

# USAID OIG REFORM PLAN

**Recent Actions and Proposals  
To Improve Efficiency,  
Effectiveness, and Accountability**



**OFFICE OF INSPECTOR GENERAL**

U.S. Agency for International Development

# Message From the Inspector General

I am pleased to present USAID OIG's Reform Plan, which outlines our priority initiatives, our long-term workforce management plans, and our plans for maximizing employee performance.

Soon after I became USAID's Inspector General in November 2015, I called for an across-the-board assessment of our office. Several strengths were immediately apparent, including a highly skilled and resilient staff committed to public service, accountability, and advancing U.S. foreign assistance. Also evident were opportunities to initiate reforms that would strengthen our workforce, our processes, and our impact.

While our reforms—which are in various stages of implementation—and the thinking behind them predate the Office of Management and Budget's (OMB) April 2017 memorandum requiring Executive departments and agencies to develop comprehensive reform plans,<sup>1</sup> they align with OMB's overarching objective to create a leaner and more efficient and effective Federal Government that is accountable to the American people.

Our bottom line goal—to ensure USAID, the other entities we oversee,<sup>2</sup> and OIG achieve the greatest return on taxpayer investments—remains a constant. However, the strategies for achieving this goal require continual assessment. Our current reform plan is designed to maximize efficiency and effectiveness through multiple strategic initiatives:

- Implement a new overseas hub structure to consolidate geographically dispersed operations.
- Reset overseas staff levels to achieve cost savings and advance mission accomplishment.
- Add rigor to OIG's strategic planning for focusing and prioritizing our work.
- Strengthen our strategic work focus and prioritization through a risk management approach.
- Review business processes and policies to align with best practices and reflect the highest community standards.
- Expand OIG's global outreach and education.
- Reinforce our independence through memoranda and policy refinements.
- Evaluate position management and refine roles under a new hub structure.



Ann Calvaresi Barr  
Inspector General

<sup>1</sup> OMB M-17-22, "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce," <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-22.pdf>.

<sup>2</sup> In addition to overseeing USAID programs and operations, OIG provides independent oversight of the U.S. African Development Foundation (USADF), the Inter-American Foundation (IAF), the Millennium Challenge Corporation (MCC), and the Overseas Private Investment Corporation (OPIC).

- Enhance training and development, starting with executives, managers, and supervisors.
- Review and reform performance and promotion policies and OIG's awards program to better ensure they are based on performance.

Each of our reforms is described in more detail in the attached plan.

These reforms have already yielded a number of financial and nonfinancial benefits, as well as heightened interest in our work among key stakeholders, which has resulted in more congressional requests for OIG work and witness testimony at hearings. As we continue to implement our reforms, we expect these trends to continue.

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## IMPLEMENTING A NEW OVERSEAS HUB STRUCTURE

In fiscal year 2016, OIG began restructuring its overseas offices. Previously, these offices had broad discretion in setting priorities and strategies for achieving OIG’s mission, with limited input from other offices or headquarters. To improve field office efficiency, effectiveness, and accountability, OIG established four regional hubs with suboffices.

<b>Geographic Region</b>	<b>Hub Office</b>	<b>Suboffice(s)</b>
Latin America and the Caribbean	San Salvador, El Salvador	Port-au-Prince, Haiti
Asia	Manila, Philippines	Islamabad, Pakistan
Africa	Pretoria, South Africa	Dakar, Senegal; and Kampala, Uganda
Europe, Eurasia, the Middle East, and Afghanistan	Frankfurt, Germany	Cairo, Egypt; Tel Aviv, Israel; and Kabul, Afghanistan

By bringing these offices together under regional hubs, OIG has begun to elevate field unit oversight from country to regional developments, strengthen coordination among offices, promote standardization of key audit and investigative processes, improve the efficiency of services provided to staff, and reduce administrative burdens on overseas offices. The hub structure will also enable OIG to concentrate more staff resources under a single manager, increasing teaming and professional development opportunities.

To ensure hubs operate as efficiently as possible, OIG is exploring the possibility of moving our Asia hub office from Manila, Philippines, to another location in the region such as Bangkok, Thailand. Oversight of our Afghanistan operations would shift to this new regional hub from Frankfurt. We anticipate that establishing this hub and shifting some of our U.S. direct hire (USDH) footprint from Afghanistan and Pakistan to Bangkok, for example, would result in significant cost savings, while maintaining or improving the level of oversight we provide in these areas. Implementation of this plan depends on our ability to obtain requisite approvals from the State Department.

OIG also plans to assess the efficiency and effectiveness of shared services provided through the State Department’s International Cooperative Administrative Support Services (ICASS), which OIG currently uses, and those provided through USAID to determine which office provides better value.

## RESETTING OVERSEAS STAFF LEVELS TO ACHIEVE COST SAVINGS AND ADVANCE MISSION ACCOMPLISHMENT

Through our budget planning process, we determined that OIG would face a significant budget shortfall by fiscal year 2019 or 2020 without significant changes to the office's approach to spending. To ensure future solvency, the Inspector General (IG) assembled a Budget Task Force in January 2017, comprising of senior leadership from all major operating units, and tasked it with weighing our options and making tough budget decisions.

OIG's Budget Task Force reviewed previous spending trends, current fiscal year expenditures, and future mission priorities to develop proposals to reduce costs and better align finite resources with oversight needs. As a result of these deliberations, OIG plans to reallocate 17 authorized USDH positions based abroad to headquarters over a 2-year period. This personnel reallocation will result in a reduction in the number of permanently stationed USDH personnel in Afghanistan, El Salvador, Pakistan, and Egypt, and the withdrawal of all USDH staff from Haiti.<sup>3</sup> To offset reductions in international positions, OIG identified opportunities to fully leverage Foreign Service personnel at headquarters in a way that advances our mission as well as our staff's professional development.

Outside of employee salaries and benefits, OIG's largest costs are associated with ICASS, which the State Department provides to our personnel overseas. These costs are significantly higher in posts where security concerns are particularly complex, such as Afghanistan and Pakistan. Additionally, we largely rely on Foreign Service National (FSN) staff to perform fieldwork since security policies limit the ability of our USDH staff to move around the country. With these considerations in mind, the Budget Task Force recommended reducing our USDH staff in Afghanistan and Pakistan to a level where we still have sufficient personnel to oversee FSN staff, while increasing temporary duty travel as needed to ensure effective oversight.

The Budget Task Force assessment also revealed that international staffing was not well aligned with the current distribution of Agency investments—particularly in Egypt, El Salvador, and Haiti. The task force recommended reduced USDH personnel levels in these offices as a result.

We are optimistic that OIG will be able to effect these reductions through the annual Foreign Service assignment process, but some individual staff assignments may need to be curtailed to achieve targeted reductions before May 2019. The success of these adjustments will be reflected in financial terms. Specifically, OIG anticipates up to \$8 million in savings through fiscal year 2020 while enhancing our ability to provide effective, risk-based oversight around the world.

<sup>3</sup> FSNs will continue to staff OIG's Haiti office.

## ADDING RIGOR TO OIG'S STRATEGIC PLANNING

To promote efficiency and effectiveness, OIG is updating its strategic plan to align anticipated resources, functions, and activities for fiscal year 2019 through 2023 and guide staff efforts to achieve OIG's mission. We intend to submit the plan to OMB in December 2017 and publish the final plan in February 2018.

To develop the new plan, OIG is using a two-phase, facilitated process:

Description	Objectives/Tasks
<b>Phase I: Completed</b>	
Senior OIG leadership participated in facilitated planning discussions.	<ol style="list-style-type: none"><li>1. Develop draft mission statement.</li><li>2. Refine the mission statement and draft goals to meet the mission.</li><li>3. Clarify relationship of goals to the broader mission and assign goal leads.</li></ol>
<b>Phase II: In Progress</b>	
OIG supervisors and managers provided key inputs on organizational values. OIG goal leaders are working with key stakeholders to set objectives, metrics, and strategies for achieving goals.	<ol style="list-style-type: none"><li>1. Develop value statements</li><li>2. Refine goals and develop corresponding objectives and metrics.</li><li>3. Set strategies for achieving objectives.</li></ol>

After finalizing and publishing our fiscal year 2019 to 2023 strategic plan, OIG will regularly assess progress against the plan. OIG will use annual plans to present yearly targets for each of the performance metrics in the strategic plan. OIG will, in turn, report progress toward these targets in semiannual reports to Congress.

## STRENGTHENING STRATEGIC WORK FOCUS AND PRIORITIZATION THROUGH A RISK MANAGEMENT APPROACH

OIG recently implemented a more disciplined, crosscutting, and risk-based approach to identify our work focus and priorities. This strategic approach will better position us to achieve the greatest return on our investment—that is, target our resources to work that will have the greatest impact on foreign assistance programs and activities and, ultimately, their beneficiaries.

## Audits

With respect to audits, our goal is to increase the impact that our products have on foreign assistance strategies, policies, and practices, while maintaining quality and independence. To achieve this goal, we are instituting the following reforms:

- Elevating the focus of our work by performing audits that cut across regions or countries, and getting to the root causes of the weaknesses we often find at the country level, linking them where possible to larger strategic direction and guidance from headquarters.
- Focus on audits that align with the largest agency investments.
- Meeting the information needs of key agency and congressional stakeholders.
- Issuing products that are compelling, easy to read, and accessible, while remaining irrefutable.
- Enhancing the role of headquarters throughout audits to ensure we end up with high-impact, corporate products.
- Implementing a standardized audit process with distinct phases and built-in opportunities for Audit management and other internal stakeholders to weigh in throughout an audit.
- Placing a high priority on making sure that auditors have the information, training, direction, and tools to perform their jobs effectively.

We are also reevaluating our oversight of financial audits contracted by USAID or recipients of USAID funds to mitigate independence threats and provide assurance that our work meets government auditing standards. Specifically, the IG directed Audit leadership to assess and remodel our Non-Federal Audit (NFA) Program, which includes audits of USAID programs and implementers that are conducted by an independent public accounting firm, a host-country supreme audit institution, or the Defense Contract Audit Agency. The remodeling initiative has two strategic goals: (1) mitigate the risk of the appearance of a lack of independence from management and (2) make the NFA program more manageable by targeting certain high-risk areas. To accomplish these goals, we set up a diverse NFA work group that evaluated our NFA program, identified and weighed remodeling options, and is developing an action plan—with recommendations and milestones—to achieve our goals.

To enhance our independence both in fact and in appearance, we shifted management responsibility for identifying, vetting, and approving local independent audit firms to perform recipient-contracted audits back to USAID and MCC management officials. We also increased the threshold for OIG review and transmission of recipient-contracted audit reports for foreign recipients from \$300,000 or more to \$750,000 or more to bring it in line with audit requirements for domestic recipients, as outlined in OMB Circular A-123.<sup>4</sup> As a result of these changes, we will have additional resources to focus on high-risk areas.

<sup>4</sup> “Management’s Responsibility for Enterprise Risk Management and Internal Control,” July 15, 2016, <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf>.



We also identified and established work groups to do the following:

- Develop a risk-based model for targeting Quality Control Reviews and audits conducted by OIG staff.
- Establish a standardized approach for conducting NFA work across all OIG offices.
- Establish a centralized management and tracking process for the NFA portfolio, while work continues to be carried out in existing offices.
- Disseminate audit best practices to recipients, supreme audit institutions, and firms without compromising OIG's independence.

This work is ongoing, and many of the items are scheduled to be completed during 2018.

## Investigations

OIG's Office of Investigations has taken several key steps to target our finite resources and maximize the impact that investigative work has on promoting foreign assistance accountability. The Office of Investigations' strategic priorities and objectives are based on a qualitative analysis of trends identified in our global investigations. The office's strategic priorities are to deter, detect, and neutralize these threats:

- Organized crime targeting USAID humanitarian operations, including those supporting the U.S. mission to defeat the Islamic State in Iraq and Syria in critical priority countries.
- Organized crime targeting USAID's global supply chain for lifesaving medications, commodities, and associated programming.
- Fraud and corruption involving Agency operations and high-priority programs in USAID-designated critical priority countries (Afghanistan, Iraq, Pakistan, South Sudan, and Yemen) and in the West Bank and Gaza.
- Fraud and corruption involving MCC infrastructure projects worldwide.

To pursue these investigative priorities, the Office of Investigations created a case prioritization matrix that enables us to quickly identify allegations that have the greatest potential to cause significant financial or reputational harm. Our case prioritization, which is being recognized as a best practice across the OIG community, has two components:

1. **Employee Integrity.** This component examines factors such as the rank and position of employees, the nature of the allegation (criminal or administrative), and the level of control or authority exercised by the individual.
2. **Program Integrity.** This component examines factors such as the value of the award, the potential impact of the alleged violation on the project's viability, and the agency's ability to administratively address noncriminal issues.

To further enhance its operations, the Office of Investigations streamlined its allegations intake process by bringing several disparately managed hotlines under its Operations Support Division and hiring four contractors to triage all allegations based on OIG's strategic priorities. These enhancements have significantly improved OIG's ability to track allegations, focus resources on those with highest priority, and reduce overall workload.

## Crosscutting Engagements

To identify emerging fraud schemes and systemic weaknesses that put USAID programs and projects at risk of fraud, waste, and abuse, OIG is doubling down on efforts to enhance coordination and information sharing across its audit, investigative, and management functions. For example:

- Insights from Audit, Investigations, and the IG's Immediate Office informed our audit work plan, 2017 report on the top management challenges facing USAID, and advisory on USAID's reform plan.<sup>5</sup>
- We have encouraged and increased opportunities for Audit, Investigations, Management, and Immediate Office staff to work and learn together by, for example, coordinating visits to overseas locations; participating in one another's staff meetings and informal gatherings; and setting the stage for shared leadership and development opportunities and training, such as community of practice sessions.
- To support oversight of overseas contingency operations, OIG is establishing a co-located task force that will draw on Audit, Investigations, and Immediate Office personnel and help ensure timely and effective coordination and information sharing across disciplines.
- OIG has brought together workgroups that include staff from Audit, Investigations, Management, and the Immediate Office to move forward with staffing initiatives such as the development of new policies and guidance, and new onboarding and orientation processes.
- All OIG operating units are helping shape OIG's strategic plan.

These and other crosscutting exchanges have already contributed to increased efficiencies and higher-impact work. For example, our investigative work on the Global Health supply chain identified internal control vulnerabilities that prompted us to add a supply chain management audit to our audit plan. Management leadership identified opportunities to achieve consistencies and efficiencies by consolidating functions previously performed by field offices. Most notably, OIG is centralizing its approach to budget planning and execution for ICASS costs.

<sup>5</sup>“Top Management Challenges for Fiscal Year 2017,” [https://oig.usaid.gov/sites/default/files/other-reports/fy17\\_statement\\_management\\_challenges\\_usaid\\_mcc.pdf](https://oig.usaid.gov/sites/default/files/other-reports/fy17_statement_management_challenges_usaid_mcc.pdf); and “Key Considerations for Developing USAID's Comprehensive Plan on Reforming and Reducing the Federal Workforce,” [https://oig.usaid.gov/sites/default/files/audit-reports/advisory\\_memo\\_considerations\\_usaid\\_reform\\_06212017.pdf](https://oig.usaid.gov/sites/default/files/audit-reports/advisory_memo_considerations_usaid_reform_06212017.pdf).

Our office also leads and participates in a number of planning efforts with other OIGs. For example:

- Each year USAID OIG develops a coordinated oversight plan for foreign assistance to combat HIV/AIDS, tuberculosis, and malaria with the OIGs of the Departments of State and Health and Human Services.
- USAID OIG serves as a central player in oversight of overseas contingency operations in association with the Departments of State and Defense OIGs.<sup>6</sup> This includes developing a joint plan for oversight, conducting audits and investigations, and reporting quarterly on U.S. Government activities. USAID OIG also coordinates its oversight activities in Afghanistan with the Special Inspector General for Afghanistan Reconstruction, which has cross-cutting oversight authority of reconstruction programs in Afghanistan.

## **REVIEWING BUSINESS PROCESSES AND POLICIES TO ALIGN WITH BEST PRACTICES AND REFLECT THE HIGHEST COMMUNITY STANDARDS**

OIG has undertaken process and quality improvements to help OIG better manage global operations and improve performance, resulting in increased efficiency and more rigorous audits and investigations.

### **Process Improvement**

OIG recently established a process improvement function to systematically examine and improve the processes that support OIG operations. A Process Improvement Council, comprising senior leaders from each operational unit, will work with the Process Improvement Director to provide strategic direction and operational support and help ensure that our process improvement efforts align with OIG organizational goals and objectives. To encourage maximum engagement and participation by OIG management and staff, improvement teams of process users and stakeholders will be responsible for evaluating current processes, identifying weaknesses and inefficiencies, and streamlining or reengineering them as appropriate. In addition to giving employees a stake in decision making, they are encouraged to continually identify new improvement opportunities.

We are also standardizing and consolidating under one managerial umbrella disparate operations and approaches to better ensure processes are well-documented and reliably executed, and that functional units and employees maintain high performance in the face of the frequent turnover in a Foreign Service environment.

### **Quality Improvement**

OIG also hired a Quality Assurance Review (QAR) Director, who is working to establish a quality assurance program that draws on our staff's extensive knowledge and expertise to continuously monitor the

<sup>6</sup> Congress amended the Inspector General Act of 1978 to establish Lead IG oversight responsibilities in designated overseas contingency operations. Section 8L of the act requires the designated Lead IG to ensure coordinated and comprehensive oversight.

execution of our work and ensure that it and our corresponding policies and procedures meet the highest standards set by law and regulation, the accountability community, and our office.

The QAR division will conduct annual reviews and inspections of our audit, investigations, and management functions and will provide reasonable assurance to OIG leadership that organizational quality controls are suitably designed and operating effectively for reliable and meaningful oversight. The QAR division will also lead OIG's enterprise risk management (ERM) effort to develop a risk portfolio to routinely inform decisions,<sup>7</sup> including OIG's Federal Managers Financial Integrity Act reviews. QAR's ERM work supports OIG's strategic goals and objectives by helping the organization (1) focus leadership attention on key risks; (2) better allocate limited resources; (3) drive accountability; (4) strengthen internal controls and improve operational efficiency; and (5) promote a culture of transparency and engagement among all staff.

OIG is reallocating internal resources to support QAR efforts and will leverage external detail opportunities to accomplish unit work objectives and meet organizational requirements.

## EXPANDING GLOBAL OUTREACH AND EDUCATION

To strengthen accountability and reduce fraud, waste, and abuse in the foreign assistance programs and projects OIG oversees, we continue to expand outreach and education efforts, increasing awareness, detection, and response to risks.

OIG strategically targets its outreach to USAID, industry, and implementer personnel.

- **Agency Outreach.** OIG provides USAID headquarters and field components timely information on systemic weaknesses identified during our investigations through tailored briefings and more in-depth discussions of internal controls and fraud prevention. OIG outreach extended to 29 countries during the last semiannual reporting period.
- **Industry Outreach.** Targeted outreach to relevant industries raises awareness and helps develop capacity related to OIG's strategic priorities. Examples include presentations and participation at major industry events, such as those sponsored by USAID, InsideNGO, Devex, the Council of International Development Companies, U.N. organizations, and other international investigative bodies working in our strategic priority areas. The Office of Investigations also sponsors fraud awareness workshops and maintains an external engagement plan, updated annually, that identifies corporate events related to OIG strategic priorities.
- **Proactive Outreach Program (POP).** The Office of Investigations initiated POP in April 2017 to provide more in-depth engagement with implementers working in strategic priority areas. POP also allows Investigations staff to develop a better understanding of programs by engaging more directly with personnel responsible for key functions such as procurement, finance, staffing,

<sup>7</sup>On July 15, 2016, OMB updated OMB Circular A-123 requiring agencies to implement and integrate ERM in its strategic planning and decision-making process.

and high-risk programmatic areas. Guided by OIG-developed materials, investigators discuss internal controls and review documents to identify control deficiencies, fraud indicators, and potential evidence of fraud. Investigators also discuss high-risk arrangements that increase fraud vulnerabilities, such as allowing an implementer to operate on an emergency procurement waiver for years rather than using full and open competition.

The Office of Investigations coordinates POP activities to ensure maximum program impact, and has incorporated fraud awareness briefing requirements in Office of Investigations performance objectives to reflect this new approach. POP's success will largely be measured by the degree to which these activities uncover systemic issues and improve controls.

OIG's expanded outreach also includes more coordination with our Federal oversight counterparts, including working with the Government Accountability Office on audit plans and with inspectors general in the Executive Branch on assignments. OIG participates on several committees and workgroups associated with the Council of Inspectors General for Integrity and Efficiency (CIGIE),<sup>8</sup> an independent Executive Branch entity established to address integrity, economy, and effectiveness issues that transcend individual agencies and help establish a professional, well-trained, and highly skilled OIG community workforce.

Finally, OIG is working to enhance its external website, an effort that we anticipate will increase accessibility to and public awareness of our work. This effort includes:

- Promoting transparency about the status of OIG audits and associated recommendations.
- Incorporating additional functionality and technologies to allow for better outreach to Congress and the public.
- Better leveraging of social media platforms to increase engagement with our stakeholders.
- Posting our reports on CIGIE's oversight.gov website.

## **REINFORCING OIG INDEPENDENCE**

As we remain focused on high-value work across the entities we oversee, we continue to pursue initiatives that ensure accountability and solidify our independence—the foundation of any OIG. Specifically, we are taking steps to reinforce our independence from USAID processes and systems, public disclosure activities, and information technology (IT) systems.

- Early in fiscal year 2016, the IG established a cooperation memorandum with the USAID Administrator to reaffirm and formalize OIG's authority. This memorandum has helped ensure that our auditors and investigators have full access to the information they need to carry out our mission. On September 26, 2017, Administrator Green issued a similar memorandum under his leadership.

<sup>8</sup> The USAID IG currently serves as Vice Chair of CIGIE's Audit Committee.

- We are also seeking to take back responsibility for closing our audit recommendations—a task currently under the purview of the audited agency. Reversing this longstanding practice will better ensure that corrective actions are timely and meet our intent.
- We continue to seek, through discussions with congressional staff, a more permanent solution for OPIC oversight that aligns with the Inspector General Act. Currently, our audits and other oversight activities related to OPIC programs and operations are carried out under annual agreements that are subject to negotiation, limitations, and delays.

## **Public Disclosure**

OIG currently relies on USAID to handle all Freedom of Information Act (FOIA) requests directed to OIG—a practice that differs from those at other OIG offices. Although OIG attorneys provide USAID with substantive reviews and legal analyses on redactions related to OIG documents and information, USAID directly coordinates with requesters and renders final decisions on disclosures without OIG review or approval. In addition to limiting OIG independence and reducing efficiency, this approach presents other practical complications, including complainant identity protections provided under the Inspector General Act. To certify that information on complainants is not subject to release under FOIA, USAID has sought this information in unredacted form, which we are prohibited from providing.

To address issues such as these and promote timely and effective responses to public requests for OIG information, our fiscal 2018 budget request seeks funds to enable OIG to establish a fully independent FOIA function.

## **Information Technology**

OIG relies heavily on USAID to provide IT infrastructure for user accounts and desktops and laptops. While leveraging USAID's IT infrastructure allows us to achieve some economies, it has raised concerns about how we carry out our unique mission, particularly how we maintain independence.

To ensure OIG's autonomy, while maintaining maximum efficiency, we are establishing a centrally managed and secure network that will allow us to (1) give our workforce IT access at any time, from anywhere, and over multiple devices and (2) deploy essential infrastructure and service enhancements more rapidly; with greater relevancy, accuracy, and reliability; and without approval from personnel external to OIG.

To implement this initiative, OIG will require additional budgetary resources, which we included in our fiscal year 2019 request.

# Long-term Workforce Management Plans

## EVALUATING POSITION MANAGEMENT

OIG has begun a position management evaluation (PME)—an assessment of OIG personnel’s ability to fulfill the commitments, goals, and objectives of its mission. With assistance from organizational design and position classification professionals, OIG’s PME will identify gaps in resources and skills OIG needs to meet its strategic goals and objectives, and align duties and responsibilities with requisite grades.

The PME will include

- comprehensive organizational reviews,
- occupational analyses,
- workforce composition and skills use assessments,
- assessments of organization structures and human capital,
- position reformulation and redescription,
- position management analysis, and
- strategies to determine future human capital needs.

Position classification services include

- position desk audits,
- standardized position descriptions,
- position description libraries,
- comprehensive or standard evaluation statements, and
- customized workshops on classification principles and policies.

This study has been broken into four phases, with the first covering our administrative functions in the Office of Management; the Immediate Office; and the Office of Audit’s Policy, Planning, and Analysis Division. The second phase will cover the remaining units in Audit; the third, our Office of Investigations; and the fourth, our FSN workforce. Key aspects of the first phase of this process have been completed and resulted in recommendations on organization, supervisory span of control, and development of updated position descriptions that accurately reflect staff duties.

At the same time, we have begun to implement planned overseas USDH staffing reductions as part of OIG’s fiscal year 2018 operating plan, and are building these adjustments into fiscal year 2019 budget planning.

## **REFINING ROLES OF KEY PERSONNEL UNDER THE NEW HUB STRUCTURE**

Consolidating overseas operations by establishing four regional hubs with suboffices has significant workforce management implications. These structural changes are translating into changes in the roles of key personnel in the field. By establishing hubs with clear lines of regional accountability, OIG will be looking to its regional inspectors general to monitor regional trends and developments, pinpoint potential or emerging policy issues, and develop new opportunities for the organization. As these hubs are intended not only to draw together OIG suboffices, but also to consolidate functions, regional inspectors general will be expected to facilitate teamwork, inspire commitment and trust across subordinate work units, and identify and capitalize on openings for coordinated work across disciplines. Whereas OIG regional inspector general positions have been consistently filled by audit personnel in recent years, by elevating the focus of the position, we will also make these positions available to personnel from our Office of Investigations, opening additional pathways to professional development.

For OIG regional leadership to take on these and other new roles in line with the IG's vision, OIG will be looking to other personnel to assume responsibility for technical responsibilities previously undertaken by OIG regional inspectors general. This will involve, for example, increasing audit managers' responsibilities. These changes will also affect lines of accountability and reporting both up and down the organization, as well as across units.



# Plans To Maximize Employee Performance

## ALIGNING POSITION DESCRIPTIONS WITH ORGANIZATIONAL REQUIREMENTS

In addition to advancing long-term workforce management, the PME effort aims to improve employee performance. The PME will ensure that all OIG positions are clearly aligned with and support OIG's mission and drive performance toward common objectives. OIG position descriptions will be clear about job requirements, consistent with unit needs, and aligned with organizational requirements, putting OIG in a stronger position to identify skills gaps to drive performance and training plans.

## ENHANCING TRAINING AND DEVELOPMENT

USAID OIG is dedicated to the development of our workforce. Over the past year, OIG has invested in its staff across the organization to support and maintain a high-performing organization.

- **Executive Coaching.** In the beginning of fiscal year 2017, a 360 assessment tool was administered to all Senior Executive Service and Senior Foreign Service members, who were then provided individual executive coaching sessions to discuss the results and establish leadership development plans. As part of the overall executive coaching program, participants are also provided opportunities for group coaching. We plan to continue executive coaching through fiscal year 2018. Coaching for other staff is also planned as part of internal leadership development opportunities.
- **Supervisory Training.** Over the past year, OIG has trained all supervisors and team leads in Federal supervision, performance management, diversity and inclusion, and leadership topics. We are developing a suite of supervisory and leadership training to continue to support supervisors and leaders, as well as ensure new supervisors have the requisite training.
- **Mentoring.** OIG kicked off a 6-month pilot mentoring program with 56 paired participants, and employed an online platform to facilitate the matching and mentoring process. OIG is in discussions with CIGIE to expand this mentoring platform across the OIG community to support interagency mentoring partnerships and expand opportunities for development and knowledge exchange. Over the next year, we plan to continue to expand mentoring opportunities both within USAID OIG and the broader OIG community.
- **Rotation Programs.** OIG instituted an internal rotation program to support and bring fresh ideas to divisions and provide staff development opportunities. For example, the QAR division is rotating four OIG staff through the office over the next year to help develop the QAR program.

OIG also participated in the 2017 CIGIE Interagency Fellowship Program, which provides selected GS-13s to GS-15s with 6-month senior-level interagency rotational assignments to broaden their perspectives. USAID OIG advertised for and received two exceptional fellows for the QAR team and the Learning and Development Division. The latter will help design and develop an adjunct

faculty program to connect USAID OIG subject matter experts with the training, tools, and resources to develop quality and effective internal training. OIG plans to continue identifying detail and fellowship opportunities.

- **Knowledge Exchanges.** The IG implemented leadership development exchanges and leadership brown bags. During these events, staff have the opportunity to discuss leadership challenges and strategies directly with the IG. OIG also holds communities of practice to further support the development of staff across the organization.
- **New Employee Onboarding Program.** In the past, individual OIG operating units onboarded incoming staff. To ensure that all new OIG staff receive consistent guidance, training, and support, OIG is revamping the orientation process, including developing new-hire checklists for supervisors and managers, identifying components of the Agency orientation program that may be applicable to OIG employees, and coordinating OIG-wide to identify essential training elements for incoming personnel. OIG piloted this new process at the end of fiscal year 2017 and will be refining it in fiscal year 2018.
- **Expanded Curriculum Identification and Development.** Over the next year, OIG plans to offer a suite of internal courses on leadership, supervision, and professional topics, in addition to critical technical training. OIG is also developing a leadership cohort program to provide training and coaching to each cohort of participants and to include a capstone project, which will support the needs of the organization. OIG continues to capitalize on internal and external training opportunities, including available interagency resources for building technical, professional, and leadership skills. OIG will establish a competency-based curriculum model to support career development and better align learning activities with OIG needs.
- **Partnership With GAO's Center for Audit Excellence.** To help ensure our audit practices align with leading practices in audit management, we have partnered with GAO's Center for Audit Excellence to provide training to audit staff at all levels on planning, executing, and messaging audits, including training in our regional hubs during fiscal year 2017.

## REVIEWING AND REFORMING PERFORMANCE AND PROMOTION POLICIES AND OIG'S AWARDS PROGRAM

Fair compensation and recognition for staff performance and accomplishments are at the core of good management and accountability in the Federal Government and critical to maintaining a motivated and high-performing organization. Merit system principles emphasize that “fairness is realized not only through due process protections and open competition, but also by establishing that better performance deserves greater reward and recognition.”<sup>9</sup> To ensure OIG complies with these tenets, we are reviewing and reforming as needed our performance and promotion policies and awards program.

<sup>9</sup> Office of Personnel Management, <https://www.opm.gov/policy-data-oversight/performance-management/reference-materials/more-topics/merit-system-principles-and-performance-management/>.

## **Performance and Promotion Policies**

OIG operates both Civil and Foreign Service personnel systems. To ensure that these systems work to maximize employee performance, OIG will be conducting a review of corresponding policies and procedures. To the maximum extent possible, we will seek to align the performance systems in a manner that allows us to treat staff equitably. Additionally, we will streamline the policies to ensure that our managers and supervisors have maximum flexibility and reduced administrative burdens.

For example, OIG will integrate lessons learned from its recent experience with Foreign Service performance and promotion boards into corresponding policy efforts. The after-action reviews that were performed lead us to believe that we can clarify many of the requirements to greatly increase the process's transparency and provide better guidance to board members.

## **OIG's Awards Program**

OIG is reforming its employee awards programs to emphasize sustained performance and align with the annual performance evaluation process. OIG is implementing a new performance-based awards program in fiscal years 2017 and 2018 that provides different levels of recognition in line with demonstrated annual performance and complements existing annual OIG achievement, on-the-spot, and special-act award programs.

OIG has executed this reform in a transparent manner with employee input. OIG held a series of all-hands sessions to introduce this new award program feature, describing clearly what levels of performance would be recognized and addressing employee questions about the timing and content of the program. Under the program, employees eligible for a performance award can choose what form it will take—time off or cash, for example.

The first cycle of annual performance awards reflected annual evaluations from the Foreign Service performance cycle that ended on March 31, 2017. The next cycle of performance awards will be based on annual evaluations for the Civil Service performance cycle, which ends on September 30, 2017.

# **Report waste, fraud, and abuse.**

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