



# Semiannual Report to the Congress

**Office of Inspector  
General**

***U.S. Agency for  
International  
Development***

***October 1, 2012–  
March 31, 2013***



**Cover photos**

Top: Water flows through an irrigation canal that the program repaired through USAID/Kyrgyzstan's Local Development Program. (Photo by OIG)

Bottom: A woman in Zambia shows mosquito nets that she received from USAID as part of the President's Malaria Initiative. (Photo by OIG)

**OFFICE OF INSPECTOR GENERAL**

**SEMIANNUAL REPORT  
TO THE CONGRESS**

***October 1, 2012–March 31, 2013***



## Inspector General Hotline

The hotline makes it easy to report allegations of fraud, waste, abuse, mismanagement, or misconduct in the programs and operations of the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), the United States African Development Foundation (USADF), the Inter-American Foundation (IAF), and the Overseas Private Investment Corporation (OPIC). Employees of these organizations, as well as contractors, program participants, and members of the general public, may report allegations directly to the Office of Inspector General (OIG). Complaints may be submitted electronically by using e-mail or OIG's online complaint form.

E-mail                    [ighotline@usaid.gov](mailto:ighotline@usaid.gov)  
Complaint form        <http://oig.usaid.gov/content/oig-hotline>

Individuals who are concerned about the confidentiality or anonymity of electronic communication may submit allegations by telephone or mail.

Telephone        1-202-712-1023

Mail                USAID OIG HOTLINE  
                      P.O. Box 657  
                      Washington, DC 20044-0657

The Inspector General Act of 1978, as amended, and other laws protect those who make hotline complaints. Individuals who contact the hotline are not required to identify themselves and may request confidentiality when submitting allegations. However, OIG encourages those who report allegations to identify themselves so that they can be contacted if OIG has additional questions. OIG will not disclose the identity of an employee of USAID, MCC, USADF, IAF, or OPIC who provides information unless that employee consents or unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation.

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## Message From the Deputy Inspector General



I am pleased to present our Semiannual Report to the Congress for the period of October 1, 2012, to March 30, 2013. This report features oversight activities of the Office of Inspector General (OIG) for the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), the United States African Development Foundation (USADF), and the Inter-American Foundation (IAF). During the reporting period, notable highlights include \$53 million in questioned costs and funds recommended to be put to better use; nearly \$8 million in investigative recoveries and savings; and 104 administrative actions.

In this semiannual report, we are including for the first time the results of our organization-wide performance measures, which were introduced in our new [strategic plan](#). These measures demonstrate progress in our efforts to effectively meet the needs of the agencies and stakeholders we serve; to achieve positive outcomes from our investigative work; to improve the usefulness and availability of the information we provide to our stakeholders; to promote internal customer satisfaction and efficient operations; and to recruit, develop, and retain quality employees even during challenging economic times. We recognize that some areas would benefit by improvement, and we will discuss in future reports our ongoing steps to strengthen OIG.

In terms of OIG initiatives already underway in support of our strategic plan, we are building on our past experience with formal risk assessments to target our resources where they will have the greatest impact. We have also established an investigative hotline in Haiti, similar to that created in Pakistan. Keeping the needs of our stakeholders and customers in mind, we are using social media applications, such as Twitter, to communicate what OIG does.

Our dedicated staff members work to help the agencies we oversee succeed in their mission. Although much of our report focuses on opportunities for improvement, we believe it is also important to highlight activities that are working well. In Kyrgyzstan, for example, USAID's

Local Development Program helped create a fund in selected municipalities that gave entrepreneurs access to larger sums of capital and the opportunity to invest more in their businesses to acquire supplies, equipment, or other items needed to expand their operations. The program worked with tour operators in Kazakhstan and Kyrgyzstan to initiate air service to the popular Issyk-Kul Lake region beginning in June 2011, doubling flights during the tourism season. The program also repaired one of the main irrigation canals, increasing water availability to certain areas by 50 percent and irrigating large tracts of land that had not received water in 21 years.

Instances of fraud and waste in some areas remain, and OIG has initiated several integrity investigations of agency managers and employees, as well as of implementing partners. In one notable case, a former deputy director of a USAID contractor and his wife pled guilty to embezzling more than \$1 million from a global health program.

OIG also issued a qualified opinion on USAID's principal financial statements for fiscal year 2012. We found two material weaknesses, one involving an unresolved difference of \$114 million with USAID's reconciliation of its fund balance with the U.S. Treasury and the other involving unsupported adjustments to USAID's accounting records in the amount of \$3.2 billion.

Worldwide changes—whether the result of political unrest, economic crises, natural disasters, or epidemics—will necessarily shape how OIG provides oversight in the future. We note that recently enacted legislation pertaining to overseas contingency operations will help existing offices of inspector general provide more effective oversight while making use of existing resources, an important consideration in today's uncertain environment. We will continue to work with the Congress and our partners and stakeholders to improve the efficiency and effectiveness of U.S. foreign assistance programs, and we look forward to reporting the results of our efforts in future reports.

## Introduction

### History and Mandated Authority

USAID's OIG was established on December 16, 1980, by statutory amendment<sup>1</sup> to the Foreign Assistance Act of 1961.<sup>2</sup> On December 29, 1981, the International Security and Development Cooperation Act of 1981<sup>3</sup> brought the USAID Inspector General under the purview of the Inspector General Act of 1978.<sup>4</sup> OIG assumed audit and investigative oversight of USADF and IAF in 1999<sup>5</sup> and of MCC in 2004.<sup>6</sup> OIG also maintains limited oversight authority of the Overseas Private Investment Corporation under 22 U.S.C. 2199(e).

The Inspector General Act authorizes the Inspector General to conduct and supervise audits and investigations. Our mission is to provide independent oversight that promotes efficiency and effectiveness and safeguards the integrity of programs and operations under our jurisdiction. Some of our work is mandated by statute or other requirements; other work is performed at the discretion of OIG. When identifying and prioritizing appropriate audit and investigative activity, we consider stakeholder interests and needs, alignment with strategic goals, program funding, and the risks associated with the agency programs, including potential vulnerabilities in internal controls.

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<sup>1</sup> International Security and Development Cooperation Act of 1980, Public Law 96-533.

<sup>2</sup> Public Law 87-195.

<sup>3</sup> Public Law 97-113.

<sup>4</sup> Public Law 95-452.

<sup>5</sup> Consolidated Appropriations Act, 2000, Public Law 106-113, Division B, Section 1000(a)(7), Admiral James W. Nance and Meg Donovan Foreign Relations Authorizations Act, Fiscal Years 2000 and 2001.

<sup>6</sup> Established in 2004 by the Millennium Challenge Act of 2003 (Public Law 108-199, Div. D.), MCC is a U.S. Government corporation that works to reduce poverty and stimulate economic growth in some of the poorest countries in the world. It has committed more than \$8 billion in foreign aid to 39 countries.

When a country meets the performance standards of MCC's selection indicators, it may become eligible to receive a compact—the chief grant instrument between MCC and the country to fund specific programs. Each compact country identifies an entity or organization that will manage the compact funds and oversee compact implementation. Such entities are usually called Millennium Challenge Accounts (MCAs).

## Areas of Responsibility

**Audits.** OIG audits activities relating to the worldwide foreign assistance programs and agency operations of USAID, MCC, USADF, and IAF. Audit activities include performance audits and reviews of programs and management systems, financial statement audits required under the Chief Financial Officers Act of 1990,<sup>7</sup> and audits related to the financial accountability of grantees and contractors.

**Investigations.** OIG investigates allegations of fraud, waste, and abuse relating to the foreign assistance programs and operations of our client agencies. Investigations of criminal, civil, and administrative violations cover all facets of these worldwide operations. OIG also works proactively by providing fraud awareness briefings and literature, audiovisual aids, and advice on fraud prevention strategies for agency personnel and employees of foreign assistance implementers worldwide.

**Locations of OIG Offices.** OIG carries out its audit and investigative work in about 100 countries from offices in:

- Baghdad, Iraq
- Cairo, Egypt
- Dakar, Senegal
- Islamabad, Pakistan
- Kabul, Afghanistan
- Manila, Philippines
- Port-au-Prince, Haiti
- Pretoria, South Africa
- San Salvador, El Salvador
- Tel Aviv, Israel
- Washington, D.C.

## Joint Work and Partners

OIG participates in task forces and cooperates with other groups. In this reporting period, for example, OIG contributed to task forces and interagency groups that provide oversight

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<sup>7</sup> Public Law 101-576.

for U.S. Government programs in Afghanistan, Pakistan and Iraq that assist the Department of Justice in addressing procurement and grant fraud.

**Southwest Asia Joint Planning Group.** This group was formed to coordinate oversight activities in Afghanistan, Pakistan and Iraq, and other countries in the region. The group comprises representatives of the Offices of Inspector General for USAID, the Department of Defense and the Department of State, the Government Accountability Office (GAO), the Special Inspector General for Iraq Reconstruction, the Special Inspector General for Afghanistan Reconstruction, the U.S. Army Audit Agency, the Naval Audit Service, the Air Force Audit Agency, and the Defense Contract Audit Agency (DCAA).

**Department of Justice Task Forces.** OIG participates on two Department of Justice task forces—the National Procurement Fraud Task Force and the International Contract Corruption Task Force. The mission of both task forces is to promote the early detection, prevention, and prosecution of procurement and grant fraud associated with increased contracting activity for national security and other government programs.

**Coordinated Audit Plan for HIV/AIDS, Tuberculosis, and Malaria.** OIG collaborates with its counterparts at the Departments of State and Health and Human Services (HHS) to develop an annual consolidated audit plan. The three OIGs work together to determine the audits each office will conduct to make the best use of U.S. Government resources.

**Working With Bilateral Donors.** OIG participates in a group of 11 bilateral donors that are working to improve transparency and accountability of multilateral organizations and take on other issues of mutual interest.

## OIG Organizational Performance Measures

OIG established the following measures in its 2012–2016 strategic plan. The data below reflects our progress during the first half of fiscal year 2013.

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

Measure	Fiscal Year-end Target	Midyear Results
Percentage of audits with recommendations that focus on program effectiveness and efficiency <sup>8</sup>	60%	61%
Percentage of agency expenditures audited	55%	35%
Hours per audit	900	995

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

Measure	Fiscal Year-end Target	Midyear Results
Percentage of OIG investigations resulting in substantiated allegations that were referred for criminal, civil, or administrative action	80%	100%
Percentage of referrals that resulted in criminal, civil, or administrative action	50%	91%
Number of individuals reached through outreach events	2,800	2,308

**Goal 3:** Provide useful, timely, and relevant information to enable stakeholders to make informed decisions.

Measure	Fiscal Year-end Target	Midyear Results
Number of briefings and testimonies provided to Congress	15	12
Number of hits on the OIG Web site	500,000	1,326,708

<sup>8</sup> Includes audits with recommendations in the following categories: performance targets not met, insufficient coordination among development partners, risk to projects' sustainability, lack of host-country support, inefficient operations, unsatisfactory contractor performance, and inadequate commodity management or storage.

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

Measure	Fiscal Year-end Target	Midyear Results
Percentage of employees indicating satisfaction with OIG customer service, operations, and initiatives	70%	57% <sup>9</sup>
Percentage of major management milestones met relating to strategic planning, continuity of operations, policy development, financial resource management, operations planning, and external reporting requirements	80%	73%
Percentage of OIG hours spent on indirect tasks	40%	28%

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

Measure	Fiscal Year-end Target	Midyear Results
Percentage of vacancies with qualified candidates accepting an offer of employment within 120 days	100%	90%
Percentage of highly performing employees retained	80%	99%
Percentage of OIG employees expressing satisfaction with management policies and procedures, opportunities to improve their skills, their ability to use their talents, recognition for good performance, and personal empowerment in work processes and their jobs	55%	47% <sup>10</sup>
Percentage of employees completing required core curriculum training for their level	100%	65%

<sup>9</sup> This percentage represents the baseline data captured in OIG's first annual customer service survey at the beginning of fiscal year 2013. The target may be revised in response to this baseline.

<sup>10</sup> This percentage reflects baseline data captured in OIG's first employee satisfaction survey captured at the beginning of fiscal year 2013. The target may be revised in response to this baseline.

<b>Summary Table of Audits Conducted</b> <b>USAID, USADF, and IAF</b> <b>October 1, 2012–March 31, 2013</b>		
<b>Type of Report</b>	<b>Number of Reports</b>	<b>Value of Questioned Costs (\$)</b>
<b>Financial Audits</b>		
American Recovery and Reinvestment Act of 2009, Public Law III-5 (ARRA)	0	0
USAID programs and operations	1	0
Foundations' programs and operations	2	0
U.S.-based contractors	38	2,749,564
Quality control reviews	0	0
U.S.-based grantees	42	6,415,413
Quality control reviews	0	0
Foreign-based organizations	210	12,075,388 <sup>11</sup>
Quality control reviews	12	708,998
Foreign government funding	12	2,599,776
Local currency trust fund	0	0
Enterprise funds	12	0
<b>Performance Audits</b>		
USAID economy and efficiency	31	5,943,963 <sup>12</sup>
Foundations' economy and efficiency	2	0
Other	7	1,200,000
<b>Total</b>	<b>369</b>	<b>31,693,102</b>

<sup>11, 12</sup> Includes better use of funds.

<b>Summary Table of Audits Conducted</b> <b>MCC</b> October 1, 2012–March 31, 2013		
<b>Type of Report</b>	<b>Number of Reports</b>	<b>Value of Questioned Costs (\$)</b>
<b>Financial Audits</b>		
U.S.-based contractors	1	0
U.S.-based grantees	0	0
Foreign-based organizations	15	21,361,855
Quality control reviews	0	0
<b>Performance Audits</b>		
Economy and efficiency	4	0
Other	1	0
<b>Total</b>	<b>21</b>	<b>21,361,855</b>

**Investigative Activities Including Matters  
Referred to Prosecutive Authorities**

October 1, 2012–March 31, 2013

<b>Workload</b>		<b>Civil Actions</b>	
Investigations opened	64	Civil referrals	2
Investigations closed	18	Civil declinations	0
		Judgments	0
		Settlements	1
		<b>Total</b>	<b>3</b>
<b>Criminal Actions</b>		<b>Administrative Actions</b>	
Prosecutive referrals	10	Reprimands/demotions	6
Prosecutive declinations	8	Personnel suspensions	9
Arrests	5	Resignations/terminations	37
Indictments	0	Recoveries	32
Convictions	2	Suspensions/debarments	11
Sentencing	3	Systemic changes	6
Fines/assessments	1	Other	3
Restitutions	1		
<b>Total</b>	<b>30</b>	<b>Total</b>	<b>104</b>
<b>Recoveries and Savings</b>			
Judicial recoveries (criminal and civil)		\$5,812,959	
Administrative recoveries		\$1,995,303	
Savings		0	
<b>Total</b>		<b>\$7,808,262</b>	

**Fraud Awareness Briefings Conducted Worldwide  
October 1, 2012–March 31, 2013**

<b>Month</b>	<b>Location</b>	<b>Sessions</b>	<b>Attendees</b>
OCT	Kabul, Afghanistan	3	40
	Ulaanbaatar, Mongolia	1	11
NOV	Manila, Philippines	1	42
	Kabul, Afghanistan	2	18
	Pretoria, South Africa	1	28
DEC	Kabul, Afghanistan	3	20
	New Delhi, India	7	159
	Islamabad, Pakistan	6	79
	Washington, D.C.	2	77
	Port-au-Prince, Haiti	4	107
	Baghdad, Iraq	2	54
JAN	Islamabad, Pakistan	2	63
	Kabul, Afghanistan	3	5
	Nairobi, Kenya	1	12
	Washington, D.C.	3	28
	Manila, Philippines	1	32
	Johannesburg, South Africa	1	11
	Cairo, Egypt	2	102
	Bangkok, Thailand	1	51
	Phnom Penh, Cambodia	5	116
	Kinshasa, Democratic Republic of the Congo	1	10
	Mexico City, Mexico	2	39
FEB	Juba, South Sudan	1	11
	Nairobi, Kenya	2	72
	Cairo, Egypt	2	26
	Baghdad, Iraq	1	7
	Kabul, Afghanistan	1	7
	Washington, D.C.	1	7
	San Salvador, El Salvador	1	23

<b>Month</b>	<b>Location</b>	<b>Sessions</b>	<b>Attendees</b>
<b>MAR</b>	Islamabad, Pakistan	4	96
	Kabul, Afghanistan	3	31
	Washington, D.C.	6	207
	Guatemala City, Guatemala	3	107
	Amman, Jordan	3	91
	San Salvador, El Salvador	1	34
	Baghdad, Iraq	1	9
	Newton, Massachusetts	4	55
	Karachi, Pakistan	2	20
	Zarqa, Jordan	1	28
	Addis Ababa, Ethiopia	1	11
	Petionville, Haiti	1	30
	Nazon, Haiti	1	30
	Manila, Philippines	1	168
	Managua, Nicaragua	2	98
	Cairo, Egypt	3	36
<b>Total</b>		<b>100</b>	<b>2,308</b>

# Significant Findings and Activities

## United States Agency for International Development

### Accountability

#### *Contractor and Grantee Accountability—Audits*

**Overall Audit Activity.** USAID is required by the Federal Acquisition Regulation (FAR), the Single Audit Act,<sup>13</sup> Office of Management and Budget (OMB) circulars, and its own internal policies and procedures to obtain appropriate and timely audits of its contractors, grantees, and enterprise funds. OIG provides oversight of these audit activities, ensuring that audits are conducted in accordance with appropriate quality standards.

**Audits of U.S.-Based Companies.** U.S.-based companies carry out many USAID-funded activities. DCAA conducts audits, reviews, and preaward surveys of U.S.-based contractors on USAID's behalf. OIG then reviews DCAA's reports and transmits them to USAID management.

During this reporting period, OIG reviewed and transmitted 18 DCAA reports covering approximately \$167 million in costs (with questioned costs of more than \$1.8 million).

**Audits of U.S.-Based Grantees and Enterprise Funds.** U.S.-based nonprofit organizations also receive significant USAID funds to implement development programs overseas. As required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," nonfederal auditors perform annual financial audits of USAID grantees that spend more than \$500,000 in federal funds annually. The auditors are required to identify:

- Significant deficiencies involving major programs.
- Material noncompliance with laws and regulations.
- Known fraud affecting federal awards.
- The status of prior audit findings.
- Reasons why the auditor's report on compliance for major programs is other than unqualified.

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<sup>13</sup> Single Audit Act of 1984, Public Law 98-502, as amended.

In some instances, USAID contracts with DCAA to perform special financial audits and with independent public accounting firms to perform Agency-contracted financial audits of U.S.-based grantees. OIG provides oversight for the nonfederal auditors performing these audits to determine whether auditors have prepared audit reports in accordance with the reporting requirements of OMB Circular A-133 and generally accepted government auditing standards.

OIG also conducts quality control reviews to (1) determine whether the underlying audits were conducted in accordance with generally accepted government auditing standards and meet the requirements of OMB A-133, (2) identify and follow-up work needed to support the opinions contained in the audit report, and (3) identify issues that may require management attention by federal officials.

Enterprise funds are U.S.-based nonprofit organizations established under the Support for East European Democracy (SEED) Act of 1989<sup>14</sup> and the Freedom Support Act of 1992 (FSA). USAID currently has several enterprise funds that invest in Eastern Europe and Eurasia and one that invests in South Africa. There are two additional enterprise funds authorized by Congress and in the final stages of being developed for Egypt and Tunisia. Enterprise funds are subject to annual audits of financial statements performed by private accounting firms and reviewed by OIG.

During the reporting period, OIG issued 25 reviews for A-133 Single Audit Act reports and issued 10 reviews for Agency-contracted audit reports covering USAID funds of approximately \$2.7 billion spent by U.S.-based grantees.

**Audits of Foreign-Based Contractors and Grantees.** OMB Circular A-133 does not apply to foreign-based contractors and grantees. Given the high-risk environment in which USAID operates, however, USAID has extended similar audit requirements to its foreign-based contractors and grantees through standard provisions included in grants, cooperative agreements, and contracts. Financial audits of foreign-based contractors and grantees are normally conducted by independent audit firms approved by OIG's overseas regional offices.

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<sup>14</sup> Public Law 101-179.

Under the recipient-contracted audit programs, audits are required for all foreign entities that spend \$300,000 or more in USAID funds during their fiscal year. USAID may also request financial audits of nonprofit organizations that fall below the \$300,000 threshold.

USAID's financial audit requirements concerning its contracts, grants, and cooperative agreements are normally satisfied under the recipient-contracted audit program. However, Agency-contracted audits may be initiated by either USAID or OIG to provide additional audit coverage or address specific concerns.

OIG reviews all audit reports and, if they are found to be in compliance with the OIG's *Guidelines for Financial Audits Contracted by Foreign Recipients*, transmits the reports to the appropriate USAID mission for corrective actions. Audit firms are also notified of any problems identified in the audit reports.

During this reporting period, OIG reviewed and transmitted 210 audits of foreign-based organizations, covering more than \$610 million in expenditures and resulting in about \$12 million in questioned costs, and 12 audits of foreign government funding, covering \$171 million in expenditures and \$2.6 million in questioned costs. OIG also completed 12 quality control reviews to ensure that the audits were completed in accordance with appropriate audit standards.

### *Contractor and Grantee Accountability—Investigations*

**Subcontract for \$1.7 Million in Kenya Terminated After Confirmation of Extortion Scheme.** A prime contractor in east Africa canceled a subcontract after OIG discovered an extortion scheme that resulted in overbilling of program funds. OIG learned that an employee of the subcontractor was receiving less than 20 percent of her monthly salary. OIG confirmed this allegation and confronted the owner of the subcontracting firm. He admitted to billing USAID through the prime contractor an additional \$5,000 per month through the inflated salaries of three employees. OIG further confirmed that he had been doing this for approximately 1 year. In January 2013, the prime contractor, without knowledge of this issue, awarded an open-ended contract to the same subcontractor for approximately \$1.7 million. After learning the findings of this investigation, the prime contractor canceled the newly awarded subcontract. USAID was informed of the findings and is determining how to recover the approximately \$60,000 that the subcontractor overbilled USAID through the prime.

**Bill for Collection for Nearly \$1.6 Million Issued to Rafi Peer Theater Workshop.** In January 2013, USAID Pakistan issued a bill for collection to the Rafi Peer Theater Workshop (RPTW). RPTW is a local Pakistani nongovernmental organization (NGO) that had implemented the Pakistan Children’s Television Project (PCTV), which was terminated in September 2012. An audit conducted as a part of an OIG investigation into procurement irregularities on the PCTV project had identified more than \$2 million in potentially disallowable costs. Because of the audit findings and input from RPTW, USAID Pakistan formally disallowed almost \$1.6 million and issued a bill for collection. RPTW did not meet the deadline to repay the funds and has not otherwise responded to USAID Pakistan. In addition, the NGO has refused to return video production equipment worth approximately \$900,000 that was purchased as part of the project.

**Former USAID Contractor Reaches Settlement With Department of Justice Over False Claims Charges.** A former employee of USAID implementer DAI entered into a nearly \$27,000 civil false claims settlement (that included damages) with the U.S. Department of Justice on the basis of conduct that took place while he was working on the Local Governance and Community Development (LGCD) project in Afghanistan. OIG initiated an investigation into allegations of false claims on the LGCD project in 2009. The investigation revealed that the former employee had been reimbursed \$13,298 for separate maintenance allowance between November 2007 and July 2009, even though his wife was residing with him in Afghanistan. The investigation revealed that the individual knew he was not eligible to receive the benefit at the time he submitted the claims.

**CEO of a Pakistani NGO Resigns as a Result of OIG’s Investigation.** In December 2012, the Sindh Rural Support Organization (SRSO) board of directors accepted the resignation of its chief executive officer (CEO) in connection with a yearlong OIG investigation into alleged mismanagement, theft, and corruption associated with SRSO’s participation in several USAID-funded projects. OIG investigators learned that the CEO had obstructed OIG’s investigation into the allegations. He had instructed two employees to make villagers sign falsified documentation indicating that they had received payment under a USAID project, although they had not been paid. In May 2012, USAID proposed SRSO for debarment. A final decision on that matter is pending.

**USAID/Georgia Recovers \$36,000 from Local NGO in Connection With a Conflict of Interest Investigation.** In 2011, OIG received allegations of procurement irregularities within a \$288,000 forestry program in Georgia being implemented by the Georgian Center for the Conservation of Wildlife (GCCW). OIG's investigation revealed that GCCW had submitted inflated receipts for rent on its office space, as well as fake bids for a printing subcontract. OIG also found that GCCW had rented office space actually owned by the project manager, and the questionable printing contract was awarded to a company owned by his wife. As a result of the investigation and to settle the fraudulent overpayments, USAID recovered equipment valued at \$36,110 from GCCW in October 2012.

**Afghan National Debarred After Stealing More Than \$200,000 From USAID Project.** In October 2010, USAID contractor Black & Veatch (B&V) disclosed to USAID that an Afghan employee working on the Afghanistan Infrastructure Rehabilitation Program had stolen \$208,000 in project funds. The matter was immediately reported to the Afghan National Police, but extensive efforts to locate the subject were unsuccessful. As a result of B&V's investigation into the matter, two employees were terminated and two resigned. In addition, B&V implemented new cash payment procedures to prevent future thefts. The \$208,000 was not charged to the project, and OIG referred the matter to the USAID suspension and debarment official. The subject was debarred in December 2012.

**Afghan National Debarred for Involvement in Bid-Rigging Scheme.** In June 2011, Tetra Tech ARD made a self-disclosure to OIG involving potential misconduct on the part of an Afghan national employed as a procurement officer on the Kabul City Initiative. OIG's investigation revealed that the procurement officer had solicited a bribe from a local vendor when awarding a \$45,000 subcontract. The subject also confessed to providing pricing data from competitive bids to a company owned by a family friend, resulting in an award to the company of a \$220,000 subcontract. The employee was terminated by Tetra Tech ARD. Following an OIG referral, USAID debarred the employee in February 2013.

**University Refunds USAID \$20,000 When Investigation Reveals False Claims on Education Project.** USAID awarded a \$10 million cooperative agreement to the University of Massachusetts (UMASS) to implement the Higher Education Program (HEP). As part of the HEP program, UMASS has been delivering basic management workshops for employees of the Afghan Ministry of Higher Education (MOHE) in Kabul, Afghanistan, since fall 2011. In

May 2012, UMASS discovered that many MOHE employees had submitted fraudulent hotel receipts, resulting in an overpayment by USAID. UMASS immediately made a self-disclosure to USAID. OIG investigators conducted interviews, reviewed UMASS records, and referred the case to USAID's Office of Acquisition and Assistance. In November 2012, UMASS reimbursed \$20,533 to USAID and advised that the university has strengthened its internal controls.

**Former Deputy Director of USAID Contractor and His Wife Plead Guilty to Embezzling More Than \$1 Million.** A former manager at a USAID contractor was sentenced to incarceration for 51 months for a complex scheme that defrauded USAID of nearly \$1.1 million. The defendants each pled guilty in October 2012 in the U.S. District Court for the District of Columbia to one count of conspiracy to commit wire and mail fraud. As part of the pleas, they agreed to pay full restitution and consented to an order forfeiting the amount stolen. The sentencing judge said that his conduct was “downright conniving” and particularly egregious given how the USAID money was supposed to be spent—for HIV-related conferences and training throughout Africa. She also sentenced the other defendant to 5 years of probation, with the first 6 months to be served under home confinement. As part of the plea, the defendants admitted that one of them had used his position as deputy director at a private USAID contractor to submit and approve false and fraudulent invoices, which generated more than \$1.084 million in fraudulent payments between 2006 and 2010. The government seized about \$49,000 in proceeds from the scheme.

A co-conspirator was also sentenced in November 2012 to a 15-month prison term and ordered to pay restitution after embezzling more than \$380,000 through bogus claims for services that were never provided. Further, the primary defendants used fraudulent invoices to pay for a home renovation contract on their personal residence and to buy a luxury automobile.

**Two Former Development Workers Arrested for Fraud.** Two defendants were arrested by the Afghan Attorney General's Anti-Corruption Unit, with OIG assistance, on charges of conspiring to steal approximately \$10,000 of USAID's funds in 2011. The two former development workers—one a chief of party and the other a finance manager of an implementing partner—were accused of falsifying official documentation from the Afghan

Ministry of Finance, indicating that USAID's implementing partner had paid the appropriate local property taxes for the office building used on the project.

### *Employee Misconduct*

#### **USAID/Uganda Foreign Service National Employee Terminated After Conflict of Interest**

**Investigation.** OIG investigated a project management specialist in central Africa believed to have outside financial interests that were not reported on his annual Office of Government Ethics (OGE) Financial Disclosure 450 forms. The individual reported his outside financial interest only after USAID personnel became suspicious and questioned him about it. OIG confirmed that the employee owns a local medical clinic and is a paid board member of a local NGO. However, he did not seek the required approval for outside employment, a violation of USAID local hire employee regulations. Although OIG did not obtain evidence to indicate that the subject had benefited from his connections to the local clinic or NGO, he was referred to the embassy and his security clearance was revoked for lying on his OGE 450. USAID then terminated him for not being able to maintain a security clearance and for suitability concerns.

#### **USAID/Ethiopia Employee's Contract Not Renewed After OIG Investigation Reveals Abuse of**

**U.S. Government Services and Privileges.** An American contracted employee at a USAID mission in east Africa failed to have her contract renewed after an OIG investigation established that she had sold approximately \$10,000 of personal property without proper authority. She then tried to convert that amount of local currency to U.S. dollars by concealing related circumstances. The former contractor also attempted to abuse her privileges by arranging a shipment of consumables from the United States to the mission, to which she was not entitled, and pressing local staff to make duty-free arrangements for her.

#### **USAID/Haiti Employee to Be Suspended for Abuse of Motor Pool.**

A USAID/Haiti personal services contractor utilized the USAID/Haiti motor pool for personal use by directing local USAID staff to provide him with transportation for needs other than official travel. Prior to being hired by USAID, the individual had worked at the State Department, where he was issued a bill for collection pursuant to misuse of official vehicles there. The individual acknowledged to OIG that he had used USAID motor pool resources to visit barbershops, to go to a learning institution where he taught a course, and to conduct other, non-USAID business. USAID/Haiti mission management advised OIG that it will suspend the individual

for 30 days without pay and will not renew his employment contract at the end of the current period.

**Two USAID Afghanistan Employees Receive Administrative Action for Conflict of Interest.** In November 2012, a USAID Foreign Service National (FSN) serving as the field program officer in Kunar Province, Afghanistan, was verbally warned for the appearance of a conflict of interest. OIG's investigation revealed that the FSN's brother was a member of the Kunar Vocational Organization (KVO) board of directors. KVO is a USAID-funded organization in Kunar Province. The FSN serves as a liaison between USAID and KVO and did not make the necessary disclosures. OIG investigators conducted interviews, reviewed personnel records, and referred the case to USAID action officials.

Another USAID FSN, serving as the lead field program officer in Nangarhar, Afghanistan, was also verbally warned for the appearance of a conflict of interest. OIG's investigation revealed that the FSN's brother-in-law had leased his personally owned vehicle to the Central Asian Development Group (CADG), a USAID implementing partner operating in the Nangarhar District. The FSN failed to make the disclosure to his superiors. OIG investigators conducted interviews, reviewed motor vehicle records, and referred the case to USAID action officials.

**USAID Direct Hire Resigns After Investigation of Government Travel Card Abuse.** OIG received an anonymous complaint in April 2012 alleging that a U.S. direct hire employee was misusing her government travel card by using it to make personal purchases. OIG's investigation substantiated the allegations, revealing that the employee had misused the card to purchase alcohol, food, airplane tickets, and hotel rooms for personal travel. As the result of a referral from OIG, USAID proposed taking administrative action against the employee; however, she resigned before any action was taken.

### *Expanding Accountability*

Corruption and lack of accountability are major impediments to development. These issues threaten to negate years of economic growth, especially in the areas of the world subject to political instability and violence.

OIG audits and investigations afford two methods of safeguarding USAID funds; however, OIG pursues additional methods to promote accountability and transparency, described below.

**Expanding Supreme Audit Institutions' Capabilities.** OIG continues to work closely with selected supreme audit institutions (SAIs) in countries where USAID is present. SAIs are the principal government audit agencies in the recipient countries and are often the only organizations that have a legal mandate to audit the accounts and operations of their governments. As such, SAIs may be called upon to audit funds provided to host governments by USAID or other donors. OIG and USAID missions have signed memorandums of understanding (MOUs) with SAIs in 23 countries.

Before SAIs can conduct audits for USAID, they must demonstrate sufficient professional capacity and independence. OIG often provides training to SAIs in how to conduct financial audits of USAID funds in accordance with Agency guidelines and U.S. Government auditing standards. OIG provides quality control for all audits of USAID funds performed by SAIs.

During this reporting period, SAIs issued 13 audit reports covering approximately \$172 million in USAID funds. They reported approximately \$2.9 million in questioned costs, 9 internal control weaknesses, and 21 material instances of noncompliance with agreements.

**Training USAID Staff and Others.** OIG remains committed to preventing losses of development funds and continues to provide training in cost principles and fraud awareness to USAID employees, contractors, grantees, SAIs, and auditors from local accounting firms.

*Cost Principles Training.* USAID's contracts and grants incorporate cost principles that define the types of costs that can be legitimately charged to USAID programs.

To increase awareness of—and compliance with—cost principles and to promote the highest standards, OIG conducts training for overseas USAID staff, contractors, grantees, and others.

This training provides a general overview of U.S. Government cost principles and actual examples of instances that demonstrate concepts such as reasonableness, allocability,

allowability, and various specific cost principles (e.g., travel expenses or entertainment costs). The training also includes financial audit requirements and accountability issues.

During this reporting period, OIG provided training in cost principles and related subjects in 12 countries to approximately 700 individuals from USAID, NGOs, local government and SAI officials, and auditors from local public accounting firms.

*Fraud Awareness.* During the current reporting period, OIG placed emphasis on preventive strategies as part of our oversight responsibilities, providing 100 fraud awareness briefings to 2,308 individuals during the reporting period.

These briefings—customarily given to employees, contractors, grantees, and others—alert participants to fraudulent practices and schemes and advise them on how to report fraud if it is encountered. The briefings are tailored for presentation to specific groups, when requested, such as contracting officers or contracting officers' representatives.

Investigations resulting in criminal or civil prosecution are publicized on USAID's Web site and in other publications, calling attention to prosecutorial action taken against individuals or organizations whose illegal activities have targeted USAID programs.

In addition, OIG has developed publications and educational materials. The newest publication, "What an Investigation Means to You," outlines the types of activities OIG investigates, the purpose of its investigations, the investigative process, and the employee's role in that process. Another publication, "What to Report," provides specific guidelines for making complaints to the OIG Hotline. OIG Hotline posters, flyers, and cards have been distributed worldwide. To expand OIG's outreach efforts, these materials are produced in English, Spanish, French, and Arabic.

## Agriculture and Food Security

USAID's agriculture and food security programs work to increase food security through Feed the Future, the U.S. Government's global hunger and food security initiative. The Agency supports agricultural research and development, expanding and enhancing agricultural markets and trade, capacity development, global nutrition programs, and investment in sustainable agriculture. It also provides food assistance to vulnerable populations and those in crisis.

OIG's oversight of USAID's agriculture and food security programs this reporting period focused on assistance programs in Africa, as well as a false claims investigation involving a U.S.-based company.

**Audit of Feed the Future Activities in Ethiopia ([Report No. 4-663-13-005-P](#))**. USAID/Ethiopia implements activities under Feed the Future, the U.S. Government's global hunger and food security initiative, to increase economic growth in agricultural production and income and to help rural Ethiopia's resilience when facing food shortages. OIG audited four programs to determine whether they are on track to meet these goals, including: (1) Agribusiness and Market Development (AMDe) program; (2) the Capacity to Improve Agriculture and Food Security (CIAFS); (3) the Empowering New Generations to Improve Nutrition and Economic opportunities (ENGINE) program; and (4) the Graduation with Resilience to Achieve Sustainable Development (GRAD) program.

OIG found some positive results. For instance, stakeholders expressed satisfaction with the training and research provided by CIAFS, ENGINE stakeholders noted that the

### Significant Findings and Activities

➤ OIG finds positive results in the Feed the Future Program in Ethiopia, with stakeholders reporting satisfaction with training and research and the likelihood of the program to help reduce and prevent malnutrition. OIG's audit notes, however, that local partners and USAID officials need a greater awareness of and compliance with anti-terrorism requirements in processing awards.

➤ OIG's audit of USAID's Internal Controls Over Prepositioned Food Assistance for the Horn of Africa found that USAID could not demonstrate that overseas prepositioning resulted in timelier deliveries of food aid than domestic prepositioning, even though overseas prepositioning costs are about seven times as much per metric ton.

➤ Jacintoport International is sued for false claims (inflated charges) in connection with human food delivery.

program had helped them reduce and prevent malnutrition, and GRAD recipients expressed hope that they would be able to increase their incomes and graduate from Ethiopia's productive safety net program.

Despite these results, OIG noted several issues. OIG identified problems with awards and recipient knowledge of awards that increase the risk that USAID funds or resources went to people or groups supporting terrorism or who were otherwise ineligible to receive USAID funding. USAID omitted the required antiterrorism clause from the AMDe award. The clause was also omitted from the subcontracts between the implementing partner and its six subcontractors. Furthermore, representatives from two grant recipients were not familiar with aspects of the antiterrorism and debarment and suspension award provisions.

In addition, USAID/Ethiopia and its partners did not establish all of the baselines and targets necessary to measure whether the activities were effectively increasing growth with resiliency in rural Ethiopia. Some of the delay resulted from Ethiopia's 70/30 law that requires NGOs to spend no more than 30 percent of funds on administrative expenses. The law is known to have a negative effect on many projects funded by USAID and other donors.

Finally, the structure of Ethiopian programs delayed ENGINE's efforts to support nutrition interventions. ENGINE's activities operate in the same areas as the Agricultural Growth Program (AGP) in the Ministry of Agriculture. AGP officials stated that nutrition interventions are not part of AGP's jurisdiction, but rather belong under the National Nutrition Program implemented by the Ministry of Health. Therefore, AGP did not provide support to and inhibited the implementation of some of ENGINE's activities. Management decisions have been reached on all five OIG recommendations, and final action has been taken on four.

**Audit of USAID's Internal Controls Over Prepositioned Food Assistance for the Horn of Africa ([Report No. 4-962-13-004-P](#))**. According to the United Nations World Food Programme, 4.5 million people in Ethiopia needed emergency food assistance after the 2011 drought. An October 2011 USAID report noted that 3.3 million people in Somalia needed life-saving assistance, with 750,000 of those at risk of imminent starvation. In addition, the drought affected northern and eastern Kenya, which was also grappling with the growing number of Somali refugees.

To respond swiftly to crises such as these, USAID implemented the prepositioning warehouses program. According to a cost-benefit analysis that USAID’s Office of Food for Peace (FFP) did in 2008,<sup>15</sup> the program’s strategy is to store commodities (such as lentils, yellow split peas, and vegetable oil) in designated warehouses for future use to “eliminate the time it takes to procure and transport the commodities to U.S. port for shipment.” In doing so, USAID can cut months off the response time. The Office of Acquisition and Assistance’s Transportation Division oversees operations, including managing the contracts and tracking the shipments in and out as well as the stock available in each warehouse. FFP makes decisions about the type and quantity of food, or commodity, to store in each prepositioning warehouse. After reviewing shipments to the Horn of Africa in 2011 and visiting warehouses in Djibouti, Durban, and Mombasa, OIG determined that USAID does have internal controls in place to provide timely delivery of food commodities, and that in most cases the food had been kept safe and delivered as intended. However, OIG found several areas for improvement.

Despite a recommendation in the cost-benefit analysis to increase domestic food stockpiles, USAID awarded contracts to five overseas warehouses. According to the analysis, prepositioning food overseas added about \$164 per metric ton versus \$23 domestically. In addition, USAID was unable to demonstrate that prepositioning overseas, rather than domestically, improved the timeliness of food aid. In one case, food shipped from Texas reached the Horn of Africa 3 weeks faster than a shipment from South Africa.



**Insect-infested commodities were stored near undamaged ones. (Photo by OIG)**

USAID did not hold warehouse contractors responsible for poor storage conditions. In one warehouse, food was infested with ants and tobacco beetles and was not properly marked for disposal or reuse. Containers of food were damaged from improper stacking and some were stored on broken pallets.

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<sup>15</sup> Janet R. Vandervaart, *Public Law 480 Title II Prepositioning Cost/Benefit Analysis*, January 2008.

In another instance, damaged containers of food arrived unexpectedly at one warehouse and members of the staff could not determine where they had come from or what they had to do with USAID. OIG also determined that the incoming and outgoing quantities of food at one warehouse could not be reconciled and the system for tracking inventory was weak. However, USAID paid the costs of damaged commodities because the contractors did not report any losses. Management decisions were reached on all four recommendations, with final action taken on one.

**Audit of USAID/Ukraine's AgroInvest Project ([Report No. 9-121-13-002-P](#)).** To help Ukraine realize its agricultural potential, USAID/Ukraine awarded Chemonics International, Inc., \$20.61 million to implement AgroInvest. In August 2012, USAID/Ukraine modified the contract to decrease the total estimated cost by \$1.85 million. This contract modification also reduced the project's scope of work but project implementation is still expected to run from 2011 to 2016.

Despite several notable successes, the project is not achieving its main goal. Although Chemonics hired well-qualified professionals to lead each of the project's three components, many of them did not have experience working on USAID-funded projects. That unfamiliarity with USAID projects created a learning curve that slowed the awarding of subawards, and consequently, the implementation of project activities. In addition, the poor management of the subaward process and subsequent delays has led to a lack of results. Poor management also has the potential to cause hardship for the beneficiaries and is detrimental to the mission's reputation.

Although AgroInvest's staff prepared timely work plans outlining the activities that were to be undertaken each year, the mission required them to perform additional, unscheduled tasks that caused more delays. A communications program designed to help citizens understand their land rights has still not been implemented almost 2 years into the program. As a result, AgroInvest's legal service providers confirm that rural landowners are still largely uninformed about their land rights. Further, AgroInvest's activities with banks have yielded little to no results, costing the project time and effort.

Management decisions were made on all ten recommendations, and final action was taken on one.

**United States Sues Jacintoport International for False Claims in Connection With the Delivery of Humanitarian Food Aid.** During an investigation, OIG provided information to the U.S. Department of Justice, which filed a complaint against a cargo-handling firm headquartered in Texas. The complaint was filed in a lawsuit initiated under the *qui tam*, or whistleblower, provisions of the False Claims Act in connection with a warehousing and logistics contract for the storage and redelivery of humanitarian food aid. As alleged in the government's complaint, the firm entered into a warehousing and logistics contract with USAID for the storage and redelivery of emergency humanitarian food aid in 2007. This contract contained explicit caps on the allowable rates to load humanitarian food aid onto ships bound for crisis areas around the world. The complaint alleges that beginning around January 2008 and continuing through at least October 2009, the firm regularly exceeded these caps, resulting in inflated charges to the United States in connection with the delivery of more than 50,000 tons of humanitarian food aid.

## Democracy, Human Rights, and Governance

USAID's efforts to promote democracy, human rights, and good governance are multifaceted: They include supporting free and fair elections, civil society, and independent media, as well as protecting human rights, which includes countering trafficking in persons. USAID recognizes that promoting accountability and transparency in the countries they serve is key to these efforts.

OIG's work during this reporting period helped identify challenges in the areas of contract or project management, data quality, and internal controls. Audits also uncovered concerns about the sustainability of certain programs.

**Audit of USAID/Iraq's Access to Justice Program ([Report No. 6-267-13-004-P](#))**. To access the legal system, Iraqis need to recognize and understand their rights and be able to prevent abuse of those rights and to obtain legal remedies when their rights are violated. In September 2010, USAID/Iraq awarded Tetra Tech DPK (DPK) a 5-year, \$62.9 million contract, which includes 2 optional years, to establish the Iraq Access to Justice Program.

As of June 2012, DPK had approved 43 grants, primarily to civil society organizations, worth about \$3.7 million to implement program activities. However, the program is not achieving its objective and did not achieve the majority of its performance indicators used to measure its success. For instance, most of the activities were not sustainable. Ten of the 12 grantees the audit team visited—who used their funds to implement new activities instead of continuing or expanding old ones—said they would not be able to continue with their projects without continued USAID/Iraq funding. All

### Significant Findings and Activities

- OIG's audits note concerns about sustainability in several programs.
- In USAID/Iraq's Access to Justice Program, OIG finds that the program is not achieving its objective to improve the justice system nor meeting the majority of its performance indicators.
- OIG's audit notes that USAID/Iraq's Legislative Strengthening Program was terminated before the implementation period was complete and did not complete the tasks necessary to support a parliamentary institute or develop the capacity of members of Parliament and their staffs.

12 grantees were conducting activities to raise the public's awareness of the rights of women and disabled people, training lawyers who provide services to vulnerable Iraqis, producing and distributing video and radio awareness spots and programming, or providing legal assistance and representation services to internally displaced people. One grantee in Erbil used program funds to establish two legal clinics to provide internally displaced people with legal assistance. The grant was completed in February 2012, and one of the clinics closed because the grantee could not afford to operate two clinics.

The sustainability problems occurred mainly because DPK had awarded grants to organizations to implement activities that were not part of their core programs. Investing in activities that grantees cannot sustain impairs USAID/Iraq's objective to improve vulnerable and disadvantaged Iraqis' access to the legal system. Not only did the award of the ten grants for unsustainable activities cause the Agency to spend money on unrecoverable costs, but the contractor also spent about \$874,000 that could have been transferred to existing civil society organizations to further stimulate their access to justice projects.

DPK also did not document how grantees met the minimum eligibility requirements or the evaluation criteria. In addition, the contractor did not design an adequate preaward risk assessment. The chief of party said the only selection requirement was that prospective grantees must have a successful track record of working with UN or U.S. Government programs or be included in the contract with USAID/Iraq as a potential partner. However, for several grantees, DPK had no documentation to prove that they had met this requirement. In addition, some agreements did not include the human trafficking provision. Mission and contractor officials said they were not aware of the requirement.

USAID made management decisions on all seven recommendations and took final action on six.

**Audit of USAID/Iraq's Legislative Strengthening Program ([Report No. 6-267-13-001-P](#)).**

USAID/Iraq awarded a cost-plus-fixed-fee contract to AECOM International Development in May 2008 to design and later implement a program to support a parliamentary institute and develop the capacity of members of parliament (MPs) and their staffs. In September 2011, however, Parliament's leaders evicted AECOM from its office space and reneged on a memorandum of understanding (MOU) with USAID that authorized the program to operate.

USAID/Iraq responded by terminating the contract with AECOM in November 2011. As of December 2011, USAID/Iraq had spent \$42.3 million.

OIG noted that the critical period for establishing the groundwork toward sustainable institutional development was during the first 17 months of program implementation, which was the timeframe that included the transition between the first and second Parliaments. Although a USAID/Iraq-funded evaluation reported incremental improvements in the legislative process and with various Parliamentary committees, OIG found that AECOM's performance had fallen short, and it had not achieved the program objectives. OIG noted performance problems with both the implementer and the overall contract management.

First, AECOM's key deliverables were not completed on time. Also, by extending completion dates, program activities, and deliverables beyond the original completion date, the mission lost the window of opportunity to put into place the expected practices that needed to become integral parts of the country's political system. One of the key objectives was for AECOM to develop and strengthen a parliamentary institute, but it was never established. AECOM was also required to design and implement various information technology systems, but not all systems were in use. Although AECOM was responsible for identifying and providing training courses to MPs and their staffs, an independent evaluation found that the training was not always adapted to Parliament's needs. Finally, AECOM had frequent turnover in the chief of party role—a position that is critical to managing program operations—and this turnover affected priorities and management styles.

Second, OIG noted that the mission did not adequately manage implementation issues. For instance, program spending was poorly monitored. USAID/Iraq's contracting officers' representatives approved monthly invoices averaging \$1.3 million from January 2010 through November 2011, when AECOM was not keeping up with its contractual requirements. In addition, the mission reimbursed AECOM almost \$1.5 million for unsupported costs that were considered unreasonable and unallowable, including \$213,000 paid for unknown employees and \$24,000 paid for 2 months of Internet connections while only two employees were still in Iraq. The mission did not get Parliament to share program costs, did not obtain an objective review of program sustainability in a timely manner, and

did not update the MOU with Parliament once new officials were in place in November 2011.

Because the program was terminated, OIG's eight recommendations focus on improving the design and management of future democracy and governance programs. Management decisions were made on all eight recommendations, and final action has been taken on five.

**Audit of USAID/Egypt's Transition Support Grants Program (No. 6-263-13-002-P).** Under the Transition Support Grants Program, USAID/Egypt awarded more than \$45 million to 16 Egyptian and 8 U.S. grantees between April and September 2011 to implement democracy and governance activities. Although OIG found that the grants awarded under the program met the minimum requirements set forth by federal guidance and Agency policy, auditors identified several other issues.

OIG noted that 12 of the 24 NGOs were not on track to achieve their goals. For instance, although the program began in April 2011, 11 of the NGOs had not obtained the necessary approvals to receive foreign funding from the Ministry of Social Solidarity. On December 29, 2011, Egyptian security forces raided the offices of foreign and Egyptian NGOs and began investigating NGOs that were not appropriately registered, including some that were working under the Transition Support Grants Program, further delaying progress on achieving goals. OIG determined that the mission did not make timely decisions to modify grant agreements in reaction to the delays.

OIG noted that some funds were not used as intended: Two grantees had to use some of their grant funds for bail and legal fees for several of their employees who had been charged with operating without a license, receiving unauthorized foreign funds for activities, and engaging in political activities. These employees were also not allowed to leave Egypt before the trial, although that restriction was lifted on February 29 when the bail was paid. With the review of USAID's General Counsel, the Acting Chief Financial Officer authorized USAID/Cairo to use Economic Support Fund money from the two grants to pay associated legal fees, including bail costs. Therefore, the mission will need to adjust its plans and reassess the expected outcomes, given the reduced funding available.

In addition, OIG determined that the mission's oversight of one of the grantees, Human Development Association, was weak. The organization did not comply with the grant's

accounting, audit, and records clause and could not provide evidence to support expenditures of more than \$525,000.

USAID made management decisions on all six recommendations, and final action has been taken on four.

**Audit of USAID/Paraguay’s Northern Zone Initiative ([Report Number 1-526-13-002-P](#)).** In Paraguay, approximately 35 percent of the population lives below the poverty line. Although the country’s gross domestic product has grown in recent years, the benefits have not been distributed equally, and Paraguay has the 14th highest income disparity index in the world. According to USAID/Paraguay, the rural poor in four territories (known as “departments”) in the northeastern part of country resort to criminal activity to compensate for the lack of income from legal sources. In addition, the communities have little faith in local governments that are not able to provide adequate basic services. Last, the region is plagued by the Ejército del Pueblo Paraguayo (Paraguayan People’s Army), a small insurgent group that kidnaps wealthy citizens for ransom.

It was after one such kidnapping, mission officials said, that the government asked USAID to help with a program to end the violence. USAID/Paraguay is implementing a \$5 million cooperative agreement with ACDI/VOCA to carry out a program called the Northern Zone Initiative, which is intended to establish stability in four departments and reduce violence and criminal activity.

The program seeks to improve local governance and generate income for poor farmers, and OIG’s audit found that the program has made significant progress in these areas. However, it is not yet clear that the program is making progress toward increased stability, and the mission has scheduled a final evaluation to determine the program’s overall impact.

In addition, many project activities appear likely to be sustained after program assistance ends, such as the maintenance of value chains<sup>16</sup> for certain agricultural crops. Beneficiaries, municipalities, and private sector partners have provided \$2.6 million in contributions, and several beneficiary institutions developed a budget for infrastructure project maintenance to ensure sustainability.

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<sup>16</sup> A value chain includes all activities required to produce a product or service and deliver it to the final customer. Value chains include activities such as production, marketing, and distribution.

OIG made three recommendations to help the mission improve reporting of program information and tracking training records for the Paraguay Northern Zone Initiative Program, and USAID has taken final action on each of them.

**Audit of USAID/West Bank and Gaza’s Civic Participation Program ([Report No. 6-294-13-003-P](#))**. Prior to 2007, Palestinian civil society organizations received significant funding from various donors to support democracy-related activities. However, following the establishment of a reconstituted Palestinian Authority (PA) that year, donor support shifted from civil society organizations to PA institutions. The donor support remaining for Palestinian civil society organizations was for short-term projects and was limited in scope, rather than supporting long-term capacity development. In September 2010, USAID/West Bank and Gaza awarded a 3-year cooperative agreement worth about \$17.9 million to Catholic Relief Services (CRS) to implement the Civic Participation Program (CPP). The program was designed to help Palestinian civil society organizations reinvigorate participation in government processes and strengthen civic participation in governmental decision making.

CPP had many successes and made progress in supporting capacity development, increasing public awareness of the importance of participating in public sector decision making, and developing partnerships among civil society organizations. For instance, the program completed 18 advocacy campaigns promoting participation in topics that are important to local communities. One organization implemented a campaign advocating for the rights of people with disabilities in their governorate.

However, the program had mixed results in achieving targets, and many of its subgrant activities were behind schedule. As of June 2012, CRS still had not awarded 20 subgrants planned for fiscal years 2011 and 2012. Congressional holds on appropriated 2011 foreign aid to the Palestinians were the primary reasons the program fell behind. However, subgrants were also affected by the canceled elections and the lack of clear instructions for potential subgrantees on the intent of these particular subgrants. As a result, approximately \$2.4 million programmed for these subgrants was not used.

Of further concern, language in the program agreement raises the potential for future conflict with U.S. law, specifically the Brownback Amendment. The amendment states that

organizations implementing USAID’s democracy and governance activities and the specific nature of the assistance “shall not be subject to the prior approval by the government of any foreign country.”<sup>17</sup> The mission’s agreement with CRS required the organization to choose grantees that are registered with the PA and that comply with all legal requirements, including Palestinian law. Although OIG did not find any violations of the amendment, auditors expressed concern about the possibility of PA choosing to restrict organizations’ participation in the future, which would then constitute a violation. Moreover, several West Bank and Gaza mission officials interviewed during the course of the audit were not familiar with the legal restrictions under the Brownback Amendment. USAID made management decisions on all three recommendations, and final action was taken on one.

**Audit of USAID/West Bank and Gaza’s Design for Sustainability for Selected Local Government and Infrastructure Program Activities ([Report No. 6-294-13-005-P](#))**. According to the Palestinian Authority’s 2011–2013 national development plan, the national agenda includes developing and improving the private sector, educational systems, and national and basic infrastructure. In keeping with this plan, the Ministry of Local Government established a 5-year strategic framework that focuses on being “able to achieve sustainable development with effective community participation.”



**USAID funds helped pay for the construction of this new school in the Palestinian village of al Mughayyir.  
(Photo by CHF)**

To help the ministry implement that framework, USAID/West Bank and Gaza awarded Cooperative Housing Foundation International (CHF) a 5-year, \$100 million cooperative agreement to implement the Local Government and Infrastructure Program. The program’s goal is to encourage good local governance and

<sup>17</sup> Public Law 110-1617, Sec. 7034(m)(4). The Brownback Amendment was first included in the Consolidated Appropriations Act of 2005 (P.L. 108-447), but until 2008 the language applied only to democracy and governance assistance to Egypt.

provide basic infrastructure necessary to improve the quality of life for Palestinians in West Bank and Gaza.

OIG's audit examined whether USAID incorporated sustainability into selected program activities. Although OIG found that the Agency did incorporate sustainability into some activities, several areas needed to be addressed to ensure that all projects are sustainable. These included, for example, performing assessments of beneficiaries' capacity to sustain projects, as with the Local Government and Infrastructure Program being implemented by the Palestinian Authority's Ministry of Education and Higher Education;<sup>18</sup> consistently following environment procedures, such as verifying that all environmental screening forms were completed and approved before construction projects took place; and ensuring that subcontracts include mandatory language to prevent human trafficking.

USAID has made management decisions on all five of the audit recommendations.

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<sup>18</sup> According to the cooperative agreement, the sustainability framework required the beneficiaries or local government units to demonstrate that resources were available from relevant institutions to perform regular maintenance and repairs, and to operate the infrastructure to serve its primary purpose. To confirm that beneficiaries have the capacity to sustain projects, the mission was supposed to assess their staffing and financial resources.

## Economic Growth and Trade

USAID works to promote international economic growth and trade by supporting sound economic policies, mobilizing entrepreneurs' access to credit and markets, and supporting private enterprise. Goals include building skills and capacity, developing an enabling regulatory environment, and encouraging market linkages.

The most prevalent cross-cutting issue affecting USAID's economic growth and trade programs during this reporting period was contract or project management.

**Academy for Educational Development (AED) Pays Another \$5.4 Million Back to DOJ as Part of a Settlement Agreement.** In July 2011, Pakistan's National Accountability Bureau (NAB) announced that four men entered voluntary pleas for their roles in a bid-rigging scheme related to the USAID-funded Federally Administered Tribal Areas (FATA) Livelihood Development Program. The goal of the program was to provide social and economic stabilization in FATA.

The \$150 million cooperative agreement with AED was terminated for cause by USAID in June 2010 after an ongoing investigation by OIG and the FBI revealed indications of widespread fraud. Under Article 25(A) of the NAB Ordinance (1999), the four men returned approximately \$140,000 as part of their agreement. AED entered into an agreement with the Department of Justice (DOJ) to pay back more than \$5 million and as much as \$15 million. In April, 2013, AED made a third payment to DOJ in the amount of \$5.4 million. To date, AED has paid back a total of \$11,035,000.

## Significant Findings and Activities

- OIG notes an absence of a steering committee to coordinate and guide USAID/Georgia's Economic Prosperity Initiative.
- OIG finds lack of documentation and consistent understanding of the award process in USAID/Guinea's Rural Micro-enterprise Development Project.
- OIG notes a need for proper portfolio reviews, corrective action on deteriorating loans, and assurance that borrowers are not conducting activities that harm the environment in USAID/Haiti's Development Credit Authority Activities.
- In USAID/Jordan's Cash Transfer Activities, \$1.2 million was used for prohibited purposes, such as spending on military and police activities and goods.
- OIG notes concern for lack of sustainability of USAID/Pakistan's Jamshoro Thermal Power Station Repair and Rehabilitation Project.
- USAID/West Bank and Gaza's Palestinian Community Assistance Program is struggling to achieve its intended impact in infrastructure and social and economic recovery.

**Audit of USAID/Egypt’s Trade Facilitation Project ([Report No. 6-263-13-009-P](#))**. In June 2011, nearly 4 months after Egypt’s revolution, USAID/Egypt started a 3-year, \$10.9 million contract with Nathan Associates Inc. to implement the Trade Facilitation Project. Designed to improve Egypt’s trade, it included tasks to reform the country’s external trade and internal trade measures; however, OIG determined that the project was not on track to accomplish that goal. The project made progress on only three of the ten tasks it had planned to accomplish: establishing a coordinated risk management system, finalizing customs reforms, and improving intellectual property rights in the domestic market. The remaining seven have not reported much progress.

Despite some success, the project faced several challenges—some of which were beyond the mission’s control. One of the most significant was Egypt’s political instability. Since the revolution in January 2011, the nation has been plagued by political uncertainty and social unrest. For instance, transitions within the Egyptian Government delayed the project’s progress because Nathan Associates’ employees had to spend a large portion of the first few months trying to determine with whom they should work. Operating in such turbulent conditions has hampered the project’s ability to have any significant effect on the trade environment.

In addition, the contracting officer’s representative and the project’s chief of party believed that in this tumultuous political environment, it was important for the team to respond to and pursue new opportunities, even if the tasks were not in the original plan. As a result, the project overextended its workload by adding an additional three tasks to the original ten. Further, Nathan Associates did not develop a work plan to manage the project effectively in the changing environment and was slow to update its monitoring and evaluation practices. At the conclusion of the audit, the project’s second annual work plan was 6 months late and still incomplete. Moreover, the project did not have a financial plan with budgets for each task. As a result, by November 2012—midway through the project—it had spent only \$2.5 million, or 23 percent of the \$10.9 million budget. With only 17 months remaining in the contract, OIG does not believe the project will be able to spend the remaining \$8.4 million.

OIG issued nine recommendations to help the mission focus the project on tasks with the highest potential for success in Egypt’s current political environment, and plan toward

achieving sustainable impact in these areas. Management decisions were made on all nine recommendations and final action was taken on six.

**Audit of USAID/Georgia’s Economic Prosperity Initiative ([Report No. 9-114-13-001-P](#)).** In September 2010, USAID/Georgia launched the Economic Prosperity Initiative (EPI) to improve Georgia’s economic governance and private sector competitiveness through increases in productivity, employment, foreign investment, access to local finance, and exports. The mission is implementing the project through a \$40.4 million cost-plus-fixed-fee contract awarded to Deloitte Consulting LLP.

OIG determined that EPI has made progress toward its goals through activities in three project components: an economic governance component that targets areas for interventions selected in partnership with USAID and the Government of Georgia and two private-sector components (agricultural and nonagricultural) that target market sectors. Examples of economic governance interventions include a Web-based trade facilitation system, tax administration reform, and electronic ID cards that beneficiaries laud for improving transparency, access, and processing of business transactions. In its private-sector components, the project has demonstrated success through a wide range of activities, including its agricultural training and new export and tourism opportunities.

Despite these achievements, OIG noted several issues. For instance, linking economic governance interventions directly to project goals is difficult because of the project’s design. OIG also found that, although the contract lists a broad range of property rights issues to address, the project’s efforts to strengthen property rights were limited to intellectual property. Lack of progress on other property rights issues impedes economic growth in Georgia.

OIG also found that the much of the progress reported by the contractor toward meeting the contract’s foreign investment target represented a mix of commitments and completed foreign investments, rather than solely the latter. In addition, 85 percent of the progress reported toward meeting the contract’s export target did not represent exports to countries outside of Georgia; instead, it reflected tourism occurring in Georgia and production of greenhouse vegetables consumed in Georgia. Project officials consider the latter to be import substitution equivalent to exports because it displaces imports from abroad.

Additional problems included the lack of a steering committee to bring Government of Georgia agencies and the mission together to prioritize the project's economic governance interventions; ambiguous contract provisions that led to impractical and resource-intensive data collection; progress toward two project goals reported in a manner that was inconsistent with the contract; and other contract requirements and benchmarks that were not met. USAID made management decisions on the 13 OIG recommendations and has taken final action on 1 recommendation.

**Review of USAID/Guinea's Rural Microenterprise Development Project ([Report No. 7-675-13-001-S](#))**. In 2011, USAID/Guinea awarded a 5-year, \$1.9 million cooperative agreement to Opportunities Industrialization Centers Guinea (OIC Guinea)<sup>19</sup> to support the Guinea Rural Microenterprise Development Project, which aims to help 772 farmers in the Fouta Djallon highlands located in the center of the country. According to the agreement, 563 of the farmers were women, and the farmers would work with six microenterprises formed by groups such as beekeepers, ginger growers, and weavers, as well as with five local banks.

OIG found multiple problems with the program and USAID's oversight. For example, the mission did not maintain adequate award files. The agreement officer who began the procurement process for this award did not leave any records or maintain any of the concept papers. The senior agreement and assistance specialist did not seem to understand the award process and provided inconsistent responses to the review team's inquiries. In addition, there was no documentation to support existing delegations of authority, and the deputy program officer appointed himself the mission's Development Grants Program representative, technical evaluation committee chairman, and agreement officer's representative for the program. These actions—coupled with the deputy program officer's request that the award agreement include an unjustified initial advance of 30 percent of the total award—undermined the project and significantly increased the risk of fraud, waste, and abuse.

Monitoring of the program was also weak. Almost a year after the program began, the mission still had not approved the work plan. Further, OIC Guinea's budget preparation was

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<sup>19</sup> OIC Guinea is an affiliate of OIC International, a Philadelphia-based nonprofit organization.

poor and indicated a lack of knowledge of USAID policies. Because of a lack of monitoring, the mission also did not notice that OIC Guinea had replaced the project manager.

USAID made management decisions on all five recommendations and has taken final action on three.

**Audit of USAID/Haiti’s Development Credit Authority Activities ([Report No. 1-521-13-001-P](#)).**

USAID works to improve Haiti’s long-term financial stability through partial loan guarantees that encourage private lenders to extend financing to underserved borrowers, including farmers and enterprises in rural areas. According to USAID/Haiti, the Development Credit Authority (DCA) program can boost Haiti’s economic recovery and help rebuild the private sector by strengthening local lending to small and medium-sized enterprises engaged in sectors such as agriculture, construction, tourism, handicrafts, and waste management. USAID/Haiti maintains \$37.5 million in active loan guarantees, and OIG’s audit focused on the four largest, which constitute more than 80 percent of the funding. The audit examined whether USAID/Haiti’s DCA program is promoting greater lending to underserved areas and borrowers.

Two of the three borrowers—Sogebank and Le Levier—were not implementing the loan program as quickly as planned. Furthermore, USAID’s internal controls were not sufficient to confirm that all loans met the DCA lending criteria or that they were going to entities in targeted areas in the Northern and Saint-Marc corridors. OIG noted additional concerns, such as the fact that loan information was sometimes outdated, incomplete, and inaccurate (i.e., lenders submitted information about their loans after the deadline 80 percent of the time, and the information sometimes contained or included only part of what was required). Moreover, USAID did not review the loan portfolio properly or take corrective action on deteriorating loans. Further, the mission did not confirm that financial institutions made sure that borrowers were not conducting activities that harmed the environment.

OIG made 16 recommendations to improve USAID’s oversight of these activities. USAID has made management decisions on all of them.

**Review of USAID/Jordan’s Cash Transfer Activities ([Report No. 6-278-13-001-S](#)).**

USAID/Jordan has complemented its country development efforts with an annual cash transfer program since 1997, by which the United States transfers U.S. dollars to the Jordanian Government to help pay down its external, nonmilitary debt to the United States and eligible multilateral institutions. In return, Jordan provides local currency (dinars) in an amount equivalent to the cash transfer for development priorities that it has defined with USAID, which include improvements in agriculture, education, and health.

In September 2007, USAID signed a 4-year assistance agreement with the Jordanian Government to provide a total of \$600 million in cash transfers. The agreement was later increased to \$1.2 billion and extended until 2014. The agreement seeks economic growth by providing cash for payment of qualified debt—primarily debt owed to the U.S. Government or multilateral financial institutions like the International Monetary Fund (IMF)—and by encouraging policy reform through benchmarks prior to transferring cash to the Jordanian Government. The agreement and its subsequent amendments set out timeframes for loan payments and other specific information about how the agreement would be implemented and monitored.

OIG conducted this review at the request of USAID/Jordan to determine whether the mission has managed the cash transfer program in accordance with the agreement and statutory requirements. The review disclosed that although the agreement was helping the Jordanian Government pay its external debt to foreign lenders, USAID/Jordan generally did not manage the agreement in accordance with the agreement and statutory requirements. The mission did not fully document its local currency needs assessment or monitor funds spent on specified activities. Approximately \$1.2 million in local currency funds were used for prohibited activities, such as spending on military and police activities and goods. Moreover, the Jordanian Government withdrew funds before qualified debt payments were reimbursed, comingled funds with its general budget, and deposited a portion of the funds into non-interest-bearing accounts. Audits were also not conducted in accordance with the agreement; the accounting firm the mission hired did not complete audits for 2008 and 2009 until 2010. In addition, neither the mission nor the Jordanian Government created performance indicators and monitoring reports as required.

OIG made 11 recommendations for USAID/Jordan to correct the above concerns, and USAID has reached management decisions on all of them. Final action has been taken on five thus far.

**Audit of USAID/Kyrgyzstan’s Local Development Program ([Report No. 5-116-13-001-P](#)).** In July 2010, USAID awarded a \$27 million task order to Chemonics International Inc. to implement the Local Development Program in Kyrgyzstan. The objective of this 3-year program is to stimulate rapid, diversified, and sustained economic growth by supporting local economic development. The program was designed to work primarily at the local level to promote economic development through direct support to 24 targeted municipalities.



**A vendor at a bazaar in Jalal-Abad displays part of her expanded inventory of women’s shoes acquired through a loan guarantee activity supported by USAID. (Photo by OIG)**

The program had several notable achievements. It helped create a guarantee fund in selected municipalities that gave entrepreneurs access to larger sums of capital and the opportunity to invest more in their businesses to acquire supplies, equipment, or other items needed to expand their operations. It also worked with tour operators in Kazakhstan and Kyrgyzstan to initiate air service to the popular Issyk-Kul Lake region beginning in June 2011. Flights have since doubled in frequency during

the tourism season, and further expansion of service is planned. The program also repaired a major irrigation canal in one of the target municipalities, increasing water availability to certain plots in the area by 50 percent while providing irrigation to large tracts of land that had not received water in 21 years.

OIG determined that program activities were generally not producing the economic results envisioned in the target municipalities, largely because most of the program’s activities started later than planned. Program implementation delays occurred because of management programs, delays in fielding the management team and local staff, high staff turnover, the decision to conduct assessments to determine which economic sectors to

focus on and what activities to fund, and the creation of formal working groups. As a result, many activities are not expected to achieve their full potential for generating economic growth until the program is over, assuming they are sustainable.

In addition, data used to show the economic impact of the program was found to be unreliable, and USAID's ability to measure the program's overall performance and progress was hindered. This data, tracked under a series of performance sub-indicators, was generally found to be overstated and not directly or clearly attributable to USAID-funded efforts. The late start-up of the program's monitoring and evaluation contributed to this data deficiency.

OIG made two recommendations, and USAID made management decisions on both. Final action has been taken on one recommendation.

**Audit of USAID/Pakistan's Design for Sustainability in the Jamshoro Thermal Power Station Repair and Rehabilitation Project ([Report No. G-391-13-001-P](#)).** USAID/Pakistan is assisting the Government of Pakistan in improving the energy sector with the Jamshoro Thermal Power Station Repair and Rehabilitation Project and two other thermal energy projects in Guddu and Muzaffargarh. A thermal plant owned by the Government of Pakistan, Jamshoro is one of the major power stations connected to the national electricity grid. In 2010, USAID/Pakistan entered into an agreement with the Government of Pakistan to provide \$18.4 million to repair and rehabilitate the Jamshoro Thermal Power Station by purchasing new equipment. By 2012, USAID/Pakistan amended the agreement to increase funding to \$19.3 million. USAID/Pakistan hired a U.S.-based engineering contractor, Advanced Engineering Associates International Inc. (AEAI), to implement the project. In addition, the mission tasked a local organization, Associates in Development, to help improve policies and procedures and to train power station employees on the new procedures.

The project has shown its commitment to completing the project and achieving its goals. As of November 2012, the power station had procured USAID-funded equipment, including the drain valves, and \$2 million worth of equipment with its own resources. Notwithstanding USAID's efforts, without Government of Pakistan's policy reforms, this project will not achieve sustainability. Factors beyond the mission's control, such as a lack of Government of Pakistan policy reforms relating to energy subsidies and the purchase of a less expensive



**This project at the Jamshoro Thermal Power Station is replacing drain valves; the bright silver ones are new.  
(Photo by OIG)**

energy supply, will affect the financial sustainability of the power station after the project is completed.

The Government of Pakistan subsidizes the power sector, of which Jamshoro and other thermal plants (Guddu and Muzaffargarh) are part. From 2008 to 2012, the power

station's total revenue was \$1.4 million, while it spent approximately \$1.5 million to operate the plant. The government subsidized the shortfall. Further, the power station now uses more expensive furnace oil instead of natural gas to generate power, and the cost of energy production for the plant has tripled since the switch. Furnace oil is also harder on the equipment. A power station official noted that with natural gas, one piece of very expensive equipment required replacement every 7 years. However, after using furnace oil continuously, the station had to replace this piece of equipment after about 18 months. The overall wear and tear on equipment has caused the plant to generate less than its original 850-megawatt capacity, further increasing costs and diminishing investment in plant maintenance.

In addition, according to the monitoring plan, the power plant was to increase output by 50 megawatts by September 2012 and by 150 megawatts by June 2013. However, it has not achieved its interim target because of several factors, including delays in shipping and a fire that damaged the plant's cooling tower. Moreover, many substantial activities remain. No draft manuals on accounting and financial management, internal audit, human resources, and information technology have been provided to the power station for review and comment, and no training had been conducted on updated policies and procedures.

OIG made three recommendations. USAID has made management decisions on all three and taken final action on one.

**Audit of USAID/Vietnam’s Support for Trade Acceleration Plus Project ([Report No. 5-440-13-004-P](#))**. To help the Vietnamese Government institute the changes necessary to comply with its trade agreements, USAID began the Support for Trade Acceleration (STAR) Project in 2001 and then continued in 2006 with STAR II, which ended in 2010. Continuing the work performed under these projects, USAID/Vietnam awarded an \$11.7 million time-and-materials task order contract to DAI/Nathan Group to implement STAR Plus from October 2010 through September 2013.

Although progress has been made, OIG found that it was difficult to determine its extent because of performance monitoring problems. Most of the indicators mission officials used were inadequate, targets were set too low, and reported results were not reliable.

In addition, cash and in-kind contributions were not tracked. The approved 2012 project work plan states that counterparts would be asked to contribute to activity costs, and the Vietnamese Government pledged to contribute \$883,000 through cash or in-kind support. Although OIG found that the project demonstrated the ability to use such resources, neither DAI/Nathan Group nor the mission made any effort to quantify or record contributions. For example, the Vietnamese Government provided cash and in-kind contributions for capacity-building workshops. However, the contractor did not attempt to quantify the monetary value of contributions or understand what specific activity areas they funded. Mission officials said that they never thought of asking the contractor to track contributions and that DAI/Nathan Group officials said quantifying such resources is difficult. The organization did not want to be held accountable by mission officials or others for accuracy.

Under other matters, OIG also highlighted the undesirable time-and-materials contracting mechanism used for the \$3 billion Support for Economic Growth and Institutional Reform (SEGIR II) indefinite quantity contract, from which STAR Plus is funded. These types of contracts are considered the least desirable because they do not give the contractor any incentive to control costs. Therefore, OIG suggested that USAID/Washington consider reviewing SEGIR II.

USAID reached management decisions on all five recommendations and has taken final action on two.

**Audit of USAID/West Bank and Gaza’s Palestinian Community Assistance Program ([Report No. 6-294-13-006-P](#))**. To help Palestinians build a better future through social and economic relief and recovery in Gaza, USAID in 2010 awarded a 3-year, \$100 million cooperative agreement to Mercy Corps to implement the Palestinian Community Assistance Program.

The program works to address the infrastructure recovery needs of Gazans through tangible improvements in community infrastructure and housing; to support economic recovery and development through the creation of income-generating and business development opportunities; and to address the social recovery needs of Gazans through tangible improvements in food security, education, health, and psychosocial services.

Mercy Corps implemented some of the program activities directly and awarded subgrants to CHF International (CHF), Catholic Relief Services (CRS), American Near East Refugee Aid, Save the Children Federation Inc., CARE International, International Medical Corps, and International Orthodox Christian Charities to implement additional activities.

OIG found that the program made some improvement in the lives of Gazans and met some of its performance measures, as noted by USAID’s 2012 annual report. However, it fell significantly behind schedule and is unlikely to meet its overall goal to improve the lives of 640,000 Gazans by addressing infrastructure, economic, and social recovery needs in the time remaining for implementation. Funding uncertainty and vetting delays have had a negative effect on the program, and it has struggled to achieve its intended impact in infrastructure and in economic and social recovery.

OIG noted that some program activities did not meet beneficiary needs. For example, some of the rehabilitation work on houses was shoddy, and products distributed by the program, such as soaps, detergents, and toothbrushes, were of poor quality. In addition, problems with CRS’s process of identifying beneficiaries’ eligibility denied some households distributions to which they were entitled.

Other problems were noted with performance tracking and monitoring and evaluation, including the existence of too many performance indicators and inaccurately reported results.

OIG recognized the challenging environment in which implementers are working—an uncertain security situation, restricted access, political sensitivity in terms of government permits and approvals, and travel restrictions. However, OIG did make seven

recommendations to help strengthen the implementation of USAID/West Bank and Gaza's Palestinian Community Assistance Program. These included implementing only those activities that are realistically achievable and will likely have the greatest impact and improving monitoring and evaluation and performance measurement systems. USAID has made management decisions on each of the recommendations.

## Education

USAID's education programs work to improve early grade reading, expand access to education and workforce development, educate children and youth in crisis and conflict, and provide training to address skill and knowledge gaps among mid- and high-level managers and professionals in other countries.

OIG's audits of USAID education programs during this reporting period noted some successes but also concerns about program sustainability.

**Audit of USAID/Egypt's Education Support Program ([Report No. 6-263-13-008-P](#))**. USAID has supported educational programs in Egypt for more than 35 years, committing nearly \$1.3 billion to support school access, gender equity, and community participation in schools and professional development for teachers and educational leaders. During that time, Egypt has made significant strides in education, with 98 percent of children enrolled in primary school in 2010, compared with just 69.5 percent in 1970. According to USAID, following the January 2011 revolution, the mission and the Egyptian Ministry of Education were concerned that these gains were in jeopardy. Therefore, USAID awarded a cooperative agreement worth approximately \$18.6 million to American Institutes for Research (AIR) in September 2011 to implement the Education Support Program, which is expected to conclude in 2014. The program builds upon a previous \$80 million program that ended in 2010 and is designed to support professional development and community involvement in educational decision making and quality improvement.

OIG found that AIR had met or exceeded the majority of its performance goals at the end of the program's first year, training

### Significant Findings and Activities

➤ In its audit of USAID/Egypt's Education Support Program, OIG finds that the majority of performance goals were exceeded at the end of the program's first year and that training programs had been successful, with more than 11,000 people trained. OIG notes concerns, however, with the program's sustainability, delays in implementing crisis management training and a gender strategy, and recording training activities.

➤ USAID/Jordan's Education Support Program is making progress with renovations of kindergarten classrooms, career counseling centers, and counselor offices, and more than 10,000 individuals have been trained. However, OIG found that some sports areas did not meet quality standards.

more than 33,000 newly hired assistant teachers and social workers in core teaching skills. Similarly, employees in more than 250 district-level social work departments were trained, and people in these departments had, in turn, trained members of more than 11,000 school boards of trustees. The sessions appeared to be well received and were supported by the assistant teachers, who said they were helpful. Because the program worked closely with the Ministry of Education's Professional Academy for Teachers to certify more than 40 training programs, the ministry can use these to train teachers in the future.

Despite these successes, the overall effect of activities on school board capacity and teacher performance is unclear. The mission and AIR had no mechanisms in place to determine whether these training efforts had any impact on boards of trustees' capacity and teacher performance. Among OIG's other concerns were the sustainability of the program, delays in implementing crisis management training and a gender strategy, and compliance with recording training participation.

OIG made three recommendations for improving the program, for which USAID has made management decisions. USAID has taken final action on one recommendation.

**Audit of USAID/Jordan's Education Reform Support Program ([Report No. 6-278-13-007-P](#)).**

Because the quality of education in Jordan is uneven—especially in poor urban and rural areas—many students have not been taught the skills they need to succeed. Moreover, the curriculum and teaching techniques have not changed much over time. Realizing this shortcoming, the Jordanian Government implemented its Education Reform for the Knowledge Economy (ERfKE) initiative in 2003. USAID/Jordan awarded Creative Associates International, Inc., a 5-year, \$50 million cooperative agreement to implement the Education Reform Support Program. The program's objective was to help the education sector develop the capacity to implement and sustain ERfKE through four components: (1) early childhood education; (2) youth, technology, and careers development; (3) improved professional development and certification; and (4) increased capacity to manage school-based systems.

OIG's audit of the program determined that the mission is making progress. For example, OIG found that the renovations of kindergarten classrooms, career counseling centers, and counselors' offices met Ministry of Education standards and that the program renovated, furnished, and equipped 199 kindergarten classrooms and playgrounds throughout Jordan. It also established 18 career counseling centers and 168 counselors' offices in schools to

involve parents and the community in student activities and to enable counselors to conduct career exploration sessions and organize student internships. Moreover, the program helped train more than 10,000 teachers, principals, school supervisors, and other administrative professionals.

Despite the progress, OIG found that some renovated sports areas did not meet minimum standards, after the agreement officer's representative had earlier voiced concerns about the quality of the work. OIG also identified some problems with the accuracy of performance data and meeting targets, as well as two subagreements that did not include the mandatory human trafficking provision. OIG made eight recommendations to improve program performance and ensure compliance with requirements. USAID has taken final action on all of the recommendations.



**This kindergarten playground at Khawla Bint Al Azwar Primary School in Ajloun is one of many that USAID is renovating.  
(Photo by OIG)**

## Financial Management

During this reporting period, OIG audited USAID's financial statements for fiscal years 2012 and 2011 and issued a report on USAID's Compliance With the Improper Payments Elimination and Recovery Act of 2010.

### **Audit of USAID's Financial Statements for Fiscal Years 2012 and 2011**

**([Report No. 0-000-13-001-C](#))**. OIG issued a qualified opinion on USAID's principal financial statements for fiscal year 2012 and an unqualified opinion on the 2011 financial statements. OIG found no instances of substantial noncompliance with requirements for federal financial management systems, federal accounting standards, or the U.S. Standard General Ledger at the transaction level. However, OIG reported one significant deficiency in the Agency's annual Federal Information Security Management Act report, which was classified as an instance of substantial noncompliance with Section 803 (a) of the Federal Financial Management Improvement Act of 1996.

With respect to internal controls, OIG identified two deficiencies that are considered material weaknesses: USAID's processes for reconciling its fund balance with the U.S. Treasury and for recording adjustments to the general ledger. In addition, OIG identified six deficiencies in internal controls that are considered significant. These deficiencies pertain to USAID's processes for (1) reconciling loans receivable, (2) reviewing and deobligating unliquidated obligations, (3) accounting for advances, (4) estimating and recording accounts payable and accrued expenses, (5) recording payroll deductions and calculating entitlement payments, and (6) reconciling intragovernmental transactions. OIG made six recommendations; USAID made management decisions on all of them, and final action was taken on one.

### **Significant Findings and Activities**

- OIG issues a qualified opinion on USAID's fiscal year 2012 principal financial statements.
- Material weaknesses are found with USAID's reconciliation of the fund balance with the U.S. Treasury and recording adjustments to the general ledger. OIG also reported one significant deficiency in the Agency's annual Federal Information Security Management Act report.
- OIG notes six significant deficiencies in internal controls.

**Report on USAID's Compliance With the Improper Payments Elimination and Recovery Act of 2010 (Report No. 0-000-13-001-S).** USAID management is responsible for complying with the requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA). OIG is responsible for evaluating USAID's reporting on improper payments in the Agency financial report and accompanying materials and determining whether the Agency complied with IPERA.

OIG determined that for fiscal year 2012, USAID complied in all material respects with IPERA requirements. However, OIG noted certain deficiencies in the Agency's internal controls over improper payments. Although these deficiencies do not affect the Agency's compliance with IPERA, the controls should be improved to provide reliable reports in accordance with IPERA.

OIG found that USAID did not investigate and resolve 12 potential funds control violations in a timely manner. Violations that may represent improper payments and/or Anti-Deficiency Act violations were reported to USAID between August 2011 and November 2012 but were not investigated and resolved as of February 2013. Additionally, USAID did not identify and report one improper payment in a timely manner because it did not consider it to be an improper payment. OIG found that a grantee was not eligible for payments in advance of providing services but that the grantee did withdraw \$553,000 before rendering the services.

Management decisions were reached on OIG's three recommendations.

## Gender Equality and Women’s Empowerment

USAID’s programs to promote gender equality and women’s empowerment focus on reducing gender disparities in access to, control over, and benefit from resources, wealth, opportunities, and services; reduce gender-based violence and mitigate its harmful effects on individuals; and increase capability of women and girls to realize their rights, determine their life outcomes, and influence decision making in households, communities, and societies.

OIG’s audit of the gender equity program in Pakistan focused on USAID activities designed to encourage citizens’ participation in social change and governance; enable women to acquire control over their lives through greater access to information, resources, and institutions; and improve attitudes and behavior toward women.

**Audit of USAID/Pakistan’s Gender Equity Program ([Report No. G-391-13-002-P](#))**. In August 2010, USAID/Pakistan and the Aurat Foundation, a local nongovernmental organization, signed a \$40 million cooperative agreement to implement the Gender Equity Program. The goal of the program is to facilitate behavioral change—in particular, to encourage citizens’ participation in social change and governance at all levels; enable women to acquire control over their lives through greater access to information, resources, and institutions; and improve attitudes and behavior toward women.

USAID/Pakistan’s Gender Equity Program has made progress on all three objectives reviewed: expanding women’s access to justice, combating gender-based violence, and strengthening organizations that advocate women’s rights. As of November 2012, the implementer had awarded approximately 150 grants

### Significant Findings and Activities

➤ OIG’s audit of the gender program in Pakistan finds that the program has made progress in expanding women’s access to justice, combating gender-based violence, and strengthening organizations that advocate women’s rights. However, OIG finds that program grants designed to combat gender based violence were too short to have a lasting impact on the intended beneficiaries and their budgets were too small. Because grants were small and of short duration, the work performed suffered. OIG also notes only limited site visits to assess program progress.

➤ An OIG investigation leads to improvements in internal controls at the Aurat Foundation, a Pakistani NGO implementing USAID’s Gender Equity Program.

to organizations throughout the country. Of these, 110 (73 percent) were awarded under the objective of combating gender-based violence. In addition, the program funded research with the National Commission for the Status of Women to strengthen the Government of Pakistan's policy on gender equity. The program also awarded grants to support gender studies in public universities across the country, creating a network for sharing knowledge, research, and experiences. Further, program grants supported 152 young female lawyers gaining practical experience in defending women's legal rights.

However, OIG found several weaknesses that still need to be addressed. Program grants designed to combat gender-based violence were too short to have a lasting effect on the intended beneficiaries, and their budgets were too small. Because grants were small and of short duration, the work suffered. For instance, a grantee celebrating Pakistani Women's Day in Sindh Province was able to reach only 600 people out of tens of thousands of potential beneficiaries.

Another issue concerned site visits. Mission officials made only 11 site visits, a majority of which occurred after OIG had begun auditing this program. Of the 11 site visits reported by the mission, only 3 were documented. Given that the site visits involved only 9 of the more than 150 subgrants made over the past 2½ years, the site visits covered fewer than 10 percent of the subgrantees. Consequently, the mission has not verified progress but has relied on the results reported by the prime implementer.

Management decisions were made on the two recommendations, and final action was taken on one.

**Pakistani NGO Implementing a \$44 Million Project Improves Internal Controls Following an OIG Investigation.** In mid-2012, OIG initiated an investigation into allegations of conflicts of interest on the part of a senior official of the Aurat Foundation, the Pakistani NGO implementing USAID's Gender Equity Program. The program is designed to empower women and promote their rights through grants to civil society organizations addressing these issues. OIG's investigation revealed a preexisting relationship between the Aurat Foundation official and representatives of organizations receiving program grants. Despite the appearance of a possible conflict of interest, the investigation did not reveal any evidence of inappropriate conduct in the grant process. In the course of conducting the

inquiry, however, OIG investigators learned that the Aurat Foundation did not have a conflict-of-interest policy as required by its cooperative agreement with USAID. OIG notified USAID/Pakistan of this noncompliance, and the Aurat Foundation established the required policy in December 2012.

## Global Health

USAID's global health programs work to combat and prevent HIV/AIDS, tuberculosis, malaria, neglected tropical diseases, pandemic influenza, and other emerging threats. They also focus on health delivery systems, maternal and child health, and nutrition in vulnerable populations.

Oversight during this reporting period covered programs dealing with general health (including maternal and child health), malaria, and tuberculosis. The primary cross-cutting audit finding dealt with data quality, although OIG also found some problems with internal controls and contract or project management.

### **Audit of Commodities Funded Under the President's Malaria**

**Initiative in Zambia** ([Report No. 4-611-13-002-P](#)). Under the President's Malaria Initiative, USAID has provided more than \$96 million since 2008 through fiscal year 2011 to help Zambia combat malaria. As part of USAID's increasing emphasis on using host-nation systems, USAID/Zambia has relied on the Zambian Government to store and distribute PMI-funded commodities. USAID initiated projects and programs with four partners to procure the commodities and help carry out the malaria initiative.

OIG conducted this audit to determine whether commodities that PMI paid for were reaching their intended beneficiaries in Zambia. OIG found that some commodities were reaching beneficiaries as intended; drugs were in stock in the 30 health facilities the audit team visited, and tests were in stock at 25 of those facilities.

However, USAID/Zambia did not manage the risks of using Zambian systems to store and distribute PMI commodities, and the audit team found problems at every stage of the process. OIG also

### **Significant Findings and Activities**

- Data quality problems are noted in approximately half of programs audited.
- OIG finds a need for better performance monitoring in programs implemented by USAID/Benin, USAID/Cambodia, and USAID/Philippines.
- OIG cites inventory problems in antimalaria programs overseen by USAID/Benin and USAID/Tanzania.
- In OIG's audit of USAID/Southern Africa's Use of Waivers From Full and Open Competition for HIV/AIDS Programs, OIG finds that information used to prepare a report to Congress was neither complete nor accurate because of procedures used to prepare the report. As a result, Congress did not have comprehensive, correct information about the Agency's use of waivers to competition.

found that four out of five PMI-supported districts had used leftover insecticide after the spray season, despite officials' expectations that it would be stored and used for the following season. Auditors attributed this problem to the lack of guidance from Zambia's National Malaria Control Center.



**A woman in Zambia's Ndola District shows mosquito nets that she received from USAID.  
(Photo by OIG)**

In addition, OIG found that some of USAID/Zambia's performance data for malaria-related indicators did not meet standards and conflicted with data reported from partners. Staffing constraints and turnover contributed to the mission's data quality problems. OIG also found that one of USAID/Zambia's implementing partners, Society for Family Health, distributed about 500 PMI-funded nets to its employees inappropriately. Its distribution plan did not provide for employees to receive the nets, nor did the partner confirm that the employees met designated criteria before distributing them.

Finally, conventional USAID branding and marking practices were less effective because USAID/Zambia used Zambian systems to distribute PMI-funded commodities to beneficiaries. Some people interviewed attributed the commodities to the Zambian Government; others believed that USAID's implementing partners had donated the items they were distributing. USAID/Zambia officials had questioned whether they wanted to emphasize USAID's sponsorship, given the Agency's goal of strengthening Zambian systems. However, OIG noted that minimizing the U.S. Government's role is contrary to requirements under the Foreign Assistance Act of 1961 and Agency policy.

The report contained seven recommendations to strengthen the management of commodities funded under the PMI in Zambia. USAID reached management decisions on all seven and has taken final action on two.

**Audit of USAID/Angola's HIV/AIDS Activities ([Report No. 4-654-13-006-P](#))**. Angola's decades of civil war ended only in 2002, leaving the country with few health facilities and not enough trained doctors and nurses. Although recent economic growth in Angola has expanded

medical services, many health-care workers still are poorly trained, threatening the country's response to HIV. USAID/Angola has worked with the Angolan Government to formulate a national HIV/AIDS strategy to address U.S. Government priorities and Angolans' HIV/AIDS needs. The strategy focuses on strengthening health systems, changing behaviors to help prevent HIV infection, and improving data needed to support decision making in the health sector.

To help achieve these goals, USAID/Angola undertook several HIV/AIDS programs in fiscal years 2011 and 2012, of which OIG reviewed four—representing awards of \$61.4 million. The audit found that key HIV/AIDS activities were not on track to achieve main goals and that significant program delays negatively affected the four programs. Although the implementing partners' poor performance contributed to this outcome, USAID/Angola did not manage its HIV/AIDS programs effectively during the audit period, primarily because of staffing vacancies. However, USAID/Angola had filled these vacancies by September 2012 and was poised to show positive results in its future HIV/AIDS programming.

During the audit, OIG also noted problems with data collection, verification, and target setting; use and reporting of program income; and coordination between two partners doing complementary work. There were also difficulties with implementing an advocacy program because a locally selected organization was reluctant to work with target populations, and OIG found a lack of awareness of USAID's sponsorship of the programs.

OIG made 14 recommendations to strengthen USAID/Angola's HIV/AIDS activities. USAID has made management decisions on 12 and taken final action on one.

**Audit of USAID/Benin's Efforts to Treat and Prevent Malaria ([Report No. 7-680-13-001-P](#)).**

USAID/Benin works with eight prime partners to prevent and treat malaria under the President's Malaria Initiative. OIG reviewed three PMI awards implemented by John Snow, Inc., Management Sciences for Health (MSH), and Medical Care Development International (MCDI).

OIG determined that the mission has met its goals for PMI-related activities. In 2011, hospitals and health workers used the 17,000 malaria treatment kits purchased by the mission. USAID/Benin contributed 600,000 rapid diagnostic tests and gave health facilities 509,100 artemisinin-based combination therapies (ACT) for uncomplicated malaria.

Additionally, results from Benin’s 2011–2012 Demographic Health Survey confirmed that USAID and donor efforts in the fight against malaria are having a significant impact. The number of households that own a bed net has increased from 25 to 80 percent in 5 years. Moreover, the number of children under the age of 5 who reported a fever in the previous 2 weeks dropped from 29 to 9 percent, indicating that prevention activities are effectively reducing the number of new infections among children.

Despite these results, OIG noted a number of issues that need to be addressed. Implementers did not follow World Health Organization and Benin Government guidelines for diagnosing malaria. Failure to follow those procedures could result in unnecessary treatment that could build resistance to antimalarial drugs and lead to an overstatement of the number of malaria cases. Benin health centers were struggling with the adverse effects of the government’s new free drug policy because the centers were not being reimbursed for the drugs they disbursed. Without reimbursement, centers found it difficult to replenish antimalarial drugs and other essential medications.



**Empty bed-net bags pile up at the Tchatchou Health Center in the Department of Borgou. (Photo by OIG)**

In addition, OIG noted problems related to inadequate monitoring and oversight of USAID/Benin’s PMI program. The lack of inventory controls for antimalarial drugs and bed nets could lead to products being handled improperly, misused, or stolen, and communities may not be protected from the environmental and health hazards of improper and untimely disposal. The mission did not perform data quality reviews of MSH’s PMI-related activities

to ensure that supporting documentation was retained, preventing OIG from verifying the program’s reported results. Finally, the mission did not adequately manage the MCDI-led consortium’s award, and as a result, activities either never started or began late. OIG is also concerned that the departure of key staff has added to the problem of inadequate monitoring and oversight.

OIG made seven recommendations. USAID has reached management decisions on all seven and taken final action on three of them.

**Audit of USAID/Cambodia’s Better Health Services Project ([Report No. 5-442-13-002-P](#)).**

USAID awarded a \$33.6 million cooperative agreement to University Research Co. LLC (URC) to implement the Better Health Services Project (BHSP), a follow-on effort from the Health Systems Strengthening in Cambodia Project, implemented by URC from 2003 through 2008. The main goals of BHSP are to strengthen health-care capacity at the provincial and operational district levels and to support health-care reform efforts aimed at improving the quality and efficacy of key programs.

OIG determined that BHSP has strengthened health delivery systems and improved the quality of maternal and newborn health services at the provincial and “operational” health district levels. For instance, the project introduced a Web-based health management information system to encourage more timely and reliable submission of health data. The project also supported the expansion of services with health equity financing—a funding arrangement that improved access to health services for the poor by covering their fees and transportation to receive treatment. The quality of care provided in health facilities supported by the project has also improved because of better hygiene, sterilization of medical equipment, and proper waste management.

However, the project has not yet demonstrated strengthened management and control of infectious disease—one of the project’s key components. This component calls for strengthening disease surveillance to improve case identification, analysis, and interpretation to monitor the spread of infectious diseases, planning preventive measures, adjusting staffing and other resources to correspond to health needs, and responding to outbreaks. However, the project has made little headway on this component. In the second year of the program, attention shifted away from the country’s most prevalent diseases (HIV/AIDS) to avian flu, a high-profile though rare disease for which the Global Fund<sup>20</sup> had increased resources in 2009. When these resources dwindled in 2010, so did the project’s surveillance efforts, despite continued funding from USAID. As a result, public health

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<sup>20</sup> The Global Fund is a public-private partnership formed to channel resources to prevent and treat HIV/AIDS, tuberculosis, and malaria and to reduce infections, illness, and death.

facilities do not have mechanisms to classify infectious diseases properly, identify outbreaks, or respond to them when they occur.

In addition, the mission's performance monitoring was inadequate. Information in the project's database did not match the results reported to the mission or supporting records, and data quality assessments were not adequately performed by the mission, hindering their ability to detect this problem. OIG also found that the project's performance indicators in the performance monitoring plan were regularly modified without explanation or justification, creating difficulty in ascertaining progress over the course of implementation. Moreover, unauthorized changes were made to the project when the mission gave a subaward to a project outside the program's scope.

OIG also determined that patient complaints were not properly documented, tracked, or addressed. Responding to patient complaints and preventing recurring problems are critical in strengthening public and private health services delivery systems and improving public confidence in them. OIG made eight recommendations. USAID has made management decisions on seven and taken final action on two.

**Audit of USAID-Funded Net Distribution Activities Implemented by Mennonite Economic Development Associates in Tanzania ([Report No. 4-621-13-003-P](#)).** The Government of Tanzania hopes to increase the percentage of households owning at least one insecticide-treated bed net from 36 percent in 2007 to 90 percent by 2013. Activities designed by the Government of Tanzania to reach this target have included mass distributions of free bed nets and the Tanzania National Voucher Scheme<sup>21</sup> (TNVS). Distributions funded by USAID have been through two cooperative agreements given to Mennonite Economic Development Associates (MEDA). The first, the Extension of Tanzania National Voucher Scheme (ETNVS), was valued at \$25.1 million and implemented from 2006 to 2011. The second was the Achievement and Maintenance of Comprehensive Coverage of Long-Lasting Insecticide-Treated Nets in Tanzania (AMCC), valued at \$40 million and implemented from 2009 to 2013. Although the agreements were similar, AMCC overlapped ETNVS for more than 20 months.

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<sup>21</sup> Created by the Tanzanian Government and originally funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

OIG determined that the USAID-funded projects have contributed to increases in bed net ownership and decreases in malaria but that MEDA has been slow to address challenges and make improvements. As a result, although MEDA distributed bed nets in mass campaigns, TNVS activities were not as effective as they could have been. For example, MEDA recognized as early as 2009 that shortages of vouchers at district medical offices and clinics and shortfalls of bed nets at participating retailers limited the effectiveness of TNVS operations. However, MEDA did not introduce procedures to collect, monitor, and analyze inventory data until 2012. In addition, Tanzanian medical officials, participating retailers, and program beneficiaries were generally unaware of the U.S. Government's role in the voucher scheme.

MEDA's activities were not as successful for two reasons. First, stakeholders questioned whether MEDA had the capacity needed to implement mass bed net distributions and TNVS activities simultaneously. Although MEDA was selected competitively, USAID received little response from other implementers because of MEDA's historic involvement in the country's net distributions. Second, MEDA's annual work plans, which USAID had approved, were not comprehensive and did not address all TNVS challenges. Further, key activities that were included in the work plans did not define dates by which specific steps would be taken, making it difficult for USAID to monitor progress. Despite their flaws, USAID approved these work plans because of competing priorities and the ongoing difficulties with performance management documents.

USAID reached management decisions on five of nine OIG recommendations and took final action on one.

**Audit of USAID/Haiti's Prevention of Sexual Transmission of HIV/AIDS Program ([Report No. 1-521-13-004-P](#))**. To support HIV/AIDS prevention, USAID/Haiti initiated its Prevention of Sexual Transmission of HIV/AIDS (PrevSIDA) program in September 2010. The 4½-year program had two components that were implemented by World Vision and Population Services International (PSI) at \$9 million and \$8.9 million respectively. However, World Vision did not perform as expected and the mission ceased funding the agreement after 15 months of implementation.

OIG determined that PSI has made limited progress toward their component's goals. In the first year of the program, PSI concentrated on conducting studies to determine baselines. While PSI released one study in 2011, other program-funded studies were either delayed significantly or had not yet begun. As a result, PSI also did not provide all of the baseline data required by the agreement and some reported results were overstated. In addition, because PSI is not responsible for reporting on the impact of the program and the next HIV prevalence survey will not be available until 2 years after the program has ended, USAID will not know the effect of the program for several years.

According to officials at Haiti's Ministry of Public Health and Population, PSI did not keep government counterparts informed about activities in all regions. Furthermore, PSI's activities did not reach all the targeted groups because PSI encountered difficulties implementing effective outreach efforts. Moreover, PSI stated it would incorporate gender-specific activities into its program but did not.

Management decisions have been reached on seven of eight recommendations, and final action was taken on one.

**Audit of USAID/Indonesia's Maternal and Child Health Integrated Program ([Report No. 5-497-13-003-P](#))**. USAID awarded Jhpiego, an affiliate of Johns Hopkins University, a total of \$9.8 million in funding under Indonesia's Maternal and Child Health Integrated Program (MCHIP). This funding covered a 3-year period from January 2010 through December 2012, with activities taking place in three remote districts throughout the country. Originally designed as a 2-year, \$4.8 million program, MCHIP funding was increased to \$9.8 million, its timeframe extended for an additional year, and its scope expanded. The program served to fill the gap between the end of the mission's Health Services Program (2010) and the beginning of the Expanding Maternal and Neonatal Survival Project (2012). Jhpiego implemented the program in collaboration with Save the Children and John Snow, Inc.

Although MCHIP made some progress in training health-care workers, government officials, and community members, it was not clear how much maternal, newborn, and child health-care services had improved in the three districts covered by the program because the data reported was not reliable.

USAID/Washington's Division of Maternal and Child Health of the Office of Health, Infectious Diseases and Nutrition is responsible for overseeing MCHIP in 30 different countries, including Indonesia. As part of the global program, MCHIP Indonesia submitted monthly updates on its progress to Jhpiego's MCHIP headquarters in Washington, D.C. The numbers reported to headquarters often were as much as 250 percent higher than the numbers reported from the districts. This reporting error might not have happened if MCHIP's global performance management plan had been followed. According to that plan, the mission was required to perform a data quality assessment, but mission officials said they did not do one because of the short-term nature of the program. However, when the program was extended for a third year—and its budget doubled—the mission still made no plans to perform a data quality assessment.

USAID made a management decision on OIG's one recommendation.

**Audit of USAID/Southern Africa's Tuberculosis Activities ([Report No. 4-674-13-001-P](#)).** With many programs already targeting HIV and AIDS, USAID/Southern Africa has modeled its Tuberculosis (TB) program for South Africa on the U.S. Government's global TB strategy for 2009–2014 and redoubled efforts to integrate TB and HIV services. The mission's short-term goal was to help strengthen South African health systems and capacity in several areas, including controlling infection at service delivery points and raising the TB treatment success rate (TSR) to 85 percent. To conduct TB-related activities, USAID/Southern Africa entered into agreements with 13 implementing partners. OIG focused on three partners, including University Research Co., LLC (URC), Hospice Palliative Care Association of South Africa, and BroadReach Healthcare, whose total health-care projects were valued at more than \$195 million.

OIG confirmed that the mission's activities were strengthening systems and capacity in several critical areas, including infection control. For example, the mission trained health-care personnel in TB case management, TB/HIV collaboration, and infection control. USAID also helped the South African Government develop patient registers and other data collection tools to manage its TB program effectively and integrate TB and HIV activities. Other activities were effective in improving laws, policies, regulations, and guidelines related to improved access and use of health services, including those for TB patients.

However, several issues were still outstanding. To begin with, URC was not on track to raise the TSR to 85 percent, partly because it was not planning sufficient steps to meet the target. URC's original work plan did not include TSRs, and although a subsequent submission mentioned them, it offered no specifics on how the target would be achieved. Further, the approach used to implement the program—district rotation—undercut their ability to sustain improved treatment rates. In addition, because the South African Government pays stipends to individuals who have active TB, some patients do not finish their treatment for fear of losing their stipend.

Data collection and reporting also needed improvement. In one case, the mission reported that 88 percent of TB patients registered at surveillance sites were tested for HIV, while elsewhere the mission stated that 153,088 TB cases were reported by USAID-supported districts. From these facts, readers could infer that 88 percent of 153,088 registered TB patients were tested for HIV, when in fact only 57,511 were tested. This data error occurred because the mission included data from all projects in South Africa that were directly or indirectly receiving U.S. Government support in reporting the number of registered TB cases, while the percentage of those tested was derived only from facilities receiving direct U.S. Government support. The USAID contracting officer's representative for the URC contract confirmed that the HIV testing rate of TB patients in indirectly supported facilities during 2011 was unknown because URC did not have access to data in these facilities. These data limitations were not disclosed in the mission's 2011 annual performance plan and report.

USAID made management decisions on all four OIG recommendations.

**Audit of USAID/Philippines' Private Sector Mobilization for Family Health Project, Phase II** ([Report No. 5-492-13-005-P](#)). In October 2009, USAID/Philippines signed a 5-year, \$34.9 million task order contract with Chemonics International Inc. to implement the Private Sector Mobilization for Family Health Phase II Project. The goal of the project is to develop a sustainable private sector market for family planning products and maternal and child health products and services.

OIG found a number of positive results. For instance, national and local government policy support contributed to an increase in the use of modern contraceptive methods provided by

the private sector, though this did not represent an increase in overall usage. In addition, the project's training-of-trainer program for midwives can help expand accreditation opportunities, which in turn can help increase both access to services by the poor and the economic viability of the midwives' private practices.

Despite these positive results, OIG determined that the project was only partially achieving its goal and noted several project management problems. The monitoring and evaluation plan was weak, impairing the ability to make decisions based on project results. The plan contained missing and irrelevant indicators, missing and flawed baselines, and missing targets. In addition, the performance data for several of the relevant indicators were not useful for decision-making because they were not clearly defined, valid, precise, or reliable.

The mission's delayed response time in approving contractor-submitted documents and requests has also hindered the project's ability to determine progress and respond accordingly. For instance, the mission did not approve the final monitoring and evaluation plan until 31 months after the project began.

OIG found that insufficient training outreach has limited the project's effectiveness. After 31 months of implementation, the mission had cut the number of target areas from 77 to 36, recognizing that the original number was overly ambitious. Even with only 36 target areas, however, training coverage remains weak. In addition, OIG concluded that the contractor's strategy to work with the employment sector on workplace initiatives is insufficient, with an expected roll out to only 13 of the 36 target areas.

Finally, the contractor exceeded approved project disbursements by \$737,676 when the mission was delayed in approving a contract modification request. Without an approved modification, the terms of the contract were exceeded, and the amounts in excess of the allowable expenditures could have been considered unallowable. Management decisions have been reached on all nine OIG recommendations, and final action has been taken on five.

**Audit of USAID/Southern Africa's Use of Waivers From Full and Open Competition for HIV/AIDS Programs ([Report No. 4-674-13-007-P](#))**. Although USAID policies generally encourage the use of competition, for more than a decade the Agency has allowed limited or no competition in awarding HIV programs based on "the urgent need to meet . . . ambitious

targets.” On December 19, 2000, the USAID Administrator signed a memorandum that allowed the use of other than full and open competition for grants, cooperative agreements, and contracts through 2007, and the policy was later extended to 2013.

In addition to increasing spending on HIV programs, USAID was allocating a much higher proportion of its funding to programs awarded by overseas missions. The combination of these factors greatly increased the applicability of the HIV waiver at USAID/Southern Africa’s Regional Acquisition and Assistance Office (RAAO). In fiscal years 2011 and 2012, RAAO issued new awards or modifications to existing awards that included HIV components worth almost \$2.4 billion for programs in Angola, Botswana, Lesotho, Malawi, Madagascar, Namibia, South Africa, Swaziland, and Zimbabwe.

OIG found that USAID/Southern Africa was using waivers appropriately and that RAAO generally complied with the requirements stated in the HIV waiver. However, the requirements dictated only what RAAO needed to do when the waiver was used, not how to determine whether it should be used. In addition, although the audit focused on the HIV waiver—the most commonly used exception to competition—RAAO used other exceptions as well. The audit found that RAAO had also complied with the various rules and regulations for these exceptions.

OIG also assessed how USAID’s procurement reforms were affecting the use of the waivers and found that reforms that encourage the use of local organizations increased the use of limited competition. Many of the new awards issued for HIV programs in South Africa were limited to local organizations. While the competition was technically limited, the number of capable civil society organizations in that country led to robust competition. Although awards limited to local organizations could constrain competition, competition would still be greater than it would be if sole-source awards were issued on the basis of another exception.

Procurement reform could also affect waivers with the increased use of host-government systems. USAID missions in South Africa and Malawi determined that they could implement programs through their respective host-country governments, although neither had arranged the details of the programs. However, giving more funds to host-country governments might reduce both use of the HIV waiver and competition by making less

funding available for programs implemented by NGOs, for-profit companies, and public international organizations.

OIG identified one issue with reporting to the Agency's competition advocate<sup>22</sup> about the use of waivers—information that is used to prepare a report for Congress. The information that USAID/Southern Africa submitted was neither complete nor accurate because of inadequate procedures used by RAAO to prepare the report. As a result, Congress did not have comprehensive, correct information about the Agency's use of waivers to competition.

OIG's report includes one recommendation, to strengthen USAID's use of waivers from full and open competition, for which final action has been taken.

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<sup>22</sup> The agency competition advocate is a position required by Federal Acquisition Regulation 6.501. Among other things, the advocate is responsible for promoting full and open competition, including identifying new initiatives to increase it.

## Information Management

OIG's audit of USAID's information management systems during this reporting period documented concerns about whether regulations and procedures are being complied with, as well as a concern about a significant number of open recommendations from prior audits.

**Audit of USAID's Fiscal Year 2012 Compliance With the Federal Information Security Management Act of 2002 (Report No. A-000-13-003-P).** The Federal Information Security Management Act of 2002 (FISMA) requires agencies to develop, document, and implement an agency-wide information security program to protect their information and information systems, including those provided or managed by another agency, contractor, or other source. The act also requires agencies to have an annual assessment of their information systems.

OIG concluded that although USAID has developed and documented a majority of the information security policies and procedures required under FISMA, management's implementation of these policies and procedures has not been effective. OIG noted that USAID has not established an effective risk management program to ensure that policies and procedures are assessed and working as intended. The lack of an effective risk management program, combined with a substantial number of open FISMA-related recommendations identified at the time of the audit (i.e., from prior audits), represents a significant deficiency in the security of enterprise-wide information systems, including USAID's financial systems.

OIG made 21 recommendations to improve USAID's information security program and compliance with FISMA.

### Significant Findings and Activities

- OIG finds that a risk management program is needed to ensure that policies and procedures are assessed and working as intended.
- OIG identifies a substantial number of open FISMA-related recommendations from previous audits.

USAID made management decisions on each of the 21 recommendations, and final action was taken on four.

## Management Capabilities

OIG's audits during this period reviewed USAID's badge program and its suspension and debarment process.

**Audit of Selected Controls Over USAID Badges Used To Access USAID Facilities (Report No. A-000-13-004-P).** USAID's Office of Security issues badges to grant the recipient physical access to Agency space. OIG initiated this audit to determine whether USAID implemented selected controls over its badges to prevent unauthorized access to USAID facilities. OIG determined that USAID did not, and made nine recommendations to help strengthen controls over badges used to access Agency facilities and three to address other matters of concern. OIG acknowledged that USAID made management decisions on each of the 12 recommendations.

**Follow-Up Review of USAID's Process of Suspension and Debarment (Report No. 9-000-13-002-S).** Suspensions and debarments are measures imposed on irresponsible contractors to protect the government's financial interest and to reduce waste, fraud, and abuse in federal programs. A suspension is temporary, pending the completion of an investigation or legal proceeding, and a debarment lasts for a fixed time that depends on the seriousness of the cause but generally does not exceed 3 years.

In 2009, OIG issued the "Audit of USAID's Process for Suspension and Debarment"<sup>23</sup> and found that the Agency's suspension and debarment process hindered the Office of Acquisition and Assistance (OAA) from taking appropriate suspension and debarment actions. OIG determined that

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<sup>23</sup> Report No. 9-000-10-001-P, issued on October 1, 2009.

## Significant Findings and Activities

- Improvements are needed in controls to prevent unauthorized access to USAID facilities.
- OIG's follow-up review of USAID's suspension and debarment process finds that the Agency has corrected all previously identified problems.

OAA did not execute those actions properly, and the documentation for them frequently was incomplete. As a result, OIG made 12 recommendations to OAA to help it strengthen the Agency's suspension and debarment process. USAID agreed with all of them. In this follow-up review, OIG determined that USAID had corrected all the problems and taken effective actions.

In one example, OIG previously had determined that USAID's decision-making processes for suspension and debarment actions were not effective. It stated that the entities in charge of suspension and debarment had too many other responsibilities that hindered them from taking such actions. Therefore, the Agency established the Compliance and Oversight of Partner Performance (COPP) Division in 2011, to improve the suspension and debarment processes. COPP now leads USAID's suspension and debarment program in Washington, D.C., and overseas and is responsible for making recommendations to the suspending and debarring official regarding administrative actions. This effort has increased the number of actions COPP has taken. OAA took only 9 actions in fiscal years 2003 through 2007, whereas COPP has taken 145 actions from October 2010 through July 2012.

Finally, COPP reports suspension and debarment data monthly, quarterly, and annually to the Agency, and it posts excluded individuals on COPP's web page. These reports help Agency officials respond to requests for information from a variety of sources such as Congress, contractors, recipients, and USAID staff.

OIG made no new recommendations.

**Significant Recommendations Described Previously  
Without Final Action  
USAID**

October 1, 2012–March 31, 2013

Section 5(a)(3) of the Inspector General Act of 1978 requires each inspector general to identify each significant recommendation described in previous semiannual reports on which corrective action has not been completed.

<b>Report Number</b>	<b>Subject of Report</b>	<b>Issue Date</b>	<b>Rec. No.</b>	<b>Management Decision Date</b>	<b>Final Action Target Date</b>
1-511-09-004-P	Audit of Engender Health's Management of Activities Financed by USAID/Bolivia	01/15/09	2 3 7 8	01/15/09 01/15/09 04/27/09 04/27/09	05/31/13 05/31/13 05/31/13 05/31/13
A-000-10-001-P	Audit of USAID's Compliance with the Federal Information Security Management Act for Fiscal Year 2009	11/17/09	15	11/17/09	05/31/13
A-000-11-002-P	Audit of USAID's Compliance with the Federal Information Security Management Act of 2002 for Fiscal Year 2010	11/09/10	3 8 10 25	11/09/10 11/09/10 11/09/10 11/09/10	06/30/13 06/30/13 06/30/13 02/28/15
0-000-11-001-C	Audit of USAID's Financial Statements for Fiscal Years 2010 and 2009	11/12/10	1	11/12/10	08/31/13
7-681-11-003-P*	Audit of USAID'S HIV/AIDS Activities in Côte d'Ivoire	02/04/11	2	02/04/11	09/30/13
F-306-11-005-S**	Review of USAID/ Afghanistan's Afghan Civilian Assistance Program	08/31/11	7	02/14/12	09/30/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
F-306-11-004-P	Audit of USAID/ Afghanistan's On-budget Funding Assistance to the Ministry of Public Health in Support of the Partnership Contracts for Health Services Program	09/29/11	6	09/29/11	04/15/13
5-119-12-001-P	Audit of USAID/Tajikistan's Productive Agriculture Program	10/28/11	2	10/28/11	05/31/13
G-391-12-001-P	Audit of USAID/Pakistan's Firm Project	11/03/11	5	-	-
A-000-12-003-P	Audit of USAID's Fiscal Year 2011 Compliance With the Federal Information Security Management Act of 2002	11/15/11	1 2 4 6 7 8 9 13 14 15 21 22 23 24 25 27 29 31 34	11/15/11 11/15/11 01/24/12 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 11/15/11 1/24/12	04/30/13 05/31/13 04/30/13 06/30/13 04/30/13 04/30/13 06/30/13 12/31/13 06/30/13 04/30/13 06/30/13 04/30/13 04/30/13 04/30/13 04/30/13 04/30/13 04/30/13 04/30/13 03/31/14 04/30/13
4-654-12-006-P	Audit of USAID/Angola's Public-Private Partnerships for Development	02/27/12	7	08/28/12	05/31/13
E-267-12-003-P	Audit of USAID/Iraq's Electoral Technical Assistance Program	03/22/12	11	09/13/12	05/31/13
A-000-12-004-P	Audit of USAID's Contracts for Cloud Computing Services	04/12/12	1 3 5	06/15/12 04/12/12 04/12/12	11/30/13 11/30/13 06/30/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
1-521-12-003-P	Audit of USAID/Haiti's Watershed Initiative for National Natural Environmental Resources Program	04/27/12	1 6 7 8 10	04/27/12 04/27/12 04/27/12 04/27/12 04/27/12	04/27/13 04/27/13 04/27/13 04/27/13 04/27/13
4-613-12-008-P	Audit of USAID's Office of Foreign Disaster Assistance Activities in Zimbabwe	05/10/12	1	05/10/12	04/16/13
G-391-12-006-P	Audit of USAID/Pakistan's Support to the Benazir Income Support Program	05/21/12	3	05/21/12	05/21/13
5-492-12-005-P	Audit of USAID/Philippines' Microenterprise Access to Banking Services Program, Phase Four	05/24/12	1	05/24/12	05/24/13
4-668-12-009-P	Audit of USAID/South Sudan's Programs Implemented by Mercy Corps	05/25/12	2 3 5 7 13	05/25/12 11/26/12 05/25/12 05/25/12 05/25/12	05/31/13 04/30/13 04/30/13 04/30/13 04/30/13
4-668-12-010-P	Follow-Up Audit of USAID/South Sudan's Road Infrastructure Activities	06/13/12	2 3 4	12/11/12 06/13/12 12/11/12	04/30/13 04/30/13 07/12/13
F-306-12-003-P	Audit of USAID/Afghanistan's Internal Controls in the Administration of the Involuntary Separate Maintenance Allowance	06/25/12	2 6 8 10	06/25/12 06/25/12 03/27/13 01/15/13	04/30/13 04/30/13 06/25/13 04/30/13
4-615-12-011-P	Audit of Commodities Funded Under the President's Malaria Initiative in Kenya	06/28/12	1	06/28/12	06/28/13
5-493-12-001-S	Review of USAID/Regional Development Mission for Asia's Coral Triangle Support Partnership	07/12/12	6	07/12/12	04/30/13
5-383-12-006-P	Audit of USAID/Sri Lanka's Supporting Regional Governance Program	07/16/12	1 2	07/16/12 07/16/12	07/16/13 07/16/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
1-521-12-004-P	Audit of USAID/Haiti's Public Law 480 Title II Programs	07/20/12	8 10	08/27/12 08/27/12	04/05/13 07/01/13
1-514-12-005-P	Audit of USAID/Colombia's Access to Justice Program	08/14/12	6 8	08/14/12 08/14/12	07/07/13 07/07/13
G-391-12-007-P	Audit of USAID/Pakistan's Reconstruction Program in Earthquake-Affected Areas	08/16/12	3	08/16/12	08/16/13
1-534-12-006-P	Audit of USAID/Barbados' Eastern Caribbean Community Action Project	08/17/12	11	08/17/12	05/15/13
9-000-12-004-P	Audit of USAID/Kosovo's Activities for Economic Growth	08/21/12	1 11 13	08/21/12 08/21/12 08/21/12	08/21/13 08/21/13 08/21/13
G-391-12-008-P	Audit of USAID/Pakistan's Gomal Zam Multipurpose Dam Project	08/24/12	1	08/24/12	08/24/13
2-114-12-006-S	Review of USAID/Caucasus's Public Hospital Infrastructure Project	08/29/12	2	08/29/12	08/29/13
1-523-12-007-P	Follow-Up Audit of USAID/Mexico's Rule of Law and Human Rights Program	09/07/12	2	09/07/12	05/31/13
9-000-12-002-S	Survey of USAID's Efforts to Address Its Backlog of Expired Awards	09/18/12	2 4	09/18/12 09/18/12	04/30/13 04/30/13
1-527-12-008-P	Audit of USAID/Peru's Environmental Activities	09/19/12	1 4 8 9 10	09/19/12 09/19/12 09/19/12 09/19/12 09/19/12	05/31/13 08/30/13 08/30/13 08/30/13 06/01/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
9-000-12-005-P	Audit of USAID's Small Business Utilization Practices	09/27/12	1	09/27/12	08/30/13
			2	09/27/12	08/30/13
			3	09/27/12	08/31/13
			4	09/27/12	08/31/13
			5	09/27/12	08/31/13
			6	09/27/12	08/31/13
			7	09/27/12	08/31/13
			8	09/27/12	08/31/13
			9	09/27/12	08/31/13
			10	09/27/12	08/30/13
G-391-12-009-P	Audit of USAID/Pakistan's Assessment and Strengthening Program	09/30/12	1	09/30/12	06/30/13
			2	09/30/12	06/30/13
			3	09/30/12	06/30/13

\* With the Department of Treasury for cross-servicing

\*\*In appeal with the Procurement Executive

**Incidents in Which OIG  
Was Refused Assistance or Information  
USAID**

Section 6(b)(2) of the Inspector General Act of 1978 requires an inspector general to report to the head of the agency whenever requested information or assistance is unreasonably refused or not provided.

During this reporting period, there were no reports regarding instances in which information or assistance was unreasonably refused or not provided.

**Financial Audits**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**  
**USAID**

October 1, 2012–March 31, 2013

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<b><i>Foreign Government Funding</i></b>				
G-391-13-005-R	10/31/12	Financial Audit of the Cash Transfer Grant, USAID Grant No. 391-012 Implementation Letter No. 3, for the Period From September 30, 2009, to June 30, 2010; Managed by Higher Education Commission	2,402 1,718	QC <sup>24</sup> UN <sup>25</sup>
G-391-13-006-R	11/01/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-MUZ-FARA-004-00, Managed by the Northern Power Generation Company Limited, for the Period From May 20, 2010, to June 30, 2011		
G-391-13-007-R	11/08/12	Financial Audit of the Program Titled "Malakand Reconstruction and Recovery Program," USAID/Pakistan Housing Cash Transfer Grant Agreement No. 391-011, Implementation Letter No. HSG-02, for the Year Ended June 30, 2011; Managed by Provincial Disaster Management Authority (PDMA)/Provincial Relief, Rehabilitation and Settlement Authority (PaRRSA)	193	QC
G-391-13-008-R	11/15/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-JAM-FARA-003-00, Managed by the Jamshoro Power Company Limited, for the Year Ended June 30, 2011		

<sup>24</sup> Questioned costs

<sup>25</sup> Unsupported costs

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
G-391-13-009-R	12/03/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-PEPA-ENR-GOMAL-PIL-001, Managed by the Water and Power Development Authority, for the Year Ended June 30, 2011		
G-391-13-010-R	12/03/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-TDR-FARA-002-00, Managed by the Water and Power Development Authority, for the Year Ended June 30, 2011		
G-391-13-011-R	12/05/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-PEPA-ENR-SATPARA-PIL-001, Managed by the Water and Power Development Authority, for the Year Ended June 30, 2011		
G-391-13-012-R	12/18/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-SWA-FARA-001-00, Managed by the Federally Administered Tribal Areas Secretariat, for the Year Ended June 30, 2011		
G-391-13-013-R	12/18/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-AAG-011-SWA-Tank, Managed by the Federally Administered Tribal Areas Secretariat, for the Year Ended June 30, 2011		
G-391-13-014-R	12/18/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-013, Project Implementation Letter for the Kaur-Gomal-Tanai-Wana Road, Managed by the Federally Administered Tribal Areas Secretariat, for the Year Ended June 30, 2011		
G-391-13-015-R	12/18/12	Financial Audit of the USAID/Pakistan Program Assistance Agreement No. 391-013, Project Implementation Letter for the Re-activation and Rehabilitation of Damaged Transformers, 33 KV High Tension and 11 KV Low Tension Lines, Managed by the Federally Administered Tribal Areas Secretariat, for the Year Ended June 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<b>Programs and Operations</b>				
0-000-13-001-C	11/16/12	Audit of USAID's Financial Statements for Fiscal Years 2012 and 2011		
<b>Foreign-Based Organizations</b>				
0-111-13-001-R	10/10/12	Audit of the Enterprise Incubator Foundation Under USAID Cooperative Agreement No. AID-111-A-09-00004 for Fiscal Year Ending December 31, 2011		
0-121-13-002-R	10/12/12	Audit of the Ukrainian Association of Local Governments "Association of Ukrainian Cities" (AUC) Under USAID Cooperative Agreement No. 121-A-00-10-00703-00 for Fiscal Year Ended December 31, 2011		
0-000-13-003-R	10/15/12	Audit of the European Cooperative for Rural Development (EUCORD) Under USAID Cooperative Agreement No. GHO-A-00-09-00008-00 for Fiscal Year Ended December 31, 2011		
0-000-13-004-R	10/16/12	Audit of Christian Aid Under Agreement Nos. GPO-A-00-05-00021-00 and 620-A-00-07-00071-00 for Fiscal Year Ended March 31, 2009		
0-000-13-005-R	10/17/12	Audit of Christian Aid, Under Multiple Agreements for Fiscal Year Ended March 31, 2010		
0-118-13-006-R	10/23/12	Audit of the Foundation for Information Policy Development (FIPD), Under USAID Agreement No. 118-A-00-04-00061 for Fiscal Year Ended December 31, 2011		
0-118-13-007-R	10/26/12	Audit of the Centre for Social and Labor Rights (CSLR) Under USAID Cooperative Agreement No. 118-A-00-04-00047-00 for Fiscal Year Ended December 31, 2011		
0-118-13-008-R	11/05/12	Audit of the Center for Fiscal Policy, Consulting Group Under Multiple Agreements for Fiscal Year Ended December 31, 2011	4	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
1-521-13-001-N	11/21/12	Close-Out Audit of the Fund Accountability Statement of USAID Resources, Under Grant No. 521-G-00-10-00003-00 "Medishare Project," Managed by Medishare, for the Period From February 23, 2010, to August 15, 2010	390 390	QC UN
1-520-13-001-R	10/02/12	Audit of the Fund Accountability Statement of the "Entrepreneurial Competitiveness and Strengthening" Program, Cooperative Agreement No. 520-A-00-06-00103-00, Managed by the Asociación Nacional del Café (ANACAFE), for the Year Ending December 31, 2011		
1-534-13-002-N	02/15/13	Audit of the Certified Expenditures Report Under Contract No. AID-504-C-11-00001, Managed by the Community Support and Development Services Inc. (CSDS), for the Period From January 1, 2011, to December 31, 2011	154 154	QC UN
1-512-13-002-R	10/31/12	Audit of the USAID Cooperative Agreement No. 512-A-11-00002, Increasing Testing Options and Leadership on HIV/AIDS "Quero Fazer" Program, Managed by Associação Espaço de Prevenção e Atenção Humanizada (EPAH) for the Period From February 1, 2011, to December 31, 2011		
1-512-13-003-R	10/31/12	Audit of the Cooperative Agreement No. AID-512-A-09-00001-00 for the "Brazil Indigenous Based Biodiversity Conservation Program," Managed by the Instituto Internacional de Educação do Brasil (IEB), for the Period From January 1, to December 31, 2011		
1-512-13-004-R	11/09/12	Audit of the Cooperative Agreement No. AID- 512-A-09-00004 for the "Youth Employability Program," Managed by Instituto Empreender, for the Period From January 1, 2011, to December 31, 2011		
1-517-13-005-R	11/23/12	Audit of Fund Accountability Statement of USAID Resources, Grant Agreement No. 517-A-00-10-00100-00, Administered by the American Chamber of Commerce of the Dominican Republic, Inc., (AMCHAMDR), for the Period From January 1, 2011, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
1-596-13-006-R	11/27/12	Audit of the Fund Accountability Statement of the USAID Cooperative Agreement No. 596-A-00-06-00092-00, for the Project "Custom Harmonization," Managed by the Secretariat for Economic Integration of Central America (SIECA), for the Period From January 1, 2011, to December 31, 2011		
1-514-13-007-R	11/27/12	Audit of the Cooperative Agreement No. AID-514-A-09-00004 for the "Strengthen the Institutional Capacity and Governance of Colombia's Protected Areas for Long-Term Environmental Conservation, Community and Cultural Preservation and Improved Livelihoods," Managed by PATRIMONIO NATURAL (Fondo Para la Biodiversidad y Areas Protegidas), for the Period From January 1, 2011, to December 31, 2011		
1-524-13-008-R	11/29/12	Audit of the Fund Accountability Statement Under Cooperative Agreement No. AID-524-A-11-00001 for the "Promotion of Economic and Social Development in Nicaragua Program," Managed by Fundación Nicaragüense Para el Desarrollo Económico y Social (FUNIDES), for the Period From January 25, 2011, to December 31, 2011	12	QC
1-526-13-009-R	11/28/12	Close-out Audit of Programs: "Health Decentralization and Community Participation" No. 526-A-00-01-00100-00, "Improving the Paraguayan Health Information System" No. 526-A-00-07-00052- 00, "Supporting Reforms in the Paraguayan Justice Sector Aimed at Increasing Transparency and the Rule of Law" No. 526-A-00-01-00005-00; Managed by the Fundación Comunitaria Centro de Información y Recursos Para el Desarrollo (CIRD) for the Year Ended December 31, 2011	58	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
1-519-13-010-R	12/07/12	Audit of the "Entrepreneurs Program Superate," Cooperative Agreement No. 519-A-10-00002 Between the United States Agency for International Development (USAID) and Fundación Sagrera Palomo, for the Period From July 14, 2010, to December 31, 2011	2 2	QC UN
1-519-13-011-R	12/11/12	Audit of the Fund Accountability Statement of the Project "Strengthening of Technical Entrepreneurial and Productive Capacities, RTI/CVPP," Donation Agreement No. 0211537-G-2011-008 Between RTI International and Fundación Empresarial Para el Desarrollo Educativo (FEPADE), for the Period From December 28, 2010, to November 30, 2011		
1-511-13-012-R	12/11/12	Audit of the USAID Agreement No. 511-A-00-02-00295-00 "Social Marketing," and Agreement No. 511-A-00-02-00261-00 "Partners for Development," Managed by Asociación de Protección a la Salud (ProSalud) for the Period Ended December 31, 2011		
1-514-13-013-R	12/14/12	Audit of the Fund Accountability Statement of the "Pilot Project to Provide Mental Health Services to Victims in Rural Areas Affected by Colombian Internal Conflict," Managed by Fundación Pais Libre, Under the Cooperative Agreement AID-514-A-10-00003, for the Period From June 11, 2010, to December 31, 2011	27 1	QC UN
1-518-13-014-R	01/22/13	Audit of the Cooperative Agreement No. AID-518-A-11-00003 "Strengthening of the Civil Society in Ecuador," Managed by Grupo Faro for the Year Ended December 31, 2011		
1-514-13-015-R	01/22/13	Close-out Audit of the Cooperative Agreement No. AID-514-A-10-00004 for the "Strengthening the Mental Health of Post-Conflict Victims in Rural Areas—Welfare," Managed by Corporación Impacto Vital (CIV), for the Period From January 1, 2012, to August 10, 2012	8	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
1-519-13-016-R	01/24/13	Audit of the Cooperative Agreement No. 519-A- 00-06-00033-00, "Strengthening Healthcare and Basic Education," Managed by Fundación Empresarial Para el Desarrollo Educativo (FEPADE), for the Year Ended December 31, 2011		
1-519-13-017-R	01/24/13	Audit of the Cooperative Agreement No. 519- A-11-06-00001, "Adopt a School," Managed by Fundación Empresarial Para el Desarrollo Educativo (FEPADE), for the Period From October 8, 2010, to December 31, 2011		
1-524-13-018-R	01/24/13	Audit of the Fund Accountability Statement of the Project "Education for Success Program on the South Atlantic Autonomous Region of Nicaragua," Cooperative Agreement No. 524-A-10-00005, Managed by Fundación para la Autonomía y el Desarrollo de la Costa Atlántica de Nicaragua (FADCANIC), for the Period From September 30, 2010, to December 31, 2011	22	QC
1-596-13-019-R	01/24/13	Audit of the Fund Accountability Statement of USAID Resources Provided Under Strategic Agreement No. 596-A-00-06-00078-00 "Economic Freedom: Open Diversified Expanding Economies in Central America and the Dominican Republic DR-CAFTA," Managed by Comisión Centroamerica de Ambiente y Desarrollo (CCAD) for the Period From January 1 to December 31, 2011		
1-511-13-020-R	01/25/13	Close-out Audit of the Fund Accountability Statement of the Project "Partners for Development," Cooperative Agreement No. 511-A-00-02-00261-00, Managed by Asociación Protección a la Salud (PROSALUD), for the Period From January 1 to March 31, 2012	93	QC
1-518-13-021-R	01/25/13	Audit of the Cooperative Agreement No. 518-A-00-03-00054-00 for the "Strengthening Democracy in Ecuador Program," Managed by Corporación Participación Ciudadana Ecuador (PC) for the Period From January 1, 2011, to December 31, 2011	62 62	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
1-520-13-022-R	01/25/13	Close-out Audit of the "National Network of Election Observers," Project No. AID-520-A-11-00001 for the Period From March 16, 2011, to February 24, 2012, and the "Quick Count in the Guatemalan Election Process," Project No. 11-11542-GUT.0-948, for the Period From July 1, 2011, to February 29, 2012, Managed by Acción Ciudadana	5 1	QC UN
1-598-13-023-R	02/14/13	Audit of the Fund Accountability Statement of the "Building More Inclusive and Equitable Democracies in the Americas," Project No. RLA-A-00-09-00006-00, and the "Strengthening Electoral Management Project," Project No. AID-518-A-11-00002, Managed by Inter-American Institute of Human Rights (IIHR), for the Year Ended December 31, 2011		
1-512-13-024-R	02/15/13	Audit of the Fund Accountability Statement of USAID Agreement No. AID-512-A-09-00002-00, "Clean and Renewable Energy Program," Managed by Instituto de Desenvolvimento Sustentavel e Energías Renovaveis (IDER) for the Period From January 1, 2011, to December 31, 2011		
1-526-13-025-R	02/15/13	Close-out Audit of the Cooperative Agreement No. 526-A-00-08-00005-00 for the "Promoting Sustainable Business Initiatives in Paraguay Project," Managed by Fundación Moises Bertoni, for the Period From September 30, 2008, to March 31, 2012	157 144	QC UN
1-598-13-026-R	02/22/13	Audit of the Grant Agreement No. EEM-G-00-09-00001 for the "Program to Help Developing Nations Create Inclusive Market Economies by Legally Empowering the Poor," Managed by Instituto Libertad y Democracia (ILD), for the Period From January 1, 2011, to December 31, 2011		
1-518-13-027-R	02/21/13	Audit of Cooperative Agreement No. 518-A-00-07-00067-00, "Integrated Municipal Development Program (IMDP)," and 518-A-10-00005, "Program to Combat the Trafficking in Persons in Ecuador (TIP)," Managed by the International Organization for Migration (IOM), for the Year Ended on December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
1-596-13-028-R	02/22/13	Audit of the Fund Accountability Statement of the USAID Cooperative Agreement No. 596-A-00-06-00092-00, for the Project "Custom Harmonization," Managed by the Secretariat for Economic Integration of Central America (SIECA), for the Period From January 1, 2012, to August 31, 2012		
1-532-13-029-R	02/25/13	Financial Audit of USAID Resources Managed by Jamaica Cocoa Farmers' Association (JCFA) for the Development Grant Program 2 (DGP2) Under Cooperative Agreement AID-532-A-11-00008 for the Period From March 14, 2011, to March 31, 2012	181 80	QC UN
1-527-13-030-R	03/07/13	Audit of USAID Grant Agreement No. 527-0423; Strengthened Environmental Management (STEM) Project; Managed by the "Ministerio del Ambiente—MINAM" for the Period From January 1, 2011, to December 31, 2011	27 27	QC UN
1-527-13-031-R	03/15/13	Audit of the Strategic Objective Agreement No. 527-0423, Managed by the Comision Nacional Para el Desarrollo y Vida Sin Drogas (DEVIDA) for the Period From January 1 to December 31, 2011	266 35	QC UN
1-520-13-032-R	03/12/13	Audit of the Fund Accountability Statement of the Program to Strengthen Competitiveness of Guatemalan Business and Products, Cooperative Agreement No. 520-A-00-05-00009-00, Administered by the Asociación Guatemalteca de Exportadores (AGEXPORT), for the Period From January 1, 2012, to September 30, 2012		
3-000-13-009-R	11/06/12	Audit of Merlin, Under Multiple Agreements for Fiscal Year Ended December 31, 2010	244 174	QC UN
3-000-13-010-R	11/09/12	Audit of Action Contre La Faim (ACF), Under Multiple Agreements for Fiscal Year Ended December 31, 2011	6	QC
3-000-13-011-R	11/07/12	Audit of Merlin, Under Multiple Agreements for Fiscal Year Ended December 31, 2011	138 137	QC UN
3-000-13-012-R	12/03/12	Audit of Norwegian Refugee Council Under USAID Multiple Agreements for the Fiscal Year Ended December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-118-13-013-R	11/19/12	Audit of the National Foundation for the Prevention of Cruelty to Children Under USAID Cooperative Agreement Nos. 118-A-00-10-00036-00 and 118-A-00-10-00047-00 for Fiscal Year Ended December 31, 2011		
3-165-13-014-R	11/14/12	Audit of the Foundation Open Society Macedonia Under USAID Cooperative Agreement No. 165-A-00-04-00101-00 for Fiscal Year Ended December 31, 2011		
3-000-13-015-R	12/10/12	Audit of the Vétérinaires Sans Frontières—Belgium, Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2010	7	QC
3-118-13-016-R	11/15/12	Audit of Agency for Social Information Under USAID Cooperative Agreement No. 118-A-00-07-00059-00 for Fiscal Year Ended December 31, 2011		
3-121-13-017-R	11/20/12	Audit of Charitable Organization "Commercial Law Center" (CLC) Under USAID Cooperative Agreement Nos. 121-A-00-08-0704 and 121-A-00-11-00004 for the Fiscal Year Ended December 31, 2011		
3-118-13-018-R	11/21/12	Audit of Krasnodar Regional Non-Profit Organization "Southern Regional Resource Center" Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2011		
3-000-13-019-R	11/26/12	Close-out Audit of Kindernothilfe e.V. Under USAID Cooperative Agreement No. GHO-A-00-09-00012-00 for the Period From January 1, 2012 to May 28, 2012		
3-000-13-020-R	11/27/12	Audit of Solidarites International, Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2011		
3-121-13-021-R	12/03/12	Audit of the All-Ukrainian Public Organization "Institute for Budgetary and Socio-Economic Research," Under Multiple Agreements for Fiscal Year Ending December 31, 2011	3 3	QC UN
3-118-13-022-R	12/03/12	Audit of the New Eurasia Foundation (NEF) Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2011		
3-111-13-023-R	12/06/12	Audit of the Eurasia Partnership Foundation (Registered in Armenia) Under USAID		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-118-13-024-R	12/07/12	Audit of Foundation for Democracy "GOLOS" Under USAID Cooperative Agreement No. 118-A-00-10-00070 for Fiscal Year Ended December 31, 2011	1 1	QC UN
3-118-13-025-R	12/11/12	Audit of Regional Society of Disabled People (Perspektiva) Under USAID Cooperative Agreement No. 118-A-00-03-00085-00 for Fiscal Year Ended December 31, 2011		
3-118-13-026-R	12/11/12	Audit of Center for Environmental Innovations Under USAID Cooperative Agreement No. 118-A-00-10-00093 for Fiscal Year Ended December 31, 2011		
3-000-13-027-R	01/02/13	Audit of Humedica e.V. Under USAID Agreement No AID-OFDA-G-11-00083 for the Period May 5, 2011, to December 31, 2011	18 18	QC UN
3-118-13-028-R	01/02/13	Audit of the Institute for Urban Economics Under USAID Multiple Agreements for Fiscal Year Ended December 31, 2011		
3-118-13-029-R	01/02/13	Close-Out Audit of the Center for Anti-Corruption Research and Initiative "Transparency International-R," Under USAID Agreement No. 118-A-00-06-00082 for the Period of August 27, 2006, to September 30, 2011		
3-000-13-030-R	02/01/13	Audit of Oxfam GB Under USAID Multiple Agreements for Fiscal Year Ended March 31, 2012	24 20	QC UN
3-000-13-031-R	01/16/13	Audit of Tearfund Under Multiple Agreements for Fiscal Year Ended March 31, 2012		
3-000-13-032-R	01/16/13	Audit of EveryChild Under USAID Agreement No. GPO-A-00-04-0021-00 for the Fiscal Year Ended March 31, 2012	4	QC
3-000-13-033-R	01/16/13	Audit of Water & Sanitation for the Urban Poor Under USAID Agreement No. EPP-A-00-09-00006-00 for Fiscal Year Ended March 31, 2012	6	QC
3-000-13-034-R	01/23/13	Audit of Agency for Technical Cooperation and Development (ACTED) Under Multiple Agreements for Fiscal Year Ended December 31, 2007		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-118-13-035-R	01/25/13	Close-out Audit of Endorsement of National Public Health Projects "Health and Development" Foundation (HDF) Under USAID Cooperative Agreement No. 118-A-00-02-00156, Sub-Grant No. RUS-HR2020-21 for Fiscal Year (FY) Ended December 31, 2011	5	QC
3-000-13-036-R	02/01/13	Audit of Christian Aid, Under Multiple Agreements for Fiscal Year Ended March 31, 2011		
3-000-13-037-R	02/01/13	Audit of Christian Aid, Under Multiple Agreements for Fiscal Year Ended March 31, 2012		
3-118-13-038-R	02/01/13	Audit of the Fund for Sustainable Development Under USAID Agreement No. AID-118-A-11-00015 for the Year Ended December 31, 2011		
3-118-13-039-R	02/06/13	Close-out Audit of Autonomous Non-Commercial Organization "Institute for Comparative Labor Relations Studies" Under USAID Agreement No. 118-A-00-09-00085 for the Period From September 29, 2009, Through October 31, 2012		
3-118-13-040-R	02/07/13	Audit of Transparent World Under USAID Agreement No. 118-A-00-10-00088-00 for the Year Ended December 31, 2011		
3-118-13-041-R	02/08/13	Close-Out Audit of the Fund for Sustainable Development Under USAID Agreement No. 118-A-00-06-00060-00 for the Period From July 27, 2006, Through December 24, 2012		
3-168-13-042-R	02/11/13	Audit of Fruit Grower Association— "Integralna Proizvodnja Voća" Under USAID Cooperative Agreement Number: AID-168-A-11-00003 for Fiscal Year (FY) Ended March 31, 2012		
3-000-13-043-R	02/13/13	Audit of Retrak, Inc. Under USAID Grant Agreement No. GHO-A-00-09-0006-00 for the Period January 1, 2011, to May 31, 2012		
3-000-13-044-R	02/20/13	Audit of Agency for Technical Cooperation and Development (ACTED) Under Multiple Agreements for Fiscal Year Ended December 31, 2008		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-118-13-045-R	02/21/13	Audit of Center for Anti-Corruption Research and Initiative "Transparency International-R" (TI) Under USAID Cooperative Agreement Nos. 118-A-11-00021-00 and 118-A-00-06-00082 for Fiscal Year (FY) Ended December 31, 2011		
3-000-13-046-R	02/22/13	Audit of Marie Stopes International, Under Multiple USAID Agreements for Fiscal Year Ended December 31, 2011	695 690	QC UN
3-118-13-047-R	02/25/13	Close-Out Audit of the Gaidar Institute for Economic Policy Under USAID Cooperative Agreement No. 118-A-00-00-00130-00 for the Period From July 1, 2000, Through December 31, 2011		
3-000-13-048-R	03/01/13	Audit of KNCV Tuberculosis Foundation, Tuberculosis Control Assistance Program (KNCV) Under USAID Cooperative Agreement No. GHS-A-00-05-00019-00 for the Year Ended September 30, 2009		
3-118-13-049-R	03/05/13	Audit of Krasnodar Regional Non-Profit Organization "Southern Regional Resource Center" (SRRC) Under USAID Cooperative Agreement No. 118-A-11-00003-00 for Fiscal Year Ended December 31, 2012		
4-663-13-001-N	11/21/12	Agency Contracted Audit of USAID Resources Managed by Ministry of Health (MoH) Under Implementation Letters 663-IL-663-0014.1/2 #78, 663-IL-663-0014.1/2 #97, IL-663-0014.1/2 #15, IL-663-0014.1/2 #44, IL-663-0014.1/2 #53 and IL-663-0014.1/2 #58 for the Period From July 8, 2007, to July 7, 2011	28	QC
4-613-13-001-R	10/09/12	Audit of USAID Resources Managed by Counselling Services Unit Under Grant Award No. 613-G-00-01-00244-00 for the Year Ended December 31, 2011		
4-617-13-002-N	01/04/13	Agency Contracted Closeout Audit of USAID Resources Managed by Deloitte (Uganda) Limited Under Contract No. 617-C-00-00004-00 for the Year Ended June 30, 2012	24	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-969-13-002-R	10/10/12	Audit of USAID Resources Managed by ADPP Mozambique Under Cooperative Agreement No. GHH-A-00-07-00038-00, Subagreement No. 00022-01, Subagreement No. 5544-08-MOZ5, Subagreement No. 100917 and Subagreement No. 09-SBA-007 for the Year Ended December 31, 2008	340 337	QC UN
4-615-13-003-R	10/11/12	Audit of USAID Resources Managed by Inuka Kenya Trust Under Cooperative Agreement No. AID-623-A-11-00026 for the Period May 20, 2011, to December 31, 2011		
4-613-13-004-R	10/16/12	Audit of USAID Resources Managed by Zimbabwe Lawyers for Human Rights Under Grant Agreement No. 674-G-00-09-00129-00, Strengthening the Rule of Law and Democratic Processes Project, for the Year Ended September 30, 2011	2 2	QC UN
4-936-13-005-R	10/16/12	Closeout Audit of USAID Resources Managed by Tshwane Leadership Foundation Under Agreement No. GHO-A-00-09-00009-00 for the Period December 1, 2008, to November 30, 2011	83 83	QC UN
4-936-13-006-R	10/17/12	Closeout Audit of USAID Resources Managed by Grassroots Alliance for Community Education (G.R.A.C.E.) Africa Under Agreement No. GHO-A-00-09-00004-00 for the Period January 1, 2011, to February 29, 2012	24	QC
4-623-13-007-R	10/19/12	Audit of USAID Resources Managed by International Peace-building Alliance (Interpeace) Under Grant No. 623-G-00-06-00063-00 for the Year Ended December 31, 2011	9 9	QC UN
4-969-13-008-R	10/24/12	Audit of USAID Resources Managed by ADPP Mozambique Under Cooperative Agreement No. GHH-A-00-07-00038-00, Subagreement No. 00022-01, Subagreement No. 5544-08-MOZ5, Subagreement No. 100917, Subagreement No. 09-SBA-007 and Subagreement No. FFP-A-00-08-00084-02 for the Year Ended December 31, 2009	2	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-969-13-009-R	10/24/12	Audit of USAID Resources Managed by ADPP Mozambique Under Cooperative Agreement No. GHH-A-00-07-00038-00, Subagreement No. 5544-08-MOZ5, Subagreement No. 100917, Subagreement No.10-SBA- 009, and Subagreement No. FFP-A-00-08-00084-02 for the Year Ended December 31, 2010	2	QC
4-902-13-010-R	10/24/12	Audit of USAID Resources Managed by Africa Centre for Holistic Management (ACHM) Under Grant Agreement No. DFD-G-00-10-00084-00 for the Year Ended December 31, 2011		
4-674-13-011-R	11/01/12	Audit of USAID Resources Managed by African Palliative Care Association Under Agreement No. 674-A-00-09-00112-00 and Subagreement Nos. H-F3-BOT-07-P-PTR-APBO, AIDSTAR-ONE-001, 17436-APCA-01, H-F3-CDI-07-P-PTR-APTb, and U2GPS000631-03-0 7 for the Year Ended March 31, 2012		
4-617-13-012-R	11/01/12	Audit of USAID Resources Managed by Reproductive Health Uganda Under Cooperative Agreement No. AID 617-A-09-00007 for the Year Ended December 31, 2011	4 1	QC UN
4-617-13-013-R	11/01/12	Audit of USAID Resources Managed by the AIDS Support Organisation Uganda Limited Under Cooperative Agreement No. AID 617-A-09-00005-00 for the Year Ended December 31, 2011	4	QC
4-617-13-014-R	11/06/12	Audit of USAID Resources Managed by Inter-Religious Council of Uganda Under Cooperative Agreement No. AID-617-A-10-00002 and Subagreement Nos. 617-A-00-09-00006-00-IRCU and IRCU 060101-BB for the Year Ended December 31, 2011	1	QC
4-969-13-015-R	11/06/12	Audit of USAID Resources Managed by Stellenbosch University Under Cooperative Agreement No. OFDA-G-11-00215 and Subagreements Under USAID Award Numbers 674-C-00-09-00121-00 and GHN-A-00-08-00004-00 for the Year Ended December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-936-13-016-R	11/06/12	Audit of USAID Resources Managed by Aga Khan Foundation Mozambique Under Grant Agreement No. GHN-A-00-09-00009-00 Malaria Communities Program for the Year Ended December 31, 2011		
4-674-13-017-R	11/14/12	Closeout Audit of USAID Resources Managed by the University of KwaZulu-Natal Under Cooperative Agreement No. HFM-A-00-02-00065-00 for the Year Ended December 31, 2011		
4-617-13-018-R	12/03/12	Audit of USAID Resources Managed by Marie Stopes Uganda Under Cooperative Agreement No. AID 617-A-10-00004, Subagreement Nos. 11 and 12 (Under Cooperative Agreement AID-617-A-00-06-00009-00) and Subcontract No. RFP01/2/MSU for the Period August 1, 2010, to December 31, 2011	3	QC
4-623-13-019-R	12/03/12	Audit of USAID Resources Managed by Intergovernmental Authority on Development (IGAD) Under Limited Scope Grant Agreement No. 6230009.02-3-60082 for the Year Ended December 31, 2011	13	QC
4-674-13-020-R	12/03/12	Audit of USAID Resources Managed by the University of the Western Cape Under Cooperative Agreement No. 674-A-00-09-00019-00 for the Year Ended December 31, 2011		
4-674-13-021-R	12/04/12	Closeout Audit of USAID Resources Managed by Olive Leaf Foundation 1989 Under Cooperative Agreements GPO-A-00-OS-00007-00 and GPOA-00-05-00014-00, as well as Subagreement No. P3121A0035, for the 15-Month Period from January 1, 2010, to March 31, 2011	139 114	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-623-13-022-R	12/04/12	Audit of USAID Resources Managed by Common Market for Eastern and Southern Africa Under Integrated Partnership Assistance Agreement No. 623-AA-09-001-00-EA and Closeout Audits Under Limited Scope Grant Agreement Nos. 623-LSGA.0010.02-3-60078 and 623-1005.01-3-50079 and Strategic Objective Grant Agreement No. 62300010.0260100-10 for the Year Ended December 31, 2011	131 121	QC UN
4-621-13-023-R	12/19/12	Audit of USAID Resources Managed by PharmAccess International Under Cooperative Agreement No. 621-A-00-08-00017-00 for the Year Ended December 31, 2011	10	QC
4-623-13-024-R	01/02/13	Closeout Audit of USAID Resources Managed by Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) Under Cooperative Agreement No. 623-A-00-06-00082- 00 for the Period January 1, 2011, to March 31, 2012		
4-621-13-025-R	01/22/13	Audit of USAID Resources Managed by Tanzania Red Cross Society Under Cooperative Agreement No. 621-A-00-09-00007-00 (LLIN Hang Up Campaign) and Grant Agreement No. 621-G-00-11-00010-00 (Gongo la Mboto) for the Year Ended December 31, 2011		
4-621-13-026-R	01/23/13	Closeout Audit of USAID Resources Managed by Pastoral Activities and Services for People with AIDS Dar es Salaam Archdiocese (PASADA) Under Grant Agreement No. 621-A-00-06-00011 and Audit of Cooperative Agreement No. AID-621-A-11-00002 for the Year Ended December 31, 2011		
4-621-13-027-R	01/25/13	Closeout Audit of USAID Resources Managed by Selian Lutheran Hospital—Aids Control Program Under Cooperative Agreement No. 621-A-00-07-00001-00 and Audit of Cooperative Agreement No. AID-621-A-11-00004 for the Year Ended December 31, 2011		
4-663-13-028-R	02/07/13	Audit of USAID Resources Managed by Fre Addis Ethiopia Yesetoch Merja Mahiber Under Cooperative Agreement No. AID-663-A-10-00001 for the Period September 3, 2010, to August 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
4-617-13-029-R	02/21/13	Audit of USAID Resources Managed by Hospice Africa Uganda Under Cooperative Agreement No. 617-A-00-05-00010-00 for the Year Ended March 31, 2012	12	QC
4-674-13-030-R	02/26/13	Closeout Audit of USAID Resources Managed by Khulisa Management Services (Pty) Ltd Under Contract No. 674-C-00-06-00014-00 for the Period From January 1, 2010, to September 30, 2011		
4-612-13-031-R	03/01/13	Audit of USAID Resources Managed by Partners in Hope Extending Quality Improvement for HIV/AIDS in Malawi (EQUIP Malawi) Under Agreement No. 674-1-00-10-00035-00 for the Year Ended March 31, 2012		
5-367-13-001-N	01/22/13	Financial Audit of USAID Resources Managed by the Ministry of Agriculture and Cooperatives (MOAC) of Government of Nepal (GON), Under Assistance Agreement No. 367-012, Implementation Letter No. 4.2 for the Period From July 17, 2010, to July 16, 2011	72	QC
5-442-13-001-R	10/26/12	Financial Audit of the Support to the Documentation Center of Cambodia, USAID/Cambodia Cooperative Agreement No. 486-A-00-04-00012-00, Managed by the Documentation Center of Cambodia (DC-Cam), for the Period From January 1, 2011, to December 31, 2011		
5-497-13-002-R	11/08/12	Financial Audit of the Program "Strengthening Southeast Asian Media Partnerships to Promote Human Rights and Good Governance," USAID/Indonesia Cooperative Agreement No. AID-497-A-11-00009, Managed by Perhimpunan Pengembangan Media Nusantara (PPMN/Indonesian Association for Media Development), for the Period From April 28, 2011, to December 31, 2011		
5-493-13-003-R	11/08/12	Financial Audit of the Greater Mekong Subregion—Responses to Infectious Diseases (GMS-RID) Program, Managed by the Kenan Foundation Asia (Kenan), USAID Cooperative Agreement No. AID-486-09-00005, for the Year Ended September 30, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
5-497-13-004-R	11/20/12	Financial Audit of the Program "Building Disaster and Climate Change Resilience in Padang Pariaman Farming Communities, West Sumatera," USAID/Indonesia Cooperative Agreement No. AID-497-A-10-00002, Managed by Farmers' Initiatives for Ecological Livelihood and Democracy (FIELD), for the Period From September 30, 2010, to December 31, 2011	42 36	QC UN
5-492-13-005-R	11/26/12	Financial Audit of USAID Funds Managed by the Philippine Business for Social Progress, Inc. (PBSP), for the Period From October 1, 2010, to September 30, 2011	8 1	QC UN
5-386-13-006-R	11/26/12	Closeout Financial Audit of the AVERT Project, USAID/India Project No. 386-0544, Managed by the Avert Society, for the Period From April 1, 2011, to June 30, 2012		
5-497-13-007-R	11/27/12	Financial Audits of USAID Funds Managed by the Yayasan Pusat Telaah dan Informasi Regional (PATTIRO), for Periods Ending December 31, 2011	1	QC
5-115-13-008-R	12/04/12	Financial Audit of the Program "Integrated Energy Efficiency Approach in Residential Housing of Dushanbe, Tajikistan," USAID/Central Asia Republics (CAR) Cooperative Agreement No. AID-176-A-10-00003, Managed by the Regional Environmental Center for Central Asia (CAREC) for the Period From September 30, 2010, to December 31, 2011	2	QC
5-497-13-009-R	12/04/12	Financial Audits of USAID Funds Managed by the Kemitraan Bagi Pembaruan Tata Pemerintahan (KEMITRAAN), for Periods Ending in 2011	11	QC
5-497-13-010-R	12/14/12	Financial Audit of the Statement of Costs Incurred and Billed to USAID/Indonesia by the Indonesian International Education Foundation (IIEF) to Implement the Program to Extend Scholarship and Training to Achieve Sustainable Impacts (PRESTASI), USAID/Indonesia Contract No. 497-C-11-00003, for the Period From April 14, 2011, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
5-442-13-011-R	12/18/12	Financial Audit of the Program "Sustainable Action Against HIV and AIDS in Community" (SAHACOM), USAID Cooperative Agreement No. AID-442-A-09-00002, Managed by the Khmer HIV/AIDS NGO Alliance (KHANA), for the Year Ended December 31, 2011		
5-442-13-012-R	01/23/13	Financial Audit of the Together for Good Health (ToGoH) Project, Cooperative Agreement No. 442-A-00-08-00007-00, Managed by the Reproductive Health Association of Cambodia (RHAC), for the Year Ended December 31, 2011		
5-442-13-013-R	01/23/13	Financial Audit of Maternal and Child Health Program, USAID Cooperative Agreement No. 442-A-00-08-00008-00, Managed by the Reproductive and Child Health Alliance (RACHA) for the Year Ended December 31, 2011		
5-176-13-014-R	01/23/13	Financial Audit of the Project "Regional Trans-Boundary Water Dialogue Support," USAID/Central Asia Republics (CAR) Cooperative Agreement No. AID-176-A-10-00002, Managed by the Executive Committee of International Fund for Saving Aral Sea (EC IFAS) for the Period From January 1, 2011, to December 31, 2011		
5-492-13-015-R	02/07/13	Closeout Audits of USAID Funds Managed by the Gerry Roxas Foundation, Inc. (GRF), for Periods Ending in 2012	21	QC
5-492-13-016-R	02/25/13	Financial Audit of the Project "Literacy for Peace and Development (LIPAD)," USAID/Philippines' Cooperative Agreement No. 492-A-11-00001, Managed by the Magbassa Kita Foundation, Inc. (MKFI) for the Period From November 9, 2010, to December 31, 2011	25 20	QC UN
5-492-13-017-R	02/25/13	Financial Audit of the Health Policy Development Program, USAID/Philippines Cooperative Agreement No. 492-A-00-06-00031, Managed by the UPecon Foundation, Inc., for the Year Ended December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
5-497-13-018-R	02/25/13	Closeout Audit of the Statement of Costs Incurred and Billed to USAID/Indonesia by Swisscontact to Implement The Aceh Polytechnic Program (TAPP), USAID/Indonesia Contract No. 497-C-00-08-00001-00, for the Period From January 1, 2012, to September 30, 2012		
5-388-13-019-R	03/06/13	Financial Audit of the Social Marketing Sustainability Program, USAID/Bangladesh Cooperative Agreement No. 388-A-00-08-00020-00, Managed by the Social Marketing Company (SMC), for the Period From October 1, 2010, to September 30, 2011		
5-486-13-020-R	03/08/13	Financial Audit of the Anti-Trafficking in Persons Pan-Asian Campaign, USAID/RDMA Cooperative Agreement No. 486-A-00-06-00015-00, Managed by the MTV EXIT Foundation (MTV), for the Period From January 1, 2011, to December 31, 2011		
5-386-13-021-R	03/25/13	Financial Audit of the Enhance Karnataka Project, Cooperative Agreement No. 386-A-00-06-00144, Managed by the University of Manitoba (UOM), for the Period From April 1, 2011, to March 31, 2012		
6-294-13-001-O	10/29/12	Close-out Examination of Saqqa & Khodari's Compliance With Terms and Conditions of Firm Fixed Price Contract Under American Intercontinental Constructors Prime Indefinite Quantity Contract Number 294-I-00-08-00215-00 Task Order Numbers 27 and 28, Infrastructure Needs Program I, for the Period From November 8, 2010, to June 30, 2011		
6-294-13-002-O	11/13/12	Close-out Examination of Al-Maher General Construction Company's Compliance With Terms and Conditions of Its Sub-Fixed Price Contract Number EO1-H-SW-013, Under Prime ANERA Cooperative Agreement Number 294-A-00-08-00219-00, for the Period From November 3, 2009, to November 3, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-003-O	11/13/12	Close-out Examination of Al-Tayseer for Contracting and Trading Company's Compliance With Terms and Conditions of its Sub-Fixed Price Contract Number EO1-WSO-CW-012, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, for the Period From September 8, 2009, to May 31,2010		
6-294-13-003-R	10/29/12	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by Bethlehem Chamber of Commerce and Industry Under Sub-Award Numbers EDIP-006 and EDIP-009 Under Prime Carana, Task Order Number 294-EEM-I-03-07-00006-00, Enterprise Development and Investment Promotion, for the Period From October 26, 2009, to January 31, 2010		
6-294-13-004-O	11/13/12	Close-out Examination of Al-Ukab Company for General Contracting's Compliance With Terms and Conditions of Its Sub-Fixed Price Contract Number EO1-Y-SW-037, Under Prime ANERA, Cooperative Agreement Number 294-A-00-08-00219-00, for the Period From November 3, 2009, to October 20, 2010		
6-294-13-005-N	11/25/12	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by Near East Industries and Trade, Agreement Number 218, Under USAID Task Order Number AFP-I-01-03-00020-00, With CARANA Corporation, for the Period From September 25, 2005, to September 24, 2007		
6-294-13-006-N	11/27/12	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by Palestine Trade Center (PALTRADE), Cooperative Agreement Number 294-A-00-01-00103-00, Increased Trade and Investments in the West Bank and Gaza, for the Period From March 20, 2004, to December 31, 2004	133 124	QC UN

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
6-294-13-006-O	12/02/12	Close-out Examination of Saqqa & Khoudary Company Ltd.'s Compliance With Terms and Conditions of USAID Contract Number 294-I-01-07-00209-00, Bani Naim Water Project, for the Period From September 30, 2007, to September 26, 2008		
6-294-13-006-R	10/29/12	Audit of the Fund Accountability Statement of USAID Resources Managed by Right to Play Under USAID Cooperative Agreement Number 294-A-00-09-00212-00, Sport and Play as Effective and Innovative Tool to Promote Peace, Building Conflict Mitigation, and Reconciliation Among Palestinians in the West Bank and Gaza Strip, for the Period From July 1, 2010, to September 30, 2011		
6-294-13-007-O	12/04/12	Close-out Examination of Juzoor Foundation for Health and Social Development Compliance With Terms and Conditions of Sub-Task Orders Number 1, 2, 3, and 4, Indefinite Quantity Subcontract Number 294-C-00-08-00225-00-08, Under Prime Chemonics International Inc., Contract Number 294-C-00-08-00225-00, the Flagship Project, for the Period From October 26, 2009, to August 15, 2010		
6-294-13-008-O	12/04/12	Close-out Examination of Al-Loay for General Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts with CHF International		
6-294-13-009-N	12/18/12	Audit of the Statement of Deposits and Releases of Resources Managed by the Palestinian Authority, Through the Ministry of Finance Under Cash Transfer Agreement Number 294-CT-00-10-00001-00, for the Period From December 8, 2009, to March 7, 2010		
6-294-13-009-O	12/04/12	Close-out Examination of Bourj Jenin Company for General Contracting's Compliance with Terms and Conditions on Fixed Unit Price Subcontracts With CHF International		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-263-13-009-R	11/20/12	Close-out Financial Audit of the Egyptian Nongovernmental Organization Service Center, Annual Program Statement NGO's Capacity Building Project, Funded by USAID Under Agreement Number 263-A-00-06-00037-00, for the Period From June 20, 2006, to June 19, 2008	5	QC
6-294-13-010-N	12/18/12	Audit of the Statement of Deposits and Releases of Resources Managed by the Palestinian Authority, Through the Ministry of Finance Under Cash Transfer Agreement Number 294-CT-00-10-00002-00, for the Period From April 24, 2010, to July 23, 2010		
6-294-13-010-O	12/05/12	Close-out Examination of Abed Rabbo for General Contracting and Trade's Compliance with Terms and Conditions of Fixed Unit Price Subcontracts with CHF International		
6-294-13-011-O	12/05/12	Close-out Examination of Al-Atmawi Company for Construction's Compliance with Terms and Conditions of Fixed Unit Price Subcontracts with CHF International		
6-263-13-011-R	11/27/12	Close-out Audit of the Regional Center for Training (RCT) in Family Planning and Reproductive Health Project, Under USAID Agreement Numbers 263-0287.02 and 263-0287.07, Pursuant to Implementation Letter Number 3, for the Period From March 1, 2005, Through September 30, 2008	43 43	QC UN
6-263-13-012-R	12/09/12	Financial Audit of the Egyptian Banking Institute, Cooperative Agreement Number 263-A-00-05-00018-00, High Level Training for Egyptian Bankers and Central Bank of Egypt Staff, for the Period January 1, 2007, Through August 31, 2008		
6-294-13-013-O	12/10/12	Close-out Examination of AL-Moath Engineering Company for Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-263-13-013-R	12/13/12	Close-out Financial Audit of the Egyptian Banking Institute, High Level Training for Egyptian Bankers and Central Bank of Egypt Staff, Under Cooperative Agreement Number 263-A-00-05-00018-00, for the Period September 1, 2008, Through September 30, 2009	1,486 2	QC UN
6-294-13-014-N	02/10/13	Audit of the Funds Accountability Statement of USAID Resources Managed by the American International School Gaza, a Subgrantee Under Grants Number ARDWBG388 and ARDWBG389 Under Prime Associates in Rural Development, Under Contract Number DFD-I-04-05-00218-00, the Civic Engagement Program II, for the Period From August 19, 2009, to February 15, 2010		
6-294-13-014-O	12/10/12	Close-out Examination of AL-Salfeeti Contracting Establishment's Compliance With Terms and Conditions of Fixed Unit Price Subcontract With CHF International		
6-263-13-014-R	12/17/12	Close-out Financial Audit of Alexandria Business Association, Small and Micro Enterprises Project, Under Cooperative Agreement Number 263-A-00-02-00005-00, for the Period From January 1, 2007, to September 30, 2007		
6-294-13-015-O	12/10/12	Close-out Examination of ID Management's Compliance With Terms and Conditions of Fixed Unit Price Subcontract With CHF International		
6-263-13-015-R	01/22/13	Financial Audit of Community and Institutional Development Company, Education of Sustainable Development Project, Funded by USAID Grant Number 263-G-00-07-00102-00, for the Period From October 1, 2007, to September 30, 2008	5 5	QC UN
6-294-13-016-O	12/11/12	Close-out Examination of AL-Aziz Company for Construction and Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-263-13-016-R	01/22/13	Audit of the Fund Accountability Statement of USAID Resources Managed by Transparency International e. V., Berlin, Germany, Grant Number 263-G-00-07-00103-00, Measuring Anticorruption Efforts and Building Demand for Effective National Integrity Systems in Egypt and the Arab World, for the Period From January 1, 2010, to December 31, 2010		
6-263-13-017-N	03/10/13	Close-out Audit of USAID Resources Managed and Expenditures Incurred by New Horizon Association for Social Development, Promoting Democracy and Human Rights Program, Grant Agreement Number 263-G-00-05-00061-00, for the Period From October 1, 2007, to September 30, 2008	4 4	QC UN
6-294-13-017-O	12/11/12	Close-out Examination of Brothers Company for Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-263-13-017-R	02/10/13	Close-out Financial Audit of USAID Resources Managed and Expenditures Incurred by Hand In Hand for Egypt, Under Effective Political Participation Project, USAID/Egypt Grant Agreement Number AID-263-G-11-00007, for the Period From June 1, 2011, to June 3, 2012	33	QC
6-294-13-018-O	12/11/12	Close-out Examination of Al Bayan Modern Company for Construction's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-019-O	12/11/12	Close-out Examination of Iwan for General Contracting Company's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-263-13-019-R	02/18/13	Close-out Financial Audit of USAID Resources Managed and Expenditures Incurred by Al Karma Edutainment, Under Middle East Youth Media Initiative Project, Cooperative Agreement Number 263-A-00-06-00102-00, for the Period From January 1, 2011, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-263-13-020-N	03/19/13	Close-out Financial Audit of Special Expert Technical Assistance for Institutional Development Monitoring Unit, Ministry of Investment, Financial Sector Modernization Program, Competitive Environment for Investment, Grant Agreement Number 263-0289.02, Implementation Letter Number 5, for the Period From December 1, 2007, to September 30, 2009		
6-294-13-020-O	12/11/12	Close-out Examination of Al-Tamayouz for General Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-263-13-020-R	02/24/13	Financial Audit of USAID Resources Managed and Expenditures Incurred by Al Karma Edutainment, Under Middle East Youth Media Initiative Project, Cooperative Agreement Number 263-A-00-06-00102-00, for the Period From September 27, 2006, to December 31, 2010		
6-294-13-021-O	12/11/12	Close-out Examination of Ali Elias Abu Dayeh and Brothers for Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontract With CHF International		
6-263-13-022-R	03/10/13	Close-out Audit of Governing Justly and Democratically Project, USAID Grant Agreement Number 263-G-00-08-00004-00, Implemented by the Coptic Evangelical Organization for Social Services, for the Period January 1, 2010, Through December 31, 2010	2 2	QC UN
6-294-13-023-O	12/20/12	Close-out Examination of AL-Firdaws Company for Engineering Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-024-O	01/02/13	Close-out Examination of Al-Omad Contracting Company's Compliance With Terms and Conditions of Fixed Unit Price Subcontract With CHF International		

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
6-294-13-024-R	03/25/13	Audit of the Fund Accountability Statement of USAID Resources Managed by H.L Education for Peace, Under USAID Cooperative Agreement Number 294-A-00-10-00106-00, Advancing Public Support for a Negotiated Agreement, for the Period From May 7, 2010, to November 7, 2011		
6-294-13-025-O	01/02/13	Close-out Examination of Al-Lo'lo'a for General Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-025-R	03/26/13	Close-out Audit of Locally Incurred Costs of USAID Resources Managed by Subcontractor Arabtech Jardaneh Engineers and Architects/Palestine, Under Prime MWH Americas Inc., Indefinite Quantity Contract Number 294-I-00-08-00202-00, Task Orders Number 1 and 2, Infrastructure Needs Program I, for the Period From January 1, 2010, to June 30, 2012		
6-294-13-026-O	01/02/13	Close-out Examination of Al-Hanani Company for General Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-027-O	01/02/13	Close-out Examination of Al-Qalaa Company for Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-028-O	01/02/13	Close-out Examination of Zeita Company for Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-029-O	01/22/13	Close-out Examination of Abu AL-Fillat and Rajabi Company for Contracting and Engineering's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-030-O	01/22/13	Close-out Examination of AL-Rakaez Contracting Company's Compliance With Terms and Conditions of Fixed Unit Price Subcontract With CHF International		
6-294-13-031-O	01/22/13	Close-out Examination of AL-Quds Office for Construction and Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontract With CHF International		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-032-O	01/22/13	Close-out Examination of AL-Naser Engineering and Construction Institute Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-033-O	01/22/13	Close-out Examination of Community Development Group Compliance With its Sub-Fixed Price Contract Under Prime CH2MHILL, Contract Number 294-C-00-00-00063-00, Integrated Water Resources Phase III, for the Period From October 1, 2007, to September 30, 2008		
6-294-13-034-O	01/22/13	Close-out Examination of Yassin Al-'rooj for General Contracting's Compliance with Terms and Conditions on Fixed Unit Price Subcontracts with CHF International		
6-294-13-035-O	01/30/13	Close-out Examination of Alam AL-Jawaher Company for Contracting's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-036-O	01/30/13	Close-out Examination of AL-Safa Modern Company for Contracting's Compliance with Terms and Conditions of Fixed Unit Price Subcontracts with CHF International		
6-294-13-037-O	01/30/13	Close-out Examination of Abu Kteish Brothers Company's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts With CHF International		
6-294-13-039-O	02/10/13	Close-Out Examination of Ardan's Compliance With Terms and Conditions of Fixed Unit Price Subcontract Numbers WSRP PO 004 & WSRP PO 007B, Under Prime Morganti, Indefinite Quantity Contract Number 294-I-00-08-00216-00, Infrastructure Needs Program I, Task Order Number 29 for the Period From April 17, 2010, to June 20, 2011		
6-294-13-041-O	02/10/13	Close-out Examination of Al-Amjad Al Arabia for Contracting and General Construction Sub-Fixed Price Contract Number ARDWBG302-SC1, Under Prime ARD, Task Order Number DFD-I-04-05-00218-00, Civic Engagement Program II, for the Period From February 22, 2010, to August 3, 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-042-O	03/18/13	Close-out Examination of Arabic Contractor Co. Compliance With Terms and Conditions of its Sub-Fixed Price Contract Under Prime International Relief and Development, Task Order Number 8, USAID Indefinite Quantity Contract Number 294-I-00-08-00217-00, for the Period From November 12, 2009, to May 11, 2010		
6-294-13-043-O	03/27/13	Close-out Examination of Paltrade's Compliance with Terms and Conditions of Fixed Unit Price Subcontracts with CARANA		
6-294-13-044-O	03/27/13	Close-out Examination of Mahmoud Jebril Mousa Rabi Company's Compliance With Terms and Conditions of Fixed Unit Price Subcontracts with CHF International		
7-620-13-001-R	01/14/13	Recipient Contracted Close-out Audit of USAID Resources Managed by Young Women Christian Association of Nigeria (YWCA) Under the Y-Care Project (CA No. 620-A-00-07-000259-00) for the Period January 1, 2009, Through March 15, 2010	45 27	QC UN
7-620-13-002-R	01/31/13	Closeout Audit of USAID Resources Managed by the Christian Health Association of Nigeria (CHAN) Under the Nigeria Indigenous Capacity Building (NICAB) Program Agreement No. 620-A-00-07-00180-00 for the Period From January 1, 2011, Through March 31, 2012	3 80	QC BU
F-306-13-001-N	10/24/12	Financial audit of Local Costs Incurred by the American University of Afghanistan under USAID Direct Support to AUAF Program, Cooperative Agreement No. 306-A-00-08-00525-00 for the Period From July 1, 2009, to June 30, 2011	92 55	QC UN
F-306-13-001-R	10/03/12	Financial Audit of the Program "Regenerating Murad Khane, Restoring Refurbishing and Revitalizing the Old City," Cooperative Agreement No. 306-A-09-00503-00, Managed by the Turquoise Mountain Trust (TMT), for the Period From January 1, 2011, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
F-306-13-003-N	01/10/13	Closeout Audit of USAID Resources Managed by the International Organization for Migration Under the Afghan Civilian Assistance Program, Cooperative Agreement Number. 306-A-00-07-00516-00, for the Period From June 5, 2007, to November 30, 2011	290 46	QC UN
G-391-13-001-O	10/24/12	Report on Agreed-Upon Procedures Performed on Rural Support Programmes Network (RSPN) Under Agreement No. 391-A-00-11-01213-00, for Sindh Agricultural Recovery Project, for the Period From November 15, 2010, to July 31, 2011	6,223 6,007	QC UN
G-391-13-001-R	10/02/12	Financial Audit of the Program Titled: "Family Advancement for Life and Health," Sub-agreement No. SR0846A Financed by Population Council Through USAID/Pakistan Agreement No. 391-A-00-07-01092-00, Managed by Rural Support Programmes Network, for the Year Ended June 30, 2011		
G-391-13-002-R	10/03/12	Close-out Financial Audit of the Program Titled: "Emergency Relief Items to Communities Affected by Floods in Pakistan," USAID/Pakistan Agreement no. 391-A-00-10-01187-00, Managed by Rural Support Programmes Network, for the Period From August 13, 2010, to November 15, 2010	1	QC
G-391-13-003-R	10/03/12	Financial Audit of the Program Titled: "Assessment and Strengthening Program for Civil Society Organizations," USAID/Pakistan Agreement No. 391-A-00-11-01201-00, Managed by Rural Support Programmes Network, for the Period From October 12, 2010, to June 30, 2011		
G-391-13-004-R	10/04/12	Financial Audit of the Program Titled: "Small Grants and Ambassador's Fund Program," Sub-Award Under USAID/Pakistan Contract No. 391-C-00-10-01189-00, Managed by Rural Support Programmes Network, for the Period From August 31, 2010, to June 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
G-391-13-017-R	03/08/13	Financial Audit of USAID/Pakistan Cooperative Agreement No. 391-A-00-11-01206-00, Managed by Dairy Rural Development Foundation (DRDF), for the Year Ended June 30, 2012		
<b>U.S.-Based Contractors</b>				
0-000-13-001-D	10/02/12	International Resources Group, Ltd. Report on Incurred Costs for Fiscal Year (FY) Ended December 31, 2003	1,304 1,304	QC UN
0-000-13-002-D	10/02/12	Planning and Development Collaborative International, Inc. (PADCO) Report on Direct Cost Incurred and Billed Under USAID Contracts for the Period October 1, 2004, through September 30, 2005	80 80	QC UN
0-000-13-003-D	10/04/12	Parsons Constructors & Fabricators, Inc. (PCFI) Report on Incurred Cost Audit for Fiscal Year (FY) Ended December 31, 2005		
0-000-13-004-D	10/05/12	Parsons Infrastructure & Technology Group, Inc., Parsons Project Services, Inc. and Parsons Group International, Ltd. (Parsons)—Report on Incurred Costs for Fiscal Year (FY) Ended December 31, 2006	2	QC
0-000-13-005-D	10/17/12	The Services Group, Inc. (TSG) Report on Supplemental Incurred Cost Audit for Fiscal Year (FY) Ended December 31, 2002	168 36	QC UN
0-000-13-006-D	10/17/12	The Services Group, Inc. (TSG) Report on Supplemental Incurred Cost Audit for Fiscal Year (FY) Ended December 31, 2003	40	QC
0-000-13-007-D	10/10/12	Camp Dresser & McKee, Inc. (CDM) Noncompliance with Cost Accounting Standard 405		
3-000-13-008-D	11/26/12	John Snow, Inc. (JSI) Report on John Snow, Inc.'s Overall Billing System		
3-000-13-009-D	01/02/13	Camp Dresser & McKee—International Report on Incurred Costs for Fiscal Year (FY) Ended December 31, 2005	113	QC
3-000-13-010-D	01/02/13	Pillar Systems Corporation (PSC) Report on Incurred Costs for Fiscal Year (FY) Ended December 31, 2007		
3-000-13-011-D	01/09/13	Pillar Systems Corporation (PSC) Report on Incurred Costs for Fiscal Year (FY) Ended December 31, 2006	5	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-13-012-D	02/01/13	Parsons Constructors & Fabricators, Inc. Report on Incurred Costs for Fiscal Year (FY) Ended December 29, 2006		
3-000-13-013-D	03/27/13	The Louis Berger Group, Inc. Report on Control Environment and Overall Accounting System		
3-000-13-014-D	03/28/13	Berger Group Holdings, Inc. (BGHI) Report on Revised Disclosure Statement, Dated May 27, 2011		
4-615-13-003-N	02/22/13	Agency Contracted Audit of USAID Resources Managed by Chemonics International, Inc. Under Contract No. AID-623-C-00-09-00014 for the Period From July 6, 2009, to December 31, 2011	113 11	QC UN
5-492-13-001-O	11/28/12	Report on Agreed-Upon Procedures Performed on Local Costs Incurred by the Management Systems International (MSI), Under USAID/Philippines' Indefinite Quantity Contract No. DFD-I-00-03-00144-00, to Implement the Millennium Challenge Account-Philippine Threshold Plan Technical Assistance Project (MCA-PTP TAP), for the Period From November 22, 2006, to October 31, 2008	758 758	QC UN
6-267-13-001-D	11/14/12	Independent Audit of Cardno Emerging Market, Ltd.'s Report on Costs Incurred and Billed to the Prime Contractor Management Systems International (MSI) Under USAID Subcontract No. DFD-I-00-05-00221-00 for the Period of October 1, 2007, Through September 30, 2008		
6-294-13-001-N	11/18/12	Audit of the Cost Representation Statement of USAID Resources Managed by Chemonics Under Task Order Number 294-EEM-I-04-07-00008-00, Trade Facilitation Project, for the Period From June 6, 2008, to June 30, 2010		
6-267-13-002-D	11/29/12	Independent Audit on Cost Verification for October 1, 2010, Through January 1, 2012, Management Systems International Audit Report No. 6431-2012P17900006		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-002-N	11/19/12	Audit of Local Costs Incurred by Louis Berger Inc., Under Contract Number 294-GEG-I-00-04-00003-00, Modernizing Financial Institutions for West Bank and Gaza, for the Period From July 1, 2008, to June 30, 2009		
6-294-13-002-R	10/29/12	Close-out Audit of the Cost Representation Statement of USAID Resources Managed by Carana Corporation Under Award Number 294-EEM-I-03-07-00006-00, Enterprise Development and Investment Promotion, for the Period From July 1, 2010, to June 28, 2012		
6-267-13-003-D	12/19/12	Independent Audit of Incurred and Billed Costs USAID Delivery Order 267-O-00-09-00513-00 (Perform) September 30, 2009, through September 30, 2011, the QED Group, LLC	21	QC
6-294-13-003-N	11/20/12	Audit of Costs Incurred and Billed to USAID by Associates in Rural Development Inc., Under USAID Contract Number 294-C-00-02-00211-00, Emergency Assistance Program to the Palestinians in the West Bank and Gaza Through Local NGOs, for the Period From February 10, 2006, to September 30, 2007	4 4	QC UN
6-267-13-004-D	12/19/12	Independent Audit of Incurred and Billed Costs USAID Purchase Order 267-O-00-08-00507-00 (Manpower) September 13, 2008, through September 30, 2011, the QED Group, LLC	19	QC
6-294-13-004-N	11/25/12	Close-out Audit of the Cost Representation Statement of USAID Resources Managed by the Service Group, Subaward Number PITA-WBG-001 Under Chemonics Contract Number PCE-I-00-98-00015-00, Task Order Number 22, for the Period From October 1, 2007, to September 28, 2008		
6-294-13-005-O	11/19/12	Close out Examination of APCO/ArCon's Compliance With Terms and Conditions Under USAID Indefinite Quantity Contract Number 294-I-00-08-00221-00, Infrastructure Needs Program I, Task Order Numbers 24, 30, and 49 for the Period From November 30, 2009, to August 4, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-007-N	12/04/12	Audit of the Cost Representation Statement of USAID Resources Managed by CARANA Under Task Order Number 294-EEM-I-03-07-00006-00, Enterprise Development and Investment Promotion Project, for the Period From September 30, 2008, to June 30, 2010	5	QC
6-294-13-007-R	11/13/12	Audit of Locally Incurred Costs of USAID Resources Managed by Black and Veatch Special Projects Corporation Under USAID Indefinite Quantity Contract Number 294-I-00-10-00205-00, Task Order Number 1, Infrastructure Needs Program Phase II, for the Period From September 30, 2010, to September 30, 2011		
6-294-13-008-R	11/18/12	Audit of Locally Incurred Costs of USAID Resources Managed by Chemonics International Inc., Under Task Order Number 294-DFD-I-00-05-00219-00, Palestinian Authority Capacity Enhancement, for the Period From July 1, 2010, to December 31, 2011		
6-294-13-010-R	11/25/12	Close-out Audit of ShoreBank International Cost Representation Statement under Subaward No.EEM-A-00-06-00001-00, Under Prime AED (FHI 360), Cooperative Agreement No.294-A-00-08-00222-00, Expanded and Sustained Access to Financial Services (ESAF) Program, for the Period From October 01, 2009, to August 31, 2011		
6-294-13-012-O	12/06/12	Close-out Examination of American Intercontinental Constructors' Compliance With Terms and Conditions of USAID Contract Number 294-I-00-08-00215-00, Task Order Number 9, Infrastructure Needs Program, for the Period From August 20, 2008, to September 16, 2009		
6-294-13-013-N	02/06/13	Audit of Local Costs Incurred by Louis Berger Group, Under Contract Number 294-GEG-I-00-04-00003-00, Modernizing Financial Institutions for West Bank and Gaza, for the Period From July 1, 2009, to September 29, 2010	58	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-016-N	03/03/13	Audit of Fund Accountability Statement of Local Costs Incurred by Education Development Center, Under Cooperative Agreement Number 294-A-00-05-00241-00, Palestinian Youth Empowerment Program, for the Period From July 1, 2009, to June 30, 2010		
6-294-13-021-N	03/19/13	Audit of USAID Resources Managed by Montgomery Watson Harza Americas Inc. Under USAID Task Order Number 294-I-01-08-00202-00, Infrastructure Needs Program, for the Period From June 11, 2008, to June 30, 2010		
6-294-13-022-O	12/13/12	Close-out Examination of APCO/Arcon's Compliance With Terms and Conditions of USAID Contract Number 294-I-00-08-00221-00, Task Order Numbers 1, 2, 5 and 8, Infrastructure Needs Program, for the Period From August 20, 2008, to September 11, 2009		
6-294-13-038-O	02/10/13	Close-out Examination of Morganti's Compliance With Terms and Conditions of Indefinite Quantity Contract Number 294-I-00-08-00216-00, Infrastructure Needs Program I, Task Order Number 29, for the Period From January 1, 2011, to June 20, 2011		
6-294-13-040-O	02/10/13	Close-Out Examination of American Intercontinental Constructors Under Indefinite Quantity Contract Number 294-I-00-08-00215-00, Infrastructure Needs Program I and Task Orders Number 27 and 28, for the Period From November 5, 2010, to December 31, 2011		
F-306-13-004-N	02/28/13	Financial Audit of Local Costs Incurred by Deloitte Consulting LLP Under "The Economic Growth & Governance Initiative," USAID Contract No. 306-EEM-I-04-07-00005 for the Period August 15, 2009, to September 30, 2010	60 57	QC UN
<b><i>U.S.-Based Grantees</i></b>				
0-000-13-001-E	10/19/12	Bulgarian-American Enterprise Fund For The Year Ended September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
0-000-13-001-T	10/12/12	The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity, OMB Circular A-133 Audit Report for Fiscal Year Ended December 31, 2009		
0-000-13-002-E	10/23/12	Review of Audit Report of Western NIS Enterprise Fund for the Year Ended September 30, 2011		
0-000-13-002-T	11/06/12	CARE USA A-133 Audit Report for Fiscal Year Ended June 30, 2011	14	QC
0-000-13-003-E	10/26/12	Southern Africa Enterprise Development Fund, Audit Report for Fiscal Year Ended September 30, 2011		
0-000-13-003-T	10/23/12	Adventist Development and Relief Agency International, OMS Circular A-133 Audit Report for Fiscal Year Ended December 31, 2011	132 132	QC UN
0-000-13-004-T	10/24/12	Cross International, Inc. OMB Circular A-133 Audit Report for Fiscal Year Ended December 31, 2011	8	QC
0-000-13-005-T	10/25/12	Women's Campaign International, OMB Circular A-133 Audit Report for Fiscal Year Ended December 31, 2011	3 3	QC UN
0-000-13-006-T	11/01/12	Catholic Relief Services—U.S. Conference of Catholic Bishops, OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2008	6	QC
3-000-13-004-E	12/07/12	Romanian-American Enterprise Fund, Consolidated Financial Statements as of and for the Years Ended September 30, 2010, and 2009		
3-000-13-005-E	01/02/13	Audit Report for the Romanian-American Enterprise Fund for Fiscal Year Ending September 30, 2011		
3-000-13-006-E	02/11/13	Desk Review of the Audit Report for the Bulgarian-American Enterprise Fund for the Year Ending September 30, 2012		
3-000-13-007-E	02/13/13	Review of the U.S. Russia Investment Fund for Fiscal Year (FY) Ended September 30, 2011		
3-000-13-007-T	11/26/12	National Albanian American Council, OMB Circular A-133, Audit Report for Fiscal Year Ended December 31, 2011	57 57	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-13-008-E	02/12/13	Review of The Baltic American Enterprise Fund for Fiscal Year (FY) Ended September 30, 2011		
3-000-13-008-T	01/16/13	World Wildlife Fund, Inc., OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2012	200	QC
3-000-13-009-E	02/14/13	Desk Review of the Audit Report for the Baltic-American Enterprise Fund for the Year Ending September 30, 2012		
3-000-13-009-T	01/24/13	Desk Review of the A-133 Audit Report for International Foundation for Electoral Systems for the Year Ended September 30, 2011		
3-000-13-010-E	02/19/13	Review of the U.S. Russia Investment Fund for Fiscal Year (FY) Ended September 30, 2012		
3-000-13-010-T	01/25/13	Population Services International, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2011		
3-000-13-011-E	03/15/13	Audit report for the Romanian-American Enterprise Fund for Fiscal Year Ending September 30, 2012		
3-000-13-011-T	01/25/13	Desk Review of the A-133 Audit Report for Management Sciences for Health, Inc. Fiscal Year ending June 30, 2011		
3-000-13-012-E	03/26/13	Review of Audit Report of Western NIS Enterprise Fund for the Fiscal Year Ended September 30, 2012		
3-000-13-012-T	02/01/13	Desk review of A-133 Audit Report of Mercy Corps and Affiliates for the Fiscal Year Ended June 30, 2011		
3-000-13-013-T	02/21/13	World Learning Inc., OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended June 30, 2012		
3-000-13-014-T	02/21/13	CHF International and Related Entities, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2011		
3-000-13-015-T	03/13/13	Review of Pathfinder International OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2012		
3-000-13-016-T	03/08/13	Review of Mercy Corps and Affiliates OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2012		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
3-000-13-017-T	03/12/13	Review of Education Development Center, Inc. OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2012		
3-000-13-018-T	03/13/13	Review of Program for Appropriate Technology in Health (PATH) and Subsidiaries, OMB Circular A-133 Audit Report For Fiscal Year Ended December 31, 2011		
3-000-13-019-T	03/15/13	Public Health Institute, OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended December 31, 2011		
3-000-13-020-T	03/15/13	Review of Consortium for Elections And Political Process Strengthening, OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2011		
3-000-13-021-T	03/18/13	Research Triangle Institute (RTI), OMB Circular A-133 Audit Report for Fiscal Year (FY) Ended September 30, 2010	191	QC
3-000-13-022-T	03/18/13	IntraHealth International, Inc. OMB Circular A-133 Audit Report for Fiscal Year Ended June 30, 2012	9	QC
3-000-13-023-T	03/21/13	Research Triangle Institute (RTI), OMB Circular A-133 Audit Report for Fiscal Year Ended September 30, 2011		
3-000-13-024-T	03/21/13	Family Health International Development 360, Inc. OMB Circular A-133 Audit Report for the Three Month Period Ended September 30, 2011		
3-000-13-025-T	03/26/13	Review of the German Marshall Fund of the United States—A Memorial to the Marshall Plan and Subsidiaries, OMB Circular A-133 Audit Report For Fiscal Year Ended May 31, 2012		
6-294-13-001-R	10/29/12	Audit of the Fund Accountability Statement of USAID Resources Managed by American Near East Refugee Aid Under Cooperative Agreement Number 294-A 00-08-00219-00, Emergency Water and Sanitation and Other Infrastructure Program, for the Period July 1, 2010, to September 30, 2011		
6-294-13-004-R	10/29/12	Audit of the Fund Accountability Statement of USAID Resources Managed by Just Vision Under Grant Agreement Number 294-G-00-09-00213-00, Multi Media Education and Outreach, for the Period From July 1, 2010, to September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-005-R	10/29/12	Audit of Locally Incurred Costs of USAID Resources Managed by America-Mideast Educational and Training Services, Inc. Under Cooperative Agreement Number 294-A-00-07-00214-00, Model Schools Network Program, for the Period From July 1, 2010, to September 30, 2011		
6-294-13-008-N	12/13/12	Close-out Audit of the Fund Accountability Statement Covering Locally Incurred Costs by International Orthodox Christian Charities Inc., Sub-Grants Number ARDWBG 370 and ARDWBG 344, Under Prime Associates for Rural Development, Contract Number DFD-I-04-05-00218-00, Civic Engagement Program II, for the Period From February 6, 2009, to June 30, 2010		
6-294-13-011-N	01/22/13	Audit of Locally Incurred Costs of USAID Resources Managed by Cooperative Housing Foundation Under Cooperative Agreement Number 294-A-00-05-00242-00, Local Democratic Reform, for the Period from July 1, 2008, to June 30, 2010		
6-294-13-012-N	02/04/13	Audit of Fund Accountability Statement of Local Costs Incurred Under Cooperative Agreement Number 294-A-00-07-00210-00, Vocational Training and Education Development Program (TVET), Managed by Save the Children for the Period From July 1, 2009, to June 30, 2010		
6-267-13-015-N	02/12/13	Audit of Fund Accountability Statement of Local Costs Incurred, Under Cooperative Agreement Number 267-A-00-08-00504-00, Managed by Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), Community Action Program III, for the Period From October 1, 2008, to September 30, 2010	46 46	QC UN
6-294-13-018-N	03/10/13	Close-out Audit of the Funds Accountability Statement of USAID Resources Managed by Catholic Relief Services Under Cooperative Agreement Number 294-A-00-09-00210-00, Youth Voices For Community Action Project, for the Period From July 1, 2010, to April 30, 2012		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
6-294-13-018-R	02/10/13	Audit of Youth Entrepreneurship Development Fund Accountability Statement of Local Costs Incurred, Under Cooperative Agreement Number 294-A-00-10-00209-00, Managed by International Youth Foundation, for the Period September 30, 2010, Through September 30, 2011	9	QC
6-294-13-019-N	03/19/13	Audit of Locally Incurred Costs by America-Mideast Educational and Training Services, Inc. Under Cooperative Agreement Number 294-A-00-07-00214-00, Model Schools Network Program, for the Period From July 1, 2008, to June 30, 2010		
6-294-13-021-R	03/10/13	Audit of USAID Resources Managed by Mercy Corps, Under Cooperative Agreement Number 294-A-00-10-00210-00, Palestinian Community Assistance Program, for the Period From September 29, 2010, to September 30, 2011		
6-294-13-022-N	03/25/13	Audit of the Fund Accountability Statement Covering Locally Incurred Costs by Eco-Peace, Friends of Earth Under Cooperative Agreement Number 294-A-00-09-00211-00, for the Period From September 29, 2009, to June 30, 2010		
6-294-13-023-R	03/19/13	Audit of the Fund Accountability Statement of USAID Resources Managed by Academy for Educational Development—AED (FHI 360) Under Award Number 294-A-00-08-00222-00, Expanded and Sustained Access to Financial Services Program, for the Period From July 1, 2009, to September 30, 2011		
6-294-13-026-R	03/26/13	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by CHF International, Award Number 294-A-00-05-00242-00, Local Democratic Reform, for the Period From July 01, 2010, to December 31, 2011		
F-306-13-002-N	11/29/12	Close-out Audit of Local Costs Incurred and Billed by Oasis International Schools, Inc. under the "Establishment of International School of Kabul," Cooperative Agreement No. 306-A-00-05-00522-00 for the Period From May 27, 2005, to December 31, 2010	303 303	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
F-306-13-005-N	03/17/13	Financial Audit of Costs Incurred in Afghanistan by the Citizen Network for Foreign Affairs Under the Afghanistan Farm Services Alliance Program, Cooperative Agreement No. 306-A-00-08-00517-00 for the Period January 1, 2010, to September 30, 2011	662 251	QC UN
G-391-13-002-O	12/21/12	Report on Financial Review Procedures Performed on USAID Resources (Local Cost) Managed by the Save the Children, USAID Agreement No. 391-A-00-06-01084, Program Titled: "Improved Child Health in Federal Administered Tribal Areas," for the Period From September 21, 2006, to June 30, 2012	4,776 4,697	QC UN

**Performance Audits**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**

**USAID**

October 1, 2012–March 31, 2013

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
1-521-13-001-P	02/28/13	Audit of USAID/Haiti's Development Credit Authority Activities		
1-526-13-002-P	03/07/13	Audit of USAID/Paraguay's Northern Zone Initiative		
1-521-13-004-P	03/27/13	Audit of USAID/Haiti's Prevention of Sexual Transmission of HIV/AIDS Program		
4-674-13-001-P	11/05/12	Audit of USAID/Southern Africa's Tuberculosis Activities		
4-611-13-002-P	11/08/12	Audit of Commodities Funded Under the President's Malaria Initiative in Zambia		
4-621-13-003-P	11/15/12	Audit of USAID-Funded Net Distribution Activities Implemented by Mennonite Economic Development Associates in Tanzania	35	QC
4-962-13-004-P	01/07/13	Audit of USAID's Internal Controls Over Prepositioned Food Assistance for the Horn of Africa		
4-663-13-005-P	03/01/13	Audit of Feed the Future Activities in Ethiopia		
4-654-13-006-P	03/05/13	Audit of USAID/Angola's HIV/AIDS Activities		
4-674-13-007-P	03/20/13	Audit of USAID/Southern Africa's Use of Waivers From Full and Open Competition for HIV/AIDS Programs		
5-116-13-001-P	11/08/12	Audit of USAID/Kyrgyzstan's Local Development Program		
5-442-13-002-P	12/07/12	Audit of USAID/Cambodia's Better Health Services Project	700	QC
5-497-13-003-P	12/11/12	Audit of USAID/Indonesia's Maternal and Child Health Integrated Program		
5-440-13-004-P	01/22/13	Audit of USAID/Vietnam's Support for Trade Acceleration Plus Project	59 59	QC UN

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
5-492-13-005-P	03/25/13	Audit of USAID/Philippines' Private Sector Mobilization for Family Health Project, Phase II	738	QC
6-267-13-001-P	10/03/12	Audit of USAID/Iraq's Legislative Strengthening Program	1,487	QC
6-263-13-002-P	10/22/12	Audit of USAID/Egypt's Transition Support Grants Program	526 526	QC UN
6-294-13-003-P	11/25/12	Audit of USAID/West Bank and Gaza's Civic Participation Program	2,400	BU
6-267-13-004-P	12/16/12	Audit of USAID/Iraq's Access to Justice Program		
6-294-13-005-P	01/27/13	Audit of USAID/West Bank and Gaza's Design for Sustainability for Selected Local Government and Infrastructure Program Activities		
6-294-13-006-P	02/07/13	Audit of USAID/West Bank and Gaza's Palestinian Community Assistance Program		
6-278-13-007-P	02/18/13	Audit of USAID/Jordan's Education Reform Support Program		
6-263-13-008-P	02/24/13	Audit of USAID/Egypt's Education Support Program		
6-263-13-009-P	03/25/13	Audit of USAID/Egypt's Trade Facilitation Project		
7-680-13-001-P	11/09/12	Audit of USAID/Benin's Efforts to Treat and Prevent Malaria		
9-114-13-001-P	12/26/12	Audit of USAID/Georgia's Economic Prosperity Initiative		
9-121-13-002-P	03/31/13	Audit of USAID/Ukraine's AgroInvest Project		
A-000-13-003-P	11/14/12	Audit of USAID's Fiscal Year 2012 Compliance With the Federal Information Security Management Act of 2002		
A-000-13-004-P	01/30/13	Audit of Selected Controls Over USAID Badges Used to Access USAID Facilities		
G-391-13-001-P	01/17/13	Audit of USAID/Pakistan's Design for Sustainability in the Jamshoro Thermal Power Station Repair and Rehabilitation Project		
G-391-13-002-P	03/28/13	Audit of USAID/Pakistan's Gender Equity Program		

**Miscellaneous Reports**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**  
**USAID**  
**October 1, 2012–March 31, 2013**

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<b><i>Quality Control Reviews</i></b>				
1-520-13-001-Q	01/11/13	Quality Control Review of Manuel Cervantes & Asoc., Guatemala, Regarding Audit of USAID Resources "MYAP— Multiyear Assistance Program," Under PL-480 Title II, Cooperative Agreement No. FFP-A-00-07-00010-00, Managed by the Asociación SHARE de Guatemala (SHARE), for the Period October 1, 2009, Through September 30, 2010		
1-522-13-002-Q	01/18/13	Quality Control Review of Mendieta y Asociados of Honduras, Regarding Closeout Audit of the Cooperative Agreement No. 522-A-00-06-00302-00 for the "Strengthening the Democratic Processes in Honduras," Managed by the Federation of Non-Governmental Organizations for the Development of Honduras (FOPRIDEH), for the Period From January 1, 2010, to September 30, 2010		
1-522-13-003-Q	01/18/13	Quality Control Review of Grant Thornton of Honduras, Regarding Audit of the Financial Statements of the Government of Honduras Resources Under the Trust Fund Agreement, for the Period From October 1, 2009, to September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	
1-522-13-004-Q	01/25/13	Quality Control Review of the Tribunal Superior de Cuentas Honduras, Regarding Audit of the Grant Agreement No. 522-0433 "Investing in People: Healthier and Better Educated People," Managed by the Honduran Secretariat of Health, Through the Unit for Extension of Coverage and Funding (UECF), for the Period From November 15, 2010, to March 31, 2012		
1-520-13-005-Q	02/12/13	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit of the Fund Accountability Statement of USAID Resources Provided Under Strategic Agreement No. 596-A-00-06-00078-00 "Economic Freedom: Open Diversified Expanding Economies in Central America and the Dominican Republic-DR-CAFTA," Managed by Comisión Centroamérica de Ambiente y Desarrollo (CCAD) for the Period From January 1, 2010, Through December 31, 2010	709 707	QC UN
6-294-13-001-Q	12/23/12	Quality Control Review of El Wafa Company, Close-Out Audit Covering Locally Incurred Costs Under the Cost Representation Statement of Community Development Group, Sub-Contracts Nos. T4040115 93701-OF, T4040115 93753-OF, T4040115 93695-OF and Master Service Agreement MSA-CDG-02282010 Signed With Prime MWH Americas Inc. Under Task Orders 1 and 2, Indefinite Quantity Contract no. 294-I-00-08-00202-00, Infrastructure Needs Program 1 With USAID for the Period From March 19, 2010, to February 24, 2011		
6-294-13-002-Q	01/10/13	Quality Control Review of Ernst & Young, West Bank and Gaza, Audit of the Fund Accountability Statement of USAID Resources Managed by Internews Network Under Award Number 294-A-00-10-00207-00, Enhancing Palestinian Independent Media Program, for the Period From September 30, 2010, to September 30, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Report Number
6-278-13-003-Q	03/28/13	Quality Control Review of Talal Abu-Ghazaleh & Co. International, Re-do Close-out Audit of Business Development Center, Tatweer Program, USAID Cooperative Agreement Number 278-A-00-06-00311-00, for the Period December 1, 2008, to February 28, 2010		
7-620-13-001-Q	11/29/12	Quality Control Review of Parker Randall Offor Regarding the Audit of USAID Resources Managed by the Christian Health Association of Nigeria Under the Nigeria Indigenous Capacity Building (NICAB) Agreement No. 620-A-00-07-00180-00 for the Period From January 1, 2010, to December 31, 2010		
7-620-13-002-Q	11/29/12	Quality Control Review of Ijewere & Co. in Lagos, Nigeria, Regarding the Audit of USAID Resources Managed by Hope Worldwide Nigeria Under the Assistance and Care for Children Orphaned and at Risk of HIV/AIDS Program (Grant Agreement No. 620-A-00-08-00111-00) for the Period From January 1 to December 31, 2010		
7-620-13-003-Q	11/29/12	Quality Control Review of PKF Professional Services Regarding the Audit of USAID Resources Managed by the Catholic Secretariat of Nigeria Under the Scale-Up of the Catholic Community Based Outreach in Response to HIV/AIDS Program ICA No. 620-A-00-07-00217-00) for the Period from November 1, 2009, to October 31, 2010		
G-391-13-001-Q	03/08/13	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Horwath Hussain Chaudhury & Co. of USAID/Pakistan Cooperative Agreement No. 391-A-00-11-01206-00, Managed by Dairy Rural Development Foundation, for the Year Ended June 30, 2012		
<b>Other</b>				
0-000-13-001-S	03/15/13	Report on USAID's Compliance With the Improper Payments Elimination and Recovery Act of 2010		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Report Number
1-519-13-001-S	12/31/12	Stage II Risk Assessment for the Ministry of Environment and Natural Resources of El Salvador (MARN)		
6-278-13-001-S	01/31/13	Review of USAID/Jordan's Cash Transfer Activities	1,200	QC
7-675-13-001-S	11/30/12	Review of USAID/Guinea's Rural Microenterprise Development Project		
9-000-13-001-S	11/13/12	Review of USAID/Serbia's Opportunity Bank Project		
9-000-13-002-S	11/19/12	Follow-Up Review of USAID's Process of Suspension and Debarment		
F-306-13-001-S	10/12/12	USAID/Afghanistan's Performance Based Governors' Fund		

## Reports With Questioned and Unsupported Costs

USAID

October 1, 2012–March 31, 2013

Reports	Number of Audit Reports	Questioned Costs (\$)	Unsupported Costs <sup>1</sup> (\$)
A. For which no management decision had been made as of October 1, 2012	79	18,141,266 <sup>2,3</sup>	12,239,617 <sup>2,3</sup>
B. Add: Reports issued October 1, 2012–March 31, 2013	108	29,212,968 <sup>4</sup>	19,732,223 <sup>4</sup>
<b>Subtotal</b>	<b>187</b>	<b>47,354,234</b>	<b>31,971,840</b>
C. Less: Reports with a management decision made October 1, 2012–March 31, 2013	133 <sup>5</sup>	26,696,795 <sup>6</sup>	15,558,562 <sup>6</sup>
Value of costs disallowed by Agency officials		10,332,748	6,921,353
Value of costs allowed by Agency officials		16,364,047	8,637,209
D. For which no management decision had been made as of March 31, 2013	55	20,657,439 <sup>7</sup>	16,413,278 <sup>7</sup>

<sup>1</sup>Unsupported costs, a subcategory of questioned costs, are reported separately as required by the Inspector General Act.

<sup>2</sup>The ending balances on September 30, 2012, for questioned costs totaling \$18,300,755 and for unsupported costs totaling \$12,176,169 were decreased by \$159,489 for questioned costs and increased by \$63,448 for unsupported costs respectively, to reflect adjustments in recommendations from prior periods.

<sup>3</sup>Amounts include \$2,583,235 in questioned costs and \$1,252,051 in unsupported costs for audits performed for OIG by other federal audit agencies.

<sup>4</sup>Amounts include \$1,751,670 in questioned costs and \$1,420,660 in unsupported costs for audits performed for OIG by other federal audit agencies.

<sup>5</sup>Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal. Some audit reports counted here may be counted again in the figure below it because some reports have multiple recommendations and fall into both categories.

<sup>6</sup>Amounts include \$3,025,655 in questioned costs and \$1,368,461 in unsupported costs for audits performed for OIG by other federal audit agencies.

<sup>7</sup>Amounts reflect \$1,309,250 in questioned costs and \$1,304,250 in unsupported costs for audits performed for OIG by other federal audit agencies.

**Reports With Recommendations That  
Funds Be Put to Better Use**

**USAID**

October 1, 2012–March 31, 2013

Reports	Number of Audit Reports	Value (\$)
A. For which no management decision had been made as of October 1, 2012	0	0
B. Add: Reports issued October 1, 2012–March 31, 2013	2	2,480,134
<b>Subtotal</b>	<b>2</b>	<b>2,480,134</b>
C. Less: Reports with a management decision made October 1, 2012–March 31, 2013	1	2,400,000
Value of recommendations agreed to by Agency officials		1,200,000
Value of recommendations not agreed to by Agency officials		1,200,000
D. For which no management decision had been made as of March 31, 2013	1	80,134

**Reports Over 6 Months Old With No Management Decision**

**USAID**

October 1, 2012–March 31, 2013

Report Number	Auditee	Issue Date	Status
G-391-12-001-P Audit of USAID/ Pakistan's Firms Project	Pakistan	11/03/11	<p><b>Recommendation 5. We recommend that USAID/Pakistan determine the allowability of \$1,359,337 in questioned costs (unsupported) and recover those costs determined to be unallowable.</b></p> <p>The Office of Acquisition and Assistance; the Office of Financial Management; and Bureau for Economic Growth, Education, and Environment will investigate the unsupported questioned costs of \$1,359,337 and make a decision on those costs. A management decision on this recommendation will be reached when USAID/Pakistan determines whether the questioned costs are allowed or disallowed; final action will occur when any disallowed amount is collected.</p>

## **Significant Revisions of Management Decisions**

**USAID**

October 1, 2012–March 31, 2013

Section 5(a) (11) of the Inspector General Act requires a description and explanation of the reasons for any significant revised management decision during the reporting period.

During this reporting period, USAID did not make any significant revisions of management decisions.

## **Significant Management Decisions With Which the Inspector General Disagrees**

**USAID**

October 1, 2012–March 31, 2013

Section 5 (a) (12) of the Inspector General Act of 1978, as amended, requires semiannual reports to include information concerning any significant management decisions with which the inspector general disagrees.

During this reporting period, there were no instances where the Inspector General disagreed with a significant management decision.

**Noncompliance With the  
Federal Financial Management Improvement Act of 1996**

**USAID**

October 1, 2012–March 31, 2013

Section 5(a)(13) of the Inspector General Act requires semiannual reports to include an update on issues outstanding under a remediation plan required by the Federal Financial Management Improvement Act of 1996 (FFMIA), (Public Law 104-208, Title VIII, codified at 31 U.S.C. 3512 note). FFMIA requires agencies to comply substantially with (1) federal financial management system requirements, (2) federal accounting standards, and (3) the U.S. Standard General Ledger at the transaction level. An agency that is not substantially compliant with FFMIA must prepare a remediation plan.

OIG found no instances of substantial noncompliance with requirements for federal financial management systems, federal accounting standards, or the U.S. Standard General Ledger at the transaction level as a result of tests required under Section 803(a) of the Federal Financial Management Improvement Act of 1996 (FFMIA). However, OIG reported one significant deficiency in the Agency's annual Federal Information Security Management Act report, No. A-000-13-003-P, dated November 14, 2012, which we classified as an instance of substantial noncompliance with FFMIA as required by OMB Bulletin 07-04, "Audit Requirements for Federal Financial Statements." Specifically, OIG reported that (1) USAID has not established an effective risk management program to ensure that policies and procedures are assessed and working as intended and (2) USAID's decentralized management of information technology and information security does not allow the Agency to implement a process to effectively assess, respond to, and monitor information security risk across the organization. To address the significant deficiency, USAID has prepared a 3-year corrective action plan, which is expected to be fully implemented by the end of fiscal year 2015.

## Significant Findings From Contract Audit Reports

### USAID

October 1, 2012–March 31, 2013

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 845) requires inspectors general to submit information on contract audit reports<sup>26</sup> that contain significant audit findings in semiannual reports to the Congress.

The act defines “significant audit findings” to include unsupported, questioned, or disallowed costs in excess of \$10 million and other findings that the inspector general determines to be significant.

During the reporting period, OIG had no significant findings from contract audit reports for USAID.

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<sup>26</sup> Includes grants and cooperative agreements.

## Significant Findings and Activities Millennium Challenge Corporation

The Millennium Challenge Corporation forms partnerships with some of the world's poorest countries and provides large-scale grants to them when they demonstrate they are committed to good governance, economic freedom, and investment in their citizens. These grants fund country-led solutions for reducing poverty through sustainable economic growth.

### Economic Growth

**Audit of the Millennium Challenge Corporation's Programs in Mozambique ([Report No. M-000-13-003-P](#))**. In July 2007, the Millennium Challenge Corporation (MCC) awarded a 5-year, \$507 million compact to the Government of Mozambique to improve the southeastern African country's economy and the standard of living in select provinces in Northern Mozambique. To accomplish these goals, the compact included numerous water and road projects. The Millennium Challenge Account in Mozambique (MCA-M) is the host-government entity responsible for implementing each project activity.

OIG determined that MCC's water and road projects in Mozambique were not achieving their goals for several reasons. Contractors working on two roads and three water projects did not meet their contractual deadlines, and MCA-M did not manage the contracts or make prompt decisions when contractors missed their deadlines. When MCC officials realized that MCA-M had difficulties managing the infrastructure contracts, they developed an action plan and tools to help address the administration and oversight of the contracts. OIG could not determine why MCA-M did not use them.

### Significant Findings and Activities

- Water and road projects in Mozambique are not achieving goals because of contractors not meeting deadlines and the need for MCA-M to provide better contract oversight. Advance payments to contractors of \$29.7 million were not used in accordance with the contracts.
- OIG cannot determine whether MCC's resettlement activities have restored or improved the livelihoods of affected people because MCC does not consistently gather this information. In addition, OIG cannot verify whether proper compensation payments were made in one country visited. MCC does not have a formal process for tracking and reporting resettlement data and sharing lessons learned.
- Roads rehabilitation and irrigation projects in Senegal are behind schedule, have significant resettlement issues that could cause more delays, and may not be sustainable if the Government of Senegal does not act to minimize the risk of inadequate maintenance funding.

In addition, OIG found that \$29.7 million in advance payments to contractors were not used in accordance with the contracts for three road and four water projects. This problem occurred because MCA-M did not have procedures or controls in place to confirm that contractors had used the payments appropriately. For example, contractors were not required to report to MCA-M how they used advance payments, and the contracts did not explain the activities for which the advance could be used.

OIG also noted that contractors did not complete feasibility studies and designs in a timely manner, taking almost an extra year. MCA-M caused additional delays by taking several months to review, revise, and approve the documents once they were received. As a result, the studies were completed in the third year of the 5-year compact, delaying the procurements of construction contracts.

Finally, OIG found that the branding of the infrastructure project did not comply with MCC's policy. MCC's logo was not prominent on temporary signs for infrastructure projects, and MCC's logo was not placed on wells that the U.S. Government had funded. Without proper branding, Mozambicans will not realize that the assistance is provided by the American people.

MCC reached management decisions on all five OIG recommendations and has taken final action on one.

**Audit of the Millennium Challenge Corporation's Resettlement Activities ([Report No. M-000-13-002-P](#))**. Many projects funded by MCC involve resettlement—moving people or acquiring their property to make way for a project. As a result, MCC requires appropriate compensation to people who lose land, assets, or access to resources because of an MCC-funded project. The compensation must restore and preferably improve the livelihoods of those affected by resettlement. MCC estimates that as of June 2012, approximately \$120 million in compact funding was spent on or allocated for resettlement activities in 20 of 24 compact countries.

OIG could not determine whether MCC's resettlement activities restored or improved the livelihoods of the affected people because MCC does not always gather this information. For instance, OIG found multiple problems with resettlement activities associated with an MCC-funded road construction project in Ghana, where approximately 6,000 people were involved with resettlement. In contrast, in El Salvador, people affected by resettlement from

an MCC-funded road project generally were satisfied and said their livelihoods had been restored or improved.

MCC officials told OIG they use various methods to determine whether livelihoods have been restored, including post-resettlement reviews, spot checks, and assessment of formal complaints, depending on the project. MCC officials said they did not assess livelihood restoration in Ghana properly, in part because MCC's oversight was weak and the officials did not know the extent of the problems until the compact was ending. In fact, because payments were not clearly documented and available for examination, OIG could not verify that proper compensation payments had been made and that accurate information had been reported to MCC. In addition, about 1,300 people had not received full compensation payments at the time OIG visited, 5 months after the compact ended and, in some cases, more than 1 year after land or assets were taken. Many people also did not know about the complaint process, and some said that they had only accepted the compensation offered because they did not think they had a choice. Although MCC officials said they discuss resettlement issues when they arise, they do not have a formal process in place for tracking and reporting resettlement data and sharing lessons learned throughout the organization. For example, until OIG requested information about worldwide resettlement activities from MCC, this information had not been readily available.

MCC reached management decisions on all five OIG recommendations.

**Audit of the MCC-Funded Program in Senegal ([Report No. M-000-13-001-S](#)).** In September 2009, MCC signed a 5-year, \$540 million compact with the Government of Senegal to reduce poverty and stimulate economic growth through two major infrastructure projects, the Roads Rehabilitation Project and the Irrigation and Water Resources Management Project. The Millennium Challenge Account in Senegal (MCA-Senegal) is the host-government entity charged with implementing the terms of the compact.

OIG noted some concerns related to the projects. The projects were behind schedule, primarily because of delays in obtaining acceptable project designs. Because only minimal construction work had been completed at the time of the audit, OIG based its findings on work done at MCC headquarters in Washington, D.C.

In addition, OIG noted that the projects will involve extensive resettlement of those persons affected by the projects. MCA-Senegal had planned to provide land as in-kind compensation.

However, the land originally identified was not suitable, and MCA-Senegal is reconsidering its options. These resettlement activities could cause further delays if they are not implemented properly.

Finally, these infrastructure projects must be properly maintained once they are completed if they are to remain sustainable after the compact ends. MCC has required the Government of Senegal to take actions to minimize the risk of inadequate maintenance funding. Therefore, the Government of Senegal must plan for long-term maintenance of the improved roads and irrigation works.

Final action has been reached on OIG's recommendation.

## Management Accountability

### **Audit of the Millennium Challenge Corporation’s Fiscal Year 2012 Compliance With the Federal Information Security Management Act of 2002 (Report No. M-000-13-001-P).**

FISMA requires agencies to develop, document, and implement an Agency-wide information security program to protect their information and information systems, including those provided or managed by another agency, contractor, or other source. OIG found that MCC implemented 86 of 103 selected security controls for selected information systems in support of FISMA. Consequently, MCC’s operations and assets may be at risk of misuse and disruption.

OIG made 18 recommendations to assist MCC in strengthening its information security program, and management decisions were made on all of them.

**Millennium Challenge Corporation’s Compliance With the Implementation of the Improper Payments Elimination and Recovery Act of 2010.** OIG’s review determined that MCC is compliant with IPERA and applicable guidance; nothing came to OIG’s attention to indicate that the corporation is susceptible to significant improper payments.

**Audit of the Millennium Challenge Corporation’s Monitoring of Trafficking in Persons in MCC-Funded Programs ([Report No. M-000-13-004-P](#)).** The Victims of Trafficking and Violence Protection Act (Public Law 106-386) was passed in 2000 to combat trafficking in persons, whose victims—according to the U.S. State Department—are estimated at 27 million worldwide. To further combat this trafficking, the White House released Executive Order 13627 in September 2012, which strengthened protections against trafficking in persons in federal contracting.

### **Significant Findings and Activities**

- MCC has implemented 86 of 103 selected security controls in support of FISMA. Because not all of these controls are in place, MCC’s operations and assets may be at risk of misuse and disruption.
- OIG notes that MCC is compliant with IPERA and applicable guidance.
- OIG finds no reports of trafficking in persons allegations linked to MCC projects and no observable indications of trafficking during its site visit. However, specific guidance is needed on risk management plans for trafficking in persons activities.

OIG conducted this audit to determine whether the Millennium Challenge Corporation (MCC) established and implemented procedures to detect and deter this trafficking in selected compact countries. The audit found that MCC issued an interim amendment in May 2011 to its program procurement guidelines to help ensure that contractors, subcontractors, and employees of Millennium Challenge Act entities would not be engaged in trafficking in persons. In January 2012, MCC further revised its guidelines, requiring that environment and social assessment and gender experts conduct risk assessments of trafficking in persons, including child and forced labor, on infrastructure projects. MCC also issued a document titled “Principles into Practice: Gender Equality and Poverty Reduction through Growth” in September 2012, which stated that its Social and Gender Assessment team is responsible for identifying and managing trafficking in persons risks associated with compact projects.

As of the time of the audit, MCC had not received any reports of trafficking in persons allegations linked to MCC projects, nor did OIG observe any indications of trafficking during its site visit to MCC-funded infrastructure projects in Mozambique in June 2012. In addition, no allegations of trafficking within MCC’s projects had been received by USAID OIG or by the State Department.

OIG did note that MCC had not issued specific guidance on risk management plans for trafficking in persons activities and made a recommendation that MCC’s Vice President of the Department of Compact Operations issue written guidance on when to develop and implement these plans.

MCC has made a management decision on that recommendation.

## Financial Management

### **Audit of the Millennium Challenge Corporation's Financial Statements, Internal Controls, and Compliance for the Period Ending September 30, 2012, and 2011 ([Report No. M-000-13-001-C](#))**

An audit of MCC's financial statements for fiscal years 2012 and 2011 was performed by a nonfederal audit firm under OIG oversight. The firm expressed an unqualified opinion on the financial statements but identified one issue that was considered a material weakness and three other issues that were considered significant deficiencies.

The material weakness related to MCC's overall financial management system. MCC's financial statement preparation process continues to be susceptible to errors even though certain functionalities have been automated. Two significant deficiencies were related to MCC's validation controls over grant accruals and MCC's monitoring controls over funds. With regard to MCC's validation controls, the audit noted many instances of calculation errors, use of incorrect spending authority, omitted calculations, and missing documentation. The audit also noted that MCC needs to continue to strengthen its monitoring controls over the funds provided to its grantees, as well as strengthen controls over security management, contingency planning, access controls, and configuration management.

The audit firm made 22 recommendations to address the material weakness and significant deficiencies in internal controls.

### ***Fund Accountability Statements***

OIG reviews and approves fund accountability statement audits of compact funds under recipient government management. These fund accountability statement audits are conducted by

### **Significant Findings and Activities**

➤ OIG issues an unqualified opinion on MCC financial statements for fiscal years 2012 and 2011 but identifies one material weakness and three significant deficiencies.

➤ OIG notes errors discovered with MCC's financial management system and problems with MCC's validation controls over grant accruals and monitoring controls over funds.

independent public auditors. Under the terms of MCC compacts, funds expended by a recipient country must be audited at least annually. The recipient country establishes an accountable entity, usually an MCA, that produces financial statements documenting account activity. The audit of a fund accountability statement is conducted by a firm that OIG has approved.

The selected audit firm issues an opinion on whether the financial statements present fairly, in all material respects, the program revenues and costs incurred and reimbursed, in conformity with the terms of a compact agreement and related supplemental agreements for the period being audited.

In addition, the audit firm is required to employ generally accepted government auditing standards in performing the audits. All MCA audit reports are reviewed, approved, and issued by OIG.

During this reporting period, OIG issued 15 fund accountability statement audits, which included 13 recommendations.

**Significant Recommendations Described Previously**

**Without Final Action**

**MCC**

October 1, 2012–March 31, 2013

<b>Report Number</b>	<b>Subject of Report</b>	<b>Issue Date</b>	<b>Rec. No.</b>	<b>Management Decision Date</b>	<b>Final Action Target Date</b>
<a href="#">M-000-11-008-N</a>	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Morocco (MCA-Morocco) Under the Compact Agreement Between the MCC and the Government of Morocco From January 1, 2009 to June 30, 2009	12/30/10	2	01/03/12	04/13
<a href="#">M-000-11-001-O</a>	The Risk Assessment of the Millennium Challenge Corporation's Information Technology Governance Over Its Information Technology Investments	06/01/11	3 4 5 6 13	09/01/11 09/01/11 09/01/11 09/01/11 09/01/11	06/13 06/13 06/13 06/13 06/13
<a href="#">M-000-11-002-S</a>	Review of the Millennium Challenge Corporation's Compact With the Government of Mali	06/03/11	3	09/21/11	06/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
<a href="#">M-000-12-007-N</a>	Audit of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Resources Managed by Sea-Freight Pineapple Exporters Ghana (SPEG), a Covered Provider Under the Grant Agreement Dated September 19, 2008, Between the Millennium Development Authority (MiDA) and SPEG for the Period From July 1, 2010 to December 31, 2010	02/24/12	1 2		
<a href="#">M-000-12-001-P</a>	Audit of the Millennium Challenge Corporation's Funding of Activities in Mongolia	03/22/12	1 2 4	03/22/12 03/22/12 03/22/12	06/13 04/13 04/13
<a href="#">M-000-12-002-P</a>	Follow-up Audit of the Millennium Challenge Corporation's Implementation of Key Components of a Privacy Program for Its Information Technology Systems	03/30/12	1-2 4 7-9 11-16 20 22 24	03/30/12 03/30/12 03/30/12 03/30/12 03/30/12 03/30/12 03/30/12	06/13 06/13 06/13 06/13 06/13 06/13 06/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
<a href="#">M-000-12-003-S</a>	Review of the Compact Closeout in Nicaragua	04/10/12	2	04/10/12	04/13
			4	04/10/12	04/13
<a href="#">M-000-12-004-S</a>	Review of MCC and Implementing Partner Management Controls, and Compliance With Laws and Regulations Related to Drug Trafficking and Criminal Activities	06/05/12	1	06/05/12	06/13
			2	06/05/12	06/13
			3	06/05/12	06/13
			4	06/05/12	06/13
			5	06/05/12	06/13
<a href="#">M-000-12-004-P</a>	Audit of the Millennium Challenge Corporation's Implementation of Selected Security Controls for Its E-Travel System	06/07/12	1	06/07/12	06/13
			2	06/07/12	06/13
			3	06/07/12	06/13
			5	06/07/12	06/13
			6	06/07/12	06/13
			8	06/07/12	06/13
			9	06/07/12	06/13
<a href="#">M-000-12-005-P</a>	Audit of the Millennium Challenge Corporation-Funded Fruit Tree Productivity Project in Morocco	06/15/12	1	06/15/12	06/13
			2	06/15/12	06/13
			3	06/15/12	06/13
			4	06/15/12	06/13
			5	06/15/12	06/13
			6	06/15/12	06/13

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
<a href="#">M-000-12-024-N</a>	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Development Authority (MiDA) Under the Grant Agreement Between MCC and the Government of Ghana from January 1, 2011, to June 30, 2011	08/20/12	1 2 3		
<a href="#">M-000-12-006-P</a>	Audit of the Millennium Challenge Corporation's Contract Management Process	09/18/12	1	09/18/12	04/13

**Incidents in Which OIG Was Refused  
Assistance or Information**

**MCC**

October 1, 2012–March 31, 2013

Section 6(b)(2) of the Inspector General Act of 1978 requires an inspector general to report to the head of the agency whenever requested information or assistance is unreasonably refused or not provided.

During this reporting period, there were no reports regarding instances in which information or assistance was unreasonably refused or not provided.

**Financial Audits**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**  
**MCC**  
**October 1, 2012–March 31, 2013**

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
M-000-13-001-C	11/15/12	Audit of the Millennium Challenge Corporation's Financial Statements, Internal Controls, and Compliance for the Period Ending September 30, 2012, and 2011		
M-000-13-001-N	10/16/12	Audit of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Recourses Managed By the Millennium Challenge Account Namibia (MCA)—Namibia) Under the Compact Agreement Between the MCC and the Government of the Republic of Namibia for the Period July 1, 2011, to December 31, 2011		
M-000-13-002-N	10/26/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Lesotho (MCA-Lesotho), Under the Compact Agreement Between the MCC and the Government of Lesotho from July 1, 2011, to December 31, 2011		
M-000-13-003-N	11/21/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Development Authority (MiDA) Under the Agricultural Credit Program (ACP) in Ghana from May 1, 2008, to September 30, 2011	19,642	QC

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-13-004-N	11/23/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Account-Senegal (MCA-Senegal), Under the Compact Agreement Between the MCC and the Government of Senegal From January 1, 2011, to December 31, 2011	465	QC
M-000-13-005-N	12/06/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Burkina Faso (MCA-Burkina Faso), Under the Compact Agreement Between the MCC and the Government of Burkina Faso From January 1, 2011, to December 31, 2011		
M-000-13-006-N	12/07/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Jordan (MCA-Jordan), Under the Compact Agreement Between the MCC and the Hashemite Kingdom of Jordan From June 4, 2009, to December 31, 2011		
M-000-13-007-N	01/08/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Philippines (MCA-Philippines), Under the Compact Agreement Between the MCC and the Government of the Republic of the Philippines From January 1, 2010, to December 31, 2011		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-13-008-N	01/08/13	Fund Accountability Statement (FAS) and Close-Out Audit of the Millennium Challenge Corporation (MCC) Resources Managed by the Millennium Challenge Georgia Fund (MCG) Under the Compact Agreement Between the MCC and the Government of Georgia for the Period from January 1, 2011, to April 7, 2011 (FAS) and April 8, 2011, to August 4, 2011 (Close-out)	1,255 1,255	QC UN
M-000-13-009-N	01/15/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Morocco (MCA-Morocco), Under the Compact Agreement Between the MCC and the Government of Morocco From July 1, 2011, to December 31, 2011		
M-000-13-010-N	01/25/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Tanzania (MCA-Tanzania), Under the Compact Agreement Between the MCC and the Government of Tanzania From January 1, 2011, to December 31, 2011		
M-000-13-011-N	02/21/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Mali (MCA-Mali), Under the Compact Agreement Between the MCC and the Government of Mali From January 1, 2012, to June 30, 2012		

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
M-000-13-012-N	02/25/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Moldova (MCA-Moldova), Under the Compact Agreement Between MCC and the Government of the Republic of Moldova From January 1, 2012, to June 30, 2012		
M-000-13-013-N	02/25/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-Mozambique (MCA-Mozambique), Under the Compact Agreement Between the MCC and the Government of Mozambique From January 1, 2011, to December 31, 2011		
M-000-13-014-N	02/26/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Sea Freight Pineapple Exporters Ghana (SPEG), a Covered Provider Under the Grant Agreement Between the Millennium Development Authority (MiDA) and SPEG From July 1, 2011, to April 30, 2012		
M-000-13-015-N	02/27/13	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Challenge Account-EL Salvador (Fomilenio), Under the Compact Agreement Between the MCC and the Government of EL Salvador From January 1, 2011, to December 31, 2011		

**Performance Audits**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**  
**MCC**  
**October 1, 2012–March 31, 2013**

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
M-000-13-001-P	11/06/12	Audit of the Millennium Challenge Corporation's Fiscal Year 2012 Compliance With the Federal Information Security Management Act of 2002		
M-000-13-001-S	03/18/13	Audit of the MCC-Funded Program in Senegal		
M-000-13-002-P	12/06/12	Audit of the Millennium Challenge Corporation's Resettlement Activities		
M-000-13-003-P	01/31/13	Audit of the Millennium Challenge Corporation's Programs in Mozambique		
M-000-13-004-P	02/12/13	Audit of the Millennium Challenge Corporation's Monitoring of Trafficking in Persons in MCC-Funded Programs		

**Miscellaneous Reports**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**  
**MCC**  
October 1, 2012–March 31, 2013

No miscellaneous reports were issued during this reporting period.

## Reports With Questioned and Unsupported Costs

### MCC

October 1, 2012–March 31, 2013

Reports	Number of Audit Reports	Questioned Costs (\$)	Unsupported Costs (\$)
A. For which no management decision had been made as of October 2, 2012	6	2,371,780	332,689
B. Add: Reports issued October 1, 2012–March 31, 2013	3	21,361,855	1,254,625
<b>Subtotal</b>	<b>9</b>	<b>23,733,635</b>	<b>1,587,314</b>
C. Less: Reports with a management decision made October 1, 2012–March 31, 2013	5*	247,173	82,754
Value of recommendations disallowed by agency officials		0	0
Value of recommendations allowed by agency officials		247,173	82,754
D. For which no management decision had been made as of March 31, 2013	3	21,361,855	1,254,625

\*Unlike the monetary figures in this row, this figure is not subtracted from the subtotal. Some audit reports counted here may be counted again in the figure below it because some reports have multiple recommendations and fall into both categories.

**Reports With Recommendations That Funds Be Put to Better Use**

**MCC**

October 1, 2012–March 31, 2013

During the reporting period, no reports were issued with recommendations that funds be put to better use.

## Reports Over 6 Months Old With No Management Decision

### MCC

October 1, 2012–March 31, 2013

Report Number	Auditee	Issue Date	Status
M-000-12-007-N	MiDA-Ghana	02/24/12	<p><b>Audit of the MCC Resources Managed By Sea-Freight Pineapple Exporters Ghana (SPEG)–A Covered Provider under the Grant Agreement Between the Millennium Development Authority (MiDA) and SPEG From July 1, 2010, to December 31, 2010</b></p> <p>MCC is in the process of issuing final action documentation on recommendations 1 and 2 from the above audit. Notification to OIG is pending the collection of source documents from the MCA. MCC expects to notify OIG of its management decision and final action by April 30, 2013.</p>
M-000-12-024-N	MiDA-Ghana	08/20/12	<p><b>Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Development Authority (MiDA) Under the Grant Agreement Between MCC and the Government of Ghana From January 1, 2011, to June 30, 2011</b></p> <p>MCC is in the process of issuing final action documentation on recommendations 1, 2, and 3 from the above audit. Notification to OIG is pending the collection of source documents from the MCA. MCC expects to notify OIG of its management decision and final action by April 30, 2013.</p>

## **Significant Revisions of Management Decisions**

**MCC**

October 1, 2012–March 31, 2013

Section 5(a)(11) of the Inspector General Act of 1978 requires semiannual reports to include a description and explanation of the reasons for any significant revised management decision made during the reporting period. During the reporting period, MCC did not make any significant revisions of previous management decisions.

## **Significant Management Decisions With Which the Inspector General Disagrees**

**MCC**

October 1, 2012–March 31, 2013

Section 5(a)(12) of the Inspector General Act of 1978 requires semiannual reports to include information concerning any significant management decisions with which the inspector general disagrees. During this reporting period, there were no instances where the Inspector General disagreed with a significant management decision.

## Significant Findings From Contract Audit Reports

### MCC

October 1, 2012–March 31, 2013

Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Funding
<u>M-000-13-003-N</u>	11/21/12	Audit of the Millennium Challenge Corporation (MCC) Resources Managed by Millennium Development Authority (MiDA) Under the Agricultural Credit Program (ACP) in Ghana From May 1, 2008, to September 30, 2011	19,642	Grant

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 842) requires inspectors general to submit information on contract audit reports that contain significant audit findings in semiannual reports to Congress. The act defines “significant audit findings” to include unsupported, questioned, or disallowed costs in excess of \$10 million and other findings that inspectors general determine to be significant.

During the reporting period, OIG had one significant finding from a MCC contract audit report. Under the Agricultural Credit Program (APC) Ghana, OIG recommended that MCC take further action to recover \$19,642,194 in ineligible questioned costs disbursed under the Compact’s Agricultural Credit Program. The auditors reported that MiDA failed to detect in a timely manner several breaches and weaknesses in program implementation. In addition, MiDA failed to procure the services of an ACP consultant in a timely manner. Thus, disbursements of loans were done without the input, recommendation, and advice of the consultant, leading to the wrong assessment of the Participation Financial Institution (PFI), overdisbursements, and subsequently, defaults on loans by the PFIs. Furthermore, The ACP Unit of the Bank of Ghana lacked the capacity to implement the program.

## **Significant Findings**

### **United States African Development Foundation**

The United States African Development Foundation provides grants of up to \$250,000 to local community groups and enterprises that benefit underserved and marginalized groups in Africa. The Foundation measures grant success in terms of jobs, increased income levels, and improved social conditions.

**Audit of the United States African Development Foundation’s Financial Statements for Fiscal Years 2012 and 2011 ([Report No. 0-ADF-13-003-C](#)).** A nonfederal audit firm under OIG’s oversight performed an audit of the United States African Development Foundation’s (USADF) financial statements for the fiscal year that ended September 30, 2012. The audit firm issued an unqualified opinion on USADF’s financial statements. In addition, the audit firm found the following: (1) no material weakness or significant deficiency in internal controls over financial reporting, (2) no instances of noncompliance with selected provisions of applicable laws and regulations, and (3) no instances of substantial noncompliance with federal financial management system requirements. The audit disclosed no instances in which the audit firm did not comply, in all material respects, with applicable standards. Therefore, no recommendations were made.

**Audit of the United States African Development Foundation’s Compliance with the Federal Information Security Management Act of 2002—Fiscal Year 2012 ([Report No. A-ADF-13-002-P](#)).** FISMA requires agencies to develop, document, and implement an agencywide information security program to protect their information and information systems, including those provided or managed by another agency, contractor, or other source. Because USADF is a federal agency, it is required to comply with federal information security requirements.

OIG found that USADF had generally implemented security controls over its information systems in support of FISMA, but OIG identified several areas where USADF’s information security program could be improved. OIG made nine recommendations to assist USADF in strengthening its information security program. USADF agreed with and made management decisions on all nine recommendations, and took final action on four.

**Significant Recommendations**  
**Described Previously Without Final Action**  
**USADF**  
 October 1, 2012–March 31, 2013

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
7-ADF-08-006-P	Followup Audit of the Awarding and Monitoring of Grants by the African Development Foundation	06/12/08	16	06/12/08	12/31/13
7-ADF-08-007-P	Audit of the African Development Foundation/Ghana Project Activities	09/17/08	1 7 14 17.4	09/17/08* 09/17/08* 09/17/08** 09/26/08	12/31/13 12/31/13 12/31/13 12/31/13

\*Revised management decision 6/30/2011  
 \*\*Revised management decision 5/03/2011

**Incidents in Which OIG Was Refused Assistance or Information**  
**USADF**  
 October 1, 2012–March 31, 2013

Section 6(b)(2) of the Inspector General Act of 1978 requires an inspector general to report to the head of the agency whenever requested information or assistance is unreasonably refused or not provided.

During this reporting period, there were no reports regarding instances in which information or assistance was unreasonably refused or not provided.

<b>Financial Audits</b> <b>Associated Questioned Costs, Unsupported Costs, and</b> <b>Value of Recommendations That Funds Be Put to Better Use</b> <b>USADF</b> October 1, 2012–March 31, 2013				
Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<i>Programs and Operations</i>				
0-ADF-13-003-C	11/15/12	Audit of the African Development Foundation's Financial Statements for Fiscal Years 2012 and 2011		

<b>Performance Audits</b> <b>Associated Questioned Costs, Unsupported Costs, and</b> <b>Value of Recommendations That Funds Be Put to Better Use</b> <b>USADF</b> October 1, 2012–March 31, 2013				
Report Number	Date of Report	Report Title	Amt. of Findings (\$000)	Type of Findings
<i>Economy and Efficiency</i>				
A-ADF-13-002-P	11/15/2012	Audit of the United States African Development Foundation's Compliance With the Federal Information Security Management Act of 2002—Fiscal Year 2012		

**Miscellaneous Reports**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**  
**USADF**  
October 1, 2012–March 31, 2013

During the reporting period, no miscellaneous reports were issued with associated questioned costs, unsupported costs, or recommendations that funds be put to better use.

**Reports With Questioned and Unsupported Costs**

**USADF**

October 1, 2012–March 31, 2013

During the reporting period, no reports were issued with questioned or unsupported costs.

**Reports With Recommendations That Funds Be Put to Better Use**

**USADF**

October 1, 2012–March 31, 2013

During the reporting period, no reports were issued with recommendations that funds be put to better use.

**Reports Over 6 Months Old With No Management Decision**

**USADF**

October 1, 2012–March 31, 2013

During the reporting period, there were no reports more than 6 months old without a management decision.

## **Significant Revisions of Management Decisions**

### **USADF**

October 1, 2012–March 31, 2013

Section 5(a) (11) of the Inspector General Act requires a description and explanation of the reasons for any significant revised management decision during the reporting period.

During this reporting period, USADF did not make any significant revisions of management decisions.

## **Significant Management Decisions With Which the Inspector General Disagrees**

### **USADF**

October 1, 2012–March 31, 2013

The Inspector General Act of 1978, as amended, requires semiannual reports to include information concerning any significant management decisions with which the inspector general disagrees.

During this reporting period, there were no instances in which the Inspector General disagreed with a significant management decision.

**Significant Findings From  
Contract Audit Reports**

**USADF**

October 1, 2012–March 31, 2013

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 845) requires inspectors general to submit information on contract<sup>27</sup> audit reports that contain significant audit findings in semiannual reports to the Congress.

The act defines “significant audit findings” to include unsupported, questioned, or disallowed costs in excess of \$10 million and other findings that an inspector general determines to be significant.

USADF had no significant findings from contract audit reports.

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<sup>27</sup> Includes grants and cooperative agreements.

## **Significant Findings**

### **Inter–American Foundation**

The Inter-American Foundation is an independent U.S. Government agency created to provide development assistance in Latin America and the Caribbean. IAF provides grant support for the most creative ideas for self-help received from grassroots groups and NGOs, while encouraging partnerships among community organizations and business and local governments that are working to improve the quality of life for poor people and strengthen democratic practices.

**Audit of the Inter-American Foundation’s Compliance With the Federal Information Security Management Act of 2002 for Fiscal Year 2012 (Report No. A-IAF-13-001-P).** FISMA requires agencies to develop, document, and implement an agencywide information security program to protect their information and information systems, including those provided or managed by another agency, contractor, or other source. Because the IAF is a federal agency, it is required to comply with federal information security requirements.

OIG concluded that IAF had implemented selected security controls for selected information systems in support of FISMA. However, areas for improvement were identified in IAF’s information security program. OIG made 11 recommendations to assist IAF in strengthening its information security program. IAF agreed with and made management decisions on all 11 recommendations and took final action on four.

**Audit of the United States Inter-American Foundation’s Financial Statements for Fiscal Years 2012 and 2011 (Report No. 0-IAF-13-003-C).** A nonfederal audit firm under OIG’s oversight performed an audit of the IAF’s financial statements for the fiscal year that ended September 30, 2012. The audit firm issued an unqualified opinion on IAF’s financial statements. In addition, the audit firm found the following: (1) no material weakness or significant deficiency in the internal controls over financial reporting and (2) no instances of noncompliance with selected provisions of applicable laws and regulations. The audit disclosed no instances in which the audit firm did not comply, in all material respects, with applicable standards. Therefore, no recommendations were made.

**Significant Recommendations Described Previously**

**Without Final Action**

**IAF**

October 1, 2012–March 31, 2013

During the reporting period, there were no significant recommendations described previously without final action.

**Incidents in Which**

**OIG Was Refused Assistance or Information**

**IAF**

Section 6(b)(2) of the Inspector General Act of 1978 requires an inspector general to report to the head of the agency whenever requested information or assistance is unreasonably refused or not provided.

During this reporting period, there were no reports regarding instances in which information or assistance was unreasonably refused or not provided.

**Financial Audits**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**

**IAF**

October 1, 2012–March 31, 2013

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
<b><i>Programs and Operations</i></b>				
O-IAF-13-003-C	11/15/12	Audit of the Inter-American Foundation's Financial Statements for Fiscal Years 2012 and 2011		

**Performance Audits**  
**Associated Questioned Costs, Unsupported Costs, and**  
**Value of Recommendations That Funds Be Put to Better Use**

**IAF**

October 1, 2012–March 31, 2013

<b>Report Number</b>	<b>Date of Report</b>	<b>Report Title</b>	<b>Amt. of Findings (\$000)</b>	<b>Type of Findings</b>
<b><i>Economy and Efficiency</i></b>				
A-IAF-13-001-P	11/15/12	Audit of the Inter-American Foundation's Compliance With the Federal Information Security Management Act of 2002 for Fiscal Year 2012		

## **Miscellaneous Reports**

### **Associated Questioned Costs, Unsupported Costs, and Value of Recommendations That Funds Be Put to Better Use**

**IAF**

**October 1, 2012–March 31, 2013**

During the reporting period, no miscellaneous reports were issued with associated questioned costs, unsupported costs, or recommendations that funds be put to better use.

**Reports With Questioned and Unsupported Costs**

**IAF**

October 1, 2012–March 31, 2013

During the reporting period, no reports were issued with questioned or unsupported costs.

**Reports With Recommendations That Funds Be Put to Better Use**

**IAF**

October 1, 2012–March 31, 2013

During the reporting period, no reports were issued with recommendations that funds be put to better use.

**Reports Over 6 Months Old With No Management Decision**

**IAF**

October 1, 2012–March 31, 2013

During the reporting period, there were no reports more than 6 months old without a management decision.

## **Significant Revisions of Management Decisions**

**IAF**

October 1, 2012–March 31, 2013

Section 5(a) (11) of the Inspector General Act requires a description and explanation of the reasons for any significant revised management decisions during the reporting period.

During the reporting period, there were no significant revisions of management decisions.

## **Significant Management Decisions With Which the Inspector General Disagrees**

**IAF**

October 1, 2012–March 31, 2013

The Inspector General Act of 1978, as amended, requires semiannual reports to include information concerning any significant management decisions with which the inspector general disagrees.

During this reporting period, there were no instances in which Inspector General disagreed with a significant management decision.

## Significant Findings From Contract Audit Reports

IAF

October 1, 2012–March 31, 2013

The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Section 845) requires inspectors general to submit information on contract<sup>28</sup> audit reports that contain significant audit findings in semiannual reports to the Congress.

The act defines *significant audit findings* to include unsupported, questioned, or disallowed costs in excess of \$10 million and other findings that the inspector general determines to be significant.

IAF had no significant findings from contract audit reports.

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<sup>28</sup> Includes grants and cooperative agreements.

## Peer Reviews

### USAID, MCC, USADF, and IAF

October 1, 2012–March 31, 2013

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) requires federal inspectors general to report on results of peer reviews in their semiannual reports.

Results of peer reviews conducted on USAID OIG during the reporting period:

**Audit:** None

**Investigations:** No peer reviews were conducted during this period.

Date of the last peer review conducted on USAID OIG:

**Audit:** September 2012

**Investigations:** April 2011

Outstanding recommendations for any peer review conducted on USAID OIG that have not been fully implemented:

**Audit:** None

**Investigations:** None

Peer reviews conducted by USAID OIG during the reporting period and any outstanding recommendations from any previous peer review:

**Audit:** None

**Investigations:** None

## Abbreviations

BU	funds recommended to be put to better use
DCAA	Defense Contract Audit Agency
FISMA	Federal Information Security Management Act of 2002
IAF	Inter-American Foundation
IPERA	Improper Payments Elimination and Recovery Act
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
NGO	nongovernmental organization
OIG	Office of Inspector General
OMB	Office of Management and Budget
QC	questioned costs
UN	unsupported costs
USADF	United States African Development Foundation
USAID	United States Agency for International Development







**United States Agency for International Development**

**Office of Inspector General**

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