



OFFICE OF INSPECTOR GENERAL

Oversight Implementation Plan
for
USAID's Implementation of the
American Recovery and Reinvestment Act of 2009

As of May 2009

Background:

According to the American Recovery and Reinvestment Act of 2009 (Recovery Act), P.L. 111-5, the Department of State may transfer to the U.S. Agency for International Development (USAID) up to \$38 million for information technology security and upgrades to support mission-critical operations. The Recovery Act further requires that the *Secretary of State and the Administrator of USAID coordinate information technology systems, where appropriate, to increase efficiencies and eliminate redundancies, to include co-location of backup information management facilities.* USAID subsequently received the \$38 million, which must be obligated by September 30, 2010 under the general provisions of the Recovery Act.

USAID plans to use the \$38 million to continue its efforts in developing and implementing the Global Acquisition and Assistance System (GLAAS).¹ GLAAS is a software package that modernizes, standardizes, and tracks the acquisition and assistance process across USAID, as well as integrates with other software programs such as FedBizOpps and Grants.gov. This procurement system will give USAID the ability to process more than \$11.5 billion in acquisition and assistance transactions each year.

USAID believes that the \$38 million it receives in stimulus money will help create or preserve approximately 180 full-time jobs within the Washington, D.C. metropolitan area. In both fiscal years 2009 and 2010, most of the jobs—both new and existing—will come from the small business community. The funding will provide USAID the ability to hire needed system trainers and help-desk support staff, thus creating a positive impact on employment while providing necessary support to GLAAS.

USAID OIG was not provided funds to conduct oversight and reviews. However, the Recovery Act and Office of Management and Budget Memorandums M-09-10 and M-09-15 require OIGs to track resources expended in performing their oversight responsibilities whether or not they received oversight funding.

USAID OIG intends to determine if USAID is complying with the key requirements of the American Recovery and Reinvestment Act of 2009. To meet this goal, USAID OIG's overall objectives in conducting its oversight responsibilities may include whether:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- The recipients and use of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes and instances of fraud, waste, errors, and abuse are avoided, minimized or corrected;
- Projects funded under this Act avoid unnecessary delays and cost overruns; and

¹ USAID piloted its Global Acquisition System (GLAS) in an effort to improve its acquisition functionality worldwide in 2006. In February 2008, GLAS was modified to include the assistance portion and assumed its current name: Global Acquisition and Assistance System (GLAAS). GLAAS deployment at USAID/Washington is expected to begin in October 2009 and be completed in December 2009. Overseas deployment is expected to start in January 2010 and be completed in June 2011.

- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

Oversight/Review Approach:

USAID OIG plans to take a proactive approach to ensure that funds are properly expended and utilized. The auditors will use a quick response report approach to provide the agency with timely feedback. Due to staffing restraints, USAID OIG intends to engage contractors to assist in conducting OIG oversight activities.

Listed below are some of the areas we plan to address in the short and long-term. Further activities will be defined as the agency evolves its Recovery Act practices.

Short Term

- Continue coordination with the Council of Inspectors General on Integrity and Efficiency and the Recovery Accountability and Transparency Board to discuss common concerns and share oversight approaches and eliminate duplication of efforts.
- Monitor USAID's actions to address recommendations that resulted from the agency's independent verification and validation of selected GLAAS activities.
- Compile a list of relevant prior audits and recommendations and determine if the Agency has taken corrective actions, or obtain the status of the planned actions.
- Periodically assess internal controls to ensure compliance with the Recovery Act.
- Periodically review USAID's risk management plan to determine whether priorities, resource requirements and risks have been appropriately identified.
- Attend USAID's Recovery Act meetings (as non-voting member) to obtain status of the agency's progress, discuss OIG's concerns, and discuss agency's concerns.
- Periodically review USAID's performance measures and evaluate its spending plan goals.
- Review the mechanism used for transferring Recovery Act funding from the Department of State to USAID.
- Monitor USAID's Recovery Act efforts to identify risks and deficiencies.
- Conduct fraud awareness briefings.
- Periodically review Recovery Act fund expenditures to determine if those funds were properly allocated

Long Term

- Assess the internal controls and transactions processing as they relate to the Recovery Act funds.
- Design and conduct reviews of the high risk areas identified as a result of the monitoring activities.
- Monitor Recovery Act obligations and disbursements.
- Review the data quality of selected USAID submissions to Government and USAID's Recovery Act website, including the data supporting any claims of numbers of jobs created.
- Identify and review USAID's existing contract mechanisms for GLAAS or new contracts for Recovery Act activities.
- Review and investigate public concerns about USAID's investment of funds.
- Conduct investigations of reported fraud.