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FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL
SEMIANNUAL REPORT TO THE CONGRESS
April 1 – September 30, 2008



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CONTENTS

Message from the Inspector General	3
Semiannual Report to the Congress for:	5
United States Agency for International Development (USAID)	
United States African Development Foundation (USADF)	
Inter-American Foundation (IAF)	
Summary of Results for USAID, USADF, and IAF	7
Appendix I:	
Reporting Requirements for USAID, USADF, and IAF	29
Semiannual Report to the Congress for Millennium Challenge Corporation (MCC)	63
Summary of Results for MCC	65
Appendix II:	
Reporting Requirements for MCC	75



MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present the *Semiannual Report to the Congress* (SARC) for the 6-month period ending September 30, 2008. This report is issued in accordance with the requirements of the Inspector General Act of 1978, as amended, and specifically addresses our oversight activities and accomplishments for the U.S. Agency for International Development (USAID), the United States African Development Foundation (USADF), the Inter-American Foundation (IAF), and the Millennium Challenge Corporation (MCC).

This SARC is the first to include Office of Inspector General's (OIG) work related to all of the foreign assistance agencies for which OIG has oversight responsibility. Previously, MCC activities were reported separately. We have organized this report around OIG's three strategic goals, which are aligned with USAID and MCC's strategic goals, and the results, reported under each specific goal, cite examples of OIG assistance to the four agencies to improve the economy, effectiveness, and efficiency of their programs and operations as well as to reduce the agencies' exposure to fraud, waste, and abuse.

Overall, we issued 261 audits and closed 36 investigations over the past 6 months. As you will see in the report, we have focused on USAID's highest priority programs in Iraq and Afghanistan as well as Presidential health initiatives such as HIV/AIDS. U.S. foreign assistance programs are essential to the administration's transformational diplomacy goals in the advancement of sustainable development and global interests. Our auditors and investigators continue to work effectively in difficult and dangerous conditions around the world, demonstrating our commitment to improving these programs.

In addition to working toward improving USAID programs and operations, we have a responsibility to prevent fraud, waste, and abuse in foreign assistance programs—problems of increasing importance in today's environment of limited Federal resources. Our investigators have worked diligently to ensure that appropriate action is taken against those who would illegally divert U.S. Government funds.

Within OIG, we continue working to improve our own programs and initiatives by continually reexamining our strategies and goals and by taking advantage of technologies that enable us to better implement programs and respond to our stakeholders.

We look forward to working with Congress and our partners and stakeholders to continue to improve the efficiency and effectiveness of U.S. foreign assistance programs.

Donald A. Gambatesa
Inspector General





SEMIANNUAL REPORT TO THE CONGRESS
for
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT,
U.S. AFRICAN DEVELOPMENT FOUNDATION,
and
INTER-AMERICAN FOUNDATION



SUMMARY OF RESULTS

OIG's purpose is to ensure that its assigned organizations enhance the integrity, efficiency, and effectiveness of their work and achieve the greatest possible results. To assist USAID, USAIDF, and IAF in doing so, OIG evaluates the organizations' programs and operations and provides oversight and information. Using three strategic goals, shown below, as a framework, OIG planned and executed work intended to help these organizations in addressing their challenges and priorities.

Highlights of OIG's results related to USAID, USAIDF, and IAF for this reporting period follow:

Strategic Goal 1: Strengthen the economy, effectiveness, and efficiency of U.S. foreign assistance programs and operations

OIG focused on USAID audit work that involved economic programs, financial management systems, the President's Emergency Plan for AIDS Relief (PEPFAR), and the President's Malaria Initiative (PMI). OIG accomplishments and findings included the following:

- Afghanistan's small and medium enterprise development activity project results were overstated.
- USAID missions in Cambodia, India, and Russia achieved planned results in fiscal year 2006 in their PEPFAR grants, cooperative agreements, and contracts.
- PMI evidenced progress in Uganda, but significant issues exist.

Strategic Goal 2: Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse

OIG focused on audit and investigative work, as well as training and outreach, addressing vulnerabilities and integrity concerns that place programs at risk. OIG accomplishments included the following:

- USAID contractor and subcontractors indicted for contract fraud.
- USAID contractor ordered to pay \$7.48 million in bills for collection.
- Employee of a USAID contractor pleads guilty to bank fraud.

Strategic Goal 3: Continually improve OIG functions and operations

An automated helpdesk system was implemented to track requests for administrative services and other support requirements.

OIG established a performance plan for this reporting period that aligns with these goals and the overall U.S. foreign assistance framework and priorities as identified in the U.S. Department of State and USAID Strategic Plan for Fiscal Years 2007–2012.

Additional details of OIG's results related to USAID, USAIDF, and IAF for this reporting are shown in the following charts and activity summaries:

Audits Conducted for USAID, USADF, and IAF as of September 30, 2008

TYPE OF REPORT	NUMBER OF REPORTS	MONETARY RECOMMENDATIONS (\$)*
FINANCIAL AUDITS		
USAID PROGRAMS AND OPERATIONS	0	0
FOUNDATIONS' PROGRAMS AND OPERATIONS	0	0
U.S.-BASED CONTRACTORS	39	11,702,874
U.S.-BASED GRANTEES	19	4,858,604
QUALITY CONTROL REVIEWS	5	0
FOREIGN-BASED ORGANIZATIONS	113	32,182,402
QUALITY CONTROL REVIEWS	21	0
ENTERPRISE FUNDS	11	0
PERFORMANCE AUDITS		
USAID ECONOMY AND EFFICIENCY	30	162,367,100
FOUNDATIONS' ECONOMY AND EFFICIENCY	4	1,665,727
OTHER	2	0
TOTAL	244	212,776,707

* Monetary recommendations include questioned costs and funds put to better use.

Investigative Activity for USAID as of September 30, 2008

WORKLOAD			CIVIL	
CASES OPENED	42		REFERRALS	0
CASES CLOSED	36		DECLINATIONS	0
			COMPLAINTS	0
			JUDGMENTS / RECOVERIES	0
			SETTLEMENTS	0
CRIMINAL			ADMINISTRATIVE	
REFERRALS	3		REPRIMANDS / DEMOTIONS	0
DECLINATIONS	3		PERSONNEL SUSPENSIONS	0
ARRESTS	1		RESIGNATIONS / TERMINATIONS	1
INDICTMENTS	5		OTHER ADMINISTRATIVE ACTIONS	1
CONVICTIONS	0		RECOVERIES	5
SENTENCING	1		PROCUREMENT	
FINES	1		SUSPENSIONS / DEBARMENTS	1
RESTITUTIONS	1		SAVINGS	1
			SYSTEMIC CHANGES	4

Investigative Recoveries for USAID as of September 30, 2008

JUDICIAL RECOVERIES	\$193,436.00
ADMINISTRATIVE RECOVERIES	\$8,611,082.00
SAVINGS	\$500,000.00
TOTAL INVESTIGATIVE SAVINGS / RECOVERIES	\$9,304,518.00

Fraud Awareness Briefings Conducted for USAID as of September 30, 2008

Month	Location	Sessions	Attendees	Professional Affiliation
APR	San Salvador, El Salvador	1	18	USAID Contractors
	Washington, DC	1	31	USAID Personnel
MAY	Washington, DC	7	135	USAID Personnel
	Almaty, Kazakhstan	2	84	USAID Personnel
	Almaty, Kazakhstan	3	99	USAID Contractors
	Bishkek, Kyrgyzstan	3	64	USAID Contractors
JUN	Khartoum, Sudan	1	35	USAID Personnel
	Baghdad, Iraq	1	22	USAID Contractors
	Juba, Sudan	1	44	USAID Personnel
	Mexico City, Mexico	2	38	USAID Contractors
	Mombasa, Kenya	1	108	USAID Personnel
JUL	Washington, DC	2	62	USAID Personnel
AUG	Kabul, Afghanistan	3	161	USAID Personnel
	Lima, Peru	4	88	USAID Contractors
	Lima, Peru	2	82	USAID Personnel
	Kampala, Uganda	1	13	USAID Personnel
	Kathmandu, Nepal	10	212	USAID Personnel
SEP	Baghdad, Iraq	1	29	USAID Contractors
TOTAL		46	1,325	

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Strategic Goal 1:

Strengthen the economy, effectiveness, and efficiency of U.S. foreign assistance programs and operations

USAID/Iraq Could Increase the Positive Impact of the Marla Ruzicka Iraqi War Victims Fund

Since 2003, USAID/Iraq has helped Iraqi civilians injured by U.S. and Coalition forces to piece their lives and livelihoods back together through funding provided by a program known as the Marla Ruzicka Iraqi War Victims Fund (the Marla Fund). According to USAID/Iraq, more than 350,000 Iraqis have benefited directly, and 1.5 million have benefited indirectly, from more than 630 completed projects. To date, USAID/Iraq has received approximately \$40 million in U.S. appropriations to assist Iraqi war victims. Projects have covered costs of providing health care; income generation; and the rehabilitation of destroyed homes, schools, and clinics for civilian victims of the war in Iraq. Many of the projects have helped establish sustainable incomes for families, while others have provided prosthetics and medical treatment.

OIG conducted an audit to determine whether USAID/Iraq complied with provisions contained in public laws to help ensure that funds appropriated for the Marla Fund were used as intended.

Although USAID/Iraq complied with provisions contained in public laws to ensure that funds appropriated for the Marla Fund were used as intended, USAID/Iraq could increase the positive impact of the Marla Fund in some areas.

OIG recommended that USAID/Iraq reconsider its practice of limiting Marla Fund beneficiaries to Iraqi civilians who suffered losses caused solely by U.S. and Coalition forces and make appropriate changes as warranted; provide guidance to its partners that encourages them to focus future projects on families in need rather than community infrastructure projects; determine whether funds should be reallocated to implementing partners in regions where those funds could be better used; and develop a plan to address the future sustainability of assistance to civilian Iraqi war victims.

Management decisions have been reached on all four recommendations.

(Audit Report No. E-267-08-002-P)

USAID/Iraq's Monitoring and Evaluation Performance Program Is Operating as Intended but Improvements Could Be Made

The difficulty of operating a USAID mission in an active war zone has hampered USAID officials' ability to adequately monitor program activities in the field. To address this constraint, USAID/Iraq awarded a \$13.4 million, 3-year contract to carry out its monitoring and evaluation program.

OIG conducted an audit to determine whether USAID/Iraq's monitoring and evaluation program is producing reports that are timely, relevant, and useful for performance management and whether USAID/Iraq is using those results to manage its portfolio.

The contractor's monitoring and evaluation reports were generally timely, relevant, and useful for performance management. However, the contractor could improve the reliability of its monitoring reports by coordinating with the U.S. military to spot-check performance of its field monitors and by monitoring high-risk activities more frequently. USAID/Iraq was generally using the results of its monitoring and evaluation program to manage its portfolio, but improvements could be made.

OIG made six recommendations, including obtaining information from the U.S. military to assist in verifying the accuracy of field monitoring reports, increasing the frequency of monitoring of activities that are highly vulnerable to fraud and abuse, and documenting responses to findings and recommendations contained in monitoring reports.

Management decisions have been reached on all six recommendations.

(Audit Report No. E-267-08-004-P)

USAID/Iraq's Community Action Program II Project Activities Were Taking Place but Assessing Results Was Problematic

USAID/Iraq's \$150 million Community Action Program II is a 2-year program designed to promote the development of stable communities by assisting in identifying and prioritizing problems, managing conflict constructively, meeting challenges with local and external resources, and developing democratic principles. Typical projects consisted of improving community schools, health, roads and bridges, water and sewerage, and business and economic development.

OIG's audit determined that project activities were taking place successfully, but they lacked a mechanism to help program managers and other stakeholders assess the program's progress and make necessary adjustments.

Specifically, USAID/Iraq did not ensure that baseline values for performance indicators designed to measure progress were determined at the beginning of the program. Targets for performance indicators also varied, and OIG could not determine which targets were in effect during the time of the audit. In addition, the four implementing partners did not always have uniform guidelines for processing performance results data. Consequently, many of the reported results were inaccurate.

OIG made four recommendations, including developing procedures to ensure that changes to performance indicators and targets are properly documented and assessing the quality of data to ensure that system flaws are identified and corrected.

Management decisions have been reached on all four recommendations.

(Report No. E-267-08-005-P)



Photograph of a USAID/Iraq armored vehicle with shrapnel damage in Basrah, Iraq. (Photograph by Regional Inspector General (RIG)/Iraq; Baghdad, Iraq)

Management of USAID/Iraq's Official Vehicle Fleet Could Be Improved

Since 2003, the mission has had responsibility for 188 official and program vehicles, many of which were armored, with a total acquisition value of approximately \$25.1 million. At the conclusion of the audit, the mission reduced its inventory to 89 vehicles. The majority of vehicles were in Baghdad, with some vehicles located elsewhere throughout Iraq.

OIG conducted an audit to determine whether its official vehicle fleet was managed in accordance with USAID policies.

Although USAID/Iraq managed many aspects of its official vehicle fleet in accordance with USAID policies, the mission did not always maintain vehicle records, dispose of excess vehicles, report missing vehicles, use authorized armoring technicians, train drivers, or equip vehicles with operable security radios.

OIG made seven recommendations, including maintaining vehicle records for all mission-controlled vehicles, disposing of excess vehicles with a total estimated value of about \$2.2 million, and reporting to U.S. security officials all armored vehicles that could not be located.

Management decisions have been reached on all seven recommendations, and final action has been taken on four.

(Audit Report No. E-267-08-003-P)

Too Early to Determine Success of USAID/Iraq's Agribusiness Program

Revitalizing Iraqi agribusiness is an important element in creating a stable, prosperous, and democratic Iraq. In May 2007, USAID awarded a 3-year, \$209 million contract to implement the agribusiness program. This program was designed to provide agricultural and business development services and to promote economic diversification and job generation.

OIG's audit found that 2 of 12 agribusiness activities reviewed were not achieving intended results, and the success of the remaining 10 activities could not be determined because of delays in the startup of the program. The two activities not achieving results were the date production and the masters degree programs. Specifically, OIG determined that the targets set for these activities were too ambitious and not likely to be achieved. Nevertheless, the program has produced interim reports indicating that some program activities are making early progress toward achieving their targets.

OIG made eight recommendations, including establishing and/or revising performance indicators, improving the utility of financial reports, and confirming that the required provision to prevent financing of terrorism is included in all subawards. Additionally, OIG recommended that USAID/Iraq reassess the feasibility of sending 25 students to the United States for a masters degree program and reprogram up to \$5 million allocated for the program to be put to better use.

Management decisions have been reached on all eight recommendations, and final action has been taken on three. In addition to putting \$5 million to better use, the mission reported taking action to reprogram an additional \$1 million associated with participant training. Therefore, a management decision has been reached to put \$6 million to better use.

(Audit Report No. E-267-08-006-P)

USAID/Afghanistan's Small and Medium Enterprise Development Activity Produced Mixed Results

In October 2006, USAID/Afghanistan awarded a \$36.8 million contract to implement the Afghanistan Small and Medium Enterprise Development Activity. Project goals are to provide business development services, eliminate nongovernmental barriers to establishing and running efficient businesses, assist in establishing a more vibrant private sector, and help provide licit economic opportunities for thousands of Afghans.

OIG conducted an audit to determine whether USAID/Afghanistan's Small and Medium Enterprise Development Activity was accomplishing planned results and to assess the program's impact.

OIG could not determine whether 11 of 18 performance indicators used to measure progress met planned results during the first year of implementation. The contractor's performance data for the 11 performance indicators were not reliable because a lack of controls in the contractor's database resulted in overstated project results. For the remaining seven indicators, the project partially met six indicators and exceeded one.

OIG made four recommendations, including refining the project database to help ensure data reliability, implementing a Web-based management information system, updating the performance management plan, redefining the performance indicators and targets and

redirecting resources to areas where progress can have more of an impact.

Management decisions have been reached on all four recommendations, and final action has been taken on two.

(Audit Report No. 5-306-08-006-P)

USAID/Afghanistan's Accelerating Sustainable Agriculture Program Needs Improvement

Afghanistan boasted of an agriculture sector that provided more than 80 percent of the nation's income, but it has become heavily dependent on food aid from international donors. To deal with ongoing political instability and economic hardship, farmers turned to the cultivation of opium poppies to provide income. In November 2006, USAID/Afghanistan launched its 4-year Accelerating Sustainable Agriculture Program under a \$102 million contract. USAID/Afghanistan measures progress under this program against eight performance indicators. Indicators include the number of full-time-equivalent jobs created, number of rural households benefiting directly from U.S. Government interventions, and increased sales of licit products in U.S. Government-assisted areas.

OIG's audit determined that for two of the eight indicators, intended results were not achieved. Targets for the other six had not been established, so the project's progress could not be assessed. In addition, the contractor did not have adequate documentation to support reported results for six of the eight indicators. For example, the contractor had no support for the reported result that project activities had generated economic value in excess of \$59 million. In addition, a \$40 million initiative to cultivate 10,000 hectares for a commercial farm was not finalized in time to take advantage of the summer planting season.

OIG made 15 recommendations, including preparing a plan to implement the \$40 million program to cultivate 10,000 hectares for a commercial farm;

requiring the contractor to repair defects in the buildings it constructed; determining whether the contractor is permitted to purchase over \$37,000 in commodities without prior written approval; and determining the nature, format, and timing of the reports required to monitor contract performance.

Management decisions have been reached on all 15 recommendations, and final action has been taken on five.

(Audit Report No. 5-306-08-009-P)

USAID/Afghanistan's Capacity Development Program Lacked Assessment Data

Almost every sector in Afghanistan needs to build capacity in order to rebuild and promote economic expansion. In February 2007, USAID/Afghanistan awarded a \$218.6 million contract to implement the Capacity Development Program, with an expected end date of 2012. The program focuses on strengthening public, private, and nongovernmental institutions, increasing their effectiveness and streamlining their operations, and providing training and technical assistance.

OIG's audit could not determine whether the program was on track to achieve planned results because there were no detailed plans in place to describe the contractor's expected results or to monitor results using performance indicators, targets, and periodic reporting against these targets. Nevertheless, some positive results were achieved. For example, the contractor provided technical support to seven line ministries that enabled each ministry, for the first time, to prepare and submit operational and technical budgets based upon ministry program and policy objectives. The program also supported the opening of a construction training center in March 2008, in an effort to increase the quality, quantity, and variety of goods and services offered by Afghan construction firms.

OIG recommended that USAID/Afghanistan direct the contractor to develop a detailed work plan in accordance with contract requirements and put in place an approved results monitoring plan, reevaluate the funding of salaries for approximately 460 Ministry of Health employees valued at \$11.1 million, and approve and ensure implementation of a branding and marking plan.

Management decisions have been reached on all four recommendations, and final action has been taken on two.

(Audit Report No. 5-306-08-012-P)

Procurement and Distribution of Commodities for PEPFAR Is Successful but Improvements Could Be Made

In May 2003, Congress enacted legislation to fight human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) globally through PEPFAR; \$18.8 billion had been committed through January 2008.

During this period, OIG conducted audits of the procurement and distribution of PEPFAR commodities in Vietnam and Zambia. Commodities include products purchased with funding for the prevention and treatment of HIV/AIDS, such as test kits, lab equipment and supplies, and essential antiretroviral drugs and medicines used to prevent and treat HIV/AIDS-related infections. OIG conducted these audits to determine whether the USAID missions procured, deployed, and warehoused PEPFAR commodities to ensure that intended results were achieved, and to assess the programs' impact.

USAID/Vietnam and USAID/Zambia procured, deployed, and warehoused commodities, and their efforts made a substantial impact on helping people with HIV/AIDS live longer and healthier lives.

OIG made eight recommendations to strengthen the programs, including improving commodity storage conditions, providing additional training for health- and

storage-facility staff, strengthening recordkeeping and inventory management, and improving the accuracy of reported results.

A management decision has been reached on all eight recommendations, and final action has been taken on seven.

(Audit Report Nos. 5-440-08-007-P and 9-611-08-007-P)

PEPFAR Produced Mixed Results

In May 2003, President Bush established PEPFAR. Through January 2008, \$18.8 billion had been committed.

OIG conducted audits to determine whether USAID's PEPFAR prevention, care, and treatment activities achieved planned results in grants, cooperative agreements, and contracts. This report summarized the results of OIG

audits conducted at USAID missions in Cambodia, India, Malawi, Russia, and Zimbabwe. USAID missions in Cambodia, India, and Russia achieved planned results as laid out in their respective grants, cooperative agreements, and contracts in fiscal year 2006. USAID/Zimbabwe did not meet planned results because of hyperinflation. This hyperinflation eroded purchasing power and contributed to the low achievement rate. USAID/Malawi's PEPFAR activities did not achieve intended results in their grants, cooperative agreements, and contracts, although five of the seven planned outputs were met.

Four of the five country-level audit reports identified issues related to data quality, and those reports have already made specific recommendations to correct identified problems. This summary report recommended that the Office of HIV/AIDS Director request that the U.S. Department of State's Office of the U.S. Global AIDS Coordinator issue clear and explicit guidance to



Photograph of a pharmacist preparing a prescription of antiretroviral drugs at a PEPFAR-supported clinic in Ho Chi Minh City, Vietnam. (Photograph by RIG/Manila)

all missions with PEPFAR activities to ensure that data quality assessments are conducted properly and reported results are verified.

Final action has been taken on the recommendation.

(Audit Report No. 9-000-08-008-P)

USAID/Uganda's Implementation of PMI Needs Improvement

PMI was launched in June 2005 with a goal of reducing malaria-related deaths in 15 countries in Africa. This 5-year, \$1.2 billion initiative intends to reach 85 percent of the most vulnerable people (pregnant women and children under age 5) through prevention and treatment.

OIG's audit determined that some progress toward achieving results was reported, but significant issues—such as insecticide stored with drugs and insecticide packages that had expired before they could be used—remained. In addition, the mission had an incomplete performance management plan, project site visits were not conducted, data quality assessments were not completed, and the four districts reviewed did not have inventory control systems.

OIG made 13 recommendations to strengthen the program, including immediately separating the stocks of insecticide from medicine and medical supplies, destroying contaminated medicine and medical supplies, training service providers on proper insecticide storage, developing a plan to dispose of expired insecticide, finalizing the performance management plan, establishing appropriate procedures for the future, and performing and documenting site visits.

Final action has been taken on all 13 recommendations.

(Audit Report No. 4-617-08-004-P)

Food Diversion in West Africa

The USAID RIG in Pretoria, South Africa, received information regarding potential fraud involving a P.L. 480¹ Title II Food for Peace Program (FFP) in West Africa. USAID supports the program through a \$26 million cooperative agreement with a consortium of four U.S.-based nongovernmental organizations (NGOs). The complaint involved food diversion within a consortium partner organization, a recipient of a \$3 million subaward.

An OIG investigator conducted interviews of former and current employees of the subject subrecipient organization and worked with the lead consortium partner to develop an audit scope of work. The audit extrapolated a commodity loss of approximately \$22,000, representing 9 percent of reported food deliveries.

The subrecipient employees suspected as perpetrators of the food fraud were terminated, and the organization is recruiting an entirely new food commodities team. The lead and partner organizations have consequently implemented new internal controls and monitoring systems for commodity tracking and deliveries.

The USAID Regional FFP Office is issuing a bill for collection for the commodity loss. The investigative results represent a collaborative effort among OIG, USAID Regional FFP Office, and USAID/FFP Washington offices.

Audit of the USAID's Compliance with the Federal Information Security Management Act of 2002 (FISMA) for Fiscal Year 2008

An audit was conducted to determine whether USAID had implemented selected minimum-security controls for its information systems, as required by the FISMA.

¹ Title II of Public Law 480 (the "Agricultural Trade Development and Assistance Act of 1954") provides the funding for USAID's "Food For Peace" program, which provides commodity donations to address food security needs in development projects and emergency food assistance programs.



Photograph of Municipal Profile planning meeting with the women's focus group in Chitato Municipality in Angola. (Photograph by RIG/Pretoria)

OIG found that USAID had implemented the selected minimum-security controls to protect the confidentiality, integrity, and availability of its financial management and general support systems. However, the Agency still faced several important challenges to refine its information security program. To address these challenges, OIG made 19 recommendations. A management decision has been reached on all recommendations. USAID's actions in response to these recommendations will be reviewed in the FISMA audit for fiscal year 2009.

(Audit Report No. A-000-08-009-P)

USAID Complied with Office of Management and Budget Transition Strategy for Internet Protocol Version 6

Every hardware and software device connected to the Internet requires an Internet Protocol address represented by a unique number. Currently, two types of Internet Protocol addresses are in use worldwide: version 4 and version 6. Version 4 is the most commonly used in the United States, with the capacity to support about 4.3 billion unique addresses. However, demand for Internet Protocol addresses is expected to increase as more and more of the world's population requests Internet access and uses electronic devices that require an IP address. Version 6 is intended to meet this future demand with a significantly larger capacity than version 4 can provide. Consequently, use of both versions is expected to overlap for some time,

and the hardware and software infrastructure needed to support both versions presents a challenge to the Federal Government.

To guide Federal agencies in their transition to version 6, the Office of Management and Budget (OMB) issued a memorandum that outlined a strategy for agencies to follow and established a goal for all Federal agency networks to support version 6 by June 30, 2008.

OIG conducted an audit to determine whether USAID developed a complete inventory of existing Internet Protocol version 6 compliant devices and completed an analysis to determine the fiscal and operational impacts and risks of migrating to version 6 in accordance with OMB guidance.

USAID substantially complied with OMB guidance for completing an inventory of network core requirements and for completing its impact analysis of migrating to version 6.

OIG did not make any recommendations.

(Audit Report No. A-000-08-006-P)

USAID's Democracy and Governance Activities Had Mixed Results

Democracy and governance activities include improving human rights, legislative and local government, elections and political processes, civic participation, and media freedom. OIG conducted multicountry audits to

Photograph of Municipal Profile planning meeting with the women's focus group in Chitato Municipality in Angola. (Photograph by RIG/Pretoria)



determine whether USAID mission activities achieved their intended results and to assess their impact. During this period, audits were conducted in Haiti, Angola, and Kyrgyzstan.

More than 12 separate governments have held political power in Haiti since 1986. Before and after the 2006 elections, USAID/Haiti has supported democratic progress in Haiti. In fiscal year 2007, USAID/Haiti achieved 8 of 24 performance targets for its democracy and governance activities. USAID/Haiti achieved planned results in the areas of legislative functions, and processes, public sector executive functions, anticorruption reform, and elections and political processes. However, USAID/Haiti needs to set realistic performance targets and communicate them to partners, assess training effectiveness, improve reporting of results, provide better control of a program for hiring consultants to work in the executive branch, and obtain formal commitments and develop an action plan to establish a parliamentary research center. OIG made nine recommendations to strengthen the program. Management decisions were reached on all nine recommendations.

USAID/Angola's program is directed at increasing case management efficiency within the court system; strengthening Angolan human rights NGOs ability to assess, monitor, and report on human rights issues; and introducing new practices to Angolan diamond-mining companies to control diamond smuggling. Of 11 indicators audited, 6 activities had achieved intended results, one did not, and it was not possible to determine

whether the other 4 achieved intended results. It was difficult to determine whether USAID/Angola achieved planned results because of weaknesses in recordkeeping and reporting systems resulting from a lack of training. In addition, reported data were unreliable because data quality assessments were not always completed.

OIG made seven recommendations, including providing training to implementing partners and service providers and strengthening procedures to ensure that all data quality assessments include a thorough review of data reliability. Management decisions have been reached on all recommendations, and final action has been taken on four.

Following Kyrgyzstan's revolution in March 2005 and a presidential election, the Government accepted the need for a series of reforms, covering rule of law, fiscal decentralization, parliamentary reorganization, and the media. Of the 66 activities reviewed, 62 achieved intended results. However, USAID/Kyrgyzstan's democracy and governance activities had only a limited impact in promoting Kyrgyzstan's democratic development. The lack of impact was attributed to factors outside the mission's control, such as USAID's declining funding levels for democracy and governance programs in Central Asia and the difficult political environment in the country. OIG did not make a recommendation.

(Audit Report Nos. 1-521-08-004-P, 4-654-08-006-P, and 8-116-08-002-P)

Missions in Latin America and the Caribbean (LAC) Bureau Need to Improve Compliance with Forward Funding Requirements

Funding decisions by operating units must comply with USAID policy directives and required procedures. A balance must be achieved between providing adequate funds for activities but limiting obligations to necessary costs.

OIG conducted an audit to determine whether USAID missions in the LAC region complied with forward funding limits in accordance with USAID policy.

USAID policy states that, with some exceptions, missions should not forward fund obligations for more than 12 months beyond the end of the fiscal year in which the obligations take place. Missions in the LAC region exceeded forward funding limitations by at least \$335 million in fiscal year 2006 and earlier years. This amount should have been fully expended by September 30, 2007.

In addition, LAC missions had \$142 million in unspent obligations that they did not expect to be able to spend during fiscal year 2008. This occurred because of delays in procurement and program implementation and overly optimistic expenditure projections.

OIG recommended that missions not in compliance with the forward funding restriction review their unexpended obligations and deobligate or reprogram \$142 million in excess obligations to areas where the funds could be used in fiscal year 2008. Also, OIG recommended that missions that were not in compliance with forward funding restrictions as of September 30, 2007, revise their procedures for reviewing and deobligating or reprogramming unexpended obligations that exceed forward funding restrictions.

Management decisions are pending on both recommendations as OIG works to reach an agreement with each mission with excess obligations.

(Audit Report No. I-598-08-006-P)

OIG's Oversight Activities Continue in the West Bank and Gaza

OIG's oversight activities in the West Bank and Gaza included audits of USAID's cash-transfer program to the Palestinian Authority and continuing audits of USAID's contractors and grantees.

USAID contracted with independent public accounting firms to conduct concurrent audits of cash transfers to the Palestinian Authority; financial audits; and agreed-upon procedures of contractors', grantees', subcontractors', and subgrantees' processes. These audits help ensure the validity of costs claimed and compliance with Executive Order 13224² regarding blocking assistance to terrorist organizations. During this period OIG issued 18 final reports, which identified questioned costs of approximately \$3.8 million of the \$84.5 million audited. In addition, the reports identified areas for improvement in internal controls and instances of noncompliance with agreements.

OIG oversight activities during this period did not identify any instances of terrorist organizations receiving USAID funds.

² Executive Order No. 13224, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (September 23, 2001).

Strategic Goal 2:

Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse

USAID Contractor and Subcontractors Indicted for Contract Fraud

A USAID contractor and four subcontractors have been charged with conspiracy, major fraud, and wire fraud in connection with the war and rebuilding efforts in Afghanistan. The indictment alleges that the subcontractors defrauded the United States by obtaining reimbursement for inflated expenses purportedly incurred for rental vehicles, fuel, and security personnel.

Contractor Ordered to Pay \$7.48 Million in Bills for Collection

Pursuant to an OIG investigation, a contractor responsible for the administration of USAID construction projects in Afghanistan was ordered to pay in excess of \$7 million in bills for collection. The investigation disclosed that the contractor was responsible for building small-scale infrastructure projects under a USAID cooperative agreement. Under the terms of the cooperative agreement, the contractor received funding under a Letter of Credit; however, the contractor and a subcontractor failed to provide explanations for the funding drawdowns from the Letter of Credit. The investigation further cited poor performance on construction projects, failure to provide cost justification, inadequate financial controls, and false reporting on projects.

Employee of USAID Contractor Pleads Guilty To Bank Fraud

An employee of a USAID contractor working for a supplier of polypropylene deliberately falsified shipping documents for payment. The employee delayed shipments and backdated shipping documents for multiple transactions valued at over \$1 million. The fraud was done in order to take advantage of falling polypropylene prices without renegotiating pro forma invoices and passing the savings on to the importer. This scheme increased the company's profit margin, the sales representative's commissions, and resulted in USAID financing transactions with inflated costs. USAID and the Federal Bureau of Investigation executed a search warrant on the supplier. A company sales representative has pleaded guilty to felony bank fraud charges and agreed to cooperate with further prosecutorial efforts involving the company.

Former Relief Official Sentenced to 30-Day Jail Term

As a result of an OIG investigation, a former financial director of a USAID-funded nonprofit foundation was arrested for theft of program funds. On August 5, 2008, a U.S. District Court judge sentenced the former financial director to 30 days' imprisonment, to be served on consecutive weekends, and 3 years' probation. In addition, the former financial director was ordered to pay restitution in the amount of \$193,436 in total.

Employee of USAID Contractor Resigns in Lieu of Termination

An employee of a USAID contractor resigned in lieu of termination for position abuse. The contractor claimed social and familial engagement expenses for official business reimbursement. Further, the manager instructed incoming employees to inflate their salary histories, participated in an extended conflict of interest with a local nongovernmental organization, and directed a supplier procurement to an entity that was unable to fulfill its obligation. The subject's former employer has refunded USAID \$16,591 for the salary overcharges.

Employee of USAID Grantee Arrested and Facing Extradition

A Liberian national, working as an accountant for a USAID-funded grantee that was assisting with Liberian national elections, was indicted by a Federal grand jury in the District of Columbia on seven felony counts. The indictment included counts of wire fraud, mail fraud, and theft from a program receiving Federal funds. Subsequent to the indictment, an extradition order was obtained through the U.S. Department of State and signed by the Secretary of State. In a coordinated effort with diplomatic security agents and United Nations forces operating in Liberia, the indicted subject was arrested. Extradition proceedings have commenced and are being coordinated through the Liberian Ministry of Justice by U.S. Department of State and U.S. Department of Justice officials in Liberia.

USAID Grantee Issued \$1.2 Million Bill for Collection

An OIG investigation determined that the grantee made \$1.2 million in unauthorized purchases. Administrative remedies were sought during the course of the investigation. The grantee was officially notified by USAID that retroactive approval for the

procurements would not be granted and that a bill of collection, totaling \$1.2 million, would be issued in the form of a demand letter.

Employee of USAID Contractor Admits to Receiving More Than \$10,000 in Kickbacks

An employee of a USAID contractor on a high-profile anticorruption project confessed to receiving approximately \$10,000 in kickbacks from local vendors competing for subaward procurements. During the investigation, approximately \$1,700 in local currency was discovered in the subject's possession. The aforementioned vendors had received more than \$1 million in procurements since 2007. The employee was fired, and the vendors have been suspended from U.S. Government procurements.

Investigation Leads to the Termination of a Foreign Service National (FSN) and Recovery of \$22,326

An investigation conducted in coordination with the U.S. Embassy in Sofia, Bulgaria, resulted in the firing of an FSN. The FSN was terminated for cause as a result of multiple violations of the employment provisions within the Embassy's Handbook for Locally Employed Staff. The termination yielded a savings of \$16,526 in unpaid severance funds, bonuses, unused annual leave, and salary. Additionally, a \$5,800 bill for collection was issued for unpaid personal usage of a U.S. Government cell phone, resulting in a total recovery of \$22,326.

OIG Identified \$45.8 Million in Questioned Costs

OIG oversees and reviews audit work conducted by Federal and non-Federal auditors. During this period, OIG reviewed 182 audit reports that identified \$45.8 million in questioned costs, covering about

\$2.5 billion³ audited. OIG also issued 26 quality-control review reports covering about \$577 million audited.

For example, at USAID/Afghanistan, OIG reviewed a Defense Contract Audit Agency audit report that identified \$937,000 in questioned costs of more than \$39 million audited and 2 reportable internal control weaknesses. OIG recommended that USAID/Afghanistan recover, as appropriate, about \$847,000 in questioned costs already billed to USAID and correct two reportable internal control weaknesses. Management decisions have been reached on both recommendations.

In Brazil, a local accounting firm conducted an audit of a consortium named Estradas Verdes for OIG and identified more than \$450,000 in questioned costs of about \$5.1 million audited, 6 reportable internal control weaknesses, and 9 instances of noncompliance with agreement terms. Through its review of the report and subsequent correspondence with the audit firm, OIG identified an additional \$521,000 in questioned costs. One of the consortium members did not have controls in place to allocate expenses to each agreement or prevent duplicate billing. OIG recommended that USAID/Brazil recover, as appropriate, about \$971,000 in questioned costs; correct the internal control and compliance deficiencies; and obtain evidence that required counterpart contributions of more than \$4.2 million have been provided. Management decisions are pending on all three recommendations.

³ The \$2.5 billion includes \$24 million reported in the previous SARC period.

OIG Conducts Financial Management Training

USAID's contracts and grants define the types of costs that can be charged in support of various programs. To increase awareness of and compliance with contracts and grants cost principles, OIG conducts financial management training for overseas USAID staff, contractors, and grantees. The training provides a general overview of U.S. Government cost principles and audit requirements. It also provides examples of concepts such as reasonableness of costs and allowable and unallowable costs.

During this reporting period, OIG provided financial management training in 6 countries to about 350 individuals.

OIG Conducts Fraud Awareness Training

As part of its proactive strategy, OIG conducts fraud awareness training for USAID employees, contractors, and grantees. The purpose of this training is to alert personnel to fraudulent schemes and practices so that they can identify and prevent or reduce fraud in USAID programs and operations. In addition, OIG promotes its hotline and advises attendees of methods and procedures to report potential fraud, waste, or abuse.

During this reporting period, OIG provided fraud awareness training in 12 countries to 1,325 USAID staff members and contractors.

Strategic Goal 3:

Continually improve OIG functions and operations

OIG Helpdesk

Up-to-date infrastructure and management systems are essential to strengthening the efficiency, economy, and effectiveness of OIG's programs and operations and protecting them from fraud, waste, and abuse. OIG continued to improve its information management systems to help OIG staff perform more productively and reduce risks to security and systems.

OIG implemented a helpdesk program using a new, Web-based software system that is user-friendly and adaptable

to multiple management purposes. It creates and tracks requests made to administrative offices for support in areas such as information technology and human resources, and it contains a knowledge base that allows helpdesk staff to document common issues, post forms, and provide information that users can access easily.

It can also be used to manage tasks and resources and customized, up-to-date reports, including statistical tables, can be generated.

U.S. AFRICAN DEVELOPMENT FOUNDATION

U.S. African Development Foundation Programs in Ghana and Senegal Need Improvement

USADF is a U.S. Government corporation established by Congress in 1980. USADF provides grants of \$250,000 or less to small enterprises and community-based organizations that generate income and employment in Africa.

During this reporting period, OIG conducted an audit in Ghana and a follow-up audit in Senegal. OIG conducted the audit at USADF/Ghana to determine whether it had implemented activities in accordance with USADF policies and selected U.S. Government regulations. The audit found that USADF/Ghana had not always done so. Also, financial audits conducted by a local accounting firm did not comply with audit standards, and the firm was not on OIG's list of eligible firms. USADF/Ghana did not establish program monitoring and evaluation systems, did not verify the accuracy of reported data, or ensure that grantees used USADF funds in accordance with agreements, establish financial management systems, or contribute to the USADF community development trust fund designed to provide sustainable social and economic development at the community level.

OIG made 18 recommendations, including recovering more than \$1.1 million in questioned costs, establishing a plan to correct internal control and compliance deficiencies, requiring its internal auditor to review audit reports before audit firms finalize their reports, establishing a monitoring and evaluation system,

developing procedures to minimize the risks of misuse of funds, providing grantees with financial management training, and developing an action plan to address how to sustain project activities after USADF support ends.

Management decisions were reached on 16 recommendations, and three are pending.

The followup audit in Senegal was conducted to determine whether USADF/Senegal took corrective action on eight recommendations from a prior OIG audit report.⁴ USADF closed two recommendations; however, it did not take sufficient action to implement the other six.

The followup audit also determined that project implementation was slow, reported information on achievements was inaccurate or unsupported, required financial audits were not conducted, and financial audit reports were not completed in accordance with appropriate auditing standards. OIG identified additional issues: grantees had weak financial management practices, capital assets were not always used for intended purposes, an indication of fraud involving USADF funds was not reported to OIG, and grantees did not comply with some agreement terms.

OIG made 18 recommendations, including recovering \$188,000 in questioned costs, improving the quality of information on program accomplishments, conducting

⁴ Audit of Awarding and Monitoring of Grants by the African Development Foundation (Audit Report No. 9-ADF-03-005-P, February 28, 2003).

financial audits of grantees, strengthening grantees' financial management practices, using capital assets for intended purposes, reporting irregularities and allegations of fraud to OIG, and improving grantees' compliance with the agreement terms.

Management decisions were reached on 17 recommendations, and one is pending.

(Audit Report Nos. 7-ADF-08-006-P and 7-ADF-08-007-P)

Audit of United States African Development Foundation's Compliance with Provisions of FISMA for Fiscal Year 2008

An audit was conducted to determine if the USADF's information system security program met the requirements of FISMA.

OIG found that USADF's information security program generally complied with FISMA requirements, but weaknesses were identified in four areas. OIG made four recommendations to address these weaknesses. USADF's actions in response to the recommendations will be reviewed in the FISMA audit for fiscal year 2009.

(Audit Report No. A-ADF-08-008-P)

INTER-AMERICAN FOUNDATION

Audit of Inter-American Foundation's Compliance with Provisions of the FISMA for Fiscal Year 2008

An audit was conducted to determine if IAF's information system security program met FISMA requirements.

OIG found that IAF's information security program generally complied with FISMA requirements. However,

OIG made one recommendation to strengthen IAF's information security program. IAF's actions in response to the recommendation will be reviewed in the FISMA audit for fiscal year 2009.

Management decision was reached on the one recommendation.

(Audit Report No. A-IAF-08-007-P)



APPENDIX I

Reporting Requirements for USAID, USADF, and IAF

FINANCIAL AUDIT REPORTS ISSUED April 1 – September 30, 2008 USAID

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
—FOREIGN-BASED ORGANIZATIONS—				
0-118-08-001-R	05/28/08	Audit of the Moscow Public Science Foundation, under USAID Cooperative Agreement No. 118-A-00-02-00135-00, for the Year Ended December 31, 2006		
I-527-08-041-R	04/17/08	Financial Statement Audit of Strategic Objective Agreement No. 527-0404, Managed by the National Commission for Development and Life Without Drugs (DEVIDA) for the Period From January 1 to December 31, 2006	40 3	QC UN
I-518-08-042-R	05/19/08	Audit of the Program “Alliance for the Development of Cocoa of the Amazon Region” Cooperative Agreement No. 518-A-00-03-00154-00, Project Financed by USAID/Ecuador and Managed by Yachana Gourmet S.A., Period From October 1, 2005 to September 30, 2006	759 112	QC UN
I-527-08-043-R	05/29/08	Audit of the Fund Accountability Statement of USAID Resources Managed by the General Rural Electrification Office (Formerly Project Bureau) of the Ministry of Energy and Mines, Under the Project “San Ignacio Small Electrical System I Stage - II Phase” for the Period January 1, 2005 to February 28, 2007 (Final Audit)		
I-517-08-044-R	05/29/08	Financial Audit of the Consolidation and Expansion of Opportunities for Citizen Participation and Political Culture, Project No. 517-A-00-03-00105-00, and Permanent Program of Formation of Young People Leaders of the Political Parties of the Dominican Republic, Project No. 517-A-00-05-00111-00, Managed by Participacion Ciudadana, for the Period September 1, 2006 to August 31, 2007		
I-517-08-045-R	07/20/08	Close-out Financial Audit of the Project: Cooperative Agreement for the Strengthening of the Transparency System and Rule of Law in the Dominican Republic, USAID Cooperative Agreement No. 517-A-00-05-00108-00, Managed by Fundacion Institucionalidad y Justicia, Inc., Fund Accountability Statement for the Year Ended December 31, 2007, and Independent Auditors’ Report		
I-512-08-046-R	07/18/08	Audit of the USAID Agreement No. 512-A-00-03-00028-00 “Estradas Verdes” Managed by Instituto de Pesquisa Ambiental da Amazonia for the Period From October 1, 2003 to September 30, 2006	971 925	QC UN
I-527-08-047-R	07/23/08	Fund Accountability Statement of the Cooperative Agreement No. EDG-A-00-02-00036-00 “Andean Center of Excellence for Teacher Training” (Centro Andino de Excelencia Para la Capacitacion de Maestros) Financed Through USAID, Managed by Universidad Peruana Cayetano Heredia, for the Period From October 1, 2006 to September 30, 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-596-08-048-R	07/31/08	Comision Centroamericana de Ambiente y Desarrollo - CCAD - Audit of the Fund Accountability Statement of USAID Resources Provided Under Strategic Agreement No. 596-A-06-00078-00 "Economic Freedom: Open Diversified Expanding Economies in Central America and the Dominican Republic" - Project Managed by DDAD, for the Year Ended December 31, 2007		
I-522-08-049-R	08/01/08	Audit of the Fund Accountability Statement of the USAID/Trade Investment and Competitiveness Program, Cooperative Agreement No. 522-A-00-05-00303-00, Managed by Foundation for Investment and Development of Exports, for the Period From January 1 to December 31, 2007		
I-521-08-050-R	08/07/08	Close-out Audit of the Fund Accountability Statement of USAID Resources Managed by La Fondation Heritage Pour Haiti Under Cooperative Agreement No. 521-A-00-02- 00023-00 for the Period From October 1, 2006 to December 31, 2007		
I-520-08-051-R	08/11/08	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 Asociacion Guatemalteca de Exportadores, for the Year Ended December 31, 2007		
I-522-08-052-R	08/19/08	Audit of USAID Resource, Program No. 5980023.00, Managed by Universidad Pedagogica Nacional Francisco Morazan Under Cooperative Agreement No. 522-A-00- 02-00348-00, Program Centers of Excellence for Teachers Training in Central American and Cooperative Agreement No. 522-A-00-06-00307-00, Program Centers of Excellence for Teachers Training in Central American and Dominican Republic, for the Period From October 1st, 2006 to September 30th, 2007		
I-511-08-053-R	08/26/08	Audit of the Fund Accountability Statement of the Cooperative Agreement No. 511-A-00-02-00200-00 "Hydra, Forest and Biodiversity Resources Managed for Sustainable Economic Development" Managed by the Amazonian Forest Development Center, for the Year Ended December 31, 2006	29	QC
I-511-08-054-R	08/26/08	Audit of the Fund Accountability Statement of the Cooperative Agreement No. 511-A-00-02-00206-00 "Support to Arising Market of Certified Forest Products" Managed by the Amazonian Forest Development Center, for the Year Ended December 31, 2006		
I-518-08-055-R	08/26/08	Financial Audit of Cooperative Agreement No. 518-A-00- 06-00046-00, Called "Promotion and Demand of Political and Labor Rights for Handicapped People in Ecuador Program," Managed by the Federacion Nacional de Ecuatorianos con Discapacidad Fisica, Fund Accountability Statement for the Period September 1, 2006 to December 31, 2007		
I-512-08-056-R	08/29/08	Audit of the USAID Agreement No. 512-A-00-05-00025- 00 "Renewable Energy & Development" Managed by Instituto de Desenvolvimento Sustentavel e Energias Reuovaveis for the Period From October 1, 2005 to September 30, 2006	847 843	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-696-08-006-N	04/02/08	Closeout Audit of USAID Resources Managed by the Genocide Survivors Fund (GSF) Under Grant Agreement No. 696-0156-G-97-004-00 for the period October 1, 2002 to December 31, 2005	215 208	QC UN
4-621-08-007-N	04/25/08	Closeout Audit of USAID Resources Managed by the Health Scope Tanzania Under Strategic Objective Grant No. 621001-01, Contract No. 623-C-00-03-00043-00 for the period September 1, 2003 to March 31, 2005	459 35	QC UN
4-663-08-008-N	06/06/08	Audit of USAID Resources Managed by the Relief Society of Tigray (REST) under Cooperative Agreements Nos. FFP-A-00-03-00004-00, 663-A-00-02-00366-00, DFD-G- 00-04-00162-00, HAD-G-00-03-00049, FFP-A-00-03-00049-00, 663-A-00-03-00354-00 and 663-A-00-03-00352- 00 for the year ended December 31, 2004	288 288	QC UN
4-663-08-009-N	06/06/08	Audit of USAID Resources Managed by the Tigray Development Association (TDA) under Cooperative Agreements No. 663-A-00-02-00321-00 Basic Education Strategic Objective (BESO-II) for the year ended June 30, 2006	2	QC
4-663-08-010-N	06/26/08	Closeout Audits of USAID Resources Managed by the Relief Society of Tigray (REST) under Cooperative Agreements Nos. FFP-A-00-03-00004-00 (PL 480 Title II), FFP-A-00-03-00004-07 (PL 480 Title II Section 202e), 663- A-00-02-00366-00, 663-A-00-03-00352-00, and Audits of USAID Resources managed by REST under Cooperative Agreements Nos. DFD-G-00-04-00162-00, 663-A-00-05- 00406-00 and FFP-A-00-05-00028-00 for the year ended December 31, 2005	32	QC
4-611-08-011-N	07/02/08	Closeout Audit of USAID Resources Managed by the Law Association of Zambia (LAZ) for the Alternative Dispute Resolution (ADR) Project under Grant Agreements No. 690-G-00-00-00018-00 and 690-G-00-03-00186-00 for the period December 20, 1999 to August 1, 2003	392 96	QC UN
4-674-08-012-N	07/30/08	Audit of USAID Resources Managed by the Southern African Development Community-Parliamentary Forum Under Strategic Objective Grant Agreement No. 690-0305 for the Year Ended March 31, 2007	378 17	QC UN
4-663-08-013-N	08/26/08	Close-Out Audit of USAID Resources Managed by Tigray Development Association (TDA) under Cooperative Agreement Number 663-A-00-02-00321-00 for the period January 30, 2002 to June 30, 2007	214 73	QC UN
4-000-08-014-N	08/27/08	Agency Contracted Agreed Upon Procedures Review of USAID Resources Managed by the Consortium for Development Relief in Angola (CDRA) under Program FFP-A-00-03-00048-00 for the period March 1, 2003 to September 30, 2005	13,848 13,336	QC UN
4-611-08-015-N	09/19/08	Close-Out Audit of USAID Resources Managed by the Churches Health Association of Zambia Under Cooperative Agreement No. 690-A-00-99-00265-00 for the Thirty-Six Month Period Ended March 31, 2005	2,432 2,085	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-612-08-016-N	09/19/08	Close-Out Audit of USAID Resources Managed by the Malawi Centre for Advice, Research and Education on Rights (Carer), Support for Legal and Paralegal Services Program in Rural Malawi Under Cooperative Agreement No. 690-A-02-00060-00 for the Period October 1, 2003 to January 31, 2005	664 659	QC UN
4-000-08-017-N	09/30/08	Agency Contracted Audit of USAID Resources Managed by the African Centre for the Constructive Resolution of Disputes, Under Grant No. AOT-G-00-98-00183-00 and DAI Sub-Contract for the Year Ended December 31, 2005	89 89	QC UN
4-674-08-021-R	04/08/08	Recipient Contracted Audit of USAID Resources Managed by Educational Opportunities Council under the Cooperative Agreement No. 674-A-00-90-00038 for the year ended December 31, 2002	401 400	QC UN
4-621-08-022-R	04/10/08	Recipient Contracted Audit of USAID Resources to The Quick Start Care & Treatment and Rapid Funding Envelope (RFE) for HIV/AIDS Managed by Deloitte & Touche under Strategic Objective Agreement No. 621001- 01, Contract No. 623-C-00-03-00004-00 for the period January 1, 2005 to December 31, 2006	3 3	QC UN
4-623-08-023-R	04/18/08	Close Out Audit of USAID Resources Managed by African Centre For Technology Studies (ACTS) Under Cooperative Agreement No. 623-A-00-04-00099-00 and Sub-Agreement with the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) for 15 Months Period ended March 31, 2007	3	QC
4-617-08-024-R	04/24/08	Audit of USAID Resources Managed by Inter-Religious Council of Uganda under Contract Nos. CRTA-2005-01, CRTA-06-10, UPHOLD 102-2005, UGA/087/IRCU/001 and 617-C-00-06-00292-00 for the year ended December 31, 2006	2	QC
4-621-08-025-R	05/09/08	Audit of USAID Resources Managed by the Ministry of Health and Social Welfare - Centre for Educational Development in Health Arusha (CEDHA) under Strategic Objective Grant Agreement No. 621-0001-01, Implementation Letter No. 76 for the year ended June 30, 2006		
4-617-08-026-R	05/09/08	Audit of USAID Resources Managed by Joint Clinical Research Centre (JCRC) under Cooperative Agreement Number 617-A-00-04-00003-00 for the year ended June 30, 2006	296 56	QC UN
4-674-08-027-R	05/12/08	Audit of USAID Resources Managed by Business Against Crime - South Africa (BAC-SA) Crime under Cooperative Agreement No. 674-A-00-02-00012-00 for the period June 1, 2004 to May 31, 2005	150 150	QC UN
4-623-08-028-R	06/05/08	Recipient Contracted Audit of USAID Resources Managed by The Commonwealth Regional Health Community for East, Central and Southern Africa (CRHC-ECSA) under Limited Scope Grant Agreement No. 6980483.23-80003 for the year ended June 30, 2007	44 44	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-674-08-029-R	06/05/08	Recipient Contracted Audit of USAID Cooperative Agreement No. 674-A-00-00012-00 with Business Against Crime for the period June 1, 2006 to May 1, 2007	145 145	QC UN
4-623-08-030-R	06/05/08	Recipient Contracted Audit of USAID Resources Managed by Regional Centre for Quality of Health Care under Limited Scope Grant Agreement No. 6230010.40-0002 and the Strategic Objective Grant Agreement No. 623SAOG230011.02-60088 for the year ended June 30, 2007	29	QC
4-674-08-031-R	06/06/08	Close-Out Audit of Umalusi Council for Quality Assurance in General and Further Education and Training Under USAID Bilateral Agreement No. 674-0302-G-00-5031 for the period April 1, 2003 to September 30, 2005	15 14	QC UN
4-663-08-032-R	06/17/08	Audit of The Food Security Coordination Bureau Under Limited Scope Grant Agreement (LSGA) No. 663-04-01 for the period September 01, 2004 to July 7, 2005		
4-621-08-033-R	06/17/08	Audit of USAID Resources Managed by the Government of the United Republic of Tanzania's Ministry of Health and Social Welfare - Primary Health Care Institute (PHCI) Iringa Project Under Strategic Objective Grant Agreement No. 621-0011-01, Implementation Letters No. 2 and 3 for the period July 1, 2006 to June 30, 2007		
4-663-08-034-R	06/17/08	Audit of the Ethiopian Orthodox Church Development and Inter-Church Aid Commission (EOC/DICAC) under the USAID Food Security Program (FSP) PL 480 Title II Development Activity Proposal, Cooperative Agreement No. FSP-A-00-98-00032-05, for the year ended December 31, 2003	2 1	QC UN
4-663-08-035-R	06/18/08	Closeout Audit of the Ethiopian Orthodox Church Development and Inter-Church Aid Commission (EOC/DICAC) under the USAID Food Security (FSP) Program PL 480 Title II Development Activity Proposal, Cooperative Agreement No. FSP-A-00-98-00032-05, for the year ended December 31, 2004	60	QC
4-663-08-036-R	06/19/08	Audit of USAID Resources Managed by the Ministry of Agriculture and Rural Development Under Limited Scope Grant Agreement (LSGA) No. 663-03-02 for the period June 12, 2003 to September 30, 2004	177	QC
4-663-08-037-R	06/20/08	Audit of the Ministry of Health's Improved Family Health Under Strategic Objective Grant Agreement (SOGA) No. 663-0080 for the period June 12, 2003 to July 7, 2004	258 258	QC UN
4-617-08-038-R	07/02/08	Audit of USAID Resources Managed by Joint Clinical Research Centre (JCRC) under Cooperative Agreement Number 617-A-00-04-00003-00 for the year ended June 30, 2007	482	QC

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-673-08-039-R	07/10/08	Audit of USAID Resources Managed by ORT Namibia Trust Under Cooperative Agreement Number 690-A-00-05-00150-00, Helping Young People & Their Families Overcome the Impact of HIV/AIDS in Namibia - Skills, Opportunities, Self-reliance (SOS) Program for sixteen months ended December 31, 2006	28	QC
5-367-08-003-N	04/18/08	Financial Audit of the Department of Health Services, Government of Nepal, Under USAID Strategic Objective Grant Agreement, Project No. 367-02A1 Implementation Letter No. 38, for the Period from July 17, 2003, to July 15, 2004	36 6	QC UN
5-391-08-005-N	08/20/08	Financial Audit of the Project Titled "Technical Assistance and Training to Improve Project and Financial Management of Provincial and District Health and Population Welfare Services in Pakistan," USAID/Pakistan Limited Scope Grant Agreement No. 391-G-00-04-01020-00, Managed by the Options Consultancy Services Limited (Options) - Technical Assistance Management Agency (TAMA), for the Period from January 1, 2004, to March 31, 2006		
5-391-08-017-R	04/15/08	Financial Audit of the Developing Non-Bankable Territories for Financial Services Program, USAID/Pakistan Cooperative Agreement No. 391-A-00-03-01011-00, Managed by Khushhali Bank, for the Period from January 1, 2005, to December 31, 2006	82	QC
5-383-08-018-R	04/25/08	Closeout Audit of the Emergency Assistance for Tsunami Affected Population, USAID/Sri Lanka Cooperative Agreement Number 386-A-00-05-00043-00, Managed by GOAL Sri Lanka, for the Period from January 13, 2005, to September 30, 2005	64 16	QC UN
5-306-08-019-R	04/25/08	Closeout Audit of the Project Titled "Business Advisory Services to Small and Medium - Sized Enterprises (SMEs) in Afghanistan," USAID/Afghanistan Cooperative Agreement No. 306-A-00-04-00570-00, Managed by Acap Management Limited, for the Period from September 30, 2004, to March 29, 2007	695 653	QC UN
5-386-08-020-R	04/25/08	Financial Audit of USAID Resources Managed by Voluntary Health Services (VHS) for the Year Ended March 31, 2007	200 9	QC UN
5-386-08-021-R	05/02/08	Financial Audit of the Program titled "Innovations in Family Planning Services Project," USAID/India Project No. 386- 0527, Managed by the State Innovations in Family Planning Services Project Agency (SIFPSA), for the Period from April 1, 2006, to March 31, 2007		
5-497-08-022-R	05/21/08	Closeout Audit of the Program Titled "Promoting Forest Certification and Combating Illegal Logging in Indonesia," USAID/Indonesia Cooperative Agreement No. 497-A-00- 02-00060-00, Managed by Yayasan WWF Indonesia (YWWF/I), for the Period from July 1, 2006, to June 30, 2007		
5-442-08-023-R	06/06/08	Financial Audit of USAID Funds Managed by the Khmer HIV/AIDS NGO Alliance (KHANA), for the Year Ended December 31, 2006	183 183	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
5-386-08-024-R	06/12/08	Financial Audit of the Financial Institutions Reform and Expansion (FIRE D-III) Project, USAID/India Grant Agreement No. 386-A-00-03-00175-00, Managed by the National Institute of Urban Affairs (NIUA), for the Period from April 1, 2006, to March 31, 2007		
5-386-08-025-R	06/18/08	Financial Audit of USAID Funds Managed by the ICICI Bank Limited (ICICI), for the Year Ended March 31, 2007		
5-386-08-026-R	06/27/08	Financial Audit of the AVERT Project, USAID/India Project No. 386-0544, Managed by the AVERT Society, for the Period from April 1, 2006, to March 31, 2007	84 6	QC UN
5-391-08-027-R	07/02/08	Financial Audit of the Aga Khan University - Examination Board (AKU-EB), USAID/Pakistan Cooperative Agreement No. 391-A-00-03-01003-00, for the Period from January 1, 2005, to December 31, 2005		
5-386-08-028-R	07/03/08	Financial Audit of the Strengthening Support Service and Institutional Infrastructure for India's Microfinance Sector, Award No. 386-A-00-02-00205-00, Managed by Sa-Dhan (Societies Registered under the Andhra Pradesh Telengana Area, Public Societies Registration Act 1350), for the Period from April 1, 2006, to March 31, 2007	2	QC
5-391-08-029-R	08/15/08	Closeout Audit of the Enterprise Development Facility Program, Cooperative Agreement No. 391-A-00-03-01010-00, Managed by the Pakistan Poverty Alleviation Fund (PPAF) for the Period from July 1, 2006, to September 30, 2007		
5-391-08-030-R	08/27/08	Closeout Audit of the Programs Titled "Rewarding Innovation at the District Level," USAID/Pakistan Cooperative Agreement No. 391-A-00-03-01015-00 for the Period from July 1, 2005 to March 31, 2006, and "Establishing Tent Schools and Cash for Work Program," Grant Agreement No. 391-G-00-06-0169-00 for the Period from December 9, 2005, to June 15, 2006; Managed by Rural Support Programmes Network (RSPN)	222 222	QC UN
5-492-08-031-R	09/17/08	Financial Audit of the Program Titled "Targeted Intervention in Economic Reform and Governance - Institutional Grant for Policy Development," USAID/Philippines Cooperative Agreement No. 492-A-00-04-00025-00 with De La Salle University, Inc. (DLSU), Managed by the Principal Partner Philippine Exporters Confederation, Inc. (PhilExport), for the Period from June 1, 2006, to May 31, 2007	583 1	QC UN
5-391-08-032-R	09/19/08	Financial Audit of the Program Titled "Improved Pakistani Family Planning and Reproductive Health Services," USAID/Pakistan Cooperative Agreement No. 391-A-00-03-01016-00, Managed by the Greenstar Social Marketing Pakistan (Guarantee) Limited (Greenstar), for the Period From July 1, 2004, to June 30, 2005		
5-386-08-033-R	09/24/08	Closeout Financial Audit of the Condom Social Marketing Project - Maharashtra, Project No. 386-A-00-05-00107-00, Managed by Hindustan Latex Family Planning Promotion Trust (HLFPPT), for the Period from April 15, 2005, to January 31, 2007	295 232	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
5-391-08-034-R	09/25/08	Financial Audit of the Program Titled "Improved Pakistani Family Planning and Reproductive Health Services," USAID/Pakistan Cooperative Agreement No. 391-A-00- 03-01016-00, Managed by the Greenstar Social Marketing Pakistan (Guarantee) Limited (Greenstar), for the Period From July 1, 2005, to June 30, 2006		
5-391-08-035-R	09/26/08	Financial Audit of the Program Titled "Improved Pakistani Family Planning and Reproductive Health Services," USAID/Pakistan Cooperative Agreement No. 391-A-00- 03-01016-00, Managed by the Greenstar Social Marketing Pakistan (Guarantee) Limited (Greenstar), for the Period From July 1, 2006, to June 30, 2007		
5-367-08-036-R	09/30/08	Financial Audit of the Program Enhancement of Emergency Response (PEER), USAID/Nepal Cooperative Agreement No. 367-A-00-03-00075-00, Managed by the National Society for Earthquake Technology-Nepal (NSET), for the Period From October 1, 2006, to September 30, 2007	5	QC
6-263-08-004-R	05/14/08	Audit of Alexandria Business Association, Small and Micro Enterprises Project, Under Cooperative Agreement No. 263-A-00-02-00005-00, for the Period From January 1, 2006, to December 31, 2006		
6-263-08-005-R	06/10/08	Close-out Audit of USAID/Egypt Resources Managed by Ministry of Health and Population/Epidemiology Surveillance Unit, Infectious Disease Surveillance and Response, Grant Agreement No. 263-0287.03, Implementation Letter No. I, for the Period From January 1, 2006, to March 31, 2007	166	QC
6-278-08-006-R	06/11/08	Audit of the Fund Accountability Statement of USAID Resources Managed by Business Development Center Under Cooperative Agreement Number 278-A-00-06- 00311-00, "TATWEER" Program, for the Period From December 1, 2006, to November 30, 2007		
6-263-08-007-R	06/22/08	Audit of the Fund Accountability Statement of the American Chamber of Commerce in Egypt, USAID Funded Grant Agreement No. 263-G-00-06-00001-00, Trade Related Assistance Center Project, for the Period From October 5, 2005, to December 31, 2006		
6-263-08-008-R	07/16/08	Audit of the Fund Accountability Statement of the American Chamber of Commerce in Egypt, Trade Related Assistance Center, Grant Agreement No. 263-G-00-06- 00001-00, for the Period From January 1, 2007, to December 31, 2007		
6-263-08-009-R	07/24/08	Audit of the Ministry of Foreign Trade and Industry, Industry and Trade Advisory Support Unit, Implementation Letter No. Five, Agreement Number 263-0284, for the Period From September 1, 2005, Through December 31, 2006		
6-263-08-010-R	09/28/08	Financial Audit of the State Information Service/Information, Education, and Communication Center, Under Implementation Letter No. I, USAID Strategic Objective Grant Agreement No. 263-0287, "Healthier Planned Families," Communication for Healthy Living Activity No. 263-0287.05, for the Period From October 1, 2004 through September 30, 2006		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
6-294-08-010-N	05/29/08	Close-Out Audit of the Fund Accountability Statement of USAID Resources Managed by Palestine Trade Center, Under Cooperative Agreement No. 294-A-00-04-00214- 00, "Trade Promotion Program in the West Bank and Gaza," for the Period From September 20, 2005, to September 19, 2006		
6-294-08-013-N	07/10/08	Close-Out Audit of MASSAR Associates Subcontract DFD-I-800-04-00171-01, Costs Under Chemonics International Inc. Contract No. DFD-I-800-04-00171-00, With USAID, Supporting Rule of Law Reform Project (ARKAN), for the Period From October 1, 2005, to September 27, 2007		
6-294-08-014-N	07/14/08	Examination Procedures Related to Resources Provided to the Palestinian Authority Through the Ministry of Finance Under the Cash Transfer Grant Agreement Dated July 16, 2003, "USAID Activity Number 294-W-008," for the Period From January 1, 2006, to March 31, 2006 (Ninth and Close-Out Reporting Period)	84	QC
6-294-08-017-N	08/26/08	Examination Procedures Related to Resources Provided to the Palestinian Authority Through the Ministry of Finance Under the Cash Transfer Grant Agreement Dated August 8, 2005, "USAID Grant Agreement No. 294- 0014.40," for the Period From August 8, 2005, to March 31, 2006 (Final Close-Out Report)	3,394	QC
6-294-08-021-N	09/28/08	Examination of Saqqa and Khoudary's Compliance with Terms and Conditions of USAID Contract No. 294-C-00- 02-00231-00, "Coastal Aquifer Management Program," for the Period From August 22, 2002, to September 27, 2004	54	QC
6-294-08-022-N	09/28/08	Examination of Saqqa and Khoudary's Compliance with Terms and Conditions of USAID Contract No. 294-C-00- 04-00225-00, "Eastern Hebron Bulk Water Supply-Piping Installation-Package 4A," for the Period From September 29, 2004, to December 31, 2006		
6-294-08-025-N	09/29/08	Audit of the Cost Representation Statement of USAID Resources Managed by Arabtech Jardaneh/Palestine, Under Subcontract Agreement With CH2M HILL Contract No. 294-C-00-00-00063-00, "Water Resources Program (Phase III)," for the Period From June 1, 2005, to June 30, 2006		
6-294-08-026-N	09/29/08	Audit of the Cost Representation Statement of USAID Resources Managed by Community Development Group, Under Subcontract Agreement With CH2M HILL Contract No. 294-C-00-00-00063-00, "Water Resources Program (Phase III)," for the Period From June 1, 2005, to June 30, 2006		
7-641-08-003-R	04/28/08	Audit of the USAID Resources Managed by the Ghana Center for Democratic Development under Agreement Nos. 641-A-00-02-00020, 641-A-00-04-00284, and 641-A-00-05-0012 in Ghana for the Period Ended December 31, 2005		
7-624-08-004-R	06/30/08	Consolidated Audit of USAID and Other Donor Resources Granted to the Permanent Interstate Committee for Drought Control in the Sahel for the Period January 1, 2006 to December 31, 2006	41 34	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
7-620-08-005-R	07/24/08	Audit of the Fund Accountability Statement for Society for Family under the Health Integrated Reproductive Health (IRHIN) Project No. 620-A-00-05-00098-00 and the Comprehensive Integrated Approach to HIV/AIDS Prevention and Care (CIHPAC) Project No. 620-A-00-05- 00100-00 in Nigeria for the Period December 26, 2005 to December 25, 2006		
7-624-08-002-N	09/30/08	Closeout Audit of the Fund Accountability Statement of the USAID Resources Managed by the West African Health Organization in Burkina Faso under Program No. 688-G-00-03-00126-00 for the 42-Month Period to March 31, 2007	294 142	QC UN
8-118-08-014-R	04/02/08	Audit of USAID-Funded Programs Implemented by ANO Internews Russia in 2006		
8-118-08-015-R	04/02/08	Audit of USAID-Funded Programs Implemented by Educated Media Foundation in 2007		
8-118-08-016-R	04/07/08	Audit of USAID-Funded Programs Implemented by the Foundation for Independent Radio Broadcasting in 2006		
8-118-08-017-R	04/10/08	Audit of USAID-Funded Program Implemented by "Golos" Association of Non-Profit Organizations in Defense of Voter Rights for the Period ended May 4, 2007		
8-186-08-018-R	04/24/08	Audit of USAID-Funded Program Implemented by the Ministry of Foreign Affairs MASHAV for the Period ended May 31, 2004	149 149	QC UN
8-118-08-019-R	04/28/08	Audit of USAID-Funded Program Implemented by IPO Junior Achievement Russia for the Year Ending December 31, 2006		
8-118-08-020-R	05/19/08	Audit of USAID-Funded Program Implemented by the Moscow Helsinki Group in 2006		
8-118-08-021-R	05/16/08	Audit of USAID-Funded Program Implemented by the Institute for the Economy in Transition in 2006		
8-118-08-022-R	05/19/08	Audit of USAID-Funded Program Implemented by the Regional Society of Disabled People "PERSPECTIVA" in 2006	1	QC
8-118-08-023-R	05/21/08	Audit of USAID-Funded Programs Implemented by the Moscow School of Political Studies in 2006		
8-121-08-024-R	05/29/08	Audit of USAID-Funded Programs Implemented by the International Charitable Organization "Center for Ukrainian Reform Education" for the Year Ended 2006		
8-118-08-025-R	05/29/08	Audit of USAID-Funded Programs Implemented by the Institute for Urban Economics in 2006		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
8-000-08-026-R	06/02/08	Audit of ACTED, Under USAID Agreement No. 386-G- 00-05-00214, for the Fiscal Year 2006		
8-000-08-027-R	06/02/08	Audit of Four USAID Awards to Medair for 2006: DFD-A- 00-04-00073-00, DFD-G-00-06-000216-00, DFD-G-00-06- 000115-00, and DFD-G-00-04-00156-00		
8-000-08-028-R	06/02/08	Audit of the Association Handicap International, Under Multiple USAID Agreements in 2006		
8-000-08-029-R	06/04/08	Audit of the Christian Aid, Under Multiple USAID Agreements for the Year Ended March 31, 2006		
8-000-08-030-R	06/04/08	Audit of the Christian Aid, Under Multiple USAID Agreements for the Year Ended March 31, 2007		
8-121-08-031-R	06/04/08	Audit of USAID-Funded Programs Implemented by the Voluntary Union of Local Governments "Association of Ukrainian Cities and Communities" for the Year Ended December 31, 2006		
8-121-08-032-R	06/06/08	Audit of USAID/Funded Programs Implemented by the Municipal Development Institute for the Sixteen Months Ended December 31, 2006		
8-165-08-033-R	06/06/08	Audit of the Foundation Open Society Institute - Macedonia, Under Multiple USAID Agreements in 2006		
8-194-08-034-R	06/09/08	Audit of USAID-Funded Programs Implemented by the Open Society Institute Budapest, for the Year Ended December 31, 2005		
8-194-08-035-R	06/11/08	Audit of USAID-Funded Programs Implemented by the Open Society Institute Budapest, for the Year Ended December 31, 2006		
8-000-08-036-R	06/11/08	Audit of the Veterinaires Sans Frontieres, Under Two USAID Agreements in 2006	515 481	QC UN
8-000-08-037-R	06/11/08	Audit of the Tuberculosis Coalition for Technical Assistance, under USAID Award No. HRN-A-00-00- 00018-00, in 2006	1,279 1,279	QC UN
—LOCAL CURRENCY TRUST FUND—				
5-497-08-004-N	08/15/08	Financial Audit of the USAID/Indonesia's Rupiah Trust Fund for the Years Ended September 30, 2006 and 2007		
—U.S.-BASED CONTRACTORS—				
0-000-08-017-D	08/27/08	PA Government Services, Inc., Report on Audit of Fiscal Year 2001 Incurred Costs (Revised)		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-08-024-D	06/12/08	The Louis Berger Group, Inc. - International, Report on Noncompliance with CAS 405 Found During Follow-up Audit of Accounting System Internal Controls		
0-000-08-028-D	05/30/08	Montgomery Watson Harza Energy and Infrastructure (formerly Harza Engineering Company), Report on Audit of Fiscal Year 2002 Incurred Costs	1,492 1,492	QC UN
0-000-08-032-D	06/03/08	Montgomery Watson Harza Energy and Infrastructure (formerly Harza Engineering Company)	5,182 5,182	QC UN
0-000-08-033-D	05/02/08	Logical Technical Services Corporation, Report on Audit of Fiscal Years 2000 and 2001 Incurred Costs		
0-000-08-034-D	05/02/08	Bankworld, Inc., Report on Audit of Fiscal Year 2004 Incurred Costs		
0-000-08-035-D	05/15/08	Financial Markets International, Inc., Report on Audit of Post-Award Accounting System		
0-000-08-036-D	05/13/08	Creative Associates International, Inc., Report on Audit of Fiscal Year 2003 Incurred Costs	38 38	QC UN
0-000-08-037-D	05/12/08	Associates for International Resources and Development, Inc., Report on Audit of Fiscal Year 2003, 2004, and 2005 Incurred Costs		
0-000-08-038-D	05/12/08	Metcalf & Eddy, Inc., Report on Audit of CAS 418 Compliance		
0-000-08-039-D	05/28/08	Jorge Scientific Corporation, Report on Audit of Fiscal Years Ended February 28, 2005 and December 31, 2005		
0-000-08-040-D	05/21/08	Abt Associates, Inc., Report on Audit of Fiscal Year 2003 Incurred Costs	54 31	QC UN
0-000-08-041-D	05/29/08	TCG International, LLC, Report on Audit of Fiscal Years 2000, 2001 and 2002 Incurred Costs		
0-000-08-042-D	05/14/08	Bankworld, Inc., Report on Audit of Fiscal Year 2005 Incurred Costs		
0-000-08-043-D	05/14/08	IBM Global Business Services, Public Sector - Federal Report on Audit of Calendar Year 2005 Incurred Costs		
0-000-08-044-D	05/15/08	Abt Associates, Inc., Report on Evaluation of Labor Floor Check, Fiscal Year 2008		
0-000-08-045-D	09/25/08	John Snow, Inc., JSI Corporate Home Office, Report on Adequacy of Initial Disclosure Statement Dated October 26, 2007 with Effective Date of January 1, 2005		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-08-046-D	09/25/08	John Snow, Inc. (JSI), Report on Adequacy of Disclosure Statement Revision 3 Dated November 10, 2006 and Its Replacement, Disclosure Statement Revision 4, Dated December 31, 2007 with Effective Date of January 1, 2005		
0-000-08-047-D	06/12/08	Social & Scientific Systems, Inc., Report on Audit of Costs Booked and Billed Under Contract No. GPO-C-00-06- 00002-00 for the Period of February 24, 2006 through June 30, 2007	462	QC
0-000-08-048-D	09/29/08	Mendez England and Associates, Supplement to Report on Audit of Fiscal Year 1998 Incurred Costs		
0-000-08-049-D	07/25/08	Management Sciences for Development, Inc., Supplement to Report on Audit of Fiscal Year 1998 Incurred Costs	263 263	QC UN
0-000-08-050-D	07/25/08	Management Sciences for Development, Inc., Supplement to Report on Audit of Fiscal Year 1999 Incurred Costs	632 632	QC UN
0-000-08-051-D	09/11/08	Deloitte Touche Tohmatsu Emerging Markets Group, Ltd., Supplemental Report on Incurred Costs for Fiscal Year 1998		
0-000-08-054-D	09/23/08	Camp Dresser & McKee, Inc. – Corporate, Report on Noncompliance with CAS 405 Accounting for Unallowable Costs		
0-000-08-055-D	09/23/08	Camp Dresser & McKee, Inc. – Corporate, Report on Audit of Incurred Costs for Fiscal Years 2003 and 2004	1,807	QC
0-000-08-056-D	09/23/08	Camp Dresser & McKee – International, Report on Audit of Incurred Costs for Fiscal Years 2003 and 2004	36	QC
0-000-08-058-D	09/23/08	Management Sciences for Development, Inc., Supplement to Report on Audit of Fiscal Year 2000 Incurred Costs	259 259	QC UN
0-000-08-059-D	09/29/08	Mendez England and Associates, Supplement to Report on Audit of Fiscal Year 1999 Incurred Costs	19	QC
5-306-08-003-D	05/16/08	Audit of Costs Incurred in the United States by The Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from July 1, 2006, to December 31, 2006	847 26	QC UN
5-492-08-001-O	06/17/08	Report on Agreed-Upon Procedures Performed on Local Costs Incurred by Chemonics International, Inc. to Implement the Private Sector Mobilization for Family Health Project, USAID/Philippines Contract No. 492-C-00- 04-0036-00, for the Period From September 16, 2004, to December 31, 2006	209 180	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
6-294-08-008-N	05/13/08	Close-Out Audit of the Cost Representation Statement of USAID Resources Managed by Chemonics International Inc. Contract No. DFD-I-800-04-00171-00, Supporting Rule of Law Reform Project, Covering Locally Incurred Costs for the Period from October 1, 2005, to September 27, 2007		
6-294-08-009-N	05/29/08	Audit of the Cost Representation Statement of Locally- Incurred Costs of USAID Resources Managed by CARANA Corporation Under Contract No. AFP-I-01-03-00020-00, "Palestinian Agribusiness Partnership Activity" Project, for the Period From April 8, 2005, to April 7, 2006	270	QC
6-294-08-011-N	06/09/08	Audit of the Fund Accountability Statement of USAID Resources Managed by the Academy for Educational Development, Cooperative Agreement No. 294-A-00-06-00210-00, Small and Microfinance Assistance for Recovery and Transition Program, for the Period From October 1, 2006, to September 30, 2007	8	QC
6-263-08-016-N	07/30/08	Financial Audit of Transcentury Associates, USAID Contract No. 263-05-00-00035-00, for the Period From October 1, 2005, Through December 31, 2006	89 14	QC UN
6-294-08-023-N	09/29/08	Audit of the Cost Representation Statement of USAID Resources Managed by CH2M HILL, Under Contract No. 294-C-00-00-0063-00, "Water Resources Program (Phase III)," for the Period From October 1, 2004, to June 30, 2006		
6-294-08-024-N	09/29/08	Audit of the Cost Representation Statement of USAID Resources Managed by Montgomery Watson Americas, Inc., Under Subcontract Agreement With CH2M HILL Contract No. 294-C-00-00-00063-00, "Water Resources Program (Phase III)," for the Period From June 1, 2005, to June 30, 2006		
E-267-08-009-D	04/15/08	Audit of Costs Incurred and Billed by BearingPoint, Inc. under Contract No. 267-C-00-04-00405-00 for the Period October 1, 2006 through September 30, 2007	36 28	QC UN
E-267-08-012-D	05/27/08	Audit of Costs Incurred and Billed by The Louis Berger Group, Inc. under Contract No. 267-C-00-04-00435-00 from October 1, 2006 through September 30, 2007		
E-267-08-013-D	07/06/08	Audit of the Subcontract Costs Submitted by Sallyport Global Services Ltd. (Sallyport) for Security Services and Life Support Services under USAID Prime Contract No. 267-C-00-04-00435-00 with The Louis Berger Group, Inc. for the period October 1, 2006 through September 30, 2007		
—U.S. BASED GRANTEES—				
0-000-08-005-E	04/30/08	Report on Audit of the Southern Africa Enterprise Development Fund for the Fiscal Years Ended September 30, 2003 and 2002		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-08-006-E	04/30/08	Report on Audit of the Southern Africa Enterprise Development Fund for the Fiscal Years Ended September 30, 2005 and 2004, and Report on Audit of the Southern Africa Enterprise Development Fund for the Fiscal Year Ended September 30, 2004 and 2003		
0-000-08-007-E	04/30/08	Report on Audit of the Southern Africa Enterprise Development Fund for the Fiscal Years Ended September 30, 2006 and 2005		
0-000-08-008-E	04/30/08	Report on Audit of the Southern Africa Enterprise Development Fund for the Fiscal Year Ended September 30, 2007		
0-000-08-009-E	05/21/08	Report on Audit of the Central Asian-American Enterprise Fund for the Fiscal Years Ended September 30, 2004 and 2003		
0-000-08-010-E	05/21/08	Report on Audit of the Central Asian-American Enterprise Fund for the Fiscal Years Ended September 30, 2005 and 2004		
0-000-08-011-E	05/21/08	Report on Audit of the Central Asian-American Enterprise Fund for the Fiscal Years Ended September 30, 2006 and 2005		
0-000-08-012-E	05/21/08	Report on Audit of the Central Asian-American Enterprise Fund for the Fiscal Years Ended September 30, 2007 and 2006		
0-000-08-013-E	05/29/08	Report on Audit of the Western NIS Enterprise Fund for the Fiscal Years Ended September 30, 2006 and 2005		
0-000-08-014-E	05/29/08	Report on Audit of the Western NIS Enterprise Fund for the Fiscal Years Ended September 30, 2007 and 2006		
0-000-08-015-E	06/20/08	Report on Audit of the Albanian-American Enterprise Fund for the Fiscal Year Ended September 30, 2006		
0-000-08-015-T	05/30/08	Review of Mercy Corps for the Fiscal Year Ending June 30, 2007		
0-000-08-016-T	07/25/08	Review of International Rescue Committee, Inc. for the Fiscal Year Ending September 30, 2006		
0-000-08-017-T	09/15/08	Review of the Audit Report of International Republican Institute for Fiscal Year Ending September 30, 2006		
0-000-08-018-T	09/19/08	Review of the Audit Reports of JSI Research and Training Institute for the Years Ended September 30, 2006 and 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-08-019-T	09/17/08	Review of the Audit Report of International Rescue Committee, Inc. for the Fiscal Year Ending September 30, 2007		
0-000-08-020-T	09/22/08	Air Serv International, Inc., A-133 Audit Reports for Fiscal Years Ending December 31, 2005 and December 31, 2006		
0-000-08-021-T	09/22/08	Review of the Audit Reports of Partnership for Supply Chain Management for Fiscal Year End September 30, 2007		
0-000-08-022-T	09/19/08	Review of the Audit Reports of PACT, Inc. for Fiscal Years Ended September 30, 2005, 2006, and 2007		
0-000-08-023-T	09/22/08	Review of the Audit Reports of International Relief and Development, Inc. for Fiscal Years Ending December 31, 2005 and 2006		
0-000-08-024-T	09/22/08	Review of the Audit Reports of Alliance to Save Energy for the Fiscal Years Ending December 31, 2005 and 2006		
0-000-08-052-D	07/15/08	Partnership for Supply Chain Management, Inc., Report on Review of Post Award Accounting System		
6-294-08-012-N	06/25/08	Audit of USAID Resources Managed by the Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance Under USAID Cooperative Agreement No. 294-A-00-06-00207-00, Food Security Program, for the Period From October 1, 2006, to September 30, 2007	24	QC
6-294-08-015-N	07/20/08	Audit of the Fund Accountability Statement of USAID Resources Managed by World Vision, Under Cooperative Agreement No. 294-A-00-02-00226-00, "Job Opportunities Through Development of Small Scale Basic Community Infrastructure," for the Period From January 1, 2007, to June 30, 2007		
6-294-08-018-N	09/15/08	Audit of the Fund Accountability Statement of USAID Resources Managed by American Near East Refugee Aid, Under Cooperative Agreement No. 294-A-00-05-00240-00, Small Infrastructure Program, for the Period From September 27, 2005, to September 26, 2006		
6-294-08-019-N	09/23/08	Audit of the Fund Accountability Statement of USAID Resources Managed by Cooperative Housing Foundation, Under Cooperative Agreement No. 294-A-00-05-00242-00, Empowerment of Palestinian Local Authorities, for the Period From September 30, 2005, to September 29, 2006		
6-294-08-020-N	09/28/08	Audit of USAID Resources Managed by American Near East Refugee Aid, Under Cooperative Agreement No. 294-A-00-04-00222-00, Palestinian Infrastructure for Needed Employment, for the Period From September 28, 2004, to September 30, 2005		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
E-267-08-010-D	05/13/08	Audit of Costs Incurred and Billed by Agricultural Cooperative Development International/Volunteers Overseas Cooperative Assistance (ACDI/VOCA) under Cooperative Agreement No.AFP-A-00-03-00003-00 from August 1, 2004 to March 31, 2007	39	QC
E-267-08-011-D	05/20/08	Audit of Costs Incurred by Mercy Corps under USAID Cooperative Agreement No.AFP-A-00-03-00001-00 from August 1, 2004 through March 31, 2007	4,750	QC
E-267-08-014-D	08/12/08	Audit of Costs Incurred and Billed by International Relief and Development, Inc. Under USAID Cooperative Agreement No.AFP-A-00-03-00002-00 for the Period November 1, 2005 Through March 31, 2007	45 44	QC UN

USADF and IAF

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
NOTHING TO REPORT				

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

PERFORMANCE AUDIT REPORTS ISSUED April 1 – September 30, 2008 USAID

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
—ECONOMY AND EFFICIENCY—				
I-521-08-004-P	04/25/08	Audit of USAID/Haiti's Democracy and Governance Activities		
I-526-08-005-P	06/27/08	Audit of the Procurement Process for a National Identification Card and Passport System Financed by the Millennium Challenge Corporation and Monitored by USAID/Paraguay		
I-598-08-006-P	07/29/08	Audit of Compliance With Forward Funding Requirements By Missions in the Latin America and the Caribbean Bureau	142,468	BU
I-511-08-007-P	07/31/08	Audit of USAID/Bolivia's Integrated Alternative Development Program		
4-696-08-003-P	04/30/08	Audit of USAID/Rwanda's Distribution of P.L. 480 Title II Nonemergency Assistance in Support of Its Direct Food Aid Distribution Program		
4-617-08-004-P	04/10/08	Audit of USAID/Uganda's Implementation of the President's Malaria Initiative		
4-673-08-005-P	07/31/08	Audit of Selected Partners Implementing USAID/Namibia's President's Emergency Plan for AIDS Relief		
4-654-08-006-P	09/30/08	Audit of USAID/Angola's Democracy and Governance Activities	452	BU
5-386-08-005-P	06/18/08	Audit of USAID/India's Greenhouse Gas Pollution Prevention Project		
5-306-08-006-P	06/23/08	Audit of USAID/Afghanistan's Small and Medium Enterprise Development Activity		
5-440-08-007-P	07/07/08	Audit of USAID/Vietnam's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief		
5-492-08-008-P	07/31/08	Audit of USAID/Philippines' Infrastructure Activities Under Its Growth With Equity in Mindanao-2 Program		
5-306-08-009-P	08/08/08	Audit of USAID/Afghanistan's Accelerating Sustainable Agriculture Program	167	QC
5-367-08-010-P	09/26/08	Audit of USAID/Nepal's Health Activities		
5-438-08-011-P	09/26/08	Audit of USAID/Mongolia's Economic Policy Reform and Competitiveness Project		
5-306-08-012-P	09/30/08	Audit of USAID/Afghanistan's Capacity Development Program	11,100	BU
6-263-08-004-P	05/27/08	Audit of USAID/Egypt's Microfinance Activities		
7-624-08-005-P	04/21/08	Audit of Data Quality for USAID/West Africa's Regional Health Program		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
8-116-08-002-P	06/12/08	Audit of USAID's Democracy and Governance Activities in Kyrgyzstan		
9-611-08-007-P	05/30/08	Audit of USAID/Zambia's Procurement and Distribution of Commodities for the President's Emergency Plan for AIDS Relief		
9-000-08-008-P	06/02/08	Audit of USAID's Implementation of the President's Emergency Plan for AIDS Relief		
9-000-08-009-P	08/26/08	Followup Audit of USAID's Governmentwide Commercial Purchase Card Program		
A-000-08-005-P	05/15/08	Audit of Selected Performance-Based Task Orders for Information Technology Services		
A-000-08-006-P	09/04/08	Audit of USAID's Implementation of Internet Protocol Version 6		
A-000-08-009-P	09/29/08	Audit of USAID's Compliance With the Federal Information Security Management Act for Fiscal Year 2008		
E-267-08-002-P	04/03/08	Audit of USAID/Iraq's Management of the Marla Ruzicka Iraqi War Victims Fund		
E-267-08-003-P	06/24/08	Audit of USAID/Iraq's Management of Its Official Vehicle Fleet	2,180	BU
E-267-08-004-P	07/03/08	Audit of USAID/Iraq's Monitoring and Evaluation Performance Program		
E-267-08-005-P	08/05/08	Audit of USAID/Iraq's Community Action Program II		
E-267-08-006-P	09/30/08	Audit of USAID/Iraq's Agribusiness Program	6,000	BU

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

USADF

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
—ECONOMY AND EFFICIENCY—				
7-ADF-08-006-P	06/12/08	Followup Audit of the Awarding and Monitoring of Grants by the African Development Foundation	188	QC
7-ADF-08-007-P	09/17/08	Audit of the African Development Foundation/Ghana Project Activities	1,478 128	QC UN
A-ADF-08-008-P	09/23/08	Audit of United States African Development Foundation's Compliance With Provisions of the Federal Information Security Management Act for Fiscal Year 2008		

IAF

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
—ECONOMY AND EFFICIENCY—				
A-IAF-08-007-P	09/11/08	Audit of Inter-American Foundation's Compliance With Provisions of the Federal Information Security Management Act for Fiscal Year 2008		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

MISCELLANEOUS REPORTS ISSUED April 1 – September 30, 2008 USAID

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
—QUALITY CONTROL REVIEWS—				
I-511-08-001-Q	05/28/08	Quality Control Review of Audit Report and Work Papers Related to the Federacion de Asociaciones Municipales de Bolivia Under Cooperation Agreement No. 511-A-00-04- 00207, for the Period August 16, 2004 to April 28, 2006		
I-511-08-002-Q	06/04/08	Quality Control Review of Audit Report and Work Papers Related to the Asociacion de Proteccion a la Salud Santa Cruz – Bolivia, Social Marketing – Cooperation Agreement No. 511-A-00-02-00295-00 and Partners for the Development – Cooperation Agreement No. 511-A-00-02- 00261-00, for the Period January 1 to December 31, 2006		
I-511-08-003-Q	06/24/08	Independent Auditor’s Report of Grant Agreement USAID No. 511-A-00-02-00282-00 Program for Cleaner Production for Industry and Service Sectors Managed by Centro de Promocion de Tecnologias Sostenibles, for the Year Ended December 31, 2006		
I-511-08-004-Q	06/25/08	Independent Auditor’s Report for the Period From January 1 to December 31, 2006; Research, Studies and Services Center Cooperative Agreements USAID No. 511-A-00-98-00158-00 and USAID No. 511-A-00-04-00298-00		
I-522-08-005-Q	06/30/08	Closeout Audit of USAID Resources Managed by Instituto Nacional de Estadistica Under Grant Agreement No. 522- 0433, Project for the Performance of the Demographic and Health Poll, for the Period August 10, 2005 to September 30, 2007		
I-522-08-006-Q	07/03/08	Audit Report No. I-522-08-033-R, Financial Statements Audit of the Expanding Access to Family Planning for Marginalized Rural Populations Program, USAID Cooperative Agreement No. 522-G-00-06-000304-00, Managed by Asociacion Hondurena de Planificacion de Familia, for the Period From January 1 to December 31, 2006		
I-511-08-007-Q	07/03/08	Quality Control Review of Audit Report and Working Papers for the Independent Auditor’s Report on the Rural Roads Program, Integral Development Program, Under USAID Grant Agreement No. 511-0660 for the Year January 1, 2006 to December 31, 2006		
I-523-08-008-Q	08/12/08	Quality Control Review of Audit Report and Work Papers Related to the Report on the Fund Accountability Statement in Accordance With the Agreement Made Between the Mexican Nature Conservation Fund and the United States Agency for International Development for the National Enabling Environment for Mexico Program for the Period January 1, 2006 to February 28, 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-522-08-009-Q	08/12/08	Quality Control Review of Audit Report and Work Papers Related to the Closeout Audit of the Project "Support and Strengthening of the Small and Medium Handcrafts Producers," USAID/Honduras Cooperative Agreement No. 522-A-00-04-00464-00, Managed by Fundacion AMBOS for the Period October 1, 2004 to February 28, 2007		
I-522-08-010-Q	08/29/08	Quality Control Review of Audit of USAID Resources for the Program to Strengthening of Democratic Processes in Honduras, Cooperative Agreement No. 522-A-00-06- 00302-00 Administered by the Federacion de Organizaciones Para el Desarrollo de Honduras From October 1, 2005 Through September 30, 2006		
I-522-08-011-Q	08/29/08	Quality Control Review of the Financial Statement Audit of the Central American Centers of Excellence for Teacher Training Program Cooperative Agreement No. 522-A-00- 02-00348-00, Managed by Universidad Pedagogica Nacional Francisco Morazan, for the Year Ended September 30, 2006		
4-663-08-003-Q	06/17/08	Quality Control Review of the Audit of the Ethiopian Orthodox Church Development and Inter-Church Aid Commission Under the USAID Food Security Program P.L. 480 Title II Development Activity Proposal, Cooperative Agreement No. FSP-A-00-98-00032-05, for the Year Ended December 31, 2003		
4-663-08-004-Q	06/17/08	Quality Control Review of the Closeout Audit of the Ethiopian Orthodox Church Development and Inter-Church Aid Commission Under the USAID Food Security Program P.L. 480 Title II Development Activity Proposal, Cooperative Agreement No. FSP-A-00-98-00032-05, for the Year Ended December 31, 2004		
4-674-08-005-Q	06/19/08	Quality Control Review of the Audit of Umalusi Council for Quality Assurance in General and Further Education and Training Under USAID Bilateral Grant Agreement No. 674- 0302-G-00-5031, for the Period April 1, 2003 to September 30, 2005		
5-442-08-005-Q	06/06/08	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by PricewaterhouseCoopers (Cambodia) Ltd., of USAID Funds Managed by the Khmer HIV/AIDS NGO Alliance, for the Year Ended December 31, 2006		
5-442-08-006-Q	06/24/08	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by KPMG Cambodia Ltd. of USAID/Cambodia Cooperative Agreement No. 493-A-00-04-00005-00, Managed by Reproductive and Child Health Alliance, for the Year Ended December 31, 2006		
5-497-08-007-Q	08/15/08	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit of USAID/Indonesia's Rupiah Trust Fund for the Years Ended September 30, 2006 and 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
5-497-08-008-Q	08/26/08	Quality Control Review of the Audit Report and Audit Documentation Prepared by Jimmy Budhi & Rekan of Its Financial Audit Conducted of Development Alternatives, Inc. Relating to the Specified Line Items of the Statement of Costs Incurred and Billed Under USAID/Indonesia Contract No. DOT-I-03-800-00004-00, Task Order No. 800, "Support a Peaceful Process of Democratization in Indonesia," for the Period From August 1, 2004 to January 31, 2007		
6-263-08-001-Q	04/29/08	Quality Control Review of Audit of USAID Resources Managed and Expenditures Incurred by Ministry of Health and Population/Epidemiology Surveillance Unit (ESU) Infectious Disease Surveillance and Response, USAID/ Egypt Grant Agreement No. 263-0287.03, Implementation Letter No. 1 for the Period From January 1, 2006, to March 31, 2007		
6-263-08-002-Q	07/10/08	Quality Control Review of Audit of Ernst & Young Audit Report Covering the American Chamber of Commerce in Egypt, Trade Related Assistance Center, Financial Audit of the Fund Accountability Statement of the Grant Agreement No. 263-G-00-06-00001-00 With USAID/Egypt for the Period From January 1, 2007, to December 31, 2007		
7-685-08-001-Q	04/01/08	Quality Control Review of AMCS for the Audit of the USAID Resources Managed by ASACASE Under the Sustainable Increase of Income Generating Activities in Selected Sectors (No 685-A-00182-00) for the Period August 2001 to August 2004 and the Casamance Recovery Development Program (No. 685-A-00-03-00104) in Senegal for the Period August 2003 to November 2005		
0-000-08-002-Q	04/08/08	Quality Control Review of PricewaterhouseCooper LLP's Audit of CARE, Inc. Fiscal Year Ended June 30, 2005		
0-000-08-003-Q	04/30/08	Quality Control Review of KPMG LLP Audit of National Democratic Institute for International Affairs for the Fiscal Year Ended September 30, 2006		
0-000-08-004-Q	07/08/08	Quality Control Review of McGladrey & Pullen, LLP's Audit of International Republican Institute, Fiscal Year Ended September 30, 2006		
0-000-08-005-Q	09/18/08	Quality Control Review of PriceWaterhouseCoopers, LLP's Audit of Research Triangle Institute, Fiscal Year Ended September 30, 2006		
0-000-08-006-Q	09/29/08	Quality Control Review of KPMG LLP Audit of International Rescue Committee for the Fiscal Year Ended September 30, 2006		
—OTHER—				
6-294-08-001-S	09/11/08	Information on Status and Results of the First 120 Financial Audits of USAID/ West Bank and Gaza Activities in Accordance with the Statutory Requirements of the Appropriations Acts of 2003, 2004, 2005, 2006 and 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

USADF and IAF

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
NOTHING TO REPORT				

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

AFGHANISTAN AND IRAQ AUDIT REPORTS ISSUED April 1 – September 30, 2008 USAID

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
—AFGHANISTAN—				
5-306-08-003-D	05/16/08	Audit of Costs Incurred in the United States by The Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from July 1, 2006, to December 31, 200	847 26	QC UN
5-306-08-019-R	04/25/08	Closeout Audit of the Project Titled “Business Advisory Services to Small and Medium - Sized Enterprises (SMEs) in Afghanistan,” USAID/Afghanistan Cooperative Agreement No. 306-A-00-04-00570-00, Managed by Acap Management Limited, for the Period from September 30, 2004, to March 29, 2007	695 653	QC UN
5-306-08-006-P	06/23/08	Audit of USAID/Afghanistan’s Small and Medium Enterprise Development Activity		
5-306-08-009-P	08/08/08	Audit of USAID/Afghanistan’s Accelerating Sustainable Agriculture Program	167	QC
5-306-08-012-P	09/30/08	Audit of USAID/Afghanistan’s Capacity Development Program	11,100	BU
—IRAQ—				
E-267-08-009-D	04/15/08	Audit of Costs Incurred and Billed by BearingPoint, Inc. under Contract No. 267-C-00-04-00405-00 for the Period October 1, 2006 through September 30, 2007	36 28	QC UN
E-267-08-010-D	05/13/08	Audit of Costs Incurred and Billed by Agricultural Cooperative Development International/Volunteers Overseas Cooperative Assistance (ACDI/VOCA) under Cooperative Agreement No. AFP-A-00-03-00003-00 from August 1, 2004 to March 31, 2007	39	QC
E-267-08-011-D	05/20/08	Audit of Costs Incurred by Mercy Corps under USAID Cooperative Agreement No. AFP-A-00-03-00001-00 from August 1, 2004 through March 31, 2007	4,750	QC
E-267-08-012-D	05/27/08	Audit of Costs Incurred and Billed by The Louis Berger Group, Inc. under Contract No. 267-C-00-04-00435-00 from October 1, 2006 through September 30, 2007		
E-267-08-013-D	07/06/08	Audit of the Subcontract Costs Submitted by Sallyport Global Services Ltd. (Sallyport) for Security Services and Life Support Services under USAID Prime Contract No. 267-C-00-04- 00435-00 with The Louis Berger Group, Inc. for the period October 1, 2006 through September 30, 2007		
E-267-08-014-D	08/12/08	Audit of Costs Incurred and Billed by International Relief and Development, Inc. Under USAID Cooperative Agreement No. AFP-A-00-03-00002-00 for the Period November 1, 2005 Through March 31, 2007	45 44	QC UN

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
E-267-08-002-P	04/03/08	Audit of USAID/Iraq's Management of the Marla Ruzicka Iraqi War Victims Fund		
E-267-08-003-P	06/24/08	Audit of USAID/Iraq's Management of Its Official Vehicle Fleet	2,180	BU
E-267-08-004-P	07/03/08	Audit of USAID/Iraq's Monitoring and Evaluation Performance Program		
E-267-08-005-P	08/05/08	Audit of USAID/Iraq's Community Action Program II		
E-267-08-006-P	09/30/08	Audit of USAID/Iraq's Agribusiness Program	6,000	BU

USADF and IAF

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
NOTHING TO REPORT				

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

AUDIT REPORTS OVER 6 MONTHS OLD WITH NO MANAGEMENT DECISION

As of September 30, 2008 USAID

Report Number	Auditee	Issue Date	Current Recommendation Status	Desired Decision Target Date
I-527-08-003-P	USAID/Peru	03/25/08	To develop a rigorous basis for a management decision on the two recommendations (Nos. 5 and 7) of this report, with questioned costs totaling \$4.3 million, USAID/Peru has undertaken a financial review involving extensive field work in remote areas of Peru. The financial review will require several hundred hours of effort by USAID/Peru staff. More than half of the field work has been completed and USAID/Peru expects to complete the review by December 2009. The terms of reference for the financial review were vetted with OIG and several alternatives for speeding a management decision were considered. However, USAID/Peru believes, and OIG agrees, that the financial review is an indispensable part of a carefully considered and responsible approach to reaching a management decision on the recommendations.	12/09
9-000-08-001-P	USAID	11/06/07	The Office of Security (SEC) is waiting for the approval of the Administrator to publish the "Final Rule" in the Federal Register, which will allow the Agency to use its Partner Vetting System. The Administrator has not yet approved the Final Rule, which deals primarily with the use of Privacy Act information used in the vetting process. In the meantime, SEC is seeking Agency approval to implement a limited-scope vetting process in certain high-risk countries and programs. The Administrator has not given SEC approval to proceed with a limited implementation. Furthermore, if a decision is not reached by November 4, 2008, the entire issue will be delayed until sometime in 2009 because no new policies can be implemented between the Presidential election and the Inauguration.	Unknown

USADF and IAF

Report Number	Auditee	Issue Date	Current Recommendation Status	Desired Decision Target Date
NOTHING TO REPORT				

**SIGNIFICANT AUDIT RECOMMENDATIONS DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS
WITHOUT FINAL ACTION**

As of September 30, 2008 USAID

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
9-000-06-003-P	USAID's Reasonable Accommodation Policies and Procedures	12/13/05	3	12/13/05	12/08
A-000-06-001-P	USAID's Information Technology Governance Over Its Phoenix Overseas Deployment and Procurement System Improvement Program Projects	02/21/06	2 3 4 5 6	02/21/06 02/21/06 02/21/06 02/21/06 02/21/06	10/08 10/08 10/08 10/08 10/08
4-615-06-011-P	USAID/Kenya's Compliance with Financial Audit Requirements Regarding Foreign Recipients	07/31/06	5 7	10/13/06 07/31/06	10/08 10/08
4-656-06-015-P	USAID/Mozambique's Compliance with Financial Audit Requirements Regarding Foreign Recipients	09/22/06	4	09/22/06	03/09
0-000-07-001-C	USAID's Financial Statements for Fiscal Years 2006 and 2005	11/15/06	2.2	11/15/06	12/08
A-000-07-004-P	Audit of USAID's Pre-Deployment Activities for Its Global Acquisition System	07/19/07	1 2	07/19/07 07/19/07	02/09 02/09
9-516-07-009-P	Audit of USAID's Cuba Program	09/25/07	1 9	10/26/07 09/25/07	10/08 10/08
5-306-08-001-P	USAID/Afghanistan's Agriculture, Rural Investment, and Enterprise Strengthening Program	01/22/08	5 6	01/22/08 01/22/08	12/08 12/08
5-306-08-003-P	USAID/Afghanistan's Alternative Development Program—Southern Region	03/17/08	1	03/17/08	10/08
1-527-08-003-P	Follow-up Audit of USAID/Peru's Alternative Development Program	03/25/08	1 5 6 7	07/02/08 07/02/08	12/08 12/08 12/08 12/08
9-000-08-002-P	USAID's New Partners Initiative Created Under the President's Emergency Plan for AIDS Relief	12/12/07	3	12/12/07	11/08
A-000-08-004-P	USAID's Implementation of Selected Homeland Security Presidential Directive 12 (HSPD-12) Requirements for Personal Identity Verification of Federal Employees and Contractors	02/06/08	1	02/06/08	06/09

USADF and IAF

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
NOTHING TO REPORT					

REPORTS ISSUED WITH QUESTIONED AND UNSUPPORTED COSTS

April I – September 30, 2008 USAID

Reports	Number of Audit Reports	Questioned Costs	Unsupported Costs ¹
A. For which no management decision had been made as of April I, 2008	40	\$22,868,188 ^{2,3}	\$19,205,974 ³
B. Add: Reports issued April I – September 30, 2008	78	\$48,911,184 ⁴	\$31,443,051 ⁴
Subtotal	118	\$71,779,372	\$50,649,025
C. Less: Reports with a management decision made April I – September 30, 2008	83 ⁵	\$44,582,700 ⁶	\$28,602,850 ⁶
i. Value of Recommendations Disallowed by Agency Officials		\$25,862,596	\$19,191,932
ii. Value of Recommendations Allowed by Agency Officials		\$18,720,104	\$9,410,918
D. For which no management decision had been made as of September 30, 2008	33	\$27,196,672 ⁷	\$22,046,175 ⁷

¹ Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).

² The ending balance at March 31, 2008, for Questioned Costs totaling \$35,779,323 was decreased by \$12,911,135 to reflect adjustments in prior period recommendations.

³ Amounts include \$1,895,920 in Questioned Costs and \$14,116 in Unsupported Costs for audits performed for OIG by other federal audit agencies.

⁴ Amounts include \$15,962,378 in Questioned Costs and \$7,995,334 in Unsupported Costs for audits performed for OIG by other federal audit agencies.

⁵ Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal. Some audit reports counted here are again counted in the figure below it.

⁶ Amounts include \$14,242,499 in Questioned Costs and \$6,780,795 in Unsupported Costs for audits performed for OIG by other federal audit agencies.

⁷ Amounts include \$3,577,241 in Questioned Costs and \$1,228,655 in Unsupported Costs for audits performed for OIG by other federal audit agencies.

USADF

Reports	Number of Audit Reports	Questioned Costs	Unsupported Costs ¹
A. For which no management decision had been made as of April 1, 2008	0	\$0	\$0
B. Add: Reports issued April 1 – September 30, 2008	2	\$1,665,727	\$127,836
Subtotal	2	\$1,665,727	\$127,836
C. Less: Reports with a management decision made April 1 – September 30, 2008	2 ²	\$1,176,422	\$127,836
i. Value of Recommendations Disallowed by Agency Officials		\$1,176,422	\$127,836
ii. Value of Recommendations Allowed by Agency Officials		\$0	\$0
D. For which no management decision had been made as of September 30, 2008	1	\$489,305	\$0

¹ Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).

² Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal. One audit report counted here is again counted in the figure below it.

IAF

Reports	Number of Audit Reports	Questioned Costs	Unsupported Costs
NOTHING TO REPORT			

REPORTS ISSUED WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

April 1 – September 30, 2008 USAID

Reports	Number of Audit Reports	Dollar Value
A. For which no management decision had been made as of April 1, 2008	1	\$8,541,076
B. Add: Reports issued April 1 – September 30, 2008	5	\$162,199,796
Subtotal	6	\$170,740,872
C. Less: Reports with a management decision made April 1, 2005 – September 30, 2008	6*	\$129,591,053
i. Value of Recommendations Agreed to by Agency Officials		\$20,478,989
ii. Value of Recommendations Not Agreed to by Agency Officials		\$109,112,064
D. For which no management decision had been made as of September 30, 2008	1	\$41,149,819

* Unlike the monetary figure of this row, this figure is not being subtracted from the subtotal. Some audit reports counted here are again counted in the figure below it.

USADF and IAF

Reports	Number of Audit Reports	Dollar Value
NOTHING TO REPORT		





SEMIANNUAL REPORT TO THE CONGRESS
for
MILLENNIUM CHALLENGE CORPORATION



SUMMARY OF RESULTS

OIG's purpose is to ensure that its assigned organizations enhance the integrity, efficiency, and effectiveness of their work and achieve the greatest possible results. To assist MCC in doing so, OIG evaluates the organization's programs and operations and provides oversight and information. Using three strategic goals, shown below, as a framework, OIG planned and executed work intended to help MCC to address their challenges and priorities.

Highlights of OIG's results related to MCC for this reporting period follow:

Strategic Goal 1: Strengthen the economy, effectiveness, and efficiency of U.S. foreign assistance programs and operations

OIG focused on audits that involved financial oversight of MCC compact funds.

- MCC implemented appropriate policies and procedures for interagency agreements.
- The fund accountability statement audit activity in an MCC-funded program in Ghana found questioned costs of more than \$2 million resulting from an accounting error.

Strategic Goal 2: Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse

OIG focused on investigations and training to address vulnerabilities and integrity concerns that place programs at risk.

- OIG provided 9 Fraud Awareness Briefings to over 250 MCC and MCA staff members.
- A USAID contract employee was terminated for soliciting kickbacks under an MCA Threshold Program contract.

Strategic Goal 3: Continually improve OIG functions and operations

OIG continued to improve its information management systems to help its employees perform more productively.

- OIG expanded the Audit Information Management System to include the tracking of MCC work.
- An automated helpdesk system was implemented to track requests for administrative services and other support requirements.

OIG established an annual performance plan for this reporting period that aligns with these goals and the overall foreign assistance framework contained in the National Security Strategy.

Additional details of OIG's results related to MCC for this reporting are shown in the following charts and activity summaries:

Audits Conducted for MCC as of September 30, 2008

TYPE OF REPORT	NUMBER OF REPORTS	MONETARY RECOMMENDATIONS (\$)*
FINANCIAL AUDITS		
PROGRAMS AND OPERATIONS	0	0
U.S.-BASED CONTRACTORS	0	0
U.S.-BASED GRANTEES	0	0
QUALITY CONTROL REVIEWS	0	0
FOREIGN GOVERNMENT ENTITIES	14	2,343,480
QUALITY CONTROL REVIEWS	1	0
PERFORMANCE AUDITS		
ECONOMY AND EFFICIENCY	2	0
OTHER	0	0
TOTAL	17	2,343,480

* Monetary recommendations include questioned costs and funds put to better use.

Investigative Activity for MCC as of September 30, 2008

WORKLOAD			CIVIL	
CASES OPENED	2		REFERRALS	0
CASES CLOSED	0		DECLINATIONS	0
			COMPLAINTS	0
			JUDGMENTS / RECOVERIES	0
			SETTLEMENTS	0
CRIMINAL			ADMINISTRATIVE	
REFERRALS	1		REPRIMANDS / DEMOTIONS	0
DECLINATIONS	0		PERSONNEL SUSPENSIONS	0
ARRESTS	0		RESIGNATIONS / TERMINATIONS	1
INDICTMENTS	0		OTHER ADMINISTRATIVE ACTIONS	0
CONVICTIONS	0		RECOVERIES	0
SENTENCING	0		PROCUREMENT	
FINES	0		SUSPENSIONS / DEBARMENTS	3
RESTITUTIONS	0		SAVINGS	1
			SYSTEMIC CHANGES	0

Investigative Recoveries for MCC as of September 30, 2008

JUDICIAL RECOVERIES	0.00
ADMINISTRATIVE RECOVERIES	0.00
SAVINGS	\$900,000.00
TOTAL INVESTIGATIVE SAVINGS / RECOVERIES	\$900,000.00

Fraud Awareness Briefings Conducted for MCC as of September 30, 2008

Month	Location	Sessions	Attendees	Professional Affiliation
APR	Cape Verde and Senegal	1	10	MCC and MCA Personnel
	Washington, DC	1	101	MCC Personnel
MAY	<i>NOTHING TO REPORT</i>			
JUN	San Salvador, El Salvador	1	2	MCC Personnel (MCA-Fomilenio)
	Washington, DC	1	43	MCC Personnel
JUL	<i>NOTHING TO REPORT</i>			
AUG	Washington, DC	1	45	MCC Personnel
SEP	Tegucigalpa, Honduras	4	52	MCC Personnel
TOTAL		9	253	

Strategic Goal 1:

Strengthen the economy, effectiveness, and efficiency of U.S. foreign assistance programs and operations

Audit of MCC's Management of Its Interagency Agreements

The audit found that MCC had policies and procedures in place to provide a reasonable assurance that interagency agreements were being managed to ensure that the Government was receiving the best value for its investment. Further, MCC had a policy and procedure related to the responsibilities of the contracting officer's technical representative assigned to oversee each interagency agreement and to direct the work of the servicing agency. Additionally, deliverables were completed as required by the agreements.

(Audit Report No. M-000-08-005-P)

Audit of MCC's Compliance with the FISMA Provisions for Fiscal Year 2008

An audit was conducted to determine if MCC's information security program meets FISMA requirements for an agencywide information security program to protect MCC's information and assets.

OIG found that MCC's information security program does not meet all FISMA requirements, and OIG made 17 recommendations to address the deficiencies. The FISMA audit for fiscal year 2009 will review MCC's action in response to these recommendations.

(Audit Report No. M-000-08-004-P)

Fund Accountability Statement Audits

Fund accountability statement audits are conducted by the entity that is designated by the foreign country to implement the compact. The audits are performed by audit firms that OIG has approved. The audits include three main objectives and a fourth that may or may not be applicable in all compacts. The main objectives are as follows:

- Expressing an opinion on the fund accountability statement produced by the entity that oversees the financial aspects of compact administration.
- Evaluating and obtaining an understanding of the entity's internal control structure.
- Determining compliance with the compact terms and applicable laws and regulations.
- Determining whether cost-sharing contributions were provided and accounted for in accordance with the terms of the compact and supplemental agreements, where applicable.

The auditor's opinion is a professional judgment on whether the fund accountability statement presents fairly, in all material respects, revenues, costs, and assets for the audit period, in conformity with the terms of a Compact Agreement and related supplemental agreements. The auditor applies generally accepted accounting principles in performing the overall assessment. All audit reports are reviewed by OIG.

Most audits cover 6-month periods of operations.

The initial findings and recommendations of these audits are addressed to the local MCA. When audit findings require followup, OIG issues a recommendation requesting a corrective action plan from MCC. The corrective action plan identifies the actions planned or taken to address the audit findings. Questioned costs are addressed in a separate recommendation. MCC is required to notify the OIG of its response to recommendations no later than 6 months from the date the audit is issued. Final action is within 1 year of audit issuance. To complete this step, MCC reports its action to implement the recommendation.

During the reporting period, audits of incurred costs were issued for MCC-funded programs in Armenia, Benin, Cape Verde, El Salvador, Georgia, Ghana, Honduras, Madagascar, Mali, Nicaragua, and Vanuatu.

Armenia:

The latest audit covered incurred costs of \$4.3 of the \$235.6 million compact to reduce rural poverty through sustainable increase in the economic performance of the agricultural sector. The audit identified one reportable condition in internal controls involving excessive cash balances. It also identified two instances of noncompliance. In the first instance, a bank failed to report accrued interest as required by the compact. In the second instance, MCA-Armenia did not make payments to the State Social Security Fund as required by the Republic of Armenia legislation. No new recommendations were issued; however, outstanding issues from report M-000-08-007-N dated April 11, 2008, were resolved and final action recorded.

(Audit Report Nos. M-000-08-007-N and M-000-08-009-N)

Benin

The latest audit covered incurred costs of \$5,005,259 of the \$307 million grant to address key constraints to economic growth and poverty reduction in Benin by supporting improvements in physical and institutional infrastructure in four critical sectors focusing on access to land, financial services, justice, and markets. The audit identified one significant deficiency in the internal control structure, involving failure to submit certain quarterly reports by implementing agencies. In addition, the audit identified three instances of noncompliance from a previous audit period that had not been corrected. OIG issued two recommendations and noted that a condition previously reported as corrected remained. Both recommendations are pending management decision and final action.

(Audit Report No. M-000-08-012-N)

Cape Verde

The latest audit covered incurred costs of \$1,863,047 of the \$110 million grant to reduce poverty and stimulate economic growth by focusing on watershed management and agriculture support, infrastructure, and private sector development. The audit identified four deficiencies in the internal control involving value-added tax reimbursement, bank reconciliations, government contribution report, and quarterly reports. Further, the audit identified two instances of noncompliance involving property and equipment and the tax refund process. All six findings were identified in a previous report. As a result, OIG requested that MCC have Cape Verde correct the repeat findings and verified that the actions have been taken.

(Audit Report Nos. M-000-08-008-N and M-000-08-015-N)

El Salvador

The latest audit covered incurred costs of \$1,453,483 of a \$461 million grant to alleviate the poverty of over 150,000 Salvadorians and enhance the livelihood and welfare of over 850,000 people. The audit determined that the fund statement presented fairly in all material respects. There were no findings of significant internal control weaknesses or compliance. No recommendations were issued.

(Audit Report No. M-000-08-011-N)

Georgia

The audit covered \$11,183,420 in incurred costs of a \$295.3 million compact to rehabilitate key aspects of regional infrastructure, including transportation, energy, and municipal services. The audit identified one significant deficiency in the internal control system involving cash projections and cash management. OIG made one recommendation for a corrective action plan that resulted in management decision and final action.

(Audit Report No. M-000-08-013-N)

Ghana

The audit covered incurred costs of \$7,657,551 of a \$547 million compact with three goals: to enhance the profitability of cultivation, services to agriculture, and product handling in support of the expansion of commercial agriculture among groups of smallholder farmers; to reduce the transportation costs affecting the agricultural commerce at subregional and regional levels; and to strengthen the rural institutions that provide services complementary to, and supportive of, agricultural and agribusiness development. The audit disclosed questioned costs of \$2,033,256, unsupported costs of \$209,678, two significant deficiencies in the internal control structure, and multiple material instances of noncompliance. OIG issued three recommendations to address the internal control, noncompliance, and

questioned costs. All three recommendations are pending management decision and final action.

(Audit Report Nos. M-000-08-018-N and M-000-08-019-N)

Honduras

The audit covered incurred costs of \$6,872,771 of the \$215 million compact program to increase productivity of small- and medium-size farms and improve farmers' business skills and to reduce transportation costs between farms and national, regional, and global markets. The compact's goal is to increase annual income for Honduras by \$69 million. The Government of Honduras identified priorities for the compact from its national Poverty Reduction Strategy and engaged a broad range of citizens in designing the program. The audit disclosed no significant deficiencies in internal control and no noncompliance. There were no audit recommendations issued for this audit.

(Audit Report No. M-000-08-010-N)

Madagascar

The audit covered incurred costs of \$8,955,374 of the \$110 million¹ program to reduce poverty and stimulate economic growth by focusing on three areas: property rights, the financial sector, and agricultural business investment. The audit disclosed ineligible costs of \$40,350, unsupported costs of \$57,012, and multiple material instances of noncompliance. OIG issued two recommendations one to request a corrective action plan for the nonmonetary findings and the other to resolve the \$40,350 in ineligible and \$57,012 in unsupported questioned costs. Both recommendations are pending management decision and final action.

(Audit Report No. M-000-08-017-N)

¹ At the time of the audit, the compact was for a 4-year term. As of September 30, 2009, the compact will be for a 5-year term.

Mali

OIG issued the first audit of the MCA-Mali compact on September 29, 2008. The compact, a 5-year, \$460.8 million grant, was signed September 17, 2007. Specific projects are targeted in three general areas: an airport improvement project, an industrial park within the airport, and an irrigation project to increase agricultural productivity. The audit covered incurred costs of \$2,622,433 from November 13, 2006, to December 31, 2007. The OIG issued no recommendations, because a subsequent audit (yet to be issued) disclosed that all but one minor finding have been resolved.

(Audit Report No. M-000-08-020-N)

Nicaragua

OIG issued its third audit of the compact with Nicaragua covering incurred costs of \$7,508,481 of a \$175 million program. The compact seeks to increase investment by strengthening property rights, reducing transportation costs, and improving access to markets for rural communities and increasing profits and wages from farming and related enterprises in the region. The fund accountability statement presented fairly, in all material respects, program revenue received and expenses incurred and reimbursed during the period under audit. The audit disclosed two significant internal control deficiencies that were outstanding at the close of the reporting period. OIG issued a request for a corrective action plan to address the internal control findings. MCC's response is pending.

(Audit Report No. M-000-08-016-N)

Vanuatu

The latest audit covered incurred costs of \$510,545 of the \$65 million program to achieve economic growth and reduce poverty. The audit identified unsupported questioned costs of \$3,184 in uninsured assets. This is a material noncompliance with the compact that requires all assets to be insured. Except for the questioned costs, the fund accountability statement presented fairly, in all material respects, program revenue and costs incurred during the period under audit. There were no significant deficiencies in internal controls. OIG issued a request for a corrective action plan to address material noncompliance findings and a recommendation requesting resolution of the questioned costs. OIG issued two recommendations, which are pending management decision and final action.

(Audit Report No. M-000-08-014-N)

Strategic Goal 2:

Protect U.S. foreign assistance programs and operations from fraud, waste, and abuse

Contract Employee Terminated for Soliciting Kickbacks and Procurement Cancelled

An OIG investigation led to the termination of a USAID contract employee for soliciting kickbacks under an MCA Threshold Program contract. The MCA contract holder held a selection committee meeting to evaluate bids received pursuant to a request for proposals for a \$900,000 subcontract to provide hardware, networking, and refurbishment services to the host country ombudsman. The day of and the day prior to the evaluation, one of the vendors received e-mails soliciting a kickback of 5 percent of the pending contract price. During the investigation, an MCA contract employee confessed that he had sent the e-mails to the vendor. The investigation further determined that the vendor entered into a kickback agreement; however, the vendor did not pay any kickbacks. As a result of the investigation, the MCA contract employee was terminated, and the \$900,000 procurement was cancelled.

OIG Conducts Fraud Awareness Training

As part of its proactive strategy, OIG conducts fraud awareness training for MCC employees, contractors, and grantees. The purpose of this training is to alert personnel to fraudulent schemes and practices so that they can prevent or reduce fraud in MCC programs and operations. In addition, OIG promotes its hotline and advises attendees of methods and procedures to report potential fraud, waste, or abuse.

During this reporting period, fraud awareness training was provided in 4 countries to 253 MCC and MCA staff members.

Strategic Goal 3:

Continually improve OIG functions and operations

Audit Information Management System Expanded

OIG initiated the Audit Information Management System in early 2008 to track audit recommendations and management decisions in USAID. It has since been expanded to include MCC audit work. OIG designed and developed the system to create statutorily required reports for Congress. The system improves efficiencies by giving users the benefit of real-time information and search capacity. It will also allow the future integration of audit and investigative databases.

OIG Helpdesk

Up-to-date infrastructure and management systems are essential to strengthening the efficiency, economy, and effectiveness of OIG's programs and operations and protecting them from fraud, waste, and abuse. OIG continued to improve its information management systems to help OIG staff perform more productively and reduce risks to security and systems.

OIG implemented a helpdesk program using a new, Web-based software system that is user-friendly and adaptable to multiple management purposes. It creates and tracks requests made to administrative offices for support in areas such as information technology and human resources, and it contains a knowledge base that allows helpdesk staff to document common issues, post forms, and provide information that users can access easily.

It can also be used to manage tasks and resources and customized, up-to-date reports, including statistical tables, can be generated.



APPENDIX II

Reporting Requirements for MCC

FINANCIAL AUDIT REPORTS ISSUED April 1 – September 30, 2008 MCC

Report Number	Date of Report	Report Title	Amount of Findings	Type of Findings
—FOREIGN GOVERNMENT ENTITIES—				
M-000-08-007-N	04/11/08	Audit of the MCC Resources Managed by Millennium Challenge Account - Armenia S.N.C.O. (MCA-Armenia), under the Compact Agreement Between the MCC and the Government of Armenia from September 1, 2006 to June 30, 2007		
M-000-08-008-N	04/25/08	Audit of the MCC Resources Managed by Millennium Challenge Account - Cape Verde (MCA-Cape Verde), Under the Compact Agreement Between the MCC and the Government of Cape Verde from July 1, 2006 to December 31, 2006		
M-000-08-009-N	05/28/08	Audit of the MCC Resources Managed by Millennium Challenge Account - Armenia S.N.C.O. (MCAArmenia), Under the Compact Agreement Between the MCC and the Government of Armenia from July 1, 2007 to December 31, 2007		
M-000-08-010-N	06/06/08	Audit of the MCC Resources Managed by Millennium Challenge Account - Honduras (MCA-Honduras), Under the Compact Agreement Between the MCC and the Government of Honduras from July 1, 2007 to December 31, 2007		
M-000-08-011-N	06/16/08	Audit of the MCC Resources Managed by MCA-El Salvador Under the Compact agreement between the MCC and the Government of El Salvador from July 1, 2007 to December 31, 2007		
M-000-08-012-N	06/23/08	Audit of the MCC Resources Managed by MCA-Benin Under the Compact Agreement Between the MCC and the Government of Benin from July 1, 2007 to December 31, 2007		
M-000-08-013-N	06/30/08	Audit of the MCC Resources Managed by the Millennium Challenge Georgia Fund (MG), Under the Compact Agreement Between the MCC and the Government of Georgia for the period from July 1, 2007 to December 31, 2007		
M-000-08-014-N	07/03/08	Audit of the MCC Resources Managed by the Millennium Challenge Account - Vanuatu (MCA-Vanuatu), Under the Compact Agreement Between the MCC and the Government of Vanuatu From January 1, 2007 to June 30, 2007	\$ 3,184	UN
M-000-08-015-N	07/28/08	Audit of the MCC Resources Managed by Millennium Challenge Account - Cape Verde (MCA-Cape Verde), Under the Compact Agreement Between the MCC and the Government of Cape Verde from January 1, 2007 to June 30, 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings	Type of Findings
M-000-08-016-N	07/28/08	Audit of the MCC Resources Managed by MCA-Nicaragua, Under the Compact Agreement Between the MCC and the Government of Nicaragua from July 1, 2007 to December 31, 2007		
M-000-08-017-N	07/28/08	Audit of the MCC Resources Managed by MCA-Madagascar, Under the Compact Agreement Between the MCC and the Government of the Republic of Madagascar from July 1, 2007 to December 31, 2007	\$ 40,350 \$ 57,012	Ineligible UN
M-000-08-018-N	08/08/08	Audit of the MCC Resources Managed by the Millennium Development Authority (MiDA), Under the Compact Agreement Between the MCC and the Government of Ghana from August 1, 2006 to December 31, 2006		
M-000-08-019-N	08/08/08	Audit of the MCC Resources Managed by the Millennium Development Authority (MiDA), Under the Compact Agreement Between the MCC and the Government of Ghana from January 1, 2007 to December 31, 2007	\$ 2,033,256 \$ 209,678	Ineligible UN
M-000-08-020-N	09/29/08	Audit of the MCC Resources Managed by Millennium Challenge Account-Mali (MCA-Mali), Under the Compact Agreement Between the MCC and the Government of the Republic of Mali from November 13, 2006 to December 31, 2007		

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

PERFORMANCE AUDIT REPORTS ISSUED April 1 – September 30, 2008 MCC

Report Number	Date of Report	Report Title	Amount of Findings	Type of Findings
M-000-08-004-P	09/26/08	Audit of the MCC Compliance with the Provisions of the Federal Information Security Management Act for Fiscal Year 2008		
M-000-08-005-P	09/30/08	Audit of the MCC's Management of Its Interagency Agreements		

MISCELLANEOUS REPORTS ISSUED April 1 – September 30, 2008 MCC

Report Number	Date of Report	Report Title	Amount of Findings	Type of Findings
—QUALITY CONTROL REVIEW—				
QCR No. M-000-08-001-Q	05/22/08	Quality Control Review of "Audit of the MCC Resource Managed by MCA-Benin, Under the Compact Agreement Between MCC and the Government of Benin from January 1, 2007 to June 30, 2007"		

AFGHANISTAN AND IRAQ AUDIT REPORTS ISSUED April 1 – September 30, 2008 MCC

Report Number	Date of Report	Report Title	Amount of Findings	Type of Findings
—NOTHING TO REPORT—				

BU – Better Use of Funds • QC – Questioned Costs • UN – Unsupported Costs • Note: UN is part of QC

AUDIT REPORTS OVER 6 MONTHS OLD WITH NO MANAGEMENT DECISION
As of September 30, 2008 MCC

Report Number	Auditee	Issue Date	Current Recommendation Status	Desired Decision Target Date
—NOTHING TO REPORT—				

SIGNIFICANT AUDIT RECOMMENDATIONS DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS WITHOUT FINAL ACTION
As of September 30, 2008 MCC

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
M-000-05-003-P	Audit of the Millennium Challenge Corporation's Compliance with Provisions of the Federal Information Security Management Act of 2002	06/20/05	3*	09/28/07	02/09
M-000-07-002-P	Audit of the MCC's Management of its Conditions Precedent in Its Compact Agreements	07/26/07	1	07/26/07	11/08
M-000-07-004-P	Audit of the MCC's Compliance with the Provisions of the Federal Information Security Management Act for Fiscal Year 2007	09/28/07	1	09/28/07	02/09
M-000-08-001-C	Audit of the MCC's Financial Statements, Internal Controls, and Compliance for the Period Ending September 30, 2007 and 2008	11/07/07	2	11/09/07	11/08
M-000-08-001-P	Audit of the MCC Programs in Madagascar	12/28/07	1 2 3 4	03/05/08 12/28/07 12/28/07 12/28/07	12/08 12/08 12/08 12/08
M-000-08-002-P	Audit of Compliance with Procurement Requirements by the MCC and Its Compact Countries	03/03/08	1 2 3 4 5	03/03/08 03/03/08 03/03/08 03/03/08 03/03/08	03/09 03/09 03/09 03/09 03/09

REPORTS ISSUED WITH QUESTIONED AND UNSUPPORTED COSTS

April 1 – September 30, 2008 MCC

Reports	Number of Audit Reports	Questioned Costs	Unsupported Costs*
A. For which no management decision had been made as of April 1, 2008	0	\$0	\$0
B. Add: Reports issued April 1 – September 30, 2008	3	\$2,343,480	\$269,874
Subtotal	3	\$2,343,480	\$269,874
C. Less: Reports with a management decision made April 1 – September 30, 2008	0	\$0	\$0
i. Value of Recommendations Disallowed by Agency Officials		\$0	\$0
ii. Value of Recommendations Allowed by Agency Officials		\$0	\$0
D. For which no management decision had been made as of September 30, 2008	3	\$2,343,480	\$269,874

*Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).

REPORTS ISSUED WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE
April 1 – September 30, 2008 MCC

Reports	Number of Audit Reports	Dollar Value
—NOTHING TO REPORT—		

U.S. Agency for International Development
Office of Inspector General
1300 Pennsylvania Avenue, NW
Room 6.6D
Washington, DC 20523

www.usaid.gov/oig

The Semiannual Report to the Congress is available on the Internet at
www.usaid.gov/oig/public/semiann/semiannual1.htm