and USAID personnel, and improvements in the oversight of funding. The following examples further illustrate these points.

USAID/Indonesia's Tsunami-Related Housing Construction Activities Implemented by Cooperative Housing Foundation International. USAID/Indonesia's goal in constructing 1,000 new houses was to provide an estimated 5,000 beneficiaries an opportunity to return to a home. OIG's 2008 audit found that, although the contractor had completed construction of 582 houses, not all were occupied and benefiting the intended beneficiaries. Two factors contributed to the less than full occupancy rates: USAID/Indonesia had not required the contractor to develop and enforce practical criteria for ensuring that intended beneficiaries were occupying the houses, and problems arose with land entitlement. As a result, some houses funded with foreign assistance dollars remained empty and at risk of vandalism instead of providing shelter for intended beneficiaries.

Houses remained unoccupied, in part, because of social and economic circumstances. Some individuals—especially single mothers and orphans—chose to remain in existing barracks because of close social ties. Some houses were far from job opportunities, and others lacked electricity and adequate water systems. OIG made two recommendations requiring a review of beneficiary criteria and a plan to ensure occupancy of the houses.

USAID/India's Food Aid Activities. USAID's food assistance program in India was intended to improve child survival and nutrition in a nation in which more than half of all young children are underweight and 1 of every 11 dies before age 5. However, OIG's 2002 audit found that the program's food shipments had been detained by the Government of India because cooperating partners had not complied with USAID regulations requiring them to obtain all the necessary import permits, licenses, and other appropriate approvals for entry and transit of program commodities in India. Moreover, the Government of India was arbitrarily applying different agricultural inspection requirements at different posts. Resulting delays led to additional program expenses for commodity storage and contributed to food outages at numerous feeding sites. To prevent future such delays, we recommended that USAID/India establish an action plan to obtain all necessary approvals from the Government of India for the importation of certain program food commodities.

FINANCIAL AUDIT ACTIVITY

OIG performs and oversees regular financial statement audits of USAID and its implementing partners. These financial audits have questioned large amounts of program costs; many of these questioned costs have been sustained and have resulted in savings

for the Agency. It is not possible, however, to determine the exact level of savings this work has produced in relation to humanitarian assistance activities because many such financial audits examine entire organizations and do not focus exclusively on implementing partners' participation in USAID-funded humanitarian assistance efforts.

During significant humanitarian assistance efforts, we perform risk assessments of planned activities to prioritize our workload and to determine the appropriate type of audit coverage for each assistance activity. OIG's experience with humanitarian responses to large-scale disasters has shown that concurrent financial audits of high-risk programs (i.e., audits conducted while programs are being implemented) can pay important dividends. Such concurrent audits can prevent and detect fraud and misuse of funds at an early stage, addressing these issues before associated costs grow. In determining which activities to target with concurrent audits, we consider previous experience with the contractor or grantee, the level of financial investment, the inherent risks associated with specific types of programs, and any compensating program procedures or controls that help mitigate risks.

SIGNIFICANT INVESTIGATIVE ACTIVITY

OIG is committed to investigating allegations of waste, fraud, and abuse within USAID programs. We have investigated allegations involving program and employee integrity, including conspiracy, collusive bidding, falsification of documents, commodity diversion, failure to report losses, attempted bribery, and attempted intimidation of program implementers. Examples of some of those investigations follow.

Several OIG investigations related to humanitarian assistance programs have identified theft and fraud on the part of implementing partners' employees. Three individuals have been indicted, for example, as a result of an ongoing OIG investigation into allegations that commodities provided under a USAID-funded food distribution program never reached intended beneficiaries. Charges included conspiracy, mail and wire fraud, tampering with a witness, and false claims. Our investigation revealed that some of the reported recipient communities for the commodities did not exist and that documentation of the distribution and receipt of the goods had been falsified by representatives of the nongovernmental organizations responsible for implementing the program. These employees were accused of selling the food in local markets and keeping the profits. They were also alleged to have used USAID-funded construction materials to build themselves multiple houses.

In 2006, OIG initiated an investigation of an alleged theft of program funds from a USAID contract in Liberia. OIG was able to establish that a former accountant for the USAID contractor had embezzled approximately \$250,000 in program funds by cashing business checks, entering fictitious program expenses into the contractor's accounting software, and creating a second, falsely inflated local payroll. As a result of our investigation, the accountant was indicted on multiple counts of wire fraud, mail fraud, and theft from a program receiving Federal funds. The defendant is awaiting extradition.

In August 2005, OIG initiated an investigation regarding whether a USAID/Angola contractor had falsified payment receipts for drivers who were responsible for the transportation and delivery of food commodities. The investigation revealed that the contractor's former provincial representative had falsified payment receipts and waybills to conceal the theft of more than \$175,000 in program funds. The individual was indicted on six counts of mail fraud, and extradition proceedings are underway.

OIG investigative work also supports the integrity of the Agency's own workforce. In 2001, for instance, an OIG investigation revealed that a senior USAID Foreign Service National employee, who was managing a contract program, had pressured the contractor to hire the employee's friend. As a result of our investigation, the employee received a written reprimand.

OIG investigations have helped the Agency recover funds and expedite payments. In one case, for example, OIG determined that a freight forwarding company, under contract with a USAID-sponsored private voluntary organization for delivering P.L. 480 Title II food shipments, was inappropriately withholding funds from ocean carriers. Some of these carriers had, in turn, threatened to cease food shipment deliveries and jeopardize food assistance to program beneficiaries. After OIG confronted the freight forwarding company with evidence that it had been withholding \$4.8 million in USAID funds from these ocean carriers, the firm immediately began making appropriate payments to them until all of its associated outstanding bills had been paid.

CONCLUSION AND AREAS FOR EXAMINATION

We commend USAID for the rapid steps it has taken to provide humanitarian assistance in the wake of disasters. To help refine those efforts, OIG suggests that the Agency consider the following areas of examination to help safeguard funds so that they can be used for the greatest benefit and so that programs can be implemented effectively.

- Ensure that all personnel responsible for oversight of the implementation of humanitarian assistance programs fully understand their roles and responsibilities.
- Provide for sufficient internal and security controls over relief commodities.
- Maintain continuity of program oversight personnel, to the extent possible.
- Discuss requirements with local communities and governments to tailor programs to their needs.
- Carefully consider past performance of implementers prior to entering into new grants and contracts.
- Place priority on ensuring that all contract and grant oversight requirements are met—for example, that performance management plans are in place or that frequent site visits are conducted.

- Work with implementers to develop effective performance metrics and require them to produce timely, accurate data so that USAID can evaluate programs.
- Ensure that necessary environmental and engineering reviews have been conducted for all construction projects.
- Facilitate coordination among implementing partners.

These are just a few of the areas that USAID might examine as future humanitarian assistance programs are implemented throughout the world, particularly in efforts to help Haiti recover from this most recent disaster. The Office of Inspector General looks forward to working with USAID as it addresses critical issues related to humanitarian assistance in the months and years ahead.

AUDIT REPORTS Fiscal Years 1999–2009

This table lists USAID audit reports and describes the types of findings noted by OIG in its audits.

Performance Audit Report	Issues Identified	Recognized Accomplishments
Audit of USAID/Sudan's Road Infrastructure Activities Report No. 4-650-09-009-P (September 28, 2009)	<ul style="list-style-type: none"> • Security problems that prevent monitoring or accomplishment of mission • Unreliable or insufficient data • Noncompliance with regulations or procedures • Insufficient coordination among development partners 	<ul style="list-style-type: none"> • The project was likely to achieve main goals. • The Juba-Nimule Road was being used in refugee resettlement.
Audit of USAID/Pakistan's Earthquake Reconstruction Activities Report No. 5-391-09-001-P (November 25, 2008)	<ul style="list-style-type: none"> • Need for employee training • Contract procedures not followed • Inadequate contract or project management • Unreliable or insufficient data • Security problems that prevent monitoring or accomplishment of mission 	<ul style="list-style-type: none"> • Livelihoods activities program has contributed to increasing rural incomes by 38.5 percent.
Audit of USAID/Ukraine's Displaced Children and Orphans Fund Activities Report No. 9-000-09-002-P (November 20, 2008)	<ul style="list-style-type: none"> • Inadequate contract or project management 	
Audit of USAID/Rwanda's Distribution of P.L. 480 Title II Nonemergency Assistance in Support of its Direct Food Aid Distribution Program Report No. 4-696-08-003-P (April 30, 2008)	<ul style="list-style-type: none"> • Unreliable or insufficient data • Possible funds control violations • Inadequate contract or project management 	<ul style="list-style-type: none"> • The implementing partner generally delivered commodities to intended beneficiaries. • Communities experienced improved health and increased agricultural productivity.
Audit of USAID/Iraq's Management of the Marla Ruzicka Iraqi War Victims Fund Report No. E-267-08-002-P (April 3, 2008)	<ul style="list-style-type: none"> • Recommendation for funds to be put to better use • Risk to project's sustainability • Security problems that prevent monitoring or accomplishment of mission 	<ul style="list-style-type: none"> • USAID complied with provisions contained in public laws to help ensure that funds appropriated for the Marla Fund were used as intended.
Audit of USAID/Indonesia's Tsunami-Related Housing Construction Activities Implemented by Cooperative Housing Foundation International Report No. 5-497-08-002-P (January 31, 2008)	<ul style="list-style-type: none"> • Risk to project's sustainability • Inefficient operations 	<ul style="list-style-type: none"> • The implementing partner achieved planned results in building houses.

Performance Audit Report	Issues Identified	Recognized Accomplishments
Audit of USAID'S Management of P.L. 480 Nonemergency Monetization Programs Report No. 9-000-07-010-P (September 27, 2007)	<ul style="list-style-type: none"> • Capping report—issues previously identified 	
Audit of the Office of Foreign Disaster Assistance Program in Iraq Report No. E-267-07-006-P (July 11, 2007)	<ul style="list-style-type: none"> • Unreliable or insufficient data • Inadequate contract or project management • Security problems that prevent monitoring or accomplishment of mission 	<ul style="list-style-type: none"> • Majority of OFDA outputs achieved intended results.
Audit of USAID/Indonesia's Aceh Road Reconstruction Project Under Its Tsunami Program Report No. 5-497-07-008-P (July 11, 2007)	<ul style="list-style-type: none"> • Inadequate contract or project management • Inefficient operations 	
Audit of USAID/Armenia's Energy and Water Sector Reform Program Report No. 8-111-07-002-P (June 26, 2007)	<ul style="list-style-type: none"> • Inadequate contract or project management 	<ul style="list-style-type: none"> • Program achieved most of its planned outputs.
Audit of USAID/Sri Lanka's Tsunami Recovery and Reconstruction Program Selected Outputs Implemented by Development Alternatives, Inc. Report No. 5-383-07-007-P (June 22, 2007)	<ul style="list-style-type: none"> • Unsatisfactory contractor performance • Recommendation for funds to be put to better use 	<ul style="list-style-type: none"> • Outputs were generally achieved.
Audit of Critical Activities Financed by USAID Regional Development Mission/Asia's U.S. Indian Ocean Tsunami Warning System Program Report No. 5-486-07-003-P (February 27, 2007)	<ul style="list-style-type: none"> • Performance targets not met • Unreliable or insufficient data 	
Audit of USAID/West Africa's Management of the P.L. 480 Nonemergency Monetization Program in Burkina Faso Report No. 7-624-07-001-P (February 27, 2007)	<ul style="list-style-type: none"> • Unreliable or insufficient data • Inadequate contract or project management³ 	<ul style="list-style-type: none"> • Several outputs were achieved at 100 percent or higher by both cooperating sponsors, demonstrating a positive impact. • Program activities were well managed and supervised by USAID staff members.

³ Monitoring and reporting by cooperating sponsors could be improved.

Performance Audit Report	Issues Identified	Recognized Accomplishments
<p>Audit of USAID/Mozambique's Management of P.L. 480 Nonemergency Monetization Program Report No. 4-656-07-003-P (December 22, 2006)</p>	<ul style="list-style-type: none"> • Unreliable or insufficient data • Inadequate internal controls • Inadequate contract or project management 	<ul style="list-style-type: none"> • Farming techniques were improved to produce higher-yield, disease-resistant crops that have high nutritional value. • Monetization activities have helped local communities by training volunteers who then teach communities to use locally available foods to prepare nutrient-rich diets for their children.
<p>Audit of USAID/Sri Lanka's Large-Scale Infrastructure Rebuilding Activities Under Its Sri Lanka Tsunami Reconstruction Program Report No. 5-383-07-001-P (November 30, 2006)</p>	<ul style="list-style-type: none"> • Delays in approval of contract modification requests 	<ul style="list-style-type: none"> • Most large-scale infrastructure targets were met within cost estimates.
<p>Audit of USAID/Guatemala's Management of Its P.L. 480 Nonemergency Monetization Program Report No. 1-520-07-002-P (November 27, 2006)</p>	<ul style="list-style-type: none"> • Unsatisfactory contractor performance • Questioned costs • Inadequate contract or project management • Inefficient operations • Suspected fraud 	
<p>Audit of USAID/Haiti's Management of P.L. 480 Non-Emergency Monetization Program Report No. 9-521-06-010-P (September 28, 2006)</p>	<ul style="list-style-type: none"> • Inadequate contract or project management • Absence of strategic plan 	
<p>Audit of USAID/Indonesia's Tsunami Recovery and Reconstruction Program Activities Implemented by Development Alternatives, Inc. Report No. 497-06-009-P (September 15, 2006)</p>	<ul style="list-style-type: none"> • Inadequate contract or project management • Funds-control procedures needed improvement 	<ul style="list-style-type: none"> • Recovery and reconstruction efforts were completed as planned. • Other activities were progressing.
<p>Audit of USAID/Jamaica's Hurricane Recovery and Rehabilitation Activities Report No. 1-532-06-004-P (April 28, 2006)</p>	<ul style="list-style-type: none"> • Unsatisfactory contractor performance • Inefficient operations • Questioned costs • Inadequate contract or project management 	

Performance Audit Report	Issues Identified	Recognized Accomplishments
Audit of USAID/Indonesia's Banda Aceh-Lamno Road Reconstruction Activities Under Its Tsunami Recovery and Reconstruction Program Report No. 5-497-06-003-P (March 30, 2006)	<ul style="list-style-type: none"> Inadequate contract or project management Insufficient coordination among development partners 	<ul style="list-style-type: none"> The contractor implemented some road construction projects.
Audit of USAID/WARP's Management of Environmental and Food Security Programs Report No. 7-624-06-002-P (January 31, 2006)	<ul style="list-style-type: none"> Insufficient coordination among development partners Unreliable or insufficient data Inadequate contract or project management 	<ul style="list-style-type: none"> Most environmental and food security programs were on schedule to achieve results.
Audit of Funds Earmarked by Congress to Provide Assistance for Displaced Persons in Afghanistan Report No. 9-306-06-004-P (December 21, 2005)	<ul style="list-style-type: none"> Recommendation for funds to be put to better use 	
Audit of USAID/Colombia's Internally Displaced Persons Program Report No. 1-514-05-009-P (July 5, 2005)	<ul style="list-style-type: none"> Unreliable or insufficient data 	
Audit of USAID/Jamaica's Hurricane Recovery and Rehabilitation Program Report No. 1-532-05-008-P (April 12, 2005)	<ul style="list-style-type: none"> Unsatisfactory contractor performance Funds control procedures needed improvement 	
Audit of USAID/Haiti's Tropical Storm Reconstruction Program Report No. 1-521-05-007-P (April 8, 2005)	<ul style="list-style-type: none"> Unsatisfactory contractor performance 	
Audit of USAID/Mozambique's Performance Monitoring of Railroad Rehabilitation Under the Southern Africa Floods Report No. 4-656-05-001-P (November 4, 2004)	<ul style="list-style-type: none"> Noncompliance with regulations or procedures 	<ul style="list-style-type: none"> The mission successfully implemented and monitored efforts but no contractor evaluation was conducted.
Audit of USAID/El Salvador's Reconstruction of Schools, Healthcare Facilities, and Other Infrastructure Projects Under the Earthquake Reconstruction Program Report No. 1-519-04-009-P (August 10, 2004)		<ul style="list-style-type: none"> The majority of projects were completed or were projected to be completed on schedule.

Performance Audit Report	Issues Identified	Recognized Accomplishments
Audit Follow-up Review of Recommendations Nos. 1 and 2 from the Audit of USAID/Mozambique's Performance Monitoring of Road Repair and Reconstruction Activities Funded by the Southern Africa Floods Supplemental Appropriations Report No. 4-656-03-001-P (April 23, 2004)		<ul style="list-style-type: none"> The mission took action to ensure completion of road construction and evaluated performance of two engineering consulting firms.
Audit of USAID/Madagascar's Performance Monitoring of Road and Rail Repair and Reconstruction for Southern Africa Flood Relief Supplemental Appropriations Report No. 4-687-04-006-P (April 15, 2004)		<ul style="list-style-type: none"> The mission was successful in rehabilitating and repairing 233 kilometers of roads, 163 kilometers of the national rail line, three warehouses, and a wharf.
Audit of USAID's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of Its Direct Food Aid Distribution Program Report No. 9-000-04-002-P (March 31, 2004)	<ul style="list-style-type: none"> Inadequate contract or project management Noncompliance with regulations or procedures⁴ 	<ul style="list-style-type: none"> Missions generally maintained regular contact with cooperating sponsors, conducted periodic site visits, and received required reports from cooperating sponsors.
Audit of the Post-Project Condition of Roads and Bridges Constructed in Honduras Under the Emergency Reconstruction of Roads and Bridges Activity Report No. 1-522-04-006-P (March 3, 2004)	<ul style="list-style-type: none"> Risk to project's sustainability 	
Follow-up Audit of USAID/El Salvador Housing Project Under the Earthquake Reconstruction Program Report No. 1-519-04-005-P (February 17, 2004)		<ul style="list-style-type: none"> Seven of eight housing reconstruction activity implementers were on schedule to complete their planned houses.

⁴ Site visits were not always performed regularly or systematically and sometimes were limited in scope.

Performance Audit Report	Issues Identified	Recognized Accomplishments
<p>Audit of USAID/Ethiopia's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of Its Direct Food Aid Distribution Program Report No. 4-663-04-002-P (November 21, 2003)</p>	<ul style="list-style-type: none"> Inadequate contract or project management⁵ 	<ul style="list-style-type: none"> The mission generally ensured that food aid was delivered to intended beneficiaries, conducted periodic site visits to sponsors' warehouses and distribution centers, reviewed relevant program reports, and held meetings with cooperating sponsors and beneficiaries on program implementation and effectiveness.
<p>Audit of the Management of USAID/Haiti's P.L. 480 Title II Food Program Report No. 1-521-04-001-P (October 20, 2003)</p>	<ul style="list-style-type: none"> Inefficient operations Noncompliance with regulations or procedures Insufficient coordination among development partners 	
<p>Audit of USAID/Ghana's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of Its Direct Food Aid Distribution Program Report No. 7-641-04-001-P (October 15, 2003)</p>	<ul style="list-style-type: none"> Inadequate contract or project management Unreliable or insufficient data Recommendation for funds to be put to better use 	<ul style="list-style-type: none"> Aid distribution programs delivered food to intended beneficiaries in accordance with agreements. Cooperating sponsors improved program monitoring.
<p>Audit of USAID/Guatemala's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of Its Direct Food Aid Distribution Program Report No. 1-520-03-008-P (September 26, 2003)</p>	<ul style="list-style-type: none"> Noncompliance with regulations or procedures 	<ul style="list-style-type: none"> Food assistance was generally delivered to the intended recipients in accordance with agreements. The mission performed adequate monitoring to ensure that recipients generally received their food. Personnel from the cooperating sponsors, a sub-recipient, and USAID were aware of their responsibilities under the program.

⁵ In some cases, monitoring needed improvement.

Performance Audit Report	Issues Identified	Recognized Accomplishments
Audit of USAID/Madagascar's Distribution of P.L. 480 Title II Non-Emergency Assistance in Support of Its Direct Food Aid Distribution Program Report No. 9-687-03-010-P (September 24, 2003)	<ul style="list-style-type: none"> • Inadequate contract or project management • Recommendation for funds to be put to better use 	<ul style="list-style-type: none"> • The mission adequately monitored some food assistance program activities.
Survey of Principal Processes Used to Manage Funds Provided Under the P.L. 480, Title II Program Report No. 9-000-03-001-S (May 23, 2003)		
Audit of USAID/Mozambique's Performance Monitoring of Road Repair and Reconstruction Activities Funded by the Southern Africa Floods Supplemental Appropriations Report No. 4-656-03-001-P (January 31, 2003)	<ul style="list-style-type: none"> • Unsatisfactory contractor performance • Inadequate contract or project management 	<ul style="list-style-type: none"> • The mission generally implemented and monitored activities in accordance with USAID policies and procedures. • Four of five planned project activities were on target for completion within established time and budget limitations.
Audit of USAID/El Salvador-Financed Housing Reconstruction Activities Report No. 1-519-03-001-P (November 19, 2002)	<ul style="list-style-type: none"> • Performance targets not met • Insufficient coordination among development partners • Inadequate contract or project management 	<ul style="list-style-type: none"> • Project beneficiaries all met eligibility criteria.
Summary Report on Audits of USAID Assistance Provided Under the Central America and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) Supplemental Appropriation Report No. 1-598-02-003-S (September 3, 2002)		
Audit of USAID-Financed P.L. 480 Title II Food Aid Activities in India Report No. 5-386-02-003-P (August 29, 2002)	<ul style="list-style-type: none"> • Law, regulation, or internal policy not adequately followed • Lack of host country support • Noncompliance with regulations or procedures • Unreliable or insufficient data • Need for employee training • Questioned costs 	<ul style="list-style-type: none"> • The mission and its partners generally monitored food aid to ensure that it reached the intended beneficiaries.

Performance Audit Report	Issues Identified	Recognized Accomplishments
<p>Concurrent Audit of USAID/Madagascar's Performance Monitoring of Selected Health Services Funded by the Southern Africa Floods Supplemental Appropriation Report No. 4-687-02-005-P (June 21, 2002)</p>		<ul style="list-style-type: none"> • The mission and its implementing partner boosted production of a water-purifying solution, expanded its availability, and increased sales beyond target levels. It also built up prepositioned stockpiles of the solution for rapid response to future disasters and cholera outbreaks. • The mission exercised appropriate management over the contractor and monitored project activities as needed.
<p>Audit of the Eastern Caribbean Regional Reconstruction Activities Financed Under the Central America and the Caribbean Emergency Disaster Recovery Fund Report No. 1-538-02-008-P (April 1, 2002)</p>		<ul style="list-style-type: none"> • Disaster reconstruction activities were on schedule to achieve planned outputs.
<p>Audit of USAID/Haiti's P.L. 480 Title II Program Report No. 1-521-02-006-P (January 28, 2002)</p>	<ul style="list-style-type: none"> • Inadequate contract or project management 	<ul style="list-style-type: none"> • The program had served intended numbers of beneficiaries and achieved planned outputs. • Program commodities were adequately protected against loss and diversion.
<p>Audit of USAID/Honduras-Financed Credit Activities Under the Central America and the Caribbean Emergency Disaster Recovery Fund Report No. 1-522-02-001-P (October 1, 2001)</p>		<ul style="list-style-type: none"> • Mission-financed credit activities were on schedule to achieve planned outputs. • The mission had implemented an adequate monitoring system for its activities.
<p>Audit of USAID/Guatemala-Financed Agriculture Activities Under the Central America and the Caribbean Emergency Disaster Recovery Fund Report No. 1-520-01-010-P (August 16, 2001)</p>	<ul style="list-style-type: none"> • Inadequate contract or project management • Need for employee training 	<ul style="list-style-type: none"> • Most audited activities were on schedule to achieve planned outputs.

Performance Audit Report	Issues Identified	Recognized Accomplishments
Concurrent Audit of USAID/Mozambique's Resettlement Grant Distribution Activity Report No. 4-656-01-005-P (July 31, 2001)		<ul style="list-style-type: none"> • Steps were taken to ensure that grants were delivered to intended recipients in accordance with applicable agreements. • The mission identified beneficiaries through effective coordination with the host government and affected communities. • Project activities were conducted in an orderly and secure manner.
Audit of USAID/Nicaragua's Water and Sanitation Activities Report No. 1-524-01-008-P (July 25, 2001)	<ul style="list-style-type: none"> • Unsatisfactory contractor performance • Recommendation for funds to be put to better use 	
Audit of USAID/Honduras's Hurricane Mitch Housing Reconstruction Activities Report No. 1-522-01-006-P (July 18, 2001)		<ul style="list-style-type: none"> • Reconstruction activities were on schedule to be completed. • Contractor completed substantially more shelters than initially anticipated.
Audit of USAID/Haiti's Hurricane Georges Recovery Program Report No. 1-521-01-005-P (May 15, 2001)	<ul style="list-style-type: none"> • Recommendation for funds to be put to better use 	<ul style="list-style-type: none"> • Most projects were on schedule to be completed. • OIG recommended deobligation of funds for those that would not be completed.
Audit of USAID/Honduras's Water and Sanitation Reconstruction Activities Report No. 1-522-01-003-P (March 7, 2001)	<ul style="list-style-type: none"> • Inadequate contract or project management • Noncompliance with regulations or procedures 	
USAID/Dominican Republic's Housing Reconstruction Activities Report No. 1-517-01-001-P (December 1, 2000)	<ul style="list-style-type: none"> • Delays in approval of contract modification requests • Contract procedures not followed 	<ul style="list-style-type: none"> • Construction projects were on schedule for completion.
USAID/Guatemala's Road and Bridge Repair Activities Report No. 1-520-00-006-P (September 27, 2000)	<ul style="list-style-type: none"> • Inadequate contract or project management 	<ul style="list-style-type: none"> • Construction projects were on schedule for completion.

Internal Controls Over USAID Relief Commodities at the Port of Freetown in Sierra Leone Report No. 7-636-00-008-P (August 25, 2000)	<ul style="list-style-type: none"> • Inadequate internal controls • Security problems that prevent monitoring or accomplishment of mission • Inadequate contract or project management 	
Audit of USAID/Peru's P.L. 480 Title II Program Results Report No. 1-527-00-002-P (May 5, 2000)	<ul style="list-style-type: none"> • Performance targets not met • Unreliable or insufficient data • Questioned costs 	<ul style="list-style-type: none"> • The mission's status reports of losses and claims and underlying supporting files were well organized.
Audit of the Follow up on Recommendations from Audit Report No. 9-527-96-007 on USAID/Peru's Management of Non-Emergency Title II Food Aid Programs Report No. 1-527-00-003-P (May 5, 2000)	<ul style="list-style-type: none"> • Unresolved recommendations from previous audit • Unreliable or insufficient data • Inadequate contract or project management 	<ul style="list-style-type: none"> • The mission took effective corrective action to close recommendations dealing with program monitoring and supervision, transport logistics, and cooperating sponsor information systems.
Audit of USAID's P.L. 480 Title II Monetization Programs Report No. 9-000-00-002-P (March 29, 2000)	<ul style="list-style-type: none"> • Funds control procedures need improvement 	<ul style="list-style-type: none"> • USAID established policies and procedures to help ensure efficiency of P.L. 480 Title II monetization transactions.
USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program (10/1/98-3/31/99) Report No. B-168-00-004-P (February 25, 2000)	<ul style="list-style-type: none"> • Possible funds control violations • Recommendation for funds to be put to better use 	
Audit of USAID/Guatemala's Management of P.L. 480 Title II Commodity Losses Report No. 1-520-00-001-P (January 21, 2000)	<ul style="list-style-type: none"> • Unreliable or insufficient data • Inadequate internal controls 	<ul style="list-style-type: none"> • The mission appropriately managed its P.L. 480 Title II food commodity losses in accordance with Regulation 11 and supplemental guidance.
Change Orders Under USAID/West Bank and Gaza's Construction Contracts for Water Activities in the West Bank Report No. 6-294-00-001-P (December 12, 1999)	<ul style="list-style-type: none"> • Funds control procedures need improvement • Unsatisfactory contractor performance • Inadequate contract or project management 	
USAID/Bosnia-Herzegovina's Monitoring of Parsons' Subcontractor Selection Process and Construction Change Orders Report No. B-168-00-001-P (November 19, 1999)	<ul style="list-style-type: none"> • Inadequate internal controls 	<ul style="list-style-type: none"> • The mission was properly participating in the subcontractor vetting, selection, and award process.

Performance Audit Report	Issues Identified	Recognized Accomplishments
<p>Followup on Recommendations No. 2 and 3 from Audit Report No. 1-521-96-005 of USAID's Disaster Assistance to Haiti Report No. 1-521-99-007-P (September 16, 1999)</p>	<ul style="list-style-type: none"> • Unresolved recommendations from previous audit • Unreliable or insufficient data 	<ul style="list-style-type: none"> • The mission has taken effective actions to justify closure of one recommendation pertaining to the mission's review of Title II loss reports, asset claims, and remittances of amounts due to USAID.
<p>USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program (4/1/98-9/30/98) Report No. B-168-99-004-P (August 18, 1999)</p>	<ul style="list-style-type: none"> • Inadequate contract or project management • Need for employee training 	<ul style="list-style-type: none"> • Funds were being used for designated purposes.
<p>USAID/Bosnia-Herzegovina's Municipal Infrastructure and Services Program (4/1/98-9/30/98) Report No. B-168-99-003-P (August 13, 1999)</p>		<ul style="list-style-type: none"> • Program activities exceeded original construction targets.
<p>USAID/West Bank and Gaza's Water Activities Report No. 6-294-99-002-P (February 2, 1999)</p>	<ul style="list-style-type: none"> • Unreliable or insufficient data • Performance targets not met • Lack of host country support 	
<p>USAID/Bosnia-Herzegovina's Bosnian Reconstruction Finance Facility Program (10/1/97-3/31/98) Report No. B-168-99-001-P (October 30, 1998)</p>	<ul style="list-style-type: none"> • Inadequate contract or project management • Need for employee training • Risk to project's sustainability 	<ul style="list-style-type: none"> • Funds were being used for designated purposes.